

*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** Export limit of free of cost items for export promotion, increased to Rupees one crore

DGFT issues Notification and Public Notice increasing the export limit of free of cost items for export promotion from Rupees 10 lakhs per year to Rupees One Crore (conditions apply).

For true evaluation of a product, there is no substitute than to examine it physically in all the relevant details. This becomes all the more important when the buyer is located thousands of miles away. Even slight variations in supplies can be easily detected when compared to the reference sample.

DGFT has recognised the above facts and made a provision for free exports of items in its FTP of 2015-20 in para 3.24 (j). It provides that status holders shall be entitled to export freely exportable items on free of cost basis for export promotion subject to an annual limit of Rs. 10 Lakhs or 2% of average annual export realisation during preceding three licencing years, whichever is lower.

DGFT has now issued a Notification No. 23/2015-20 dt. 23.08.2017 increasing the above free limit from Rs. 10 Lakhs to Rs. One Crore. This has been done by amending para 3.24 (j) of FTP of 2015-20. The operative part of the notification is reproduced below:

(Extracts)

**Amended Para 3.24 (j) of Chapter-3 of FTP 2015-2020:**

"Status holders shall be entitled to export freely exportable items (excluding Gems and Jewellery. Articles of Gold and precious metals) on free of cost basis for export promotion subject to an annual limit of Rupees One Crore or 2% of average annual export realisation during preceding three licensing years, whichever is lower. For export of pharma products by pharmaceutical companies, the annual limit would be 2% of the average annual export realisation during preceding three licensing 'years. In case of supplies of pharmaceutical products, vaccines and lifesaving drugs to health programmes of international agencies such as UN. WHO-PAHO and Government health programmes, the annual limit shall be upto 8% of the average annual export realisation during preceding three licensing Nears. Such free of cost supplies shall not be entitled to Duty Drawback or any other export incentive under any export promotion scheme."

**Effect of this Notification:** Entitlement to export freely exportable items on free of cost basis by Status Holders has been revised.

In this connection DGFT has also issued a Public Notice No. 18/2015-20 dt. 23.08.2017 amending existing para 2.84 of Chapter-2 of HBP of 2015-20 which may also be seen.

**Impex # 2** Proforma for issue of 'Certificate of Origin' of Multi-bamboo and bamboo products notified

DGFT issues Public Notice containing proforma for issue of Certificate of Origin (COO) in respect of Multi-bamboo and bamboo products.

On 23.06.2017, DGFT has issued Notification No. 11/2015-20 amending the export policy of Multi-bamboo and bamboo products. Extracts of the above notification are given below:

(Extracts)

A. The existing entries against Sl. No. 90, Chapter 14 of Schedule 2 of ITC(F1S) Classification, shall be substituted as follows (please see next page):

Sl. No.	Tariff Item HS Code	Unit	Item Description	Export Policy	Nature of Restriction
90	1401 10 00	Tons	Muli Bamboo (melocanna baccifera)	Free till 31.03.2019	1. All the Muli Bamboo obtained from legal sources are permitted for export subject to proper documentation/ Certificate of Origin(CoO) and compliance of transit rule of concerned State Forest Department for transportation. 2. The CoO shall be issued by the concerned State Forest Dept. from where Muli Bamboo has been procured by the exporter.

B. A new entry at Sl. No. 90 B in Chapter 14 of Schedule 2 of ITC(HS) Classification shall be added as follows:-

Sl. No.	Tariff Item HS Code	Unit	Item Description	Export Policy	Nature of Restriction
90 B	1401 10 00	Either Tons or Square Meter or number	Bamboo products made from bamboo obtained from legal source; except bamboo charcoal, bamboo pulp and unprocessed bamboo shoots	Free	1. All the bamboo products made from bamboo obtained from legal sources are permitted for export subject to proper documentation/Certificate of Origin (CoO) proving that the bamboo used for making products has been obtained from legal sources. 2. The Cot) shall be issued by the concerned State Forest Department/ Agriculture Department from where bamboo has been procured by the purchaser of making handicrafts/machine made products.

## 2. Effect of this notification:

Export of Muli Bamboo till 31.03.2019 and bamboo products (except bamboo charcoal, bamboo pulp and unprocessed bamboo shoots) made from bamboo obtained from legal sources has been permitted.

It was stated in the above notification that Certificate of Origin (COO) shall be issued by the state govts. The proforma of COO was, however, not given in the said notification.

Now DGFT has issued a Public Notice No. 15/2015-20 dt. 02.08.2017 wherein the proformas have been notified.

Extracts from DGFT Public Notice dt. 02.08.2017 referred to above are given below. Proformas not reproduced & may be seen from DGFT site:www.dgft.gov.in

(Extracts) : Public Notice No. (15 /2015-2020); New Delhi, dated the 02 August, 2017

### **Subject:- Export policy of Muli-bamboo and bamboo products - Proforma for issue of Certificate of Origin (COO) regarding.**

In exercise of the powers conferred under Paragraphs 2.04 of the Foreign Trade Policy 2015-2020, the Director General of Foreign Trade hereby notifies the following proforma for issue of Certificate of Origin (COO), as required vide Notification No. 11/2015-20 dated 23.06.2017 for export of Muli-bamboo (Melconna baccifera) and bamboo products made from bamboo obtained from legal source (except bamboo charcoal, bamboo pulp and unprocessed bamboo shoots):-

- (a) **Appendix 2F(i):** (b) Appendix 2F(ii): Proforma for issue of COO by concerned state Forest Department from where Muli-bamboo (Melconna baccifera) has been procured by the exporter.
- (b) **Appendix 2F(ii):** Proforma for issue of COO by concerned state Forest Department / Agriculture Department from where bamboo has been procured by the purchaser or making handicrafts/machine made products.

## 2. Effect of this Public Notice:

Proforma for obtaining Certificate of Origin (COO) for export of (i) Muli bamboo (Melconna baccifera); and (ii) Bamboo products made from bamboo obtained from legal source (except bamboo charcoal, bamboo pulp and unprocessed bamboo shoots) has been notified.