

*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**

**Fee for issue of 'Preference Certificate of Origin' and verification under EU-GSP**

DGFT issue a Public Notice adding a new provision and amending an existing provision relating to fees for 'Preference Certificate of Origin' and 'Post Verification of self-certified certificate of Origin under EU-GSP'.

On the matter detailed above, DGFT has issued a Public Notice No. 53/2015-20 dt. 30.11.2018 which is reproduced below:

(Copy)

Public Notice No.53/2015-2020 New Delhi, Dated: 30 November, 2018

Subject: Insertion of a new provision under Para 2.103 and amendment in Para 2.104 - reg.

In exercise of powers conferred under paragraph 2.04 of the Foreign Trade Policy, 2015-2020, the Director General of Foreign Trade hereby inserts a new para 2.103 (e) and amends para 2.104 (A) (c) of Handbook of Procedures of Foreign Trade Policy 2015-20 as under:

2.103 (e) Fees chargeable for issuance of preferential Certificate of Origin is as detailed in Appendix -2K. The same would also be applicable as verification fee for Rules of Origin Certificate issued under any Free Trade Agreements, in case of verification as detailed in Appendix - 2K. However, the provision of Tatkal certificate of origin as being provided by some of the agencies would be discontinued. The Certificate of origin will be delivered within 24 hours/1(one) working day of the application made.

2.104(A)(c)

Existing para	Revised para 2.104 (A) (c)
<p>The European Union (EU) has introduced a self-certification scheme for certifying the rules of origin under GSP from 1.1.2017 onwards. Under the Registered Exporter System (REX) being introduced from 1.1.2017, exporters with a REX number will be able to self-certify the Statement on Origin of their goods being exported to EU under the GSP Scheme. The registration on REX is without any fee or charges and this system would eventually phase out the current system of issuance of Certificates of Origin (Form A) by the Competent Authorities listed in Appendix — 2C. The details of the scheme are at Annex 1 to Appendix 2C.</p>	<p>The European Union (EU) has introduced a self-certification scheme for certifying the rules of origin under GSP from 1.1.2017 onwards. Under the Registered Exporter System (REX) introduced from 1.1.2017, exporters with a REX number are able to self-certify the Statement on Origin of their goods being exported to EU under the GSP Scheme. The registration on REX is without any fee or charges. The details of the scheme are at Annex 1 to Appendix 2C.</p> <p>The competent Local Authorities would undertake post verification of self certified Certificate of Origin based on the request of the importers/customs agencies of the importing country and the fee to be changed is detailed in Appendix 2K.</p> <p>Agencies may charge TA and DA, as per government rates, separately from the unit.</p>

2. Effect of this Public Notice: Provision for fees for (i) Preferential Certificate of Origin & (ii) Post Verification of self-certified Certificate of Origin under EU-GSP is laid down.

Also reproduced on the next page is a copy of DGFT Public Notice scale of fee on the two type of certificates detailed above in DGFT Public Notice No. 52 dt. 30.11.2018

(Copy)

Public Notice No.52/2015-2020 New Delhi, Dated: 30 November, 2018

Subject: Amendment in Appendix 2K of Appendices for Appendices and Aayat Niryat Forms of FTP, 2015 -20- reg.  
In exercise of powers conferred under paragraph 1.03 of the Foreign Trade Policy, 2015-2020, the Director General of Foreign Trade hereby inserts the fee details for issuance of (i) Preferential Certificate of Origin and (ii) Post Verification of Certification under EU-GSP Scheme in Appendix 2K of Appendices and Aayat Niryat Forms of FTP, 2015 -20:-

1. Scale of Application Fee for various services

S.No.	Particulars	Scale of Fee (in Rupees)
14	Issue of Preferential Certificate of Origin	Rupees Six Hundred
15	Post verification of self certified Certification of Origin under EU-GSP and verification fee under other FTAs	i) Rupees Seven Thousand Five Hundred for verification of single unit and ii) Rupees Twelve Thousand for verification of multiple units. Agencies may charge TA and DA as per government rates separately from the unit.

2. Effect of this Public Notice: Fee for issuance of (i) Preferential Certificate of Origin and (ii) Post verification of self certified COO under EU-GSP under verification fee under other FTAs is laid down.

