

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

Synchronizing ITC (HS). 2022 with Finance Act, 2022

DGFT issues notification syncing the ITC (HS), 2022 with the Finance Act, 2022.

and custom books has to be same for ease of doing business. Towards this goal DGFT has issued a Notification No. 20/2015-20 dt 7th July, 2022 (copy reproduced below).

Synchronized coordination between DGFT and Ministry of Finance is of great importance in imports and exports. If there is no sync between FTP provision and custom provisions, imports & exports cannot take place smoothly. Difference of description of export or import items and their code numbers in DGFT books

(Copy) Notifications No.20/2015-2020-DGFT; New Delhi, 7th July, 2022

Subject: Syncing of ITC (HS), 2022- Schedule-1 (Import Policy) with the Finance Act, 2022 (No. 6 of 2022) dated 30.03.2022

In exercise of powers conferred by Section 3 read with Section 5 of the Foreign Trade (Development and Regulation) Act, 1992 (as amended from time to time) read with paragraph 2.01 of the Foreign Trade Policy, 2015-2020, the Central Government hereby amends 'ITC(HS) 2022, Schedule-I (Import Policy)' in sync with the Finance Act, 2022 dated 30th March, 2022.

2. The List of ITC(HS) codes introduced/deleted/amended/split/merged as per the Finance Act, 2022 is annexed herewith (Annexure-I).

3. The modifications/amendments in the Section Notes, Chapter-wise Main Notes, Supplementary Notes, Chapter heading, sub-headings and description of ITC(HS) codes as per the Finance Act, 2022 are annexed herewith (Annexure-II).

4. The updated ITC(HS) 2022 shall be available on the website of DGFT (<https://dgft.gov.in>). Ads by Effect of this Notification: ITC(HS) 2022 Schedule-1 Import Policy is amended in sync with the Finance Act, 2022. This shall come into force with immediate effect.

This issues with the approval of Minister of Commerce & Industry.

Impex # 2

DGFT upgrades existing e-BRC module

DGFT issues Trade Notice containing details of upgradation of existing e-BRC module.

e-commerce is welcome as they increase ease of doing business.

These are the days of constant improvement of e-governance initiatives and DGFT efforts in this direction are commendable. Now DGFT has issued a Trade Notice No 13/2022-23 dt 30.06.2022 notifying the upgradation of existing e-BRC module (copy reproduced below). Any upgradation in

(Copy) DGFT Trade Notice No. 13/2022-23 | Date: 30th June, 2022

Subject: Migration of e-BRC Portal/Website to new IT platform - reg.

Reference is invited to DGFT Public Notice no.2 (RE-2012)/2009-14 dated 5 June 2012 through which electronic Bank Realisation Certificate (e-BRC) was introduced. The existing eBRC platform (<http://dgftebrc.nic.in/>) is being managed

by NIC-DGFT from 2012 onwards and has enabled us to capture details of realisation of export proceeds from the Banks directly through secured electronic mode and facilitated implementation of various export promotion schemes in an IT environment.

2.The existing eBRC module is now being upgraded to a new IT platform and it is proposed to discontinue the earlier version (<http://dgftebrc.nic.in/>) from end of July 2022. Existing users of the eBRC module i.e. the AD Banks will need to migrate to the new environment (<https://dgft.gov.in>) on an urgent basis so that services to the exporting community do not get impacted.

3.In this regard Help Manual as well as FAQs have been made available to Bank Officials on the new portal after login. For any further assistance concerned Bank officials can send an email to the DGFT Helpdesk on dgftedi@gov.in with subject header as "Support on eBRC for..... Bank (Name of Bank)"

Impex # 3

Extension of validity of Status Certificates issued in FY 2015-16 and 2016-17

DGFT issues Public Notice extending the validity up to 30.09.2022 of Status Certificates issued in 2015-16 and 2016-17 under current FTP.

No new Foreign Trade Policy was issued on 31.03.2020 or on 31.03.2021 on the expiry of FTP of 2015-20. Because of this Status Certificate issued under FTP of 2015-20 expired on 31.03.2020 or on 31.03.2021 respectively.

To take care of the situation above, DGFT has issued a Public Notice No.21/2015-20 dt. 05 August, 2022 (copy reproduced below) under which the Status Certificates issued in FY 2015-16 and 2016-17 shall be valid up to 30.09.2022 the date on which the new FTP is expected to be announced.

(Copy) DGFT Public Notice No. 21/2015-20 | Date: 5th August, 2022

Subject: Extension of validity of Status Certificates issued in FY 2015-16 and 2016-17 under current FTP

In exercise of powers conferred under paragraph 1.03 and 2.04 of the Foreign Trade Policy (2015-2020), as amended from time to time, Director General of Foreign Trade hereby makes the following amendments in para 3.20 (a) of the Handbook of Procedures, 2015-20 with immediate effect:

Existing para 3.20 (a) of HBP	Amended para
3.20 (a) of HBP	3.20 Validity of status certificate
(a) Status Certificates issued under this FTP shall be valid for a period of 5 years from the date on which application for recognition was filed or 30.06.2022 only whichever is later	(a) Status Certificates issued under this FTP shall be valid for a period of 5 years from the date on which application for recognition was filed or 30.09.2022 only whichever is later.

