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Foreign Trade Policy 2015-20

AN ANALYSIS OF FOREIGN TRADE POLICY

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PREFACE

Dear Reader,

The much awaited Foreign Trade Policy (2015-20), a first by the Modi-led Government, is stated to be designed with a view to double India's share in world trade from the present level of 3%, by the year 2020. By taking measures for import substitution at one side, the latest FTP 2015-20 targets an increase in exports at the present scenario of increasing current account deficit.

The new Policy gives a boost to the 'Make in India' vision of the Government by reducing the Export Obligation for domestic procurement under the EPCG Scheme and prescribing a reduction in the Specific Export Obligation for domestic capital goods manufacturing industry to 75% from the present 90%.

A reformative step by the Department of Foreign Trade is the introduction of a novel and comprehensive Scheme for promoting export of merchandise from India – the MEIS. The MEIS replaces the earlier five Schemes viz. Focus Product Scheme, Market Linked Focus Product Scheme, Focus Market Scheme, Agriculture Infrastructure Incentive Scrip, VKGUY with different kinds of duty scrips issued with varying conditions attached to their use. The unconditional utilisation of the scrips issued under the Scheme will ensure a hassle-free export of merchandise from India.

A similar incentive has been granted to Service Exporters. The SEIS will extend to 'Service Providers located in India' and will see a relaxation of the conditions on use and transfer of the scrips as opposed to the rigid conditions under the erstwhile SFIS. The eligibility for utilization against Service tax, debits to CENVAT credit or drawback and full transferability, of the Scrips is an endorsement of the underlying vision of the FTP to promote the Export Service Industry.

The need to strengthen SEZs by strengthening tax benefits has also been recognised to be of crucial importance. In line with this idea, the benefits under the MEIS and SEIS have been extended to all units located in SEZ.

The unveiling of trade facilitation measures, simplified procedures, reduced interface between the Authorities and Industry with a view to ease business and inculcate transparency is seen as a landmark step by the Ministry towards amplifying the benefits under the FTP. The new Policy encourages exploration of new markets and product diversification for exports and is designed to complement the long-term vision of the Government of prioritising the importance of trade for growth of economy.

Thank you, as always, for your support.

Warm Regards,



Rohan Shah | Managing Partner

FTP HIGHLIGHTS


SIMPLIFICATION AND MERGER OF REWARD SHEMES

- Focus Product Scheme, Market Linked Focus Product Scheme, Focus Market Scheme, Agri. Infrastructure Incentive Scrip, VKGUY with different kinds of duty scrips with varying conditions attached to their use have been replaced by a comprehensive single scheme, namely Merchandise Export from India Scheme (MEIS) with the specific feature that there would be no conditionality attached to the scrips issued under MEIS
- Served From India Scheme (SFIS) has been replaced with Service Exports from India Scheme (SEIS). SEIS provides for rewards to Service providers of notified services, who are providing services from India, regardless of the constitution or profile of the service provider. The duty credit scrip would no longer be with actual user condition and the scrips and the goods imported thereunder will be freely transferable. Debits would be eligible for CENVAT credit or drawback.
- Scrips issued under Exports from India Schemes can be used for the payment of Customs duty, Excise duty and Service tax. The benefits under MEIS and SEIS has been extended to SEZ units as well
- New criteria for export performance for recognition of status holder have been prescribed in terms of US dollar earnings instead of Rupees Earning. The facility of self certification has been granted to the status holders in specified situations

STEPS TOWARDS MAKE IN INDIA INITIATIVES

- Reduced Export Obligation (up to 75%) for Capital goods procured domestically
- Import under EPCG  Authorisation Scheme not be eligible for exemption from payment of anti-dumping duty, safeguard duty and transitional product specific safeguard duty.
- Higher reward under MEIS  for labour incentive sectors and the products with high domestic content and more value addition in India

TRADE FACILITATION AND EASE OF DOING BUSINESS

- Online filing of documents/ applications and Paperless trade in 24x7 environment
- Online inter-ministerial consultations:
- Simplification of procedures/processes, digitisation and e-governance
-  DGP is working on more forthcoming e-Governance Initiatives

TRADE RESTRICTIONS

SCOMET List

- The validity of SCOMET export authorisation has been extended from the present 12 months to 24 months, which will obviate the need to seek revalidation of the same
- Authorisations for repeat orders will be considered on automatic basis subject to certain conditions. This will considerably ease the timeline and procedure for regular / recurrent exports of items falling under the SCOMET List.
- The verification of End User Certificate (EUC) will be simplified for SCOMET items exported under Defence Export Offset Policy.

ITC (HS)




- Further to the list of military stores requiring the 'No-Objection Certificate' of the Department of Defence Production which has been notified by DGFT recently vide Notification No. 115 (RE-2013)/2009-2014 dated 13.03.2015, a committee has been formed to create ITC (HS) codes for defence and security items for which industrial licenses are issued by the Department of Defence Production.

Country-specific restrictions


- Notwithstanding the policy on 'arms and related materials' in Chapter 93 of the ITC(HS), the import / export of 'arms and related material' from / to Iraq is 'Prohibited'. Export of 'arms and related material' to the Government of Iraq is however permitted subject to obtaining 'No Objection Certificate' from the Department of Defence Production.

While this provision was in effect previously as well, the reference to Chapter 93 of the ITC (HS) was removed in 2014, but has now been re-instated.

OTHER INITIATIVES

- New initiatives for  EOUs,  EHTPs and  STPs
 - ♦ EOUs, EHTPs, STPs have been allowed to share infrastructural facilities among themselves
 - ♦ Inter unit transfer of goods and services have been allowed among EOUs, EHTPs, STPs, and BTPs
 - ♦ EOUs have been allowed facility to set up Warehouses near the port of export
 - ♦ 100% EOU units have been allowed facility of supply of spares/ components up to 2% of the value of the manufactured articles to a buyer in domestic market for the purpose of after sale service
 - ♦ In case of adverse market condition or any ground of genuine hardship, the period of 5 years for NFE completion can be extended by one year.

- ◆ Return of Capital goods without payment of duty if the transferred capital goods are rejected by the recipient
- ◆ A simplified procedure will be provided to fast track the de-bonding / exit of the STP/ EHTP units.
- ◆ The facility of fast track clearances of import and domestic procurement for EOUs having physical export turnover of Rs. 10 Crores and above.

- Goods falling in the category of handloom products, books / periodicals, leather footwear, toys and customized fashion garments, having FOB value up to Rs.25000 per consignment (finalized using eCommerce platform) shall be eligible for benefits under FTP 

- Export of such goods under Courier Regulations shall be allowed manually at specified ports

- Imports against Advance Authorization shall also be eligible for exemption from Transitional Product Specific Safeguard Duty.

