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FTP Corner

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Validity of Duty Credit Scripts [Public Notice 33/2015-20 dated 23/10/2017]:

Duty Credit Scripts would be valid for a period of 18 months from the date of issue and must be valid on the date on which actual debit of duty is made.

Further, Duty Credit Scripts issued on or after 01.01.2016 under chapter 3 would be valid for a period of 24 months from the date of issue and must be valid on the date on which actual debit of duty is made.

Onetime condonation of time period in respect of obtaining blockwise extension in Export Obligation period under EPCG Scheme [Public Notice 35/2015-20 dated 25/10/2017]:

The Director General of Foreign Trade issued public notice for making the following one time relaxations in procedures in respect of obtaining blockwise extension in Export Obligation period under EPCG scheme:

1. The EPCG authorization holders, while maintaining the average export obligation, fulfill the specific export obligation over the prescribed block period as applicable.
2. Where EO of the first block is not fulfilled in terms of the above proportions, except in cases where the EO prescribed for first block is extended by the Regional Authority subject to payment of composition fee of 2% on duty saved amount proportionate to unfulfilled portion of EO pertaining to the block, the Authorization holder shall, within 3 months from the expiry of the block, pay duties of customs (along with applicable interest as notified by DOR) proportionate to duty saved amount on total unfulfilled EO of the first block.
3. In view of the time limit of 3 months prescribed in the relevant provisions, during which time the EPCG authorization holder was required to obtain the block extension in Export obligation from the RA on payment of composition fee, the RAs concerned are unable to consider such requests wherein submissions are made after 3 months. Many times such requests are for regularization of exports already made. A large number of requests for condonation of this period of non-submission within the prescribed time period for obtaining block period extension are received in the DGFT Hqrs. This has caused hardship and delay in closure of EPCG authorizations.

4. The EPCG authorization holders were required to approach RA within the prescribed period for obtaining the requisite extension on payment of r composition fee or should have paid the proportionate duty to the Customs regularize the block-wise EO period. Therefore, as a onetime measure in relaxation of procedure, it has been decided that the RAs concerned may consider the requests for block-wise Export Obligation period extension for the requests already submitted but submitted beyond the time on payment of additional composition fee of Rs. 5000/- in addition to payment of regular composition fee as applicable. The RA may also consider the requests that may be received up to 31.03.2018 under this facility. This shall be subject to the condition that the case is otherwise in order and submission of installation certificate for the capital goods imported to the RA concerned. This facility is for EPCG authorizations issued from 1 51 September, 2004.
5. This facility would not be available in respect of the following cases:
 - A) Where the issue is under investigation/adjudicated by RA/customs authority/ any other investigating agency.
 - B) Where the EPCG committee has rejected such extension requests.

Facility of Clubbing of Authorisations [Public Notice 32/2015-20 dated 18/10/2017]:

Para 4.38 of handbook of procedures 2015-20 is amended to provide for following:

1. No clubbing of Authorisations issued on or before 31st March, 2009 shall be allowed.
2. Request for clubbing shall be made in ANF - 4C to the concerned RA who has issued the Authorisations.
3. Facility of clubbing of Advance Authorisations shall be available only for redemption / regularisation of such Authorisations and no further import or export shall be allowed.
4. Facility of clubbing shall also be available for Advance Authorisations for Annual Requirement issued during Foreign Trade Policy period 2009- 14 and 20 15-20, wherever exports and imports have taken place as per Standard Input Output Norms (SION) notified.
5. Only Authorisations under which similar duty exemption has been availed shall only be allowed to be clubbed. Such Authorisations may pertain to different financial years.
6. In case, exports are made outside EO period of any Authorisation, EO extension may be allowed before clubbing of such authorisation, as per Para 4.42 of Handbook of procedures on payment of composition fee.

7. Only such Advance Authorisations shall be clubbed where exports under all Authorisations have been made within the initial/ extended EO period of the earliest issued Authorisation.
8. Clubbing shall be permitted only when there is shortfall in fulfilment of export obligation occurred in first authorisation and excess exports are made in subsequent Authorisations. However, this condition may not be insisted when validity period (for import) of Authorisations runs concurrently and imports made in subsequent authorisation falls within validity period (for import) of first authorisation and such import made within validity period of first authorisation are on pro-rata, equal to or in excess to the extent of exports made in first authorisation. Subsequent Authorizations issued after expiry of validity of first Authorisation shall not be allowed to be clubbed.
9. Clubbing of Authorisations issued with different EO periods shall also be allowed.
10. Accounting of exports made outside expiry of initial or extended EO period of earliest issued authorisation shall not be taken into consideration for EO fulfilment after clubbing of such Authorisations.
11. Inputs which are common in all Authorisations shall only be clubbed and duty free inputs shall be accounted for as per SION/Ad-Hoc Norms fixed by NC. In other words, all inputs covered in all Authorisations need not be same.
12. Minimum value addition as prescribed in FTP and Procedures for the export product will be required to be maintained on clubbing. Upon clubbing, if shortfall in value or quantity is noticed, the same shall be regularized under the provisions of Para 4.49 of HBP 2015-20.
13. After clubbing, Authorisations shall for all purposes, be deemed to be one Authorisation. The value addition would be calculated on the basis of total CIF and total FOB arrived at after clubbing the Authorisations.
14. No clubbing shall be permitted in respect of Authorisations where misrepresentation / fraud have come to the notice of RA. Further, no clubbing of Authorisations, where EODC/redemption letter has already been issued or adjudication orders have already been passed by RA/Customs Authority, shall be permitted.