



**Professional
Development
Courses on
Customs & FTP by
TaxguruEdu Edu –
April'2022
Batch
SN Panigrahi**



Session – 5

Foreign Trade Policy & Handbook of Procedures – Export Promotion Schemes

- **Foreign Trade Policy & Handbook of Procedures;**
- **ITC (HS)**
- **Concept of Digital Signature and e-filing in DGFT**
- **Export Promotion Schemes
MEIS, Adv. Authorization,
EPCG – Duty Drawback**
- **Export Obligation Fulfilment -
EODC**

DGFT

DGFT Organization

Directorate General of Foreign Trade (DGFT) under Foreign Trade (Development and Regulation) Act, 1992.

- DGFT Headquarter in Delhi and 35 Regional offices in the country with about 2400 employees.

DGFT Functions

*Formulation of FTP & Import / Export controls;
Export Promotion;
Issuance & monitoring of Certificates / authorization;
Trade Facilitation AND Grievance Redressal AND RSCQC
Enforcement*

DGFT Publications FTP

**FOREIGN TRADE POLICY (FTP)
HANDBOOK OF PROCEDURES**

- VOLUME -I - Procedures; the Appendices & Aayat Niryat forms.
- VOLUME – II - SION (Standard Input Output Norms)
- ITC (HS) CLASSIFICATION OF EXPORT AND IMPORT ITEMS
- All these Policy documents are available in DGFT website: dgft.gov.in

The Existing Foreign Trade Policy 2015-2020 which is valid upto 31.3.2020 is Extended upto 31.03.2021 vide Notification No. 57/2015-2020-DGFT Dated: 31st March, 2020



9 Chapters

Chapter -1: LEGAL FRAMEWORK AND TRADE FACILITATION

Chapter 2 : GENERAL PROVISIONS REGARDING IMPORTS AND EXPORTS

Chapter 3 : EXPORTS FROM INDIA SCHEMES

Chapter 4 : DUTY EXEMPTION / REMISSION SCHEMES

Chapter 5 : EXPORT PROMOTION CAPITAL GOODS (EPCG) SCHEME

Chapter 6 : EOUs, EHTPS, STPS & BIO-TECHNOLOGY PARKS (BTSPS)

Chapter 7 : DEEMED EXPORTS

Chapter 8 : QUALITY COMPLAINTS AND TRADE DISPUTES

Chapter 9 : DEFINITIONS



Chapter – 1

Legal Framework and Trade Facilitation

Para 1.08 of FTP

At Bandhu - Hand Holding Scheme for new export / import Entrepreneurs

Para 1.10 of FTP

Online Complaint Registration and Monitoring System

Para 1.11 of FTP

Issue of e-IEC (Electronic-Importer Exporter Code)

Para 1.12 of FTP

e-BRC

Para 1.15 of FTP

Reduction in mandatory documents required for Export and Import

Para 1.16

Facility of online filing of applications

Para 1.19 of FTP

Electronic Data Interchange (EDI)

Mandatory Documents Required for Export & Import

DGFT NOTIFICATION No.08/2015-2020 Dated 4 th June, 2015

MANDATORY DOCUMENTS FOR EXPORT & IMPORT		
S. No.	EXPORTS	IMPORTS
1	Bill of Lading/ Airway Bill	Bill of Lading/ Airway Bill
2	Commercial Invoice cum Packing List	Commercial Invoice cum Packing List
3	Shipping Bill/ Bill of Export	Bill of Entry

MANDATORY DOCUMENTS LISTED BY WORLD BANK IN DOING BUSINESS REPORT 2015		
S. No.	EXPORTS	IMPORTS
1	Shipping Bill	Bill of Entry
2	Commercial Invoice	Commercial invoice
3	Packing List	Packing List
4	Bill of Lading	Bill of Lading
5	Foreign Exchange Control Form (SDF)	Foreign Exchange Control Form (Form A-1)
6	Terminal Handling Receipt	Terminal Handling Receipt
7	Technical Standard Certificate	Certified Engineer's Report
8		Cargo Release Order
9		Product manual
10		Inspection report

Para 1.22 of FTP
Forthcoming e-Governance Initiatives

Para 1.25 of FTP
24 X 7 Customs clearance

Para 1.26
Single Window in Customs

Para 1.27 of FTP
Self-Assessment of Customs Duty

Para 1.28 of FTP
Authorised Economic Operator (AEO) Programme

CHAPTER 2

GENERAL PROVISIONS REGARDING IMPORTS AND EXPORTS

2.00 Objective

The general provisions governing import and export of goods and services are dealt with in this chapter.

Indian Trade Classification (Harmonised System) [ITC (HS)] of Exports and Imports

Para 2.02 of FTP

Indian Trade Classification (Harmonised System) [ITC (HS)] of Exports and Imports.