- In an endeavour to resolve quality complaints and trade disputes, between exporters and importers, a new chapter, namely, Chapter on Quality Complaints and Trade Disputes has been incorporated in the Foreign Trade Policy. For resolving such disputes at a faster pace, a Committee on Quality Complaints and 18 Trade Disputes (CQCTD) is being constituted in 22 offices and would have members from EPCs/FIEOs/APEDA/EICs.

DETAILED ANALYSIS

CHAPTER 1 – TRADE FACILITATION AND EASE OF DOING BUSINESS ---

Online filing of documents / applications, 'paperless' transactions and 24x7 clearance

The DGFT already provides the facility of online filing of various applications under the FTP by exporters / importers, such as IEC. However, certain documents such as certificates issued by Chartered Accountants/ Company Secretary / Cost Accountant etc. are required to be filed in physical form only. In order to move further towards paperless processing of reward schemes, it has been decided to develop an online procedure to upload digitally signed documents by Chartered Accountant / Company Secretary / Cost Accountant. To start with, applications under Chapter 3 and 4 of FTP are being covered, and applications under Chapter 5 will be taken up in the next phase. Online facility for filing of TED refund (under Chapter 7) is also being made available.

Further, facility has been created to upload documents in Exporter / Importer Profile. There will be no need to submit copies of permanent records/ documents (e.g. IEC, Manufacturing licence, RCMC, PAN etc.) repeatedly with each application, once uploaded.

On the export side, landing documents of export consignment as proofs for notified market can be digitally uploaded, viz. an exporter may upload the scanned copy of Bill of Entry under his digital signature.

On the import side, the facility of 24x7 Customs clearance for specified imports has been made available at 18 sea ports across the country.

Online complaint registration and monitoring system

An Electronic Data Filing Help Desk is available to assist the exporters in filing online applications on the DGFT portal and resolving other Electronic Data Filing related issues. An Online Complaint registration and monitoring system allows users to register complaint and receive status / reply online, details of which are available on the DGFT website.

Online inter-ministerial consultations

It is proposed to have online inter-ministerial consultations for approval of export of SCOMET items, Norms fixation, Import Authorisations, Export Authorisation, in a phased manner, with the objective to reduce time for approval. As a result, there would not be any need to submit hard copies of documents for these purposes by the exporters.

Proposed measures for inter-Departmental coordination

- Online message exchange with CBDT for PAN data and with Ministry of Corporate Affairs for CIN and DIN. This integration would obviate the need for seeking information from IEC holders for subsequent amendments / updating of data in IEC database.

- Online issuance of Export Obligation Discharge Certificate.

Other measures for trade facilitation

- Consignments of items meant for exports shall not be withheld / delayed for any reason by any State / Central Government.
- Certain information, like mobile number, e-mail address etc. has been added as mandatory fields, in IEC data base. This information once provided by exporters, would help in better communication with exporters. SMS / email would be sent to exporters to inform them about issuance of authorisations or status of their applications.
- For faster and paperless communication with various committees of DGFT, dedicated email addresses have been provided for Norms Committee, Import Committee and Pre-Shipment Inspection Agency for faster communication.

CHAPTER 2 – GENERAL PROVISIONS REGARDING IMPORTS AND EXPORTS

Ease of doing business

- Electronic form or e-IEC has now been operationalised; however, an assessee continues to have the option to file an application for obtaining IEC manually.
- The limited list of three mandatory documents for import / export to and from India now mirror those prescribed in DGFT's Notification No. 114 (RE-2013)/2009-2014 dated 12.03.2015, in a bid to improve ease of business.
- Approved Exporter Scheme introduced for Self Certification of Certificate of Origin in respect of manufactured goods originating from India with a view to qualify for preferential treatment under PTA, FTAs, CECA and CEPA, has been introduced:
 - ♦ Status Holders will be recognized by DGFT as Approved Exporters for self-certification based on availability of required infrastructure, capacity and trained manpower as per the prescribed parameters.
 - ♦ The said scheme will come into effect only when India incorporates the scheme into a specific agreement with its partner/s and the same is appropriately notified by DGFT.
 - ♦ Exporters not covered by the Approved Exporter Scheme shall continue to apply for certificates of origin from EIC or the other bodies designated for the purpose.

Penal action and Denied Entity List

- Penal action may be taken in accordance with the FTDR Act, the FTR Rules and any Orders made thereunder, FTP or any other law, *inter alia* on the following grounds:
 - ♦ Failure to deposit requisite amount within the period specified in demand notice issued by DoR and / or DGFT;
 - ♦ Failure to fill true / correct information / particulars in the self-certification system under various schemes.
- Provisions in relation to the Denied Entity List (DEL) have been placed in the FTP, in terms of which defaulters may be placed under the DEL by issuance of an order. Such defaulters may be refused grant or renewal of a license, certificate, scrip or any instrument bestowing financial or fiscal benefits. The name may be removed from the DEL if the defaulter completes the Export Obligation / pays penalty / rectifies the non-compliance which is highlighted by the RA.

Procedural compliances in relation to FTP Schemes

- For any benefit to accrue to a supporting manufacturer, the names of both supporting manufacturer as well as the merchant exporter must figure in the concerned export documents, especially in ARE-1 / ARE-3 / Shipping Bill / Bill of Export/ Airway Bill.

This will be a problematic and onerous condition to be complied with. However, it will be important to ensure that the names of both supporting manufacturer and merchant exporter are reflected in all the prescribed documents, which may not currently be the practice.

- Similarly, third party exports will be allowed under FTP provided export documents such as shipping bills indicate name of both manufacturing exporter/manufacturer and third party exporter(s). Further, BRC, export order and invoice should be in the name of third party exporter.
- Any communication by the exporter / importer with the DGFT's office, including the RAs, must have the name, signature, email ID of the person duly authorised by the firm / company to send such communications.
- The definition of an Actual User (both Industrial and Non-Industrial) has been amended to include a condition that the premises at which the goods are used by the person (natural or legal) must have a definitive postal address.

CHAPTER 3 - PROMOTIONAL SCHEMES

Overview

Two schemes have been notified for exports of merchandise and services respectively:

- (i) Merchandise Exports from India Scheme; and
- (ii) Service Exports from India Scheme.

Merchandise Exports from India Scheme ('MEIS')

All the erstwhile Schemes viz., FPS, MLFPS, FMS, AII, IEIS and VKGUI [offering separate duty credit scrips with varying conditions] have been merged into a single Scheme viz., MEIS with no conditions attached thereto.

