

*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

Present Foreign Trade Policy extended by another six months till 31.03.2022

**DGFT issues notification extending the Foreign Trade Policy 2015-20 by yet another six months up to 31.03.2022. Foreign Trade Procedure also extended to 31.03.2022.**

DGFT has issued a Notification No. 33/2015-2020dt 28th Sept, 2021 by which the present FTP of 2015-20 valid upto 30.09.2021 has been extended by yet another six months to 31.03.2022. A perusal of the above notification shows that the notification does not contain any policy change.

The above notification gives no reason for the third extension of the FTP of 2015. But two reasons appear obvious. First is the wide spread of COVID-19 throughout the world which has upset the lives of billions of people. Second is that in recent months DGFT has announced so many changes that very little more may have been left for the new FTP to contain in itself.

Simultaneously DGFT has issued Public Notice No. 25/2015-20dt 28.09.2021 extending the validity of Handbook of Procedure to 31.03.2022.

Copies of notification dt 28.09.2021 and public notice dt 28.09.2021 referred to above are reproduced below:

(Copy)

DGFT Notification No. 33/2015-2020, Dated the 28th September 2021

**Subject: Amendment in Para 2.14 (Modification of IEC) of Chapter-2 of Handbook of Procedures, 2015-2020.**

**S.O. (E).**-In exercise of powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 read with paragraph 1.02 of the Foreign Trade Policy (FTP) 2015-2020, as amended, the Central Government hereby makes, with immediate effect, the following amendments in the FTP 2015-2020:

1. In para 1.01, the phrase 'shall remain in force upto 30th September, 2021 unless otherwise specified' is substituted by the phrase 'shall remain in force upto 31.03.2022 unless otherwise specified.'
2. In para 4.14, the date '30.09.2021' as appearing in the last line is substituted by '31.03.2022'.
3. In para 5.01(a), the date '30.09.2021' as appearing in the second sentence is substituted by '31.03.2022'.
4. In para 6.01(d) (ii), the date '30.09.2021' as appearing in the last line is substituted by '31.03.2022'.

**Effect of this Notification:** The existing Foreign Trade Policy 2015-2020 which is valid upto 30th September, 2021 is extended upto 31st March, 2022.

(Copy)

DGFT Public Notice No. 25/2015-2020, Dated the 28th September 2021

In exercise of powers conferred under paragraph 2.04 of the Foreign Trade Policy (FTP) 2015-2020, the Director General of Foreign Trade hereby makes, with immediate effect, the following amendments:

In the Handbook of Procedures (HBP) 2015-20:

1. In para 1.01, the phrase 'shall remain in force until 30th September, 2021?' is substituted by the phrase 'shall remain in force until 31.03.2022.'
2. In para 3.20 (a), the phrase or 30.09.2021, whichever is later' is substituted by the phrase or 31.03.2022, whichever is later'.
3. In para 4.12(vi), the date '30.09.2021', as appearing in the first sentence is substituted by '31.03.2022.'

**Effect of this Public Notice:** Validity of the existing Hand Book of Procedures, 2015-20 is extended upto 31st March, 2022.

**DGFT issues notification revising the last date for submitting application for scrip based FTP schemes 31.12.2021. Validity of scrips issued on or after 16.09.2021 to be 12 months.**

DGFT has issued a Notification No. 26/2015-20dt 16th Sept, 2021 on the two subject as above.

It is also mentioned in the notification that after 31.12.2021 no further applications would be allowed to be submitted and they would become a time-barred. Late cut the provisions shall also not be available for submitting claims at a later date.