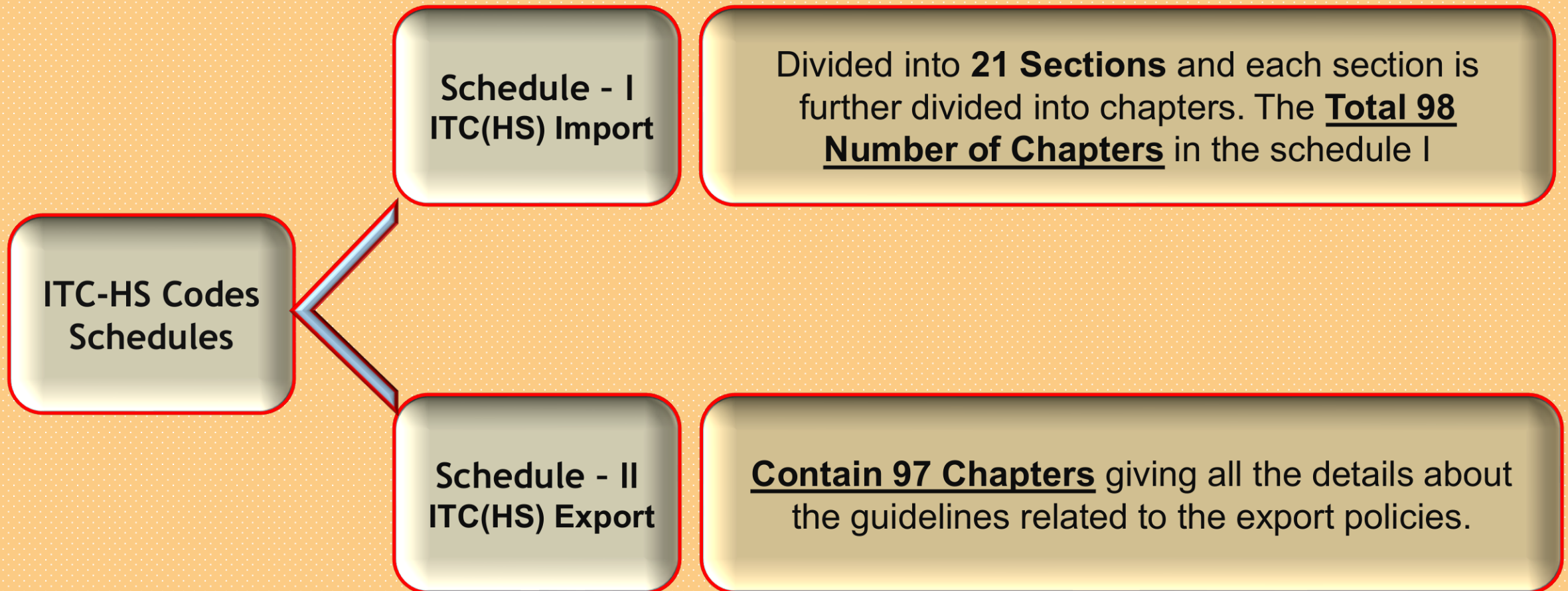
(a) ITC (HS) is a compilation of codes for all merchandise / goods for export/ import. Goods are classified based on their group or sub-group at 2/4/6/8 digits.

(b) ITC (HS) is aligned at 6 digit level with international Harmonized System goods nomenclature maintained by World Customs Organization (<http://www.wcoomd.org>).

However, India maintains national Harmonized System of goods at 8 digit level which may be viewed by clicking on 'Downloads' at <http://dgft.gov.in>

ITC HS Codes

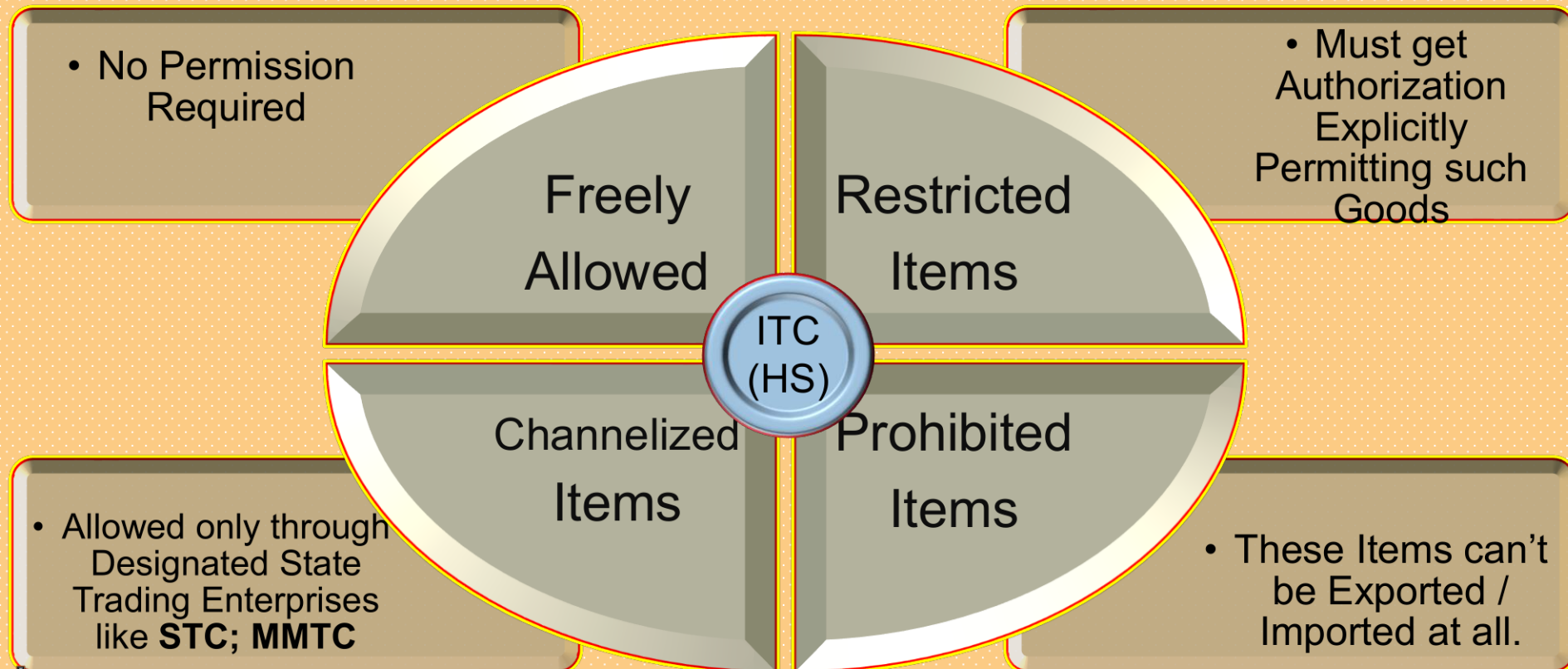
ITC-HS Codes or better known as Indian Trade Clarification based on Harmonized System of Coding was adopted in India for import-export operations. Indian custom uses an eight digit ITC-HS Codes



Exportability of Products

The item wise export and import policy shall be, as specified in ITC(HS) published and notified by Director General of Foreign Trade which Specifies Conditions according to which any goods are allowed for Export or Import.