The objective of MEIS is "to provide rewards to exporters for offsetting infrastructural inefficiencies and associated costs involved in export of goods/products, which are produced/manufactured in India, especially those having high export intensity, employment potential and thereby enhancing India's export competitiveness". Under MEIS, exports of notified goods to notified markets will be eligible for rewards in the form of duty credit scrips. The key features of the MEIS are as follows:

Key features of MEIS	
Entitlement	<p>2% / 3% / 5% of FOB value of notified goods exported to notified markets <i>[based on three distinct categories framed and covered in Appendix 3B]</i>. Key pointers:</p> <ul style="list-style-type: none"> ▪ FOB value of exports in free foreign exchange or FOB value of exports as given in the Shipping Bills in free foreign exchange, whichever is less, shall be considered. ▪ FOB value of export of goods through Courier or Foreign Post Offices using e-Commerce (as notified in Appendix-3C) only upto Rs. 25,000/- per consignment shall be considered [i.e. FOB value of a single consignment exceeding Rs. 25,000/- shall not be entitled]. <p><u>ELP comments:</u></p> <ul style="list-style-type: none"> ▪ Different Scrips offered to different sectors as well as for different markets have been realigned into a single comprehensive list of specified goods/products to be exported to specified markets.
Eligibility	<ul style="list-style-type: none"> ▪ Can be claimed by the Company/Firm who has realized foreign exchange. ▪ Supporting manufacturer [subject to disclaimer from the Company/Firm who has realized foreign exchange].

Key features of MEIS	
Transferability	Duty credit scrip and goods imported/domestically procured against them shall be freely transferable.
Utilization	Duty credit scrip can be utilized for a wide range of duty/tax/fee payments. The same has been elaborated in the common provisions section <i>[applicable for MEIS and SEIS]</i> .
Ineligible Categories	<p>The following exports categories/sectors shall be ineligible:</p> <ul style="list-style-type: none"> ▪ EOUs / EHTPs / BTPs/ STPs who are availing direct tax benefits/exemption. ▪ Supplies made from DTA units to SEZ units. ▪ Export of imported goods covered under paragraph 2.46 of FTP. ▪ Exports through trans-shipment, meaning thereby exports that are originating in third country but trans-shipped through India. ▪ Deemed Exports. ▪ SEZ/EOU/EHTP/BPT/FTWZ products exported through DTA units. ▪ Items, which are restricted or prohibited for export under Schedule-2 of Export Policy in ITC (HS), unless specifically notified in Appendix 3B. ▪ Service Export. ▪ Red sanders and beach sand. ▪ Export products which are subject to Minimum export price or export duty. ▪ Diamond Gold, Silver, Platinum, other precious metal in any form including plain and studded jewellery and other precious and semi-precious stones. ▪ Ores and concentrates of all types and in all formations. ▪ Cereals of all types. ▪ Sugar of all types and all forms. ▪ Crude/petroleum oil and crude/primary and base products of all types and all formulations. ▪ Export of milk and milk products. ▪ Export of Meat and Meat Products. ▪ Products wherein precious metal/diamond are used or Articles which are studded with

	<p>precious stones.</p> <ul style="list-style-type: none"> Exports made by units in FTWZ. <p>ELP comments:</p> <ul style="list-style-type: none"> Incentives available under MEIS have now been extended to units located in SEZs. This is a welcome change and is a much needed boost to SEZ sector. Supplies made from DTA units to SEZ units which were eligible for FPS benefit hitherto [in the range of 2% to 5%], have now been specifically included in the ineligible categories. The ineligible categories of exports/sectors have been significantly expanded to include red sanders and beach sand, products wherein precious metal/diamond are used or articles which are studded with precious stones, and exports made by units in FTWZ.
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Service Exports from India Scheme ('SEIS')

While the service sector contributes about 66% of India's GDP, its services exports are only about \$145 billion as compared to merchandise exports of over \$300 billion. This signifies that there is a vast untapped export potential in the Indian Services sector. Under the erstwhile FTP, while there were several schemes to encourage and support the export of goods, the Served from India Scheme was the only scheme for service sector.

In FTP 2015-20, the Served from India Scheme ('SFIS') has now been recast into the **Service Exports from India Scheme ('SEIS')**.

The objective of SEIS is "to encourage export of notified Services from India". Under SEIS, Service providers of notified services will be eligible for rewards in the form of duty credit scrips. The rates of reward under SEIS are 3% and 5% on the net foreign exchange earned from notified services. The key features of the SEIS are as follows:

Key features of SEIS	
Entitlement	<p>Service Providers of notified services will be entitled to Duty Credit Scrip at notified rates (3% and 5%) on the net foreign exchange earned.</p> <p>ELP comments:</p> <ul style="list-style-type: none"> The entitlement rates under SEIS (3% / 5%) are substantially lower as compared to the entitlement of 10% under SFIS scheme (10%). This is a substantial reduction in the benefit, atleast for those exporters who were fully utilizing their SFIS scrips; Further, the entitlements have been restricted to net foreign exchange earned in line with the amendment introduced under the erstwhile SFIS w.e.f. 18th April 2013.

Key features of SEIS	
Notified services	<p>The list of notified services and rates of rewards are specified under APPENDIX- 3D of the Handbook of Procedures, which is the largely the same as in case of the erstwhile SFIS scheme. The list includes:</p> <ul style="list-style-type: none"> ▪ Services with 5% reward <ul style="list-style-type: none"> ♦ Professional services (about 10 services), specified research and development services, specified rental/leasing services, specified communication services (about 5 services), specified construction and related engineering services, educational services (excluding capitation fee), specified environmental services, specified health related and social services, specified tourism and travel-related services, specified recreational, cultural and sporting services (other than audiovisual services), specified transport services including airport operations and ground handling ▪ Services with 3% reward <ul style="list-style-type: none"> ♦ Other business services (about 19 services), specified tourism and travel-related Services <p>The detailed list is provided in Public Notice No. 3 /2015-20 dated April 1, 2015.</p> <p><u>ELP comments:</u></p> <p>The list of notified services is largely the same as in case of the SFIS scheme. However, the list of notified services and the rates of rewards will be reviewed after 30.9.2015. Therefore, the industries which have not been included in SEIS should make a Representation so that their exports are also covered by SEIS benefit.</p>
Eligible Service providers and Manner of provision of services	<p>SEIS is applicable to all service providers located in India. However, only services provided in the manner / mode specified at Para 9.51 (i) & (ii) are eligible, viz.</p> <ul style="list-style-type: none"> ▪ Supply of a 'service' from India to any other country (Mode 1-Cross border trade); ▪ Supply of a 'service' from India to service consumers of any other country (Mode 2-Consumption abroad) <p><u>ELP Comments:</u></p> <ul style="list-style-type: none"> ▪ Supply of a service through a commercial presence in any other country, or through presence of natural persons in any other country are not eligible for SEIS benefit. Clearly, the focus appears to be that the services should be provided by services providers located from India and not through presence in any other country. ▪ Under SFIS, the benefit was available to 'Indian Service Providers'. There is an ongoing litigation as to whether Service exporters with majority shareholding being held by foreign persons / entities and providing services under a 'foreign' brand name are eligible for SFIS benefit. FTP 2015-20 puts an end to this issue and provides that SEIS shall apply to 'Service Providers located in India' instead of 'Indian Service Providers'. ▪ Thus, SEIS provides for rewards to all Service providers of notified services, who are providing services from India, regardless of the constitution, profile or shareholding of the service

