

Foreign Trade Policy 2023 – Salient Features



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(Statutory Body under an Act of Parliament)
SOUTHERN INDIA REGIONAL COUNCIL

PROFESSIONAL DEVELOPMENT MEETING IN ONLINE MODE

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FTP 2023 ICMA SOUTH@MGK

- **India's Foreign Trade Policy 2023: A Roadmap to Boost Exports**

- India's Total exports (Merchandise+ Services) for June 2024* -estimated at **USD 65.47 Billion**, registering- a positive growth of 5.40 % vis-à-vis June 2023.

- Merchandise exports **register growth of 2.55% @ USD 35.20 Billion** in June 2024 (USD 34.32 Billion June 2023);

- Cumulative value of exports during April-June 2024 stands at USD 109.96 Billion as compared to USD 103.89 Billion during April-June 2023, registering a **positive growth of 5.84%**

- Non-Petroleum & Non-Gems & Jewellery exports register an increase of 8.48% from USD 25.29 Billion in June 2023 to USD 27.43 Billion in June 2024

- Major drivers of merchandise exports growth in June 2024 include **Engineering Goods, Electronic Goods, Drugs & Pharmaceuticals, Coffee and Organic & Inorganic Chemicals**

- Promote exports and facilitate ease of doing business for exporters, while also placing a stronger emphasis on the "export control" regime.

- The policy is built on the principles of **trust and partnership with exporters** and is based on **four pillars**:

- **1. Incentive to Remission,**

- **2. Export Promotion through Collaboration,**

- **3. Ease of Doing Business, and**

- **4. Emerging Areas.**

- The policy is based on the continuity of time-tested schemes while being responsive to the emerging needs of the time.

Global trade is being increasingly disrupted as **tariff tensions, political unpredictability, protectionist policies and regulatory uncertainty challenge** established business models and trade relationships.

		4-7/ 2024 (USD Billion)	4-7/ 2023 (USD Billion)
Merchandise	Exports	109.96	103.89
	Imports	172.23	160.05
Services*	Exports	90.37	80.57
	Imports	50.67	45.45
Total	Exports	200.33	184.46
	Imports	222.89	205.50
	Trade Balance	-22.56	-21.03

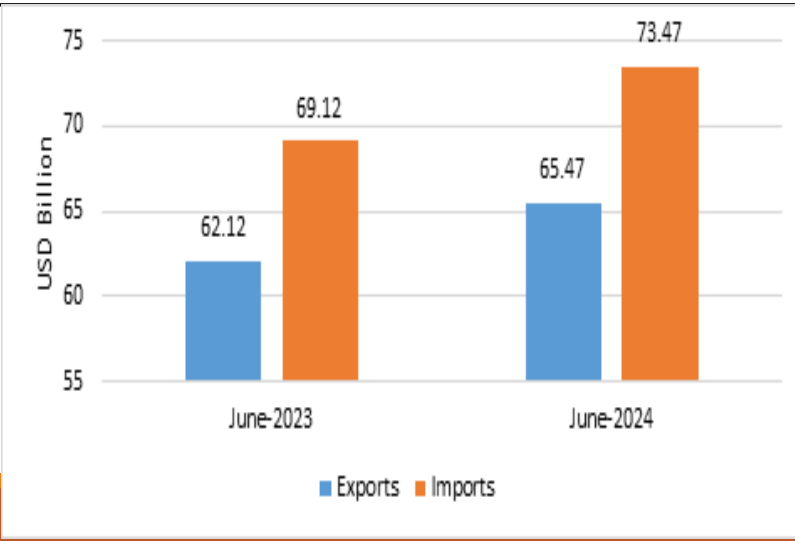
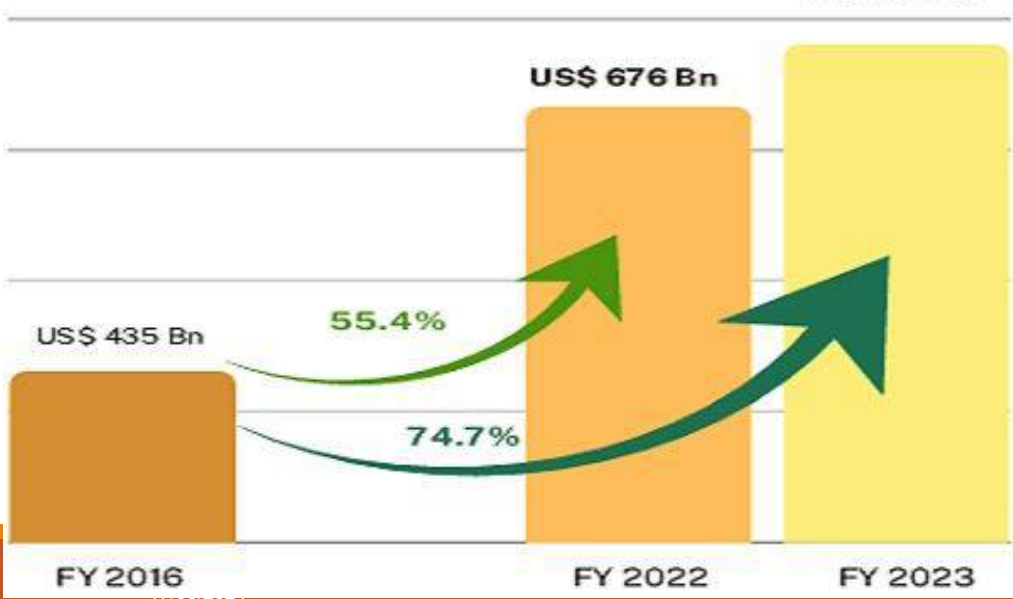
Why EXPORTs are essential ?

