

*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

## Current Foreign Trade Policy and current Handbook of Procedure (both) extended up to 30.09.2022

DGFT issues Notification and Public Notice to extend the validity of present Foreign Trade Policy (2015-20) and Handbook of Procedure (2015-20) respectively to 30.09.2022.

DGFT has issued Notification No. 64/2015-20 dt 31.03.2020 to extend the current FTP (Foreign Trade Policy) expiring 31.03.2022 to 30.09.2022. Simultaneously the validity H.B. of P. (Handbook of Procedure) has also been extended to 30.09.2022 by Public Notice No. 53/2015-2020 dt 31.03.2022 (Copies of notification and public notice are given below). No changes has been made in both.

This is for the first time that DGFT has extended a five-year policy (2015-2020) by two years in piecemeals. What is, however, pleasing is that the merchandise exports in the year 2021-22 is a record of more than \$400 billion even without a new FTP due in 2020-21 and 2021-22.

(Copy)

Notification No. 64/2015-2020, Dated 31st March 2022

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:

In para 1.01, the phrase 'shall remain in force upto 31st March, 2022 unless otherwise specified' is substituted by the phrase 'shall remain in force upto 30.09.2022 unless otherwise specified.'

**Effect of this Notification:** The existing Foreign Trade Policy 2015-2020 which is valid upto 31.03.2022 is extended upto 30th September, 2022.

(Copy)

Public Notice No. 53/2015-2020, Dated: 31st March, 2022

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 31st March, 2022?' is substituted by the phrase 'shall remain in force until 30.09.2022'.

2. In para 3.20 (a), the phrase 'or 31.03.2022, whichever is later' is substituted by the phrase 'or 30.06.2022, whichever is later'.

3. In para 4.12(vi), the date '31.03.2022', as appearing in the first sentence is substituted by '30.09.2022?.'

**Effect of this Public Notice:** Validity of the existing Hand Book of Procedures, 2015-20 is extended upto 30th September, 2022.

**Impex # 2****Exemption from Integrated Goods and Service Tax and compensation cess on Advance Authorization, EPCGs and EOU schemes extended upto 30.06.2022**

DGFT issues notification exempting Advance Authorization, EPCGs and EOU schemes from GST and compensation cess till 30.06.2022.

On the subject above, DGFT has issued a Notification No. 66/2015-20 dt 01.04.2022. (copy reproduced below).

The extension is a welcome step.

(Copy)

DGFT Notification No. 66/2015-20, Dated: 1st April 2022

**Subject:** Amendments to Foreign Trade Policy 2015-2020 - Extension of Integrated Good and Service Tax (IGST) and Compensation cess exemption under Advance Authorisation, EPCG and EOU scheme up to 30.06.2022.

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 Foreign Trade Policy 2015-20.

1. Exemption from Integrated Tax and compensation Cess under Advance Authorization under Para 4.14 of FTP 2015 -20 is extended upto 30.06.2022.
2. Exemption from Integrated Tax and Compensation Cess under EPCG scheme under Para 5.01 (a) of FTP 2015-20 is extended upto 30.06.2022.
3. Exemption from Integrated Tax and Compensation Cess under EOU scheme under Para 6.01(d)(ii) of FTP 2015-20 is extended upto 30.06.2022.

**Effect of this Notification:** Para 4.14, Para 5.01(a) and Para 6.01(d)(ii) of FTP 2015-20 are amended as above.

**Impex # 3****Last date for submission of applications under certain scrip based schemes extended**

DGFT issues notification extended the last date for submission of application under certain scrip based schemes.

Extension of last date for submission of applications under its various scheme is a regular feature of DGFT policy. This is done to ensure that exporter do not suffer and get what is due to them.

Now DGFT has issued a Notification No. 58/2015-20 dt 7th March, 2022 (copy reproduced below) according to which the last date has been extended for submitting application under MEIS (for exports made in 01.04.2020 to 31.12.2020), RoSCTL, RoSL and 2% additional ad hoc incentive.

