

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 The three major conditions under EPCG scheme for fulfillment of export obligation extended till 31-03-2021

DGFT issues public notice extending the date upto 31-03-2021 for request in RA's for block-wise extension; extension in E.O. period and submission of installation certificate.

On the above subject DGFT has issued Public Notice No.01/2015-20 dated 7th April 2020 (copy reproduced below)

It is stated that the three condition of EPCG scheme namely:

1. Fulfillment of E.O. in given time
2. Block-wise fulfillment of E.O. in time
3. Submission of installation certificate in time of EPCG are quite

difficult for many to fulfill in time and they have to approach RA's for extension of the same in the failed condition(s).

It is good that DGFT has given relaxation for all three conditions to all in one go. It will give relief to many authorisation holders (copy reproduce below).

(Copy)

Public Notice No. 01/2015-20 dtd. 7th April, 2020

Subject: **One-time condonation under the EPCG Scheme-Extension till 31.03.2021-reg.**

The following Public Notices have been issued by the Directorate General of Foreign Trade:-

a) **Public Notice 35/2015-20 dated 25.10.2017** - Onetime condonation of time period in respect of obtaining block-wise extension in Export Obligation period under EPCG Scheme.

b) **Public Notice 36/2015-20 dated 25.10.2017** - Onetime condonation of time period in respect of obtaining extension in Export Obligation Period under EPCG Scheme.

c) **Public Notice 37/2015-20 dated 25.10.2017** - Onetime relaxation for condonation of delay in submission of installation certificate under EPCG Scheme.

2. The validity of the above mentioned Public Notices was extended till 30.9.2018 vide Public Notice No. 1/2015-20 dated 26.04.2018, again extended till 30.09.2019 vide Public Notice No.78/2015-20 dated 11.03.2019 and further extended till 31.03.2020 vide Public Notice No.55/2015-20 dated 03.01.2020.

3. Public Notice No. 37/2015-20 dated 10.2017 was modified vide following Public Notice:-

Public Notice No. 30/2015-20 dated 14.08.2018 - RAs have been delegated power till 31st March, 2019 of one time relaxation and condonation of delay in submission of installation certificate for EPCG authorizations issued upto 31.03.2015, without payment of any penalty.

4. In exercise of powers conferred under Paragraph 04 of Foreign Trade Policy, 2015- 20, as amended, read with Paragraph 2.58 of Foreign Trade Policy, 2015-20, as amended, the Director General of Foreign Trade in public interest hereby further extends the time of receipt of requests till 31.03.2021 in respect of the above mentioned Public Notices. However, additional composition fee of Rs.5000/-, mentioned in these Public Notices, is not required to be paid.

5. The other contents of the above mentioned Public Notices shall remain the same

Effect of this Public Notice: The time period to receive requests in RAs for block-wise extension; extension in Export Obligation Period and submission of installation certificate is further extended up to 31.03.2021.

DGFT issues Trade Notice giving time-table and procedure for change-over to RoDTEP from MEIS under FTP (beyond 31-03-2020).

It was announced long back by DGFT that, MEIS shall be replaced by RoDTEP. In fact it was expected to be implemented in the new FTP of 2020-2025 due for announcement on 31-03-2020. But this was not possible due to Corona virus havoc within the country and world over. The announcement of the new policy was deferred and the FTP of 2015 - 2020 due to expire on 31-03-2020 was extended up to 31-03-2021.

In view of situation above DGFT has issued a Trade Notice No.03/2020-2021 dt 15th April, 2020 containing a time table for gradual replacement of MEIS with RoDTEP (copy reproduce below).

(Copy)

DGFT Trade Notice No.03/2020-2021 dt 15th April, 2020

Sub: Manner of Continuation of Merchandise Exports from India Scheme (MEIS) for shipments on or after 01.04.2020 and Introduction of the Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme

With approval of the RoDTEP scheme by Cabinet on 13th March 2020, to replace the ongoing MEIS scheme as publicized vide PIB Press Note dated 13th March 2020, this Directorate had been receiving queries from the members of the trade, as to in what manner benefits under MEIS will be available under the FTP beyond 31.03.20, the then envisaged end date of the FTP 2015-20, which has since been extended till 31.03.2021.

2. It is clarified, without prejudice and subject to changes that may be deemed necessary in public interest from time to time, that:
 - a) Benefits under MEIS for any item/tariff line /HS Code currently listed in Appendix 3B, Table 2 (MEIS Schedule) will be available only up to 31.12.2020;
 - b) Prior to 31.12.2020, as and when an item/tariff line/HS code is notified to be covered under RoDTEP Scheme, it would at the same time be removed from coverage under MEIS;
 - c) Detailed operational framework for the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) will be notified separately in consultation with Department of Revenue, Ministry of Finance.

In para 1 of the above Public Notice, it is mentioned that the Union cabinet on 13th March 2020 had approved the replacement of MEIS by RoDTEP as publicized by PIB (press information bureau) Press Note dtd 13-03-2020. The above published in CRAFTCIL of March 2020 issue. The same, is however, produced again

Posted On: 13 MAR 2020 4:54PM by PIB Delhi

The Cabinet Committee on Economic Affairs, chaired by Prime Minister Shri Narendra Modi, has given its approval for introducing the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) under which a mechanism would be created for reimbursement of taxes/ duties/ levies, at the central, state and local level, which are currently not being refunded under any other mechanism, but which are incurred in the process of manufacture and distribution of exported products. This scheme is going to give a boost to the domestic industry and Indian exports providing a level playing field for Indian producers in the International market so that domestic taxes/duties are not exported.