Copy of notification DT 16.09.20212 above is reproduced below:

(Copy)

DGFT Notification No. 26/2015-2020, New Delhi, 16th September 2021

**Subject: Last Date for Submitting applications for Scrip based FTP Schemes and validity period of Duty Credit Scrips**

**S.O. (E):** In exercise of the powers conferred by Section 5 of the Foreign Trade (Development and Regulation) Act, 1992 read with Para 1.02 of the Foreign Trade Policy, 2015-20 and the enabling para 3.13 of the FTP, the Central Government hereby inserts the following in the Foreign Trade Policy 2015-20 with immediate effect:

2. The following paragraphs are inserted in the FTP 2015-20 after paragraph 3.13:

"3.13A: Last Date of Submitting Applications for Scrip based Schemes

a. In supersession of the existing laid down provisions in the Hand Book of Procedures, 2015-20 with regard to last date for submitting online applications for scrip based claims, the last date for submitting online applications stands revised to 31st December 2021 for the following schemes i.e.

- i. for MEIS (for exports made in the period (s) 01.07.2018 to 31.03.2019, 01.04.2019 to 31.03.2020 and 01.04.2020 to 31.12.2020),
- ii. for SEIS (for service exports rendered in FY 18-19 and FY 2019-20),
- iii. for 2 % additional ad hoc incentive (under para 3.25 of the FTP - for exports made in the period 01.01.2020 to 31.03.2020 only),
- iv. for ROSCTL (for exports made from 07.03.2019 to 31.12.2020) and
- v. for ROSL (for exports made upto 06.03.2019 for which claims have not yet been disbursed under scrip mechanism).

After 31.12.2021, no further applications would be allowed to be submitted and they would become time-barred. Late cut provisions shall also not be available for submitting claims at a later date.

b. In supersession of the laid down provisions on applicable late cut as in para 9.02 of the HBP, the new late cut for applications submitted upto 31.12.2021 as indicated above shall be:

Sl no.	Scheme	Period of Exports (Let Export Date in the period) / Services rendered in the period	Late Cut (as % age of Entitlement under the Scheme)
1	MEIS	FY 2018-19 (01.07.2018 to 31.03.2019)	10%
2	MEIS	FY 2019-20 and FY 2020-21 (upto 31.12.2020)	Nil
3	SEIS	FY 2018-19	5 %
4	SEIS	FY 2019-20	Nil
5	ROSC TL	07.03.2019 to 31.12.2020	Nil
6	ROSL	Upto 06.03.2019	Nil

### 3.13B: Validity Period of Scrips

- a. In supersession of existing laid down provisions regarding validity of a Duty Credit Scrip in Hand Book of Procedures (HBP) 2015-20, the new validity period of a Duty Credit Scrip issued on or after 16.09.2021 shall be 12 months from the date of issue, for scrip based Schemes under chapter 3 and chapter 4 of the Foreign Trade Policy (FTP) 2015-20 or the earlier FTPs"

**Effect of this Notification:** The last date of submitting applications under MEIS, SEIS, ROSCTL, ROSL and 2% additional ad hoc incentive (under para 3.25 of FTP) has been notified to be 31.12.2021, in supersession of any such provision in the Hand Book of Procedures, 2015-20 going forward. Further, the validity of any scrip issued under FTP from the date of this Notification have been notified to be 12 months from the date of issue, in supersession of validity provisions in the Handbook of Procedures, 2015-20.

### Impex # 3 Export obligation period of advance and EPCG authorisation extended till 31.12.2021 where export obligation expired between 01.08.2020 to 31.07.2021

DGFT issues notification extending export obligation period of advance and EPCG authorisation to 31.12.21 in respect of authorisations whose exports obligation expired between 01.08.2020 to 31.07.2021.

It is quite tempting and easy to take advance and EPCG authorisation but quite a task to fulfil the export obligation (E.O.) imposed on them within the given period. Many authorisation holders failed to do so on account of the reasons beyond their control. Where the reason are of the same nature and widespread, DGFT takes cognizance of the same of its own also, and grants general relaxation period for all specified authorisations. Notification No. 28/2015-20 dt 23.07.2021 reproduced below appears to be on account of widespread community of COVID-19.

(Copy)

DGFT Notice No. 28/2015-2020, New Delhi, 23 September 2021

**Subject: Extension in the Export Obligation period of specified Advance & EPCG Authorisations till 31.12.2021 reg.**

**S.O.(E).**- In exercise of powers conferred by Section 5 of FT(D&R) Act, 1992, read with Paragraph 1.02 of the Foreign Trade Policy 2015-20, as amended from time to time, the Central Government hereby makes following amendments in the Hand Book of the procedure 2015-20.