**Impex # 2**

**Provision of exhibits for National and International exhibition, etc. amended**

DGFT issues Public Notice revising the existing provision relating to exhibits required for National & International Exhibitions or Fairs and Demonstrations.

On the subject above, DGFT has issued a Public Notice No. 58/2015-20 dt 12.12.2018.

There is no material change on the subject except that the provision has been made more precise by elaboration.

Copy of Public Notice No. 58 is reproduced below:

(Copy)

Public Notice No.58/(2015-2020) Dated 12th December, 2018

**Amendment of Para 2.63 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 para 2.63(a) of the Handbook of Procedure (2015-20) as under:

HBP Para	Existing Provision	Revised Provision
2.63 (a): Exhibits Required for National and International Exhibitions or Fairs and Demonstrations	Import/export of exhibits, which are freely importable/exportable, including construction and decorative materials required for the temporary stands of foreign/ Indian exhibitors at exhibitions, fair or similar show or display for a period of six months on re-export/re-import basis, shall be allowed without an Authorisation on submission of a bond/security to Customs or ATA Carnet.	Import/export of exhibits, including the construction and decorative materials, except items in the 'Prohibited' or SCOMET List, required for the temporary stands of foreign/ Indian exhibitors at exhibitions, fair or similar show or display for a period of six months on re-export/re-import basis, shall be allowed without an Authorisation on submission of a bond/security to Customs or ATA Carnet.

2. **Effect of this Public Notice:** Provisions under Para 2.63 (a) of Handbook of Procedure (2015-20) is amended.

### DGFT issues Trade Notice making available in MEIS module the particulars of speed post dispatch.

DGFT has taken yet another step to increase ease of doing business in imports & exports by making available in MEIS module the particulars of dispatch of MEIS scrips in its Trade Notice No. 38/2018 dt. 03.12.2018 (copy reproduced below).

(Copy)

Trade Notice No. 38 /2018 Dated: 3rd December, 2018

Subject: Availability of Speed Post dispatch particulars in MEIS module

For trade facilitation and furthering 'ease of doing business', a system driven automated approval of MEIS claims is in operation from 13.09.2018, the details of which are available in Trade Notice 30 dated 11.09.2018. A new feature is being added, with immediate effect, so that exporters can track the MEIS speed post dispatch made by the Regional Authorities.

For RAs: All RAs shall update details of speed post particulars through which MEIS has been dispatched after logging in the R & I online module -> File -> Update Speed Post details -> Enter Speed Post Number & Speed Post date.

For Exporter: The exporters need to log in DGFT website MEIS ECOM module -> Query -> Dispatch details -> and Select File No.

This issues with the approval of the competent authority

**Question :** Is GST payable on goods taken out for participation in overseas exhibitions and trade fairs (not intended to be sold) and brought back into India after exhibition?

**Answer :** GST is not payable in such cases. But the exhibitor needs to obtain 'exhibition participation letter' from the organizer or its agency and no foreign exchange involved' letter from the concerned bank for the purpose of exchange control requirements. And at the time of re-import. the identity of goods being imported needs to be matched with the goods exported to seek exemption from import duty in accordance with Customs provisions. GST will be exempted at the time of re-import in view of exemptions granted by Customs.

**Question :** Can we utilise previous month's ITC of reverse charge to settle the GST liability of the current month under reverse charge?

**Answer :** For the payment of taxes under reverse charge ITC cannot be claimed. The reverse charge liability is required to be deposited through electronic cash ledger only. But the amount of taxes paid under reverse charge can be utilized to pay the output tax liability of the next month under normal charge.

**Question :** Is import of trimming and embellishment under Duty Free Entitlement schemes for apparel, handicraft and textile sectors fully exempted from customs duty?

**Answer :** Exemption is available only from Basic Customs Duty. IGST will be payable on such imports. However, the importer can avail ITC of the IGST paid and utilise the same or claim refund in accordance with the provisions of the CGST Act, 2017, and the rules made thereunder.

# News from 'Print Media'

## Firms get 3-month breather for filing of GST returns

**NEWS BANGALORE**  
New Delhi, 8 December

Following completion of procedural formalities, the Central Board of Indirect Taxes and Customs (CBIC) has extended the deadline for filing annual returns and audit forms, under the goods and services tax (GST) regime, by three months till March 31, 2019.

