



India global trade advisory newsletter

Delivering clarity

I. Extension of Foreign Trade Policy 2015-2020 (FTP) and Handbook of Procedures 2015-2020 (HBP)

- The Directorate General of Foreign Trade (DGFT) has extended the validity of FTP and HBP **by six months i.e., the FTP and HBP shall be valid till 31 March 2023. Earlier, the FTP and HBP were valid till 30 September 2022.**

(Notification No. 37/2015-20 dated 29 September 2022 and Public Notice 26/2015-2020 dated 29 September 2022)

What's next?

All schemes under the FTP shall continue till 31 March 2023 and the industry can continue to claim the same benefits as eligible on or before 30 September 2022, till 31 March 2023.

II. DGFT extends the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme to chemicals, pharmaceuticals, and articles of iron and steel from 15.12.2022

- DGFT has issued a notification to extend the scope of the RoDTEP scheme by including the exports made by the chemical and pharmaceuticals sectors, and exports of

articles of iron and steel falling under chapters 28, 29, 30, and 73 of the ITC(HS) schedule of items.

- The expanded list of eligible export items under Appendix 4R (contains the details of the product eligible for RoDTEP benefit) will increase from the current 8,731 export items (eight-digit tariff lines) to 10,342 export items (eight-digit tariff lines).
- The aforesaid benefit shall be available from 15 December 2022 to 30 September 2023.

(Notification No. 47/2015-20 dated 07 December 2022)

What's next?

This is a welcome move by the government—a long-standing demand of the industry which has been accepted. Inclusion of the pharmaceuticals, chemical, and iron and steel sectors will help to boost exports and competitiveness in the global markets, and generate employment and contribute to the overall economy.

II. Other changes in the Customs and Foreign Trade Policy 2015-2020

General trade facilitation measures

- **Clarification issued in relation to the Hon'ble Apex Court judgement in the case of M/s Westinghouse Saxby Farmer Ltd. vs. Commissioner of Central Excise, Kolkata**
 - The Central Board of Indirect Taxes & Customs (CBIC) has issued instructions clarifying that even after dismissal of the Review Petition (Civil) filed against the Westinghouse Saxby Order judgment dated 8 March 2021, the CBIC Instructions No. 01/2022 dated 5 January 2022 remains valid and does not require any changes as the law continues to remain the same.
 - It is also clarified that the Instructions dated 5 January 2022 has brought out distinguishing reasons as to how the decision of the Supreme Court would apply to the classification of various parts of Section XVII, taking into account all the facts, details of individual cases, and all decisions on the subject, and arrive at the appropriate classification.

(Instruction No. 25/2022- Customs dated 3 October 2022)

- **Suggestion submitted by industry and trade associations for Budget 2023-24**

- CBIC has issued a letter inviting suggestions from the industry and trade associations for Budget 2023-24 in relation to indirect taxes related matter. The Budget is due to be presented on 1 February 2023. The deadline for sending suggestions was 5 November 2022. A lot of industry associations have submitted their suggestions with CBIC to address the issues faced by the industry.

(F. No. 334/6/2022-TRU dated 14 October 2022)

- **CBIC exempts all class of persons from maintaining deposits in Electronic Cash Ledger (ECL) under Customs Act till 31 March 2023**
 - CBIC has issued a notification to grant exemption till **31 March 2023** to all classes of persons and all categories of goods, **from the applicability of maintaining deposit in ECL**. Earlier, this exemption was available till 29 November 2022.

(Notification No. 98/2022-Customs (N.T.) dated 29 November 2022)

- **Faceless Assessment - Anonymise Escalation Mechanism (AEM) and extension of Standard Examination Orders through Risk Management System (RMS) (Phase 1, Part 2)**
 - CBIC has issued a circular to ensure that an issue lodged in the AEM system under Faceless Assessment is not allowed to linger and that all successive actions are taken quickly without loss of time. The Principal Chief/Chief Commissioners should also keep note of the root cause(s) to ensure that improvements are made towards expediting customs clearances.

(Circular No.23 /2022-Customs dated 3 November 2022)

- **Customs amend Project Imports Regulations, 1986**
 - CBIC has made amendments in the Project Import Regulations, 1986. By the current amendment, CBIC has removed “solar power projects” from the list of projects eligible under the Project Import scheme.

(Customs Notification No. 54/2022 dated 19 October 2022)

- **Extension in the implementation of the requirement of producing health certificate on specified products**
 - CBIC has clarified that implementation of order dated 3 August 2022 and clarification dated 26 September 2022 issued by FSSAI in relation to the requirement of producing health certificate on import of specified products **are extended by two months and this will be now effective 1 January 2023.**

(Instruction No. 32/2022 - Customs dated 28 November 2022)

- **Acceptance of Electronic Certificate of Origin (e-CoO) issued under India-UAE CEPA**

- CBIC has clarified that an e-CoO issued electronically by the issuing authority of UAE is a valid document for the purpose of claiming preferential benefit under Indian UAE Comprehensive Economic partnership Agreement (CEPA), subject to conditions. The field formations have been instructed to give benefit to importers based on the e-CoO.

(Instruction No. 28/2022 - Customs dated 27 October 2022)

What's next?

The above changes under customs are primarily trade-facilitation measures.