(Copy)

DGFT Notification No: 58/2015-20, Dated 7th March 2022

**Subject: Extension of last date for submission of applications under certain Scrip based Schemes**

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, the Central Government hereby makes the following amendments in the Foreign Trade Policy 2015-20, as notified vide Notification no. 30 dated 01.09.2020 and Notification no. 53 dated 01.02.2022 with immediate effect, as below:

1. Amendment in Para 3.04 A of FTP 2015-20, as notified vide Notification No. 30 dated 01.09.2020:

Existing Para 3.04A	Amended Para 3.04A
<p>The total reward which may be granted to an IEC holder under the Merchandise Exports from India Scheme (MEIS) shall not exceed Rs. 2 Crore per IEC on exports made in the period 01.09.2020 to 31.12.2020 [period based on Let Export Order (LEO) date of shipping bill(s)]. Any IEC holder who has not made any export with LEO date during the period 01.09.2019 to 31.08.2020 or any new IEC obtained on or after 01.09.2020 would not be eligible for submitting any claim for benefits under MEIS for exports made with effect from 01.09.2020. The aforesaid ceiling may be subject to further downward revision to ensure that the total claim under the Scheme for the period (01.09.2020 to 31.12.2020) does not exceed the allocation prescribed by the Government, which is Rs 5,000 Cr.</p>	<p>The total reward which may be granted to an IEC holder under the Merchandise Exports from India Scheme (MEIS) shall not exceed Rs. 2 Crore per IEC on exports made in the period 01.09.2020 to 31.12.2020 [period based on Let Export Order (LEO) date of shipping bill(s)]. Any IEC holder who has not made any export with LEO date during the period 01.09.2019 to 31.08.2020 or any new IEC obtained on or after 01.09.2020 would not be eligible for submitting any claim for benefits under MEIS for exports made with effect from 01.09.2020.</p>

2. Amendment in Para 3.13A of FTP 2015-20:

Existing Para 3.13	Amended Para 3.13A																			
<p>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 28th February 2022 the following schemes i.e.</p>	<p>With effect from 07.03.2022, the last date for submission of online applications for certain scrip based Schemes and applicable late cut on such applications would be:</p>																			
<p>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),</p> <p>ii. for SEIS (for service exports rendered for FY 18-19 and FY 2019-20),</p> <p>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)</p> <p>iv. for ROSCTL (for exports made from 07.03.2019 to 31.12.2020) and</p> <p>v. for ROSL (for exports made upto 06.03.2019 for which claims have not yet been disbursed under scrip mechanism).</p>	<table border="1"> <thead> <tr> <th data-bbox="646 934 1069 1162">Scheme</th> <th data-bbox="1077 934 1260 1162">Last date of submission of Application</th> <th data-bbox="1260 934 1492 1162">Late Cut if submitted till the last date as in column 2 (as % age of Entitlement under the scheme)</th> </tr> </thead> <tbody> <tr> <td data-bbox="646 1172 1069 1212">(1)</td> <td data-bbox="1077 1172 1260 1212">(2)</td> <td data-bbox="1260 1172 1492 1212">(3)</td> </tr> <tr> <td data-bbox="646 1222 1069 1302">(i) MEIS (for exports made in the period 01.04.2020 to 31.12.2020)</td> <td data-bbox="1077 1222 1260 1302">30.04.2022</td> <td data-bbox="1260 1222 1492 1302">Nil</td> </tr> <tr> <td data-bbox="646 1312 1069 1461">(ii) 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)</td> <td data-bbox="1077 1312 1260 1461">30.04.2022</td> <td data-bbox="1260 1312 1492 1461">Nil</td> </tr> <tr> <td data-bbox="646 1471 1069 1550">(iii) ROSCTL (for exports made in the period 07.03.2019 to 31.12.2020)</td> <td data-bbox="1077 1471 1260 1550">15.03.2022</td> <td data-bbox="1260 1471 1492 1550">Nil</td> </tr> <tr> <td data-bbox="646 1560 1069 1709">(iv) ROSL (for exports made upto 06.03.2019 for which claims have not yet been disbursed under scrip mechanism)</td> <td data-bbox="1077 1560 1260 1709">15.03.2022</td> <td data-bbox="1260 1560 1492 1709">Nil</td> </tr> </tbody> </table>	Scheme	Last date of submission of Application	Late Cut if submitted till the last date as in column 2 (as % age of Entitlement under the scheme)	(1)	(2)	(3)	(i) MEIS (for exports made in the period 01.04.2020 to 31.12.2020)	30.04.2022	Nil	(ii) 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)	30.04.2022	Nil	(iii) ROSCTL (for exports made in the period 07.03.2019 to 31.12.2020)	15.03.2022	Nil	(iv) ROSL (for exports made upto 06.03.2019 for which claims have not yet been disbursed under scrip mechanism)	15.03.2022	Nil	<p>After 28.02.2022, 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.</p> <p>No further applications would be allowed to be submitted after the prescribed last date (as above) as they would become time-barred. Late cut provisions shall also not be available for submitting claims thereafter.</p>
Scheme	Last date of submission of Application	Late Cut if submitted till the last date as in column 2 (as % age of Entitlement under the scheme)																		
(1)	(2)	(3)																		
(i) MEIS (for exports made in the period 01.04.2020 to 31.12.2020)	30.04.2022	Nil																		
(ii) 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)	30.04.2022	Nil																		
(iii) ROSCTL (for exports made in the period 07.03.2019 to 31.12.2020)	15.03.2022	Nil																		
(iv) ROSL (for exports made upto 06.03.2019 for which claims have not yet been disbursed under scrip mechanism)	15.03.2022	Nil																		

