

CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS (CBIC) TO NOTIFY THE KOREAN WON (WON) AND TURKISH LIRA (TRY) IN THE LIST OF CURRENCIES FOR EXCHANGE RATE

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Foreign capital, Foreign Trade & BoP

Ministry of Finance

Central Board of Indirect Taxes and Customs (CBIC) to notify the Korean Won (WON) and Turkish Lira (TRY) in the List of Currencies for Exchange Rate

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Under Section 14 of the Customs Act, 1962, the Central Board of Indirect Taxes and Customs (CBIC) notifies the Rate of Exchange for the purpose of conversion of foreign exchange to Indian Rupees (INR) and vice versa for assessment of imports & exports. Currently, CBIC notifies exchange rates for 20 currencies for the purpose of valuation of imported and exported goods and it has been now decided to include 2 more currencies namely Korean Won (WON) & Turkish Lira (TRY) in the list of such currencies.

Bilateral Trade between India-South Korea grew to \$16.36 Billion during 2017-18 from \$12.59 Billion in 2016-17 and South Korea is ranked 8th amongst India's trade partners in terms of imports during 2017-18. Also, as India has Comprehensive Economic Partnership Agreement (CEPA) with South Korea, the trade flow between the two countries is expected to grow further. Bilateral trade between India & Turkey also stood at US \$ 7.2 Billion during 2017-18. More than 150 companies with Indian capital have registered businesses in Turkey in the form of joint-ventures, trade and representative offices.

Notifying Korean Won and Turkish Lira by CBIC will facilitate trade & business by easing the process of conversion of these currencies into INR and vice versa. The initiative is also anticipated to help the exporters claim the benefits of Merchandise Export Incentive Scheme (MEIS) easily, as the rates of TRY and WON will be readily available on the realization date of remittances. Overall, it is expected to decrease the transaction cost and enhance the ease of doing business, thereby, benefitting the Indian, Korean and Turkish businesses.

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