International Investment

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The following article reports on regional developments affecting international investment.

I. Costa Rica[a]

Law Number 7,210 regulates the Free Trade Zone Regime (FTZR).[1] The law defines FTZR as a set of incentives and benefits granted by Costa Rica to those companies that undertake new investments and comply with local requirements. On March 30, 2004, Congress enacted a decree,[2] authorized by the Executive, amending Law Number 7,210 regarding the extension of incentives and benefits to companies located outside the industrial zone area. Congress is currently discussing two bills: (i) a national tax reform proposing, *inter alia*, changes to the current income tax, value-added tax, and the Tax Code of Standards and Procedures; and (ii) an amendment to the Organic Law of the National Banking System, modifying the foreign entities' section to promote competition in the financial sector and to increase banking investment in Costa Rica.

II. El Salvador[b]

On December 22, 2004, Congress authorized the Executive to create the Special Trust for Job Creation in Strategic Productive Sectors.[3] The Trust is designed to provide temporary assistance to establishment and start-up investments in certain key sectors with an immediate impact in job creation. The Trust will be active until its liquidation date of May

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1. Ley de Zonas Francas, Ley No. 7210, de 23 de noviembre de 1990 (Costa Rica) [hereinafter Treaty].

2. Amendment to Law No. 7210, Mar. 30, 2004 (Costa Rica) [hereinafter Costa Rica Amendment].

b. Contributed by Ricardo A. Cevallos. Mr. Cevallos is a partner with Delgado & Cevallos, San Salvador, El Salvador.

3. Special Trust for the Creation of Employment in Strategic Productive Sectors, Law Decree No. 565, 240 Oficial Gazette, 23 de decembre 2004 (El Salvador).

31, 2009. Regulations issued on January 21, 2005,[4] establish the following requirements to qualify for the benefits of the Trust: (1) there must be new investment or additional investment in facilities; (2) the investment must create at least 250 new jobs, with salaries of US $200 per month or more; and (3) the investment must be in a strategic sector. Strategic sectors include those sectors that are not fully developed locally, such as innovative goods or services that utilize new technologies or production methods, information technology, or the creation of raw materials for the textile industry. The benefits established in the implementing regulations include assistance with initial expenses related to utilities, basic services, environmental studies, and employee training.

III. Honduras[c]

Since the enactment of the Law of Administrative Simplification[5] in July 2002, the Executive and Legislative have continued their initiative to facilitate foreign investment by eliminating archaic barriers and other potential obstacles.

The year 2004 saw the enactment of an Immigration Law,[6] which simplified the procedures and modernized the criteria for allowing foreigners to invest and work in Honduras, and a Property Law,[7] which modernized the property and commercial registries, reduced tariffs, eliminated stamp and paper taxes, and simplified the procedure for resolving conflicts regarding real property. In the last few weeks, there have been two new proposals in Congress that would modify the pension system and compensation for employment-contract termination, which would affect investment in relation to labor and employment. In an election year, such proposals tend to be hotly debated, so the final outcome cannot be predicted at this time.

IV. Perú[d]

During 2005, there were mixed developments in Peru's Investment legislation. Important pro-investment legal measures were enacted, such as the Law for the Promotion of Decentralized Investment,[8] which regulates investment at national, regional, and municipal levels, and accords certain initiative and decision making power to regional and municipal governments. As a result, Peru became the fourth most favored investment destination in Latin America, significant new investment was made in the mining and energy areas, and the concession of infrastructure development projects was reactivated.

On the other hand, there has been increasing social concern over the effects of certain investments (especially in the natural resources sector), and certain legal measures were enacted that might seem unfriendly to investment. For instance, a law was enacted creating a royalty payable by all mining companies and calculated on the basis of production and

4. Regulations issued Jan. 21, 2005 (El Salvador).

c. Contributed by José Rafael Rivera Ferrari. Mr. Rivera Ferrari is a partner with J.R. Paz & Asociados, Tegucigalpa, Honduras.

5. Ley de Simplificacion Administrativa, Decreto No. 255-2002 10 de agosto del 2002. (Honduras).

6. Ley de Migracion y Extanjeria, Decreto No. 208-2003, 3 de marzo del 2004 (Honduras).

7. Ley de Propiedad Predia, Decreto No. 82 2004, 29 de junio del 2004 (Honduras).

d. Contributed by Jean Paul Chabaneix. Mr. Chabaneix is a partner with Rodrigo, Elías & Medrano, Lima, Perú.