**Schedule 1 of ITC (HS) Provides for Import and
Schedule 2 of ITC (HS) Provides for Export**



Para 2.05 of FTP
Importer-Exporter Code (IEC)

Para 2.55 of FTP
Recognition of EPCs to function as Registering Authority for
issue of RCMC

Digital Signature Certificate of DGFT for Importers-Exporters

Digital Signature Certificate of DGFT for Importers-Exporters

A DGFT Digital Signature is required to digitally sign any documents in electronic format or for transactions being performed through a web-browser on the DGFT website or portal. It is mainly used by the EXIM (Exporters & Importers) community registered with the DGFT (Directorate General of Foreign Trade) in India.

Who Can use DGFT Digital Signature or (n)Exim or Safeexim DGFT Digital Signature :

DGFT Digital Signature are opened to Only Importers - Exporters who have a valid IEC Code from DGFT Department. Any person from an EXIM Org. who is authorized to transact with DGFT on behalf of the Org.

Advantages of DGFT Digital Signatures - A DGFT Digital Signature is issued to Organizations or individuals (any person from an EXIM Org. who is authorized to transact with DGFT on behalf of the Org) who have obtained a valid IEC (Importer Exporter Code) code. A DGFT Digital Signature can be used to apply for licenses electronically with the DGFT and digitally sign online license applications. In fact it is mandatory to have this DSC to able to communicate with DGFT online.

DGFT has extended attractive monetary incentives amounting to 50 % waiver on license fee for those Exporters and Importers using DGFT Digital Signature Certificates.

Advantages of a DGFT Digital Signature includes reduced paperwork, reduced costs, reduced turnaround time and convenience. Moreover logging into the DGFT Portal using a DGFT Digital signature is far more secure than using a ID and Password.

Trade Notice 16/2020-21 dated 25.06.2020

Linking/Registration of IECs in the new revamped DGFT Online environment

The online processes relating to entire lifecycle of Advance Authorisation, EPCG & DFIA including their paperless Exports Obligation Discharge (EODC) shall be rolled out soon.

In addition to these processes, Norms Fixation, Free Sale & Commerce Certificate, Steel Import Monitoring System(SIMS), Import Licencing and some other processes shall also be rolled out soon. Among other services, the new online system will have a two-way communication between the DGFT and the exporter/importer and would allow the applicant to apply, monitor the status of the applications, reply to the deficiencies, raise queries etc.

**APPENDIX-2 T of HB
Provides**

**LIST OF EXPORT PROMOTION
COUNCILS/COMMODITY BOARDS/EXPORT
DEVELOPMENT
AUTHORITIES**

Export Promotion Councils in India

There are 28+1 Export Promotion Councils.

Federation of Indian Export Organisations(FIEO)- Apex body of all Export Promotion Councils/Commodity Boards/Export Development Authorities(Export Promotion Councils) in India

- Apparel Export Promotion Council
- Basic Chemicals Pharmaceuticals & Cosmetic Export Promotion Council
- Carpet Export Promotion Council
- Cashew Export Promotion Council of India
- CAPEXIL
- Chemicals and Allied Products Export Promotion Council
- Cotton Textiles Export Promotion Council
- Council for Leather Exports
- EEPC (Engineering Export Promotion Council)
- Export Promotion Council for EOUs and SEZ Units
- Electronics & Computer Software Export Promotion Council
- Export Promotion Council for Handicrafts
- Gem & Jewellery Export Promotion Council (GJEPC)
- Handloom Export Promotion Council
- Indian Oilseeds & Produce Exporters Association EPC (IOPEA)
- Indian Silk Export Promotion Council
- Jute Products Development and Export Promotion Council - (JPDEPC)
- Project Exports Promotion Council of India
- The Plastics Export Promotion Council
- Power-loom Dev. and Export Promotion Council
- Pharmaceutical Export Promotion Council
- Shellac & Forest Products Export Promotion Council
- Services Export Promotion Council (SEPC)
- Sports Goods Export Promotion Council (SQEPC)
- Synthetic & Rayon Textiles Export Promotion Council
- Telecom Equipment and Services Export Promotion Council (TEPC)
- Wool Industry Export Promotion Council
- Wool & Woollens Export Promotion Council

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Commodity Boards

There are 7 Commodity Boards / Development Authorities

- Agricultural and Processed Food Products Export Development Authority (APEDA)
- Marine Products Export Development Authority (MPEDA)
- Rubber Board
- Coffee Board
- Coir Board
- Tea Board
- Tobacco Board Coconut Development Board

Export Promotion Schemes

MEIS

Chapter – 3 of FTP

A scheme designed to provide rewards to exporters to offset **infrastructural inefficiencies and associated costs**.

Transferable Duty Credit Scripts are Issued which can be used to upset Customs Duties.

Advance Authorization

Chapter - 4 of FTP

The Scheme allows **Duty Free Import of inputs**, which are physically incorporated in an export product. In addition to any inputs, packaging material, fuel, oil, catalyst which is consumed / utilized in the process of production of export product, is also be allowed – **as per SION**.

EPCG

Chapter - 5 of FTP

The objective of the Scheme is to facilitate **import of capital goods** for producing quality goods and services and enhance India's manufacturing competitiveness. EPCG Scheme **allows import of capital goods for pre-production, production and post-production at zero customs duty**.

Duty Drawback

Sec 75 of the Customs Act, 1962

Duty Drawback **Allows Refund of Duty** of **Customs and Duty of Central Excise** that are chargeable on Imported and Indigenous Materials used in the Manufacture of Exported Goods.

