

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

Indefinite deferment of issuance of benefits /scrips under "Exports from India Scheme"

DGFT issues Trade Notice about postponement of acceptance, processing and issuance of claims under MEIS, SEIS, ROSL, ROSCTL.

As no funds are available at present for issuance of benefits/scrips under MEIS, SEIS, ROSL, ROSCTL(Exports from India scheme - Chapter 3 of FTP), DGFT has issued a Trade Notice No.08/2021-22 dt.8th July, 2021 stating that acceptance, processing and issuance of claims under the above mentioned scheme has been put on hold temporarily (copy reproduced below). This inability of the government will hit the exporters hard already reeling under Covid 19 epidemic.

Copy of DGFT Trade Notice No. 08/2021-22 dt. 8th July, 2021

Sub: Acceptance, processing and issuance of claims under MEIS, SEIS, ROSL, ROSCTL in the DGFT IT modules

Members of the Trade and Industry are informed that issuance of benefits/scrips under MEIS, SEIS, ROSL and ROSCTL Schemes would be on hold for a temporary period due to changes in the allocation procedure. During this period, no fresh applications would be allowed to be submitted at the online IT module of DGFT for these schemes and all submitted applications pending for issuance of scrips would also be on hold. Trade would be suitably informed, once issuance of scrips is opened again.

Impex # 2

Now only one revalidation but for duration of twelve months in place of two revalidations of six months each against advance authorisations

DGFT issues Public Notice increasing the revalidity period to twelve months from six months (allowed two times) against Advance Authorisation. Accounts of imports against Advance Authorisation and DFIA to be submitted electronically.

DGFT has issued a Public Notice No. 16/2015-20 dt22-07-2021 amending paras 4.41, 4.51 and 4.57 of the current Handbook of Procedure with the result:

1. Para 4.41 of Handbook of Procedure 2015-20 is amended to allow only one revalidation for a period of 12 months to Advance Authorisations issued on or after 15.08.2020 (instead of 2 revalidations of six months each, provided earlier).
2. Para 4.51 and 4.57 of Handbook of Procedure 2015-20 are amended to allow submission of record in online mode.

All the three amendments as detailed above are good facilitation measures.

DGFT Public Notice dt 22-07-2021 referred to above is reproduced below:

Copy of DGFT Public Notice No. 16/2015-2020 New Delhi, Dated the 22 July, 2021

Subject: Amendments in Handbook of Procedures 2015-20

In exercise of powers conferred under Paragraph 1.03 of the Foreign Trade Policy 2015-2020, as amended from time to time, the Director General of Foreign Trade makes the following amendment in Hand Book of Procedures 2015-20:

- (i) Under Para 4.41 of HBP 2015-20, a new sub-para (e) is added, as mentioned below:
4.41 Validity period for import and Revalidation of Authorisation

(c) For Advance Authorisations issued on or after 15.08.2020 and not covered under Para 4.41 (b) above, only one revalidation for twelve months from expiry date shall be allowed. No further revalidation would be allowed for such authorisations. The provision for revalidation as under Para 4.41 (c) shall also not be applicable for such Advance Authorisations. Applications for any such revalidation may be submitted online to the concerned Regional Authority on or after 01.08.2021.

(ii) Existing Paras 4.51 and Para 4.57 are replaced with the new Paras as mentioned below:

Existing Para	New Para
<p>4.51 Maintenance of Proper Accounts</p> <p>Every Advance Authorisation holder shall maintain a true and proper account of consumption and utilisation of duty free imported / domestically procured goods against each authorisation as prescribed in Appendix 4H or 41, as applicable. These records are required to be sent to the concerned Regional Authority at the beginning of each licensing year for all those authorisations, which have been redeemed in previous licensing year. However, these records in said format are required to be submitted for authorisations issued on or after 13-05-2005. Such records should be preserved for a period of at least three years from date of redemption.</p> <p>4.57 Maintenance of proper accounts of import and its utilisation-</p> <p>Original DFIA holder shall maintain a true and proper account of consumption and utilisation of duty free imported / domestically procured goods against each authorisation as prescribed in Appendix 4H. These records are required to be sent to Regional Authority concerned along with request for bond waiver / redemption / discharge of export obligation / transferability. Such records should be preserved for a period of at least three years from date of redemption.</p>	<p>4.51 Maintenance of Proper Accounts</p> <p>Every Advance Authorisation holder shall maintain a true and proper account of consumption and utilisation of duty free imported /domestically procured goods against each authorisation as prescribed in Appendix 4H or 41, as applicable. These records are required to be filed online at the beginning of each licensing year for all those authorisations, which have been redeemed in previous licensing year. The same may be submitted on the DGFT Website under Dashboard-- Repository->-CA/CE Repository</p> <p>4.57 Maintenance of proper accounts of import and its utilisation-</p> <p>Original DFIA holder shall maintain a true and proper account of consumption and utilisation of duty free imported / domestically procured goods against each authorisation as prescribed in Appendix 4H. These records are required to be filed online to Regional Authority concerned along with request for bond waiver / transferability.</p>