Key features of SEIS	
	provider.
Ineligible Services	List of ineligible services is given at Para 3.19 of the FTP and inter-alia covers Services related to the Financial Sector, Services where foreign exchange is earned through contract/regular employment abroad, Service providers in Telecom Sector, Foreign exchange earnings for services provided by Airlines and Shipping Lines plying from one foreign country to another, where the routes are not touching India, Payments received from services received from EEFC Account, etc.
Threshold	<p>Minimum net free foreign exchange earnings in the preceding year to be eligible for Duty Credit Scrip</p> <ul style="list-style-type: none"> For Individual Service Providers and Sole Proprietorship - \$ 10,000/- Other Service Providers-\$ 15,000/-
Calculation of Net Foreign Exchange earned	<p>Net Foreign Exchange = (Gross Earnings of Foreign Exchange relating to service sector in the Financial year) minus (Total expenses / payment / remittances of Foreign Exchange by the IEC holder, relating to service sector in the Financial year)</p> <p>If the IEC holder is a manufacturer of goods as well as service provider, then the foreign exchange earnings and Total expenses / payment / remittances shall be taken into account for service sector only</p> <p><u>ELP Comments:</u></p> <ul style="list-style-type: none"> This will clear the existing ambiguity as regards Calculation of Net Foreign Exchange earned.
Utilization of SFIS scrips and transferability	<p>As in the case of MEIS, the reward scrips under SEIS will not carry any actual user condition and will be freely transferable and usable for all types of goods and services.</p> <p><u>ELP Comments:</u></p> <ul style="list-style-type: none"> In the past, given the restricted avenues to utilize SFIS scrips and in view of non-transferability of SFIS scrips, there have been situations of SFIS benefits being rendered ineffective due to non-utilization. Service exporters can now monetize SEIS incentives by selling them in the open market, in the event they are not able to utilize the scrips.
CENVAT Credit / Drawback	<p>As in case of MEIS, creditable levies (Additional Customs duty/excise duty/Service Tax) debited to SEIS scrips would be eligible for CENVAT credit or drawback.</p> <p>Basic Custom duty paid in cash or through debit under Duty Credit scrip shall be adjusted for Duty</p>

Key features of SEIS	
	<p>Drawback as per DoR rules or notifications.</p> <p><u>ELP Comments:</u></p> <ul style="list-style-type: none"> It is observed that the magnitude of input services procured by service providers is greater than their procurement of inputs / goods. In this context, facility to use SEIS scrips for input services coupled with the benefit of CENVAT credit on such input services is a huge additional benefit to service exporters. Since most taxes (CVD, Excise duty, etc.) paid through SFIS are even otherwise available as set-off, SFIS benefits are largely rendered redundant due to non-availability of CENVAT credit. Availability of CENVAT credit will ensure that a real and tangible export benefit accrues to service exports. It may be noted that similar facilitation of CENVAT credit already exists in various schemes for export of goods (FPS, FMS, etc.)

Common features to MEIS and SEIS

Key features – Common to MEIS and SEIS	
Utilization	<p>The duty credit scrips can be used for:</p> <ul style="list-style-type: none"> Payment of Customs duties for import of inputs or goods, except items listed in Appendix 3A [for exceptions please refer Annexure-A below]. Payment of Excise duties on domestic procurement of inputs or goods, including capital goods as per DoR notification [yet to be notified]. Payment of Service tax on procurement of services as per DoR notification [yet to be notified]. Payment of Customs duties and fee as per Paragraph 3.18 of the new FTP [for details please refer Annexure-B below].
CENVAT/ Drawback	<ul style="list-style-type: none"> Basic Customs duty paid in cash or through duty credit scrip would be considered for duty drawback (subject to fulfillment of conditions specified in the Drawback Rules). Additional duties of Customs/Excise duty/Service tax paid in cash or through duty credit scrip would be available as CENVAT credit or duty drawback (subject to fulfillment of conditions specified in the CCR or Drawback Rules, respectively).
Import under Lease Financing	Utilization of duty credit scrip shall be permitted for payment of duty in case of import of capital goods under lease financing.
Inspection / Audit	<ul style="list-style-type: none"> RA will select 10% of cases (on random basis) per month, where scrips have already been issued.

Key features – Common to MEIS and SEIS		
	<ul style="list-style-type: none"> RA may call for original documents for further examination in detail. In case any discrepancy is found on such examination, the applicant shall be under obligation to rectify such discrepancy and/or refund excess claim in cash with interest from the date of issue of scrip within one month. The holder of scrip [to whom scrip has been transferred/sold by the applicant] may refund excess claim by surrendering the same scrip [whether partially utilized or fully unutilized], without interest. RA may ask for original proof of landing certificate, annexures attached to ANFs or any other document [which has been uploaded digitally] at any time within three years from the date of issue of scrip. Failure to submit such documents in original would make applicant liable to refund the reward granted along with applicable interest. <p>ELP comments:</p> <ul style="list-style-type: none"> Risk management measures have been introduced to monitor the discrepancies and/or excess claims granted on a random basis (10% of the overall cases). This measure is likely to ease the procedural hassles inasmuch as presently, each and every document is seen and vouched by the Concerned RA before issuance of the duty credit scrip. 	
Transitional Provisions	Particulars	
	Applicable Policy	
	For eligibility, entitlement, transferability, usage of scrip and any other condition for export of goods or rendering of the services up to March 31, 2015	<ul style="list-style-type: none"> FTP and HoP, 2009-14
	For eligibility, entitlement, transferability, usage of scrip and any other condition for export of goods or rendering of the services from April 1, 2015	<ul style="list-style-type: none"> FTP and HoP, 2015-20

Annexure	
A	<p>List of items not allowed for import under Export From India Schemes under Chapter 3, unless otherwise specified</p> <ol style="list-style-type: none"> Garlic, Peas and all other Vegetables with a Duty of more than 30% under Chapter 7 of ITC (HS) Classification of Export and Import items Coconut, Areca Nut, Oranges, Lemon, Fresh Grapes, Apple and Pears and all other fruits with a Duty of more than 30% under Chapter 8 of ITC (HS) Classification of Export and Import items All Spices with a Duty of more than 30% under Chapter 9 of ITC (HS) Classification of Export and Import items (except Cloves) Tea, Coffee and Pepper as per Chapter 9 of ITC (HS) Classification of Export and Import items. All Oil Seeds under Chapter 12 of ITC (HS) Classification of Export and Import items. Natural Rubber as per Chapter 40 of ITC (HS) Classification of Export and Import items. Capital Goods <ol style="list-style-type: none"> (General-purpose agricultural tractors above 25 HP and upto 75 HP Stationary Diesel Engines Irrigation pumps Threshers for cereals Combine harvesters suitable only for wheat and paddy crops Animal driven implements