8. Legislative Decree No. 662—Foreign Investment Promotion Law.

the price of concentrates.[9] In addition, the government created a temporary tax on assets that applies to all companies and individuals with assets in excess of approximately US $1.5 million.

V. Brazil[e]

Perhaps one of the most important recent developments is the new bankruptcy law. The Brazilian Congress enacted legislation at the beginning of 2005 that introduced reorganization procedures similar to those in U.S. Chapter 11.[10] The new law contemplates restructuring troubled companies that are nevertheless economically viable, thus avoiding the unnecessary shut-off of productive entities and the loss of jobs. The law promotes the recovery and maintenance of productive activities; for example, if the company is not viable, a transfer of assets must be expedited to avoid their depreciation, thereby maximizing their social utility. A fast and efficient recovery of credits should ultimately reduce default costs and help shrink outrageous Brazilian interest rates.

The recent Public Private Partnerships (PPPs) Law, approved in December 2004,[11] has been a long-awaited innovation that should prove useful in attracting infrastructure investments. The new law embraces a broad and generic concept of public-private partnerships. A PPP includes any arrangement between the public administration and a private entity that involves the financing and execution of a venture or activity.[12] That venture or activity may include the rendering of public services, the execution of work for sale or lease to the public sector, and the performance of additional activities that would otherwise be impossible or impractical under the public sector's domain. Furthermore, it gives certain guarantees to the investors that are quite attractive.

Finally, the Brazilian Antitrust Law,[13] now eleven years old, is in the process of being adapted to the new stage of the world economic environment. Current law has been both cumbersome, with too many authorities ruling on merger filings, and overly vague, leading to diverging interpretations. A bill under active consideration would establish a pre-notification system similar to those in many other countries. It would also raise the control thresholds above which antitrust agency review is necessary.

Finally, Brazil is also anxiously awaiting tax and labor reforms, but they will certainly be left for next year or possibly 2007, because 2006 is a presidential election year.

VI. Uruguay[f]

Following an economic crisis in 2002, the consequences of which have continued in subsequent years, Uruguay, in the latter part of 2005, adopted a set of measures aimed at facilitating and improving investment. These measures include: expanding the definition of the possible projects included within the investment promotion regime, under which in-

9. Law No. 28528, June 2004 (Peru).

e. Contributed by Isabel Franco. Ms. Franco is a partner with Demarest & Almeida, Sao Paulo, Brazil.

10. Lei No. 11101, de 9 de fevereiro de 2005, D.O. de (Brazil).

11. Lei No. 11079, de 30 dezembro de 2004, D.O. de (Brazil).

12. Lei No. 11074, art. 2, de 30 de dezembro de 2004, D.O. de (Brazil).

13. Lei No. 8884, de 11 de junho de 1994, D.O. de (Brazil).

f. Contributed by Agustín Mayer. Agustín Mayer is a partner with Ferrere Abogados, Montevideo, Uruguay.

vestments considered of national interest are granted certain tax exemptions; applying the free trade zones regime to specific projects, within which the largest private investment in the history of Uruguay is currently being organized; reducing or exempting certain social security contributions made by agricultural, manufacturing, and building companies; and enacting a Trust Fund Law to facilitate access to credit and thereby foster investments. The new government authorities that were inaugurated March 1, 2005, are expected to continue to develop this process.

VII. Chile[g]

The Chilean Internal Revenue Service (SII) issued Ruling 52,[14] regulating the operating procedures in Chile applicable to regional presidencies established in the country by foreign companies. Ruling 52 became effective October 11, 2005, the date the Official Gazette published the Ruling. These instructions complement prior regulations issued for purposes of converting Chile to a business platform for the Region. The Ruling clarifies that regional presidencies are not by themselves juridical entities. Instead, they consist of a number of executives and regional directors who work for foreign entities and have come to Chile to direct, supervise, and coordinate the implementation of the commercial, marketing, financial, administrative, productivity, and human resources policies of their employer's enterprises. However, they are not permitted to perform these activities with respect to companies domiciled in Chile. In practice, this structure is achieved through a power of attorney granted by the foreign entity to an individual or a juridical entity to act on its behalf for the purpose of, *inter alia*, paying compensation to the regional presidency's personnel, purchasing real estate, and executing lease and service agreements. The regional presidency must obtain an RUT or taxpayer number.

