

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

Application form for issue of IEC amended

DGFT issues Public Notice revising application form for issue/modification in import export code number (IEC).

DGFT has issued a Public Notice No. 76/2009-14 (R-2013) dt. 27-11-2014 amending the ANF 2A of Handbook of Procedure (Vol. 1) of 2009-14 relating to issue/modification of IEC.

In the above Public Notice the existing ANF 2A has been replaced by another format online filing of which along with all requisite documents will be mandatory with effect from 01-01-2015.

Extract from the Public Notice No. 76 dt. 27-11-2014 referred to above is reproduced below:

(Extracts)

Public Notice No. 76 /2009-2014 (RE-2013)

Dated the 27th of November, 2014

Subject: Amendment in ANF 2A of Handbook of Procedure Vol. 1

(Appendices and Aayat Niryat Forms), 2009-2014.

In exercise of powers conferred under paragraph 2.4 of the Foreign Trade Policy (2009-2014), the Director General of Foreign Trade hereby amends the ANF 2A [Application Form for Issue / Modification in Importer Exporter Code Number (IEC)] Handbook of Procedure Vol. 1 (Appendices and Aayat Niryat Forms). 2009-2014 and further notifies that:

- i) The existing form ANF 2A is being replaced by another format as attached herewith. The existing form exists in physical format as well as in online format. Application for new Importer-Exporter Code (IEC) w.e.f. 01.01.2015 will have to be filed in online mode only, along with all requisite documents.
- ii) After receipt of applications complete in all respects, the decision regarding grant or refusal of IEC will be taken and communicated by the concerned Regional Authorities (RA) of DGFT within two working days.
- iii) The facility of filing online application for IEC will also be available through e-biz portal of DIPP, after its integration with DGFTs system.

2. Effect of Public Notice:

The existing form ANF 2A, is being replaced by another format, online filing of which along with all requisite documents will be mandatory w.e.f 01.01.2015, and decision regarding grant or refusal of IEC will be conveyed within two working days by the concerned jurisdictional RA. Facility of filing online application for IEC will also be available on the e-biz portal of DIPP, after its integration with DGFT's system.

ANF2A

Application Form for Issue/Modification in Importer Exporter Code (IEC) Number

It is also pointed out that DGFT has also issued another Public Notice No. 79/(RE-2013)/2009-14 dt 31-12-2014 amending the part V of the detailed guidelines for issue of modification of IEDC, as contained in DGFT Public Notice No. 76 dt 27-11-2014. For details kindly see the Public Notice No. 79. In this Public Notice No. 79, para 9.1 of Handbook of Procedure (Vol. 1) of 2009-14 also stands modified to the effect that applicants will have to submit online application for modification in IEC and pay Rs. 500 as application fee.

CBEC issues custom circular for '24x7 custom clearance'

It has been a constant demand of the importers and exporters that custom clearance should take place round the clock in all the ports so that the total time taken in imports and exports is reduced.

CBEC is seized of the above demand. The Finance Minister in the Budget Speech for 2014-15 announced that the 24X7 custom clearance facility would be deepened and extended.

The above demand of the importers and exporters has been met to a great extent. CBEC has issued a custom circular No. 19/2014-custom dt 31-12-2014 containing the names of 18 sea ports and 15 Air Cargo Complexes where the scheme of 24X7 custom clearance has been implemented with effect from 31-12-2014.

Extract from the above custom circular containing the above of sea ports and Air Cargo Complexes where 24X7 custom clearance will take place from 31-12-2014 are given below:

Extracts from custom circular No. 19/2014-customs dt 31-12-2014.

4. Board has decided that with effect from 31.12.2014 the facility of 24x7 customs clearance for specified imports viz. goods covered by 'facilitated' Bills of Entry and specified exports viz. factory stuffed containers and goods exported under free Shipping Bills will be made available, at the following 18 sea ports:

S.No.	Sea Port	S.No.	Sea Port	S.No.	Sea Port
1.	Chennai	2.	Cochin	3.	Ennore
4.	Gopalpur	5.	JNPT	6.	Kakinada
7.	Kandla	8.	Kolkata	9.	Mumbai
10.	New Mangalore	11.	Marmagoa	12.	Mundra
13.	Okha	14.	Paradeep	15.	Pipavav
16.	Sikka	17.	Tuticorin	18.	Vishakapatnam

