

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

Relief for sometime in Advance Authorisation Scheme and EPCG Scheme

DGFT and CBEC issue notifications amending their relevant provisions to extend the exemptions from payment of IGST and Compensation Cess till 1st Oct., 2018 in Advance Authorisation Scheme and EPCG Scheme.

The requirement under GST Scheme that in cases where one is entitled to ITC/Refund of the taxes has to pay them first and then claim the ITC / Refund has hit the two duty exemption schemes of Advance Authorisation Scheme and EPCG Scheme of FTP very hard. In fact the payment of tax upfront has taken away the major financial advantage of the two schemes.

Very strong representations were made by all the stake holders to all the authorities concerned not to dilute the beneficial provision of the two schemes by imposing upfront payment of IGST and Compensation Cess but not agreed up.

However, relief has been granted in-as-much as DGFT has issued a Notification No. 54 dt. 22.03.2018 and CBEC has issued a Notification No. 35/2018-Custom dt. 28.03.2018 by which no IGST and Compensation Cess will be required to be paid under the two schemes referred to above (copies reproduced below:)

(Copy)

DGFT Notification No. 54/2015-20, New Delhi, Dated 22 March 2018

Subject: Amendments to Foreign Trade Policy 2015-2020 - Extension of Integrated and goods and Service Tax (IGST) and Compensation Cess exemption under Advance Authorisation and EPCG scheme till 01.10.2018.

S.O(E):In exercise of powers conferred by Section 56 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. Exemption from Integrated Tax and Compensation Cess under Advance Authorization Scheme under Para 4.14 of FTP 2015-20 is extended upto 01.10.2018.
2. Exemption from Integrated Tax and Compensation Cess under EPCG Scheme under Para 5.01(a) of FTP 2015-20 is extended upto 01.10.2018.

Effect of this Notification: Para 4.14 and Para 5.01(a) of Foreign Trade Policy 2015-20 are amended as above.

(Copy)

CBEC Notification No. 35/2018- Customs, New Delhi, the 28th March, 2018

G.S.R. (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, on 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 in the 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, in the proviso to clause (iii), for the figures and words "31st March, 2018", the figures and words "1st October, 2018" shall be substituted.

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, in condition (xiii), for the figures and words "31st March, 2018", the figures and words "1st October, 2018" shall be substituted.
3.	20/2015-Customs, dated the 1st April, 2015 [vide number G.S.R. 256 (E), dated 1st April, 2015]	In the said notification, in the opening paragraph, in condition (xiv), for the figures and words "31st March, 2018", the figures and words "1st October, 2018" shall be substituted.
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, in condition (xiii), for the figures and words "31st March, 2018", the figures and words "1st October, 2018" shall be substituted.
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, in condition (xii), for the figures and words "31st March, 2018", the figures and words "1st October, 2018" shall be substituted.

Note: (Not reproduced as the same runs into five para paragraphs)

Impex # 2 Exemption from payment of IGST in EOU Scheme extended from 1st April, 2018 to 2nd day of October, 2018

DGFT and CBEC issue notifications extending the date to 2nd day of Oct, 2018 exempting payment of IGST and Compensation Cess in EOU Scheme.

GST Scheme has hit the duty exemption schemes of FTP very hard because now you have to pay IGST and Compensation Cess upfront and take ITC/Refund afterwards in the prescribed manner. The affected schemes are:

1. Advance Authorisation Scheme
2. EPCG Scheme &
3. EOU Scheme

Efforts of all the stakeholders that the schemes be allowed to continue in their present forms have failed by pointing out GST is based on the principle that whatever tax is payable has to be paid upfront and then claimed as ITC/Refund in the prescriber manner. The one effect of the representations was that the GST Council agreed to continue the status quo ante of the schemes by another six months. Both DGFT & CBEC have issued notifications to give effect to the relief.

Copies of the two notifications (DGFT Notification No. 55 dt. 23.03.2018 and CBEC Notification No. 33/2018-Custom dt. 23.03.2018) are reproduced below:

(Copy)

DGCT Notification No. 55 /2015.2020, New Delhi, Dated the 23 March, 2018

Subject: Amendments to Foreign Trade Policy 2015-20 - Extension to Integrated Goods and Service Tax (IGST) and compensation Cess exemption under EOU scheme till 01.10.2018 - regd.