Effect of this Public Notice: With this Public Notice -

- i. Para 4.41 of Handbook of Procedures 2015-20 is amended to allow only one revalidation for a period of 12 months to Advance Authorisations issued on or after 15.08.2020 (instead of 2 revalidation of 6 months each, provided earlier).
- ii. Para 4.51 and 4.57 of Handbook of Procedures 2015-20 are amended to allow submission of record in online mode.

DGFT issues Public Notice adding Kamarajar as a designated port for import of unshredded metal scrap and waste.

A lot of metallic scrap and waste are imported into India as the same are much cheaper as compared to the prices of the virgin metals. But the said materials cannot be allowed to be imported from any port as they may be radio active and as such harmful to living beings. They can be allowed from only from those ports which have testing equipment's for radio activity.

Now DGFT has issued Public Notice No. 15/2015-20DT20-07-2021 (copy reproduced below) adding the name of KAMARAJAR as designated port for import of metallic scrap and waste.

(Copy)

DGFT Public Notice No. 15/2015-2020 Dated the 20th July, 2021

Subject: Enlistment as designated port in Para 2.54(d)(iv) of Handbook of Procedure, 2015-2020.

In exercise of powers conferred under paragraph 2.04 of the Foreign Trade Policy, 2015-2020, the Director General of Foreign Trade hereby inserts the name of Kamarajar Port in Para 2.54 (d) (iv) of HBP, 2015-2020 as under:

Existing Para 2.54 (d)(iv)	Revised Para 2.54 (d)(iv)
<p>Import of scrap would take place only through following designated ports and no exceptions would be allowed even in case of</p> <p>EOUs, SEZs:-</p> <p>1. Chennai, 2. Cochin, 3. Ennore, 4. JNPT, 5. Kandla, 6. Mormugao, 7. Mumbai, 8. New Mangalore, 9. Paradip, 10. Tuticorin 11. Vishalchapatnam, 12. Pipava 13. Mundra, 14. Kolkata and 15. Krishnapatnam, 16. Kattupalli and 17. Hazira</p>	<p>Import of scrap would take place only through following designated ports and no exceptions would be allowed even in case of EOUs, SEZs:-</p> <p>1. Chennai, 2. Cochin, 3. Ennore, 4. JNPT, 5. Kandla, 6. Mormugao, 7. Mumbai, 8. New Mangalore, 9. Paradip, 10. Tuticorin, 11. Vishalchapatnam, 12. Pipava, 13. Mundra, 14. Kolkata, 15. Krishnapatnam, 16. Kattupalli, 17. Hazira and 18. Kamarajar</p>

2. Effect of this Public Notice: In continuation of Public Notice No. 31/2015-20 dated 01/12/2020, Kamarajar Port is enlisted as a designated port for import of unshredded metallic scrap and waste.

DGFT issues Public Notice revising the process for online refund of user charges/ penalty/other application fee.

Appendix 2K of FTP (Foreign Trade Policy) is on "Scale of user Charges and Process for Deposit/Refund of Application fee/Penalty etc.

DGFT has issued a Public Notice No. 19/2015-20 dt 30-07-2021 making amendments in the above Appendix. A copy of it is reproduced below without enclosure which runs into four papers.

(Copy)

DGFT Public Notice No. 19/2015-20 dt 30-07-2021

Subject: Amendments in Appendix 2K of the Foreign Trade Policy- reg.

In exercise of powers conferred under Paragraph 1.03 read with Paragraph 2.04 of the Foreign Trade Policy 2015-2020, as amended from time to time, the Director General of Foreign Trade amends Appendix-2K of the Foreign Trade Policy as enclosed herewith.

