

*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**

**Get your cases under "Amnesty Scheme" closed by 31.12.2023 regardless of them pending for 'policy relaxation'**

Closure of cases by 31.12.2023 under amnesty scheme of default in Export Obligation under Advance Authorisation and EPCG schemes where applications have been filed with PRC/EPCG Committee.

DGFT had issued two Public Notices No. 02/2023 dt 01.04.23 and 20/2023 dt 30.06.2023 containing a scheme named 'AMENSTY SCHEME' valid up to 31.12.2023. Under the scheme, the Advance Authorisation holders and EPCG Authorisation holders who had failed to get their authorisation closed were allowed to get their cases closed by 31.12.2023 by payment of interest, etc.

There may however, be cases pending with PRC and EPCG Committees for policy relaxations which may not be finalised by 31.12.2023. To take care of such cases, DGFT has issued a Trade Notice No. 35/2023-24 dt 05.12.2023 wherein it is stated that the authorisation holder should not wait beyond 31.12.2023 but get their pending cases before 31.12.2023.

Copy of Trade Notice No. 35 referred to above is reproduced below.

DGFT Trade Notice No. 35/2023-24-DGFT | Dated: 05th December, 2023

**Subject: Amnesty Scheme - Closure of cases of default in Export Obligation under Advance Authorisation and EPCG Schemes where applications have been filed with PRC/EPCG Committee for relaxation in policy/procedure on grounds of genuine hardship/adverse impact on trade.**

Sir/Madam,

The Amnesty Scheme for closure of cases of default in Export Obligation (EO) under Advance Authorisation (AA) and EPCG Schemes was notified vide Public Notice No. 02/2023 dated 01.04.2023. The last date for submitting applications under the Amnesty Scheme has been extended till 31.12.2023 vide Public Notice No. 20/2023 dated 30.06.2023.

2. In this context all concerned are informed that Policy Relaxation Committee (PRC)/EPCG Committees consider each application based on individual facts and circumstances on a case to case basis. Since Policy relaxation is not a matter of right, all such authorisation holders are advised to not wait till their requests are decided by the PRC/EPCG Committees and submit their applications for closure of default in EO under the Amnesty Scheme by the prescribed date of 31.12.2023. Pendency of any application for relaxation/clarification would not form a ground for relief/extension of permissible time period for filing of applications under the Amnesty Scheme beyond the prescribed date.
3. All AA/EPCG authorization holders covered under the Amnesty scheme are requested to avail of the scheme as the last date for filing applications will not be extended beyond 31.12.2023.
4. Regional Authorities, DGFT are also requested to dispose off the pending applications filed under the Amnesty Scheme before 31.12.2023.

DGFT issues a Trade Notice for introduction of an upgraded (eBRC) system for self-certification by exporters with effect from 14.11.2023 (Pilot Launch).

These are the days of e-commerce and the field of exports and imports is no exception. DGFT has taken a number of measures to facilitate exports and imports. The latest is an enhanced Electronic Bank Realisation Certificate (eBRC) introduced with effect from 14.11.2023. This upgraded version is based on Electronic Inverse Remittance Messages (IRMS) to be transmitted directly by banks to DGFT.

The details of the above upgradation and its operation are given in Trade Notice No. 33/2023-24 dt 10.11.2023 (reproduced below).

DGFT Trade Notice No. 33/2023-24 | Dated: Date: 10th November 2023

**Subject: Pilot Launch of the Upgraded Electronic Bank Realization Certificate (eBRC) system for self-certification by Exporters -reg.**

**Self-Certification for Exporters:** Reference Para 1.07 of the Foreign Trade Policy, it is a commitment of this directorate to facilitate exports and imports, with a focus on efficient, transparent, and accountable delivery systems. To further improve trade facilitation for exporters, this directorate has implemented an enhanced electronic Bank Realisation Certificate (eBRC) system. This more streamlined process is based on electronic Inward Remittance Messages (IRMs) to be transmitted directly by banks to DGFT. Based on the IRMs received, the exporters shall self-certify their eBRCs.

**2. Streamlined Workflow:** The enhanced eBRC system shall enable exporters to reduce transaction time and costs. It would also ease the burden on bankers by simplifying the reconciliation of IRMs with shipping bills, SOFTEX, invoices, etc. and promote ease of doing business in general. A summary of the revamped eBRC system workflow is as follows .