Export Promotion Schemes

EOU

Chapter – 6 of FTP

Introduced in 1981, the Export Oriented Units (EOU) scheme aims to increase exports from India. Under EOU Scheme, manufacturing or service sector units are allowed to be set up with the objective of exporting entire production of goods manufactured or services except limited sale in Domestic Tariff Area (DTA) as provided under the Foreign Trade Policy (FTP).

Similar other Schemes
 : STP, EHTP, BTP

SEZ

SEZ Act, 2005;
 SEZ (Amendment) Act,
 2019

Special Economic Zone (SEZ) Policy in India first came into inception on April 1, 2000 is a specifically **delineated duty-free enclave** and shall be deemed to be foreign territory for the purposes of trade operations and duties and tariffs.

The prime objective was to **enhance foreign investment and provide an internationally competitive and free environment for exports.**

FTWZ

SEZ Act, 2005;
 SEZ (Amendment) Act,
 2019

The **Free Trade & Warehousing Zones (FTWZ)** shall be a special category of Special Economic Zones with a focus on trading and warehousing.

The objective is to **create trade-related infrastructure to facilitate the import and export** of goods and services with freedom to carry out trade transactions in free currency.

Bonded Manufacturing Facility

Sec 58A & Sec 65,
 Customs Act, 1962

Through **bonded manufacturing**, all types of businesses can avail exemption on customs duty on imported inputs used in the **production** of finished goods to be exported.

In the case of domestic consumption, the duty on imported inputs is deferred until the finished goods are cleared to the domestic market.

Chapter – 3
Exports from India Schemes
MEIS & SEIS

EXPORTS FROM INDIA SCHEMES

EXPORTS FROM INDIA SCHEMES

Merchandise Exports
from India Scheme
(MEIS)

For Notified Goods /
Products X Markets
APPENDIX -3B of HB

For Notified Services X
Markets
APPENDIX- 3D of HB

Service Exports
from India Scheme
(SEIS)

Duty Scrips are issued for Value ranging from 2-5% of FOB Value of Exports as per Para 3.02 of FTP.

The Duty Credit Scrips & Goods imported under the Scrips are **Freely Transferable.**

**Countdown is Started
to Scrap MEIS Scheme
by end Dec'2020.
MEIS Exit is Certain**

**Ceiling/Cap on MEIS benefits Available to
Exporters on Exports Made from 01.09.2020
to 31.12.2020.**

Notification No. 30/2015-2020; Dt.: 1st Sep'2020

Two new paragraphs, 3.04A and 3.04B are inserted in the Foreign Trade Policy as below:

***3.04A**

The total reward which may be granted to an IEC holder under the Merchandise Exports From India Scheme (MEIS) **shall not exceed Rs. 2 Crore per IEC on exports made in the period 01.09.2020 to 31.12.2020** [period based on Let Export Order (LEO) date of shipping bill(s)]. Any IEC holder who has not made any export with LEO date during the period 01.09.2019 to 31.08.2020 or any new IEC obtained on or after 01.09.2020 would not be eligible for submitting any claim for benefits under MEIS for exports made with effect from 01.09.2020. The aforesaid ceiling may be subject to a further downward revision to ensure that the total claim under the Scheme for the period (01.09.2020 to 31.12.2020) does not exceed the allocation prescribed by the Government, which is Rs. 5,000 Cr.

3.04B

Benefits under MEIS shall not be available for exports made with effect from 01.01.2021.

With effect from 23 July 2020, DGFT has blocked the MEIS module from accepting new applications for shipping bills with Let Export Order (LEO) beginning 1 April 2020.

File Number: 05/88/080/63200/0688/1473 Dated: 23.06.2020 IEC: 0588080632 Br.: 8 Find

Name: [Redacted] Address: [Redacted] Exporter type: 2 Manufacturer Exporte

PIN: 500018 Nature of Concern: 2 Public Limited

Exporter Status: 1 One Star Export Hous

Export Licensing Year based on LEO Date: 01.04.2020

Port of Registration: INSN

Select Preferred Dispatch Mode of Duty Credit S

Exports to OFAC Countries (Iran/Sud

FOB in Rs.: 22,096,246.00

Duty Credit in Rs.: 662,884.00

Buttons: Add, Update, View, Submit, Close, Generate, Sign, Bills, ne, ay, tory, Bill, ments, lication

Submission Error

1. Exporters may kindly note that the Online Module would be accepting MEIS applications for shipping bills with Let Export Date from 01.04.2020 after adequate funds are available
2. Validity date : 30.09.2020 for RCMC No : CAP
Please update your Valid RCMC Details on DGFT Server

OK

MEIS is EXIT is Certain What is Next?

Remission of Duties or Taxes on Export Products (RoDTEP)

The Scheme aimed at to reimburse the Taxes and Duties incurred by Exporters such as Local Taxes, Coal Cess, Mandi Tax, Electricity Duties and Taxes on Fuel used for Transportation, which are not getting exempted or refunded under any other existing schemes.

The contours of the proposed new Scheme for Remission of Duties and Taxes on Exported products (RoDTEP) are being detailed out and will be notified separately after approval of the competent authority.