- ✓ Global trade- trade among nations
- ✓ India exports- India Imports
- ✓ Country's economy and balance of trade
- ✓ To earn more foreign exchange
- ✓ Make exports internationally competitive
- ✓ Quality in international market
- ✓ Export incentives/ encouragement schemes
- ✓ Goods alone are exported and NOT TAXES

Why monitored by excise /GST department ?

- Goods are NOT diverted for domestic clearance
- AVOID misuse of export benefits
- Challenges_ policy/ disputes/ tariff and non- tariff barriers

US\$ 760 Bn**



Foreign Trade Policy 2023 - Salient Features -Plan for the day

- Introduction to FTP
- Whether regulator or “facilitator” ?
- Purpose of FTP
- Implementation - Customs
- Administration of exports
- Key highlights
- Advance Authorisation scheme (**AA**)
- Duty Free Import Authorization (**DFIA**)
- Export Promotion Capital Goods (**EPCG**),
- Drawback (DBK)
- Deemed export _ IGST refund
- Remission of Duties and Taxes on Exported Products (**RoDTEP**) Schemes,
- Drawback
- **SCOMET**
- Exports- e commerce
- Liberalised warehouse scheme
- Frauds noticed
- conclusions

FTP POLICY - whether a law?

FT(D&R) Act, 1992

Foreign Trade Policy 2023

Foreign Trade Policy - 2023 (w.e.f. 1st April 2023):

Section 3 of Foreign Trade (Development and Regulation) Act, 1992 [FT(D&R) Act, 1992]	Empowers Central Government to the make provisions for development and regulation of foreign trade.
Section 5 of FT (D&R) Act, 1992	Empowers Central Government to formulate and announce by notification in Official gazette, the Foreign Trade Policy (FTP) and also amend the same by issuing a notification.
	In India, the Union Ministry of Commerce and Industry governs the affairs relating to the promotion and regulation of foreign trade.

