

## **India's Duty-Free Tariff Preference (DFTP) Scheme for Least Developed Countries (LDCs)**

### **1. Introduction:**

The Decision to provide Duty Free Quota Free (DFQF) access for LDCs was an outcome of the WTO Hong Kong Ministerial Meeting, held in December 2005. This decision as given in Annex F of the Hong Kong Ministerial Declaration *inter alia* requires all developed-country Members, and *developing-country Members declaring themselves in a position to do so*, to:

- (a) Provide duty-free and quota-free market access on a lasting basis, for all products originating from all LDCs by 2008 or no later than the start of the implementation period in a manner that ensures stability, security and predictability;*
- (b) Members facing difficulties should provide market access for at least 97 per cent of products originating from LDCs defined at the tariff line level, by 2008 or no later than the start of the implementation period. In addition, these Members shall take steps to progressively achieve compliance with the obligations set out above, taking into account the impact on other developing countries at similar levels of development, and, as appropriate, by incrementally building on the initial list of covered products;*
- (c) Developing-country Members are permitted to phase in their commitments and shall enjoy appropriate flexibility in coverage;*
- (d) Preferential rules of origin applicable to imports from LDCs are required to be transparent and simple, and contribute to facilitating market access.*

### **2. Duty Free Tariff Preference (DFTP) scheme of 2008**

Under this WTO Decision, India became the first developing country to extend this facility to Least Developed Countries (LDCs). India announced the Duty-Free Tariff Preference (DFTP) Scheme for LDCs in the year 2008. The Scheme was announced to give support to the LDCs in their trade initiatives. Under the Scheme, by 2012, 85% of India's total tariff lines were made duty free, 9% tariff lines enjoying a Margin of Preference (MOP) ranging from 10% to 100% and only 6% of total tariff lines retained in the Exclusion List with no duty preferences, for the exports from LDCs. The market access under the 2008 scheme covered 92.5% lines where LDCs globally exported.

To become a beneficiary under the DFTP Scheme, the prospective beneficiary country is required to provide a letter of intent as well as specimen seals and signatures of the officials authorised to issue the certificate of origin under the DFTP Scheme. The prescribed format of the letter of intent and specimen seals and signatures of the authorised officials, as required under the Scheme have been placed at Annex I and Annex II respectively.

### **3. Expansion and simplification of the DFTP scheme in 2014**

Based on deliberations with beneficiary countries and taking into account the inputs from domestic stakeholders, the DFTP Scheme was expanded by the Department of Commerce in 2014 both in terms of coverage and facilitation of trade. Based on the amendments carried out through **Customs tariff Notification No. 8/2014 dated 1<sup>st</sup> of April, 2014**, the DFTP scheme now provides duty free/preferential market access on about 98.2% of India's tariff lines (at HS

6-digit level of classification). Only 1.8% of the tariff lines have been retained in the Exclusion List, with no duty concessions. As per the notification of 2021, only 97 lines are under exclusion list and 115 lines are under MOP (Margin of Preference) list. On all other lines, zero duty access has been provided for exports from beneficiary LDCs.

Secondly, with a view to facilitate trade, certain procedural modifications to the Rules of Origin of the DFTP Scheme were made **vide customs non-tariff notification 29/2015-**

**Cus (NT), dated 10<sup>th</sup> March, 2015.** The key changes in the notification were as under:

- i. Rules of origin criteria changed to CTS<sup>H</sup> + 30% (instead of the earlier criteria of CTH+30%);
- ii. Allowing the option for calculation of value addition based on either ex-works price of the goods or FOB value only (the 2008 scheme had only the option of FOB value)
- iii. Certificate of origin shall be in ISO standard plain A4 size paper in the prescribed format, (instead of blue coloured A4 size paper).

In short, the new expanded and simplified DFTP Scheme provides improved market access to the beneficiary countries as well as to the other eligible LDCs. The new scheme provides market access on **95.5%** of the lines on which LDCs have made to exports to India over the last two financial years (i.e., 2015-16 and 2016-17).

Further CBIC has clarified in Circular No. 53/2020- Customs (8 December, 2020) that where value of goods does not have impact on originating status i.e., the originating criteria is wholly obtained, the certificate of origin issued in terms of duty-free tariff preference scheme for LDCs with third party commercial invoice may be accepted.