**Announced by
Hon'ble FM in
Budget Speech on
1st February 2020**

**Cabinet Committee
on Economic
Affairs, chaired by
Hon'ble PM has
given its approval
on 13th March, 2020**

**The Central Board of
Indirect Taxes and
Excise issued an
order for formation
of the committee on
July 30.**

**Seeking the Data in
the Prescribed
Formats
from the Industry &
Exporters to Fix the
Rates.**

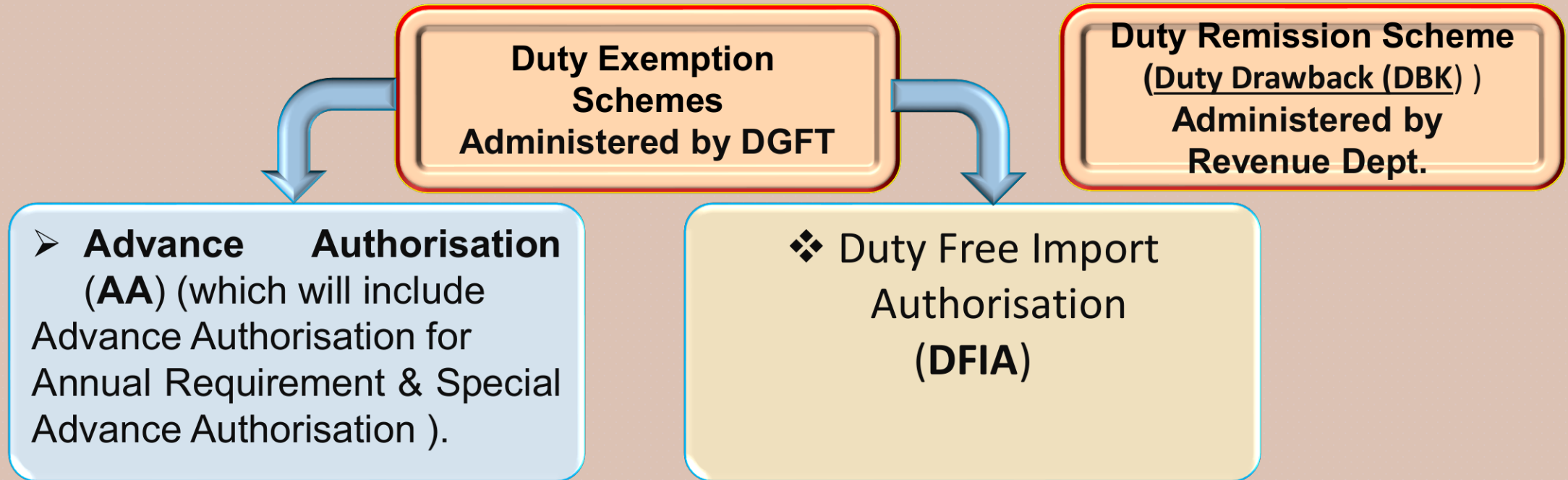
Chapter – 4
DUTY EXEMPTION / REMISSION
SCHEMES

Chapter – 4

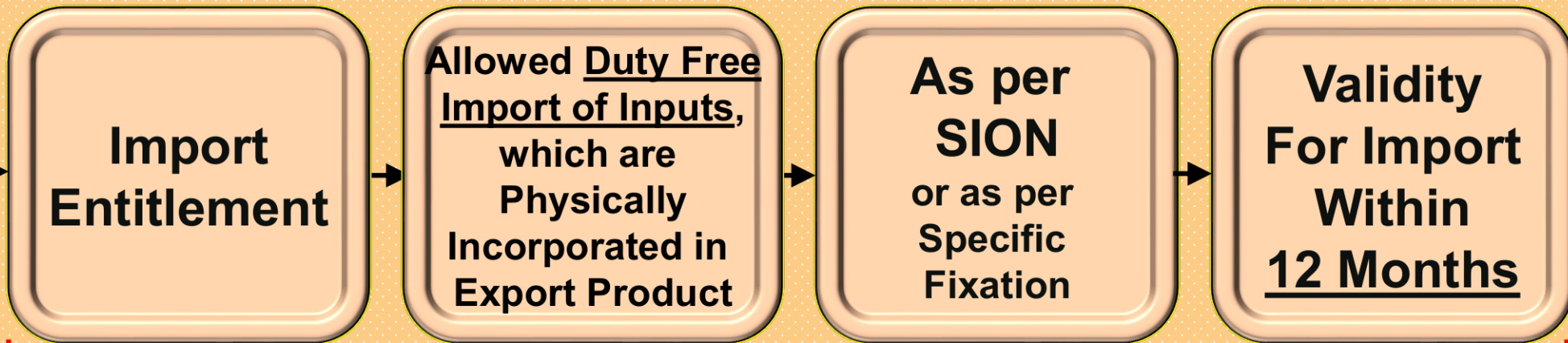
DUTY EXEMPTION / REMISSION SCHEMES

Objective:

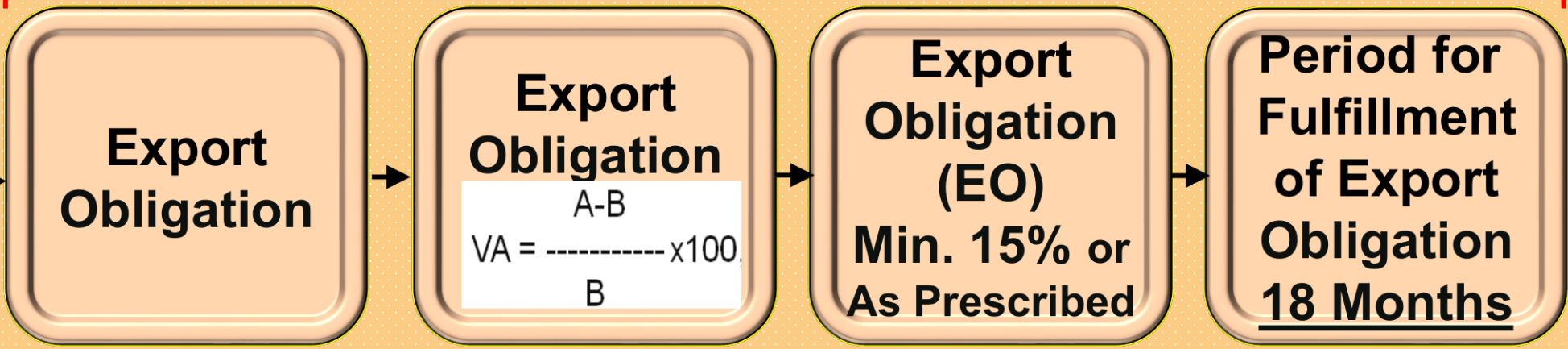
Schemes under this Chapter enable Duty Free Import of Inputs for Export Production, including Replenishment of Inputs or Duty Remission.



