

# The United Kingdom-India Trade Agreement Rules, 1939

UNION OF INDIA

India

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### Rule

### THE-UNITED-KINGDOM-INDIA-TRADE-AGREEMENT-RULES-1939 of 1939

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The United Kingdom-India Trade Agreement Rules, 1939Published Vide Notification Gazette of India, 1939 Part 1, part 1034 Rules have been reproduced as modified up-to date.No. 20-T (21)/39, dated the 17th June, 1939. - In exercise of the powers conferred by sub-section (2) of section 3 of the Indian Tariff Act, 1934 (32 of 1934) and in supersession of the notification of the Government of India in the Department of Commerce No. 780-T, dated the 24th December, 1932 the Central Government is pleased to make the following Rules:-Rules

#### 1. Short title.

- These Rules may be called the United Kingdom-India Trade Agreement Rules, 1939.

#### 2. Application.

- These Rules apply to goods consigned from the following countries namely:- (a) The United kingdom of Great Britain and Northern Ireland, and (b) The Colonies, British Protectorates, and territories under the British Mandate specified in the First Schedule.

#### 3. Definition.

- In these Rules - (a) "Act" means the Indian Tariff Act, 1934 (32 of 1934) (b) "British Colony" means any country specified in the First Schedule; (c) "expenditure on material" means the cost of the manufacturer of the material at the factory or works, including containers but excluding royalties; (d) "factory or works cost" means the cost of production to the manufacturer at the factory

or works and shall include the value of containers and other forms of interior packing ordinarily sold with the articles when it is sold retail but shall not include the manufacturer's or exporter's profit or the cost of exterior packing, carriage to port and other charges incidental to the export of the article subsequent to its manufacture; and(e)"United Kindgom" means the United Kingdom of Great Britain and Northern Ireland.

#### 4.

No article shall be deemed to be the produce or manufacture of the United Kingdom or a British Colony unless the Customs Collectors is satisfied -(1)Subject to the provisions of rule 5 that the article has been consigned from such country; and(2)(a)where the article is unmanufactured, that it has been grown or produced in such country, and(b)where the article is manufactured -(i)that it has been wholly manufactured in such country from material produced in such country; or(ii)that it has been wholly manufactured in such country from unmanufactured materials; or(iii)that it has been partially manufactured in such country and that the final process of manufacture has been performed in such country, and that the expenditure on material produced and labour performed in such country in the manufacture of the article is not less in the case of an article specified in the Second Schedule than one-half and in the case of other articles than one-quarter of the factory or works of the article in its finished state:Provided that where the goods are consigned from a British Colony the material produced and labour performed in any other British colony may be reckoned as though it were material produced or labour performed in the colony from which the goods were consigned.Explanation. - For the purposes of sub-clause (iii) of clause 2 (b) the final process of manufacture shall not be deemed to have been performed in any country in which no process other than a process of mixing, bottling, labelling, packing into retail containers or the like has been performed, but where such process as aforesaid has been performed in the country in die country in which the final process of manufacture has also been performed nothing herein shall render the cost of such process ineligible for inclusion in the computation of the fraction of the factory or works cost of the article in its finished state which represents expenditure on material produced and labour performed in that country.

#### 5.

Article of a description specified in the first column of the Third Schedule which have been consigned from the United Kingdom but are in other respect eligible under rule 4 to be deemed to be the produced or manufacture or a country specified in the corresponding entry in the second column thereof shall be deemed to be the produce or manufacture of that country notwithstanding that fact that they were not consigned therefrom.

### 6. Customs House procedure for goods entered for home consumption.

- If the owner of any goods entered for home consumption claims that they are chargeable with a preferential rate of duty, but is unable at the time of entry to satisfy the Customs Collector, that the goods fulfil the conditions, laid down in rule 4 or rule 4 read with rule 5, as the case may be, the Customs Collector -(i)shall levy and collect the duty at the standard rate, and if at any time within a

period of six months from the date of payment of duty at the standard rate the receives an application in this behalf from the owner of the goods and is duly satisfied that the goods are entitled to entry at the preferential rate, shall make a refund to the owner of the extra duty levied; or(ii)may, in his discretion, levy and collect the duty provisionally at the preferential rate, subject to the execution by the owner of the goods of a bond in one of the Forms prescribed in the Fourth Schedule binding himself to pay the balance of the duty.

