

Impex # 1

FTP of 2015-20 extended by one year up to 31-03-2021

DGFT issues notification extending the FTP of 2015- 20 to 31-03-2021 (by one year) with minor changes.

DGFT has issued a Notification No. 57/2015-20 dt 31-03-2020 announcing the extension of Foreign Trade Policy (FTP) 2015-20 by one year up to 31-02-2021.

The above notification contains no new policy for discontinuation of any old policy. It is the mere extension of the FTP of 2015-20 by one year up to 31-03-2021. The extended policy, however, contains changes here and there to ensure smooth functioning of existing policies. Changes have also been made extending the date of exemption by one year and extending validity of DFIA (para 4.29 (viii)) and EPCG authorisation (para 5.01 (c)) for

import purposes. Copy of DGFT Notification No. 57/ 2015-20 dtd 31-03-2020 referred to above is reproduced below:

(Copy)

Notification No. 57/2015-2020-DGFT dtd. 31st March, 2020

S.O.(E).-In exercise of powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 read with paragraph 1.02 of the Foreign Trade Policy (FTP) 2015-2020, as amended, the Central Government hereby makes, with immediate effect, the following amendments in the FTP 2015-2020:

1. In para 01, the phrase "shall remain in force upto 31st March, 2020 unless otherwise specified is substituted by the phrase "shall remain in force upto 31st March, 2021 unless otherwise specified."
2. The following shall be added at the end of para 3.08(a):
"However, the service categories eligible under the scheme and the rates of reward on such services as rendered w.e.f. 1st April, 2019 to 31" March, 2020 shall be notified separately in Appendix 3 X. For the services rendered w.e.f. 1st April, 2020, decision on continuation of the scheme will be taken subsequently and notified accordingly."
3. In para 4.14, the date "31.03.2020" as appearing in the last line is substituted by "31.03.2021".
4. In para 4.29(viii), after the first sentence, the following is inserted:
"However, for all DFIA's (including transferable DFIA's), where the validity for import is expiring between 01.02.2020 and 31.07.2020, the validity stands automatically extended by six months from the date of expiry."
5. In para 5.01(a), the date "31.03.2020" as appearing in the second sentence is substituted by "31.03.2021".
6. In Para 5.01(c), after the second sentence, the following sentence is inserted: "However, in case the validity period for import expires during 1st February, 2020 to 31st July, 2020, the validity stands automatically extended by further 6 months from the date of such expiry."
7. In para 6.01(d) (ii), the date "31.03.2020" as appearing in the last line is substituted by "31.03.2021".

Effect of this Notification: The existing Foreign Trade Policy 2015-2020 which is valid upto 31.3.2020 is extended upto 31.03.2021. Various other changes are also made extending the date of exemptions by one year and extending validity of DFIA and EPCG Authorizations for import purposes.

DGFT issues public notice extending the validity of handbook of procedure of 2015-20 (Vol. 1) by one year upto 31-03-2021.

DGFT has issued a Public Notice No. 67/ 2015-20 dtd 31-03- 2020 extending the validity of handbook of procedure (Vol. 1) of 2015 20 by one year up to 31-03-2021. The above Public Notice contains no major procedural changes as it is a mere extension of the present one. However, to ensure the smooth functioning of the policy provisions, the public notice contains 22 amendments as listed in the public notice. The amendment provide extension in the export obligation period in case of Advance and EPCG authorisations, extension in validity period of status certificate, extension in the date of filing various application and and returns etc. Copy of DGFT Public Notice No. 67/2015-20 dtd 31-03-2020 referred to above is reproduced below:

(Copy)

Public Notice No. 67/2015-2020 dtd. 31st March, 2020

In exercise of powers conferred under paragraph 2.04 of the Foreign Trade Policy (FTP) 2015-2020, the Director General of Foreign Trade hereby makes, with immediate effect, the following amendments:

A. In the Handbook of Procedures (HBP), 2015-20:

1. In para 1.01, the phrase "shall remain in force until 31st March, 2020" is substituted by the phrase "shall remain in force until 31st March, 2021."
2. In para 2.54(d) (v) (ii), the date "31st March 2020" is substituted by "30th September 2020" and the date "1st April, 2020" is substituted by "1st October, 2020".
3. In para 2.55(d), the following sentence is added at the end:
"However, any recognition which has extended validity upto 31st March, 2020 or original validity upto 29th June, 2020, would deem to be valid upto 30th June 2020."
4. The following sentence is added at the end of para 3.15(a):
"However with respect to para 3.15(a)(i) above, for the shipping bills where the Let Export (LEO) date falls during the period 01.02.2019 to 31.05.2019, applications may be filed within a period of 15 months instead of 12 months."
5. The following sentence is added at the end of para 3.15(b):
"However, the last date for filing SEIS applications for FY 18-19 shall be 31.12.2020."
6. The following phrase is added after the word 'filed' appearing at the end of para 3.20(a):
"or 31.03.2021, whichever is later."
7. In para 4.12(vi), the date "31.03.2020", as appearing in the first sentence is substituted by "31.03.2021."
8. The following sub-para is added after the para 4.41(d):
"(e) For all Advance Authorisations where the validity for import is expiring between 01.02.2020 and 31.07.2020, the validity stands automatically extended by six months from the date of expiry.