- i. Banks receiving Export Remittances will push the IRM message to the DGFT IT system electronically.
- ii. Banks shall push the IRMs pertaining to the Trade Account only and not the IRMs pertain to Capital Account, etc. i.e., remittances pertaining to Goods or Services Exports.
- iii. ii. IRM details will be accessible to the relevant IEC holder upon logging onto the DGFT Website (<https://dgft.gov.in>). Since IECs are linked to PAN, only the concerned IEC holder will have visibility to their IRM.
- iv. Exporter will create eBRCs by matching IRM with relevant shipping bills, SOFTEX, or invoice details. Multiple IRMs may be grouped under one eBRC, or one IRM can be split amongst several eBRCs.
- v. eBRCs can be generated for Goods Exports, Services Exports, Deemed Exports.
- vi. The RBI Purpose Code and other fields mentioned in the IRM shall be used to validate the eBRC fields being certified by the Exporter.
- vii. Banks will have access to all eBRCs created from the IRMs they input. Banks would have the option to flag any eBRC for further examination or request input from the exporter concerned.

**3. Pilot Launch:** A soft launch of the revamped eBRC system is proposed with effect from 15th November 2023. Starting from given date, each bank will set its cut-off date based on their readiness after completing User Acceptance Testing (UAT). IRMs dated on or after this bank-specific cut-off date will be sent to DGFT for exporters' self-certification. For IRMs generated before this date, banks will generate eBRCs and submit them to DGFT, as per the legacy eBRC process. Both the upgraded and legacy eBRC systems will operate simultaneously until all banks transition to the upgraded eBRC system. The DGFT Website will host the list of banks with their respective IRM cut-off dates for reference of all stakeholders.

**4. Mandatory API Integration:** For prompt data exchange, all banks must integrate using Application Programming Interface (API). Exceptions, if any, would require a detailed justification. Banks are accordingly required to transition to API integration with the upgraded eBRC systems latest by 31st January 2024.

**5. Outreach & Awareness:** The revamped eBRC system's user guide and Frequently Asked Questions (FAQs) will be available on the DGFT Website under the Learn Section. Additionally, DGFT will organize Exporter Outreach Programs to demonstrate and raise awareness about the revamped eBRC facility.

**6. Feedback:** Concordance of the purpose codes to the eBRC fields may be perused by navigating to the DGFT website -> Services -> eBRC. The validation rules used for eBRC generation are also available there for your reference. Stakeholder feedback (if any) on the concordance or the rulesets may be submitted to [ebrc-dgft@gov.in](mailto:ebrc-dgft@gov.in)

**7. Support Channels:** Exporters and other stakeholders may contact the DGFT Helpdesk for eBRC-related issues, suggestions, or feedback through the following channels -

i. Call the Toll-Free Helpdesk Support Number.

ii. Raise a Helpdesk ticket by navigating to DGFT website - > Services - > DGFT Helpdesk Service. Users may also track their earlier helpdesk ticket status or search previously filed helpdesk tickets.

Impex # 3

## DGFT introduces Centralised Video Conference Facility at DGFT headquarters

DGFT issues Trade Notice for introduction of Centralised Video Conference Facility at DGFT headquarters.

DGFT in its endeavour to enhance trade facilitation and provide efficient grievance redressal mechanism, introduced a new facility of centralised Video Conference Facility at DGFT headquarters. The above facility is contained in Trade Notice No.32/2323-24 dt 06.11.2023 (copy

below) and effective from 08.11.2023. The facility will be available every Wednesday between 10.00 to 12.00 noon.

### DGFT Trade Notice No.32/2023-24-DGFT

#### **Sub: Introduction of Centralized Video Conference Facility at DGFT Headquarters**

In its continuous endeavour to enhance Trade Facilitation and provide efficient grievance redressal mechanisms, DGFT has introduced a new facility of centralized Video Conference facility at DGFT HQs for the benefit of the exporting community.

2. Effective from 08.11.2023, a centralized Video Conference (VC) facility will be available at the DGFT headquarters every Wednesday between 10 am to 12 noon. Senior officers from DGFT HQs shall remain present during these VCs to address the matters which could not be resolved by various DGFT Regional Authorities (RAs) despite concerted efforts.

3. This facility is also intended as a platform for Trade and Industry representatives to bring forward suggestions for improvements and raise concerns pertaining to DGFT systems and procedures.

4. Interested parties may avail this facility by registering on the DGFT portal at [dgft.gov.in](http://dgft.gov.in) and selecting the 'Centralised VC with HQs' option under 'services'. The first preference shall be given to those who have requested a slot by logging in and registering. Thereafter, based on availability of time, the VC shall be made open to allow all waiting members in the VC lobby to enter. The time and slots available under this facility shall be increased/moderated over a period of time based on the response received from the trade and industry.

5. The existing facility of daily online VCs with all RAs of DGFT, as well as individual appointments with concerned officers of RAs over VC shall continue as usual.

DGFT issues Trade Notice stating that the 'Amnesty Scheme' relating to closure of default in export obligation under Advance Authorisation & EPCG schemes shall not be extended beyond 31.12.2023 even in those cases which are pending before PRC/EPCG committee.

DGFT notified an 'Amnesty Scheme' vide its Public Notice No. 02/23 dt 01.04.2023 valid upto 30.06.2023 extended upto 31.12.2023. The scheme offered an opportunity to Advance Authorisation holders and EPCG Authorisation holders cases closed at lesser cost.

