

*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

## Digitisation of ANFs, Appendices, etc.

DGFT issues Trade Notice about progress made in digitisation Aayaat Niryat Forms, Appendices etc.

Significant efforts have been made by DGFT towards digitising a substantial number of ANFs and Appendices etc with the result that they can be submitted electronically. However, certain ANFs & Appendices necessitating certification by professional have not been digitalised so far. Till such digital signatures are fully implemented, copies of these documents may be uploaded online. Copy of DGFT Trade Notice No. 01/2024-25 dt 02.04.2024 containing the information detailed above is reproduced below.

DGFT Trade Notice No. 01/2024-25, Dated: 2nd April 2024

### **Subject: Directives regarding submission of digitized ANFs, Appendices, etc.**

In adherence to the Directorate General of Foreign Trade's commitment to facilitating exports and imports, emphasizing efficient, transparent, and accountable delivery systems, significant efforts have been directed towards digitising a substantial number of the Aayaat Niryat Forms (ANFs) and Appendices pursuant to the Foreign Trade Policy. Consequently, applications pertaining to said ANFs and Appendices must be exclusively submitted online via the DGFT Website (<https://dgft.gov.in>), eliminating the necessity for physical or soft copies of these documents.

2. Additionally, it should be duly noted that Importer-Exporter Code (IEC) details are available online to DGFT (HQ), Regional Authorities (RAs), Export Promotion Councils (EPCs), and other pertinent entities. Likewise, Registration-cum-Membership Certificates (RCMCs) are electronically accessible through DGFT Online Systems. Moreover, Micro, Small, and Medium Enterprises (MSMEs) status as recorded in the MSME UDYAM Registration Portal (<https://udyamregistration.gov.in>) is similarly accessible through electronic exchanges integrated into DGFT online systems.
3. Furthermore, certain ANFs and Appendices necessitate certification by professionals such as Chartered Accountants, Chartered Engineers, Cost Accountants, Company Secretaries, among others, and may not be entirely digitized presently. Nonetheless, ongoing endeavours are directed towards digitalization of these forms, enabling said certifying authorities to digitally certify all relevant ANFs and Appendices directly on the DGFT Website. Until such digital signature processes are fully implemented, copies of these documents may be uploaded online.
4. With regard to the foregoing, it is reiterated that no hard or soft copies of digitized ANFs, Appendices, IEC, RCMC, or MSME Udyam Registration certificates need to be submitted to DGFT (HQ) or its Regional Authorities. Additionally, there is no requirement to upload such documents alongside online applications.
5. It is further emphasized that all deficiency letters and correspondences pertaining to online applications must be issued and responded to exclusively online. Physical paper responses to such communications should not be entertained.
6. Any difficulty in complying with the above or feedback concerning the same may be communicated via email to DGFT (HQ) at [egtf-dgft@gov.in](mailto:egtf-dgft@gov.in).  
Cap on quarterly payment of "interest equalisation".

**Impex # 2****DGFT issues Trade Notice imposing a cap of Rs. 2.50 crore (quarterly) on payment of "interest equalisation" per IEC**

DGFT issues Trade Notice imposing a cap of Rs. 2.50 crore (quarterly) on payment of "interest equalisation" per IEC.

DGFT has issued a Trade Notice No. 40/2023-24 dt 20.03.24 by which cap of Rs. 2.50 crore per IEC has been imposed till 30.04.2024 for the quarter starting from 01.04.2024. (copy below):

DGFT Trade Notice No. 40/2023-2024, Dated: 20.03.2024

**Subject: Amendments under Interest Equalization Scheme - reg.**

Attention of Trade and Industry is drawn towards the extension of Interest Equalization Scheme (IES) upto 30.06.2024, as notified by RBI vide its Circular No. DOR.STR.REC.78/04.02.001/2023-24 dated 22.02.2024.

2. In this regard, it may be noted that a cap of Rs. 2.50 Cr per IEC is imposed till 30.06.2024 for the quarter starting from 01.04.2024.

