

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

New provision of e-commerce for export of handicrafts in FTP 2015-20

Foreign Trade Policy of 2015-20 allows 'e-commerce' export of handicrafts also through courier or foreign post offices

The Foreign Trade Policy (FTP) of 2015-20 released on 1st April 2015, contains many innovations relating to different export sectors. It has one new scheme relating to export of handicraft sector also. And the scheme is 'e-commerce' export of handicrafts through courier or foreign post offices. The special favour has been given to handicraft sector on the ground of one high employment creating sector. The detailed scheme is given in para 3.05 of the FTP 2015-20 and reproduced below:

3.05 Export of goods through courier or foreign post offices using e-Commerce

- (i) Exports of goods through courier or foreign post office using e-commerce, as notified in Appendix 3C, of FOB value upto Rs. 25000 per consignment shall be entitled for rewards under MEIS.
- (ii) If the value of exports using e-commerce platform is more than Rs 25000 per consignment then MEIS reward would be limited to FOB value of Rs.25000 only.
- (iii) Such goods can be exported in manual mode through Foreign Post Offices at New Delhi, Mumbai and Chennai.
- (iv) Export of such goods under Courier Regulations shall be allowed manually on pilot basis through Airports at Delhi, Mumbai and Chennai as per appropriate amendments in regulations to be made by Department of Revenue. Department of Revenue shall fast track the implementation of EDI mode at courier terminals.

Appendix 3C referred to above in (i) above is also reproduced below:

Appendix- 3C

(Please read para3.05 of FTP)

List of eligible category under MEIS if exported through using E-commerce platform

Sl No.	Category	Notes
1	Handicraft Items/Products	1. The MEIS benefits on exports admissible for handicraft /handloom products shall be allowed only if the export documents show that the items exported are handicraft /handloom products respectively. 2. In case of any doubt about a product being a handicraft product, a certificate from Development Commissioner (Handicraft) shall be required. 3* Customised Fashion Garments are garments that are made on specific request/order of customer and accordingly tailored/manufactured.
2	Handloom Products	
3	Books/Periodicals	
4	Leather Footwear	
5	Toys	
6	Customised Fashion Garments*	

Further the application form for applying the benefit for export through courier service is ANF 3D.

Impex # 2

Omitted provision of payment of application fee by D.D. restored in 2015-20 FTP

DGFT issues Public Notice restoring of the facility of acceptance of Demand Draft towards application fee/penalty/any other fee

Payment of application fee/penalty/any other fee by D.D./ pay order is still an easy mode of payment by many in spite of the fact that the emphasis of the Govt. is to pay them electronically.

The facility of payment of application fee, etc. existed in Handbook of Procedure (vol. 1) of 2009-14 but somehow got omitted in the Handbook of Procedure of 2015-20.

Now DGFT has issued a Public Notice No. 6/2015-20 dt 16-04-2015 by which the provision has been restored by suitably amending Appendix 2K of Appendices and Aayaat Niryaat Forum 2015-20.

The Public Notice No. 6 dt 16-04-2005 referred to above is reproduced below:

2. Accordingly, para 2 in Appendix 2K after amendment would read as under:

"2. Mode of Deposit of Application Fee/Penalty/Any Other Fee

The application fee/ penalty/ any other fee shall be deposited in the following manner:-

(1) **By Demand Draft, in favour of the Head of the concerned Regional office of DGFT, or** by depositing cash or cheque for Treasury Receipt Challan (TR) in an authorized Branch of Central Bank of India indicating the "Head of Accounts 1453 -Foreign Trade and Export Promotion- Minor Head 102-Import License Application Fee". The Bank Receipt must show the name of the Department viz. "Directorate General of Foreign Trade". The Bank Receipt should be drawn in favour of Pay & Accounts Officer (Foreign Trade), indicating the station of the Pay & Accounts Officer concerned. Such fees can also be deposited with Indian Missions abroad. As a proof of payment of Fee, the applicant shall submit along with the Application two copies of Bank Receipt as per Annexure."

3. **Effect of Public Notice** - The facility of payment of application fee/ penalty/ any other fee through demand draft is being restored by suitably amending the Appendix 2K of Appendices and Aayaat Niryat Forms, 2015-20.

Impex # 3

Questions & Answers

Question : In the new FTP of 2015-20, export of goods through courier or foreign post offices using 'e-commerce' has been allowed for handicrafts also. What will be the date of shipment/dispatch for exports in these mode of exports.