Now DGFT issues Trade Notice No. 35/2023-24 dt 05.12.2023 (copy reproduced below) last date of the scheme shall not be extended even for those cases which are pending.

Trade Notice No. 35/2023-24-DGFT, Dated: 05th December, 2023

**Subject: Amnesty Scheme - Closure of cases of default in Export Obligation under Advance Authorisation and EPCG Schemes where applications have been filed with PRC/EPCG Committee for relaxation in policy/procedure on grounds of genuine hardship/adverse impact on trade.**

Sir/Madam,

The Amnesty Scheme for closure of cases of default in Export Obligation (EO) under Advance Authorisation (AA) and EPCG Schemes was notified vide Public Notice No. 02/2023 dated 01.04.2023. The last date for submitting applications under the Amnesty Scheme has been extended till 31.12.2023 vide Public Notice No. 20/2023 dated 30.06.2023.

2. In this context all concerned are informed that Policy Relaxation Committee (PRC)/EPCG Committees consider each application based on individual facts and circumstances on a case to case basis. Since Policy relaxation is not a matter of right, all such authorisation holders are advised to not wait till their requests are decided by the PRC/EPCG Committees and submit their applications for closure of default in EO under the Amnesty Scheme by the prescribed date of 31.12.2023. Pendency of any application for relaxation/clarification would not form a ground for relief/extension of permissible time period for filing of applications under the Amnesty Scheme beyond the prescribed date.
3. All AA/EPCG authorization holders covered under the Amnesty scheme are requested to avail of the scheme as the last date for filing applications will not be extended beyond 31.12.2023.
4. Regional Authorities, DGFT are also requested to dispose off the pending applications filed under the Amnesty Scheme before 31.12.2023.

**Question: We are importing a machine from the UK but the supplier wants the payment for the machine to be sent to his parent company in Switzerland. Can we make such third party payments on imports?**

**Answer :** Third party payment for import transactions are permitted by the Reserve Bank of India. Banks are allowed to make payments to a third party for import of goods, subject to conditions as under:

- (i) Firm irrevocable purchase order/tripartite agreement should be in place. However, this requirement may not be insisted upon in case where documentary evidence for circumstances leading to third party payments/name of the third party being mentioned in the irrevocable order/invoice has been produced.
- (ii) Banks should be satisfied with the bonafides of the transactions and should consider the Financial Action Task Force (FATF) Statement before handling the transactions.

- (iii) The Invoice should contain a narration that the related payment has to be made to the (named) third party.
- (iv) Bill of Entry should mention the name of the shipper as also the narration that the related payment has to be made to the (named) third party.
- (v) Importer should comply with the related extant instructions relating to imports including those on advance payment being made for import of goods.

**Question: Is it necessary to execute a Bond for exports if we want to export without payment of IGST?**

Answer : No. The facility to export under Letter of Undertaking (LUT) has been extended to all zero rated suppliers (barring a few exceptions such as those who have been prosecuted for an offence involving tax violation of Rs. 2.5 crore or more) vide Notification No. 37/2017-Central Tax dated 4.10.2017. Circular No. 8/8/2017-GST dated 4.10.2017 may also be referred to in this connection. Only those not eligible for LUT are required to furnish Bond.

**Question: In case of refund under exports, whether BRC is necessary for granting refund?**

Answer : In case of refund on account of export of goods, the refund rules do not prescribe BRC as a necessary document for filing of refund claim. However, for export of services details of BRC are required to be submitted along with the application for refund. Nevertheless, for exports of goods also, if the payment is not received within the prescribed time, the refund money has to be returned with interest to the Government.

**Question: Is there any time limit for refund of ITC on exports?**

Answer : Yes, exports refund has to be sanctioned within 60 days from the date of receipt of application complete in all respects. If refund is not sanctioned within the said period of 60 days, interest at the rate notified not exceeding 6% will have to be paid in accordance with section 56 of the CGST/SGST Act. However, in case where provisional refund to the extent of 90% of the amount claimed is refundable in respect of zero-rated supplies made by certain categories of registered persons in terms of sub-section (6) of section 54 of the CGST/SGST Act, the provisional refund has to be given within 7 days from the date of acknowledgement of the claim of refund.

**Question: For export of goods on payment of IGST, Is a separate application for refund to be filed?**

Answer : No, 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 and such application shall be deemed to have been filed only when:-  
(a) the person in charge of the conveyance carrying the export goods duly files an export manifest or an export report covering the number and the date of shipping bills or bills of export; and (b) the applicant has furnished a valid return in FORM GSTR-3 or FORM GSTR-3B and GSTR-1 or Table 6A of the said GSTR-1.

**Question: We want to import capital goods to be sent to our job worker. Can we claim ITC for the same and how long the job worker can retain 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 moulds and dies, 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: 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 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.