## **7.**

(1)No claim that goods are chargeable with a preferential rate of duty shall be considered by the Customs Collector in respect of goods imported by post unless-(a)at the time of arrival in British India such goods are covered by a declaration as to the country of origin entered in the customs declaration form or (in the absence of such a form) on the wrapper of the package,or(b)such claim is made by the owner at any time before delivery of the goods is taken.(2)If the owner of the goods is unable to satisfy the Customs Collector that the goods fulfil the conditions laid down in rule 4 or rule 4 read with rule 5, the Customs Collector shall proceed in the manner prescribed in rule 6.

## **8. Customs House Procedure or goods entered for warehousing.**

(1)If the owner of any goods entered for warehousing claims that they are chargeable with a preferential rate of duty, but is unable at the time of entry to satisfy the Customs Collector that the goods fulfil the conditions laid down in rule 4 or rule 4 read with rule 5, as the case may be, the Customs Collector shall assess duty at the standard rate.(2). If the Customs Collector is satisfied before the goods are removed from the warehouse that they are chargeable with a preferential rate of duty, he shall re-assess them accordingly at the time of such removal(3)If the goods are removed from the warehouse without the Customs Collector being so satisfied, they may be dealt with in the manner prescribed in rule 6.

## **9. Power to levy unpaid balances as duty short-levied.**

- Where any payment of duty due under a bond has not been made in accordance therewith, and upon demand being made, the Customs Collector may, in his discretion and without prejudice to his power to enforce the bond, recover the amount due at any time as if it were duty short-levied within are meaning of section 28 of the Costoms Act, 1962 (52 of 1962)First Schedule[See rules 2(b) and 3(b)]List of British ColoniesEast Africa

## **1. Kenya, Uganda Protectorate and the Mandated Territory of Tanganyika.**

## **2. Northern Rhodesia.**

**3. Nyasaland Protectorate.**

**4. \* \* \***

**5. Zanzibar Protectorate.**

South Africa (including st. Helena)

**6. Basutoland.**

**7. Bechuanaland Protectorate.**

**8. Swaziland.**

**9. St. Helena.**

West Africa

**10. Gambia.**

**11. Gold Coast.**

**12. Togoland under British Mandate.**

**13. Nigeria.**

**14. The Cameroons under British Mandate.**

**15. Sierra Leone.**

Eastern and Far Eastern

**16. Arab Littoral of the Persian Gulf (i.e. Bahrein. Kuwalit and the Trucial Shaikhdoms)**

**17. Ceylon.**

**18. Hong Kong.**

**19. Malaya (i.e., the Colony of Singapore and the Federation of Malaya Comprising the States of Perak, Selangor, Negri Sembilan, Pahang, Johore, Kedah, Trengganu, Kelantan and Perlis and the Settlements of Penang and Malacca).**

**20. Mauritius**

**21. North Borneo.**

**22. Sarawak.**

**23. Seychelles.**

Mediterranean

**24. Cyprus.**

**25. Gibraltar.**

**26. Malta.**

Pacific

**27. British Solomon Islands Protectorate.**

**28. Fiji.**

**29. Gilbert and Ellice Islands.**

**30. Tonga.**

**31. New Hebrides (Condominium)**

West Indian (Including the Falkland Islands)

**32. Bahamas.**

**33. Barbados.**

- 34. Bermuda.**
- 35. British Guiana.**
- 36. British Honduras.**
- 37. Jamaica.**
- 38. Cayman Islands.**
- 39. Turks and Caicos Islands.**
- 40. Leeward Islands, i.e., Antigua, Dominica, Montserrat, St. Christopher-Nevis and the Virgin Islands.**
- 41. Trinidad and Tobago.**
- 42. Windward Islands, i.e., Grenada St. Lucia and St. Vincent.**
- 43. Falkland Islands.**