No separate amendment/endorsement is required on the authorisations. The option to avail further validity extensions under this para would remain available for these authorisations as per eligibility."

9. The following sub-para is added after para 4.42(h):

"(i) For all Advance Authorisations where the Export Obligation period is expiring between 01.02.2020 and 31.07.2020, the Export Obligation period stands automatically extended by six months from the date of expiry. No separate application with composition fee, amendment or endorsement is required for this purpose. The option to avail further validity extensions under this para beyond this period would remain available for these authorisations as per eligibility."

10. The following sub-para is added after para 4.59(e):

"(f) For the Replenishment Authorisation applications where the last date of filing the application falls between 01.02.2020 and 31.07.2020, the last date stands extended by six months."

11. The following sentence is added at the end of paras 4.75(c) and 4.77(c):

"For those cases where the last date of exports under this para falls between 01.02.2020 and 31.07.2020, the last date stands extended by six months."

12. The following is added at the end of Para 4.80:

"Note: In all those cases where the last date, calculated as per the durations mentioned under various sub-paras of para 4.80 above, is expiring between 01.02.2020 and 31.07.2020, the last date stands extended by six months. This will include extension in time for replenishment, booking with nominated agencies, and time allowed for re-import. However, the relaxation in repatriation of sale proceeds period would be equal to the period allowed plus six months, or as subject to RBI guidelines, whichever is less."

13. The following para is added after para 4.85:

"4.85 A

For those cases, where the last date for exports/replenishment/imports/drawal of precious metal as calculated under various sub-paras of para 4.82, 4.83, 4.84 and para 4.85, expires between 01.02.2020 and 31.07.2020, such last date stands extended by six months. However, relaxation in the period for repatriation/foreign realization would be equal to the period as allowed plus six months, or as per RBI guidelines, whichever is less."

14. In para 4.95(k) (a), the last date for filing online claims is amended to read as 31.12.2020 in place of 30.06.2020.

15. In para 5.04(a), after the first sentence, the following sentence is inserted:

"However, in case the period of six months expires during 1st February, 2020 to 31st July, 2020, the period for submission of Installation Certificate is extended by further 6 months from the original due date."

16. After para 5.14(d), the following sub-para is added:

"Monthly reports for months ending February, 2020 to June 2020 can be filed up to 31st July, 2020."

"(e) However, for the authorisations covered under para 5.14 (a), (c) and

(d) if the blockwise export obligation period expires during 1st February, 2020 to 31st July, 2020, such period is deemed to be automatically extended by further 6 months from the date of such expiry."

17. After para 5.17(d), the following sub-para is added:

"(e) However, for the authorisations covered under para 5.17 (a), (b) and

(c) if the export obligation period expires during 1st February, 2020 to 31st July, 2020, such period is deemed to be automatically extended by further 6 months from the date of such expiry."

18. In para 6.01(b)(ii), after the sentence "Further extension, if necessary, will be granted by the Board of Approval.", the following sentence is inserted:

"All such LOPs/LOIs whose original or extended validity expires on or after 1st March 2020, may be deemed to be valid up to 31st December, 2020."

19. In para 6.06(c)(ii), the following sentence is added at the end:

"In case the export obligation period expires during 18th March 2020 to 30th June 2020, it would be deemed to be valid upto 30th September, 2020."

20. In para 7.05(a), the following sentence is inserted after sentence number

"In all such cases where the above dates fall on or after 1st March, 2020, the date of filing of applications for refund of TED/Drawback may be deemed to be extended up to 30th September, 2020."

21. In para 7A.01(d), the following sentence is added at the end: "Application for refund of such claims for the quarter ending 31st March, 2019 and 30th June, 2019 may be filed up to 30th September, 2020."

22. In para 9.02, the following sentence is added at the end:

"Last date of submission of application, for the purpose of late cut, would be taken as that extended vide Public Notice No. 67/2015-20 dated 31st March, 2020,"

B. In the Appendices & Aayat Niryat Forms:

(i) In clause 6 of Appendix-6E, the following sentence is added at the end:

"QPR for quarters ending March, 2020 and June, 2020 and APR for Financial year ending on 31.03.2020 can be filed up to 30th September, 2020."

