

This column is compiled by Consultant [EXIM Policy] of EPCH. It contains recent Public Notices, Notifications and Circulars of DGFT, CBEC 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

Helpdesk for redressal of RoDTEP related grievances

DGFT issues Trade Notice containing details of procedure for redressal of RoDTEP related grievances.

icegatehelpdesk@icegate.gov.in. In case the grievance continues, the exporter may approach the higher authority at email: jsdbk-rev@nic.in.

RoDTEP is an important incentive for exporter. DGFT has issued a Trade Notice No. 20/2022-23 dt 31.10.22 stating therein that the mechanism of "ICEGATE Helpdesk" is available to the exporter 24X7 for RoDTEP Benefit and is functional. Under this facility an exporter can lodge a grievance either by voice interaction by calling a Toll Free No. 1800-3010-1000 or by emailing at

icegatehelpdesk@icegate.gov.in. In case the grievance continues, the exporter may approach the higher authority at email: jsdbk-rev@nic.in.

Copy of DGTF Trade Notice No.20/2022-23 dt 31.10.2022 referred to above is enclosed.

Copy of Trade Notice No.20/2022-23-DGFT; Dated: 31st October, 2022

Subject: ICEGATE Helpdesk for redressal of RoDTEP related grievances - reg .

Members of Trade and Industry may note that for resolution/examination of exporter grievances related to scroll out of shipping bills, generation of e-scrips and transfer of e-scrips under RoDTEP Scheme, mechanism of "ICEGATE Helpdesk", which is available to the exporters 24*7 is functional. In this, an exporter can lodge a grievance either by voice interaction by calling at Toll Free No. 1800-3010-1000 or by emailing at icegatehelpdesk@icegate.gov.in. Thereafter, a unique ticket/incident number is generated which the exporter receives for record/follow up.

2. In case the RoDTEP grievance continues, the exporter may approach the higher authority at email: jsdbk-rev@nic.in

Impex # 2

DGFT notifies export incentives on rupee receipts

DGFT issues notification corresponding to RBI circular allowing export incentives on rupee receipts.

to Iran shall also be entitled to incentives/benefits on realization of exports in rupees.

DGFT has issued a Notification No. 43/2015-20 dt 09.11.22 amending para 2.53 of FTP relating to realisation in Indian rupees to be eligible for FTP benefits/incentives on export to Iran. On account of this amendment exports to destinations other than

Copy of DGFT Notification dt 09.11.22 referred to above is reproduced below:

Notification No.43/2015-2020-DGFT, New Delhi, Dated:9th November, 2022

Subject: Amendments under the Foreign Trade Policy in sync with RBI A.P.(DIR Series) Circular No.10 dated 11th July 2022

In exercise of powers conferred by Section 5 of the Foreign Trade (Development and Regulation) Act, 1992, read with paragraph 1.02 of the Foreign Trade Policy, 2015-2020, as amended from time to time, the Central Government hereby makes the following amendments in the Foreign Trade Policy 2015-20, with immediate effect, in sync with the RBI's A.P. (DIR Series) Circular No.10 dated 11th July, 2022 (see next page).

Effect of this Notification: Amendments under FTP are notified, to permit exports benefits / fulfilment of Export Obligations for Invoicing, payment and settlement of exports and imports in INR, as per RBI's A.P. (DIR Series) Circular No. 10 dated 11th July, 2022. This shall come into force with immediate effect.