Annexure	
B	Facility of payment of custom duties in case of EO defaults and fee through duty credit scrips <ol style="list-style-type: none"> 1. Custom Duties in case of EO defaults for Authorizations issued under Chapters 4 and 5 of this Policy. 2. Composition fee. 3. Application fee. 4. Value shortfall in EO under Paragraph 4.49 of HoP [regularization of bone fide defaults – which is applicable for duty exemption / remission scheme]

MEIS: PROCEDURAL ASPECTS [HOP]

- An application for claiming benefits on exports (other than export of goods through courier or foreign post offices using e-Commerce) shall be filed online, using digital signature on DGFT website with RA concerned in ANF 3A.
- The hard copy of the documents such as application, EDI shipping bills, Electronic bank realisation certificate (e-BRC) and RCMC need not be submitted to RA if application is filed for exports made through EDI ports. The applicant shall submit the proof of landing in the manner prescribed under Paragraph 3.03 of HoP.
- The applicant needs to submit export promotion copy of non-EDI Shipping Bills in case application is filed for exports made through non-EDI ports. Further, the applicant shall upload scanned copies of any other prescribed documents for claiming scrip unless specified otherwise.
- No manual feeding of Shipping Bill details shall be allowed for EDI shipments in the online system.
- The applicant shall retain documents which are not required to be submitted in original, for period of 3 years from the date of issuance of scrip.
- Claiming benefits shall be determined from Let Export Date.
- When MEIS is available to all countries, proof of landing shall not be required to be submitted for claiming the reward.
- Proof of landing of export consignment can be digitally uploaded for notified market.
- Any of the following documents can be considered as a proof of landing of export consignment in notified market:
 - ♦ A self attested copy of import bill of entry filed by importer in specified market, or
 - ♦ Delivery order issued by port authorities, or
 - ♦ Arrival notice issued by goods carrier, or
 - ♦ Tracking report from the goods carrier duly certified by them evidencing arrival of export cargo to destination market, or
 - ♦ Rail/Lorry receipts of transportation for land locked notified.
 - ♦ Any other document that may satisfactorily prove to RA that goods have landed in/reached the notified market.

- The applicant shall have option to choose Jurisdictional RA on the basis of Corporate Office/ Registered Office/Head Office/Branch Office address endorsed on IEC for claiming MEIS benefit. This option need to be exercised at the beginning of FY and once an option is exercised, no change would be allowed for claims relating to that year. In other words, if an exporter has chosen Mumbai RA for claiming benefits for exports made in FY 2015-16, then all claims for exports made in FY 2015-16, irrespective of the date of application shall be made to RA Mumbai only.

ELP comments:

This appears to be a departure from the existing policy provisions wherein no such facilitation for changing the Jurisdictional RA was available. This may benefit the applicant to choose the Jurisdictional RA in order to expediate the process of obtaining credit scrip(s).

- MEIS scrip shall be issued with single port of registration which shall be the port of export.
- Export shipments filed under all categories of the shipping bills would need the following declaration on the shipping bill to claim MEIS benefit:

“We intend to claim rewards under Merchandise Exports From India Scheme (MEIS)”

- Such declaration of intent shall be mandatory with effect from July 1, 2015 in all Shipping Bills (other than free Shipping Bills).
- Application for obtaining duty credit scrip shall be filed within a period of:
 - ♦ Twelve months from the Let Export date; or
 - ♦ Three months from date of:
 - Uploading of EDI shipping bills onto the DGFT server by Customs
 - Printing/ release of shipping bills for Non EDI shipping bills whichever is later

STATUS HOLDER

Particulars	Existing	Amended																									
Eligibility	Merchant as well as Manufacturer-Exporters, service providers, EOUs and Units located in SEZs, AEZs, EHTPs, STPs and BTPs shall be eligible for recognition as a status holder.	Status holders are business leaders who have excelled in international trade and have successfully contributed to country's foreign trade.																									
Status category	<div><div><div>The export performance will be counted on the basis of FOB value of export proceeds realized <u>during current plus previous three years (taken together)</u></div><table><thead><tr><th>Status Category</th><th>Export Performance FOB / FOR Value (Rupees in Crores)</th></tr></thead><tbody><tr><td>Export House</td><td>20</td></tr><tr><td>Star Export House</td><td>100</td></tr><tr><td>Trading House</td><td>500</td></tr><tr><td>Star Trading House</td><td>2500</td></tr><tr><td>Premier Trading House</td><td>7500</td></tr></tbody></table><div>The For Export House Status, export performance is necessary in <u>at least two out of four years.</u></div></div></div> <div><div><div>The export performance will be counted on the basis of FOB value of export proceeds realized <u>during current and previous two FY</u></div><table><thead><tr><th>Status Category</th><th>Export Performance FOB / FOR Value (in US\$ in Millions)</th></tr></thead><tbody><tr><td>One Star Export House</td><td>3</td></tr><tr><td>Two Star Export House</td><td>25</td></tr><tr><td>Three Star Export House</td><td>100</td></tr><tr><td>Four Star Export house</td><td>500</td></tr><tr><td>Five Star Export House</td><td>2000</td></tr></tbody></table><div><div>The For granting status, export performance is necessary in at <u>least two out of three years.</u></div><div>The For deemed exports, FOR value of exports in Indian Rupees shall be converted into US\$ at the exchange rate notified by the CBEC, as applicable on 1st April of each FY.</div></div></div></div> <tr><td>Privileges of Status Holders</td><td><div>A status holder shall be eligible for privileges as under:<div><div>Authorization and Customs Clearances for both imports and exports on self-declaration basis.</div><div>Fixation of Input-Output norms on priority within 60 days.</div><div>Exemption from compulsory negotiation of documents through banks. Remittance / Receipts, however, would be received through banking channels.</div></div></div><div>Following additional benefits are further available to status holders including erstwhile benefits:<div><div>Three star and above export house shall be entitled to get benefit of ACP as per the guidelines of CBEC.</div><div>Manufacturers who are Three Star/Four Star/Five Star status holders will be enabled to self-certify their manufactured goods (as per their IEM/IL/LOI) as originating from India with a view to qualify for preferential treatment under different PTA, FTA, CECA</div></div></div></td></tr>	Status Category	Export Performance FOB / FOR Value (Rupees in Crores)	Export House	20	Star Export House	100	Trading House	500	Star Trading House	2500	Premier Trading House	7500	Status Category	Export Performance FOB / FOR Value (in US\$ in Millions)	One Star Export House	3	Two Star Export House	25	Three Star Export House	100	Four Star Export house	500	Five Star Export House	2000	Privileges of Status Holders	<div>A status holder shall be eligible for privileges as under:<div><div>Authorization and Customs Clearances for both imports and exports on self-declaration basis.</div><div>Fixation of Input-Output norms on priority within 60 days.</div><div>Exemption from compulsory negotiation of documents through banks. Remittance / Receipts, however, would be received through banking channels.</div></div></div> <div>Following additional benefits are further available to status holders including erstwhile benefits:<div><div>Three star and above export house shall be entitled to get benefit of ACP as per the guidelines of CBEC.</div><div>Manufacturers who are Three Star/Four Star/Five Star status holders will be enabled to self-certify their manufactured goods (as per their IEM/IL/LOI) as originating from India with a view to qualify for preferential treatment under different PTA, FTA, CECA</div></div></div>
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Particulars	Existing	Amended
	<ul style="list-style-type: none"> Exemption from furnishing of BG in Schemes under FTP. SEHs and above shall be permitted to establish Export Warehouses, as per DoR guidelines. For status holders, a decision on conferring of ACP status shall be communicated by Customs within 30 days from receipt of application with Customs. As an option, for Premier Trading House (PTH), the average level of exports under EPCG Scheme shall be the arithmetic mean of export performance in last 5 years, instead of 3 years. Status holders of specified sectors shall be eligible for Status Holder Incentive Scrip under Para 3.16 of FTP. Status Holders of Agri. Sector (Chapter 1 to 24) shall be eligible for Agri. Infrastructure Incentive Scrip under VKGUY – Paragraph 3.13.4 of FTP. 	<p>and CEPA.</p> <ul style="list-style-type: none"> Manufacturer exporters who are also Status Holders shall be eligible to self-certify their goods as originating from India as per Paragraph 2.108 (d) of HoP. Status holders shall be entitled to export freely exportable items on free of cost basis for export promotion subject to an annual limit of Rs. 10 Lakhs or 2% of average annual export realization during preceding three licensing years whichever is higher.