Second Schedule[See rule 4(2) (b) (iii)]

- 1. Sewing and Knitting Machines (and parts thereof) to be worked by manual labour or which require for their operation less than one quarter of one brake-horse-power.**
- 2. Cycles (other than motor cycles) imported entire or in section and parts and accessories; excluding rubber tyres and tubes.**
- 3. Motor cars including taxicabs and articles (other than rubber tyres and tubes) adapted for use exclusively as parts and accessories thereof.**
- 4. Motor omnibuses; chassis of motor omnibuses, motor vans and motor lorries, and parts of mechanically propelled vehicles and accessories excluding rubber tyres and tubes.**

## 5. Motor cycles and motor scooters and articles (other than rubber tyres and tubes) adapted for use as parts and accessories thereof.

Third Schedule(See Rule 5)

Description of articles	Country
Angostura bitters	Trinidad Bahamas. Barbados Bermuda. British Guiana. British Honduras. Jamaica.
Rum.	Leeward Island, i.e., Antigua, Dominica, Montserrat,st. Christopher-Nevis and the Virgin Islands. Mauritius. Trinidad. Windward Islands, i.e., Granada, St. Lucia and St. Vincent.

Fourth Schedule[See rule 6 (ii)]Form AKnow All Men by these presents that We of and.... of.... am/are held and firmly bound unto the Governor-General of India in Council (or, after the establishment of the Federation of India, the Governor-General of India) in the sum of Rs to be paid to the Governor-General of India in Council ((or, after the establishment of the Federation of India, the Governor-General of India), his successors or assigns for which payment, well and truly to be made I/we bind myself/ourselves and each of us my/our and each of our heirs and legal representatives firmly by these presents sealed with my/our respective seals, dated this.... day of... 19...Whereas I am/we are the importer(s) of the goods named below which to the best of my/our belief fulfil tire conditions laid down by the rules made under subsection (2) of section 3 of the Indian Tarrif Act, 1934 for determining, their eligibility to a preferential rate of duty under the First Schedule to that Act and Whereas I/we have not been able to produce at the time of making entry of such goods at the Customs House evidence to satisfy the Customs Collector that those conditions are fulfilled and WHEREAS the Customs Collector has agreed provisionally to accept duty at the preferential rate pending the production of such evidence and I/we have agreed that if such evidence is not presented to the Customs Collector within three months of the date of this bond or being so presented is not accepted by him as satisfactory I/we will pay to the Customs Collector on