**Effect of this Notification:** The last date for submitting applications under MEIS (for exports made in the period - 01.04.2020 to 31.12.2020), ROSCTL, ROSL and 2% additional ad hoc incentive (under para 3.25 of FTP, only for exports made in the period 01.01.2020 to 31.03.2020) has been extended. The provisions as notified vide Notification No. 30 dated 01.09.2020 with regard to allocation of Rs 5,000 Cr. stand omitted.

**Impex # 4**

## RBI extends the "Interest Equalisation Scheme" on export credit

RBI issues circular to extend the "Interest Equalisation Scheme" for Pre & Post Shipment Rupee export credit up to March 31, 2024 from October 1, 2021,

The rate of interest on export credit in India is quite high with the result that Indian goods are not very competitive abroad. To take care of disadvantage the RBI has a scheme known as "Interest Equalisation Scheme". Under the scheme interest subsidy of 2 to 3% is given to exporters.

Now RBI has issued Circular No. RBI/2021-22/180 dt March 8, 2022 extending the above scheme up to March 31, 2024 (copy reproduced below):

(Copy)

RBI Circular No. RBI/2021-22/180, March 8, 2022

DOR.STR.REC.93/04.02.001/2021-22

### **Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit - Extension**

Please refer to the instructions issued vide circular DOR.CRE(DIR). REC.28/04.02.001/2021-22 dated July 1, 2021.

2. Government of India has approved the extension of Interest Equalization Scheme for Pre and Post Shipment Rupee Export Credit ('Scheme') up to March 31, 2024 or till further review, whichever is earlier. The extension takes effect from October 1, 2021 and ends on March 31, 2024. The modifications made by the Government to the Scheme are detailed below:
  - 2.1 'Telecom Instruments' sector having six HS lines<sup>1</sup> shall be out of the purview of the Scheme, except for MSME manufacturer exporters.
  - 2.2 Revised interest equalisation rates under the Scheme will now be 3 per cent for MSME manufacturer exporters exporting under any HS lines, and 2 per cent for manufacturer exporters and merchant exporters exporting under 410 HS lines (after excluding 6 HS lines pertaining to Telecom Sector as mentioned above).
  - 2.3 Banks, while issuing approval to the exporter, will necessarily furnish i) the prevailing interest rate, ii) the interest subvention being provided, and iii) the net rate being charged to each exporter, so as to ensure transparency and greater accountability in the operation of the Scheme.
  - 2.4 The extended Scheme will not be available to those beneficiaries who are availing the benefit under any Production Linked Incentive (PLI) scheme of the government.
3. For the period from October 1, 2021 to March 31, 2022, banks shall identify the eligible exporters as per the Scheme, credit their accounts with the eligible amount of interest equalisation and submit sector-wise consolidated reimbursement claim for the said period to the Reserve Bank by April 30, 2022.
4. With effect from April 1, 2022, banks shall reduce the interest rate charged to the eligible exporters upfront as per the guidelines and submit the claims in original within 15 days from the end of the respective month, with bank's seal, and signed by authorised person, in the prescribed format, as modified (Annex I).
5. Other provisions of the extant instructions issued by the Bank on the captioned Scheme shall remain unchanged.

