

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

RoDTEP Scheme extended earlier in September 2023 till 30.06.2024 is further extended for export till 30.09.2024

RoDTEP extended to AA holders (except deemed exports) and EOU units from 11.03.2024 till 30.09.2024 as per Appendix 4RE. Extension of RoDTEP to SEZ units as per Appendix 4RE will take place on IT integration of SEZ with custom automated system. RoDTEP rate revision in 25 HS codes also made in Appendix 4R

DGFT has issued a notification no. 70/2023 dt 08.03.2024 on the subjects mentioned above (copy reproduced below):

The notification will benefit a large number of exporters.

DGFT Notification No: 70/2023, Dated: 8th March 2024

Subject: Extending RoDTEP support for exports made by Advance Authorisation (AA) holders, Export Oriented Units (EOU), Special Economic Zones (SEZ) units- reg.

S.O.1190(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 2023, as amended from time to time, and taking into account the recommendations of the RoDTEP Committee Report, the Central Government hereby makes the following amendments in the Foreign Trade Policy, 2023:

2. Para 4.55: Ineligible supplies/items/categories under the Scheme- The serial numbers (viii), (x), (xi) and (xii) of Para 4.55 of FTP 2023 are deleted with effect from 11.03.2024.
3. Serial number (vii) of Para 4.54 is amended to be read as follows:

Existing Provision	Amended Provision
<p>Under the Scheme, a rebate would be granted to eligible exporters at a notified rate as a percentage of FOB value with a value cap per unit of the exported product, wherever required, on export of items which are categorized under the notified 8 digit HS Code. However, for certain export items, a fixed quantum of rebate amount per unit may also be notified. Rates of rebate / value cap per unit under RoDTEP will be notified in Appendix 4R. In addition to necessary changes which may be brought in view of budget control measures as mentioned above, efforts would be made to review the RoDTEP rates on an annual basis and to notify them well in advance before the beginning of a financial year.'</p>	<p>'Under the Scheme, a rebate would be granted to eligible exporters at a notified rate as a percentage of FOB value with a value cap per unit of the exported product, wherever required, on export of items which are categorized under the notified 8 digit HS Code. However, for certain export items, a fixed quantum of rebate amount per unit may also be notified. Rates of rebate / value cap per unit under RoDTEP will be notified in Appendix 4R and Appendix 4RE [for exports of products manufactured by Advance Authorisation holders (except Deemed Exports), EOU and SEZ units]. In addition to necessary changes which may be brought in view of budget control measures as mentioned above, efforts would be made to review the RoDTEP rates on an annual basis and to notify them well in advance before the beginning of a financial year.'</p>

4. A new Para 4.59A is added to be read as follows:

For exports of products manufactured by AA holders (except Deemed Exports), EOU and SEZ units, the eligible RoDTEP export items, rates and per unit value caps, wherever applicable, are contained in Appendix 4RE and is available at the DGFT portal (www.dgft.gov.in) under the link >Regulations>RoDTEP'.

5. (a) In line with serial number (x) of Para 4.54, the implementation date/period for exports under Appendix 4RE is being notified for exports of products manufactured by Advance Authorisation holders (except Deemed Exports) and Export Oriented Units (EOUs) from 11.03.2024 till 30.09.2024 only.
- (b) The RoDTEP implementation for exports of products manufactured by SEZ units will happen once the IT integration of SEZ units with Customs Automated System (ICEGATE) takes place, which is expected to be operational from 01.04.2024. The implementation period for exports of products manufactured by Free Trade Warehousing Zone or SEZ units will be from the date of implementation till 30.09.2024 only.
- (c) However, to adhere to the budgetary framework as provided under Para 4.54 of FTP 2023 so that the outgo remains within the approved Budget of the Scheme, necessary changes including revisions or deletions, wherever necessary, will be made in Appendix 4R & Appendix 4RE as and when required.
6. In order to carry out alignments in the RoDTEP schedule necessitating out of the recommendations of the RoDTEP Committee relating to AA holders (except Deemed Exports), EOU and SEZs, revised RoDTEP rates for 25 HS codes in Appendix 4R are being notified.
7. In supersession of Notification No. 33 /2023 dated 26th September, 2023, the RoDTEP scheme is being extended beyond 30.06.2024 and shall be applicable till 30.09.2024 now.
8. The notified new Appendix 4RE and the revised rates for 25 export items (8-digit HS codes for Appendix 4R) are available at DGFT portal www.dgft.gov.in under the link > 'Regulations > RoDTEP'.

