

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 Change of address in IEC involving shift in jurisdiction of Regional Licensing Authority

DGFT issues a Public Notice revising provision regarding change of address in IEC where there is shift in jurisdiction of Regional Licensing Authority

In some cases when an importer / exporter changes / modifies his Branch Office/ Registered Office / Head Office address in its IEC, it results in shift of jurisdiction of Regional Licensing Authority. Such cases are dealt with as per provision in para 2.14A of Handbook / Public Notice. DGFT has now issued a Public Notice No. 59/(2015-20) dt. 21.02.2017, revising the present procedure. A copy of the Public Notice dt. 21.02.2017 referred to above is reproduced below:

Copy of Public Notice No.59 /(2015-2020) New Delhi, dated 21st February, 2017

Subject: -Amendment in Chapter 2 of the Handbook of Procedure (2015-20)

In exercise of powers conferred under paragraph 2.04 of the Foreign Trade Policy, 2015-2020, the Director General of Foreign Trade hereby amends the revised provision as at sl no.1 [para 2.14(A) of the Handbook of Procedure (2015-20)] of the Public Notice No.54/2015- 2020 dated 11.01.2017 as under:

SI no.	HBP Para/ Public Notice / Appendix	Provision	Revised Provision
1.	2.14 A	<p>When an IEC holder seeks modification/ change of Branch Office/Head Office/ Registered Office address in its IEC and which involves a shift in its jurisdictional RA, a request to that effect will have to be made to RA concerned under whose jurisdiction the applicant exists.</p> <p>On the basis of this request, the RA (custodian of the IEC file till now) will process such requests and amend IEC, if found appropriate, under intimation to the RA under whose jurisdiction the applicant wants transfer. The new RA shall allow the person in its new address to carry out necessary functions and also apply for eligible benefits as per FTP.</p>	<p>When an IEC holder seeks modification/ change of Head Office/ Registered Office address in its IEC and which involves a shift in its jurisdictional RA, a request to that effect will have to be made to the new RA, to whose jurisdiction the applicant is shifting its office. The new RA shall make appropriate amendments, based on documents submitted to it by the applicant. The new RA will also separately inform the RA, who had initially issued the IEC, of the changes made in the concerned IEC. Thereafter, the new RA shall allow the applicant to carry out necessary functions and also apply for eligible benefits as per FTP through its office.</p>

2. Effect of this Public Notice: Amendment in procedure for seeking modification in IEC is notified.

Impex # 2

Clarification of definition of 'service provider' under 'Common Service Provider (CSP)' in EPCG Scheme

DGFT issues Trade Notice containing clarification on definition of 'Service Provider' under CSP in EPCG Scheme

The objective of the 'Common Service Provider Scheme' is to reduce the cost in manufacturing by getting a particular job done (for example embroidery, dying, etc.) from outside without setting-up the facility at your cost. DGFT has issued a Trade Notice no.18/2016 dt.23.09.16 containing clarification of definition of service provider under CSP in EPCG Scheme. Copy of trade notice reproduced below:

Copy of Trade Notice No. 18/2016, dated 23rd September 2016

The issue has arisen whether EPCG authorisations can be issued to a person who does job work for the exporter of goods, as a CSP under para 5.02 read with para 1.35 of Foreign Trade Policy (FTP) 2015-20.

In light of Para 9.00 of the FTP 2015-20 which states as under:

"For purpose of FTP, unless context otherwise requires, the following words and expressions shall have the following meanings attached to them

and in terms of para 2.57 of the FTP 2015-20, it is hereby clarified that in the context of common service providers under the EPCG scheme dealt with in Para 5.02 of the FTP the definition of service provider includes job workers of the type illustrated in the example below.

Example - there may be multiple garment exporters obtaining services at different stages of garment manufacturing (such as knitting, dyeing, compacting, printing, embroidering, labelling, cutting etc.) from a number of other units who own these facilities but do not engage in the export of garments. The arrangement gives flexibility to exporters to not own all the infrastructures for conversion from input to final export products.

3. In such cases the provisions of DoR exemption Notification no. 16/2015 Customs are to be complied with.

Impex # 3

New provision about jurisdictional licensing authorities for MEIS and SEIS

DGFT issues Public Notice making further amendments in para 3.06 of Handbook of Procedures (Vol.1) of 2015-20 showing jurisdictional Regional Licensing Authorities for MEIS and SEIS

On this subject, DGFT has issued a Public Notice No.58/(2015-20), dated 10.02.2017. A copy of the same is reproduced below:

Copy of Public Notice No.58/(2015-20), dated 10th February 2017

In exercise of powers conferred under paragraph 2.04 of the Foreign Trade Policy, 2015--2020, the Director General of Foreign Trade (DGFT) hereby makes the following amendments in Paragraph 3.06 of Handbook of Procedures 2015-20 by replacing sub para (b) & (c) notified vide PN 30/ dated 26 August, 2015 with two tables showing jurisdictional RA for MEIS & SEIS.