In order to capture granular data about the beneficiaries of the above scheme, DGFT has issued a Trade Notice No.38/2021-22 dt 15.03.2022 (copy reproduced below):

(Copy)

Trade Notice 38/2021-22-DGFT dt 15.03.2022

**Subject: Operationalisation of new online IT Module for Interest Equalisation Scheme w.e.f. 01.04.2022**

Attention of the trade and industry is drawn towards the extension of the Interest Equalisation Scheme (IES) upto 31.3.2024, as notified by RBI vide its circular no. DOR.STR.REC.93/04.02.001/2021-22 dated 08.03.2022. In order to capture granular data about the beneficiaries of the scheme and its effective monitoring, it has been decided to operationalise a new online module for filing of electronic registration for Interest Equalisation Scheme w.e.f. 01.04.2022.

2. All exporters seeking benefit under the Interest Equalisation Scheme need to apply online by navigating to the DGFT website (<https://dgft.gov.in>) 4 Services 4 Interest Equalisation Scheme. A Unique IES Identification Number (UIN) will get generated automatically which is required to be submitted to the concerned bank when availing Interest Equalisation against their pre and post shipment rupee export credit applications.
3. For generating UIN the following steps need to be followed by all concerned exporters -
  - i. As a first step, any exporter seeking to apply under IES, need to register on the DGFT Website (if not already registered). It may be ensured that applicant's IEC is linked to its online account, the IEC (ANF-2A) and the Exporter-Importer Profile(ANF-1) is updated to reflect correct and up-to-date details.
  - ii. Thereafter, exporter need to login with its registered credentials -navigate to Services -4 Interest Equalisation Scheme -> Apply for Interest Equalisation Scheme and fill in the required details. Basic data about the applicant's IEC would get auto-populated.
  - iii. An acknowledgement containing Unique IES Identification Number (UIN) would be auto-generated when duly completed application is submitted online.
  - iv. An SMS and email intimation of the UIN generated will be sent to the registered email account and mobile number of the exporter.
  - v. The user charge for generating a UIN shall be Z 200 and is to be paid online.
  - vi. After generation of the UIN no changes will be allowed. In case of any correction / amendment exporter may generate new UIN.
4. The UIN generated shall have a validity of 1 year from the date of registration, during which an application for availing benefit of IES can be submitted to the concerned bank. **The auto generated Acknowledgement containing UIN number need to be submitted to the concerned bank alongwith the prescribed application by the bank, if any, for availing benefit under IES.**
5. It will be mandatory for exporter to submit UIN acknowledgment to concerned bank for all applications made on or after 01.04.2022.
6. Banks will continue to scrutinize and issue benefits as per their own internal the guidelines for the bank for validation of submission made by the exporter are being issued separately through RBI.
7. For any help and guidance on this new process, the Help Manual & FAQs may be accessed on DGFT Website (<https://dgft.gov.in>) -> Learn -> Application Help & For any further assistance, any of the following channels may be accessed
  - i. Raise a service request ticket through DGFT Helpdesk service under Services ->'DGFT Helpdesk Service'.
  - ii. Call the DGFT Toll-free-Helpline number.
  - iii. Send an email to the Helpdesk on [dgftedi@gov.in](mailto:dgftedi@gov.in)

## 'Compliance Burden' reduced and 'Ease of Doing Business' enhanced in EPCG scheme

DGFT issues Public Notice containing seven amendments in Handbook of Procedure to make EPCG scheme easier to comply with.

The EPCG Scheme (Export Promotion Capital Goods) is quite a popular scheme of DGFT. It reduces the import cost of capital goods for export production. However, the condition of export within a given time lands many exporters in difficulties.

To reduce the compliance burden and make it more amenable, DGFT has issued a Public Notice containing seven amendments in the procedure of the scheme.