Sl.	Existing Para	Revised Para
1.	2.46 Import for export	2.46 Import for export
	<p>I. (b) Goods, including capital goods (both new and second hand), may be imported for export provided:</p> <p>iii. Export is against freely convertible currency.</p> <p>II. (a) Goods imported against payment in freely convertible currency would be permitted for export only against payment in freely convertible currency, unless otherwise notified by DGFT.</p>	<p>I. (b) Goods, including capital goods (both new and second hand), may be imported for export provided:</p> <p>iii. Export is against freely convertible currency or as per 2.52(d)(ii) of FTP.</p> <p>II. (a) Goods imported against payment in freely convertible currency would be permitted for export only against payment in freely convertible currency, unless otherwise notified by DGFT. Goods imported under Para 2.52(d)(i) would be permitted for exports only against payments as per Para 2.52(d)(ii), unless otherwise notified by DGFT.</p>
2.	<p>2. 53 Export to Iran -Realisations in Indian Rupees to be eligible for FTP benefits/incentives</p> <p>Notwithstanding the provisions contained in para 2.52 (a) above, export proceeds realized in Indian Rupees against exports to Iran are permitted to avail exports benefits / incentives under the Foreign Trade Policy (2015-20), at par with export proceeds realized in freely convertible currency.</p>	<p>2.53 Applicability of FTP Schemes for Export Realisations in Indian Rupees</p> <p>(i) Export proceeds realized in Indian Rupees against exports to Iran are permitted to avail exports benefits/fulfilment of Export Obligations under the Foreign Trade Policy (2015-20), at par with export proceeds realized in freely convertible currency, subject to compliance of para 2.18 of the FTP.</p> <p>(ii) Export proceeds realized in Indian Rupees as per para 2.52(d)(ii) are permitted to avail exports benefits/fulfilment of Export Obligations under the Foreign Trade Policy (2015-20).</p>
3.	<p>3.20 Status Holder</p> <p>(b) All exporters of goods, services and technology having an import-export code (IEC) number shall be eligible for recognition as a status holder. Status recognition will depend on export performance. An applicant shall be categorized as status holder on achieving export performance during the current and previous three financial years (for Gems & Jewellery Sector the performance during the current and previous two financial years shall be considered for recognition as status holder) as indicated in paragraph 3.21 of Foreign Trade Policy. The export performance will be counted on the basis of FOB of export earning in freely convertible foreign currencies.</p>	<p>3.20 Status Holder</p> <p>b) All exporters of goods, services and technology having an import-export code (IEC) number shall be eligible for recognition as a status holder. Status recognition will depend on export performance. An applicant shall be categorized as status holder on achieving export performance during the current and previous three financial years (for Gems & Jewellery Sector the performance during the current and previous two financial years shall be considered for recognition as status holder) as indicated in paragraph 3.21 of Foreign Trade Policy. The export performance will be counted on the basis of FOB of export earning in freely convertible foreign currencies or in Indian Rupees as per para 2.53 of the FTP.</p>
4.	<p>4.21 Currency for Realisation of Export Proceeds</p> <p>(i) Export proceeds shall be realized in freely convertible currency except otherwise specified. Provisions regarding realisation and non-realisation of export proceeds are given in paragraph 2.52, 2.53 and 2.54 of FTP.</p>	<p>4.21 Currency for Realisation of Export Proceeds</p> <p>(i) Export proceeds shall be realized in freely convertible currency or in Indian Rupees as per para 2.53 of FTP, except otherwise specified. Provisions regarding realisation and non-realisation of export proceeds are given in paragraph 2.52, 2.53 and 2.54 of FTP</p>

Public Notice No. 35/2015-20-DGFT, Dated 9th November, 2022

Subject: Amendments in Para 5.11 of the HBP in sync with RBI A.P. (DIR Series) Circular No. 10 dated 11th July 2022

In exercise of the powers conferred under Para 1.03 and 2.04 of the Foreign Trade Policy, 2015-2020, the Director General of Foreign Trade hereby makes the following amendments in Para 5.11 of the Handbook of Procedures 2015-20, with immediate effect, in sync with the RBI's A.P. (DIR Series) Circular No. 10 dated 11th July, 2022:

Existing Para

5.11: Realization of Export proceeds

Export proceeds shall be realized in freely convertible currency except for deemed exports supplies under Chapter 7. 'Exports to SEZ units/Supplies to developers/ co-developers irrespective of currency of realization would also be counted for discharge of Export Obligation. Realization in case of supplies to SEZ units shall be from foreign currency account of the SEZ unit.

Revised Para

5.11: Realization of Export proceeds

Export proceeds shall be realized in freely convertible currency or in Indian Rupees as per para 2.53 of FTP, except for deemed exports supplies under Chapter 7. Exports to SEZ units/Supplies to developers/ co-developers irrespective of currency of realization would also be counted for discharge of Export Obligation. Realization in case of supplies to SEZ units shall be from foreign currency account of the SEZ unit.

2. Effect of Public Notice: Amendment in Para 5.11 of the HBP are notified, to permit the Invoicing, payment and settlement of exports and imports in INR for Export Proceeds under EPCG Scheme, in sync with RBI's A.P. (DIR Series) Circular No. 10 dated 11th July, 2022. This shall come into force with immediate effect.

Impex # 3

Questions & Answers

Question : Are there any country specific restrictions or permission required for exports under RoDTEP?

Answer : The benefit is available in respect of exported goods to any of the countries without any specific restrictions or permissions based on the country. However, the RoDTEP benefits are given only for exports realised in free foreign exchange.

Question : Some of the ports in the country are not EDI ports. Can we claim the benefit of RoDTEP in respect of goods exported through such ports?

Answer : Since the entire scheme is designed on the electronic interface, it has been specifically provided by the department of commerce vide its Notification No. 19/2021 Dt. 17.08.2021 that exports for which the electronic documentation in ICEGATE/EDI has not been generated or the goods are exported through non-EDI ports, in such cases the same would be qualify under the ineligible supplies/items/categories under the scheme.

Question : Whether I need to register at the port for the purpose of claiming and utilisation and RoDTEP benefits?

Answer : Initially, there was no bar to exports goods procured by Merchant exporters at 0.1% for final exports at applicable IGST rate. However, CBEC has issued Notification No 3/2018 dated 23rd January, 2018 depriving the facility of exports on payment of IGST if goods were procured by Merchant exporter at 0.1%. Therefore, in such cases, exports shall take place on LUT/Bond. Unfortunately, the above provision has been incorporated with retrospective effect from 23rd October, 2017.

Question : How is the duty-free scheme for trimming and embellishments operate now?