2. The following sub-para is added after Subpara 4.42(i) of HBP :

"4.42 (j):

- a. For Advance Authorisations, where original or extended Export Obligation (EO) period is expiring during the period between 01.08.2020 and 31.07.2021, the Export Obligation period would be extended till 31.12.2021 without any composition fees. However this extension is subject to 5% additional export obligation in value terms (in free Foreign Exchange) on the balance Export Obligation on the date of expiry of the original/extended export obligation period.
- b. The option to avail EO extensions with payment of composition fees under this para (4.42 (d),(e),(f)) would remain available for these authorizations as per eligibility.
- c. In cases where Advance Authorisation Holder has already obtained EO extension upon the payment of composition fee, the refund of the composition fee will not be permitted.

3. The following Sub para is added after Subpara para 5.17 (e) of HBP :

"5.17 (f):

- a. For EPCG Authorisations, where original or extended Export Obligation (EO) period is expiring during the period between 01.08.2020 and 31.07.2021, the Export Obligation period would be extended till 31.12.2021 without any composition

Fees. However this extension is subject to 5% additional export obligation in value terms (in free Foreign Exchange) on the balance Export Obligation on the date of expiry of the original/extended export obligation period.

- b. The option to avail EO extensions with payment of composition fees under this para (5.17(c)) would remain available for these authorisations as per eligibility.
  - c. In cases where EPCG Authorisation Holder has already obtained EO extension upon the payment of composition fee, the refund of the composition fee will not be permitted.
4. Customs authorities shall allow export accordingly and EO fulfilment details as per above provisions will be checked/verified by the RA at the time of EODC/Closure/Regularisation. Authorisation Holders need not approach RA or make any application to avail this benefit.

**Effect of the Notification:** Another option to avail extension in Export Obligation period till 31.12.2021 in case of specified Advance Authorisations and EPCG Authorisations is provided without any composition fees subject to 5% additional export obligation on balance exports to be fulfilled. This is in addition to EO extensions facility (upon payment of the composition fees) already provided in FTP/HBP.

#### Impex # 4

#### Details the scheme of RoDTEP issued by customs

**CBIC issues custom circular containing details of RoDTEP scheme applicable with effect from 01.01.2021.**

The RoDTEP Scheme (Remission of Duties and Taxes on Export Products) as the name of the scheme indicates is for rebating the Levies at the Central/State/Local levels on specified good subject to certain conditions.

CBIC has issued a Custom Circular No. 23/2021-Customs dt 30.09.2021 containing details of operationalisation of the scheme (copy reproduced below):

(Copy)

Custom Circular No. 23/2021-Customs, New Delhi, Dated the 30th of September, 2021

**Subject: Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) w.e.f. 01.01.2021.**

Your attention is drawn to RoDTEP Scheme Notification No. 76/2021-Customs (N.T.) dated 23.09.2021 issued under section 51B of the Customs Act, prescribing the various conditions and restrictions subject to which duty credit shall issue, be used, transferred and the notification No. 75/2021-Customs (N.T.) dated 23.09.2021 issued under Section 51B read with section 157 of said Act regarding Regulations for use, transfer, maintenance etc. of Electronic Duty Credit Ledger.