Since the regional presidency's purpose is not to develop remunerated activities in Chile, it must keep a daily record of its operations carried out in favor of the foreign company. The regional presidency must then file with the SII, in April of each year, a simple affidavit stating that the foreign company has not received any type of payment for activities carried out by the regional presidency in Chile.

Employees of the regional presidency in Chile are subject to the normal compensation taxation applicable in Chile. Foreigners domiciled or residing in Chile are subject to Chilean income taxes only on their Chilean-source income during the first three years after their arrival. Once this period (and any extension) has elapsed, they become subject to Chilean income taxes on all their income.

In addition, the representative must keep a separate record of all the expenses incurred on behalf of his principal in connection with the regional presidency's activities and of the fund provisions or reimbursement of expenses made by the principal. Reimbursement of expenses incurred by the representative has no income-tax effect in Chile. Furthermore, there is no Value-Added Tax (VAT) on the amounts to be reimbursed from abroad. VAT paid on expenses associated to the regional presidency may not be recovered as fiscal credit by the representative.

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g. Contributed by Jimena Bronfman. Ms. Bronfman is a partner with Guerrero, Olivos, Novoa & Errázuriz, Santiago, Chile.

14. Chilean Internal Revenue Service Ruling 52.

The representative's remuneration is not subject to VAT but to normal income taxes. The First Category tax at a rate of 17 percent and the *Global Complementario* (a progressive-scale tax applicable to individuals domiciled or resident in Chile)—or a withholding tax at a rate of 35 percent (against which the 17 percent First Category tax may be credited)—are applicable to individuals or legal entities domiciled or resident abroad.

VIII. Argentina[h]

On June 6, 2005, Presidential Decree 616/2005[15] introduced further restrictions on the transfer of funds into and from Argentina. This Decree, implemented through the Argentine Central Bank's Communications "A" 4359,[16] "A" 4360,[17] and "B" 8941,[18] basically reinforced the existing obligation to register any transfer of foreign currency flowing into and from the local exchange market. The Government's intention is to maintain the so-called "exchange competitive advantages" by keeping the U.S. Dollar exchange rate at approximately three Pesos for every dollar.[19]

The decree mandates that, for most funds transferred into Argentina, 30 percent of the funds be deposited in a local financial entity in a nominative account for 365 days. The deposit is non-transferable, will not accrue interest, and may not be used as collateral for any transaction. This deposit requirement applies both to Argentine residents who incur indebtedness with non-Argentine residents and to foreign residents who make portfolio investments in Argentina. Failure to comply with these rules may result in penalties as set forth in the Criminal Exchange Regime[20] (Law Number 19,359).[21]

During 2005, following strong criticism both in Argentina and from abroad, the government recognized the negative implications of this regime and enacted many exceptions to it, such as those in real-estate and mining investments.

It is difficult to gauge the extent to which the government will attain the goals this regime seeks to achieve. Its primary impact seems to beget another perceived obstacle to foreign investments in Argentina. The newly-enacted exceptions, however, might express hopefully the Government's intention to curtail the negative impact of this regime and to show more flexibility towards potential foreign investors.

h. Contributed by Alejandro M. Massot. Mr. Massot is an associate with Caparrós & Randle, Buenos Aires, Argentina.

15. Presidential Decree No. 616/2005, June 10, 2005, *Boletín Oficial* 30672 (Arg.).

16. Central Bank Comm. No. "A" 4357, June 30, 2005, *Boletín Oficial* (Arg.).

17. Central Bank Comm. No. "A" 4360, July 19, 2005, *Boletín Oficial* (Arg.).

18. Central Bank Comm. No. "B" 8941, July 1, 2005, *Boletín Oficial* (Arg.).

19. The exchange rate has been approximately three pesos for every dollar since the beginning of 2003 and has remained stable at this level through a steady intervention of the Central Bank of Argentina in the exchange market.

20. This regime establishes fines up to ten times the operation's amount and penalties of imprisonment from one to eight years. It also establishes the suspension to operate in the local exchange market.