Earlier, businesses had complained about these returns—GSTR-9 & GSTR-9A and GSTR-9C.

The CBIC also said these forms will be made available on the common GST portal soon.

Anshu Gupta, chief executive officer of Charitra, said, "Given that the filing of GSTR-9 online had not begun, an extension was required."

Chandrakant Bhatnagar, director general of the Confederation of Indian Industry (CII), said the move would alleviate the pressure on companies.

Following the introduction of GST, the time available for reconciling accounts and statements with clients and vendors, pending formalities was too short, pointing firms under duress.

Abhishek Jha, partner at D.V. said this now gives a significant extension by the industry, especially for players struggling to collect the information as required to be disclosed in these forms.

Besides the issue of online filing, small business have complained that annual returns require too much detail, such as the book-upt of purchases in three categories—raw materials, capital goods and services. And these are not required in



### PROVIDING RELIEF

- Earlier deadline was December 31
- Industry says forms should be modified
- Foregoes details of purchases, sales and input tax credit, which are not done in majority of quarterly returns
- Industry wants annual returns to be a summation of monthly returns

the monthly or quarterly returns, businesses not only sought deferring of the deadline, but also sought to change by the forms. Harpreet Singh, partner at EY&P, said, "The annual returns format should be simplified to include only a summation of monthly returns, without getting into any details."

So, whereas, the last date for credit for 2017-18 was on October 25, the last date for filing of September declarations. The industry wants it to be allowed in the annual forms.

Gupta said several aspects of the form must also be re-looked at, by the government, such as allowing credit that could not be claimed at the time of filing, in September 2018.

"GST, the Directorate and Goods and Services Tax, has parameterised the credit. It creates a credit flow that is not possible."

Business Standard  
09.12.2018

Business Standard  
13.12.2018

**LAST DATE**  
31  
 MARCH, 2019

## Last dates for filing GST Annual Returns extended!

### GSTR-9, GSTR-9A & GSTR-9C

Returns can now be filed till **31<sup>st</sup> March, 2019.**

#### What is GSTR-9 annual return?

- GSTR-9 is a form to annual returns to be filed once a year by the specified taxpayers under GST.
- This return requires taxpayers to report all supply of outward supplies, inward supplies, input tax credit and other relevant details. GSTR-9 and GSTR-9C, particularly of Annual returns, refunds, etc.
- Businesses that are not required to file the return by a particular return to be filed during the year.
- Taxpayers working under Composition Levy scheme have to file a similar but simpler return in Form GSTR-9A.

#### Who should file GSTR-9/A annual return?

Filing of GSTR-9/A Return is compulsory for every registered person, other than:

- A Casual Taxable Person
- Input Service Distributor
- A Non-resident taxable person, and
- A Person paying tax under Section 11 or Section 12 of GST Act.

#### What is GSTR-9C annual return?

GSTR-9C Return is to be filed by taxpayers whose annual turnover exceeds ₹2 Crore during the financial year. All such taxpayers are required to get their annual returns audited and file a copy of audited annual statements and reconciliation statement in Form GSTR-9C containing details of reconciliation of Gross Turnover, Taxable Turnover, Taxable Pay, Approved Input Tax Credit, Input Tax Credit, etc.

**File GSTR-9, GSTR-9A & GSTR-9C returns before the due date.**

**GST - A Good & Simple Tax**

Central Board of Indirect Taxes and Customs, Government of India, Department of Economic Affairs, New Delhi

## RBI waves ED threat to bring exporters in line

**NEWS BANGALORE**  
New Delhi, 10 December

In a bid to crack down on hedging against the rupee, the Reserve Bank of India (RBI) has warned exporters that they could be required to file returns to the Directorate of Enforcement (ED) if they fail to record their export proceeds with the banks, also a warning to exporters, accepting a substantial segment of the commodity, and of all from this new rule.

The central bank has got the data to verify out of their bank of a rupee has been transferred to them. The system, known as Export Data Processing and Monitoring System (EDPMS), is used by banks in their business with exporters. The system has greatly helped exporters, allowing them to get out of the maze of paper entries in their dealings with banks. It has also helped banks in the issue of being their own code.

