

DGFT issues Public Notice for "Online Export Obligation Discharge Certificate (EODC)/Redemption for Advance Authorization (AA) and Duty Free Import Authorization (DFIA)" with effect from 01-06-2014.

DGFT has introduced a number of 'Electronic Data Interchange Initiatives'. The e-BRC system which involves transmission of realization of export proceeds details from banks to DGFT in electronically secured format was introduced by DGFT with effect from 17th August, 2012.

Closure of Advance or EPCG Authorization involves reconciliation of export and bank documents. In order to do it electronically DGFT has established the transmission of two key documents (shipping bill from customs and e-BRC from banks in respect of Advance Authorization and EPCG Authorization in secured electronic format.

Since the system as detailed below is ready for practical use DGFT has issued a Public Notice No. 55(RE-2013)/2009-14 dt. 14-03-2014 on "Introduction of Online Export Obligation Discharge Certificate (EODC)/Redemption of Advance Authorization (AA) and Duty Free Import Authorization (DFIA)" with effect from 01-06-2014. The introduction will reduce processing time and transaction cost.

Copy of DGFT Public Notice No. 55 dt. 14-03-2014 referred to above is reproduced below:

Sub: Introduction of Online Export Obligation Discharge Certificate (EODC) / Redemption for Advance Authorization (AA) and Duty Free Import Authorization (DFIA).

In exercise of powers conferred under Paragraph 2.4 of the Foreign Trade Policy, 2009-2014, the Director General of Foreign Trade hereby notifies amendment in procedure to be followed in respect of Export Obligation Discharge Certificate / Redemption of Advance Authorization (AAs) and Duty Free Import Authorization (DFIA) with effect from 1.6.2014

2. Guidelines for Exporters / RAs:

Filing of applications for grant of EODC / Redemption			
I.	Physical Exports [EDI Shipping Bills only]	For all Shipping Bills on or after 01.04.2009	Online application/filing for EODC is mandatory.
		For Shipping Bills prior to 01.04.2009	Online application/filing for EODC is not mandatory (because the shipping bills may not have been transmitted to DGFT electronically)
II.	Physical Exports [Non-EDI Shipping Bills]	For all Non-EDI Shipping Bills manual filing will continue as these Shipping Bills have not been transmitted electronically to DGFT	
III.	Deemed Exports	Details of Deemed Export Supplies to be fed in EODC System on-line on DGFT website.	

3. Applications for EODC for cases at entry II and III in the table at para 2 above cannot be made online as shipping bills are manual and records evidencing deemed exports supplies are not transmitted online to DGFT. In respect of these cases applications will continue to be in manual mode. Only after electronic transmission of these supporting documents to DGFT is made possible, they will be brought within the ambit of on line EODC.
4. EODC / Redemption letter containing details of EDI / Non-EDI Shipping Bills will be transmitted electronically to Customs / Authorization holder.
5. Effect of this Public Notice: Online system for EODC / Redemption for AA / DFIA is being introduced with effect from 1.6.2014. This will reduce processing time and transaction cost.

Impex # 2 Customs Baggage Declaration Regulation 2013 in force from 01-03-2014

CBEC issues Custom Circular about enforcement of 'Customs Baggage Declaration Regulations 2013' with effect from 01-03-2014

A large number of importers and exporters of handicraft exporters travel abroad in connection with their business.

Under the Customs Baggage Declaration Regulations 2013 all incoming international passengers are required to declare the content of their baggage in the Indian Customs Declaration Form prescribed in the regulation.

Now CBECE has issued a Custom Circular No. 05/2014-Customs dt 27-02-2014 that the 'Regulation' referred to above shall come into force with effect from 01-03-2014.

Indian handicraft exporters going abroad may, therefore, apprise themselves in advance of the exact details, etc. to be given in the "Declaration" on disembarkation so that they don't have to struggle to give details in the 'Declaration'.

An extract of the Custom Circular No. 5 dt. 27-02-2014 referred to above is given below:

(Extracts)

2. Under the Customs Baggage Declaration Regulations 2013 all incoming international passengers will be required to declare the content of their baggage in the Indian Customs Declarations Form prescribed in the regulation. Therefore the declaration relating to Customs purposes by incoming passengers in arrival card notified by MHA hitherto done by passengers will be dispensed with. In other words, the incoming passengers will have to fill up the form notified under Customs Baggage Declaration Regulations 2013 independent of the form prescribed by the MHA. Ministry of Home Affairs has decided that arrival (disembarkation) card of MHA would be given to foreign nationals only.

Impex # 3

Questions & Answers

Question : What is third party exports?

Answer : Third part exports is defined in para 9.62 of the current Handbook of Procedure (Vol. 1) as follows:

"Third-party exports" means export made by an exporter or manufacturer on behalf of another exporter(s). In such cases export documents such as shipping bills shall indicate name of both manufacturing exporter/ manufacturer and third part exporter(s). BRC, GR declaration, export order and invoice should be in the name of third party exporter.