All the amendments make the scheme easier than before. Copy of the Public Notice is reproduced below:

(Copy)

DGFT Public Notice No. 03/2015-2020 New Delhi, Dated the 13th April, 2022

**Subject: Amendments in Chapter 5 of the Handbook of Procedures 2015-20, related to Export Promotion Capital Goods Scheme to reduce 'Compliance Burden' and enhance 'Ease of doing Business' - reg.**

In exercise of powers conferred under Paragraph 1.03 of the Foreign Trade Policy (FTP) 2015-2020, as amended from time to time, the Director General of Foreign Trade hereby makes the following amendments in Chapter 5 of the Handbook of Procedures (2015-20) with immediate effect. These amendments are applicable for EPCG authorizations issued under FTP 2015-20.

S. No.	Para No.	Existing provision	Revised provision
1	<b>5.14 (c)</b>	<p><b>5.14 Block-wise Fulfilment of EO</b></p> <p>(c) Where EO of the first block is not fulfilled in terms of the above proportions, except in cases where the EC, prescribed for first block is extended by the Regional Authority subject to payment of composition fee of 2% on duty saved amount proportionate to unfulfilled portion of EO pertaining to the block, the Authorization holder shall, within 3 months from the expiry of the block, pay duties of customs (along with applicable interest as notified by DOR) proportionate to duty saved amount on total unfulfilled EO of the first block.</p>	<p><b>5.14 Block-wise Fulfilment of EO</b></p> <p>(c) Request for extension of Export Obligation period of first block shall be submitted within 6 months from the date of expiry of first block EO period along with composition fee of 2% on duty saved amount proportionate to unfulfilled portion of EO pertaining to the block. RA may consider the request for extension of block wise EO period, received after 6 months, but within 6 years from date of issue of authorization, with a late fee of Rs. 10,000/- per authorization. Application made beyond 6 years, for extension of block-wise EO period for regularization purpose, shall also be considered by RA concerned, with an additional late fee of Rs. 5,000/- for each year per authorization. This late fee is in addition to the composition fee that may be payable on account of shortfall in export obligation. Where EO of the first block is not fulfilled in terms of para (a) above, except in cases where the EO prescribed for first block is extended by the Regional Authority, the Authorization holder shall, within 6 months from the expiry of the block, pay duties of customs (along with applicable interest as notified by DOR) proportionate to duty saved amount on total unfulfilled EO of the first block.</p>

2	<b>5.15</b>	<p><b>5.15 Monitoring of Export Obligation</b></p> <p>Authorisation holders shall submit to RA concerned by 30th April of every year, report on fulfillment of export obligation by secured electronic filing using digital signatures/ or hard copy thereof.</p>	<p><b>5.15 Annual reporting of EO fulfillment</b></p> <p>Authorisation holders shall submit to the RA concerned by 30th June of every year, a report on fulfillment of export obligation through online. Such a report shall contain details such as Shipping bill/GST invoice number, date of export/supply, description of product exported/supplied and FOB/FOR value of export/supply for both specific as well as average export obligation. Any delay in filing such an annual report shall be regularised on payment of Rs. 5000/- late fees for each financial year per authorisation.</p>
3	<b>5.16(a)</b>	<p><b>5.16 Automatic Reduction/ Enhancement upto 10% Duty saved amount and pro rata Reduction/ Enhancement in export obligation</b></p> <p>(a) in excess of the duty saved amount indicated on the authorization by not more than 10%, the authorization shall be deemed to have been enhanced by that proportion. Report this ad Customs shall automatically allow clearance of such goods without endorsement by RA concerned. The authorization holder shall furnish additional fee to cover excess imports effected, in terms of duty saved amount, to RA concerned, within one month of excess imports taking place. Export obligation shall automatically stand enhanced proportionately. RA concerned may also accept the additional fee to cover the excess imports effected, in terms of duty saved amount, if the same is furnished beyond one month but within two years of the excess import taking place, subject to payment of composition fee of Rs. 5000/- per authorisation.</p>	<p><b>5.16 Automatic Reduction/ Enhancement upto 10% Duty saved amount and pro rata Reduction/ Enhancement in export obligation</b></p> <p>(a) in excess of the duty saved amount indicated on the authorization by not more than 10%, the authorization shall be deemed to have been enhanced by that proportion. Customs shall automatically allow clearance of such goods without endorsement by RA concerned. The authorization holder shall furnish additional fee to cover excess imports affected, in terms of duty saved amount, to RA concerned, at the time of application for EODC. Export obligation shall automatically stand enhanced proportionately.</p>
4	<b>5.17(d)</b>	<p><b>5.17 Extension in Export Obligation Period.</b></p> <p>(d) Request for extension in E() Period shall be made to RA within 90 days from the date of expiry of original EO Period. However, RA may consider the request for extension received up to 180 days with additional composition fee of Rs. 5,000.</p>	<p><b>5.17 Extension in Export Obligation Period.</b></p> <p>(d) Request for extension in EO Period shall be made to RA concerned within 6 months from the date of expiry of original EO Period. However, RA may consider the request for extension received after 6 months, but within 8 years from date of issue of authorization, with a late fee of Rs. 10,000/-. Application made beyond 8 years, for extension of EO period from 6 to 8 years for</p>