2. The Notification No. 76/2021-Customs (N.T.) dated 23.09.2021 has been issued as a consequence of Department of Commerce/DGFT notification no. 19/2015-2020 dated 17.08.2021 inserting "Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP)", administered by Department of Revenue, in the Foreign Trade Policy 2015-2020, and specifying scheme guidelines along with Appendix 4R containing the schedule of rates and further specifying that scheme would take effect for exports from 01.01.2021.
3. The scheme provides for remission amount in the form of transferable duty credit issued to a person and maintained in the electronic duty credit ledger in the customs automated system, in terms of section 51B of the Customs Act inserted vide Finance Act, 2020.
4. As the facility was operationalised by Systems Directorate from 01.01.2021 onwards itself for making claim of RoDTEP on shipping bill/bill of export filed, the eligibility for grant of RoDTEP, in respect of items covered under the scheme, will function on this basis. The Systems Directorate will commence this processing, including on the basis of risk evaluation. To the appropriate extent, the Board's Circular No. 15/2021-Cus dated 15.07.2021 regarding implementation of Risk Management System for processing of Duty Drawback claims shall also be relevant.
5. The RoDTEP scheme rebates the incidence of duties, taxes and levies at the Central/State/local levels on specified export goods, where such duty or tax or levy is not exempted, remitted or credited under any other scheme. The remission under

RoDTEP is as a percentage of the Free on Board (FoB) value of the eligible export product along with value caps for certain HS codes or is at specific value as detailed under Appendix 4R of the FTP.

6. For availing the scheme, an exporter is to also make a declaration on the electronic shipping bill undertaking that it would abide by the scheme provisions, not claim rebate/remission with respect to any duties/taxes/levies already exempted or for which remission is provided under other schemes and that it shall preserve documents for audit, etc.
7. Once the Systems Directorate commences processing of RoDTEP, a scroll will be generated in the customs automated system. The scroll will contain the details of shipping bill, amounts of duty credit allowed against the shipping bill etc. The exporter has the option of combining duty credits available in a scroll or a number of scrolls at the particular customs station of export and generate an e-scrip in the exporter's electronic ledger maintained in the customs automated system. An electronic ledger shall be created for every holder of IEC number who is either the exporter having made a claim of RoDTEP against export of goods or is a recipient of duty credit by way of transfer.
8. The exporter has the option to generate e-scrips within one year of generation of scroll. If this option is not availed by an exporter, the available duty credits in each scroll shall be combined Customs station-wise and sent by the Customs System to the electronic ledger of the said exporter as an e-scrip. An e-scrip shall be valid for a period of one year from the date of its generation in the ledger and any duty credit in the said e-scrip remaining unutilized at the end of this period shall lapse.
9. E-scrips shall be freely transferable. The period of validity of the e-scrip shall not change on account of transfer of the e-scrip. However, duty credit available in an e-scrip shall be transferred at a time for the entire amount available in the said e-scrip to another person and transfer of the duty credit in part shall not be permitted. Each e-scrip will carry a unique identification number and date of its creation. All transactions made in the ledger of an IEC through credit, debit or transfer of duty credit shall be visible to the said IEC holder and Customs. Once an e-scrip is generated in the ledger, it will be registered automatically with the Customs station of export.
10. E-scrips shall be used for payment of duties of customs specified in the First Schedule to the Customs Tariff Act, 1975 i.e. Basic Customs Duty only on imports made through customs automated system.
11. Duty credit allowed under RoDTEP scheme is subject to realization of sale proceeds within the period allowed by RBI. The detailed provisions are mentioned in condition at para 2(4), 2(6) and 2(7) of the Notification No. 76/2021-Customs (N.T.) dated 23.09.2021. The Regulations, read with said Notification, also provide for the situations and manner of suspensions or cancellation of duty credit or e-scrip, or recovery when duty credit allowed was in excess or where export proceeds are not realised. In this regard, the Commissioners are advised to organise and adopt processes effectively such that the actions taken remain commensurate to the requirements.
12. The details of the ineligible export categories or sectors are mentioned in Table 1 of the RoDTEP notification. It is requested to go through all the notifications for full details. These are available on [egazette.nic.in/CBIC](http://egazette.nic.in/CBIC) website.
13. A copy of this Circular is being endorsed to D.G. Systems for necessary actions, including provision of appropriate enablement's/functionalities.
14. Suitable Public Notice publicising the scheme for guidance of exporters & trade and Standing Order for officers should be issued for smooth implementation. Any difficulty faced be brought to notice of the Board.