CHAPTER 4 - DUTY EXEMPTION & REMISSION SCHEMES

Amendments to Advance Authorization Scheme

- Imports under Advance Authorisation would now also be exempted from Transition Product Specific Safeguard Duty. Earlier, the exemption was restricted to Basic Custom Duty, Additional Customs Duty, Education Cess, Anti-dumping Duty and Safeguard Duty.
- Advance Authorization for annual requirements would only be issued for items notified in SION and it shall not be available in cases of adhoc norms.
- Validity period for import under Advance Authorisation has been prescribed as twelve months from the date of issue of Authorisation. In respect of Deemed Export, validity period would be co-terminus with the contracted duration of project execution or twelve months from the date of issue of Authorisation, whichever is more.
- In case of supplies to the turnkey projects in India under 'Deemed Export' category or turnkey projects abroad, the Export Obligation Period ('EOP') has been prescribed to be 18 months or contracted duration of the project execution, whichever is more. Similarly, in case of defence, military store, aerospace and nuclear energy the EOP has been prescribed to be 24 months of date of issue of authorisation or co-terminus with contracted duration of the export order, whichever is more.
- In respect of BIFR/Rehabilitation units, it has been clarified that if time period up-to which Export Obligation extension is to be granted is not specifically mentioned in the BIFR order, then the Export Obligation extension of two years from the date of expiry of EOP or the date of BIFR order, whichever is later shall be granted without payment of composition fee.
- A detailed list of items (including vegetables/edible oils, Cereals, Spices etc.) has been issued which are in-eligible for importation on self declaration basis.
- Pre-import condition has been prescribed on importation of drugs from un-registered sources. The new provision empowers DGFT to notify such pre-import condition in suitable cases.

Amendments to DFIA Scheme

- Detailed procedure has been prescribed for the transfer of the DFIA licence. The same has been mentioned hereunder:-
 - ♦ Applicant shall file online application to Regional Authority concerned before starting export under DFIA.
 - ♦ Export shall be completed within 12 months from the date of online filing of application and generation of file number.
 - ♦ While doing export/supply, Applicant shall indicate file number on the export documents viz. Shipping Bill / Airway Bill/ Bill of Export / ARE-1 / ARE-3, Central Excise certified Invoice.
 - ♦ After completion of exports and realization of proceeds, request for issuance of transferable Duty Free Import Authorisation may be made to concerned Regional Authority within a period of twelve months from the date

of export or six months (or additional time allowed by RBI for realization) from the date of realization of export proceeds, whichever is later.

- ◆ Applicant shall be allowed to file application beyond 24 months from the date of generation of file number as per paragraph 9.03 of HBP.
 - ◆ Separate DFIA shall be issued for each SION and each port.
 - ◆ Exports under DFIA shall be made from a single port as mentioned in paragraph 4.37 of HBP.
 - ◆ No Duty Free Import Authorisation shall be issued for an export product where SION prescribes 'Actual User' condition for any input.
 - ◆ Regional Authority shall issue transferable DFIA with a validity of 12 months from the date of issue. No further revalidation shall be granted by Regional Authority.
-
- In respect of the resultant products requiring specified inputs, exporters shall be required to provide declaration with regard to technical characteristic, quality and specification in Shipping Bill.
 - It has been clarified that Duty Free Import Authorization Scheme shall not be available for Gems and Jewellery sector.

CHAPTER 5 – EPCG SCHEMES

The present scheme of EPCG has been maintained with few amendments relaxing certain conditions while providing for stringent documentation process.

Export Obligation

- In case of indigenous sourcing of Capital Goods under the authorization, the specific Export Obligation shall be reduced by 25% of the EO stipulated under Para 5.01 of the FTP (i.e. EO will be 4.5 times [75% of 6 times] of the duty saved on such goods procured)
 - ♦ The EO reduction (from 10% to 25%) on indigenous sourcing is a step to promote 'Make in India' vision by encouraging use of indigenous manufactured goods
- The services to be notified under Appendix 3E (which provides for list of services where payment has been received in Indian rupees which can be treated as receipt in Foreign Exchange as per guidelines of RBI) would now be considered towards the discharge of EO.
- Time period for seeking extension of EO period increased from 30 days to 75 days from the expiry of original EO period
- In case where the time period is not specifically mentioned in the BIFR order for units registered with BIFR/ Rehabilitation Department of State Government, extension of EO reduced to 3 years from 9
- Addition in definition of 'Supporting Manufacturer' specific to EPCG Scheme - '*one in whose premises/factory Capital Goods imported/ procured under EPCG authorization is installed*'