S.O(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. Exemption from Integrated Tax and Compensation Cess under EOU Scheme under Para 6.01 (d)(ii) of FTP 2015-20 is extended upto 01.10.2018.

Effect of this Notification: Para 6.01 (d)(ii) of Foreign Trade Policy 2015-20 is amended as above.

(Copy)

CBEC Notification No. 33/2018-Customs, New Delhi, the 23rd March, 2018

G.S.R. (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 the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 52/2003-Customs, dated the 31st March, 2003, published in the Gazette of India, Extraordinary, vide number G.S.R. 274 (E), dated the 31st March, 2003, namely:

In the said notification, in the opening paragraph, in the proviso, for the figures, letters and words "1st day of April, 2018", the figures, letters and words "2nd day of October, 2018" shall be substituted.

Impex # 3

A beneficiary measure by DGFT relating to MEIS applications

DGFT issues Trade Notice stating therein that licencing authority should not reject the MEIS applications on the ground of mismatch of description of export product in the MEIS schedule and shipping bill provided the ITCs (HS) were O.K.

Instances were very common in DGFT offices where the application for MEIS were rejected on account of slight variations in the description of export goods in the export documents like shipping bill, invoice when compared with the description in the MEIS Schedule even when the ITC (HS) Codes were the same in all the export documents.

DGFT felt that the practice as detailed above, was not justified and fair and the claim should not be rejected if the ITC (HS) was the same in the export documents. To give effect to it, he has issued a Trade Notice No. 26/2018 dt. 23.03. 2018 (copy reproduced below):

(Copy)

DGFT Trade Notice No.26/2018, Dated 23rd March, 2018

Processing of MEIS applications under FTP 2015-20 in terms of Public Notice 62 dated 16.02.2018

This Directorate had issued Public No.62 dated 16.02.2018 vide which, except for the Codes specified in Annexure to the said Public Notice, Regional Authorities were directed to process applications for MEIS claim only on the basis of ITC (HS) Code as specified in the Shipping bill.

It was also specified in the said Public Notice that past finalized cases which have been decided were not to be re-assessed based on the Directives in the said Public Notice.

However, subsequent to the issue of the said public notice, this Directorate has received various representations from the Trade that many of their past cases had been rejected by Regional Authorities merely on the grounds of mismatch of description of the export items between the shipping bills and the description specified in the Appendix 3B of MEIS Schedule.

The issue has been examined in this Directorate. It is reiterated that the Public Notice No.62 was issued doing away with the requirement of matching of the description of the export product between the MEIS Schedule and the Shipping bills since many of the RAs were rejecting the MEIS applications merely on the grounds of mismatch of description even though the ITC (HS) classification as well as the Appendix 3B had general description of export product whereas the description of export item in the shipping bill was specific description of the product exported by the firm covered under such general description of the concerned HS Classification.

In view of above, all RAs are instructed that past cases where the MEIS applications received under FTP 2015-20 have not been considered merely on the grounds of description mismatch and not due to any mis-classification issues shall not be considered as "Finalised Cases" for the purposes of Para 3 of the Public Notice No.62 dated 16.02.2018. Therefore, all such cases may be processed and finalised under the Public Notice No.62 dated 16.02.2018.

In any case procedure prescribed in Para 3.01 (h) of HBP 15-20 should be followed in all cases under MEIS.

The fixed term employment facility applicable to only apparel sector extended to all other sectors of industry.

It has been a long term demand of the industry and exporters that the duration of the employment of the labour should be allowed as per requirement of the industry i.e. the industry should not be forced to treat them permanent/give them

benefit of permanency after employment for a certain period. The exporters belonging to some sectors like apparels and handicrafts, etc. say that their exports are seasonal and after the season is over, the labour has no work. Paying labour without work will make transation cost in exports high and thus uncompetitive.

2. The Govt. of India has accepted the above demand by extending the facility of hiring workers on fixed term employment to all sectors for improving the ease of doing business for companies intending to hire people of completing specified projects, tasks or order.

3. This facility was available only to the apparel manufacturing sector as per the Industrial Establishment (Standing Order) 1946 dt. 23.04.1946.

4. As per a notification issued by the Labour Ministry to amend the Order, words "fixed term employment in apparel manufacturing sector" to read as "Fixed Term Employment" meaning that facility would be available for all sectors.