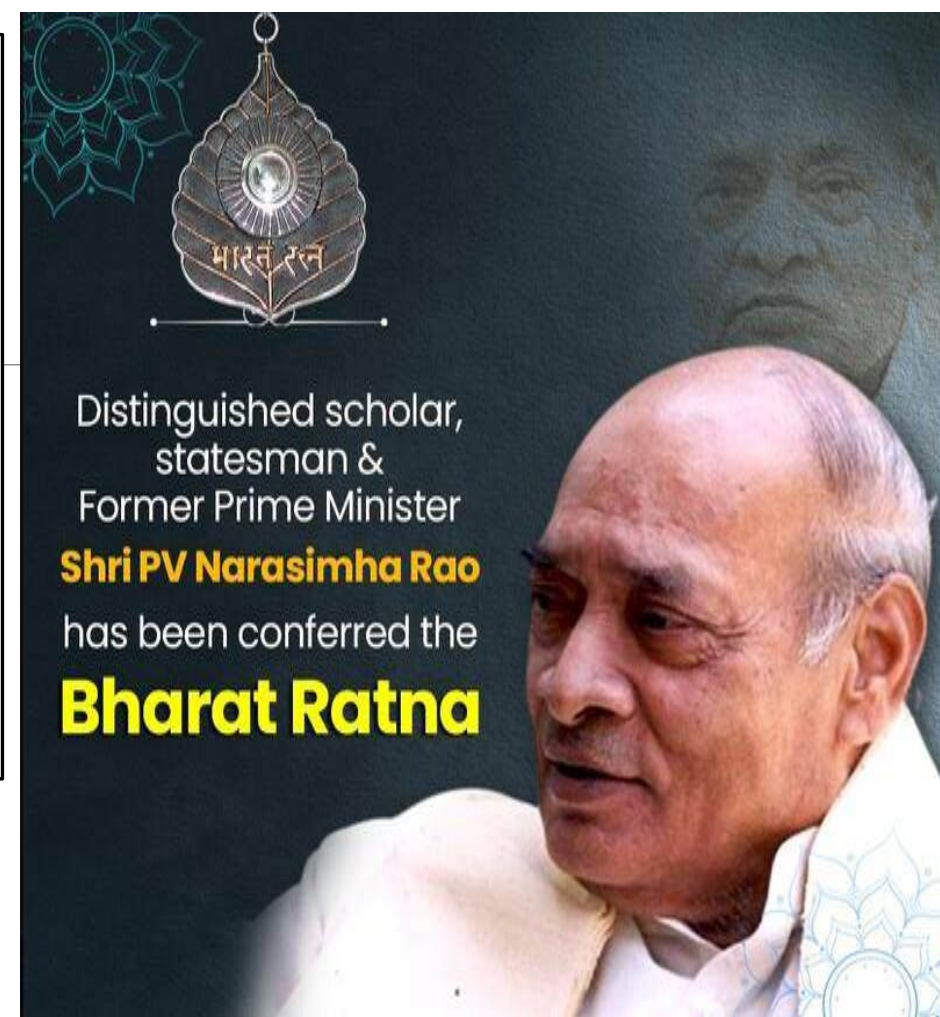


Historical Perspective - Export Import Legislations

- Exports (Control) Order 1988 -before liberalization launched
- **In 1991, - start in economic reforms in the country**
- **LPG reforms – liberalization, privatization, globalization**
- **progressively integrate - Indian economy with world.**
- Repealed Import and Export (Control) Act, 1947 / Replaced by Foreign Trade (Development & Regulation) Act, 1992
- **Foreign Trade Policy** : 5-year policy 1992-97 co-terminus with 5-year Plan ; 1997-2002 ; 2004-2009; 2009-2014 ; 2015-2020 (extended up to 31.03.2023) NN 37/2015-2020 DGFT Dated: 29th September 2022
- **Now the present policy -NN. 1/2023 dated 31st March 2023**

• Process or technique through which the state's influence over economic activity is removed is referred to as liberalisation.

- It gives businesses more decision-making liberty while removing government intervention.
- India was close to default on its international payment obligations
- Rao assumed office as PM on 21 June 1991,
- The Indian economy has undergone a significant transformation since the New Economic Strategy was adopted in 1991.



