

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

Last date for claiming scrips etc. stands at 31.12.2021

DGFT issues Trade Notice reiterating that last date for filing claim at the online IT module for scrip based scheme - MEIS/SEIS/RoSL/RoSCTL stands at 31.12.2021.

DGFT had issued a Notification No. 26 dt 16.09.2021 wherein 31st Dec, 2021 had been stipulated as the revised last date for making online application under MEIS/SEIS/RoSL/RoSCTL schemes.

Now DGFT has issued a Trade Notice No. 22/2021-22 dt 02.11.2021 (copy reproduced below) reiterating that the last date as mentioned in the above paragraph stands as it is i.e. 31.12.2021.

Copy of DGFT Trade Notice No. 22/2021-22 dt 02 November, 2021

Subject: Last date for filing claim at the Online IT module for Scrip based Schemes - MEIS/SEIS/ ROSL/ROSCTL

In September 2021, Government had released about Rs 56,000 Crore for issue of duty credit scrips under the FTP Schemes. Filing of online applications and subsequent issue of duty credit scrips has also started.

2. In this regard, attention of the trade & industry is drawn to Notification no. 26 dated 16.09.2021 , wherein 31st December 2021 has been stipulated as the revised last date for making online applications under MEIS/SEIS/ RoSL/ RoSCTL schemes. Exporters may kindly note that after 31.12.2021, the Online IT system will not be operational and no applications/claims under the mentioned schemes can thereafter be submitted. It has also been notified that the facility for filing applications, with a late cut provision, would also not be available and all applications will get time barred after 31st December 2021.

3. Trade and Industry is requested to take note and ensure that applications/ claims are submitted Online within the stipulated timeline of 31.12.2021 for timely release/ issue of scrips by DGFT RAs.

4. Export Promotion Councils are also requested to give wide dissemination to this Trade Notice in the interest of exporting community. SEPC/FIEO and organizations with service exporters as their members may also approach their constituents with a request to file their SEIS claims at an early date and in any case not later than 31.12.2021.

Copy of DGFT Trade Notice No. 26/2015-2020, New Delhi, dt 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 # 2

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 had issued a Notification No. 33/2015-2020dt 28th Sept, 2021 by which the present FTP of 2015-20 valid upto 30.09.2021 had 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 had 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 of 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 of 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.

Impex # 3 Last date for filling application for scrips continues to be 31.12.2021 and not extended

DGFT issues Trade Notice reiterating that the last date for applying for e-scrips shall not be extended beyond the present last date i.e. 31.12.2021.

DGFT has issued a Trade Notice No. 22/2021-22 dt 02.11.2021 repeating that the last date for applying for e-scrips which is 31.12.2021 at present shall not be extended and therefore all eligible for the same should apply before 31.12.2021 (copy reproduced below):

Copy of Trade Notice No. 22/2021-22-DGFT, Dated: 02, November , 2021

Subject: Last date for filing claim at the Online IT module for Scrip based Schemes - MEIS/SEIS/ ROSL/ROSCTL

In September 2021, Government had released about Rs 56,000 Crore for issue of duty credit scrips under the FTP Schemes. Filing of online applications and subsequent issue of duty credit scrips has also started.

2. In this regard, attention of the trade & industry is drawn to Notification no. 26 dated 16.09.2021, wherein 31st December 2021 has been stipulated as the revised last date for making online applications under MEIS/SEIS/ RoSL/

RoSCTL schemes. Exporters may kindly note that after 31.12.2021, the Online IT system will not be operational and no applications/claims under the mentioned schemes can thereafter be submitted. It has also been notified that the facility for filing applications, with a late cut provision, would also not be available and all applications will get time barred after 31st December 2021.

3. Trade and Industry is requested*to take note and ensure that applications/ claims are submitted Online within the stipulated timeline of 31.12.2021 for timely release/ issue of scrips by DGFT RAs.

4. Export Promotion Councils are also requested to give wide dissemination to this Trade Notice in the interest of exporting community. SEPC/FIEO and organizations with service exporters as their members may also approach their constituents with a request to file their SEIS claims at an early date and in any case not later than 31.12.2021.

Impex # 4 Electronic filing of applications for RCMC (Registration Cum Membership Certificate)

DGFT issues a trade Notice containing details of "Electronic filling of Registration cum Membership Certificate through the common Digital Platform w.e.f 06.12.2021"

The objective of the facilitation referred to above is to provide an electronic connectless single window for the RCMC/RC related process including application for fresh/ amendment/ renewal of RCMC/RC. Application for the RCMC/RC may be submitted through the common platform w.e.f. 06.12.2021 (copy reproduced below):

Copy of Trade Notice No. 27/2021-22, Dated: 30.11.2021

Subject: Electronic filing of Registration Cum Membership Certificate (RCMC)/ Registration Certificate (RC) through the Common Digital Platform w.e.f. 06th December 2021

A new online common digital platform for issuance of Registration Cum Membership Certificate (RCMC)/ Registration Certificate (RC) has been developed which would be single point of access for all exporters/importers and Issuing agencies. The given platform shall be available at the following URL: <https://dgft.gov.in>.