Effect of this Public Notice: With this Public Notice the revised process for online refund of user charges/penalty/other application fees is notified. The process for e-miscellaneous payments for any online/offline process where the direct online payment option is not available is also notified.

DGFT issues Public Notice deleting the requirement of submission of quarterly returns of exports. Further S. No. 9(d) of ANF-2C also deleted requiring exporters to furnish monthly returns of exports.

As per para 2.96(b) of H.B.P., 2015-20 each exporter has to furnish quarterly returns of exports. DGFT has issued a Public Notice No. 12/2015-20 dt 12-07-2021 deleting the above para. Further by the above Public Notice S.No9(d) of ANF-2C has been omitted in the revised ANF-2C which required furnishing of monthly returns of exports. Both the above steps will reduce compliances.

Copy of Public Notice dt 12-07-2021 referred to above is reproduced below:

(Copy)

DGFT Public Notice No. 12/2015-20 dt 12-07-2021

Subject: Revision in Para 2.96 (b) of HBP, 2015-2020 and format of ANF-2C - reducing regulatory compliance burden-reg.

In exercise of powers conferred under paragraph 2.04 of the Foreign Trade Policy 2015-2020, the Director General of Foreign Trade hereby amends Para 2.96 (b) of Chapter-2 of Handbook of Procedures, 2015-2020 as under:

Para no.	Particulars	Revised Para
2.96 (b) of HBP, 2015-2020	Exporter shall furnish quarterly return /details of his exports of different commodities to concerned registering authority. However, status holders shall also send quarterly returns to FIEO in format specified by FIEO.	-Deleted-

2. Further, S.No. 9(d) of ANF-2C of Foreign Trade Policy, 2015-2020 mandating submission of monthly returns of exports including 'NIL' returns to the Registering authority by 15th day of the month following the quarter is deleted, and the revised format for ANF-2C is notified, as annexed.

3. **Effect of this Public Notice:** Para 2.96 (b) of Chapter-2 of Handbook of Procedures, 2015-2020 stands deleted, and revised format of ANF-2C is notified as a step towards reducing regulatory compliance burden.

Annexure

ANF 2C

APPLICATION FORM FOR REGISTRATION CUM MEMBERSHIP CERTIFICATE (RCMC)

To
The _____

(Name and Address of the Council)

Dear Sir,

Kindly register us as Merchant exporter /Manufacturer exporter/Merchant cum Manufacturer exporter of the export product(s) mentioned below.

1. Name of the applicant : _____

2. (i) Address of the applicant (Registered Office : _____
in case of limited companies, and the head office for others) _____

(ii) Name address of the branches, if any : _____

(iii) Name and address of the factory : _____

3.	(i) IEC number (ii) Date of issue (iii) Issuing authority	
4.	Payment details	
5 a.	If registration is required as a manufacturer exporter (SSI Registration/ Industrial Licence/IEM)	No. Date Issuing Authority:
b.	Others (specify)	
c.	EH/TH/STH/SSTH/SHE/ISEH/ISSEH/ISSEH certificate number	Valid upto
6.	If Status Holder : (category)	Certificate Number : Valid upto
7.	(a) Name of export product(s) or its category for which registration is required	
	(b) Main line of business of applicant	
8.	I hereby solemnly declare that the above stated information is true and correct and I undertake to abide by the FT (D&R) Act, 1992 and the provisions under FTP.	
9.	I/We hereby solemnly declare that the above stated information is true and correct. I/We undertake, without any reservation, to: (a) abide by the terms of the registration certificate granted to us on all our exports; (b) agree to abide by any code of conduct that may be prescribed; (c) agree to abide by export floor price condition that may be stipulated by the Registering Authority	
10.	We further understand that our registration is liable to be cancelled in the event of breach of any of the undertakings mentioned above.	
11.	I solemnly declare that I have applied to the Export Promotion Council which pertains to our main line of business. In case I have applied to any other council, the application has been made within the purview of the provisions of Para 2.94 of the Handbook of Procedures.	

Place

Date

Yours faithfully,

Name	(Signature)
Address	_____
Designation	_____
Email	_____
Mobile no.	

Documents to be enclosed with the application form:

1. A self certified copy of the IEC issued by the licensing authority concerned.

Principal Commissioner of Customs Chennai issues "Trade Facility Circular" allowing running bond in place of fresh bonds for each import for duty free import of trimmings and embellishments.