			regularization purpose, shall also be considered by RA concerned, with an additional late fee of Rs. 5,000/- for each year per authorization. This fee is in addition to the composition fee that may be payable on account of shortfall in export obligation. However, EO extension, beyond 8 years from date of issue of authorisation, shall not be allowed by RA under this provision.
5	<b>5.19 A</b>	<p><b>5.19A - Maintenance of Annual Average Export Obligation</b></p> <p>The excess exports done towards the average export obligation fulfillment of an EPCG authorization during a year can be used to offset any shortfall in the Average EO done in other year(s) of the EO period or the block period as the case may be provided Average EO imposed is maintained on an overall basis, within the block period or the EO period as applicable.</p>	<p><b>5.19A - Maintenance of Annual Average Export Obligation</b></p> <p>The excess exports done towards the average export obligation fulfillment of an EPCG authorization during a year can be used to offset any shortfall in the Average EO done in other year(s) of the EO period or the block period as the case may be, provided Average EO imposed is maintained on an overall basis, within the EO period.</p>
6	<b>5.22 (a) &amp; (b)</b>	<p><b>5.22 Redemption</b></p> <p>(a) Authorisation holder shall apply for redemption in ANF 5B with documents prescribed therein as a proof of EO fulfillment.</p> <p>(b) On being satisfied, RA concerned shall issue a certificate of discharge of export obligation to the EPCG authorisation holder and forward a copy to Customs Authorities with whom BG/LUT has been executed. A statement giving details of the documents submitted by the authorisation holder towards evidence of EO fulfillment shall also be enclosed with the certificate.</p>	<p><b>5.22 Export Obligation Discharge Certificate (EODC)</b></p> <p>(a) Authorisation holder shall apply for EODC in ANF 5B with documents Prescribed therein as a proof of EO fulfillment.</p> <p>(b) On being satisfied, RA concerned shall issue EODC to the EPCG authorisation holder and a copy of which will be forwarded to ICEGATE through online, for further action by Jurisdictional Customs Authorities with whom BG/LUT has been executed. Where EODC is granted to the EPCG authorisation holder based on online application, a copy of EODC will be forwarded online to ICEGATE for further action by Jurisdictional Customs Authorities with whom BG/LUT has been executed.</p>
7	<b>5.23(a)</b>	<p><b>5.23 Regularization of Bonafide Default and Exit from EPCG Scheme</b></p> <p>(a) In case, EPCG authorisation holder fails to fulfill prescribed export obligation, he shall pay Customs Duty along with applicable interest as prescribed by Customs Authority. Such facility can also be availed by EPCG authorisation holder to exit at his option. The authorisation holder will have the option to furnish valid duty credit scrips, issued under Chapter 3 or Chapter 5 of FTP, for payment of the Customs duty component.</p>	<p><b>5.23 Regularization of Bonafide Default and Exit from EPCG Scheme</b></p> <p>In case, EPCG authorization holder fails to fulfil prescribed export obligation, he shall pay Customs Duty/ Taxes/Cess along with applicable interest prescribed by Customs Authority. Such facility can also be availed by EPCG authorisation holder to exit at his option.</p>



**Effect of this Public Notice:** With a view to enhance ease of doing business and reduce the compliance burden, certain provisions of Chapter 5 related to the Export Promotion Capital Goods Scheme of the Handbook of Procedures (2015-20) are amended for EPCG authorizations issued under Foreign Trade Policy (2015-20).

