

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 rates/caps changed for 432 HS codes in appendix 4R of FTP

DGFT issues notification containing revised RoDTEP rates / caps for 432 HS codes in Appendix 4R of FTP applicable for exports made from 16.01.23 to 30.09.23.

The RoDTEP Committee recommended rates/caps changes in respect of 432 HS Codes in Appendix 4R of FTP. To implement the same DGFT has issued a Notification No.53/2015-2020 dt 09.01.2023. The revision will be applicable for exports made from 16.01.2023, to 30.09.2023 (see DGFT portal www.dgft.gov.in under the link 'Regulatory Updates > RoDTEP'. Copy of DGFT Notification dt 09.01.2023 reproduced below)

(Copy) DGFT Notification No.53/2015-2020, New Delhi, 09th January, 2023

Subject:- Implementation of RoDTEP Committee report in relation to Anomalies etc. -reg.

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 2015-20, the Central Government hereby notifies a revised Appendix 4R under Para 4.59 of Foreign Trade Policy, 2015-20 for exports made from 16.01.2023. These revisions in 432 HS codes are being made on account of recommendations of the RoDTEP Committee in relation to apparent errors or anomalies in the earlier notified rates/caps made vide DGFT Notification no.19 dated 17.08.2021.

2. The revised Appendix 4R will be applicable for exports made from 16.01.2023 to 30.09.2023. To adhere to the Scheme budgetary framework, necessary changes and revisions as per Para 4.54 of FTP 2015-20 will be made thereafter.
3. The revised RoDTEP Appendix 4R containing the eligible RoDTEP export items, rates and per unit value caps, is available at the DGFT portal www.dgft.gov.in under the link 'Regulatory Updates >RoDTEP'.

Effect of this Notification: The revised Appendix 4R, after incorporating changes recommended by the RoDTEP Committee in relation to apparent errors and anomalies in 432 HS Codes in the earlier notified RoDTEP rates/caps, is being notified and will be applicable for exports made from 16.01.2023 to 30.09.2023.

Impex # 2

Instruction in respect of usage of <http://eodc.online> / withdrawn

DGFT issues trade notice on 'EODC online monitoring system for advance/EPCG authorisation'.

Advance authorisation scheme & EPCG authorisation scheme are very popular schemes of FTP. A lot many exporters take two authorisations.

It has been constant effort of DGFT to simplify the obtaining of authorisations and redemption thereof from manual to electronically. In

this process glitches also occur.

DGFT has issued a Trade Notice No. 24/2022-23 dt 12.01.2023 containing the problem faced in some cases on the subject and hence withdrawn with immediate effect. The instructions in respect of usage of <http://eodc.online/> online (copy reproduced below)

(Copy) DGFT Trade Notice No. 24/2022-23, New Delhi, Dated 12.01.2023

Subject: EODC Online Monitoring System for Advance/EPCG Authorisations - reg

Attention of all Regional Authorities of DGFT, Export Promotion Councils and Advance/ EPCG authorisation holders is invited towards Trade Notice No- 1/2018-19 dated 4.4.2018 wherein a system was designed for monitoring the progress

of EODC applications of Advance/EPCG authorisations, which is accessed at <http://eodc.online>. All RAs were expected to input the data related to applications submitted by exporters.

2. In this regard, it may be noted that after the implementation of the revamped DGFT IT systems, the redemption/EODC details in respect of Advance/ EPCG authorizations including IEC details, status of licence, redemption applied or approved, details of data transmission etc. are accessible on DGFT website (<https://dgft.gov.in>) -> Services -> Info for Customs Authorities.
3. Additionally, it is noticed that in few cases of AA/EPCG, the EODC/closure is issued manually during earlier periods is incorrectly reflected in the online system. Therefore, the exporters are provided with an alternative wherein they can confirm the status of past authorisations on DGFT website. In case the authorisation is closed/redeemed, and the status is incorrectly reflected, the exporters are required to upload the copy of the closure/redemption letter against the said Authorisation, (<https://dgft.gov.in>) - Services - AA/DFIA/EPCG -4 'Manual EODC Update'. RA may verify the submitted requests and update the status of the said cases after verification from its records.
4. Therefore, the instructions in respect to the usage of <http://eodc.online> are withdrawn with immediate effect.
5. This issues with the approval of the Competent Authority.

Impex # 3

Extension in 'export obligation period' for specified EPCG Authorisations

DGFT issues Public Notice for extension in 'Export Obligation Period' of specified EPCG authorisations.

Many exporters who take EPCG authorisation fail to fulfil the export obligations within the given time period on one count or the other. DGFT is quite aware of this and has made provision for extension of export obligation (condition apply). Now DGFT has issued a Public Notice No. 53/2015-20 dt 20.01.2023 on account of COVID-19 pandemic (condition apply). this is one time relaxation from maintaining Average Export Obligation (not applicable to Handicraft EPCG Authorisation) and option to avail in Export Obligation period for specified EPCG Authorisations.

Copy of DGFT Public Notice No 53 referred to above is reproduced below:

(Copy) Public Notice No. 53/2015-2020-DGFT, Dated 20th January, 2023

Subject: Amendments in Chapter 5 of the Handbook of Procedures, 2015-20 One time relaxation from maintenance of Average Export Obligation and extension in Export obligation period for specified EPCG Authorisations - reg.

