

This column is compiled by Consultant [EXIM Policy] of EPCH. It contains recent Public Notices, Notifications and Circulars of DGFT, CBIC 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

Changes in RoDTEP schedule made to align it with First Schedule of the Custom Tariff Act.

DGFT issues Notification for realignment of RoDTEP Schedule to amendments made under Finance Bill, 2023.

It is very essential that the description of an export item and its code number are similar both in Foreign Trade Policy and Custom Tariff. If it is so the reimbursement of duties and taxes etc under FTP schemes and Duty Drawback Schemes of Ministry of Finance become easier.

DGFT has issued a Notification No. 04/23 dt 01.05.2023 adding 149 tariff lines and deleting 52 tariff lines in the RoDTEP. The two amendments will be effective from 01.05.2023. Copy of notification given below:

(Copy) DGFT Notification No. 04/2023 Dated: 1st May, 2023

Subject: Realignment of RoDTEP Schedule w.e.f. 01.05.2023 consequent to amendments made under Finance Bill, 2023

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 2023, the Central Government hereby makes the following additions/amendments in Appendix 4R w.e.f 01.05.2023:

- i. 149 tariff lines at 8 Digit level are added in the RoDTEP schedule
 - ii. 52 tariff lines at 8 Digit level are deleted from the RoDTEP Schedule
2. The details of HS codes as in Para above along with RoDTEP rates/value caps are available at the DGFT portal www.dgft.gov.in under the link 'Regulatory Updates >RoDTEP'.

Effect of Notification: - Consequent to enactment of Finance Bill, 2023, certain changes in RoDTEP Schedule (Appendix 4R) are being made w.e.f 01.05.2023 to align it with the First Schedule of the Custom Tariff Act.

Impex # 2

Facility of online appointment for virtual meeting/personal hearing introduced in DGFT offices

DGFT issues Trade Notice for introduction of Online facility of requesting appointment for virtual meeting and personal hearing.

For trade facilitation and to extend proactive hand-holding and support to the exporting community, DGFT has introduced w.e.f 01.06.2023 the facility of online appointment for virtual meeting/personal hearing to the exporters from the offices of DGFT.

The above is a good measure & exporters should avail it. It is contained in DGFT Trade Notice No. 06/2023-24 dt 31.05.2023 (copy reproduced below)

(Copy) DGFT Trade Notice No. 06/2023-24 Dated: 31.05.2023

Subject: Introduction of Online facility of requesting appointment for virtual meeting/personal hearing to the exporters from offices of DGFT w.e.f. 01.06.2023 -reg.

With the objective of Trade Facilitation and to extend proactive hand-holding and support to the exporting community, it is informed that an online facility of requesting appointment for virtual meeting/personal hearing to the exporters is being introduced w.e.f. 01.06.2023.

2. The exporters through this facility will be able to request for online personal hearing and the concerned officers at Regional Authorities (RAs) of DGFT shall provide suitable time as well as link for the virtual hearing through the online facility.

3. The exporters may apply for VC facility for their online hearing on the DGFT website, on which support is required, using the following steps

- Navigate to the DGFT Website (<https://dgft.gov.in>) -> Services - > Request for video conference

4. Exporting Community may also refer to the Help manuals for suitable guidance on the DGFT Website ->Learn ->Application Help &FAQs'.

Impex # 3

Amendment in 'Interest Equalisation Scheme'

DGFT issues Trade Notice to amend the 'Interest Equalisation Scheme'

The 'Interest Equalisation Scheme' (IES) is a scheme to reduce the cost of interest on export finance. It is implemented by RBI through scheduled banks.

DGFT has issued a Trade Notice No.05/2023-24 dt 25.05.2023 to the effect that the annual net subvention would be capped at Rs. 10 crore per IEC in a given

financial year. (Copy reproduced below)

(Copy) DGFT Trade Notice No.05/2023-24 Dated: 25.05.2023

Subject: Amendment under Interest Equalisation Scheme - reg.

Attention of Trade and Industry is drawn towards the extension of Interest Equalisation Scheme (IES) upto 31.03.2024, as notified by RBI vide its Circular no. DOR.STR.REC.93/04.02.001/2021-22 dated 08.03.2022.

2. The below-mentioned amendment is made with immediate effect for rationalization of the scheme:

"The annual net subvention amount would be capped at Rs. 10 crore per IEC in a given financial year. All disbursements made from 01.04.2023 shall be counted for an IEC for the current financial year."

Impex # 4

Syncing of ITC (HS), 2022-Schedule -1 (Import Policy) with Finance Act 2023 dt 31.03.2023 and FTP 2023.

DGFT issues notification amending ITC (HS) 2022, (Schedule-1) Import Policy to be in sync with the Finance Act, 2023 and Foreign Trade Policy, 2023

In the interest of export promotion it is very important that the provision in FTP and Finance Act are in sync with each other.