## Impex # 6

### 'DGFT Helpdesk' support now available on 24\*7 basis

DGFT issues Trade Notice making the help desk available around the clock.

Import and export is not an easy business. One has to abide by policy and procedure laid down on the subject. To help people to sort out their difficulties in import and export, DGFT started a Helpdesk.

Now DGFT has issued a Trade Notice No.02/2022-23 dt 22.04.2022 containing the news that the 'Helpdesk' shall be available on 24\*7 basis (copy reproduced below):

(Copy)

DGFT Trade Notice No. 02/2022-23 Dated: 22nd April 2022

**Subject: DGFT Helpdesk support now available on 24x7 basis- reg.**

In order to facilitate trade and extend more proactive helpdesk support to the exporting community, it is informed that the services of DGFT Helpdesk will now be available on a 24x7 basis.

2. Stakeholders may use any of the below channels to flag any issues, suggestions or feedback on matters related to DGFT as follows -
  - i. Call the Helpdesk support on Toll Free numbers 1800-572-1550 or 1800-11-1550
  - ii. Raise a Helpdesk ticket by navigating to DGFT website (<https://dgft.gov.in>) -> Services -> DGFT Helpdesk Service. Users may also see their earlier ticket(s) status on real-time basis or search previously filed requests.
  - iii. Write an email to [dgftedi@nic.in](mailto:dgftedi@nic.in)
3. Trade Community may also refer to the Help manuals, FAQs and educational videos for suitable guidance. The same is available on the DGFT Website - Learn - 'Application Help & FAQs' for perusal of the trade community.

## Impex # 7

### DGFT 'Scrip Transfer Recording Module' revamped and restarted

DGFT issues Trade Notice containing details of additional features in the 'Scrip Transfer Recording Module'. The suspended module started again.

On receipt of certain information from exporters that certain fraudulent scrip transfer had taken place, DGFT suspended its 'Scrip Transfer Recording Module'. After discussion with stakeholders and Department of Revenue etc the module has been restored with additional requirements. The same are contained in DGFT Trade Notice No. 01/2022-23 dt 11.04.2022 (reproduced below):

(Copy)

Trade Notice No. 01/2022-23-DGFT | Dated: 11th April, 2022

**Subject - Re-operationalisation of Scrip Transfer Recording Module - reg.**

Consequent to receiving certain information from exporters that certain fraudulent scrip transfers have taken place, the Online scrip transfer recording module was suspended. Thereafter, based on inputs/discussions with Department of Revenue and in the interest of trade facilitation it has now been decided to re-operationalise the IT module which was put in place through Trade Notice No. 42 dated 11.01.2019 and Trade Notice No. 03 dated 03.04.2019 with additional features/limitations.

2. The additional features which have been added in the Scrip Transfer Recording Module are -
  - a. Introduction of time-lag for transfer of scrip from the original scrip owner to the next transferee, i.e. the original owner of the scrip (A) will not be able to transfer the scrip to another entity (B) on an immediate basis and will be able to do that after 'n' number of days from the scrip issue date;