5. Board has also decided that with effect from 31.12.2014 the facility of 24x7

Customs clearance for specified imports viz. goods covered by facilitated Bills of Entry and all exports viz. goods covered by all Shipping Bills will be made available, at the following 17 air cargo complexes:

S.No.	Air Cargo Complex	S.No.	Air Cargo Complex	S.No.	Air Cargo Complex
1.	Ahmedabad	2.	Amritsar	3.	Bangalore
4.	Chennai	5.	Coimbatore	6.	Cochin
7.	Calicut	8.	Delhi	9.	Goa
10.	Hyderabad	11.	Indore	12.	Jaipur
13.	Kolkata	14.	Mumbai	15.	Nashik
16.	Thiruanantapuram	17.	Vishakhapatnam		

Question : As per the condition of Advance Licence, value addition of 15 per cent is to be ensured. But if the fulfillment comes us to only 7 per cent instead of 15 per cent, what is the penalty charged against the same? Also, what can be done in such situation?

Answer : Achieving 15 per cent value addition is necessary. If value addition falls below the prescribed value addition, an amount equal to 1 per cent of shortfall in FOB value in Indian Rupees is required to be deposited.

Question : The RBI reduced the period of realization from 12 months which was given in June 2008 to 9 months this year. However, the foreign trade policy allows 12 months to status holders for realizing exports payment. As Export House, I would like to give credit to my buyer and will realize after 11 months. I hope it will be within the policy framework of RBI.

Answer : On November 20, 2014, the RBI has further fine tuned the period of realization. Henceforth, from November 20, 2014, the period of realization and repatriation of export proceeds shall be nine months from the date of export for all exporters including units in SEZs, status holder exporters, EOUs, units in EHTPs, STPs and BTPs until further notice.

Question : We are small exporters from Jaipur exporting various handicraft goods which we purchase from the market. The customs gives us lower drawback as we are unable to furnish non availment CENVAT certificate. How can we get such certificate to get full drawback?

Answer : Certificate regarding non-availment of CENVAT facility is not required in the case of exports of handloom products or handicrafts (including handicrafts of brass art ware) or finished leather and other export products which are unconditionally exempt from the duty of central excise. You may show a copy of Customs Notification 110/2014(NT) where such condition has been mentioned.

Question : We have imported capital goods under EPCG Scheme but now want to transfer to another unit of the company. Will it be permitted by DGFT and if so what would be the procedure?

Answer : DGFT may allow transfer of the Capital Goods imported under EPCG if both the addresses of the unit that is the unit where the capital goods are installed and the unit where the capital goods are to be shifted are incorporated in the IEC and RCMC. The firm should produce copies of Installation Certificates confirming installation at the former unit. The applicant should furnish fresh installation certificate to the RA concerned within 6 months from the date of shifting of CG.

Deccan traders assured of easier, faster customs clearance

The newly-constituted commissionerate of customs, Hyderabad plans to introduce an easier and faster clearance procedure for traders to encourage imports and exports from Hyderabad, Chief Commissioner of Customs and Central Excise (Hyderabad zone), Ms. R Shakuntala has said. Addressing traders and customs officials on the occasion of International Customs Day, she said Hyderabad was emerging as the hub of exports and imports, and the customs department must keep the environment encouraging for trade to thrive. "There is need for single-window clearance to boost trading. Though it is difficult to have it because of different regulations of different agencies, I hope the state and central governments will support the idea."

Further, she said, there is need for a coordinated approach by border control agencies to achieve greater efficiency in managing trade and travel flows while maintaining a balance with security requirements. "Though the current system is working effectively, we need to work with more dedication to face external threats such as organised crimes like smuggling and deadly diseases like Ebola," she added. Commissioner of Customs, Mr. N Sridhar said there were five major allied agencies of the customs department in Telangana. The annual revenue from customs duties there is around Rs 200 crore with a major portion of it coming from the Rajiv Gandhi International Airport (RGIA) at Shamshabad and the Inland Container Depot (ICD) at Sanatnagar. "These two agencies are growing as major trading hubs of India," he said. Celebrating the first-ever International Customs Day after its formation, the commissionerate felicitated top ten importers and exporters for prompt payment of customs duties. The commissionerate of customs has also brought out a travel guide for passengers and traders.