**Impex # 3****Enabling provisions made for exempting inputs by Advance Authorisation holders, EOUs & SEZ from Quality Control Orders**

DGFT issued notification containing enabling provisions for import of inputs that are subjected to mandatory Quality Control Orders.

above, DGFT has issued a Notification No. 71/2023 dt 11.03.2024 enabling imports by Advance Authorisation holders, EOUs & SEZs (copy below):

Apart from purity quality of goods is very important. In order to ensure good quality many ministries, departments and authorities have issued orders for quality controls. But the above QCOs (Quality Control Orders) on Advance Authorisation holders, EOUs & SEZs who require the input in small quantities but subject to QCOs. To solve the problems mentioned

DGFT Notification No. 71/2023, Dated : 11 March 2024

**Subject: Enabling provisions for import of inputs that are subjected to mandatory Quality Control Orders (QCOs) by Advance Authorisation holders, EOU and SEZ.**

In exercise of powers conferred by Section 3 read with Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992), as amended, read with Para 1.02 and 2.03 of the Foreign Trade Policy (FTP), 2023, the Central Government hereby makes the following amendments to FTP, 2023 with immediate effect, in supersession of Notification No. 69/2023 dated 07.03.2024.

1. A new para 2.03 (A) is inserted below para 2.03 of FTP 2023, as follows: "2.03A Importability of items under Advance Authorisation/EOU/SEZ without compliance to the mandatory Quality Control Orders (QCOs) Import of Inputs under Advance Authorisation/EOU/SEZ without compliance to the mandatory QCOs, shall be subjected to the following conditions:

**i) For Advance Authorisation:**

a) Import of inputs under the Advance authorisation without compliance to the mandatory QCOs shall be with pre-import condition. Such inputs shall be utilised in the manufacturing of the export product (making normal allowance for wastage) and shall be exported under the same authorisation.

- b) Exemption from mandatory QCOs shall be specifically endorsed in the Advance authorisation, upon the request of the authorisation holder. Imports under Authorisation without specific endorsement of exemption shall be made in accordance with mandatory QCOs.
- c) Any unutilised imports or the products manufactured with inputs imported without compliance to the mandatory QCOs, shall not be transferred to DTA, even after regularisation of default in fulfilment of export obligation. For the purpose of this para, unutilised imports means imported inputs (without compliance of mandatory QCOs) which have not been accounted for, as per SION/Ad-hoc Norms, in the product exported under the same authorisation.
- d) The unutilised imports shall be regularised as follows:
  - (i) The unutilised material shall be destroyed in the presence of jurisdictional GST/Customs authorities who shall certify the destruction of the goods or same may be re-exported;
  - (ii) In addition, such unutilised imports, irrespective of origin of goods, shall be liable to payment of effective duty on MFN basis along with interest on the exempted material, to Customs Authorities plus composition fee of an amount equivalent to 10% of the CIF value of unutilised imported inputs to DGFT. Proof thereof shall be submitted to the RA concerned before grant of EODC.
- e) The exemption from QCO will be available for physical exports only and such exemption will not be allowed for deemed exports for Advance Authorisation.
- f) The facility of clubbing under para 4.36 of Handbook of Procedures (HBP), 2023 shall not be available.
- g) The Export Obligation period for such authorizations shall be as per para 4.40 of Handbook of Procedures. However, EO period is restricted to 180 days from the date of clearance of import consignment in respect of QCO exemption for textile
- h) Import of Inputs without compliance to the mandatory QCOs under DFIA scheme is not allowed.
  - (i) This exemption is further subject to para 2.03 (c) of FTP.

#### **ii) For EOUs**

(i) Exemption from applicability of mandatory QCOs issued under the BIS Act, 2016, shall be provided to EOU on import of inputs which are required for export production. No DTA clearance of such inputs or goods manufactured made out of such inputs, are allowed. An undertaking to that effect will be submitted to the Customs authorities by the EOU at the time of importation and a copy of the same shall also be submitted to the Development Commissioner concerned. The exemption from QCO will be available for physical exports only and such exemption will not be allowed for deemed exports. This exemption is further subject to para 2.03 (c) of FTP.