3.06 Jurisdictional RA/RA Concerned:

(a) Applicant shall have option to choose Jurisdictional RA on the basis of Corporate Office/ Registered Office/Head Office/ Branch Office address endorsed on IEC for submitting application's under MEIS and SEIS. This option needs to be exercised at the beginning of financial year. Once an option is exercised, no change would be allowed for claims relating to that year. To illustrate, it, an exporter has chosen RA Chennai for claiming rewards for exports made in 2015-16, then all claims for exports made in 2015-16, irrespective of the date of application shall be made to RA Chennai only.

(b) Jurisdictional for MEIS

1	2	3
Sl No.	Units	Jurisdictional RA
(i)	Importer Exporter Code(IEC) holders having units in DTAs/EHTPs/ BTPs/ STPs or more than one of these	Jurisdictional RA of DGFT as in Appendix 1A
(ii)	IEC holders having units both in SEZs/EOUs or both	Respective Development Commissioner of Special Economic Zones (SEZs) as in Appendix 1A
(iii)	IEC holders having units both in (i) & (ii) above	Units located in category (i) & (ii) will apply to respective Jurisdictions at Col-3

Question : What is the latest position of implementation of GST with effect from 01-07-2017?

Answer : The prospects are quite bright on account of developments detailed below:

The Centre and States agreed on 04-03-2017 on two draft laws needed to trigger the country's biggest tax reform. The consensus came at a meeting of finance minister and several state finance heads, overcoming almost a decade of political differences on how to replace a multi-layered set of central and state taxes and levies with a unified nationwide Goods and Services Tax (GST). The Finance Minister said the GST Council, which he heads and has state finance ministers, approved the draft of the Central GST and Integrated GST bills. These will now be ratified by Parliament and the states.

Successive governments have pushed to implement the GST, which will create a common market and help lower the tax burden, shore up government revenues, temper inflation and boost economic growth by 1-2 percentage points, analysts say. (See box) But political differences over how to divvy up GST revenues or compensate states for lost income because of the new tax held up progress.

Government sources said the GST legislation will likely be taken up as money bills during the second half of the Budget session starting March 9. This means they can't be rejected by the Rajya Sabha, where Prime Minister Narendra Modi's government doesn't have a majority. The proposed GST will have four

GST slabs

0% tax on essential items including rice and wheat

5% on items of mass consumption such as spices, tea and mustard oil

12% and **18%** standard rates cover most manufactured items and services

28% on luxury cars, pan masala, tobacco and aerated drinks

tax slabs. Farmers and small traders are exempt. "The applied rates will be 5%, 12%, 18% and 28%. The cap will be on the higher side," the Finance Minister said without elaborating on the higher limit. States want the higher limit set at 40% to obviate the need to go to Parliament every time taxes have to be raised on certain goods and services. The GST Council will meet again on March 15-16 to clear some outstanding

issues, including thrashing out tax slabs for some outstanding state-specific goods and services. As many as 26 changes sought by the states have been accepted by the Centre. This shows the federalist character of India.

Question : Which are the places where warehouses may be established to store excisable goods, free of duty, for export?

Answer : The warehouses may be established and registered in Bangalore, Kolkata, Chennai, Kanpur, Ludhiana, Mumbai, the district of Ahmedabad in the state of Gujarat, the districts of Pune and Raigad in the state of Maharashtra, the district of East Midnapore in the state of West Bengal, the district of kancheepuram in the state of Tamil Nadu, the district of Indore in the state of Madhya Pradesh, the taluka Ankleshwar in the district of Bharuch in the state of Gujarat, Navi Mumbai in the district of Thane in the state of Maharashtra, Sholinghur in the district of Vellore in the state of Tamil Nadu, Bidadi in the Bangalore Rural District Karnataka, the district of Thiruvallur in the state of Tamil Nadu, Bidadi in the Bangalore Rural District of Karnataka, the district of Thiruvallur in the state of Tamil Nadu, the district of Gautam Budh Nagar in the state of Uttar Pradesh, the district of Nagpur in the state of Maharashtra, Tehsil of Tijara of Alwar district in the state of Rajasthan and Bhuj Taluka of Kutch district in the state of Gujarat.