

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

Streamlining of Facilitation Measures in DGFT offices

DGFT issues Trade Notice on 'Trade Facilitation Measures' It is a constant endeavour of DGFT to move towards an IT enabled paperless and personal contact free environment to maintain absolute integrity and transparency in the functioning of all DGFT offices. To carry forward this objective, DGFT has issued a Trade Notice No. 14/2015 dt. 19-01-2016, wherein DGFT has laid down six steps to streamline the procedure for quick disposal of the cases of importers & exporters. A copy of the Trade notice is reproduced below:

Copy of Trade Notice No. 14/2015 of DGFT, Dated 19 January, 2016

In continuation of Trade Notice No. 12/2015-20 dated 13.01.2016, stressing the need to maintain absolute integrity and transparency in the functioning of all DGFT offices, attention is drawn to the fact that DGFT is moving towards an IT enabled paperless and personal contact free environment to achieve these objectives in a more comprehensive and complete manner. While these actions have been substantially undertaken and remaining actions will be taken in an expedited timeframe. the following steps are to be immediately implemented in all DGFT offices, including DGFT Headquarters in Delhi:

- (i) Barring exceptions given below, no outside person (i.e. person not working in that office) will be required to enter any DGFT office including DGFT Headquarters henceforth.
- (ii) All queries/submissions to be made to any DGFT office shall be made by e-mail to the officer/staff member concerned. All such e-mails will be replied to within 48 hours of their receipt and the matter resolved in the prescribed timeframe. Where further clarification, etc. is required, it will be indicated in the e-mail reply for suitable response by the applicant. All e-mails by the applicant shall be copied to the Head of the Office. The reply from the officer concerned shall also be copied to the Head of the Office, who will on a weekly basis review all such e-mails to ensure compliance with the above timeline and timely disposal of the matter. List of e-mail addresses of Heads of Offices is given below. For all functional areas where online facility/options are available, these may be preferably exercised by applicants.
- (iii) In matters where physical submission is absolutely necessary, the applicant will dispatch the physical documentation by speed post with a copy of the above e-mail/online submission reference to link the two and mention the same in the e-mail which can include scanned copies of the documents as attachments.
- (iv) Any person who wishes to submit a document or application in person notwithstanding (i), (ii) and (iii) above for unavoidable reasons, will do so by way of submission at a Receipt Desk at the Office Reception, in each DGFT office. The person submitting such application/documentation shall be given a computerized acknowledgement. This application must carry the name, address, telephone No. and e-mail address of the applicant. As indicated in (i) and (ii) above, all Heads of Offices will monitor these submissions also on weekly basis to ensure that a response by e-mail is sent to the applicant within 48 hours and the matter is disposed of within the prescribed timeline.
- (v) If, notwithstanding the above, it is absolutely necessary for an applicant to meet an officer in person, the meeting shall be permissible only with the Head of Office or a person not below the rank of Joint DGFT who shall listen to the applicant and facilitate timely and proper disposal of the matter as above and convey a response by e-mail. It shall be strictly enforced that visitors' passes shall not be issued in any other circumstance. Visitors issued

passes for meeting with Head of the Office/officers of Joint DGFT and above rank, will be strictly supervised to ensure that they meet with the designated person and immediately exit the building. Any person entertaining visitors in violation of these guidelines will be strictly dealt with. EDI related complainants may, however, be allowed by the senior to meet with technical staff to resolve their matter.

- (vi) All RAs shall maintain an updated list of all pending applications in various functional areas like IEC code, Status Holder Certificate, DFIA/Advance Authorisation, EPCG, EODC, MEIS, other scripts etc giving time duration of pendency etc and review daily. With support of NIC these lists shall be posted online.
2. These instructions may be strictly complied with. Support from exporter/importer community is requested to enable this arrangement to succeed and ensure that the functioning of DGFT offices is transparent and free of improprieties. For list of e-mail addresses, as indicated above, see DGFT website.

Impex # 2

No extra documents to be submitted

DGFT issues Trade Notice stating that no extra documents other than the mandatory documents be asked from importers & exporters

One way to reduce transaction costs in imports & exports is to reduce the number of documents to be prepared & to be submitted to DGFT office/s. Over a period of time DGFT has been working on the above subject & has been quite successful in bringing down the number of required documents.