21. Law No. 19,359, Dec. 10, 1971, *Boletín Oficial* (Arg.).

IX. India[i]

A. Protective Safeguard Curtailed

In January 2005, the Government announced the almost-total dismantling of a significant hurdle faced by existing foreign joint venture partners who wished to establish new ventures either jointly or on their own.[22] Prior to this, the Government's foreign direct-investment policy required that the foreign partner in an Indian joint venture satisfy the Government that the new venture, if in the same or allied field as the existing joint venture, would not jeopardize the interests of the existing joint venture.[23] Under this policy, commonly referred to as *Press Note 18*, there was a presumption that the new venture would harm the existing venture. The onus was on the foreign partner to establish that it would not. In effect, *Press Note 18* required the Indian partner's consent (no objection) for any new (separate) investment by the foreign investor, unless the new investment was in an entirely unrelated field. For example, certain foreign automobile and consumer-durable manufacturers that had previously established Indian joint ventures rather than subsidiaries (primarily due to caps on foreign ownership) were precluded from establishing subsidiaries in India when the cap on foreign ownership was lifted because their existing joint-venture partners refused to give their consent.[24]

The new announcement (Press Note 1 of 2005) significantly narrows the requirement for consent by the Indian joint-venture partner, but does not dispense with it entirely. Accordingly, the consent requirement now applies only if the new proposed venture is (1) in the same field (rather than the same or allied field) and (2) would jeopardize the existing venture; but as to the latter, there is no presumption either way. The burden of establishing harm or the lack thereof is shared equally by both the foreign and the Indian partner in the existing venture.

In addition, there are several exceptions that further narrow the circumstances in which consent is required. The Indian partner's consent is not required if either partner's holding in the existing joint venture is less than 3 percent, or if the existing joint venture is defunct or unprofitable.

The new policy has been hailed in the trade press as having "unshackled the [multinational companies] from the Indian partner's bondage" and as having paved the way for providing a "level playing field to foreign investors."[25]

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22. *See* Press Note No. 1 (2005 Series), Ministry of Commerce & Industry, Government of India, *Guidelines pertaining to approval of foreign/technical collaborations under the automatic route with previous ventures/tie-up in India* (Jan. 12, 200).

23. *See* Press Note No. 18 (1998 Series), Udyog Thawar, Ministry of Industry & Commerce, Government of India, *Guidelines pertaining to approval of foreign technical collaborations under the automatic route with previous ventures/tie-up in India*, (Dec. 14, 1998).

24. *See* Heide B. Malhotra, *Toning down India's Foreign Investment Regulation*, Epoch Times International (Jan. 15, 2005) http://english.epochtimes.com/news/5-1-15/25712.

25. *Impact of Press Note 1 (2005 Series) on foreign/technical collaborations*, SEBI & Corporate Laws, Taxmann Publ. Vol. 57 (2005).

B. Expansion of Foreign Investment in Select Areas

During 2005, the Government continued to open up additional sectors of the Indian economy to foreign direct investment and, where applicable, has raised the caps on foreign ownership levels. There are major sectors, however, such as retail merchandising, that remain closed to foreign investment.

Given below are select new activities in which foreign investment is to be henceforth permitted, and certain restrictions that are no longer applicable.

1. *Real Estate*

Up to 100 percent foreign ownership is permitted in certain categories of real estate projects, subject to compliance with specified size, minimum-capitalization, and timing requirements. Permissible categories of housing projects include townships, housing, built-up infrastructure, and construction/development projects. The stated purpose is to generate economic activity, create new employment opportunities, and add to the available housing stock and built-up infrastructure.[26]

2. *Petroleum Sector*

Certain additional activities in the oil and gas industry have now been opened up for foreign investment.[27] The oil-and-gas industry in India is dominated by large public-sector undertakings. Hitherto, all foreign investments in the petroleum sector, other than private-sector oil refining, required prior government approval, which is usually a straightforward procedure but is given on a case-by-case basis. As of March 2005: foreign ownership of up to 100 percent in petroleum-product marketing; oil exploration in small- and medium-sized fields; and petroleum-product pipelines will be permitted under the *automatic route*.[28] The aforementioned foreign investments would be treated as private-sector investments and, accordingly, must comply with the regulatory framework and policies on private (as opposed to public) investment in the petroleum sector.