But for exporters, the EDPMS also has a flip side—one which they are willing up to only now, since the data tracks such information linked to their ID, it allows up to find when certain amounts are not.

The RBI has often expressed a firm belief that the EDPMS needs to be up to date as the data is required to monitor how fast exporters bring back their export proceeds. However, exporters often drag their feet over this in order to earn some advantage in the foreign exchange market.

In fact, the recent volatility of the Indian rupee— it slipped by 8.2 per cent against the US dollar between June and September 2018—has encouraged entry of those to try to hedge against it. Matching the EDPMS data with their export records would reveal the extent of this plan.

Bankers have told the RBI that the database contains incomplete because exporters delay reporting their transaction status. The central bank, on its part, has set periodic deadline for updating the database, the last of which expired on September 30, 2018. It has now said that the exercise of bringing the EDPMS up to date will be completed by December 31. It has also warned exporters that those who fail to connect their returns will be put on a Central List.

Once they are on the Central List, exporters are denied banking credit, which hampers their business. Central Banking also looks to the two suggestions of "banker of credit limit" to give if the goods reach the buyer on time, the banking also gets a get.

"This leads to delays and clearance charges that need to be cleared by the exporters," said one of industry sources. Currently, about 10,000 companies figure on the Central List, of whom about 65,000 are active exporters.

But since the delays have permitted, MNCs have also opted the route. In its latest move, it has instructed banks to inform exporters that "banks which take greater than 200 days will get reported to the ED and we may not then deal with such clients." Needless to say, exporters are up in arms over the reference to the ED, a body which prosecutes violation of foreign exchange rules by India's central.

Many of them, including the Centre Textiles Export Promotion Council, insist that it is not exporters who are at fault—rather, it is the banks that have failed to update the exporters' database.

Ajay Sahas, chairman-general of the Policy Group of Indian Export Organisation, insisted that the government should take the account the fact that many firms have to wait for months to receive payments from international clients. At a time when liquidity is low, the system should be relaxed rather than tightened, he added.

"Also, while annual 1 per cent of assets may be of exporters with genuine outstanding loans and those of so on themselves meeting payments, there is a significant number of cases where the banks have not updated the records. Of course, there is the third category where the exporters are defaulters," he said.

A senior official from Industry Body Confederation of Indian Industry pointed out, "Mostly when global competition has tightened, exporters are not only using longer payment cycles as a result of using

word is broken in developing markets." The official also said banks will automatically shy away from providing any extension to even genuine cases over the ED steps to which the exporters are not the fault but will be on the banks.

Business Standard  
17.12.2018

Business Standard  
23.12.2018

## GST COUNCIL MEET

(Held on 22-12-2018)

## Date for returns filing extended beyond LS polls

"INSTEAD OF KEEPING 20 DIFFERENT CASH LEDGERS, TAXPAYERS NOW NEED TO HAVE ONLY ONE LEDGER FOR EACH TAX HEAD"

By ANAND KUMAR PANDAY, NEW DELHI

**NEWS BANGALORE**  
New Delhi, 12 December

Agree from this date on 25 items, the 1st meeting of the GST Council, 16, Saturday, decided to simplify the current return filing process. The new return filing system would be rolled out on a trial basis on April 1, 2019, which it would be made mandatory from July 1, 2019, on the second anniversary of GST.

The annual returns filing date, which was extended from December 31 to March 31, 2019, has been further extended to May 31, 2019, but with a proviso, if filed after April 1. The 20th Lok Sabha elections scheduled to be held by May 2019.

Finance secretary Ajay Kumar Pandey said several decisions regarding process on the taxpayer have been taken in the GST Council meeting. "Instead of keeping 20 different cash ledgers—for tax

paid, for tax, interest, penalty, credit each tax head, the single Central GST, State GST, Integrated GST and Composition GST—and the taxpayer now needs to maintain only one ledger for each tax head, reducing the requirement to four cash ledgers," he said while addressing the media after the meeting.

He said, a simplified system would be implemented on pilot basis. Under this, the GST system will pay out credits after the state or Commission's sanction. The settlement between the Centre (CENT) and states (STAT) in case of any mismatch between central and state will be done in a later stage. Officials will on the subject of the meeting.

"After the order on pilot basis, the subject will be taken up in the subsequent GST Council meeting for full implementation," Pandey said.