On March 2015, DGFT issued a Notification No. 114 specifying that only three documents each would be mandatory for exports & imports. Now DGFT has issued a Trade Notice No. 15/2015 dt. 21-01-2016 reiterating the provision as above and asked all licensing authorities not to ask for additional documents without sufficient cause. A copy of Trade Notice No. 15/2015 dt. 21-01-2016 is reproduced below.

Subject: Strict adherence to the Notification No. 114 dated 12th March 015

To reduce the number of mandatory documents required for exports and imports, DGFT had issued Notification No.114 dated 12th March 2015 specifying that only three documents each would be mandatory for exports and imports. These documents are:

(a) Mandatory documents required for export of goods from India:

1. Bill of Lading/Airway Bill
2. Commercial Invoice cum Packing List
3. Shipping Bill/Bill of Export

(b) Mandatory documents required for import of goods into India:

1. Bill of Lading/Airway Bill
2. Commercial Invoice cum Packing List
3. Bill of Entry

2. The Notification mentioned that for export or import of specific goods which are subject to any restrictions/policy conditions or require NOC or product specific compliances under any statute, the regulatory authority concerned may notify additional documents for purposes of export or import. In specific cases of export or import, the regulatory authority concerned may electronically or in writing seek additional documents or information, as deemed necessary to ensure legal compliance. Thus, a departure from the 3 document norm is envisaged only in rare exceptional cases where a substantive legal requirement exists for doing so.

3. The above notification applies to all departments concerned with Exports and Imports. All concerned are requested to follow the above notification strictly and not require submission of additional documents without sufficient cause. Any deviations may be reported to DGFT through the respective trade bodies.

Question : Can the bill of entry or shipping bill be amended after the clearance of goods from the customs area? Is there a time limit for doing so?

Answer : As per Section 149 of the Customs Act, 1962, 'no amendment of a bill of entry or a shipping bill or bill of export shall be authorised to be amended after the imported goods have been cleared for home consumption or deposited in a warehouse, or the export goods have been exported, except on the basis of documentary evidence which was in existence at the time the goods were cleared, deposited or exported, as the case may be.' So, the law allows amendment to a shipping bill or bill of entry even after the clearance of goods but only on the basis of documents that existed at the time of the clearance of goods.

Question : Can the importers/exporters themselves clear their goods or is it necessary to get clearance of goods through agent?

Answer : The importers/exporters themselves can clear the goods by filing necessary document after taking permission from the Asst. Commissioner/Deputy Commissioner in charge of Import section. The agent, if appointed, should be a holder of a valid license issued by the Commissioner of Customs. Such agents are known as Customs House Agents.

Question: For regularization of shortfall in our Export Promotion Capital Goods (EPCG) authorization, can we surrender duty credit scrips issued under Status Holder Incentive Scheme (SHIS) from the market and pay the duty through that scrip?

Answer : As per Para 3.16.3 of the Foreign Trade Policy (FTP) 2004-09, SHIS scrips can be transferred only to a manufacturer group company or status holder manufacturer. Secondly, SHIS can be used for import of capital goods (CG) relating to the sectors specified in Para 3.16.4 of the FTP and Para 3.10.8 of the Handbook of Procedures, Vol.1 (HB-1). Only in respect of CG imported earlier, up to 10 per cent of the value of the duty credit scrip can be used for import of components/spares/parts of such CG. So, if you are eligible to get the SHIS transferred in your favour and the goods imported under EPCG are eligible for import under SHIS scheme also, then you can seek payment of customs duties towards EO default through debit to SHIS transferred in your favour.

Question : What are the basic requirements of adjusting import payments from exports receivables?

Answer : 'Set-off' of export receivables against import payables is allowed subject to following terms and conditions:

- i) The import is as per applicable Foreign Trade Policy in force.
- ii) Invoices / Bills of Lading / Airway Bills and Exchange Control copies of Bills of Entry for home consumption have been submitted by the importer to the bank.
- iii) Payment for the import is still outstanding in the books of the importer.
- iv) 'Set-off' of export receivables against import payments should be in respect of the same overseas buyer and supplier and that consent for 'Setoff' has been obtained from him.

The relative EDF will be released by the bank only after the entire export proceeds are adjusted/received.