3. *Telecom Sector*

The ceiling for foreign investment in companies providing telecom services has been increased from 49 percent to 74 percent (direct plus indirect). While this may appear to be a major relaxation, in reality the permissible aggregate of the direct and indirect foreign ownership was already at 74 percent. The earlier policy permitted a 49 percent direct foreign ownership in the Indian telecom licensee plus a 49 percent foreign ownership in the Indian investment company holding the remaining 51 percent in the telecom licensee, with a stipulation that management control of the Indian investment company be vested with its resident Indian shareholders. Therefore, in reality, the aggregate direct and indirect foreign ownership cap was already 74 percent. Nonetheless, the increase in the direct ownership cap has been applauded because it is expected to lead to greater transparency and will obviate the need for unduly cumbersome shareholding structures.

26. *See* Press Note 2 (2005 Series), Ministry of Commerce & Industry, *Foreign Direct Investment (FDI) in townships, housing, built-up infrastructure and construction development project*, (Mar. 3, 2005).

27. *See* Reserve Bank of India, Notification No. GSR 201(E), No. FEMA 130/2005-RB, Mar. 17, 2005 *available at* www.rbi.org.in/scripts/NotificationUser.aspx?Mode_o&Id = 2495.

28. Under the *automatic route*, prior Government approval is not required; however, certain post-investment regulatory filings are required.

4. *Road Map for Foreign Banks*

The Reserve Bank of India, the central bank in India, laid out a road map for the implementation of policy decisions for the presence of foreign banks in India consistent with India's commitment to the World Trade Organization (WTO).[29] The roadmap for implementation is comprised of two phases: *Phase I* (March 2005 to March 2009) and *Phase II* (April 2009 onward). During Phase I, foreign banks meeting certain eligibility criteria will be permitted either (1) to establish a wholly-owned banking subsidiary (WOS), (2) to operate through a branch presence, or (3) to acquire an equity interest of up to 74 percent in a private bank identified by the Reserve Bank of India for restructuring. If a foreign bank chooses to establish a WOS, its existing branches must fold into the WOS, in keeping with the *one-mode-o -presence* criterion. Phase II will commence in April 2009 "after reviewing the experience with Phase I and after due consultations with all stakeholders in the banking sector."[30] Moreover, Phase II contemplates the removal of limitations on the operation of the foreign-bank subsidiaries and their treatment on par with domestic banks "to the extent appropriate."[31]

5. *Other*

Foreign investment also has been made less restrictive in a number of other sectors, including domestic airlines, print media, and natural gas (including liquefied natural gas). In the insurance sector, however, the cap of 26 percent on foreign ownership continues. Legislative action by the Indian Parliament is required, as the 26 percent limit is contained in the Insurance Act of 1938 itself, as amended.

6. *Retail Sector*

The retail sector continues to be off-limits for foreign direct investment. In May 2005, the Indian Prime Minister promised that the restricted retail sector would be opened up to foreign direct investment.[32] To date, however, there have been no implemented regulatory changes.

7. *Overseas Listings*

The Government has placed additional restrictions on Indian companies seeking access to the international capital markets. Indian companies have been issuing shares outside India through the depositary receipts mechanism and through foreign currency convertible bonds under a scheme promulgated by the Ministry of Finance.[33] This has been an important source of foreign institutional investment in and debt financing for larger Indian companies.

The scheme has now been amended to provide for a pricing floor in the overseas listing and to prohibit unlisted Indian companies from making an overseas listing unless a contemporaneous listing in India is also done. In all cases, the pricing floor in the overseas

29. *See* Reserve Bank of India, Roadmap for presence of Foreign Banks in India and Ownership and Governance in Private Sector Banks, Circular No. DBOD No. BP.BC. 71/21.01.01/2004-05, 28 February 2005.

30. Press Release 2004-05/910, Reserve Bank of India, *RBI unveils Roadmap for Presence of Foreign Banks in India and Guidelines on Ownership and Governance in Private Banks*, Feb. 28, 2005, at para. 3.1.

31. *Id.*

32. *See* Business Monitor International, *The INDIA Business Forecast Report: Q4 2005* at 20 (2005), *available at* www.businessmonitor.com/businessforecasts/india.html.

33. *See* Ministry of Finance, *Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depositary Receipt Mechanism) Scheme, 1993*, Nov. 12, 1993.

listing should be not less than the average trading in India of the issuer's shares. Since overseas listings by Indian companies are generally priced below the level at which their shares are trading in India, the amendment has severely curtailed overseas listings.