2. The objective of the platform is to provide an electronic, contact-less single window for the RCMC/RC related processes including Application for Fresh/ Amendment/ Renewal of RCMC/ RC. Applications for RCMC/ RC may be submitted through the common platform w.e.f. 06th December 2021. Submitting applications on this online platform shall not be mandatory for the exporters in the immediate and there shall be a transition period for issuing agencies as well as Exporters to on- board this common digital platform. The existing procedure of submitting applications directly to the designated issuing agency shall also be in operation in parallel during this transition period. Submission and issuance of RCMC/ RC by the issuing agencies through their system may continue up to 28th February 2022 or until further orders.

3. The authenticity of the online issued shall be verifiable by login to exporter profile on <https://dgft.gov.in>. The details for RCMC/ RC issued using the DGFT portal will be reflected instantly in the profile of the exporter.

4. The concerned Indian Exporters may please take note of the following points with regard to the process being notified herewith:

- a. Digital Signature Certificate (DSC)/ Aadhar would be required for the purpose of electronic submission of applications. The digital signature would be the same as used in other DGFT applications;

b.No separate registration is required for availing the RCMC/ RC service from the DGFT Portal. Already registered exporters/importers can avail the service using the same login credentials.

5. For further guidance on registration and application submission process, the Help Manual & FAQs may be accessed via clicking on Learn" Application Help & FAQs.

6. For any further assistance you may utilize any of the following channels -

- Raise a service request ticket through the DGFT Helpdesk service
- Call the toll-free DGFT Helpdesk numbers
- Send an email to DGFT Helpdesk at dgftedi@gov.in

Impex # 5

Questions & Answers

Question : Am I eligible for the RoDTEP benefits on goods purchased from EOUs for exports purpose?

Answer : EoUs are currently not eligible for the RoDTEP benefits and thus a domestic unit exporting goods manufactured by EOUs will also not be eligible for the RoDTEP benefits. However, once the RoDTEP Committee fixes the rate for them and the Government decides the date from which it will be effective, EOUs will be eligible for RoDTEP benefits.

Question : Is interest to be paid on total tax liability, or net tax liability under the GST?

Answer : Please refer Clause 103 of the Finance Bill 2021 amended section 50 of the CGST Act. According to the new rule, interest will only be paid on the net tax liability, after balancing the credit in the electronic credit ledger, given that the person has not been issued any showcause notice under section 73 or 74 of the CGST Act.

Question : What are the provisions concerning taking of ITC in respect of capital goods sent to a job worker?

Answer : Principal shall be entitled to take credit for taxes paid on capital goods sent to a job worker whether sent after receiving them at his place of business or even when such capital goods are directly sent to a job worker without being first brought to his place of business. However, the capital goods, after completion of job work, are required to be received back or supplied from the job worker's premises, within a period of three years of their being sent out (for inputs, the period in one year instead of three years).

Question : We have filed accurate information in the GST return but still my refund is not sanctioned.

Answer : In cases where the exporter files correct information in the GST returns, it gets successfully validated by the GSTN and 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. 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 errors.

Question : What is the time limit for taking ITC?

Answer : A registered person cannot take ITC in respect of any invoice or debit note for supply of goods or services after the due date for furnishing the return under section 39 for the month of September following the end of financial year to which such invoice/invoice relating to debit note pertains or furnishing of the relevant annual return, whichever is earlier. So, the upper time limit for taking ITC is 20th October of the next FY or the date of filing of

annual return whichever is earlier. The underlying reasoning for this restriction is that no change in return is permitted after September of next FY. If annual return is filed before the month of September, then no change can be made after filing the annual return.

Question : Can a person take Input Tax Credit (ITC) without payment of consideration for the supply along with tax to the supplier?

Answer : Yes, the recipient can take ITC. But he is required to pay the consideration along with the applicable tax within 180 days from the date of issue of invoice. This condition is not applicable, where tax is payable on reverse charge basis.

Question : We have generated scrip of Rs 60 lakh and we want to transfer it to two buyers who have existing accounts at ICEGATE. What would be mechanism for transfer?

Answer : As per the current provision, the entire amount available in the scrip can be transferred only to one person. Therefore, you cannot split the value of scrip to transfer to two buyers. A better approach would be to select less shipping bills and accordingly generate scrips for lesser value so that you generate two scrips for two buyers.

Question : Are exports to Nepal, Bhutan and Myanmar eligible for the benefit of the RoDTEP scheme?

Answer : The RoDTEP benefits are available for exports to Nepal, Bhutan and Myanmar only upon realization of sale proceeds against irrevocable letter of credit in freely convertible currency established by importers of these countries in favour of Indian exporters.

Question : What happens if the exporter does not pay the demanded amount?

Answer : Till the amount demanded by the Customs authorities is paid, no further duty credit, on any subsequent exports shall be allowed to such exporters till the time such recovery is made and any unutilized credit with the exporter or the transferee shall be suspended pending such recovery.

Question : What happens if export realization does not take place after obtaining the RoDTEP benefits?

Answer : In case, the export proceeds are not realized within the time allowed by the RBI, including the extended time, if any, the exporter is required to repay the RoDTEP amount with interest within 15 days from the raising of said demand. However, it is advisable that if the payment is not realized, exporter suo moto should refund the RoDTEP amount with interest without waiting for such demand so as to reduce the interest liability.

News from 'Print Media'



Navbharat Times - 09th November 2021