Effect of Public Notice: Validity of Status Holder Certificates issued in the FY 2015-16 and 2016-17 under the provisions of FTP 2015-20 has been extended upto 30.09.2022.

Transition period of mandatory filing of applications for Non-Preferential Certificate of Origin through e-CoO Platform further extended till 31.03.2023

DGFT issues Trade Notice extending the date of Mandatory electronic filing of Non-Preferential Certificate of Origin (NP-CoO) through the Common Digital Platform to 31.03.2023.

In order to give sufficient time to stakeholders to adjust to e-commerce, DGFT has issued a Trade Notice No. 15/2022-23 dt 01.08.2022 allowing the extension up to 31.03.2023 for mandatory filing of application for non-preferential certificates of origins through the e-CoO platform (Copy given below - see next page):

New Delhi Trade Notice No. 15/2022-23 | Dated: 1st August 2022

Subject: Extension of Date for Mandatory electronic filing of Non-Preferential Certificate of Origin (NP CoO) through the Common Digital Platform to 31st March 2023 -reg

In continuation to the earlier Trade Notice 24/2021-22 dated 15.11.2021, Trade Notice 42/2020-2021 dated 19.02.2021, 48/2020-2021 dated 25.03.2021, 10/2021-2022 dated 19.07.2021, 19/2021-2022 dated 01.10.2021, 21/2021-22 dated 18.10.2021, 32/2021-22 dated 24.01.2022 and 04/2022-2023 dated 27.04.2022, it is informed that the transition period for mandatory filing of applications for Non-Preferential Certificate of Origin through the e-CoO Platform has been further extended till 31st March 2023.

2. While the exporters and NP CoO Issuing Agencies would have the option to use the online system, the same shall not be mandatory till 31st March 2023. The existing systems of processing non-preferential CoO applications in manual/paper mode are being allowed. For guidance on registration and online application submission process, the Help Manual & FAQs may be seen on the landing page at <https://coo.dgft.gov.in>

3. The authorised agencies are therefore required to sensitize the exporting community and their constituents regarding the online system and its registration requirements well in time. Any issues relating to the IT system and its implementation may also be brought to our notice for appropriate action. This issues with the approval of the competent authority.

DGFT extend the date up to 30.09.2023 for uploading of e-BRC for shipping bills on which RoSCTL scrip has been availed

DGFT issues Train Notice for uploading of e-BRC for shipping bills on which RoSCTL scrip has been availed by 30.09.2022.

RoSCTL scrip is an entitlement on the exports of apparels and made ups. DGFT vide its Trade Notice No. 12 dt 30.05.2022 had requested the exporting community to get the relevant e-BRC uploaded on to the DGFT server latest by 15.07.2022. Now DGFT has issued a Trade Notice No. 16 dt 06.09.2022 extending the date up to 30.09.2022.

(Copy) DGFT Trade Notice No. 16 | Dated: 6th September 2022

Uploading of e-BRC for shipping bills on which RoSCTL scrip has been availed from DGFT RAs-Extension upto 30.09.2022

Attention of the trade and industry members is drawn to Trade Notice No.12 dated 30.05.2022, wherein the exporting community was requested to get the relevant e-BRCs uploaded onto the DGFT server latest by 15.07.2022. It may be noted that the last date for uploading of all such e-bres, where RoSCTL scrips have been issued for shipping bills upto 31.12.2020 has been further extended till 30.09.2022, failing which action as per para 4.96 of HBP, as notified vide PN 58 dated 29.01.2020 would be initiated by the jurisdictional RAs. After 30.09.2022, no further extension would be granted and action under FT (D&R) Act, 1992 may be taken by the Regional Authorities.

2. Export Promotion Councils/Textile associations are requested to give wide dissemination to this Trade Notice in the interest of the apparel and made-ups exporting community.

Impex # 6

Video Conferencing facility introduced in Additional DGFT CLA, New Delhi

Addition DGFT, CLA (Central Licensing Area, New Delhi) issues a Trade Notice introducing the facility of Video Conferencing based interaction with trade.

These are the days of e-governance initiatives. DGFT has done a lot and doing a lot in this direction. But it is a matter of pleasant surprise that of all the Regional Licensing Authorities under DGFT and there are 39 of them has introduced the facility of Video Conferencing for doing business with ease and to reduce transaction time vide their Trade Notice No.2/22 dt 26.09.2022 (copy reproduced). Hope other offices of DGFT will also introduced the facility soon.

The five-day week programme (subject wise) has been given the Trade Notice

Addl DGFT CLA N. Delhi Trade Notice No. 2/22 dated 26/09/2022

Subject : Permanent facility for Video Conferencing based interactions with Trade

In order to promote ease of doing business and reduce transaction time, the DGFT organisation has undertaken significant number of e-governance initiatives in service delivery to the Trade.