Advance Authorisation



Allowed Duty Free Imports Subject to Fulfilment of Export Obligation

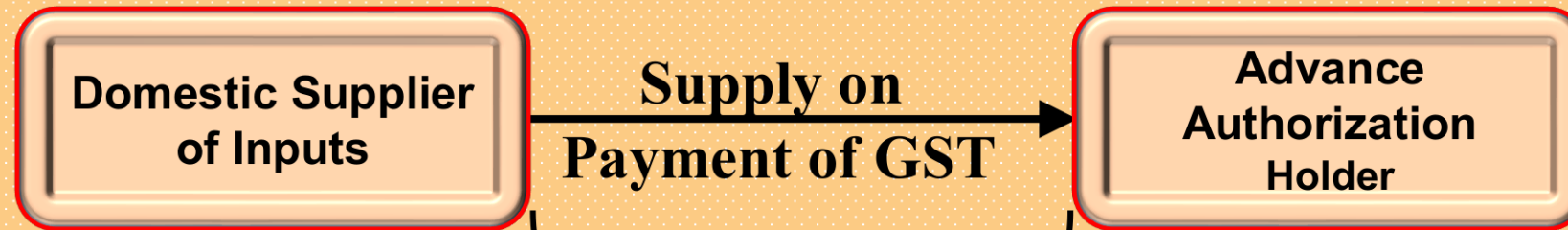


In Case EO Fulfilled, Redemption & Export Obligation Discharge Certificate (EODC) Issued by RA of DGFT

Indigenous Sourcing of Inputs under

Adv. Authorization

Para 4.20 of FTP



Treated as Deemed Exports

Notification No. 48/2017-Central Tax
Dated 18th Oct' 2017



**Refund of Deemed Exports supply
can be claimed by either
Recipient or Supplier**

Notification No. 47/2017-Central Tax
Dated 18th Oct' 2017

Whether sale of DFIA scrips liable to GST?

Ans. As per **Notification No. 35/2017-Central Tax (Rate)** dated **13.10.2017**, “Duty Credit scrips” are exempted from GST.

DFIA scrips are not “Duty Credit scrips” and therefore are leviable to GST @ 12%.

Advance Authorization Scheme under GST

<https://taxguru.in/dgft/advance-authorization-scheme-gst.html>

Chapter 5 of FTP 2015-20

Export Promotion Capital Goods (EPCG) Scheme

Objective

The objective of the EPCG Scheme is to facilitate import of capital goods for producing quality goods and services and enhance India's manufacturing competitiveness.

Objectives

The objective of the EPCG Scheme is to facilitate import of capital goods for producing quality goods and services and enhance India's manufacturing competitiveness.

Chapter 5 of FTP Export Promotion Capital Goods (EPCG) Scheme

Duty Exemption

EPCG Scheme allows import of capital goods (except those specified in negative list in Appendix 5 F) for **pre-production, production and post-production at zero customs duty**.

Import

Validity : 24 months from the date of issue of Authorisation.
No Revalidation permitted.
Customs Duty + IGST Exempted

Two Options

Domestic Procurement

Supplies are Treated as Deemed Exports.
GST First Payable, then can be Claimed as Refund

Actual User Condition

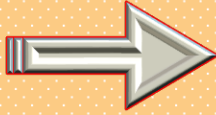
Imported CG shall be subject to Actual User condition till export obligation is completed and EODC is granted.

Conditions & Export Obligation

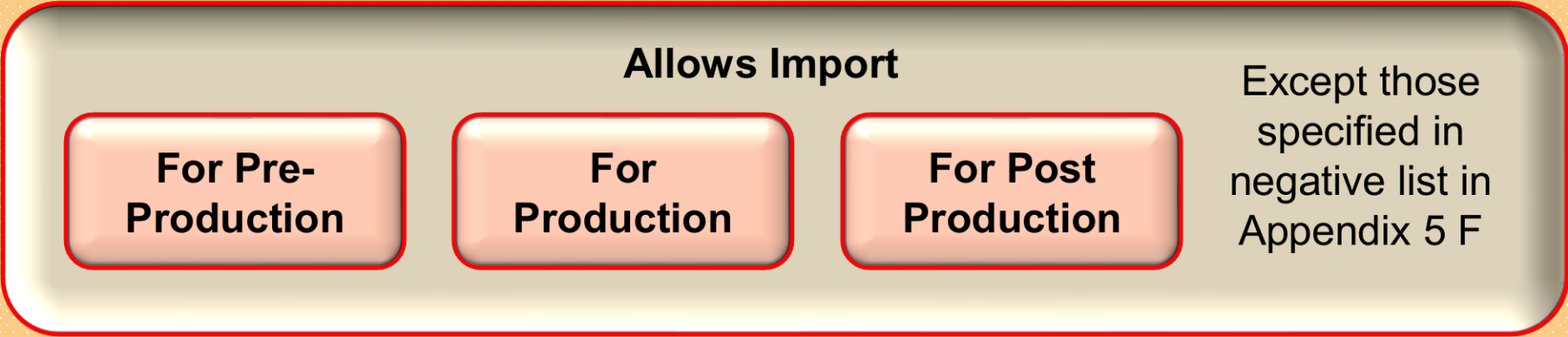
Export Obligation

6 times of Duties, Taxes and Cess saved To be fulfilled in **6 years** reckoned from date of issue of Authorisation.

EPCG Scheme



Para 5.01(a) of
FTP 2015-20



@ Zero Basic
Customs Duty



IGST
Exempted



Compensation
Cess
Exempted

Under Section 12 of Customs
Act, 1962

Notification No. 16/ 2015 – Cus;
Dt 1st April, 2015.