The operative part of the Ministry of Labour & Employment notification (referred to in para 4 above) published as

(Copy)

Now, therefore, in exercise of the powers conferred by section 15 of the industrial employment (Standing Orders) Act, 1946 (20 of 1946), the Central Government hereby makes the following rules further to amend the Industrial Employment (Standing Orders) Central Rules, 1946, namely:-

1. (i) These rules may be called the Industrial Employment (Standing Orders) Central (Amendment) Rules, 2018.
(ii) They shall come into force on the date of their publication in the Official Gazette.
2. In the Industrial Employment (Standing Orders) Act, 1946 (20 of 1946), in Schedule, in item 1, for the words "fixed term employment workmen in apparel manufacturing sector"; the words "fixed term employment" shall be substituted

The GST Scheme was introduced in our country from 1st July, 2017.

Under the GST provisions, the movement of goods within the state, outside the state or for export has to take place with an electronically generated bill known as 'E-Way Bill'. For interstate movement of goods it became effective from 1st April, 2018. For intra-state it has been introduced in phases as notified under the rules.

To ensure that the supplier of goods and transporters do not face much difficulty, the GST Authorities have issued FAQs and published them in newspapers also.

The FAQs are reproduced below:

Question : What is the common portal for generation of e-way bill?

Answer : The common portal for generation of e-way bill is www.ewaybillgst.gov.in

Question : I have already registered in GST Portal. Whether I need to register again on the eWay Portal?

Answer : Yes. All the registered persons under GST need to register on the portal of e-way bill namely: www.ewaybillgst.gov.in using his GSTIN. Once GSTIN is entered, the system sends an OTP to his registered

mobile number, registered with GST Portal and after authenticating the same, the system enables him to generate his/her username and password for the e-way bill system. After generation of username and password of his/her choice, he/she may proceed to make entries to generate e-way bill.

Question : Whenever I am trying to register, the system is showing wrong address or mobile number. How should I resolve this issue?

Answer : This is indicating that you might have updated your business registration details in the GST Common Portal recently. Please click the 'Update from Common Portal' button on the e-way bill portal, to pull the latest data from the GST Common Portal. If even after this action, wrong data is displaying, kindly update the details in GST common portal through amendment process.

Question : Why the transporter needs to enroll on the e-way bill system?

Answer : There may be some transporters, who are not registered under the Goods and Services Tax Act, but such transporters cause the movement of goods for their clients. They need to enroll on the e-way bill portal to get 15 digit Unique Transporter Id.

Question : What is TRANSIN or Transporter ID?

Answer : TRANSIN or Transporter id is 15 digit unique number generated by EWB system for unregistered transporter, once he enrolls on the system which is similar to GSTIN format and is based on state code, PAN and Check sum digit. This TRANSIN or Transporter id can be shared by transporter with his clients, who may enter this number while generating e-waybills for assigning goods to him for transportation.

Question : Who all can generate the e-way bill?

Answer : The consignor or consignee, as a registered person or a transporter of the goods can generate the e-way bill. The unregistered transporter can enroll on the common portal and generate the e-way bill for movement of goods for his clients. Any person can also enroll and generate the e-way bill for movement of goods for his/her own use.

Question : What has to be done, if there is a mistake or wrong entry in the e-way bill?

Answer : If there is a mistake, incorrect or wrong entry in the e-way bill, then it cannot be edited or corrected. Only option is cancellation of e-way bill and generate a new one with correct details.

Question : Whether e-way bill is required for all the goods that are being transported?

Answer : The e-way bill is required to transport all the goods except exempted under the notifications or rules. Movement of handicraft goods or goods for job-work purposes under specified circumstances also requires e-way bill even if the value of consignment is less than fifty thousand rupees. Kindly refer to the e-way bill rules for other exemptions.

Question : Is there any validity period for e-way bill?

Answer : Yes. Validity of the e-way bill depends upon the distance the goods have to be transported. In case of regular vehicle or transportation modes, for every 100 KMs or part of its movement, one day validity has been provided. And in case of Over Dimensional Cargo vehicles, for every 20 KMs or part of its movement, one day validity is provided. And this validity expires on the midnight of last day.

Question : What are the documents that need to be carried along with the goods being transported?

Answer : The person in charge of a conveyance shall carry the invoice or bill of supply or delivery challan, bill of entry as the case may be and a copy of the e-way bill number generated from the common portal. Please refer relevant rules for details.