Now DGFT has issued a Notification No. 08/2023 dt 29.05.2023 on the subject above (Copy reproduced below)

(Copy) DGFT Notification No. 08/2023-DGFT Dated: 29th May 2023

Subject: Syncing of ITC (HS), 2022- Schedule-1 (Import Policy) with Finance Act 2023 (No.8 of 2023) dated 31.03.2023 and Foreign Trade Policy, 2023 -reg.

In exercise of powers conferred by Section 3 read with Section 5 of the Foreign Trade (Development and Regulation) Act, 1992 (as amended from time to time) read with paragraph 1.02 and 2.01 of the Foreign Trade Policy 2023, the Central Government hereby amends 'ITC (HS) 2022, Schedule-I (Import Policy)' in sync with the Finance Act 2023 (No.8 of 2023) dated 31.03.2023 as follows

2. The List of ITC(HS) codes and related Policy Conditions inserted/deleted/amended/split/merged under ITC(HS) 2022, Schedule-I (Import Policy) in sync with the Finance Act, 2023 is annexed herewith (Annexure-I).
3. The amendments in the Section Notes, Chapter-wise Main Notes, Supplementary Notes, Chapter heading, sub-headings and description of ITC (HS) codes in sync with the Finance Act, 2023 are annexed herewith (Annexure-II).
4. The List of ITC(HS) specific Policy conditions and Chapter specific Policy Conditions under ITC(HS) 2022, Schedule-I (Import Policy) amended in sync with Foreign Trade Policy 2023 is annexed herewith (Annexure-III).
5. Any references to `FTP (2015-20)` in the ITC(HS) 2022, Schedule-I (Import Policy) are revised to be read as `FTP 2023`.
6. The updated ITC (HS) 2022 shall be available on the website of DGFT (<https://dgft.gov.in>). Effect of this Notification: ITC (HS) 2022, (Schedule-I) Import Policy is amended in sync with the Finance Act, 2023 and Foreign Trade Policy, 2023. This shall come into force with immediate effect.

Impex # 5

Questions & Answers

Question : In case of non-realisation of export proceeds for exports made under the RoDTEP Scheme, is it recovered from the transferee who is an importer?

Answer : No. This was true only till 13th September, 2022 as the Government amended the relevant Customs notification prescribing the same by Custom Notification 75/2022(NT) dated 14th September, 2022 deleting reference of transferee for any recovery either on non-realisation of exports proceeds by the exporter or inadvertent excess release of RoDTEP to exporter which may have been subsequently utilized by the transferee.

Question : We are exporters from the North East and export through 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 : Whether I need to register at the port for the purpose of claiming and utilisation 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 MEIS scheme, 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 : What is the validity of RoDTEP or RoSCTL scrips?

Answer : The validity of both categories of scrips has been extended from 1 year to 2 years by the Customs Notification 79/2022 dated 15th September, 2022 by amending the "Electronic Duty Credit Ledger Rules". The period of 2 years will be reckoned from the date of scrip generation/ creation.

Question : What is the effect of caution listing by the RBI in case of non- realisation of the exports proceeds?

Answer : When a caution listed exporters submit shipping documents for negotiation/ purchase/ discount/ collection, etc. the bank may accept the documents subject to following conditions:

- i. The exporters concerned should produce evidence of having received advance payment or an irrevocable letter of credit in their favour covering the full value of the proposed exports;
- ii. In case of usance bills, the relative letter of credit should cover full export value and also permit such drawings. Besides, the usance bills should also mature within prescribed realisation period reckoned from date of shipment.
- iii. Banks should not handle the shipping documents of caution listed exporters.

Banks should obtain prior approval of the Reserve Bank for issuing guarantees for cautionlisted exporters.

News from Print Media

e-Invoice

A step towards Ease of Doing Business

W.e.f. 1st August, 2023 generating e-Invoice will be Mandatory for B2B supply of Goods or Services or both, or for exports, for taxpayers* whose Aggregate Annual Turnover exceeds ₹ 5 Cr² in any of the preceding financial year

e-Invoices bear Unique Invoice Reference Number generated through Invoice Registration Portal

Benefits of e-Invoice

- Uniform Standard
- Auto reporting to GST portal
- Auto generation of e-Way Bill
- Lesser compliance burden
- Reduction in transcriptional errors
- Seamless transmission of invoice
- Auto populated GST Returns
- Less paper work

For more details, please refer to Notification No. 18/2023-Central Tax dated 10.05.2023 read with Principal Notification No. 13/2020-Central Tax dated 24.03.2020

*Except certain notified categories of taxpayers (please refer for details)

²Currently this limit is ₹ 10 Cr

Central Board of Indirect Taxes and Customs

Hindustan Times Dated 18th May 2023