## Impex # 5

## Replacement of "LIBOR" for interest payable

**RBI issues circular for use of any alternate reference rate in place of "LIBOR" for interest payable in respect of export/ import transactions.**

In view of impending cessation of "LIBOR" as a benchmark rate, RBI has issued A.P.(DIR series)Circular No. 13 dt September 28,2021 permitting the banks to use any other widely accepted alternative reference rate in the currency concerned for such transactions.

Copy of RBI Circular dt 28.09.2021 reproduced below:

(Copy)

RBI/2021-2022/101, A.P. (DIR Series) Circular No.13, Dated September 28, 2021

To

All Category-I Authorised Dealer Banks

**Use of any Alternative reference rate in place of LIBOR for interest payable in respect of export / import transactions**

Attention of Authorised Dealer Category-I banks (AD banks) is invited to extant Regulation 15 of Foreign Exchange Management (Export of Goods & Services) Regulations, 2015 notified vide FEMA 23(R)/2015-RB dated January 12, 2016 and various directions issued to AD banks from time to time prescribing LIBOR linked interest payable in respect of export/import transactions.

2. In view of the impending cessation of LIBOR as a benchmark rate, it has been decided to permit AD banks to use any other widely accepted/Alternative reference rate in the currency concerned for such transactions. All other instructions in this regard shall remain unchanged. The necessary enabling amendment to FEMA 23(R)/2015-RB has since been notified vide Notification No. FEMA 23(R)/(5)/2021-RB dated September 08, 2021 (copy enclosed).

3. AD banks may bring the contents of this circular to the notice of their constituents concerned.

4. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the FEMA, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Impex # 6

**Questions & Answers**

**Question : Whether realisation of foreign currency for the RoDTEP benefit is necessary?**

Answer : The Scheme provides that the rebate would not be dependent on the realization of export proceeds at the time of claim of rebate. However, the rebate is allowed subject to receipt of sale proceeds within the timeframe allowed under the Foreign Exchange Management Act, 1999 failing which such rebate shall never be deemed to have been allowed.

**Question : What is the procedure of claiming the benefit of these e-scrips?**

Answer : The procedure of claiming the benefit of these scrips is as follows:

- (i) To avail the scheme exporter shall make a claim for RoDTEP in the shipping bill by making a declaration.
- (ii) Once an EGM is filed, the claim will be processed by Customs.
- (iii) Once processed, a scroll with all individual Shipping Bills for admissible amount would be generated and made available in the users account at ICEGATE.
- (iv) Users can create a RoDTEP credit ledger account under the Credit Ledger tab. This can be done by IECs who have registered on ICEGATE with a DSC.
- (v) Exporter can log in into his account and generate scrip after selecting the relevant shipping bills.

**Question : What is the effective date of claiming the RoDTEP?**

Answer : RoDTEP has been made effective from 1st January 2020 in respect of those exports where intention to claim the benefit has been manifested on the shipping bills.

**Question : What are the criteria to announce the RoDTEP and whether it is available on all the products or on selective products?**

Answer : RoDTEP scheme is notified based on the classification of the products as per tariff heading at 8-digit level. The benefit is given for 8555 tariff items. However, there are some sectors i.e. steel, pharmaceuticals, chemical, textiles (covered by RoSCTL) etc. which have presently not been given benefit under the Scheme.

**Question :** Some of the ports in the country are non-EDI ports. Can we claim the benefit of RoDTEP in respect of goods exported through such ports?

**Answer :** Since the entire scheme is designed on the electronic interface, it has been specifically provided by the Department of Commerce vide its Notification No. 19/2021 Dt. 17.08.2021 that exports for which the electronic documentation in ICEGATE/EDI has not been generated or the goods are exported through non-EDI Ports, then the same would be qualified under the ineligible supplies/ items/categories under the scheme.

**Question :** What would be the role of DGFT portal in claiming rebate?

**Answer :** The policy of the RoDTEP is notified by the DGFT but the administration of the Scheme would be done by the Ministry of Finance. The generation and utilization of rebate benefits should be done through the ICEGATE portal.