Effect of this Notification:

- i. RoDTEP is being extended to AA holders (except Deemed Exports) & EOU units from 11.03.2024 till 30.09.2024 as per Appendix 4RE.
- ii. Extension of RoDTEP to SEZ units as per Appendix 4RE will take place on IT integration of SEZs with Customs Automated System (ICEGATE).
- iii. RoDTEP rate revisions in 25 HS Codes are also being made in Appendix 4R. iv. RoDTEP Scheme extended earlier in September 2023 till 30.06.2024, is being further extended for exports till 30.09.2024.

Impex # 2

Adani Gangavaram Port is now designated for import of metallic scarp

DGFT issues Public Notice to include Adani Gangavaram Port for import of metallic waste.

Metallic waste is a very important raw material in handicraft industry as its use lowers the cost of finished products. India imports a lot of metallic waste.

Now DGFT has issued a Public Notice. No. 43/2023 dt 14.02.2024 including Adani Gangavaram Port for Import of metallic waste (copy reproduced below).

DGFT Public Notice No. 43/2023-DGFT, Dated: 14 February 2024

Subject: Amendment in Para 2.51 of Handbook of Procedures, 2023-reg.

In exercise of powers conferred under para 1.03 and 2.04 of the Foreign Trade Policy (FTP) 2023, as amended from time to time, the Directorate of General Foreign Trade hereby amend Para 2.51 (d)(iv) of the Handbook of Procedures (HBP), 2023 by inserting Adani Gangavaram Port to the list of designated sea ports from where import of scrap would take place. Further Para 2.51 (d)(v)(iv) of HBP is also amended by inserting Adani Gangavaram Port to the list of sea ports where Pre- Shipment Inspection Certificate (PSIC) is exempted in case of import of metallic waste and scrap coming from safe countries/region.

2. The amended sub-para 2.51 of the HBP, 2023 will read as under (changes made are in bold letters):

Amended Para 2.51 (d)(iv) of IMP: Import of scrap would take place only through following designated ports and no exceptions would be allowed even in case of EOUs, SEZs: - 1. Chennai 2. Cochin 3. Ennore 4. JNPT 5. Kandla 6. Mormugao 7. Mumbai 8. New Mangalore 9. Paradip 10. Tuticorin 11. Vishakhapatnam 12. Pipava 13. Mundra 14. Kolkata 15. Krishnapatnam 16. Kattupalli 17. Hazira 18. Kamarajar and 19. Adani Gangavaram.

Amended Para 2.51 (d)(v)(iv) of HBP: Import consignments of metallic waste and scrap shall be subject to pre-shipment inspection certificate (PSIC) from the country of origin. However, metallic waste and scrap (both shredded and untedded) imported from safe countries / region i.e., the USA, the UK, Canada, New Zealand, Australia and the EU will not require PSIC if consignments are cleared through eleven (11) ports namely, Chennai, Tuticorin, Kandla, JNPT, Mumbai, Krishnapatnam, Mundra, Kattupalli, Hazira, Kamarajar and Adani Gangavaram Port. Consignments from these six countries / regions will be accompanied by certificate from the supplier / scrap yard authority to the effect that it does not contain any radioactive materials / explosives. These will however be subject to radiation and explosive checks through portal monitors and container scanner at these ports. Transshipments through these countries / regions will not be allowed this facility. Import through remaining eight (08) other ports (for both shredded and untedded scrap / waste), irrespective of country of origin, will be subject to PSIC.

Effect of this Public Notice: Import of metallic waste and scrap from 06 safe countries / region without PSIC is now permitted from 11 designated ports including through Adani Gangavaram Port. As a result, the total numbers of sea ports where import of scrap would take place have been increased from existing 18 to 19 and PSIC exempted sea ports have increased from existing 10 to 11 for import of metallic waste and scrap under Para 2.51 of HBP, 2023.

Impex # 3

Clubbing of advance authorisation made easier

DGFT issues Public Notice to ease the clubbing provision in respect of AA scheme.

DGFT has issued a Public Notice No. 40/2023 dt 12.02.2024 by easing one of the conditions of clubbing.

The ease is that exports of 48 months in place of earlier 30 months will be taken into account.

Copy of Public Notice 40/2023 referred to above is reproduced below.

DGFT Public Notice No.40/2023-DGFT, Dated: 12th February 2024

Subject: Amendments in Para 4.36 of the Handbook of Procedures, 2023.