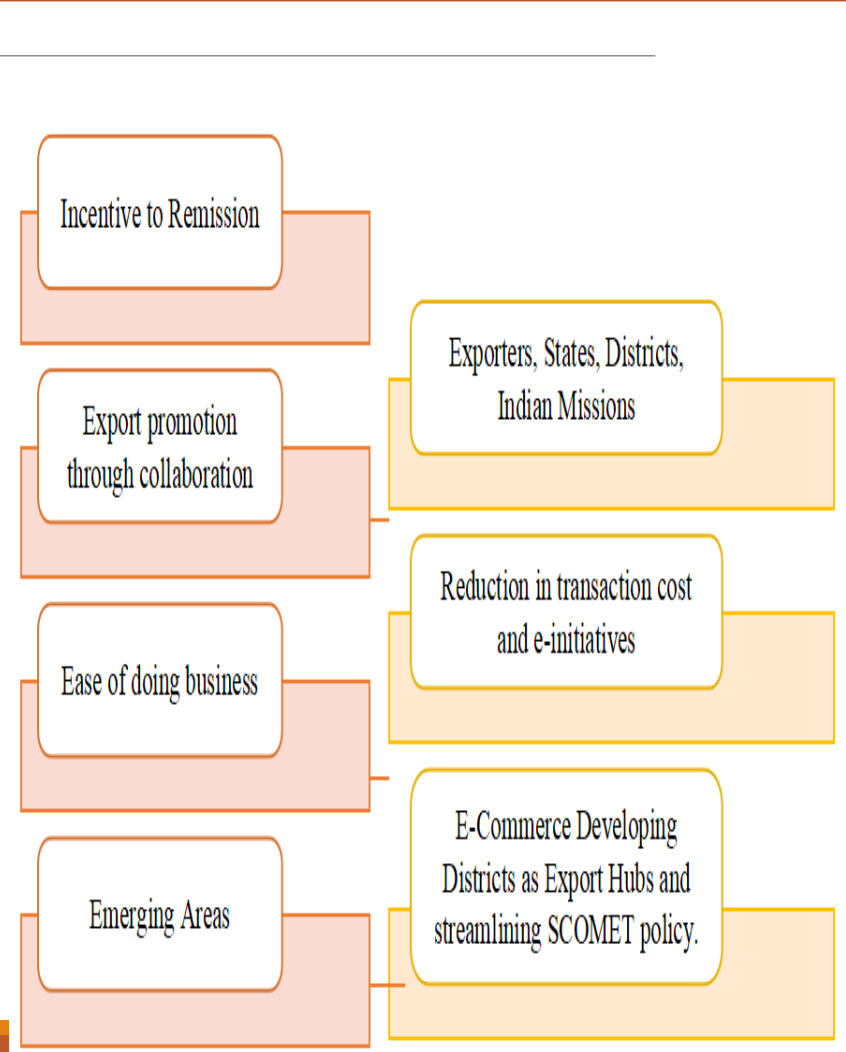
On February 9, 2024, President & Prime Minister announced that Rao will be awarded the Bharat Ratna, India's highest civilian honor, posthumously. **LPG**

New Foreign Trade Policy 2023

- ❑ Policy changes - since 2015- without announcement of a new FTP **responding dynamically to emerging situations.**
- ❑ FTP 2023 announced to provide the policy continuity.
- ❑ **Subsequent revision(s) in FTP shall be done as and when required & shall not linked to any date. -there is no end date to the new policy**
- ❑ **Continuous feedback** from Trade and Industry to streamline processes and update Policy & procedures.
- ❑ New FTP Approach From
- ❑ (i) **Incentives to Tax Remission,**
- ❑ (ii) **Greater Trade facilitation through technology, automation, &**
- ❑ (iii) **continuous process re-engineering Export promotion through collaboration:** Exporters, States, Districts Focus on Emerging Areas – E-Commerce Exports, Developing Districts as Export Hubs, Streamlining SCOMET policy.
- ❑ FTDR Act, 1992
- ❑ Customs Act 1962, Customs Tariff Act 1975
- ❑ RBI – Master circular – exports & Imports Trade Policy.



Provisions relating to Special Economic Zone (SEZ) are contained in a separate Act & are not part of FTP. However, provisions of SEZ are closely related to FTP.