#### **iii) For SEZ**

(i) Exemption from applicability of mandatory QCOs issued under the BIS Act, 2016, shall be provided to SEZ on import of inputs which are required for export production. No DI'A clearance of such inputs or goods manufactured made out of such inputs, are allowed. An undertaking to that effect will be submitted to the concerned Development Commissioner of the SEZ by the SEZ Unit at the time of importation. The exemption from QCO will be available for physical exports only. This exemption is further subject to para 2.03 (c) of FTP".

3. The following sub-para (c) is appended to the existing para 2.03 of FTP 2023:

"(c) The list of Ministries/Departments whose notifications on mandatory QCOs, that arc exempted by the DGFT for goods to be utilised/consumed in manufacture of export products, arc given in Appendix-2Y of FTP 2023?.

**Effect of this Notification:** Enabling provisions are made for exempting inputs imported by Advance Authorisation holders, EOUs and SEZ from mandatory Quality Control Orders (QCOs). Accordingly, list of Ministries / Departments [i.e. Ministry of Steel, Department for Promotion of Industry and Internal Trade (DPIIT) and Ministry of Textiles] are notified in Appendix 2Y of FTP, 2023.

DGFT has also issued a Public Notice No. 50/2023 dt 11.03.2024 on the above subject. It contains Appendix 2Y containing the list of Ministries/Departments whose notification on mandatory QCOs that are exempted by DGFT for goods to be utilised/consumed in the manufacture of export products.

DGFT Public Notice No. 50/2023, Dated the 11 March 2024

**Subject: Enabling provisions for import of inputs that are subjected to mandatory Quality Control Orders (QCOs) by Advance Authorisation holders, EOU and SEZ - regarding.**

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 amendment in the list of Ministries/Departments whose notifications on mandatory QCOs, that are exempted by the DGFT for goods to be utilised/consumed in manufacture of export products. Accordingly, list of Ministries/Departments is updated in supersession of Public Notice No. 47/2023 dated 07.03.2024. The updated Appendix 2Y is reproduced herewith:

**Appendix -2Y**  
**(Refer Para 2.03(c) of FTP)**

**The list of Ministries/Departments whose notifications on mandatory QCOs, that are exempted by the DGFT for goods to be utilised/consumed in manufacture of export products.**

Sl. No	Name of Ministry / Department
1	Ministry of Steel
2	Department for Promotion of Industry and Internal Trade (DPIIT)
3	Ministry of Textiles

**Effect of this Public Notice:** In pursuance of Notification No. 71/2023 dated 11.03.2023, a new Appendix 2Y under FTP, 2023 has been created with immediate effect and list of Ministries/Departments whose notifications on mandatory QCOs, that are exempted by the DGFT for goods to be utilised/consumed in manufacture of export products, have been updated.

**Impex # 4**

**Extending RoDTEP support for exports made by AA holders EOUs & SEZs**

DGFT issues notification extending RoDTEP support on export made by Advance Authorisation holders, EOUs, SEZ units.

It is the policy of DGFT to extend maximum (permissible) benefits on exports so that Indian goods become quite competitive in international market.

Now DGFT has a Notification No. 70/2023 dt 08.03.2024 extending support on exports made by AA holders, EOUs & SEZ. The notification has four effects as detailed below:

1. RoDTEP has been extended to AA holders (except deemed exports) & EOUs from 11.02.24 till 30.09.24 as per appendix 4RE
2. Extension of RoDTEP to SEZ as per Appendix 4RE will take place on IT integration of SEZs with Customs Automated System (ICEGATE)

3. RoDTEP rate revision in 25 HS codes are being made in appendix 4RE.
4. RoDTEP scheme extended earlier in September 2023 till 30.06.2024 in being further extended for exports till 30.09.2024.