- b. Introduction of time-lag for scrip transfer from one entity to another, i.e. the next scrip transfer from entity B to entity C can take place after 'x' number of hours of the last transfer;
  - c. Introduction of time-lag for transfer of scrip subsequent to IEC Modification, i.e. once IEC has been modified in the IT database, the IEC holder will be able to transfer scrips only after 'x' number of hours of IEC modification date/time;
  - d. Introduction of limit on number of scrip transfers which can be initiated for transfer or accepted by each IEC per day i.e. 'y' number of scrips can only be initiated for transfer or transfer accepted by each IEC per day;
  - e. Email and SMS notifications to IEC holder and Directors/Partners attached to IEC on the following trigger points:
    1. Transfer of Scrips
    2. Modification of IEC - Change in email / mobile for correspondence and changes in director / partner section
    3. Linking of Users to IEC
  - f. Automatic de-linking of Users from IEC every 6 months;
  - g. Automatic de-linking of Digital Signature and Aadhaar Registration every 90 days;
  - h. Certain IECs which have been 'flagged' in the IT database based on certain Rules like same mobile number linked to more than Three (3) IECs, PAN mis-match, Director/Partner name mis-match etc will not be allowed to use the Scrip Transfer Recording Module until this Flag is suitably rectified by the IEC holder.
3. EXIM community is advised to follow necessary due diligence as per Trade Notice No. 26 dated 26.11.2021, ensure safe custody of their digital dongles (DSCs) and review their IEC user profile, SMS/Email communications being sent to them on a regular basis and report any untoward incident to the concerned authorities. Trade is also required to get in touch with the concerned Certifying Agencies (CA) authorised by Controller of Certifying Authority (CCA) under the IT Act if any unauthorised issuance/usage of DSC in your name is noticed for corrective actions including cancellation of such DSC.
  4. The original duty scrip holder is required to register the duty credit scrip at the Port of Registration with Customs and the 'transfer' of scrips from one IEC to another IEC will be as per the negotiated terms & conditions between the buyer and the seller. DGFT/Customs shall not be responsible for any lapse between the transferor or the transferee (old or new owner of the scrips) or any dispute in this regard.

## Impex # 8

## Questions & Answers

### **Question :** How much of exports earning in foreign exchange earnings can be credited into an EEFC account?

**Answer :** 100% foreign exchange earnings of exports can be credited to the EEFC account subject to the condition that the sum total of the receipt in the account during a calendar month should be converted into Rupees on or before the last day of the succeeding calendar month after adjusting for utilization of the balances for approved purposes or forward commitments.

### **Question :** What are the permissible debits into this account?

**Answer :** EEFC account can be used for various payments:

- i) Payment outside India towards a permissible current account transaction [in accordance with the provisions of the Foreign Exchange Management (Current Account Transactions) Rules,] and permissible capital account transaction
- ii) Payment in foreign exchange towards cost of goods purchased from a 100 percent Export Oriented Unit or a Unit in (a) Export Processing Zone or (b) Software Technology Park or (c) Electronic Hardware Technology Park
- iii) Payment of customs duty in accordance with the provisions of the Foreign Trade Policy
- iv) Trade related loans/advances, extended by an exporter holding such account to his importer customer outside India, subject to compliance with the Foreign Exchange Management (Borrowing and Lending in Foreign Exchange) Regulations, 2000.
- v) Payment in foreign exchange to a person resident in India for supply of goods/ services including payments for airfare and hotel expenditure.

**Question : What is the treatment of High Sea Sale supply in GST?**

**Answer :** In a 'High Sea Sales', the original importer sells the goods to a third person before the goods are entered for customs clearance. After the High Sea sale of the goods, the Customs. Bill of Entry etc. is filed by the person who buys the goods from the original importer during the said sale. IGST on high sea sale (s) transactions of imported goods, whether one or multiple, shall be levied and collected only at the time of importation i.e. when the import declarations are filed before the Customs authorities for the customs clearance purposes for the first time. Further, value addition accruing in each such high sea sale shall form part of the value on which IGST is collected at the time of clearance.

**Question : Do state taxes also are refunded through duty drawback scheme?**

**Answer :** Supplies to SEZs are zero rated. However, the suppliers are given two options. In this case, the supplier is not liable to pay GST as the supply is under reverse charge mechanism. The recipient is considered as deemed supplier. Therefore, SEZ has to pay GST in this case.

**Question : Whether a company having a unit in SEZ and a unit in DTA require separate registration for both the units?**

**Answer :** As per Section 8(1) of CGST (Registration) Rules, 2017 a person having a unit(s) in a Special Economic Zone or being a Special Economic Zone developer shall make a separate application for registration as a business vertical distinct from his other units located outside the Special Economic Zone. In the CGST Amendment Act, 2018, the concept of business vertical has been removed. However, following proviso has been inserted in section 25(2), making it mandatory for SEZs to have separate registration.