In exercise of powers conferred under Paragraphs 1.03 and 2.04 of the Foreign Trade Policy, 2015-2020, as amended from time to time, the Director General of Foreign Trade hereby makes the following amendments in the Handbook of Procedures (2015-20) :-

1. The following sub-para is added after para 5.13(c) of Handbook of Procedures: -
"5.13(d): For the years 2020-21 and 2021-22, no Average Export Obligation is required to be maintained for EPCG authorizations issued for Hotel, Healthcare and Educational sectors"
2. The following sub-paras are added after para 5.17(f) of Handbook of Procedures: -

5.17 (g) :

- i) For EPCG authorizations issued for Hotel, Healthcare and Educational sectors, Export Obligation (EO) period may be extended from the date of expiry for the duration equivalent to the number of days ED period falls within 01.02.2020 and 31.03.2022. Such extension shall be granted without payment of composition fees. EO extension already granted if any in terms of Public Notice No. 67/2015-20 dated 31.3.2020 and Notification No. 28/2015-20 dated 23.9.2021 shall be deducted from the extendable EO extension period.
- ii) In case where EPCG authorisation holder has already obtained EO extension on payment of composition fees, the refund of the composition fees will not be permitted. In addition, any penalties, duties and taxes already paid would also not be refunded.

5.17 (h) :

- i) For EPCG authorisations, issued for other than Hotel, Healthcare and Educational sectors, Export Obligation (EO) period may be extended from the, date of expiry, for the number of days the existing EO period of an authorisation falls within 01.02.2020 and 31.07.2021. Such EO extension may be granted without payment of composition fees. However, this extension is subject to 5% additional export obligation in value terms (in free Foreign Exchange) on the balance Export obligation as on 31.03.2022.
- ii) The option to avail EO extension with payment of composition fees under the para 5.17(c) would remain available for these authorizations as per eligibility.
- iii) In case where EPCG authorisation holder has already obtained EO extension on payment of composition fees, the refund of the composition fees will not be permitted.. In addition, any penalties, duties and taxes already paid would also not be refunded.

5.17 (i) : The benefit under (h) shall not be applicable in cases where extension of Export Obligation period has been obtained in terms of Public Notice No. 67/2015-20 dated 31.3.2020 and Notification No. 28/2015-20 dated 23.9.2021

5.17 : The benefit under parts (g) and (h) shall not be applicable in case where extension of Export Obligation period has been obtained through policy relaxation in terms of the para 2.58 of Foreign Trade Policy.

Effect of this Public Notice: One-time relaxation from maintaining Average Export Obligation and option to avail extension in Export Obligation Period for specified EPCG authorizations is provided on account of COVID-19 pandemic, subject to fulfillment of conditions. This is in addition to EO extensions facility (upon payment of the composition fees) already provided in FTP/HBP.

Impex # 4

Questions & Answers

Question : Would GST be payable on goods taken out for participation in overseas exhibitions and trade fairs and brought back into India?

Answer : GST is not payable in such cases where goods are sent abroad for display or exhibition. Exporters will need exhibition participation letter and SDF/GR waiver letter from the concerned bank for the purpose of exchange control requirements. At the time of re-import, identity of goods imported with export goods needs to be established to seek exemption from import duty in accordance with Customs provisions. IGST will be exempted at the time of re-import in view of exemptions granted under Customs.

Question : What is the new mechanism of reconciling GSTR 2A and 3B for 2017-18 and 2018-19?

Answer : The officer shall first seek the details from the registered person regarding all the invoices on which ITC has been availed by the registered person in his FORM GSTR 3B but which are not reflecting in his FORM GSTR 2A. He shall then ascertain fulfillment of the following conditions: i) that he is in possession of a tax invoice or debit note issued by the supplier or such other tax paying documents; ii) that he has received the goods or services or both; iii) that he has made payment for the amount towards the value of supply, along with tax payable thereon, to the supplier; iv) whether any reversal of input tax credit is required to be made in accordance with section 17 or section 18 of CGST Act and v) whether the said input tax credit has been availed within the time period specified under sub-section (4) of section 16 of CGST Act.

Question : Whether any CA certificate is required in such cases or self-declaration of tax payer will be fine?

Answer : In case, where difference between the ITC claimed in FORM GSTR 3B and that available in FORM GSTR 2A of the registered person in respect of a supplier for the said financial year exceeds Rs 5 lakh, the officer shall ask the registered person to produce a certificate for the concerned supplier from the Chartered Accountant or the Cost Accountant, certifying that supplies in respect of the said invoices of supplier have actually been made by the supplier to the said registered person and the tax on such supplies has been paid by the said supplier in his return in FORM GSTR 3B.

Question : What happens if the difference in value between GSTR 3B and GSTR 2A is less than Rs 5 lakh?

Answer : In cases, where difference between the ITC claimed in FORM GSTR 3B and that available in FORM GSTR 2A of the registered person in respect of a supplier for the said financial year is up to Rs 5 lakh, the officer shall ask the claimant to produce a certificate from the concerned supplier to the effect that the said supplies have actually been made by him to the said registered person and the tax on the said supplies has been paid by the said supplier in his return in FORM GSTR 3B.

Question : We are a Merchant Exporter. Can we procure supply from a manufacturer at 0.1% GST for exports and finally export it by paying the applicable IGST rate of 18%?

Answer : Initially, there was no bar to export goods procured by Merchant exporters at 0.1% for final exports at applicable IGST rate. However, CBEC has issued Notification No 3/2018 dated 23rd Jan, 2018 disallowing the facility of exports on payment of IGST if goods were procured by Merchant exporter at 0.1%. Therefore, in such cases, exports shall take place on LUT/Bond.

Question : We want to import capital goods for supplying to our job worker. Can ITC be claimed for the same and how long the job worker can retain such capital goods for doing jobs assigned by us?

Answer : Inputs or capital goods can directly be sent to the job worker without bringing them to his premises and still can avail the credit of tax paid on such capital goods. However, capital goods sent to a job worker are required to be returned 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 to the job worker. The responsibility for keeping proper accounts for the inputs or capital goods shall lie with the individual.