

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

DGFT upgrades existing e-BRC module

DGFT issues Trade Notice containing details of upgradation of existing e-BRC module.

These are the days of constant improvement of e-governance initiatives and DGFT efforts in this direction are commendable. Now DGFT has issued a Trade Notice No 13/2022-23 dt 30.06.2022 notifying the upgradation of existing e-BRC module (copy reproduced below). Any upgradation in e-commerce is welcome as they increase ease of doing business.

(Copy)

DGFT Trade Notice No. 13/2022-23, Dated 30th June, 2022

Subject: Migration of e-BRC Portal/Website to new IT platform - reg.

Reference is invited to DGFT Public Notice no.2 (RE-2012)/2009-14 dated 5 June 2012 through which electronic Bank Realisation Certificate (e-BRC) was introduced. The existing eBRC platform (<http://dgftebrc.nic.in/>) is being managed by NIC-DGFT from 2012 onwards and has enabled us to capture details of realisation of export proceeds from the Banks directly through secured electronic mode and facilitated implementation of various export promotion schemes in an IT environment.

2. The existing eBRC module is now being upgraded to a new IT platform and it is proposed to discontinue the earlier version (<http://dgftebrc.nic.in/>) from end of July 2022. Existing users of the eBRC module i.e. the AD Banks will need to migrate to the new environment (<https://dgft.gov.in>) on an urgent basis so that services to the exporting community do not get impacted.

3. In this regard Help Manual as well as FAQs have been made available to Bank Officials on the new portal after login. For any further assistance concerned Bank officials can send an email to the DGFT Helpdesk on dgftedi@gov.in with subject header as "Support on eBRC for..... Bank (Name of Bank)".

Impex # 2

DGFT announces continuation of IGST and Cess exemption on Advance Authorizations, EPCGS and for EOUs

DGFT issues notification providing continuation exemption of IGST and compensation cess on Advance Authorizations, EPCGs and for EOUs.

In order to lessen the cost of production for exports, DGFT has three schemes known as Advanced Authorization Scheme, EPCG Scheme and EOU Scheme under which no IGST and compensation cess are to be paid.

Now DGFT has issued a Notification No. 16/2015-20 dt 01.07.2022 which provides for exemption of IGST and compensation cess on advanced authorizations, EPCGS and on EOUs (copy reproduced below). The above DGFT refers to Custom Notification No. 37/2022-Customs dt 30.06.2022 which is also reproduced below:

(Copy)

DGFT Notification No. 16/2015-20- DGFT, Dated 1st July, 2022

Subject: Amendments to Foreign Trade Policy 2015-2020 - Exemption of Integrated Goods and Service Tax (IGST) and Compensation Cess under Advance Authorisation, EPCG and EOU scheme.

S.O. 3028(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 Foreign Trade Policy 2015-20.

1. Integrated Tax and Compensation Cess under Advance Authorization as per Para 4.14 of FTP 2015 -20 is exempted as provided in the Notification No. 37/2022-Customs dated 30th June 2022 issued by Department of Revenue.
2. Integrated Tax and Compensation Cess under EPCG scheme as per Para 5.01 (a) of FTP 2015-20 is exempted as provided in the Notification No. 37/2022-Customs dated 30th June 2022 issued by Department of Revenue.
3. Integrated Tax and Compensation Cess under EOU scheme as per Para 6.01(d)(ii) of FTP 2015-20 is exempted as provided in the Notification No. 37/2022-Customs dated 30th June 2022 issued by Department of Revenue.

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 to provide exemption from Integrated Tax and Compensation Cess.

(Copy)

Customs Notification No. 37/2022- Customs, New Delhi, the 30th June, 2022

G.S.R. 501(E).- In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in each of the notifications of the Government of India, Ministry of Finance (Department of Revenue) specified in Column (2) of the Table below, in the manner as specified in the corresponding entry in Column (3) of the said Table, namely:

Table

S.No.	Notification number and date	Amendments
(1)	(2)	(3)
1.	16/2015-Customs, dated the 1st April, 2015 [vide number G.S.R. 252(E), dated the 1st April, 2015]	In the said notification, in the opening paragraph, the proviso to clause (iii) shall be omitted
2.	18/2015-Customs, dated the 1st April, 2015 [vide number G.S.R. 254 (E), dated the 1st April, 2015]	In the said notification, in the opening paragraph, clause (xiii) shall be omitted
3.	20/2015-Customs, dated the 1st April, 2015 [vide number G.S.R. 256 (E), dated the 1st April, 2015]	In the said notification, in the opening paragraph, clause (xiv) shall be omitted.
4.	22/2015-Customs, dated the 1st April, 2015 [vide number G.S.R. 258 (E), dated the 1st April, 2015]	In the said notification, in the opening paragraph, clause (xiii) shall be omitted.
5.	45/2016-Customs, dated the 13th August, 2016 [vide number G.S.R. 795(E), dated the 13th August, 2016]	In the said notification, in the opening paragraph, clause (xii) shall be omitted.
6.	52/2003-Customs, dated the 31st March, 2003 [vide number G.S.R. 274(E), dated the 31st March, 2003]	In the said notification, in the opening paragraph, in the proviso, for the brackets, letters and figures "nothing contained in clause (B) above shall apply on or after the 01st July, 2022, subject to the following conditions" the words "exemption under this notification shall be subject to the following conditions" shall be substituted.

(1) The principal notification No. 16/2015-Customs, dated the 1st April, 2015 was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R.252 (E), dated the 1st April, 2015 and was last amended by notification No. 19/2022-Customs, dated the 31st March,2022, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 248(E), dated the 31st March, 2022.

(2) The principal notification No. 18/2015-Customs, dated the 1st April, 2015 was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 254 (E), dated the 1st April, 2015 and was last amended by notification No. 19/2022-Customs, dated the 31st March, 2022, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 248(E), dated the 31st March, 2022.

(3) The principal notification No. 20/2015-Customs, dated the 1st April, 2015 was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 256 (E), dated the 1st April, 2015 and was last amended by notification No. 19/2022-Customs, dated the 31st March, 2022, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 248(E), dated the 31st March, 2022.

(4) The principal notification No. 22/2015-Customs, dated the 1st April, 2015 was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 258 (E), dated the 1st April, 2015 and was last amended by notification No. 19/2022-Customs, dated the 31st March, 2022, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 248(E), dated the 31st March, 2022.

(5) The principal notification No. 45/2016-Customs, dated the 13th August, 2016 was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 795 (E), dated the 13th August, 2016 and was last amended by notification No. 19/2022-Customs, dated the 31st March, 2022, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 248(E), dated the 31st March, 2022.

(6) The principal notification No. 52/2003-Customs, dated the 31st March, 2003 was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 274 (E), dated the 31st March, 2003 and last amended by notification No. 18/2022-Customs, dated the 31st March, 2022, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 249(E), dated the 31st March, 2022.

Impex # 3

Last date for submission of application for MEIS (for export from 01.09.2020 to 31.12.2020) extended up to 31.08.2022

DGFT issues Notification extending the date up to 31.08.2022 for submission of application under MEIS (on exports from 01.09.2020 to 31.12.2020).

Any extension of date for applying for a benefit is a welcome step. DGFT has issued a Notification No 15/2015-20 dt 01.07.2022 according to which the last date for applying for MEIS scrips has been extended on exports made from 01.09.2020 to 31.12.2020 (copy reproduced below)

(Copy)

DGFT Notification No. 15/2015-2020, New Delhi, Dated 1st July, 2022

Subject: Extension in deadlines for submission of applications under MEIS for exports made in the 4 months period, Sept 2020 to Dec 2020.

S.O. 2988(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 para 3.13 A of the Foreign Trade Policy 2015-20 as notified vide Notification No. 58 dated 07.03.2022, with immediate effect, as below:

Existing Para 3.13A as per Notification no. 58 dated 07.03.2022	Amended Para 3.13 A
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:	The last date for submission of online applications under MEIS for exports made in the period 01.09.2020 to 31.12.2020, and applicable late cut as in Para 9.02 of HBP would be as below:

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)	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)	(1)	(2)	(3)
(i) MEIS (for exports made in the period 01.04.2020 to 31.12.2020)	30.04.2022	Nil	MEIS (for exports in the period 01.09.2020 to 31.12.2020)	31.08.2022	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	No further MEIS applications would be allowed to be submitted after the prescribed last date (as above) and such applications would become time-barred. Late cut provisions shall also not be available for submitting claims at a later date.		
(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			
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.					

