

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

DGFT directives regarding submission of digitized ANFs, Appendices, etc.

DGFT issues Trade Notice containing directives for submission of digitized Aayat Niryat Forms (ANFs), Appendices, etc.

DGFT has done a lot in respect of electronic exchange integration. As a result ANFs & Appendices are to be submitted online in the DGFT website (<https://www.dgft.gov.in/>) of eliminating the necessity for physical or soft copies of these documents.

However, certain ANFs and appendices necessitating the certification by professional chartered accountant etc have not be entirely digitized presently and may be uploaded online as per DGFT Trade Notice No.01/2024-25 dt 02.04.2024 (copy below):

DGFT Trade Notice No.01/2024-25, Dated: 2nd April 2024

Subject: Directives regarding submission of digitized ANFs, Appendices etc.

In adherence to the Directorate General of Foreign Trade's commitment to facilitating exports and imports, emphasizing efficient, transparent, and accountable delivery systems, significant efforts have been directed towards digitising a substantial number of the Aayat Niryat Forms (ANFs) and Appendices pursuant to the Foreign Trade Policy. Consequently, applications pertaining to said ANFs and Appendices must be exclusively submitted online via the DGFT Website (<https://dgft.gov.in>), eliminating the necessity for physical or soft copies of these documents.

2. Additionally, it should be duly noted that Importer-Exporter Code (IEC) details are available online to DGFT (HQ), Regional Authorities (RAs), Export Promotion Councils (EPCs), and other pertinent entities. Likewise, Registration-cum-Membership Certificates (RCMCs) are electronically accessible through DGFT Online Systems. Moreover, Micro, Small, and Medium Enterprises (MSMEs) status as recorded in the MSME UDYAM Registration Portal (<https://udyamregistration.gov.in>) is similarly accessible through electronic exchanges integrated into DGFT online systems.

3. Furthermore, certain ANFs and Appendices necessitate certification by professionals such as Chartered Accountants, Chartered Engineers, Cost Accountants, Company Secretaries, among others, and may not be entirely digitized presently. Nonetheless, ongoing endeavours are directed towards digitalization of these forms, enabling said certifying authorities to digitally certify all relevant ANFs and Appendices directly on the DGFT Website. Until such digital signature processes are fully implemented, copies of these documents may be uploaded online.

4. With regard to the foregoing, it is reiterated that no hard or soft copies of digitized ANFs, Appendices, IEC, RCMC, or MSME Udyam Registration certificates need to be submitted to DGFT (HQ) or its Regional Authorities. Additionally, there is no requirement to upload such documents alongside online applications.

5. It is further emphasized that all deficiency letters and correspondences pertaining to online applications must be issued and responded to exclusively online. Physical paper responses to such communications should not be entertained.

6. Any difficulty in complying with the above or feedback concerning the same may be communicated via email to DGFT (HQ) at egtf-dgft@gov.in

Question : What is the condition of hiring a warehouse abroad to facilitate our exports?

Answer : As per the regulation of the RBI, banks may consider the applications received from exporters and grant permission for opening/ hiring warehouses abroad subject to the following conditions:

- (i) Applicant's export outstanding does not exceed 5 per cent of exports made during the previous financial year.
- (ii) Applicant has a minimum export turnover of US\$ 100,000 during the last financial year.
- (iii) Period of realization should be as applicable.
- (iv) All transactions should be routed through the designated branch of the Bank.
- (v) The above permission may be granted to the exporters initially for a period of one year and renewal may be considered subject to the applicant satisfying the above requirements.
- (vi) Bank granting such permissions/approvals should maintain a proper record of the approvals granted.

Question : What is the period of realisation when goods are exported to a warehouse?

Answer : Is it the same for normal exports or somewhat different? It is obligatory on the part of the exporter to realize and repatriate the full value of goods/ services to India within a stipulated period from the date of export, which is as under:

- (i) The period of realization and repatriation of export proceeds is nine months from the date of export for all exporters including Units in SEZs, Status Holder Exporters, EOUs, Units in EHTPs, STPs & BTPs.
- (ii) Goods exported to a warehouse established outside India: As soon as it is realized and in any case within fifteen months from the date of shipment of goods.

Question : Whether I need to register at the port for the purpose of claiming and utilisation of 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.

Question : What is the validity of RoDTEP or RoSCTL scrips?

Answer : The validity of both categories of scrips has been extended from 1 year to 2 years by the Customs Notification No. 79/2022 dated 15th September, 2022 by amending the "Electronic Duty Credit Ledger Rules". The period of 2 years will be reckoned from the date of scrip generation/creation.

Question : What is the procedure for opening a Special Rupee Vostro Account with an Indian AD bank?

Answer : The bank approaching the RBI for seeking approval for opening of Special Rupee Vostro Account must submit the following information along with their proposal/request:

- a. The details of the arrangement between bank and correspondent bank from the trading partner country along with the funds flow.
- b. A brief write-up on the foreign banks seeking correspondent relationship.
- c. Copy of the request letter of the correspondent bank to Indian bank.
- d. Confirmation from the Indian bank that the due diligence has been carried out by bank which establishes correspondent banking relationship as per our extant guidelines.
- e. Confirmation from Indian bank stating that the correspondent bank is not from a country or jurisdiction in the updated FATF.
- f. Confirmation from Indian bank that they shall ensure that all the transactions taking place in the Special Rupee Vostro Account of the correspondent bank are strictly in adherence to the instructions given in the RBI Circular dated 11th July 2022.