

*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**

## Validity of Pre-shipment Inspection Agencies (PSIAs) extended

DGFT issues Public Notice in which the validity of Pre-Shipment Inspection Agencies (PSIAs), as listed in the Appendix 2G of A & ANF has been extended from 27.12.2023 to 31.03.2024.

It is desirable that the goods exported from India are of good qualities and to ensure that the Govt. of India has setup a number of pre-shipment agencies. These agencies have validities. Now DGFT has issued a Public Notice No. 37/2023 dt 12.01.2024 extending the validity of these Pre-shipment Agencies (PSIAs) copy reproduced below:

Public Notice No. 37/2023-DGFT; Dated: 12th January, 2024

### **Subject: Extension of validity of Pre-Shipment Inspection Agencies (PSIAs)- reg.**

In exercise of powers conferred under the paragraph 1.03 read with paragraph 2.04 of the foreign Trade Policy, 2023, the Director General of Foreign Trade in relaxation of the provision as in Para 2.52 (c) of Handbook of Procedures, 2023 notifies as under:-

The validity of recognition of the Pre-Shipment Inspection Agency (PSIAs) included in Appendix 2G of Appendices and Aayat Niryat Forms (A&ANF) of Foreign Trade Policy 2023 which are completing their original tenure of three years as on 27.12.2023 is extended upto 31.03.2024.

2. Effects of this public notice: Validity of Pre-Shipment Inspection Agency (PSIAs) as listed in the Appendix 2G of A&ANF, has been extended from 27.12.2023 to 31.03.2024.

**Impex # 2**

## Questions & Answers

**Question :** In case of non-realisation of export proceeds for exports made under the RoDTEP Scheme, is it recovered from the transferee who is an importer?

**Answer :** No. This was true only till 13th September, 2022 as Government amended the relevant Customs Notification prescribing the same by Custom Notification No. 75/2022(NT) dated 14th September, 2022, deleting reference of transferee for any recovery either on non-realisation of exports proceeds by the exporter or inadvertent excess release of RoDTEP to exporter, which may have been subsequently utilised by the transferee.

**Question :** What is the effect of caution listing by the RBI in case of non-realisation of the exports proceeds?

**Answer :** When a caution listed exporters submit shipping documents for negotiation/purchase/ discount/collection, etc. the bank may accept the documents subject to following conditions:

- i. The exporters concerned should produce evidence of having received advance payment or an irrevocable letter of credit in their favour covering the full value of the proposed exports.
- ii. In case of usance bills, the relative letter of credit should cover full export value and also permit such drawings. Besides, the usance bills should also mature within prescribed realisation period reckoned from date of shipment.
- iii. Banks should not handle the shipping documents of caution listed exporters.

Banks should obtain prior approval of the Reserve Bank for issuing guarantees for caution listed exporters.

**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 : Our shipping bill has been transmitted by GSTN to Customs and there is no error in the refund claim also. Yet the refund has not been received in the bank account. What should we do?**

**Answer :** SB000 (Successfully Validated) is the response code which comes when all the decided parameters like GST1N, Shipping Bill (SB) number, invoice number etc. match between GSTN and Customs databases. This code implies that the SB is ready for inclusion in the IGST refund scroll. However, it might happen that even with SB000. The SB does not appear in the refund scroll. This could be due to: (i) The exports may have been made under Bond or LUT, hence they are not eligible for IGST refund. (ii) If a shipping bill covers multiple invoices, few of the invoices might have been successfully validated with code SB000 while other invoices may be containing other types of error/s. (iii) Where the IGST claimed amount is less than Rs 1000. In all the above cases, the scroll amount shall automatically become zero and the SBs shall not be included in the refund scroll. (iv) This could happen if there is an alert/suspension on the IEC in ICES or if the account of the IEC is not validated by PFMS.