

This column is compiled by Consultant [EXIM Policy] of EPCH. It contains recent Public Notices, Notifications and Circulars of DGFT, CBIC and Department of Revenue. If a handicraft exporter has question[s] to ask on Foreign Trade Policy, he/she may please write / e-mail to EPCH at policy@epch.com

Impex # 1

Last date to apply under DGFT 'Amnesty Scheme' extended up to 31.12.2023

DGFT issues Public Notice extending the 'Amnesty Scheme' up to 31.12.2023 and the last date for payment of Custom Duty plus interest extended till 31.03.2024.

The 'Amnesty Scheme' of DGFT announced on 01-04-2023 is an important scheme to close the outstanding Advance Authorisations and EPCG authorisations with lesser burden of interest. The validity of the scheme is upto 30.09.2023. Now DGFT has issued a Public Notice No. 20 dt 30.06.2023 amending para II (IV) of Public Notice no.7 dt 18.04.2023 (copy reproduced below). Due to the above amendment two things have resulted:

- 1) The last date to apply under the Amnesty Scheme has been extended till 31.12.2023
- 2) The last date for payment of custom duty and interest has been extended up to 31.03.2023

(Copy)DGFT Public Notice No:20/2023, Dated:30th June, 2023

Subject: Amnesty scheme for one time settlement of default in export obligation by Advance and EPCG authorization holders - Amendment reg.

The following Public Notices have been issued by the Directorate General of Foreign Trade :-

- (i) Public Notice No. 02/2023 dated 01.04.2023 -Notification of Amnesty Scheme.
- (ii) Public Notice No. 07/2023 dated 18.04.2023 -Amendment of Amnesty Scheme

2. In exercise of powers conferred under Paragraph 1.03 of the Foreign Trade Policy (FTP) 2023, as amended from time to time, the Director General of Foreign Trade hereby makes the following amendment in the para II(vii) of Public Notice No. 02/2023 dated 01.04.2023 notifying the Amnesty Scheme :-

II) vii. Any authorisation holder choosing to avail this benefit must complete the process of registration as mentioned in para (iii) above on or before 31.12.2023 and payment of Customs duty plus interest with the Jurisdictional Customs Authorities concerned shall be completed by 31.03.2024.

3. The other contents of the above mentioned Public Notices shall remain the same.

Effect of this Public Notice: The last date to apply under the Amnesty Scheme has been extended till 31.12.2023 and last date for payment of Customs Duty plus interest has been extended till 31.03.2024.

Impex # 2

Application for EOP extension of Advance Authorisation for Annual Requirement to be submitted physically and processed manually

DGFT issues Trade Notice on the subject of EOP extension for issuance of EODC for Advance Authorisation for Annual requirement.

DGFT has issued a Trade Notice No. 11/2023 dt 23.06.2023 informing that: For Annual Advance Authorisation cases, physical files may be submitted for redemption to the concerned DGFT Regional Authority (RA). On approval, the Authorisation holders may submit Closure/EODC Status Update request online to RA for updation as follows -

i. May navigate to DGFT website ' Services ' Advance Authorisation ' Annual Advance Authorisation Closure/EODC Status update.

RAs shall examine the application accordingly and any physical correspondence with the applicant shall be recorded online on the DGFT online portal in the correspondences section

All application for EOP extension of Advance Authorisation for Annual Requirement shall be submitted physically to the concerned RA and the same shall be processed manually.

Copy of DGFT Trade Notice No. 11 dt 23.06.2023 referred to above is reproduced below:

(Copy) DGFT Trade Notice No. 11/2023, Dated : 23rd June, 2023

Subject: Process for EOP extension and issuance of EODC for Advance Authorisation for Annual requirement-reg.

Reference is drawn to earlier Trade Notice no.01/2023-24 dated 6th April 2023 and Trade Notice No.24/2022-23 dated 12th January 2023 regarding the online functionality to AA / EPCG authorisation holders to update closure / redemption status on the DGFT Website (<https://www.dgft.gov.in>) of manually issued EODC in case incorrectly reflected on the DGFT portal.

2. In continuation to the said instructions, it is informed that -

For Annual Advance Authorisation cases, physical files may be submitted for redemption to the concerned DGFT Regional Authority(RA). On approval, the Authorisation holders may submit Closure/EODC Status Update request online to RA for updation as follows -

i. May navigate to DGFT website -> Services->Advance Authorisation - >Annual Advance Authorisation Closure/EODC Status update.

3. RAs shall examine the applications accordingly and any physical correspondence with the applicant shall be recorded online on the DGFT online portal in the correspondences section.

4. All applications for EOP extension of Advance Authorisation for Annual Requirement shall be submitted physically to the concerned RA and the same shall be processed manually.

Impex # 3

China dropped and United Kingdom added in the list of countries exempted from testing of textiles and textile items for presence of azo dyes

DGFT issues Public Notice updating Appendix 2x of FTP-2023 containing list of countries exempted from testing for presence from dyes in textiles and textile items.

The use of azo dyes in textile and textile items is harmful to human beings. The FTP in its Appendix 2x has a list of countries from which there is no need of testing of azo dyes in textiles and textile items. It means the need continues for other countries. Now DGFT has issued a Public Notice No. 14/2023 dt 14.06.2023 updating appendix 2X (copy given below) in which China has been dropped and United Kingdom added in the appendix.

(Copy) DGFT Public Notice No. 14/2023, Dated: 14 June, 2023

Subject:Amendment in Appendix 2X of FTP, 2023 - reg.