Conversion of EOU/ SEZ Scheme to EPCG Scheme

- EO period would be same as available to a direct EPCG authorisation holder in case of conversion from EOU/ SEZ Scheme to EPCG Scheme
- In case where standalone EOU/ SEZ unit converts:
 - ♦ Maintenance of average EO not required
 - ♦ EO would be 6 times of the proportionate duty saved amount of the depreciated value of Capital Goods
- In case one unit of the firm/ company opts to de-bond from EOU to EPCG Scheme, while other units are DTA units:
 - ♦ Average EO would be fixed by excluding the exports made by the de-bonding unit from the total exports of the firm/ company
 - ♦ EO would be 6 times of the proportionate duty saved amount of the depreciated value of Capital Goods of the de-bonding unit

Changes in Procedures

- Clubbing of authorization restricted only in cases where endorsed products on the authorization are same/ similar
- In case EO is discharged through third parties (ultimate exporter), the authorization holder is now required to submit the following additional document:
 - ♦ Copy of agreement entered with the ultimate exporter
 - ♦ Proof of despatch i.e. ARE-1 certificate, invoice duly incorporating the relevant authorisation number and date
 - ♦ Lorry receipts/ logistical evidence of transportation
 - ♦ Undertaking on stamp paper from the ultimate exporter, declaring that the products exported for fulfilment of EO were manufactured by them on behalf of the authorisation holder
 - ♦ Financial evidence for receipts of forex towards such supplies by ultimate exporter
 - ♦ Disclaimer certificate from ultimate exporter
- Period for maintenance of records after redemption of authorizations has been reduced to 2 years

Other Amendments

- Provision related to EPCG Authorization on Annual Requirement and Technological Upgradation of existing EPCG Machinery has been omitted
- The limit on value of spares imported has now been relaxed
- Validity of the authorization is now limited to 18 month from the date of issue of such authorization
- Export of restricted goods under the authorisation now allowed, subject to the approval from Exim Facilitation Committee
- Realization in case of supplies to SEZ units shall be from foreign currency account of such unit

CHAPTER 6 – EOU/EHTPS/STPS/BTPS

EOU/EHTPS/STPS/BTPS

- The existing FTP provides for an EOU/EHTP/STP/BTP to export all kinds of goods and services except that are prohibited in ITC (HS) and Export of Special Chemicals, Organisms, Materials, Equipment and Technologies subject to fulfilment of the conditions indicated in ITC (HS). However, it has been provided in the new FTP that in respect of an EOU, permission to export a prohibited item may be considered, by BoA, on a case to case basis, provided raw materials are imported and there is no procurement of raw material from DTA.
- At present, in a period of 5 years EOU units have to achieve Positive NEE cumulatively. However, in case unit is unable to achieve NFE due to adverse market condition or any grounds of genuine hardship having adverse impact on functioning of the unit, such period of 5 years can be extended for a period of upto 1 year by BoA.
- Time period for validity of LoP/LoI for EOU/EHTP/STPI/BTP Units has been revised for faster implementation and monitoring of projects. Now, LoP/LoI will have an initial validity of 2 years (as oppose to 3 years earlier) to enable the unit to construct the plant & install the machinery. Further extension can be granted by the Development Commissioner up to one year. Extension beyond 3 years of the validity of LoP/LoI can be granted by the Unit Approval Committee, in case unit has completed 2/3rd of activities, including construction activities. Further extension, if necessary, will be granted by BoA.
- Applications for setting up of units under EOU, including all units in services sector, shall be approved or rejected by the Units Approval Committee within 15 days as per criteria indicated in HBP. Presently, 15 days approval time was applicable only in case of EOU's and R&D, Software and IT enabled services or any other service activity as delegated by BoA.
- 100% EOU has been allowed for supply of spares/components up to 2% of the value of manufactured articles, cleared into DTA, for supply to the same consignee/buyer for the purpose of after sale-service, provided applicable duty on such clearances is paid and is within the overall entitlement of the unit for DTA sale at concessional rate of duty.
- The time limit for realisation of exports proceeds has been curtailed to 9 months as oppose to 12 months earlier.
- EOUs, EHTPs, STPs have been allowed to share infrastructural facilities among themselves after getting approval from Inter-Ministerial Standing Committee. This will enable units to utilize their infrastructural facilities in an optimum way and avoid duplication of efforts and cost to create separate infrastructural facilities in different units. It has been specifically provided that sharing of facilities between EOUs and SEZ Units shall not be permitted.
- At present, EOU/EHTP/STPI units are permitted to transfer capital goods to other EOUs, EHTPs, STPs, SEZ units. Now a facility has been provided that if such transferred capital goods are rejected by the recipient, then the same can be returned to the supplying unit, without payment of duty.
- Inter unit transfer of goods/services have been allowed among EOUs, EHTPs, STPs, and BTPs. This will facilitate group of those units which source inputs centrally in order to obtain bulk discount. This will reduce cost of

transportation, other logistic costs and result in maintaining effective supply chain. In case inputs so sourced are imported and then transferred to another unit, then value of the goods so transferred shall be taken as inflow for the unit transferring these goods and as outflow for the unit receiving these goods, for the purpose of calculation of NFE.

- A simplified procedure will be provided to fast track the de-bonding / exit of the STP/ EHTP units which has not availed any duty benefit on procurement of raw material, capital goods etc.
- EOUs have been allowed facility to set up Warehouses near the port of export. This will help in reducing lead time for delivery of goods and will also address the issue of un-predictability of supply orders.
- Authorised employees/persons of IT related EOU/STP/EHTP/BTP have been allowed the facility to work from a place outside the unit subject to condition that authorization is in place for duration, responsibility for carrying out the work and supervision is of the unit and export of the resultant products/services take place only from the premises of the unit.
- STP units, EHTP units, software EOUs have been allowed the facility to use all duty free equipment/goods for training purposes (including commercial training).
- EOUs having physical export turnover of Rs. 10 Crores (Rs. 15 Crores earlier) and above, have been allowed the facility of fast track clearances of import and domestic procurement of goods. They will be allowed fast tract clearances of goods, for export production, on the basis of pre-authenticated procurement certificate, issued by customs / central excise authorities.

CHAPTER 7 – DEEMED EXPORTS

Deemed Exports

- The categories of supplies entitled to deemed export benefit have been bifurcated between manufacturer and main/sub-contractor. The following supplies are entitled for deemed export benefit by manufacturer:
 - ♦ Supply of goods against Advance Authorisation / Advance Authorisation for annual requirement / DFIA;
 - ♦ Supply of goods to EOU / STP / EHTP / BTP;
 - ♦ Supply of capital goods against EPCG Authorisation;
 - ♦ Supply of marine freight containers by 100% EOU (Domestic freight containers-manufacturers) provided said containers are exported out of India within 6 months or such further period as permitted by customs;

The rest of the supplies are entitled for deemed export benefit by main/sub-contractors.