Notification No. 26 /2017 – Cus;
Dt.: 29th June, 2017

Sec 3.7 of
Customs Tariff
Act, 1975

Sec 3.9 of
Customs Tariff
Act, 1975

IGST & Compansation
Cess Exempted only upto
31-03-2021

DGFT Notification No.
57/2015-2020 dated 31st
March, 2020
Notification No. 18/2020-
Cus; Dt: 30th March, 2020

Meaning of Capital Goods

Capital Goods include

Para 5.01 (a) of FTP 2015-20

Note 1: Meaning of CG in GST
As per Sec 2(19) of CGST Act

“capital goods” means goods, the value of **which is capitalised in the books of account** of the person claiming the input tax credit and which are used or intended to be used in the course or furtherance of business

Capital Goods as defined in Chapter 9 including in CKD/SKD condition

Computer systems and software which are a part of CG

Spares, Moulds, Dies, Jigs, Fixtures, Tools & Refractories

Catalysts for initial charge plus one subsequent charge

Note: 2

As per Para 5.01(b) of FTP

Import of capital goods for **Project Imports** notified by Central Board of Excise and Customs is also permitted under EPCG Scheme.

Para 9.08 of FTP : "**Capital Goods**" means any plant, machinery, equipment or accessories required for manufacture or production, either directly or indirectly, of goods or for rendering services, including those required for replacement, modernisation, technological up-gradation or expansion. It includes packaging machinery and equipment, refrigeration equipment, power generating sets, machine tools, equipment and instruments for testing, research and development, quality and pollution control.

Capital goods may be for use in manufacturing, mining, agriculture, aquaculture, animal husbandry, floriculture, horticulture, pisciculture, poultry, sericulture and viticulture as well as for use in services sector.

Export Obligation

Export Obligation equivalent to **6 times of duties, taxes and cess saved** on capital goods, **to be fulfilled in 6 years** reckoned from date of issue of Authorisation.

Para 5.01(c) of FTP

In case Integrated Tax and Compensation Cess are paid in cash on imports under EPCG, incidence of the said Integrated Tax and Compensation Cess **would not be taken for computation of net duty saved** provided **Input Tax Credit is not availed.**

Para 5.01(e) of FTP

EO under the scheme shall be, **over and above, the average level of exports achieved** by the applicant in the **preceding three licensing years** for the **same and similar products**

Para 5.04 of FTP

Block-wise Fulfilment of EO

Period from the date of issue of Authorisation	Minimum export obligation to be fulfilled
Block of 1st to 4th year	50%
Block of 5th and 6th year	Balance EO

Para 5.14 of HB

- **Coverage of EPCG Scheme**
- **Online Submission of EPCG applications - No need to submit physical copy of application & documents at RA Office**
- **Export Through A Third Party**

- **Para 5.14 of HBP**
Intimation of Blockwise Fulfillment of Export Obligation
- **Para 5.04 of FTP**
Conditions for Export Obligation

Relaxation in COVID – 19

Exemption from payment of IGST and compensation cess on the imports made under Advance Authorizations / EPCG and by export-oriented units has been extended up to March 31, 2021. The scheme for providing transport marketing assistance on the specified agricultural products is further extended for one year," the ministry said.

It also said validity period for making imports under various duty free import authorizations (AA/DFIA/EPCG) expiring between February 1, 2020, and July 31, 2020, has been allowed automatic extension for another six months from the date of expiry, without requirement of obtaining such endorsement on these authorisations.

"Wherever the period to make export is expiring between 01.02.2020 and 31.07.2020 under various authorizations, automatic extension in the export obligation period is allowed for another six months from the date of expiry, without payment of any composition fee," it said adding that last dates for applying for various duty credit scrips (MEIS/SEIS/ROSCCTL) and other authorizations have been extended.

Complete Analysis of EPCG Scheme can be Viewed @ below Links

<https://taxguru.in/dgft/epcg-scheme-complete-analysis.html>

<https://www2.slideshare.net/SNPanigrahiPMP/complete-analysis-of-epcg-scheme-by-sn-panigrahi>

Chapter 6 : EOUs, EHTPS, STPS & BIO-TECHNOLOGY PARKS (BTTPS)

Units undertaking to export their entire production of goods and services(except permissible sales in DTA), may be set up under the Export Oriented Unit (EOU) Scheme, Electronics Hardware Technology Park (EHTP) Scheme, Software Technology Park(STP) Scheme or Bio-Technology Park (BTP) Scheme for manufacture of Goods.

Trading units are not covered under these schemes.

Objectives of these schemes :

To promote exports, enhance foreign exchange earnings, attract investment for export production and employment generation.

EOU / EHTP /
STP / BTP unit

Para 6.00 of FTP

Export

Export their Entire Production of
goods and services
(except permissible sales in DTA)
May export **all kinds of goods and services**
except items that are prohibited in ITC (HS).

Para 6.00 (a) of FTP
Para 6.01(a) of FTP

Import

Allowed all types of goods, including capital
goods, provided they are not prohibited items
The imports and / or procurement from bonded
Warehouse: **Without Payment of BCD, CVD,
SAD. IGST / Compensation Cess**
Exempted only upto 31-3-2021

Para 6.01(d) (i) & (ii)
of FTP

Notification No.
78/2017 – Customs,
13th October, 2017

Procurement from DTA

Goods covered under GST : **On Payment**
of Applicable GST and Compensation Cess
(**No Exemption**)

Para 6.01(d) (iii)
of FTP

Non-GST Goods : Excise Duty Exempted

#Export Promotion Schemes

For More Details Click @ Below Link

https://www2.slideshare.net/SNPanigrahiPMP/export-promotion-schemes-by-sn-panigrahi?qid=0ee0283f-98c1-4b72-a2f0-d9c4a27b135d&v=&b=&from_search=2

FTP - Chapter 7 : DEEMED EXPORTS

Objective:

To provide a level-playing field to domestic manufacturers in certain specified cases, as may be decided by the Government from time to time.