In exercise of powers conferred under paragraph 1.03 and 2.04 of the Foreign Trade Policy (FTP), 2023, the Director General of Foreign Trade hereby makes amendments in the list of countries exempted from testing for presence of Azo Dyes in Textiles and Textile Articles under Appendix 2X of FTP, 2023, in supersession of Public Notice No. 10/2015-2020 dated 15.05.2016. The updated Appendix-2X is reproduced herewith:

Appendix -2X

Testing of Textiles and Textile Articles for presence of Azo Dyes will not be required for imports originating from the following countries.

- i. European Union (EU) Countries
- ii. Serbia
- iii. Poland
- iv. Denmark
- v. Australia
- vi. Canada
- vii. Japan
- viii. South Korea
- ix. United Kingdom

Effect of this Public Notice: Appendix 2X of FTP, 2023 containing list of countries exempted from testing for presence of Azo Dyes in Textiles and Textile Articles is updated.

Impex # 4

Clarification issued on HS Codes under India - Japan CEPA

CBIC issues "INSTRUCTION" on the implementation of India - Japan CEPA.

The India - Japan CEPA has been in force from August, 2011.

Clearance of imported goods in custom becomes difficult if the Certificate of Origin (CoO) and Bill of Entry (BOE) have different versions of

HS code. In order to sort out the above problem in imports under India - Japan CEPA, CBIC has issued "INSTRUCTION" No. 19/2023-Custom dt 04.07.2023 (copy reproduced below) in which it is clarified that for the purpose of custom clearance, the HS Code (2007 version) mentioned in COO issued under India - Japan CEPA needs to be correlated with the HS Code (2022 version) mentioned in B/E at the time of custom clearance.

(Copy) Instruction No. 19/2023- Customs, Dated the 4th July, 2023

Subject: Implementation under India-Japan CEPA - reg.

Request has been received by the Board related to Customs clearances of imports under India-Japan Comprehensive Economic Partnership Agreement (CEPA) when there is use of different versions of HS in Certificate of Origin (CoO) and Bill of Entry (B/E).

2.1 With respect to the above, it is conveyed that India-Japan CEPA was negotiated on the basis of HS 2007. As per the Operational Certification Procedures of India-Japan CEPA [please refer Notification No. 55/2011-Customs (N.T.) dated 1st August 2011], the CoO should contain the six-digit tariff classification based on HS 2007.

2.2 On the other hand, the tariff preference under India-Japan CEPA has been extended vide Notification No. 69/2011-Customs dated 29th July 2011, as amended on account of transposition to existing HS, i.e. I-IS 2022.

3. In view of the above, it is clarified that for the purpose of Customs clearance, the HS code (2007 version) mentioned in CoO issued under India-Japan CEPA needs to be correlated with the HS Code (2022 version) mentioned in the B/E, at the time of Customs clearance.

4. It is requested that the above may be noted and this procedure be suitably implemented in Customs formations/ National Assessment Centres.

Question : What is the date from which the RoDTEP scheme is applicable?

Answer : RoDTEP has been made effective for exports from 1st January 2021 in respect of those exports where intention to claim the RoDTEP benefit has been reflected on the shipping bills.

Question : How can an exporter claim the benefit of the RoDTEP scheme in the Shipping Bill?

Answer : It is mandatory for the exporters to indicate in their Shipping Bill whether or not they intend to claim RoDTEP on the export items. Unlike Drawback, there will be no need to declare any separate code or schedule serial number for RoDTEP. In order to claim the benefit of the RoDTEP, the exporter will have to make a few declarations in the Shipping Bill for each item.

Question : If the exporter has not been able to mention the option of claiming RoDTEP in shipping bills in respect of the past transactions, how can it be addressed now?

Answer : From 01.01.2021, it is mandatory for the exporters to indicate in their Shipping Bill whether or not they intend to claim RoDTEP on the export items. It has been categorically specified by the CBIC that, if RoDTEP is not specifically claimed in the Shipping Bill, no RoDTEP would accrue to the exporter.

Question : Whether Merchant exporters are eligible to take the benefit of the RoDTEP scheme?

Answer : All exporters of goods on which RoDTEP benefit is available are eligible to take benefit under this scheme. Such an exporter may either be the merchant or manufacturer exporter. However, such goods should have been directly exported by such a person.

Question : Is there any value limit to which RoDTEP benefit can be restricted?

Answer : Value cap per unit of exported product has been provided under the notified 8-digit HSN code level in Appendix 4R. The rebate would be capped at such value provided on a per unit basis.

Question : We want to export samples from India. Can we claim the benefit of RoDTEP rates?

Answer : The benefit of RoDTEP scheme is allowed subject to the realisation of sale proceeds within the time allowed under the FEMA, 1999 failing which such rebate shall be deemed never to have been allowed. Although the rebate would not be dependent on the realization of the export proceeds at the time of issuance of the rebate, however, since in the case of issuance of samples on a FOC basis no export proceeds are realized in the convertible foreign exchange, the exporter would not be eligible for the RoDTEP benefit in respect of goods issued as free samples.

Question : To which sectors does the RoDTEP scheme not apply?

Answer : RoDTEP scheme is not applicable to the following:

- i. Apparel and made-ups (Chapter 61, 62 and 63) for which the RoSCTL scheme has been extended.
- ii. Steel pharmaceuticals, organic and inorganic chemicals, etc.

Question : Whether realisation of export proceeds is required for claiming the RoDTEP benefit?

Answer : The RoDTEP Scheme provides that the rebate under the scheme would not be dependent on the realization of export proceeds at the time of claim of rebate. However, the rebate is allowed subject to receipt of sale proceeds within the time frame allowed under the Foreign Exchange Management Act, 1999 (currently 9 months or as extended by the banks) failing which such rebate shall never be deemed to have been allowed.