8. *Outbound Investment*

The Government has increased the cap on outbound investments by Indian companies so that up to 200 percent of the net worth can now be invested outside India. Subject to complying with prescribed requirements, Indian companies have been permitted to invest in wholly owned subsidiaries or joint ventures outside India. The investment can be in the form of equity, debt, and/or the giving of a guarantee.[34]

Until May 2005, the maximum financial commitment (investment) allowed was 100 percent of the net worth of the Indian (investing) company as on the date of the latest audited balance sheet.[35] According to the Reserve Bank of India, the increase to 200 percent of the net worth was made "[w]ith a view to promoting Indian investment abroad and to enable[ing] Indian companies to reap the benefits of globalisation [sic] . . ."[36] For purposes of the regulations, the financial commitment by the Indian company equals the aggregate of (1) contributions to equity *plus* (2) loans made *plus* (3) 50 percent of guarantees given, with respect to the overseas subsidiary.[37]

C. Implementation of VAT

As of April 1, 2005, the existing jumble of taxes at the state and central (federal) level was replaced by a simple value-added tax, or *VAT*, which is intended to simplify tax administration and make it more transparent. Foreign companies that rely on a distribution network in India for sale into the domestic market will stand to benefit from the simplification and predictability brought about by the introduction of VAT. Under the prior sales tax structure, there were problems of double taxation of commodities and a multiplicity of taxes resulting in a cascading tax burden.[38] Under the VAT, a set-off is given for input taxes as well as tax paid on previous purchases. In addition, the multiplicity of taxes prevailing in many states, such as turnover tax, surcharge, special-additional tax, and entry tax will be abolished or made "*VAT*-able."

D. Patent Amendment Act

As of January 1, 2005, the patent regime in India has been made fully compliant with requirements imposed by the Trade-Related Aspects of Intellectual Property Rights (TRIPs) Agreement of the WTO.

In April 2005, Parliament enacted the Patents Act (2005 Amendments),[39] amending the Indian Patents Act of 1970, with effect from January 1, 2005. The 2005 Amendments

34. *See* Reserve Bank of India, Notification No. FEMA 120/RB—2004, *FEMA (Transfer or Issue of Any Foreign Security) Regulations*, (July 7, 2004).

35. *Id.* at Regulation 6(2).

36. Reserve Bank of India, A. P. (Dir Series) Circular No. 92, *Overseas Investment: Liberalization* (May 12, 2005) *available at* www.rbi.org/Scripts/NotificationUser.aspx?Id-2254&mode = 0.

37. *Supra* note 9 at Regulation 2(f).

38. The Empowered Committee of State Finance, Government of India, *A White Paper on State-Level Value Added Tax*, SEBI & Corporate Laws, Taxmann Publ. Vol. 57 (2005).

39. The Patents (Amendment) Act, 2005, No. 15, Ministry of Law and Justice, 2005.

represent the completion of the phased implementation by India of TRIPs. The Indian Patents Act now provides for both product and process patents in almost all fields of technology. In the pharmaceutical sector, a patent can now be granted to a product (specified molecule) as well as to a process of a general class (the manufacture of such molecule). Patent protection is now available for twenty years.

E. Special Economic Zones

The Special Economic Zones Act (SEZ Act)[40] was enacted in June 2005 to create specifically delineated duty-free enclaves, which are deemed to be foreign territory for the purposes of trade operation, duties, and tariffs. In addition, the SEZ Act provides for establishing *Free Trade and Warehousing Zones* allowing for trade transactions in free (convertible) currency. The Act permits 100 percent foreign ownership in the development and establishment of such zones and their infrastructure facilities.[41] The purpose of the legislation is to promote the export of goods and services from India. The Government has taken these initiatives with a view to doubling India's share of global trade within five years and to expanding employment opportunities, especially in semi-urban and rural areas.[42]

40. The Special Economic Zones Act, 2005, No. 28, Ministry of Law and Justice, 2005.

41. *See* Ministry of Commerce & Industry, Government of India, *Highlights of Foreign Trade Policy*, Aug. 31, 2004.

42. *See* Ministry of Commerce & Industry, Government of India, Notification No. 1/2004-09, *Foreign Trade Policy 2004-2009*, Aug. 31, 2004.