

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

Institutional Mechanism for Communication under Foreign Trade Policy

DGFT issues Trade Notice Containing details of the reconstituted 'Board of Trade'

The foreign trade policy (FTP) of 2015-16 was released on 01.04.2015. Along with this FTP another booklet was also issued with the title 'Foreign Trade Policy Statement'. It runs into 66 pages and has 303 paragraphs. Para 300 of this 'Statement' is given below:

Institutional Mechanism for Communication

300. Two mechanisms are being put in place for regular communication with stakeholders. The first of these is a Board of Trade which will have an advisory role and offer a platform for discussion and consultation. The Board of Trade will be constituted once the policy comes into force. Another institutional mechanism which will be set up is the Council for Trade Development and Promotion. This Council will be a community of Central Government and various States and UT Governments. The objective will be to bring in the views of various State Governments with the objective of mainstreaming them in trade policy formulation and implementation. This Council will be constituted after this policy is brought into effect.

In pursuance of the provision in the para 300 referred to above, DGFT has issued a Trade Notice No 21/2015-20 dt. 23.03.2016 containing details of the reconstituted Board of Trade (BoT). The objective of the BoT:

To have continuous discussion and consultation with trade and industry. The Board of Trade would, inter-alia, advise the Government on policy measures related to Foreign Trade Policy in order to achieve the objective of boosting India's trade.

Terms of Reference:

- (i) To advise Government on Policy measures for preparation and implementation of both short and long term plans for increasing exports in the light of emerging national and international economic scenarios;
- (ii) To review export performance of various identify constraints and suggest industry specific measures to optimize export earnings;
- (iii) To examine existing institutional framework for imports and exports and suggest practical measures for further streamlining to achieve desired objectives;
- (iv) To review policy instruments and procedure for imports and exports and suggest steps to rationalize those for optimum use: and
- (v) To examine issues which are considered relevant for promotion of India's foreign trade and for strengthening international competitiveness of India goods and services.

Composition: The BoT will consist of 71 Members falling in the categories of Non-official Members(19), Ex-officio Members (31) and official Members(21). Chairmen of EPCs fall in the category of Ex-officio Members. Chairman EPCH is also a Member of BoT. The Chairman of BoT as usual will be Honourable Minister of Commerce and Industry with DGFT as Member Secretary. The next meeting of the BoT is on 6th April, 2016.

DGFT issues Trade Notice containing clarifications on facilitation measures announced vide his trade notices numbers 12.2015 and 14.2015.

DGFT had issued two trade notice 12/2015 dt. 13.01.2016 & 14/2015 dt. 19.01.2016 containing measures towards an IT enabled paperless and personal contact free environment with the objective of maintaining efficiency, transparency etc. It appears that some of the DGFT offices followed the guidelines in the above two trade notices quite strictly giving the impression that personal follow up of cases in DGFT offices had been made very restrictive.

DGFT has now issued a Trade Notice No. 22/2015 dt. 31.03.2016 stating therein that no person is to be denied an opportunity to meet with an officer in any DGFT office if he or she so desires. A copy of the trade notice No. 22 referred to above is reproduced below.

Copy of Trade Notice No.22.2015 dt. 31.03.2016

Reference is invited to Trade Notices No. 12/2015 dated 13.01.2016 and No. 14/2015 dated 19.01.2016 wherein the endeavour of DGFT to move towards an IT enabled paperless and personal contact free environment to achieve the objectives of maintaining efficiency, absolute integrity and transparency in the functioning of all the offices of the Directorate in a more comprehensive and complete manner, was stressed.

2. A number of steps were listed in para 1 (i) to (vi) of the aforesaid Trade Notice dated 19.01.2016 in this regard. The main thrust behind enlisting/ prescribing these steps/measures being to enable and encourage members of trade to communicate with DGFT offices through email etc. with the assurance that their concerns would be effectively addressed without them having to waste time and resources in physically pursuing their matters and being assured of a response in a prescribed time frame. It was never the intention, as should be clear from a simple reading of the notice, that applicants would be persona non-grata in DGFT offices. The notice clearly envisaged a facility for documentary submissions at the reception desk and personal meetings with senior officers to have concerns addressed if applicants still felt the need to do so. In light of reports of the un-constructive interpretation of the notice made in some quarters, it is reiterated that no person is to be denied an opportunity to meet with an officer in any DGFT office if he or she so desires. If the head of the office or an officer of Joint DGFT rank or above is not available at that time, he or she may meet the senior most officer available in the office. An institutionalized interaction arrangement is also proposed to be instituted, as described below.