DGFT Notification No: 70/2023 , Dated: 8th March, 2024

**Subject: Extending RoDTEP support for exports made by Advance Authorisation (AA) holders, Export Oriented Units (EOU), Special Economic Zones (SEZ) units- reg.**

In exercise of the powers conferred by Section 5 of the Foreign Trade (Development and Regulation) Act, 1992 read with Para 1.02 of the Foreign Trade Policy 2023, as amended from time to time, and taking into account the recommendations of the RoDTEP Committee Report, the Central Government hereby makes the following amendments in the Foreign Trade Policy, 2023:

2. Para 4.55: Ineligible supplies/items/categories under the Scheme-

**The serial numbers (viii), (x), (xi) and (xii) of Para 4.55 of FTP 2023 are deleted with effect from 11.03.2024.**

3. Serial number (vii) of Para 4.54 is amended to be read as follows:

<b>Existing Provision</b>	<b>Amended Provision</b>
<p>Under the Scheme, a rebate would be granted to eligible exporters at a notified rate as a percentage of FOB value with a value cap per unit of the exported product, wherever required, on export of items which are categorized under the notified 8 digit HS Code. However, for certain export items, a fixed quantum of rebate amount per unit may also be notified. Rates of rebate / value cap per unit under RoDTEP will be notified in Appendix 4R. In addition to necessary changes which may be brought in view of budget control measures as mentioned above, efforts would be made to review the RoDTEP rates on an annual basis and to notify them well in advance before the beginning of a financial year.'</p>	<p>Under the Scheme, a rebate would be granted to eligible exporters at a notified rate as a percentage of FOB value with a value cap per unit of the exported product, wherever required, on export of items which are categorized under the notified 8 digit HS Code. However, for certain export items, a fixed quantum of rebate amount per unit may also be notified. Rates of rebate / value cap per unit under RoDTEP will be notified in Appendix 4R and Appendix 4RE [for exports of products manufactured by Advance Authorisation holders (except Deemed Exports), EOU and SEZ units]. In addition to necessary changes which may be brought in view of budget control measures as mentioned above, efforts would be made to review the RoDTEP rates on an annual basis and to notify them well in advance before the beginning of a financial year.</p>

4. A new Para 4.59A is added to be read as follows:

For exports of products manufactured by AA holders (except Deemed Exports), EOU and SEZ units, the eligible RoDTEP export items, rates and per unit value caps, wherever applicable, are contained in Appendix 4RE and is available at the DGFT portal ([www.dgft.gov.in](http://www.dgft.gov.in)) under the link >Regulations>RoDTEP'.

5. (a) In line with serial number (x) of Para 4.54, the implementation date/period for exports under Appendix 4RE is being notified for exports of products manufactured by Advance Authorisation holders (except Deemed Exports) and Export Oriented Units (EOUs) from 11.03.2024 till 30.09.2024 only.
- (b) The RoDTEP implementation for exports of products manufactured by SEZ units will happen once the IT integration of SEZ units with Customs Automated System (ICEGATE) takes place, which is expected to be

operational from 01.04.2024. The implementation period for exports of products manufactured by Free Trade Warehousing Zone or SEZ units will be from the date of implementation till 30.09.2024 only.

- (c) However, to adhere to the budgetary framework as provided under Para 4.54 of FTP 2023 so that the outgo remains within the approved Budget of the Scheme, necessary changes including revisions or deletions, wherever necessary, will be made in Appendix 4R & Appendix 4RE as and when required.
6. In order to carry out alignments in the RoDTEP schedule necessitating out of the recommendations of the RoDTEP Committee relating to AA holders (except Deemed Exports), EOU and SEZs, revised RoDTEP rates for 25 HS codes in Appendix 4R are being notified.
  7. In supersession of Notification No. 33 /2023 dated 26th September, 2023, the RoDTEP scheme is being extended beyond 30.06.2024 and shall be applicable till 30.09.2024 now.
  8. The notified new Appendix 4RE and the revised rates for 25 export items (8-digit HS codes for Appendix 4R) are available at DGFT portal [www.dgft.gov.in](http://www.dgft.gov.in) under the link > 'Regulations > RoDTEP'.

**Effect of this Notification:**

- i. RoDTEP is being extended to AA holders (except Deemed Exports) & EOU units from 11.03.2024 till 30.09.2024 as per Appendix 4RE.
- ii. Extension of RoDTEP to SEZ units as per Appendix 4RE will take place on IT integration of SEZs with Customs Automated System (ICEGATE).
- iii. RoDTEP rate revisions in 25 HS Codes are also being made in Appendix 4R.
- iv. RoDTEP Scheme extended earlier in September 2023 till 30.06.2024, is being further extended for exports till 30.09.2024.