Export & Import Trade Governing Bodies

Ministry of Commerce and Industry

- Nodal Authority for Trade Facilitating – Developing & Regulating Trade
- Matters Related to Multilateral and Bilateral Commercial Relations

Directorate General of Foreign Trade (DGFT)

- Responsible for the Formulation of Guidelines and Principles for Importers as well as Exporters of Country
- FTP, HBP Vol -1 & 2; ITC (HS)

Central Board of Indirect Taxes & Customs (CBIC)

- Under Ministry of Finance is the Controlling Authority to handle Custom Duty related matters & Physical Movement of Cargo Outward & Inward to the Country.
- Customs Act, 1962; Customs Tariff Act 1975; IGST Act 2017

Reserve Bank of India

- Monetary Authority - Manages Foreign Exchange;
- Facilitate External Trade and Payment and Promote orderly development and maintenance of Foreign Exchange in India
- FEMA

Various Agencies Involved in Exports / Imports



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 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

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> ➤ 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) | <ul style="list-style-type: none"> ➤ 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) | <ul style="list-style-type: none"> ➤ 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 |
|---|--|--|

Role of Export Promotion Councils (EPC)

Country Image Building

- **Country Image Building** through advertising, promotional events, and advocacy

Export Support Services

- **Export Support Services** such as **exporter training and information on trade finance, logistics, and customs etc**

Marketing through Trade Fairs

- **Marketing through Trade Fairs** or exporter and importer missions

Market Research and Publications

- In terms of lowering the costs of matching local firms with foreign buyers, export promotion agencies can work to reduce general frictions across the entire industry or support individual firms directly.

Promoting Government Schemes

- Export Promotional Council (EPC) helps and promotes the exporters by making them aware of the government schemes and other benefits.

Collecting and Restoring Data

- Export Promotional Council (EPC) further promotes and collects the export data to compare the industry growth and solve any hurdle in between.

Sending Trade Delegations

- To make arrangements for sending trade delegations and study teams to one or more countries for promoting the export of specific products and to circulate the reports of specific products and diversifying to new products.