Question : What is the validity of Import Authorizations, etc. of various categories?

Answer : The validities of various types of authorizations, etc. are given in para 2.12 of the current Handbook of Procedures (Vol. 1) and are reproduced below (as on 18.04.2013):

2.12 Validity of Export Authorization and Import Licence/Certificate/Authorization/ Permissions/CCPs

Validity of import / export Authorization from date of issue shall be as follows, unless specified otherwise: (as on 18-04-2013)

Sr. No.	Type of Authorization	Validity Period
(i)	Export Authorization	12 months (However, EFC may decide to issue Export Authorization for a longer duration in case of R&D studies based on recommendation of technical authority)
¹ [(ii)]	Zero duty EPCG Authorizations	18 months
(iii)	3% EPCG Authorizations	36 months
(iv)	Advance Authorization (AA) for Deemed Export	Coterminus with contracted duration of project execution or 12 months whichever is more.
(v)	AA [except (iv) above], DFIA, Replenishment Authorization for Gems & Jewellery as per Chapter 4 of FTP.	Minimum 12 months, or upto 31-03-2014 from issue date, whichever is more.
(vi)	All other Import Authorizations (including for Restricted items and CCP)	18 months.

However, DGFT may decide to issue Authorization for a longer/shorter validity period.

2.12.1 Where an Authorization expires during the month, such Authorization shall be deemed to be valid until last day of concerned month. This proviso would be applicable even for a revalidated Authorization.

2.12.2 Validity of an import Authorization is decided with reference to date of shipment / dispatch of goods from supplying country as given in Paragraph 9.11A of HBP v1 and not the date of arrival of goods at an Indian port.

2.12.3 Provisions of paragraph 2.12.1 above shall not be applicable to DEPB, Service Providers under SFIS, VKGUY and duty credit scrips issued under FMS and FPS, which are duty credit entitlements and must be valid on date on which actual debit of duty is made.

2.12.4 Similarly, EOP shall be deemed to be valid until month end.

Question : We had exported goods in 2011-12 and realized the exports value by June 2012. We have not yet applied for Focus Market Scrip, can we do it?

Answer : As per paragraph 3.11.9 of BHP (vol 1), Application for obtaining Duty Credit Scrip shall be filed within a period of twelve months from the date of export or within six months from the date of realization or three months from the date of printing / release of Shipping Bill, whichever is later. Also refer to paragraph 9.3 of HBP (vol 1) for the time limit for applications received after expiry of prescribed last date of receipt. Such application will be considered only after imposing a late cut in the following manner:

- I. Late cut of 2 per cent in case the application is received after the expiry of last date but within six months from the last date
- II. Late cut of 5 per cent in case the application is received after six months from the prescribed date of submission but not later than one year from the prescribed date
- III. Late cut of 10 per cent in case the application is received after 12 months from the prescribed date of submission but not later than 2 years from the prescribed date

Question : Can an Indian company issue an invoice in Indian Rupee? Will such company be eligible for exports benefits?

Answer : There is no restriction on invoicing of export in Indian Rupees in terms of the Rules and Regulations under the Foreign Exchange Management Act 1999. Further, in terms of Para 2.40 of Foreign Trade Policy (2009-2014), "All export contracts and invoices shall be denominated either in freely convertible currency or in Indian rupees but export proceeds shall be realized in freely convertible currency. However, export proceeds against specific exports may also be realized in Rupees provided it is through a freely convertible Vostro account of a non-resident bank situated in any country, other than a member country of the ACU, Nepal or Bhutan". If you meet the above conditions, your exports in Indian Rupee will get all export benefits.

OBITUARY

Your inspiring presence will be deeply missed

Ms. LaVon Barnes, President and CEO, The Prime Source, USA



It is with profound grief that we inform the sad and sudden demise of Ms LaVon Barnes, the President and CEO of The Prime Source, USA. She has been a visiting buyer to EPCH Fairs for the

last 22 years. She worked through India Merchandising Services, Noida, developing and importing products from many of our exporters especially from Moradabad.

On Friday, March 21, Ms. LaVon died of complications from cancer. She had beaten breast cancer two years ago and beaten brain cancer last summer. This time the cancer had spread and she was not able to overcome it though she fought bravely. Ms. LaVon was 58.

Dr. P Vasudevan, who represents her company in India recalls his 34 years of association with LaVon. "Ms. LaVon Kuhnert was a buyer for gift & decorative accessories at Sanger Harris, Dallas; later she moved to Lord & Taylor and then to Tuesday Morning. She married a National Sales Representative Mr. Jay Barnes. After I picked up the buying agency of Williams Sonoma, LaVon contacted me in New York in 1992 and requested for my help so that she can start a Sourcing & Buying Co in the name of The Prime Source out of Dallas. She was not only connected with me but also with Mr. C S Unni of India Export Consultants, Noida."

More than a buyer, she was a guide and inspiration to many of our exporters and her absence would be a loss for the Indian Export community.