(ii) In clause 6(A) of Appendix 6E, the following sentence is added at the end:

"Monthly reports for months ending February, 2020 to June 2020 can be filed up to 31st July, 2020."

(iii) In clause (viii) of Appendix 6H, the following sentence is added at the end:

"However, for the claims of quarters ending 30th September and 31st December 2019, the last date of filing applications for refund of CST is extended up to 30th September, 2020."

(iv) Notification No. 17/3/2018-EP (Agri.IV) dated 17.03.2020 of the Department of Commerce, extending validity of the TMA scheme upto 31.03.2021 is added to Appendix-7(A) A.

Effect of this Public Notice: Validity of the existing Hand Book of Procedures, 2015-20 is extended upto 31st March, 2021. Various other amendments are also made providing extension in the export obligation period in case of Advance and EPCG Authorisations, extension in validity period of status certificates, extension in the dates of filing various applications and returns, etc.

DGFT issues Trade Notice extending the validity of RCMC till 31-09-2020.

DGFT has extended the validity of FTP of 2015-20 till 31-03-2021 vide its notification dtd 31-03-2020. It has also extended the validity of Handbook of Procedure (Vol. 1) of 2015 20 by its Public Notice dtd 31-03-2020. Simultaneously DGFT has issued a Trade Notice No. 60/2019-20 dtd 31-03-2020 extending the validity of RCMC beyond 31-03-2020 up to 30-09-2020 (copy reproduced below):

(Copy)

Trade Notice No.60/2019-2020 dtd.31st March, 2020

To

1. Regional Authorities of DGFT
2. Customs Commissionarates
3. EPCs and Members of Trade & Industry
4. Joint Secretary (Customs), CBIC, Department of Revenue

Subject: **Extension of validity of Registration cum Membership Certificate (RCMC) beyond 31st March, 2020.**

Under para 2.55 & 2.56 of FTP read with paras 2.91 - 2.95 of HBP, 2015-20, Export Promotion Councils (EPCs) have been issuing RCMCs to its members. In view of the current situation due to the COVID-19 pandemic, exporters may find it difficult to get re-validations of their RCMCs from their respective councils.

2. In view of the above, it has been decided that Regional Authorities (RAs) of DGFT will not insist on valid RCMC (in cases where the same has expired on or before 31 March, 2020) from the applicants for any incentive/authorizations till 30 September,

3. EPCs will collect the applicable fees for the year 2020-21 on restoration of normalcy.

Cabinet approves scheme for "Remission of Duties and Taxes on Exported Products (RoDTEP)" to boost exports Scheme for enhancing Exports to International Markets.

To make Indian exports cost competitive and create a level playing field for exporters in International market the CCEA has given its approval to a scheme to be known as 'RoDTEP' scheme. It is WTO compliant and will reimburse taxes/duties/levies at the central, state and local level, which are currently not being refunded. The scheme will boost to employment generation in various sectors. Items will be shifted in a phased manner from existing scheme MEIS to RoDTEP with proper monitoring & audit mechanism. On the above PIB (Press Information Bureau) has issued a Press note dt 13th March, 2020 (reproduced below):

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.

It is pointed out that DGFT vide its notification dt. 31.03.2020 has extended the validity of FTP of 2015-20 by one year till 31.03.2021 and MEIS has been continued in it as it is and not replaced by RoDTEP. The sanction of CCEs will come handy when the RoDTEP scheme is finalized and replaces MEIS in the FTP.

Impex # 5

Questions & Answers

Question: Are we required to pay IGST while sending goods abroad for the purpose of exhibition?

Answer : The activity of taking goods out of India for exhibition does not constitute a supply ab initio under GST since no consideration is involved. But, the movement of such goods out of India should be accompanied by a delivery challan issued in accordance with the provisions contained in Rule 55 of the CGST Rules. The goods taken out of India in this manner are required to be brought back within a period of six months from the date of removal. No tax invoice is required to be issued in respect of goods which are brought back to India within the period of six months. However, the supply would be deemed to have taken place if the goods are not brought back within the period of six months even if they are not sold. In this case, the sender will have to issue a tax invoice on the date of expiry of six months from the date of removal, in respect of the quantity of goods which have neither been sold nor brought back. The benefit of zero rating, including refund, shall not be available in respect of such supplies

Question: What happens if the goods are sold in the exhibition?

Answer : If the specified goods are sold abroad, fully or partially, within the period of six months, then the supply shall be held to have been effected, in respect of the quantity so sold, on the date of such sale. In such case, the seller will have to issue a tax invoice in respect of such quantity of goods which has been sold. These supplies will become zero-rated supplies at the time of issuing of invoice. However, refund in relation to such supplies will be available only as refund of unutilized ITC and not as refund of IGST.