Other roles

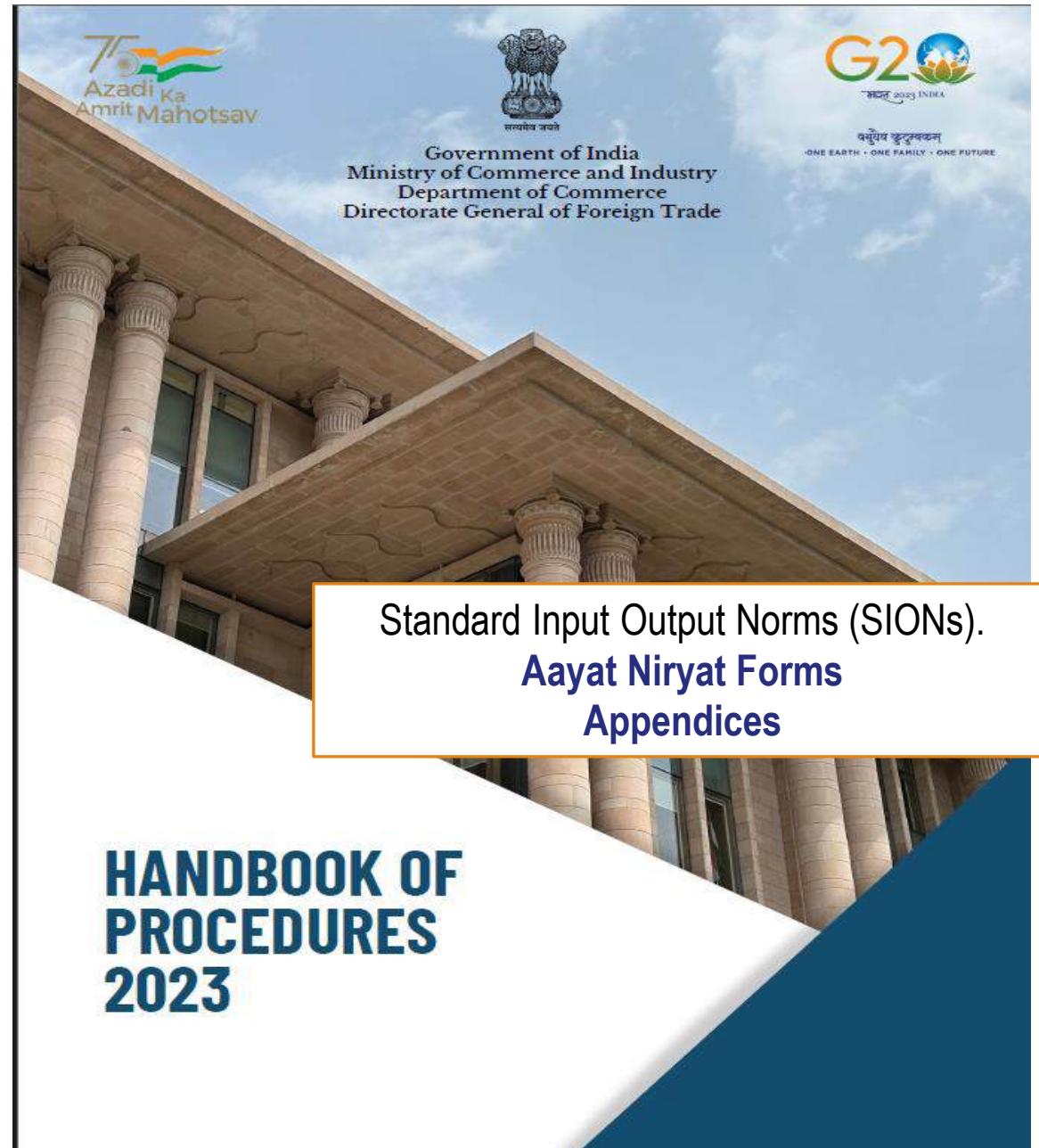
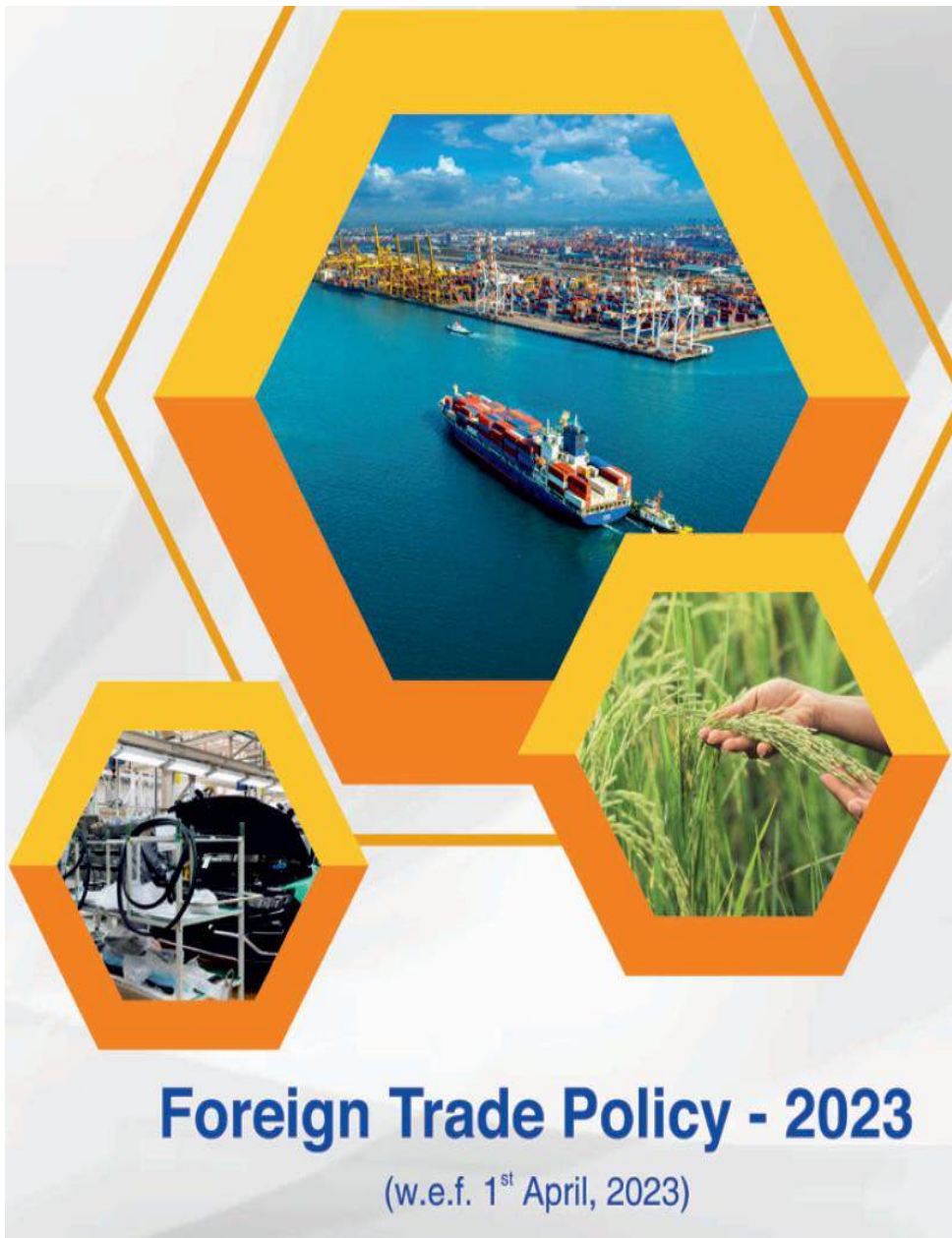
- EPC also plays various roles at the policy level to promote and grow the industry