Other changes in the Foreign Trade Policy (FTP)

- **Authorisation for export of same imported SCOMET items to the same entity abroad under General Authorisation for Export after Repair in India (GAER)**
 - The DGFT has notified the procedures relating to obtaining authorisation for export after repair in India of the imported SCOMET items to the same entity abroad. Amongst other, the following key conditions need to be met:
 - The SCOMET items were imported to a designated/authorised repair facility in India for the purpose of repair under a contract agreement.
 - The items are to be exported to the same entity and location abroad from which the item(s) has/have been imported.
 - The exporter is required to register and obtain general authorisation for export after repair only once during the validity period (i.e., a year). Subsequent export/re-export is subject to post reporting.
 - The exporter is required to provide a Bill of Entry for the imported item while applying for GAER for the first shipment.
 - There has been no change to the original characteristics/specifications of the SCOMET item(s) after repair and no value addition has been done during the repair work.

- GAER issued for export of imported SCOMET items after repair shall be valid for a period of one year from the date of issue of GAER, subject to subsequent post reporting(s) within 30 days from such export.
- No details of end use and end-use certificate will be required.
- The above conditions are subject to providing specified documents at the time of applying for authorisation and following specified procedures prescribed in the notice.

(Public Notice No. 31/2015-20 dated 14 October 2022)

• **ICEGATE Helpdesk for redressal of Remission of Duties or Taxes on Export Products (RoDTEP) related grievance for exporter**

- DGFT has issued a trade notice for notifying the grievance redressal mechanism in relation to RoDTEP related issues faced by the exporters.
- In this regard, exporters are advised to lodge their issue on the ICEGATE Helpdesk on call (1800-3010-1000) or email (icgatehelpdesk@icgate.gov.in), after which a unique ticket/incident number will be generated. In case the issue still continues, the exporter may approach the higher authority via the email ID jsdbk-rev@nic.in

(Trade notice No. 20/2022-23 dated 31 October 2022)

• **Amendments under FTP 2015-20 in sync with RBI Circular No. 10 dated 11 July 2022**

- RBI issued Circular No. 10 dated 11 July 2022 prescribing **International Trade Settlement in Indian Rupees (INR).**

- To synchronise with the circular above, DGFT has also made amendments in the FTP allowing exporters to realise export proceeds in INR from the balances in the designated Special Vostro account of the correspondent bank of the partner country, to avail specified export benefits/fulfilment of export obligations under FTP.

(Notification No. 43/2015-20 dated 9 November 2022)

• **Relief in Annual Average Export Obligation (AAO) in terms of para 5.19 of HBP of FTP 2015-20**

- The DGFT has issued the policy circular to provide relief to exporters of those sectors if the total exports in that sector/product group has declined by more than 5 percent as compared to the previous year. The AAO for the year may be reduced proportionate to reduction in exports of that particular sector/product group during the relevant year as against the preceding year.
- In view of this, the sector/product group that witnessed such decline in 2021-22 as compared to 2020-21 will be entitled for such relief, as provided in Annexure-I of the aforesaid policy circular.
- All regional offices are requested to refix the AAO for EPCG authorisations for the year 2021-22 accordingly. Reduction, if any, in the EO should be appropriately endorsed in the licence file of the Office of Regional Authorities (RA) as also in the amendment sheet to be issued to the EPCG Authorisation holder.

(Policy Circular No. 44/2015-20; dated 17 November 2022)

• **Modification in Standard Input Output Norms (SION) of textiles**

- The DGFT has issued a public notice announcing the amendment in the SION of waistcoat made of nylon in the HBP, as mentioned under the below table:

Existing SION				Amended SION			
Export item	Qty.	Import item	Qty. allowed	Export item	Qty.	Import item	Qty. allowed
Waistcoat made of nylon	1 piece	Nylon fabric with polyester wadding (quilted)	1.16 square meter	Waistcoat made of nylon	1 Piece	Relevant woven fabric	1.16 square meter

(Public Notice No. 37/2015-20; dated 25 November 2022)

- **DGFT amends Appendix 3 (SCOMET items) to Schedule 2 of the ITC (HS) classification of export and import items, 2018**
 - The DGFT has issued a notification to amend Appendix 3 (SCOMET Items) to Schedule-2, Export Policy of ITC (HS) 2018.
 - To provide transition time to the industry, the notification shall come into effect after 30 days of the date of issuance i.e., 30 November 2022.

(Notification No. 46/2015-20; dated 30 November 2022)

- **DGFT extends the validity of pre-shipment Inspection Agency (PSIA) from 3 December 2022 to 31 December 2022**
 - DGFT has issued a public notice to extend the validity of the PSIA as listed in the Appendix 2G till 31 December 2022. The validity is extended for PSIA which are completing their original tenure of three years as on 3 December 2022 till the aforesaid date, i.e., 31 December 2022.

(Public notice No. 39/2015-20 dated 30 November 2022)

Import policy

The Government has amended the import policy/ import policy condition for the following items (products):

Product/ITC (HS)	Existing policy	New policy	Reference
Chapter 27 of ITC (HS), 2022 Schedule-I (Import Policy)- Importation of Coal Import Monitoring System (CIMS)	Importer can apply for registration not earlier than 60 days and not later than 15 days before the expected date of arrival of imported consignment	Importer can apply for registration not earlier than 60 days and not later than five days before the expected date of arrival of imported consignment	Notification No. 41/ 2015-20 dated 7 November 2022

What's next?

The above amendment in import policy will help to facilitate trade and provide additional time to importers to comply with import authorisation requirement for imports under Chapter 27.

News on levy of Anti-Dumping Duty (ADD)

- **Levy of ADD:** The central government has further extended the ADD on the following products:

Product	Originating or exported from	Effective period	Reference
"Electrogalvanised Steel" falling under CTH 7210, 7212, 7225,7209,7211,7226	Korea, Japan, and Singapore	For a period of five years starting 19 October 2022	Notification no. 29/2022 – Customs (ADD), dated 19 October 2022

What's next?

The government has extended the levy of ADD for another period of five years on electrogalvanised steel, based on the representation from the domestic industry and to protect them.

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