#### 4. Country Coverage

As of June 2023; 35 LDCs have been notified as beneficiaries to the scheme\*. These countries include the following:

S. No.	Country name	S. No.	Country name	S. No.	Country name
1	Benin	13	Liberia	25	Togo
2	Burkina Faso	14	Madagascar	26	Zambia
3	Burundi	15	Malawi	27	Afghanistan
4	Chad	16	Mali	28	Bangladesh
5	Comoros	17	Mozambique	29	Cambodia
6	Central African Republic	18	Niger	30	Timor Leste
7	Eritrea	19	Rwanda	31	Lao PDR
8	Ethiopia	20	Senegal	32	Myanmar

S. No.	Country name	S. No.	Country name	S. No.	Country name
9	Gambia	21	Somalia	33	Haiti
10	Guinea	22	Sudan	34	Yemen
11	Guinea Bissau	23	Uganda	35	Sierra Leone
12	Lesotho	24	Tanzania		

\*Those LDCs which have graduated out of UN list of LDCs have been deleted from this list

## 5. Implementing Notification of the DFTP Scheme and Notifications of Accessions

The relevant Indian customs notifications pertaining to the DFTP Scheme are :

23/2022 Customs	30-Apr- 2022	Seeks to amend the various Customs Tariff notifications in order to align the HS Codes of the said notifications with the Finance Act, 2022, w.e.f. 01.05.2022	<a href="#">View</a>
60/2021- Cus	30-Dec- 2021	Seeks to amend FTA/PTA notification to align with HSN 2022 w.e.f. 1.1.2022	<a href="#">View</a>
50/2021- Cus	22-Oct- 2021	Seeks to amend notification No. 96/2008-Customs dated 13.08.2008 to include Sierra Leone	<a href="#">View</a>
26/2021- Cus	08-Apr- 2021	Seeks to amend customs notifications to make changes consequential to enactment of Finance Act, 2021	<a href="#">View</a>
16/2021- Cus	05-Feb- 2021	Seeks to amend notification Nos. 96/2008-Customs, 57/2009-Customs, 101/2007-Customs and 50/2018-Customs consequential to imposition of Agriculture Infrastructure and Development Cess (AIDC)	<a href="#">View</a>
36/2019- Cus	30-Dec- 2019	Seeks to amend Customs Tariff notifications so as to align them with amended Customs Tariff.	<a href="#">View</a>
68/2017- Cus	27-Jul- 2017	Seeks to amend Notification No. 96/2008-Customs dated 13 <sup>th</sup> August 2008 to insert S. No. 35-Republic of Niger and S. No. 36 - Republic of Guinea in the Schedule to the notification.	<a href="#">View</a>
02/2017 Cus	27-Jan- 2017	Seek to further amend Notification No. 96/2008-Customs dated 13.08.2008 so as to prescribe a Margin of Preference of 60% for all goods falling under sub-heading [0802 80] under the Duty Free Tariff Preference (DFTP) scheme.	<a href="#">View</a>
67/2016- Cus	31-Dec- 2016	Seeks to amend Notification No.105/1999-Customs; 75/2005- Customs; 74/2005-	<a href="#">View</a>

		Customs; 28/1995- Customs; 76/2003- Customs; 21/2012- Customs; 72/2005- Customs; 24/2005- Customs; 101/2007- Customs; 12/2012- Customs; 26/2000- Customs; 73/2005- Customs; 10/2008- Customs; 96/2008- Customs; 57/2009- Customs; 72/2009- Customs; 24/2005- Customs; 101/2007- Customs; 151/2009- Customs; 105/1999- Customs; 85/2004- Customs; 73/2005- Customs; 10/2008- Customs	
46/2016- Cus	23-Aug- 2016	Seeks to further amend Notification No. 96/2008-Customs dated 13.08.2008 so as to include 'Republic of Guinea-Bissau' in the list of countries eligible for preferential tariff under the said notification.	<a href="#">View</a>
39/2016- Cus	21-Jun- 2016	Seeks to further amend Notification No. 96/2008-Customs dated 13.08.2008 so as to include Republic of Togo' and Republic of Chad' in the list of countries eligible for preferential tariff under the said notification.	<a href="#">View</a>
34/2016- Cus	19-May- 2016	Seeks to further amend notification No. 96/2008-Customs dated 13.08.2008, so as to carry out the following changes: to omit 'Samoa' and 'Maldives' from the list of countries eligible for preferential tariff under the said notification; to amend the name of 'Republic of East Timor' as 'Democratic Republic of Timor-Leste'.	<a href="#">View</a>
12/2015- Cus	10-Mar- 2015	Seeks to amend notification No. 96/2008-Customs, dated the 13 <sup>th</sup> August, 2008	<a href="#">View</a>
29/2015 Cus (N.T.)	10-Mar- 2015	Customs Tariff (Determination of Origin of Products under the Duty Free Tariff Preference Scheme for Least Developed Countries) Rules, 2015.	<a href="#">View</a>
08/2014- Cus	01-Apr- 2014	Seeks to amend Notification No. 96/2008-Customs, dated 13-08-2008 (DFTP scheme for LDCs )	<a href="#">View</a>
33/2013- Cus	19-Jun- 2013	Seeks to amend the notification No. 96/2008-Customs, dated 13 <sup>th</sup> August, 2008 so as to include "Republic of Haiti" in the list of Least Developed Countries	<a href="#">View</a>
19/2013- Cus	02-Apr- 2013	Seeks to amend the notification No. 96/2008-Customs, dated 13 <sup>th</sup> August, 2008 so as to include "Republic of Yemen" in the list of Least Developed Countries eligible to avail of the benefit of duty free tariff preferences (DFTP) scheme	<a href="#">View</a>