Duty free (IGST has to be paid) import of "Tags, label, stickers, belts buttons handbags or printed bags" are allowed as per S. No. 257 of Custom Notification No. 50 dt 30-06-2017 subject to execution of bond with customs. The bond has to be executed for each import consignment.

On pleadings from trade that the execution of bond in the above mentioned matter was quite laborious and cumbersome, the Chennai Custom has allowed the execution of a running bond in place of numerous bonds import wise in its Trade Facility Circular No. 09/2021 dt 12-07-2021

(copy reproduced below). The circular also contains details of 'Monitoring and Closure of bond'.

(Copy)

DGFT Trade Facility Circular No.09/2021 dt 12-07-2021

Sub : Monitoring and Closure of Re-bond executed by the importers for imports vide Notification No. 50/2017 S.No. 257 - Reg.

Kind attention is invited to the Budget 2021 regarding amendment in the Notification No.50/2017-Cus dt.30.06.2017 by Notification No.02/2021 dt.01.02.2021.

2. The import of Tags, labels, stickers, belts, buttons, hangers or printed bags (whether made of polythene, polypropylene, PVC, high molecular or high density polyethylene), imported by bonafide exporters was exempted from Basic Customs Duty vide S.No.257 of Notification No.50/2017-Cus. The said Notification which did not have any conditions for these imports earlier has been amended vide Notification No:2/2017 to include the conditions as follows:

- (i) the said goods have been imported for fixing on articles for export or for the packaging of such articles;
- (ii) the importer, by execution of a bond in such form and for such sum as may be specified by the Assistant Commissioner of Customs or Deputy Commissioner of Customs, binds himself to pay on demand in respect of the said goods as are not proved to the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs to have been used for the aforesaid purposes, an amount equal to the duty leviable on such goods but for the exemption contained herein;
- (iii) the importer satisfies the Assistant Commissioner or Deputy Commissioner of Customs, that articles so imported have been exported within six months of the date of importation or within such extended period as may be permitted by the said Assistant Commissioner of Customs or Deputy Commissioner of Customs.

3. In this regard, members of the trade have pleaded that the requirement to file a fresh bond for each import and also to get the 100% BG that appears in default removed on the ICES system is cumbersome and time consuming. Therefore as a measure of Trade Facilitation, the request from the trading public for permission to execute importer-wise Running bond is accepted and they may execute a single running bond to enable easy debit of the duty saved without having to file a fresh bond or revert the bill of entry for removal of the BG each time.

4. To enable verification of re-export of the inputs within a period of 6 months in terms of the notification conditions, the importers shall furnish a declaration regarding the description of goods utilized and their quantum in the export product mentioning the corresponding bill of entry numbers clearly and upload it on e-sanchit along with the shipping bill as proof of re-export. This will also facilitate identification and quantification of the same if the Shipping Bill is selected for examination.

5. To enable proper monitoring of the Re Export running bonds, the officers in the TSK cell who accept and maintain the RE-running bonds are directed to commence verification of the bonds on expiry of the 6th month by mailing the importer to submit Shipping Bill details bill of entry wise for verifying the export documents and co-relating them with the import documents on ICES. Wherever failure of export obligation is noticed after the period of six months or as extended, the same shall be brought to

the notice of the Deputy/Assistant Commissioner of the Port Assessment Group concerned who shall initiate action for recovery of duty for the said goods by way of issue of demand notice. The Deputy/Assistant Commissioner shall also consider requests for extension of time. In case of satisfaction of DC/AC regarding the use of goods imported under exemption for fixing on articles of export or for packaging of such articles, which are exported within six months of import or such extended time, recredit of appropriate Bond amount would be permitted.

6. This Facility Circular will come into force from 15.7.2021. For the imports made availing exemption under in terms of S.No. 257 of Notification No.50/2017-Cus till 14.7.2021, details of Shipping Bills along with a certificate from AEPC or a Chartered Accountant regarding the extent of use of imported materials, bill of entry wise may be furnished to TSK

7. The contents of this Facility Circular shall be treated as Standing Order for the officers concerned in respect of the action to be taken by them. In case of any difficulty, the specific issue may be brought to the notice of the Additional /Joint Commissioner of Customs (Import), ACC, Chennai - VII for redressal.