**Impex # 5**

**Significant changes in the origin declaration process for Self-Certification under the UK Developing Countries Trading Scheme (DCTS)**

Directorate General of Foreign Trade, has issued Trade Notice No. 39/2023-24, dated 18th March 2024, regarding significant changes in the origin declaration process for Self-Certification under the UK Developing Countries Trading Scheme (DCTS). This notice impacts all exporters and designated issuing agencies involved in trade between India and the United Kingdom. (copy reproduced below):

Trade Notice No.39/2023-24, Dated: 18th March 2024

**Subject: Changes in origin declaration for Self-Certification under UK Developing Countries Trading Scheme (DCTS) - reg.**

It is hereby informed to all concerned that the United Kingdom (UK) has replaced its existing origin declaration process under Generalized Scheme of Preferences (GSP) with the UK Developing Countries Trading Scheme ( DCTS) effective from 19th June 2023. The transition period for this change was extended until 31st December 2023 Starting from 1st January 2024 onwards, Indian Exporters to the UK are required to adhere to the new rules under DCTS to avail concessions on their exports to the UK.

2. Goods that meet the UK DCTS Rules of Origin (RoO) requirements shall be eligible to claim a concessional rate of import duty for exports to the UK. Consequently, the origin criteria necessary for satisfying the Rules of Origin to avail tariff concessions on exports from India to the UK must be filled in through self-certification.



3. Indian Exporters accordingly are directed to use origin declaration wording under DCTS scheme, in place of origin declaration wording under GSP is filled through self-certification.
4. Details provided by UK on DCTS can be accessed at the following URLs:-  
<https://www.gov.uk/government/publications/developing-countries-trading-scheme-dcts-new-policy-report/developing-countries-trading-scheme-government-policy-response>  
<https://www.gov.uk/guidance/using-an-origin-declaration-for-the-developing-countries-trading-scheme-authority>.

## Impex # 6

## Questions & Answers

### **Question : What is the procedure for opening a Special Rupee Vostro Account with an Indian AD bank?**

**Answer :** The bank approaching the RBI for seeking approval for opening of Special Rupee Vostro Account must submit the following information along with their proposal/request:

- a. The details of the arrangement between bank and correspondent bank from the trading partner country along with the funds flow.
- b. A brief write-up on the foreign banks seeking correspondent relationships.
- c. Copy of the request letter of the correspondent bank to Indian bank.
- d. Confirmation from the Indian bank that the due diligence has been carried out by the bank which establishes correspondent banking relationship as per our extant guidelines.
- e. Confirmation from Indian bank stating that the correspondent bank is not from a country or jurisdiction in the updated FATF. f. Confirmation from Indian bank that they shall ensure that all the transactions taking place in the Special Rupee Vostro Account of the correspondent bank are strictly in adherence to the instructions given in the RBI Circular dated 11th July 2022.

### **Question : How would the exchange rate between INR and the currency of the trading partner country be determined in the absence of a direct exchange rate between the two currencies?**

**Answer :** The exchange rate for most currencies are determined in the Forex markets, typically against global currencies like the US\$, Euro, JPY etc. In the transition phase, when there is no market with direct exchange rates between two currencies (say INR and AED), the exchange rate between the currencies of two trading partner countries, each of which has markets against global currencies, would be derived as a cross currency rate.

### **Question : Which bank will be responsible for reporting cross-border transactions? Whether it will be the AD bank in India or the correspondent bank?**

**Answer :** The AD bank in India shall be responsible for the reporting of transactions taking place in the Special Rupee Vostro Account of the correspondent bank of the trading partner country.

### **Question : Whether the overseas supplier having balances in the Special Rupee Vostro Account can ask for repatriation of the balance?**

**Answer :** The balance in the Special Rupee Vostro Account (SRVA) can be repatriated in freely convertible currency and/or currency of the beneficiary trading partner country depending on the underlying transaction i.e. for which the account was credited. For example, for import payments through SRVA like any Rupee Vostro account the fund can be remitted to overseas exporters either in freely convertible currency or in domestic currency of the overseas exporter.