**Question :** Whether I need to register at the port for the purpose of claiming and utilization and RoDTEP benefits?

**Answer :** Registration on the ICEGATE online portal and creation of the e-credit ledger seems to be sufficient compliance to avail the benefit of this scheme. The registration at the port of export, as was required under the erstwhile Merchandise Exports from India Scheme (MEIS), is not required under this scheme. This is more so because the entire mechanism of issuance, processing, generation, and utilization of the scrips is being carried out through a common portal in the ICEGATE.

**Question :** Whether RoDTEP would be credited in exporters' bank accounts similar to duty drawback?

**Answer :** RoDTEP would be issued in the form of a transferable e-scrips which will be maintained in an electronic credit ledger by the CBIC and allowed to be used for paying Basic Customs Duty on import of goods or may be transferred electronically to another party. The benefit will not be in the form of direct credit to the bank account like duty drawback.

## News from 'Print Media'

**Exporters can submit applications till Dec 31 to claim pending dues**

**PRESS TRUST OF INDIA**  
New Delhi, September 17

**THE LAST DATE** for exporters to submit online applications to claim their pending dues under different export promotion schemes will be December 31, according to a notification of the commerce ministry. On September 9, the government announced to release ₹56,027 crore against pending tax refunds of exporters under different export incentive schemes.

For claiming pending refunds under merchandise exports from India Scheme (MEIS), the ministry said, exporters can submit applications for exports made in the period July 1, 2018, to March 31, 2019, and from April 1, 2019, to March 31, 2020, and from April 2020 to December 31, 2020.

Under services export from India Scheme (SEIS), they can file applications for exports made during 2018-20.

"The last date for submitting online applications under MEIS, SEIS, ROSCTL, ROSL and 2 per cent additional adhoc incentive has been notified to be December 31, 2021," it said.

Similarly, textile exporters can file applications for exports made during March 7, 2019, to December 31, 2020, under RoSCTL (Rebate of State and Central Levies and Taxes) scheme. It added that after December 31, no further applications would be allowed to be submitted and they would become time-barred.

Further, the validity period of duty credit scrips or certificates issued on or after September 16, 2021 shall be 12 months from the date of issue.

Commenting on this, former FIEO president SK Saraf said that the decision of extending the last date for application of scrip-based schemes is a welcome move.

It shows the government's sensitivity to the difficulties faced by exporters in these challenging times, he said adding, however, the DGFT needs to make the application portals operational and ensure their continuous working.

**Foreign trade policy to continue till Mar 31: Goyal**

**NEW DELHI, 27 September**

Commerce and Industry Minister Piyush Goyal said on Monday that the recent foreign trade policy (FTP) is set to be extended by another six months till March 31, 2022.

The FTP — an elaborate policy guideline that governs the entire export-import trade — is a key instrument for the government to regulate trade and to protect the interests of the country. The FTP is a dynamic policy that is updated regularly to meet the changing requirements of the country.

The government has decided to extend the validity of the FTP until March 31, 2022, to provide exporters and importers with a clear and stable policy environment. The extension of the FTP will also help the government to continue its efforts to promote exports and to protect the interests of the country.

The government has also decided to extend the validity of the FTP until March 31, 2022, to provide exporters and importers with a clear and stable policy environment. The extension of the FTP will also help the government to continue its efforts to promote exports and to protect the interests of the country.

**Exporters to Get ₹56,027 crore in Dues Under Promotion Schemes**

**Govt move to benefit 45,000 traders, of which 98% are in MSME category**

The government has announced to release ₹56,027 crore against pending tax refunds of exporters under various schemes. The move is expected to benefit 45,000 traders, of which 98% are in the MSME category.

The government has also announced to extend the deadline for exporters to submit online applications for pending dues to December 31, 2021. The move is expected to provide exporters with a clear and stable policy environment.

The government has also announced to extend the validity of the FTP until March 31, 2022, to provide exporters and importers with a clear and stable policy environment. The extension of the FTP will also help the government to continue its efforts to promote exports and to protect the interests of the country.

Business Standard  
28th September 2021

Financial Express - 18th September 2021