Impex # 7

Questions & Answers

Question : What is the basis of caution-listing of an exporter and what is the impact of the caution listing on an exporting unit?

Answer : The deciding criteria for automatic caution listing is the period for which an export bill has remained open without being regularised, or extension approved, or being written off. The current specified period is 2 years from the date of export.

Once an exporter is caution-listed, he will be required to obtain either 100% advance or a Letter of Credit, before he can export against a particular order. This severely affects the business of the exporter, leading to loss of business and also much more complicated processes for those exports which he is able to do.

A caution listed exporter will also find it difficult to obtain export credit from his bankers, and also to lodge bills for collection for those exports that he has already executed. Finally, bankers are prohibited from issuing any export guarantees on behalf of such caution listed exporters. In order to avoid being caution-listed, an exporter should ensure that the export proceeds are realized and repatriated on time, and are also reported to the bank on time for updating in EDPMS. Further, in case of any delay in receipt of export proceeds, or inability to recover the proceeds (even partially), the exporter should initiate the procedure for either extending the time, or write-off of export proceeds, whichever is applicable.

RBI has delegated powers to AD banks to take a call on caution-listing.

Question : I have filed correct information in the GST return but still my refund is not sanctioned?

Answer : In cases where the exporter has filed correct information in the GST returns and it gets successfully validated by the GSTN, it is thereafter transmitted electronically to the Customs system wherein the GST return data is matched with the shipping bill data. If the matching is successful, ICES processes the claim for refund and the relevant amount of IGST paid with respect to each shipping bill or bill of export is electronically credited to the exporter's bank account as registered with the Customs authorities. But, wherever the matching fails on account of some error, the refund does not get sanctioned. The matching between the two data sources is done at invoice level and any mismatch of the laid down parameters results in one or more of the following errors/responses:

SB001: Invalid SB details

SB 002:EGM not filed

SB 003:GSTIN mismatch

SB004: Record already received and validated

SB005: Invalid invoice number SB 006:Gateway EGM not available

Question : We are an export company with multiple banks. We need to give the AD code in the Shipping Bill. How do we register the AD codes of all our banks with Customs?

Answer : Prior to implementation of EDPMS, Customs authorities could capture only one AD code against the IE code of the exporter. However, to accommodate the changes necessitated by EDPMS, Customs authorities have now made modifications in their system to map multiple AD codes against single IE Code. That is, a one-to-many mapping for IE code to AD code. You may do such modifications at the ICEGATE. As and when the Shipping Bill checklist is being filed, the exporter has to choose from the list of AD codes registered against his IE code, based on which bank he wishes to submit the export documents at. This will ensure that the correct AD code gets captured in the Shipping Bill, without error.

Question : What is the RBI provision for the surrender of Foreign Exchange which remains unspent overseas?

Answer : In case the foreign exchange purchased for a specific purpose is not utilized for that purpose, it could be utilized for any other eligible purpose for which withdrawal of foreign exchange is permitted under the relevant rules/regulations. General permission is available to any resident individual to surrender received/realised/unspent/ unused foreign exchange to an Authorised Person within a period of 180 days from the date of receipt/realisation/ purchase/acquisition/date of return of the traveller, as the case may be. Moreover, where a person approaches an Authorised Person for surrender of unspent/unutilized foreign exchange after the prescribed period of 180 days, Authorised Person should not refuse to purchase the foreign exchange merely on the ground that the prescribed period has expired.

Question : Can we keep the balance foreign exchange to be used for my next trip abroad after six months?

Answer : A returning traveller is permitted to retain with him, foreign currency, traveller's cheques, and currency notes up to an aggregate amount of USD 2,000 and foreign coins without any ceiling beyond 180 days. Foreign exchange so retained, can be utilized by the traveller for his subsequent visits abroad.

Question : Our exports proceeds are getting delayed due to the liquidity challenge faced by the buyer. Can we roll over my forward contract?

Answer : The exporter may seek roll-over of the contract, where a delay is anticipated. Rollover comprises simultaneous cancellation before maturity and booking of a fresh forward contract. In roll-over, the forward contract shall be cancelled at an appropriate rate and rebooked at the applicable forward rate. The difference between the contracted rate and the rate at which the contract is cancelled should be recovered from/paid to the customer at the time of roll-over.

News from 'Print Media'



Financial Express
1st August 2021