Question : What has to be entered in GSTIN column, if consignor or consignee is not having GSTIN?

Answer : If the consignor or consignee is unregistered taxpayer and not having GSTIN, then user has to enter 'URP' [Unregistered Person] in corresponding GSTIN column.

Question : When does the validity of the e-way bill start?

Answer : The validity of the e-way bill starts when first entry is made in Part-B i.e. vehicle entry is made first time in case of road transportation or first transport document number entry in case of rail/air/ship transportation, whichever is the first entry. It may be noted that validity is not re-calculated for subsequent entries in Part-B.

Question : Whether e-way bill is required, if the goods are being purchased and moved by the consumer to his destination himself?

Answer : Yes. As per the e-way bill rules, e-way bill is required to be carried along with the goods at the time of transportation, if the value is more than Rs. 50,000/-. Under this circumstance, the consumer can get the e-way bill generated from the taxpayer or supplier, based on the bill or invoice issued by him. The consumer can also enroll as citizen and generate the e-way bill himself.

Question : Before submission, the system is not allowing to edit the details. What is the reason?

Answer : The system allows editing the details of e-way bill entries before submission. However, if the products/ commodities details are entered, it will not allow editing some fields as the tax rates will change. To enable this, please delete the products and edit the required fields and enter the products again.

Question : How can anyone verify the authenticity or the correctness of e-way bill?

Answer : Any person can verify the authenticity or the correctness of e-way bill by entering EWB No, EWB Date, Generator ID and Doc No in the search option of EWB Portal.

Question : How to generate e-way bill for multiple invoices belonging to same consignor and consignee?

Question : What has to be done by the transporter if consignee refuses to take goods or rejects the goods for any reason?

Answer : There is a chance that consignee or recipient may reject to take the delivery of consignment due to various reasons. Under such circumstances, the transporter can get one more e-way bill generated with the help of supplier or recipient by indicating supply as 'Sales Return' with relevant documents, return the goods to the supplier as per his agreement with him.

Question : What has to be done, if the validity of the e-way bill expires?

Answer : If validity of the e-way bill expires, the goods are not supposed to be moved. However, under circumstance of 'exceptional nature and trans-shipment', the transporter may extend the validity period after updating reason for the extension and the details in PART-B of FORM GST EWB-01.

Question : How to handle "Bill to" - "Ship to" invoice in e-way bill system?

Answer : Sometimes, the tax payer raises the bill to somebody and sends the consignment to somebody else as per the business requirements. There is a provision in the e-way bill system to handle this situation, called as 'Bill to' and 'Ship to'. In the e-way bill form, there are two portions under 'TO' section. In the left hand side - 'Billing To' GSTIN and trade name is entered and in the right hand side - 'Ship to' address of the destination of the movement is entered. The other details are entered as per the invoice. In case ship to state is different from Bill to State, the tax components are entered as per the billing state party. That is, if the Bill to location is inter-state for the supplier, IGST is entered and if the Bill to Party location is intra-state for the supplier, the

SGST and CGST are entered irrespective of movement of goods whether movement happened within state or outside the state.

Question : Whether Part-B is must for e-way bill?

Answer : E-Way bill is complete only when Part-B is entered. Otherwise printout of EWB would be invalid for movement of goods. Filling up of Part-B of the e-way bill is a must for movement of the goods, except for within the same state movement between consignor place to transporter place, if distance is less than 50 Kms.

Question : Whether the e-way bill is required for movement of consignment for weighment to the weighbridge?

Answer : No e-Way bill is required for movement of goods upto a distance of 20 Km from the place of business of consignor to a weighbridge for weighment or from the weighbridge back to the place of business of consignor, within the same State, subject to the condition that the movement of goods is accompanied by a delivery challan issued in accordance with Rule 55.

Question : What is to be done (in an e-way bill) if the vehicle breaks down?

Answer : If the vehicle breaks down, when the goods are being carried with an e-way bill, then transporter can get the vehicle repaired and continue the journey in the same e-way bill. If he has to change the vehicle, then he has to enter the new vehicle details in that e-way bill, on the e-way bill portal, using 'Update vehicle number' option in Part B and continue the journey in new vehicle, within the original validity period of e-way bill.

Question : Can the e-way bill entry be assigned to another transporter by authorized transporter?

Answer : The authorized transporter can assign the e-way bill to any enrolled or registered transporter for further transportation of the goods. Subsequently, the new transporter can only update the Part-B of the EWB-01.