3. It is also clarified that the above arrangements introduced vide TN dated 19.01.2015 will not interfere with or in any way curtail, including in aspects like requirements related to appearance, personal hearing etc., proceedings initiated under the provisions of the FT (D&R) Act.

4. Further, it has been decided that there will be an open house for applicants between 2.30 PM and 3.30 PM on every Wednesday in all RA offices in a designated meeting room / place. The duration may be extended as required. During this period concerns / pending issues of applicants raised by them will be addressed by the officers / staff concerned who will make themselves accessible in the meeting room. If the officer / staff member concerned is not available on a particular day, the designated link officers / staff member shall address the concerns / issues. To the extent possible the head of the office will preside over the open house.

5. Regional Authorities may implement these arrangements on priority and abide by the spirit of the two TNs dated 13.01.2016 and 19.01.2016, rather than their literal wording, and ensure that official business in the offices is conducted in an upright, fair and transparent manner.

Question : We have got an advance from a buyer in Israel which is open with regard to supply of goods. Is there any restriction by our Government for exports against such order or we can do as per our production schedule?

Answer : Where an exporter receives advance payment (with or without interest) from a buyer outside India, the exporter shall be under an obligation to ensure that the shipment of goods is made within one year from the date of receipt of advance payment; the rate of interest, if any, payable on the advance payment does not exceed London Inter-Bank Offered Rate (LIBOR) + 100 basis points; and the document covering the shipment are routed through the bank through whom the advances payment is received.

Question : We have exported to Brazil but due to volatility in currency the original buyer has refused to take delivery. With great difficulty we located another buyer in Brazil who asked for 15 per cent discount to take material. Can we do it, and thus it entail any approval from our Bank/Government?

Answer : Prior approval of the Bank is not required if, after goods have been shipped, they are to be transferred to a buyer other than the original buyer in the event of default by the latter, provided the reduction in value and the realization of export proceeds is not delayed beyond the period of 12 months from the date of export.

Question : How much foreign currency can be carried in cash for travel abroad?

Answer : Travellers are allowed to purchase foreign currency notes coins only up to USD 3000 per visit. Balances amount can be carried in the form of travelers' cheque or banker's draft. Exceptions to this are (a) travelers proceeding to Iraq and Libya who can draw foreign exchange in the form of foreign currency notes and coins not exceeding USD 5000 or its equivalent per visit; (b) travelers proceeding to the Islamic Republic of Iran, Russian Federation and other Republics of Commonwealth of Independent States who can draw entire foreign exchange (upto USD 250,000) in the form of foreign currency notes or coins. For travelers proceeding for Haj/Umrah pilgrimage, full amount of BTQ entitlement (USD 250,000) in cash or up to the cash limit as specified by the Haj Committee of India, may be released by the ADs and FFCs.

Question: How much foreign exchange can one buy when traveling abroad on private visit to a country outside India?

Answer : For private visits abroad, other than to Nepal and Bhutan, any resident can obtain foreign exchange up to an aggregate amount of USD 2,50,000 from an Authorized Dealer or FFC, in any one financial year, irrespective of the number of visits undertaken during the year. This limit has been subsumed under the Liberalized Remittance Scheme w.e.f. May 26, 2015, If an individual has already remitted any amount under the Liberalized Remittance Scheme in a financial year, then the applicable limit for travelling purpose for such individual would be reduced from USD 250,000 by the amount so remitted.

No foreign exchange is available for visit to Nepal and/or Bhutan for any purpose, a resident Indian is allowed to take INR of denomination of INR 100 or lesser denomination, to Nepal and Bhutan, without any limits. For denominations of INR 500 and INR 1,000 the limit is INR 25,000.