2. Effect of this Notification: The last date of submitting applications under MEIS, for exports made in the period 01.09.2020 to 31.12.2020, has been extended upto 31.08.2022.

Impex # 4

Alignment of "Appendix 4R" of Foreign Trade Policy with custom tariff

DGFT issues notification of alignment of 4R of FTP with Finance Act 2022.

Many benefits of Foreign Trade Policy on exports and imports cannot be implemented without corresponding notification of customs. For these benefits to be availed it is also necessary that description of the items and its tariff numbers are the same (aligned) both in customs and FTP.

On the above subject DGFT has issued a Notification Number 12/2015-20 DT 01.06.2022 aligning "Appendix 4R" of FTP with the Finance Act, 2022. The "Appendix 4R" contains RoDTEP, Tariff Item, description of goods (as per CTH), RoDTEP rate as percentage of FOB etc. Copy of DGFT Notification dt 01.06.2022 referred to the above is reproduced below (without enclosure which turned into 484 pages and has 8731 entries.)

(Copy)

DGFT Notification No. 12/2015-2020-DGFT, Dated 01st June, 2022

Subject: **Alignment of Appendix 4R with the Finance Act, 2022 with effect from 01.05.2022**

S.O.2538(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 notifies an Appendix 4R which is aligned with the Finance Act , 2022. This Appendix 4R shall be effective from 01.05.2022.

2. This new Appendix 4R, with effect from 01.05.2022, containing the eligible RoDTEP export items, rates and per unit value caps, wherever applicable is available at the DGFT portal www.dgft.gov.in under the link 'Regulatory Updates >RoDTEP'.

Effect of this Notification: Consequent to Finance Act, 2022, certain changes in the Customs Tariff Schedule shall take effect from 01.05.2022. Accordingly, after alignment, a new RoDTEP schedule (Appendix 4R) is being notified for implementation with effect from 01.05.2022.

Impex # 5

Questions & Answers

Question : We want to import capital goods to be sent to our job workers. Can we claim ITC for the same and how long the job worker retains such capital goods?

Answer : Principal (you) can send inputs or capital goods directly to the job worker without bringing them to his premises, still you can avail the credit of tax paid on such capital goods. However, inputs capital goods sent to a job worker are required to be returned to you within 3 years from the date of sending such capital goods to the job worker. Further, the provision of return of goods is not applicable in case of molds and dyes, jigs and fixtures or tools supplied by the principal to the job worker. The capital goods shall be sent to the job worker under the cover of a challan issued by you. The challan shall be issued even for the capital goods sent directly to the job worker. The challan shall contain the details specified in rule 10 of the Invoice Rules. The responsibility for keeping proper accounts for the inputs or capital goods shall lie with the principal (you).

Question : What are the fines or penalties if the capital goods are not received back from the place of business of the job worker within the prescribed time period?

Answer : If the capital goods are not received back by the principal, it would be deemed that such capital goods had been supplied by the principal to the job worker on the day when the said capital goods were sent out by the principal (or on the date of receipt by the job worker where the capital goods were sent directly to the place of business of job worker). Thus, the principal would be liable to pay tax accordingly.

Question : Whether the goods of principal directly supplied from the job worker's premises to the buyer will be included in the aggregate turnover of the job worker?

Answer : No. It will be included in the aggregate turnover of the principal. However, the value of goods or services used by the job worker for carrying out the job work will be included in the value of services supplied by the job worker.

Question : What is the procedure for filing an application for getting IGST refund from Customs?

Answer : As per Rule 96 of the CGST Rules 2017, the shipping bill filed by an exporter shall be deemed to be an application for refund of integrated tax paid on the goods exported out of India, once both the Export General Manifest (EGM) and valid return in Form GSTR-3 or Form GSTR3B, as the case may be, has been filed. Thus, once the shipping bill and the EGM is filed and a valid return is filed, the application for refund shall be considered to have been filed and refund shall be processed.

Question : Who would process IGST refund claim? Is it Customs or the tax authorities?

Answer : IGST refund is managed entirely by the Customs. The IGST refund module has been designed to have an in-built mechanism to automatically process and grant refunds after validating the shipping bill data available in ICES against the GST return data transmitted by GSTN. Manual intervention would be limited to only exceptional cases where automatic validation becomes impossible due to some technical errors. Such exceptional cases would be only those which would be approved by the CBIC.