Question : Can I use different modes of transportation to carry the goods having an e-way bill?

Answer : If so, how to update the details? Yes. One can transport goods through different modes of transportation - Road, Rail, Air, Ship. However, PART-B of e-way bill have to be updated with the latest mode of transportation or conveyance number using 'Update vehicle number/mode of transport ' option in the Portal. That is, at any point of time, the details of conveyance specified in the e-way bill on the portal, should match with the details of conveyance through which goods are actually being transported.

Question : How does transporter come to know that particular e-way bill is assigned to him?

Answer : The transporter comes to know that EWBs are assigned to him by the taxpayers for transportation, in one of the following ways:

- After login at EWB portal, the transporter can go to reports section and select 'EWB assigned to me for trans' and see the list. He can also see these details in his dashboard, after login to EWB portal.
- The transporter can go to 'Update Vehicle No' and select 'Generator GSTIN' option and enter taxpayer GSTIN of taxpayer, who has assigned the EWB to him.

Question : Can the e-way bill be deleted or cancelled?

Answer : The e-way bill once generated cannot be deleted. However, it can be cancelled by the generator within 24 hours of generation. If a particular EWB has been verified by the proper officer, then it cannot be cancelled. Further, e-way bill can be cancelled if either goods are not transported or are not transported as per the details furnished in the e-way bill.

Question : Who can reject the e-way bill and Why?

Answer : The person who causes transport of goods shall generate the e-way bill specifying the details of other person as a recipient of goods. There is a provision in the common portal for the other party to see the e-

way bill generated against his/her GSTIN. As the other party, one can communicate the acceptance or rejection of such consignment specified in the e-way bill. If the acceptance or rejection is not communicated within 72 hours from the time of generation of e-way Bill or the time of delivery of goods whichever is earlier, it will be deemed that he has accepted the details.

Question : What are the modes of e-way bill generation, can a taxpayer use?

Answer : The e-way bill can be generated by any of the following methods:

- Using Web-based system
- Using SMS-based facility
- Using Android App
- Bulk generation facility
- Using Site-to-Site integration
- Using GSP (Goods and Services Tax Suvidha Provider)

Question : What is bulk generation facility and who can use it?

Answer : Through this facility, user can upload multiple invoices and generate multiple eWay bill at one go. This facility can be used by the taxpayers or transporters who have automated their invoice generation system. In one go, they can prepare bulk requests for e-way bills in a file from their automated system, and upload it on the common portal and generate e-way bill in one go. This avoids duplicate data entry into e-way bill system and avoids data entry mistakes also. Any taxpayer or transporter can use the bulk generation facility.

Question : What is a detention report under grievance menu?

Answer : If the goods or the vehicle of the taxpayer or transporter has been detained by the tax officers for more than 30 minutes, then the transporter can enter the detention report on EWB Portal, which will reach the designated officer immediately, so that he can take an appropriate action accordingly.

Question : How the consignor is supposed to give authorization to transporter or ecommerce operator and courier agency for generating PART-A of e-way bill?

Answer : It is their mutual agreement and way out to do the same. If a transporter or courier agency or the e-commerce operator fills PART-A, it will be assumed by the department that they have got authorization from consignor for filling PARTA.

Question : In case of public transport, how does one carry the e-way bill?

Answer : In case of movement of goods by public transport, e-way bill shall be generated by the person who is causing the movement of the goods, in case of any verification, he can show e-way bill number to the proper officer.

Question : What is the meaning of consignment value?

Answer : It is the value of the goods declared in invoice, a bill of challan or a delivery challan, as the case may be, issued in respect of the said consignment and also include Central tax, State or Union territory tax, Integrated tax and Cess charged, if any. But, it will not include value of exempt supply of goods, where the invoice is issued in respect of both exempt and taxable supply. It will also not include value of freight charges for the movement charged by transporter.

Question : If the value of the goods carried in a single conveyance is more than 50,000/- though value of all or some of the individual consignments is below Rs. 50,000/-, does transporter need to generate e-way bill for all such smaller consignments?

Answer : As rule 138(7) will be notified from a future date, hence till the notification for that effect comes, transporter needs not generate e-way bill for consignments having value less than Rs 50,000/-, even if the value of the goods carried in single conveyance is more than Rs 50,000/-, till the said sub-rule is notified.