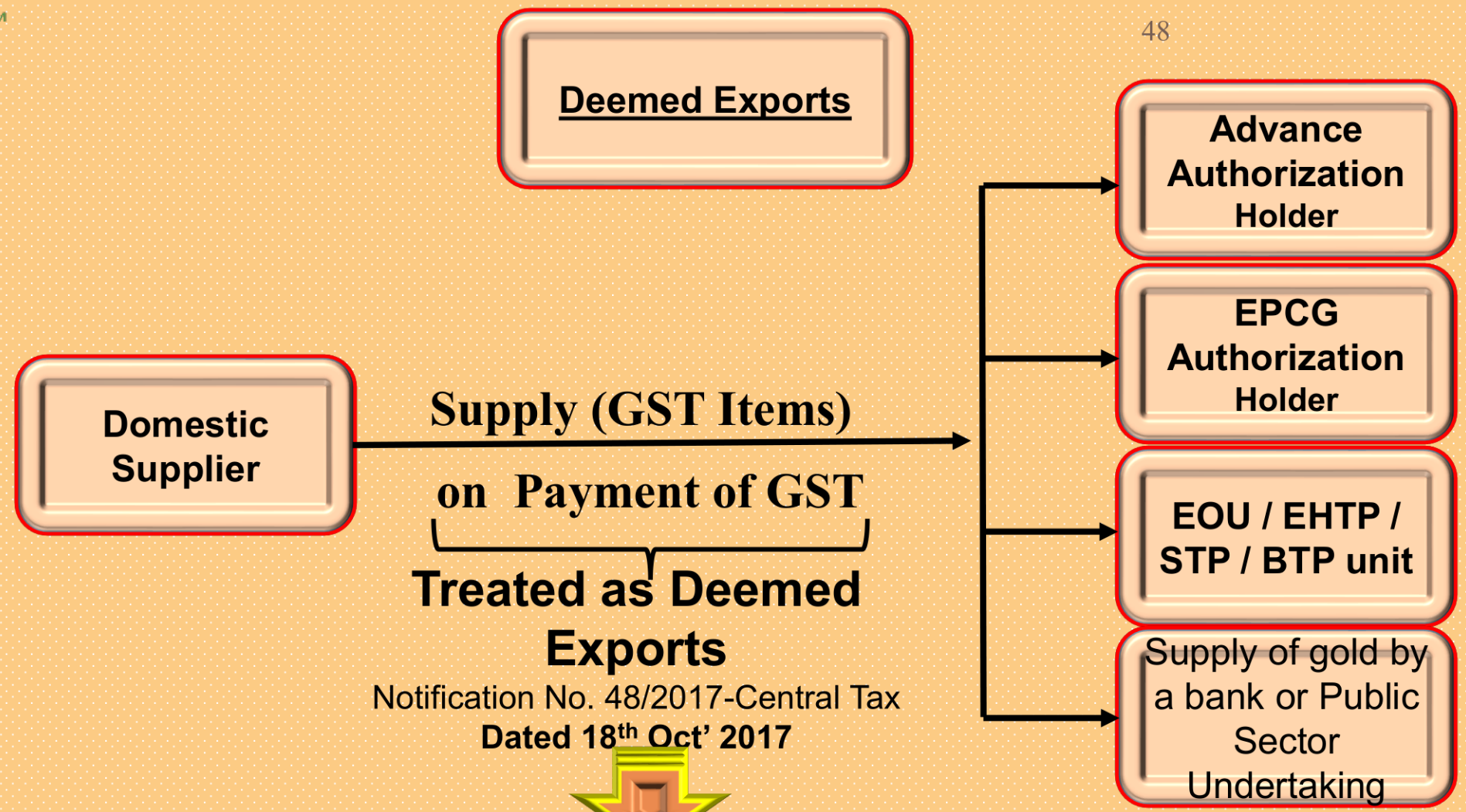
Deemed Exports

As per Para 7.01(i) of FTP

- ◆ Goods Supplied do not leave country &
- ◆ Payment for such supplies is received either in Indian rupees or in free foreign exchange &
- ◆ Goods Manufactured in India
- ◆ Supply of goods as specified in Para 7.02 of FTP

As GST Law

- ◆ Only the supplies notified under Section 147 of the CGST/SGST Act
- ◆ Notification No. 48/2017-Central Tax; 18/10/2017



Refund of Deemed Exports supply
can be **claimed by either**
Recipient or Supplier

Notification No. 47/2017-Central Tax
Dated 18th Oct' 2017

Duty Drawback

Duty Drawback has been one of the popular and principal methods of encouraging export. It is a method of refund of custom duties paid on the inputs or raw materials and service tax paid on the input services used in the manufacture of export goods. Duty Drawback provisions are given under section 74 and 75 of the custom Act, 1962. Section 74 allows the duty drawback on the re-export of duty paid goods. Whereas Section 75 allows the drawback on imported / Domestic goods used in the manufacture of export goods.



Goods Manufactured in India and Exported - Duty Drawback : Definition

The Customs and Central Excise Duties Drawback Rules, 2017
Notification No. 88/ 2017-CUSTOMS (N.T.), 21st September, 2017
Circular No. 38/2017-Customs; dated 22nd September, 2017

“Drawback” in relation to any **goods manufactured in India and exported**, means the **rebate of duty excluding integrated tax leviable under sub-section (7) and compensation cess leviable under subsection (9) respectively of section 3 of the Customs Tariff Act, 1975 (51 of 1975)** chargeable on any imported materials or excisable materials used in the manufacture of such goods;



Duty Drawback Rates- Sec75

Applicable for Goods Manufactured in India and Exported

Customs and Central Excise Duties Drawback Rules 2017



All Industry Rate (AIR) : Rule 3

Government fixes Rate : Every year AIR is fixed

Brand Rate : Rule 6

Applies in Specific cases where AIR is Not Available against Specific Application

Special Brand Rate : Rule 7

If AIR is less than 80% of the duties paid

https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt_07.pdf



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