In exercise of powers conferred under Paragraph 1.03 and 2.04 of the Foreign Trade Policy, 2023, as amended from time to time, the Director General of Foreign Trade hereby makes the following amendment in the provision of Para 4.36 of the Handbook of Procedures 2023:

Existing para 4.36	Amended para 4.36
(vi) Only such authorisations shall be clubbed which have been issued within 18 months from the date of issue of earliest authorisation that is sought to be clubbed, whether such authorisations are valid or not. This is further subject to condition that upon clubbing only imports made within 30 months from the date of issue of earliest authorisation shall be considered. Any imports made beyond 30 months of earliest authorisation shall be regularized under Para 4.49 of the HBP.	(vi) Only such authorisations shall be clubbed which have been issued within 24 months from the date of issue of earliest authorisation that is sought to be clubbed, whether such authorisations are valid or not. This is further subject to condition that upon clubbing only imports made within 30 months from the date of issue of earliest authorisation shall be considered. Any imports made beyond 30 months of earliest authorisation shall be regularized under Para 4.49 of the HBP. This is further subject to condition that upon clubbing only exports made within 48 months from the date of issue of earliest authorisation shall be considered. Any exports made beyond 48 months of earliest authorisation shall not be acceptable for clubbing.

2. The amended sub-para 2.51 of the HBP, 2023 will read as under (changes made are in bold letters):

Amended Para 2.51 (d)(iv) of IMP: Import of scrap would take place only through following designated ports and no exceptions would be allowed even in case of EOUs, SEZs: - 1. Chennai 2. Cochin 3. Ennore 4. JNPT 5. Kandla 6. Mormugao 7. Mumbai 8. New Mangalore 9. Paradip 10. Tuticorin 11. Vishakhapatnam 12. Pipava 13. Mundra 14. Kolkata 15. Krishnapatnam 16. Kattupalli 17. Hazira 18. Kamarajar and 19. Adani Gangavaram.

Amended Para 2.51 (d)(v)(iv) of HBP: Import consignments of metallic waste and scrap shall be subject to pre-shipment inspection certificate (PSIC) from the country of origin. However, metallic waste and scrap (both shredded and unshredded) imported from safe countries / region i.e., the USA, the UK, Canada, New Zealand, Australia and the EU will not require PSIC if consignments are cleared through eleven (11) ports namely, Chennai, Tuticorin, Kandla, JNPT, Mumbai, Krishnapatnam, Mundra, Kattupalli, Hazira, Kamarajar and Adani Gangavaram Port. Consignments from these six countries / regions will be accompanied by certificate from the supplier / scrap yard authority to the effect that it does not contain any radioactive materials / explosives. These will however be subject to radiation and explosive checks through portal monitors and container scanner at these ports. Transshipments through these countries / regions will not be allowed this facility. Import through remaining eight (08) other ports (for both shredded and unshredded scrap / waste), irrespective of country of origin, will be subject to PSIC.

Effect of the Public Notice: Para 4.36 of the Handbook of Procedures 2023 has been amended, to ease the clubbing provisions in respect of Advance Authorization Scheme, for ease of doing business.

Impex # 4

Questions & Answers

Question : What is the duty applicable for DTA sales by an SEZ?

Answer : As per the current procedure any goods removed from a Special Economic Zone to the DTA shall be chargeable to duties of customs which includes basic customs duty, IGST, antidumping, countervailing and safeguard duties (under the Customs Tariff Act, 1975), wherever applicable, as leviable on such goods when imported. The rate of duty and tariff valuation, if any, applicable to goods removed from a Special Economic Zone shall be at the rate and tariff valuation in force as on the date of such removal, and where such date is not ascertainable, on the date of payment of duty.

Question : Our shipping bill has been transmitted by GSTN to Customs and there is no error in the refund claim also. Yet the refund has not been received in the bank account. What should we do?

Answer : SB000 (Successfully Validated) is the response code which comes when all the decided parameters like GST1N, Shipping Bill (SB) number, invoice number etc. match between GSTN and Customs databases. This code implies that the SB is ready for inclusion in the IGST refund scroll. However, it might happen that even with SB000, the SB does not appear in the refund scroll. This could be due to: (i) The exports may have been made under Bond or LUT, hence they are not eligible for IGST refund. (ii) If a shipping bill covers multiple invoices, few of the invoices might have been successfully validated with code SB000 while other invoices may be containing other types of error/s. (iii) Where the IGST claimed amount is less than Rs 1000. In all the above cases, the scroll amount shall automatically become zero and the SBs shall not be included in the refund scroll. (iv) This could happen if there is an alert/suspension on the IEC in ICES or if the account of the IEC is not validated by PFMS.

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 Government amended the relevant Customs Notification prescribing the same by Custom Notification No. 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 utilised by the transferee.

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 caution listed exporters.