- Changes in categories of supplies
 - ♦ Earlier the benefit in respect of supply of goods to nuclear power projects awarded through ICB was not available. Such supplies will now be entitled for the benefit.
 - ♦ The benefit of deemed export earlier available to projects funded by UN agencies has been extended to supplies made to UN or International Organization for their official use and projects financed by them.
 - ♦ List of notified agencies in respect of supply of goods to projects financed by multilateral or bilateral agencies/funds is curtailed. The following agencies have been removed
 - International Fund for Agricultural Development (IFAD)
 - Organisation of Petroleum Exporting Countries (OPEC) Fund;
 - Yen Credit channelised through Japan International Cooperation Agency (JICA) (development component only)
 - Swedish International Development Agency (SIDA)
- Changes in benefits to supplier/recipient
 - ♦ Exemption from Terminal Excise Duty has been granted for supplies to United Nation or International organization for their official use and projects financed by them.
 - ♦ Exemption/refund against supply to DFIA is not available since CVD is not exempted.
- Interest on delayed in refund of terminal excise duty and duty drawback
 - ♦ Simple interest @ 6% per annum will be payable on delay in refund of duty drawback and terminal excise duty under the scheme, provided the claim is not settled within 30 days from the date of issue of final Approval letter by RA.
- Introduction of risk management and internal audit mechanism
 - ♦ Cases on random basis to be selected and scrutinized by internal audit team, headed by Joint DGFT.
 - ♦ RA may re-assess any case where any erroneous / in-eligible payment has been made / claimed, and amount can be recovered along with interest @ 15% per annum on recoverable amount.

CHAPTER 8 – QUALITY COMPLAINTS AND TRADE DISPUTES

In an endeavour to resolve quality complaints and trade disputes between exporters and importers, a new chapter on 'Quality Complaints and Trade Disputes' has been incorporated in the FTP. While these provisions were present in some form in the erstwhile policy, these have now been consolidated into a separate chapter.

Committee on Quality Complaints and Trade Disputes

For resolving such disputes at a faster pace, a Committee on Quality Complaints and Trade Disputes ('CQCTD') is being constituted in 22 offices and would have members from Export Promotion Council/FIEO/APEDA/EICs. The CQCTD will be responsible for enquiring and investigating into all quality related complaints and other trade related complaints falling under the jurisdiction of the respective RAs. It will take prompt and effective steps to redress and resolve the grievances of the importers / exporters / overseas buyers, preferably within three months of receipt of the complaint.

CQCTD proceedings are only reconciliatory in nature and the aggrieved party is free to pursue any legal recourse.

Complaints of the following nature will be considered:

- Complaints received from foreign buyers in respect of poor quality of the products supplied by exporters from India;
- Complaints of importers against foreign suppliers in respect of quality of the products supplied; and
- Complaints of unethical commercial dealings categorized mainly as non-supply / partial supply of goods after confirmation of order; supplying goods other than the ones as agreed upon; non-payment; non adherence to delivery schedules etc.

Obligation on the part of importer/ exporter

- Importers / Exporters are required to comply with the provisions of Rule 11 of the FTR Rules in terms of which every importer / exporter is required to submit complete details of the goods in question to the best of his knowledge and belief.
- Exporters of specified commodities are required to conform to the prescribed standards on quality control and pre-shipment inspection.

Action against erring exporters may be taken in terms of Sections 8, 9(2), 9(4) and 11(2) of FTDR Act and FTR Rules, including suspension / cancellation of IEC or scrip / licence issued, or fiscal penalty.

GLOSSARY OF TERMS

Abbreviation	Meaning
ACP	Accredited Clients Programme
ADRs	American Depositary Receipts
AEZ	Agricultural Export Zones
ANF	Aayat Niryat Forms
APEDA	Agricultural and Processed Food Products Export Development Authority
BoA	Board of Approval
BRC	Bank Realisation Certificate
BTP	Biotechnology Park
CBDT	Central Board of Direct Taxes
CBEC	Central Board of Excise and Customs
CCR	CENVAT Credit Rules, 2004
CECA	Comprehensive Economic Cooperation Agreements
CEPA	Comprehensive Economic Partnerships Agreements
CIN	Corporate Identification Number
COFEPOSA	Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974
CQCTD	Committee on Quality Complaints and Trade Disputes
CVD	Countervailing Duty
DFIA	Duty Free Import Authorisation
DGFT	Directorate General of Foreign Trade
DIN	Director Identification Number
DoR	Department of Revenue
Drawback Rules	Customs, Central Excise Duties and Service Tax Drawback Rules, 1995
DTA	Domestic Tariff Area
e-BRC	Electronic Bank Realization Certificate
EDI	Electronic Data Interface
EEFC	Exchange Earners' Foreign Currency
EHTP	Electronic Hardware Technology Park
EIC	Export Inspection Council
EO	Export Obligation
EOU	Export Oriented Units
EPCG	Export Promotion Capital Goods
FEMA	Foreign Exchange Management Act, 1999
FIEO	Federation Of Indian Export Organisations
FIRC	Foreign Exchange Inward Remittance Certificate
FMS	Focus Market Scheme
FOB	Freight on Board
FOR	Free on Rail
FPS	Focus Product Scheme
FTA	Free Trade Agreement
FTDR Act	The Foreign Trade (Development and Regulation) Act, 1992
FTDR Rules	The foreign Trade (Regulation) Rules, 1993
FTP	Foreign Trade Policy 2015-20
FTR Rules	Foreign Trade (Regulation) Rules, 1993
FTWZ	Free Trade Warehousing Zone
FY	Financial Year
GDRs	Global Depositary Receipts
HBP	Handbook of Procedures
HoP	Handbook of Procedures
ICB	International Competitive Bidding

Abbreviation	Meaning
ICT HS	India Harmonised Code System Code.
IEC	Importer-Exporter Code
IEM	Industrial Entrepreneurs Memorandum
IL	Industrial License
ITC(HS)	ITC(HS) Classifications for Export and Import Items Book
LEO	Let Export Order
LoI	Letter of Intent
LoP	Letter of Permission
MEIS	Merchandise Exports From India Scheme
MLFPS	Market Linked Focus Product Scheme
MSMED Act	Micro, Small & Medium Enterprises Development Act, 2006
NFE	Net Foreign Exchange
PAN	Permanent Account Number
PTA	Preferential Trade Agreement
RA	Regional Authority
RBI	Reserve Bank of India
RCMC	Registration-cum-Membership Certificate
SCOMET	Special Chemicals, Organisms, Materials, Equipment and Technologies
SEIS	Service Exports from India Scheme
SEZ	Special Economic Zone
SFIS	Served from India Scheme
SION	Standard Input Output Norms
STP	Software Technology Park
STPI	Software Technology Park of India
TED	Terminal Excise Duty
TRA	Telegraphic Release Advice
UN	United Nation
VKGUY	Vishesh Krishi and Gram Udyog Yojna



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