56/2012- Cus	01-Oct- 2012	Seeks to amend notification no. 96/2008-Customs dated 13 <sup>th</sup> August 2008, so as to provide deeper concessions under DFTP scheme for Least Developed Countries (LDCs).	<a href="#">View</a>
113/2011 – Customs	23-Dec- 2011	Amends Notification No. 96/2008-Customs, dated the 13 <sup>th</sup> August, 2008	<a href="#">View</a>
90/2011 – Customs	16-Sep- 2011	Seeks to amend Notification No. 96/2008-Customs dated 13 <sup>th</sup> August 2008, to provide deeper concessions under DFTP scheme for Least Developed Countries (LDCs).	<a href="#">View</a>
45/2011 – Customs	01-Jun- 2011	Seeks to amend notification no. 96/2008-Customs, dated 13.08.2008 so as to include Islamic republic of Afghanistan” as one of the beneficiaries to DFTP scheme”	<a href="#">View</a>
121/2010 – Customs	01-Dec- 2010	Amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 96/2008-Customs, dated the 13 <sup>th</sup> August, 2008	<a href="#">View</a>
95/2010 – Customs	15-Sep- 2010	Amends Notification No. 96/2008-Customs, dated the 13 <sup>th</sup> August, 2008	<a href="#">View</a>
67/2010 – Customs	08-Jun- 2010	Amends Notification No. 96/2008-Customs, dated the 13 <sup>th</sup> August, 2008	<a href="#">View</a>
64/2010 – Customs	14-May- 2010	Amends Notification No. 96/2008-Customs, dated the 13 <sup>th</sup> August, 2008	<a href="#">View</a>
63/2010 – Customs	13-May- 2010	Amends Notification No.96/2008-Customs, dated the 13 <sup>th</sup> August, 2008	<a href="#">View</a>
86/2009 – Customs	06-Aug- 2009	Amends Notification No. 96/2008-Customs, dated the 13 <sup>th</sup> August, 2008	<a href="#">View</a>
59/2009 – Customs	09-Jun- 2009	Amends Notification No. 96/2008-Customs, dated the 13 <sup>th</sup> August, 2008	<a href="#">View</a>
45/2009 – Customs	04-May- 2009	Amends notification No. 96/2008-Customs, dated the 13 <sup>th</sup> August, 2008	<a href="#">View</a>
24/2009 – Customs	20-Mar- 2009	Amending Notification published vide number G.S.R. 590€, dated the 13 <sup>th</sup> August, 2008.	<a href="#">View</a>
07/2009 – Customs	19-Jan- 2009	Amends Notification No. 96/2008-Customs, dated the 13 <sup>th</sup> August, 2008	<a href="#">View</a>
<b>113/2008- Cus</b>	<b>31-Oct- 2008</b>	<b>Uganda, Rwanda and Madagascar – Exemption to imports therefrom – Amendment to Notification No. 96/2008-Cus.</b>	
99/2008 – Customs	28-Aug- 2008	Amendments in the notification No. 96/2008-Customs, dated the 13 <sup>th</sup> August, 2008	<a href="#">View</a>
<b>96/2008 - Customs</b>	<b>13-Aug- 2008</b>	<b>Regarding Duty free tariff preference for Least Developed Countries</b>	<a href="#">View</a>

## **6. Contact points**

For any information or queries related to the DFTP Scheme, a mail may kindly be sent at the following IDs: [ad2tpd-doc@nic.in](mailto:ad2tpd-doc@nic.in)

**Letter of Intent**  
**(Indicative Sample)**

To

The Department of Commerce

Government of India

New Delhi.

This is with reference to India's Duty-Free Tariff Preference (DFTP) Scheme for Least Developed Countries.

The Government of  
(Name of the \_\_\_\_\_  
Beneficiary country) intends to avail the benefits under the DFTP Scheme and accordingly, submits this Letter of Intent for being covered under this Scheme.

The Government of (name of the beneficiary country) also undertakes that it would \_\_\_\_\_  
comply with the provisions of the Duty Free Tariff Preference Scheme for Least Developed Countries.

(Seal of the Government of the beneficiary  
country)

Date:

Place:

## ANNEX II

Format for furnishing details of Agency/Officers authorised to issue Certificate of Origin  
under India's DFTP Scheme

### I. Name and address of the Agency/Authority:

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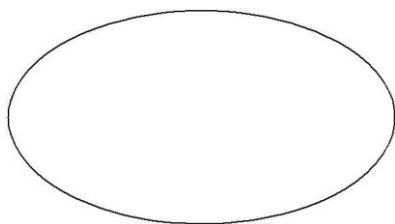
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### II. Names and specimen signatures of officers:

**Names and designation of officers   Specimen signatures**

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2.	<hr/>	<hr/>
3.	<hr/>	<hr/>
4.	<hr/>	<hr/>
5.	<hr/>	<hr/>

### III. Impression of the Official Seal of the Agency/Authority



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