

Question No. 5 Write short notes on the following: i) Legal framework for foreign trade

Solution: The Foreign Trade (Development and Regulation) Act, 1992 and the Foreign Trade (Regulation) Rules, 1993 and the Foreign Trade (Exemptions from Application of Rules in Certain Cases) order, 1993 issued thereunder, replaced the earlier legal regime consisting of the Imports and Exports (Control) Act, 1947 and the Import (Control) Order, 1955 and the Export (Control) Order, 1988 issued thereunder and amended from time to time. With the operation of new legal regime, the era of foreign trade controls witnessed its demise.

The Primary objective of this Act is to provide for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto. The Export and Import Policy of India is issued under this Act and any amendments to the Policy provisions are also made thereunder. The permission for export and import is also given under this Act by granting the Importer-Exporter Code Number (IEC). This IEC number has also dispensed with the need of the Code Number for Export (CNX). The maximum punishment for the commission of any offence, contravention of any law, harming country's trade relations or bringing disrepute to the credit or the goods of the country while conducting the export-import trade transactions, is also operated through the suspension and/or cancellation of the Importer-Exporter Code Number.

The necessary provisions relating to Appeal and Revision are also provided. This Act provides the powers under the Code of Criminal Procedure, 1973 relating to searches and seizures and Code of Civil Procedure, 1908 for making any adjudication or hearing any appeal or exercising any powers of revision under this act.