demand the difference between the duty paid at the preferential rate and the duty leviable at the standard rate of the said goods. NOW the condition of this bond is such that if the necessary evidence as aforesaid shall be produced to the Customs Collector within the said period and he shall accept such evidence as satisfactory or if I/we shall pay on demand the difference between the duty paid at the preferential rate and the duty leviable at the standard rate on the said good, then the above written bond shall be void, otherwise the same shall be and remain in full force and virtue. Signed, sealed and delivered by the above named in the presence of -Form AAKnow All Men by these presents we of and .....of.....and.....of.....(hereinafter referred to as "the Importers") and we (Indenting House or Bankers) of .....(hereinafter referred to as "the Sureties" are held and firmly bound unto the Governor-General of India in Council (or, after the establishment of the Federation of India, the Governor-General of India) in the sum of Rs.....to be paid to the Governor-General of India in Council (or, after the establishment of the Federation of India, the Governor-General of India), his successors or assigns for which payment well and truly to be made we hereby jointly and several bind ourselves and each of us and each of our hires and legal representatives firmly by these presents sealed with our respective seals, dated this.....day of.....19. Whereas we the importers are the importers of the goods named below and we the sureties have been concerned in the purchase by the importers of the said goods (are the Bankers of the Importers) AND WHEREAS to the best of the knowledge of us the Importers and of us the Sureties the said goods fulfil the conditions laid down by the rules made under sub-section (2) of section 3 of the Indian Tariff Act, 1934 for determining their eligibility to a preferential rate of duty under the First Schedule to that Act And Whereas the Importers have not been able to produce at the time of making entry of such goods at the Custom House evidence to satisfy the Customs Collector that those conditions are fulfilled AND WHEREAS the Customs Collector has agreed provisionally to accept duty at the preferential rate pending the production of such evidence and the Importers have agreed that if such evidence is not presented to the Customs Collector within three months of the date of this bond or being so presented is not accepted by him as satisfactory they the Importers will pay to the Customs Collector on demand the difference between the duty paid at the preferential rate and the duty leviable at the standard rate on the said goods NOW the condition of this bond is such that if the necessary evidence as aforesaid shall be produced to the Customs Collector within the said period and he shall accept such evidence satisfactory or if the Importers or failing them the Sureties shall pay on demand the difference between the duty paid at the preferential rate and the duty leviable at the standard rate on the said goods, then the above written bond shall be void, otherwise the same shall be and remain in full force and virtue. Signed, sealed and delivered by the above named in the presence of -Form BKnow All Men By These presents that I/we.....of.....and.....of.....am/we held and firmly bound unto the Governor-General of India in Council (or, after the establishment of the Federation of India, the Governor-General of India) in the sum of Rs.....to be paid to the Governor-General of India in Council (or, after the establishment of the Federation of India, the Governor-General of India) his successors or assigns for which payment well and truly to be made I/we bind my self/ourselves and each of us my/our and each of our heirs and legal representatives firmly by these presents sealed with my/our respective seals, dated this day of 19. Whereas I am/we are a regular importer(s) of goods which fulfil the conditions laid down by the rules made under sub-section (2) of section 3 of the Indian Tariff Act, 1934 for determining their eligibility to preferential rates of duty under the First Schedule to that Act And Whereas it is likely that from time to time I/we may not be able to produce at the time of



making entry of goods at the Custom House evidence to satisfy the Custom Collector that those conditions are fulfilled and that the goods, particulars of which are contained in the bill of entry, are assessable to customs duty at the preferential rate And Whereas the Customs Collector at.....has agreed that if, having regard to the nature or particulars of such goods as detailed in such bill of entry, he is of opinion that it is likely that the necessary evidence is capable of being produced to satisfy him that the goods are entitled to be assessed for customs duty at the preferential rate he will provisionally accept duty on such goods at the preferential rate pending the production by me/us of the necessary evidence, and I/we have undertaken that in every such case I/we will within three months from the date of making entry of such goods present such evidence to the Customs Collector and that if such evidence is not in every case presented within the period aforesaid or if being presented it is not accepted by the Customs Collector I/we will forthwith on demand pay to the Customs Collector the difference between the duty paid on such goods at the preferential rate and the duty leviable at the standard rate And Whereas it has been further agreed with the Customs Collector that the Security given by these presents shall cover a total sum representing the difference between such rates of duty of Rs.....and that if and whenever the total unadjusted claims by the Customs Collector against me/us in respect of such unpaid duty shall amount to more than Rs the Customs Collector may refuse to consider the possibility of evidence being procurable though not available at the time of making entry of any further goods unless I/we shall offer to the Customs Collector and he shall be willing to accept a further bond in similar terms hereto for such amount as the Customs Collector shall decide NOW the condition of the above written bond or obligation is such that if the necessary evidence as aforesaid shall be produced to the Customs Collector within three months from the respective dates of making the entry from time to time of any such goods and the Customs shall accept such evidence or if the difference between the duty on any such goods at the preferential rate and the duty leviable at the standard rate shall from time to time be paid by me/us on the demand of the Customs Collector then the above written bond or obligation shall be void; otherwise the same shall be and remain in full force and virtue.Signed, sealed and delivered by theabove named in the presence of -