Furthering the e-governance initiatives, the office of Additional DGFT, CLA Delhi has created a permanent facility for Video Conferencing based interactions with Trade. This is created to provide a more efficient forum for Exporters to raise their suggestions, grievances and issues with officials and reduce physical interactions. The link will be operational from 2nd October, 2022 on every working day between 10:30 AM to 11:30 AM. The link will be operational at webpage <https://additionaldgft.my.webex.com/additionaldgft.my/j.php?MTID=mfdadd0e9e6f5e30e58d7ab2dc5739d53>

Any changes in the meeting link, if any, will be communicated through another Trade Notice.

In order to keep the interactions structured and effective, following day-wise schedule will be followed:

S.No.	Day	Discussion Agenda of the Day
1	Monday	Matters related to IEC, REX, Certificate of Origin, Status Holder, TMA, etc.
2	Tuesday	All Matters pertaining to Advance Authorisation Scheme
3	Wednesday	All Matters pertaining to EPCG scheme
4	Thursday	All Matters pertaining to Chapter 3 Schemes
5	Friday	All matters pertaining to ECA proceedings, EGTF/system related issues, Niryat Bandhu and other miscellaneous matters not specified elsewhere

Impex # 7

Questions & Answers

Question : How much of one's foreign exchange earnings can be put into an EEFC account?

Answer : 100% foreign exchange earnings can be credited to the EEFC account subject to the condition that the sum total of the credits in the account during a calendar month should be converted into Rupees on or before the last day of the succeeding calendar month after adjusting for utilization of the balances for approved purposes or forward commitments.

Question : Whether there is any restriction on withdrawal in rupees of funds held in an EEFC account?

Answer : No, there is no restriction on withdrawal in Indian Rupees of funds kept in the EEFC account. However, the amount withdrawn in Indian Rupees shall not be eligible for conversion into foreign currency and for re-credit to the account.

Question : We have exported in US\$ but buyer has remitted the equivalent amount in Euro. Our bank is not regularizing the payment. What should we do in such situation. Should we send back the money and insist for payment in Euro?

Answer : As extant regulations permit raising of export invoices either in freely convertible currency or Indian rupees with condition that export proceeds have to be realized in freely convertible currency. Therefore, the export proceeds may be realized in any freely convertible currency which may be different from the currency mentioned in the shipping bill. In the EDPMS, the banks may use two fields for reporting the amount- one in realised currency and other in equivalent amount of declared currency in shipping bill (invoiced currency). For example, since the amount is declared in the shipping bill in USD but export realisation is in Euro, then the bank should lodge the bill in USD in their internal system based on export documents submitted by exporters and, at the time of realisation, the currency and amount should be reported in EURO while the invoiced amount should be reported in USD.

Question : Would GST be payable on goods not intended to be sold, taken out for participation in overseas exhibitions and trade fairs and brought back into India as these goods are meant for exhibition only?

Answer : GST is not payable in such cases. 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 : We are a Merchant Exporter. Can I take a supply from a manufacturer for exports at 0.1% and export it, without availing LUT facility, paying the applicable IGST rate of 28%?

Answer : Initially, there was no bar to exports goods procured by Merchant exporters at 0.1% for final exports at applicable IGST rate. However, CBIC has issued Notification No 3/2018 dated 23rd Jan, 2018 depriving 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. Unfortunately, the above provision has been incorporated with retrospective effect from 23rd Oct, 2017.

Question : Why IGST amount on imports of goods cannot be paid from ITC Credit?

Answer : Since IGST on imports is charged on Reverse Charge Mechanism (RCM) and all RCM taxes have to be paid in cash, IGST on imports of goods cannot be paid from ITC. However, the IGST amount paid in cash on imports is available as ITC to importer which can be utilized by him for settling his further liabilities. However, the SGST liabilities can be settled only in respect of the State where the importer is located. Thus, if importer is located in UP, he can only discharge his SGST liabilities in respect of UP and not in respect of other States.

Question : How is the duty-free scheme for trimming and embellishments will operate now?

Answer : The budget has restored the facility of duty-free import of trimming and embellishments. However, the scheme will not operate on the basis of duty-free certificate issued by the Export Promotion Councils. The exporters willing to operate under the scheme will register online as per the procedure prescribed for Import of Goods under Concessional Rate of duty (IGCR). They will be issued IIN number and will execute an online running Bond. While importing trimming and embellishments, the details of IIN and Bond will be given in the bill of entry and the same will be shown as a debit. Upon exports, suitable credit entry will be made in the bond. It may be noted that the goods imported under the scheme will have to be re-exported within six months' time.

Question : If the vehicle in which goods are being transported having e-way bill is changed, then what has to be done?

Answer : The e-way bill for transportation of goods always should have the vehicle number that is actually carrying the goods. There may be requirement to change the vehicle number after generating the e-way bill or after commencement of movement of goods due to transshipment or due to breakdown of vehicle. In such cases, the transporter or generator of the e-way bill can update the changed vehicle number.