Answer : Registration on the ICEGATE online portal and creation of the e-credit ledger seems to be sufficient compliance to avail the benefit of this scheme. The registration at the port of export, as was required under the erstwhile MEIS scheme, is not required under this scheme. This is more so because the entire mechanism of issuance, processing, generation and utilization of the scrips is being carried out through a common portal in the ICEGATE.

Question : What is the duty applicable for DTA sales by an SEZ?

Answer : As per the current procedure any goods removed from a Special Economic Zone to the DTA shall be chargeable to duties of customs which includes basic customs duty, IGST, antidumping, countervailing and safeguard duties (under the Customs Tariff Act, 1975), wherever applicable, as leviable on such goods when imported. The rate of duty and tariff valuation, if any, applicable to goods removed from a Special Economic Zone shall be at the rate and tariff valuation in force as on the date of such removal, and where such date is not ascertainable, on the date of payment of duty.

Question : Whether sale of land in processing area/ non-processing area allowed?

Answer : The answer is negative. The land notified either as processing or non-processing area as an SEZ cannot be sold. It can only be leased.

News from 'Print Media'

Trade via Re: Exporters can still avail incentives

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New Delhi: The government is set to allow exporters to avail of benefits of various promotion and duty reimbursement schemes even while they are using the rupee payment method. Official sources told TOI that the directorate general of foreign trade is expected to announce the mechanism over the next few days as the government and the RBI push the rupee payment mechanism as part of a long-term strategy to internationalise the Indian currency. While the government is discussing the option of rupee payments with several countries, from Cuba to the UAE, in the

Mechanism Status

- > RBI established a mechanism involving opening of a special vostro account
- > While the architecture is in place, operationalisation is still some time away
- > UCO Bank, Yes Bank await some approvals

in place, the operationalisation of the mechanism is still some time away. Industry sources said that UCO Bank, which has tied up with Gazprom Bank of Russia, is awaiting a few internal clearances before going ahead with the move. Similarly, Yes Bank has told exporters that there are a few approvals that are awaited from the RBI, which is holding up the process. Yes Bank has an arrangement with Petersburg Social Commercial Bank. While some other players, including SBI, were looking at the payment option, they are yet to firm up their position given that the arrangement also comes with the risk of attracting sanctions in case the rules are tightened in the coming months.

While the architecture is

short term, trade with Russia is what is on the horizon. In fact, many view the RBI's decision being aimed at pushing trade with Russia. The RBI established a mechanism involving the opening of a special vostro account through which payments are to be routed.

Times of India - 3rd November 2022

Traders can claim export benefits for ₹ payments

Foreign trade directorate makes key amendments to foreign trade policy

SHREYA NANDI
New Delhi, 9 November

The Centre on Wednesday amended the foreign trade policy (FTP) to enable traders to claim export benefits even if payment is settled in the rupee. So far, export incentives were available only when the trade was settled in a foreign currency.

The amendments by the Directorate General of Foreign Trade (DGFT) came into force with immediate effect.

The development comes against the backdrop of the mechanism to settle international trade transactions in the rupee which was unveiled by the Reserve Bank of India (RBI) in July. Given the government's push towards the internationalisation of the rupee, these policy amendments shall help ease international trade transactions in the domestic currency.

"The Government of India has made suitable amendments in the Foreign Trade Policy and Handbook of Procedures to allow for international trade settlement in Indian rupees (INR) i.e. invoicing, payment, and settlement of exports/imports in Indian rupees," the department of commerce said in a statement.

Currently, benefits under these schemes are available if the payment is received in a foreign currency, except in the case of sanction-hit Iran. These amendments will be applicable for goods imported for export, realisation of export proceeds under Advance Authorisation (AA), Duty-Free Import Authorisation (DFIA) schemes, and realisation of export proceeds under the Export Promotion Capital Goods (EPCG) scheme.

Exporters had earlier said that to do the costing for exports in domestic currency, they need clarity with regard to the applicability of export benefits. Besides, a lot of exporters who had imported under various schemes require clarification regarding the acceptance of export obligations in the rupee against imports made in a free foreign currency.

The RBI in July said that rupee trade was being allowed to promote growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community in INR. According to the mechanism

finalised by the RBI, banks of partner countries can approach authorised dealer (AD) banks in India for opening special rupee vostro accounts. The bank will then have to seek approval from the central bank with details of such an arrangement.

While the rupee trade mechanism is yet to pick up in full swing, exporters hope that it will help increase India's exports to countries facing acute foreign exchange shortages or those covered by sanctions. Two domestic leaders — UCO Bank and YES Bank — are in talks with their Russian counterparts to settle international trade between the two nations in the rupee.

"The changes in the Foreign Trade Policy will facilitate trade in domestic currency and hence boost exports. The decision will help the engineering goods sector in achieving the export target of \$127 billion set by the government for the current fiscal year. During the April-September period of FY23, engineering goods exports stood at \$58.15 billion," Engineering and Export Promotion Council of India (EEPC) Chairman Arun Kumar Garodia said.

India is also in touch with smaller nations, such as Cuba, Sudan, and Luxembourg, to settle international trade in the domestic currency, but nothing has materialised as of now.



Business Standard -
9th November 2022