Answer : The answer is given in para 9.12 of H.B. of P.(Vol.1) of 2015-20 and is reproduced below:

9.12 Date of Shipment/Dispatch in respect of Exports

(A) Date of shipment/dispatch for exports will be reckoned as under:

S.No.	Mode of Transportation	Date of Shipment/Dispatch
(i)	By Sea	(a) For bulk cargo, date of Bill of Lading or date of mate receipt, whichever later? (b) For containerized cargo, date of "Onboard Bill of Lading", or "Received Shipment Bill of Lading", where the L/C provides for such Bill of Lading. For exports by containers from Inland Container Depot (ICD), date of Bill of Lading issued by shipping agents at the, time of loading of export goods in ICD aft customs clearance. (c) For Lash barges, date of Bill of Lading evidencing loading of export goods on board.
(ii)	By Air	Date mentioned by appropriate Officer of Customs on Shipping Bill, evidencing loading or handing over of goods to air cargo complex, which are not international airports, or by way of rotation of flight number and date.
(iii)	By Post Parcel	Date stamped on postal receipt
(iv)	By Rail	Date of RR (Railway Receipt)
(v)	By Registered Courier Service	Date affixed on Courier Receipt/ Waybill.
(vi)	By Road	Date on which goods crossed Indian border as certified by Land Customs Authorities.

(B) However, wherever Procedural / Policy provisions have been modified to disadvantage of exporter the same shall not be applicable to consignments already handed over to Customs for examination and subsequent exports up to Public Notice / Notification date.

(C) Similarly, in cases where goods are handed over to the customs authorities before expiry of exports obligation period but actual Exports take place after expiry of the export obligation period, such exports shall be considered within export obligation period and taken towards fulfillment of export of obligation.

(D) However, for benefit under FTP, Let Export Order (LEO) date shall be the date of reckoning of export.

Question : We are a manufacturer and got an order from an Export House for exports to Germany. Can we get packing credit from the bank?

Answer : Banks may grant export packing credit to manufacturer suppliers who do not have export orders or letters of credit in their own name and goods are exported through export house. Such advances will be eligible for refinance, provided the following requirements are complied with apart from the usual stipulations:

- a. Banks should obtain from the export house a letter setting out the details of the export order and the portion thereof to be executed by the supplier and also certifying that the export house has not obtained and will not ask for packing credit in respect of such portion of the order.
- b. Banks should, after mutual consultations and taking into account the export requirements of the two parties, apportion between the two that is the Export House and the Supplier, the period of packing credit for which the concessionary rate of interest is to be charged. The concessionary rates of interest on the pre-shipment credit will be available up to the stipulated periods in respect of the export house or agency and the supplier put together.
- c. The export house should open inland letter of Credits in favour of the supplier giving relevant particulars of the export Letter of Credits or orders and the out-standings in the packing credit account should be extinguished by negotiation of bills under such in-land Letter of Credits.
- d. Banks should obtain an undertaking from the supplier that the advance payment, if any, received from the export house against the export order would be credited to the packing credit account.

Question : As per the condition of Advance authorization we have to give 15 per cent value addition. However, due to reduction in metal prices recently in fulfillment value addition comes up to only 8. What is the penalty or what can be done in this matter?

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 with DGFT to regularize the same.

Question : As a manufacturer Exports House, we have our warehouse in which we keep our export goods. The 12 months period is over. Can we take further extension from authorities concerned?

Answer : An exporter, who is a manufacturer and a Status Holder with a clean track record, can furnish an LOT Initially for a period up to six months which may be extended by a further period not exceeding six months. Further extensions in the warehousing period in terms of paragraph 6(a) of the Circular No. 579/16/2001-CX dated 26.06.2001 can be allowed to only on furnishing security of 25 per cent of the bond amount.

Prescribed visiting hours for non officials/ members of trade for meetings with officials at DGFT Headquarters

Copy of Trade Notice No. 1/2015 dated 20th April, 2015

It has been under consideration for some time that the meetings between the officers of this Directorate and the Members of Trade/public in respect of pending issues/ grievances etc. be made more fruitful and result oriented. To achieve this objective, it has been decided to streamline the procedure for interaction and in so far as DGFT Headquarters is concerned, visiting hours between 3 P.M. - 5 P.M. each working day would be earmarked for meetings with non officials,/ Members of Trade.

2. While, visitors would be free to seek meetings with the officers of this Directorate, who are authorised to interact as per the extant instructions, during the visiting hours, yet it would be more beneficial if prior appointment is fixed and the specific issues proposed to be discussed are spelt out in advance. This would enable the officers to prepare beforehand for the meeting and also inform the prospective visitors of their pre-occupation (if any) enabling alternative appointment. It is felt that the aforesaid measure would help in saving the time of the visitors who otherwise have to waste their time waiting for a particular officer when such an officer may be pre-occupied elsewhere or be on tour or on leave.

3. It is clarified that the aforesaid arrangement would be in place only for meetings with officers working in DGFT Headquarters.

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