Under the Scheme an inter-ministerial Committee will determine the rates and items for which the reimbursement of taxes and duties would be provided. In line with "Digital India", refund under the Scheme, in the form of transferable duty credit/electronic scrip will be issued to the exporters, which will be maintained in an electronic ledger. The Scheme will be implemented with end to end digitization.

The refunds under the RoDTEP scheme would be a step towards "zero-rating" of exports, along with refunds such as Drawback and IGST. This would lead to cost competitiveness of exported products in international markets and better employment opportunities in export oriented manufacturing industries. In line with the vision of Prime Minister, various export oriented industries are being reformed and introduced to better mechanisms so as to increase their productivity, boost exports and contribute to the overall economy.

Salient features:

At present, GST taxes and import/customs duties for inputs required to manufacture exported products are either exempted or refunded. However, certain taxes/duties/levies are outside GST, and are not refunded for exports, such as, VAT on fuel used in transportation, Mandi tax, Duty on electricity used during manufacturing etc. These would be covered for reimbursement under the RoDTEP Scheme.

The sequence of introduction of the Scheme across sectors, prioritization of the sectors to be covered, degree of benefit to be given on various items within the rates set by the Committee will be decided and notified by the Department of Commerce (DoC).

The rebate would be claimed as a percentage of the Freight On Board (FOB) value of exports.

A monitoring and audit mechanism, with an Information Technology based Risk Management System (RMS), would be put in to physically verify the records of the exporters. As and when the rates under the RoDTEP Scheme are announced for a tariff line/ item, the Merchandise Exports from India Scheme (MEIS) benefits on such tariff line/item will be discontinued.

Impex # 3

Procedure outline for extension in import validity period and export obligation period in Advance authorization/DFIA granted in extended period of one year of FTP of 2015-2020

On the above subject DGFT Policy Circular containing detailed procedure and guidelines for exporters.

In his Notification No. 57/2015-20 date 31-03-2020 and Public Notice No. 67/2015-20 dtd 31-03-2020, DGFT granted extension in import validity period and the export obligation period for existing Advance Authorisation/DFIAs expiring from Feb to July 2020.

Now DGFT has issued a Policy Circular No. 35/2015-20 dtd 23-04-2020 contained under four heading as detailed below

A) Automatic Extension of Import Validity period and EO period by 6 months for AAs under HBP Para 4.41(e) and Para 4.42(h) where no revalidation/EO period extension has been granted till date:

B) Extension of Import Validity period and EO period by 6 months for AAs under HBP Para 4.41(e) and Para 4.42(h) where revalidation/EO period extension has been granted till date:

C) Extension of Validity/EO by 6 months for AAs under HBP Para 4.41(e) and Para 42(h) where authorizations are Physical (non-EDI) in nature:

D) Same procedure, as given in Para A, B & C shall apply for extension of validity of the DFIAs for import.

(Copy)

DGFT Trade Notice No. 03/2020-2021 dt 15th April, 2020

Subject: **Procedural details pursuant to Notification No. 57/2015-20 dated 31.03.2020 and Public Notice 67/2015-20 dated 31.03.2020- Extensions in Import Validity period and Export obligation period in Advance authorizations/DFIA.**

Attention is invited to **Notification No. 57/2015-20 dated 31.03.2020** and **Public Notice No. 67/2015-20 dated 31.03.2020** through which extension in the import validity period and the export obligation period for existing Advance Authorizations (AAs)/DFIA expiring from February to July 20 has been granted.

In this regard, the following procedural formalities may be followed by DGFT RAs and Trade:

A) Automatic Extension of Import Validity period and EO period by 6 months for AAs under HBP Para 4.41(e) and Para 4.42(h) where no revalidation/EO period extension has been granted till date:

i. In all such cases where the facility of first or second extension in the import validity period or the EO extension period has not been availed by the exporter earlier, the revised or the extended import validity/EO period, as per the relaxations permitted would be updated in the ICEGATE/Customs System automatically based on a defined protocol between the DGFT-NIC/Customs in this regard.

ii. Once the bulk updation and transmission of authorisations have been done by NIC Division, NIC would send RA-wise list of such authorisations to individual RAs with an update script to be run on the local server (available in the Downloads section of the local server). All RAs are required to run this script immediately so that any further extensions/re-validations on the authorizations would take into account this change in the local RA sever also.

iii. In case of some individual cases, where the revised updated import validity or EO extension is not available in the ICEGATE, the exporter may approach the DGFT RA with a email/letter request for carrying out an amendment in the AA/DFIA. DGFT RA will accordingly examine the request expeditiously and endorse the extended validity/EO as per the provisions of FTP/HBP and transmit the amendment message electronically to DGFT/ICEGATE server.

B) Extension of Import Validity period and EO period by 6 months for AAs under HBP Para 4.41(e) and Para 4.42(h) where revalidation/EO period extension has been granted till date:

For those AAs where 1st or the 2nd re-validation or EO extension has been granted under the respective paras of HBP, automatic transmission of extended dates is not possible due to system architecture issues. In such cases, the exporters shall make an amendment request through email/letter to the concerned Regional Authority providing the details of the case. RAs, upon receiving such requests from the exporters, shall expeditiously verify the eligibility of the request, and then carry out the amendments for Revalidation / EOP Extension in the local server.

C) Extension of Validity/EO by 6 months for AAs under HBP Para 4.41(e) and Para 42(h) where authorizations are Physical (non-EDI) in nature:

For such authorisations, the procedure to be adopted would be similar to amendment requests as given in para (B) above. The authorizations need to be produced physically at the concerned Regional Authority with a request for extension in EO/re-validation. The concerned RA shall examine the request and endorse the extended validity/EO based on eligibility as per provisions of FTP/HBP.

D) Same procedure, as given in Para A, B & C shall apply for extension of validity of the DFIA's for import.