EXIM Policy / FTP by DGFT

- Exports & imports will be **'Free' unless regulated** (2.01 FTP)
- goods for import & exports- Prohibited, Restricted with a licence from DGFT or others, State Trading Enterprises[STE goods] or **Free goods**.
- in paragraph 2.8 of HBP - **Vols 1 and 2**
- Vol 1 : Standard procedures for import and Export.
- Vol 2 : Standard Input Output Norms (SIONs).
- P1.13 No import export without Importer-Exporter Code (IEC)**
- Mandatory except for exempted categories.
- Standard Input Output Norms (SIONs).
- Aayat Niryat Forms**
- Appendices Aayat Niryat Forms**
- Registration cum membership certificate (RCMC)** : For availing **authorization to import/ export** or any **other benefit or concession** - to avail the services/ guidance, exporters are required to obtain RCMC granted by the concerned Export Promotion Councils/ FIEO/Commodity Boards/ Authorities.

FOREIGN TRADE POLICY 2023





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FTP 2023 - Objectives

- To **integrate India with the global markets**: - path to becoming a developed nation by 2047
 - lays down a **blueprint to integrate India** with global markets
 - make it a **reliable & trusted trade partner**.
- To **build a future-ready India - 'Amrit Kaal'**.
- To **create an enabling ecosystem**: move away from incentive-based regime & create to support the philosophy of '**Atma Nirbhar Bharat**' and '**Local goes Global**'. **Vocal for local**
- To **collaborate with state governments**: export promotion at the **district level**.
- To **triple India's goods and services exports aims to almost triple** India's goods and services exports to \$2 trillion by 2030, from an estimated \$760 billion in 2022-23.

New FTP 2023 Key Highlights

Ease of doing business, reduction in transaction cost and e-initiatives

-Online approvals **without physical interface Automatic approval** of various permissions - process simplification and technology implementation. Reduction in processing time and immediate approval of applications for exporters-

Permission type	Current processing time	Automatic route processing time
Advance authorization issuance	3 to 7 days	1 day
EPCG issuance	3 to 7 days	1 day
Revalidation of authorizations	3 days to 1 month	1 day
Extension of Export Obligation	3 days to 1 month	1 day

Reduction in user charges for MSMEs
 -under AA and EPCG Application fee being reduced for
 - Will benefit 55-60% of exporters who are MSMEs.
 Fee structure as shown below-

Licence Value in Rupees	User charges for non- MSMEs	Reduced User charges for MSMEs
upto1 crore	1 per 1000	100
1 crore to 10 crores	1 per 1000	5000
Above 10 crores	Cap at 100000	5000

TRADE FACILITATION & EASE OF DOING BUSINESS

P1.06 National Committee on Trade Facilitation (NCTF) -World Trade Organization's

Trade Facilitation Agreement (TFA) in April 2016. TFA emanates from the following four pillars:

- i. **Transparency:** focus on improved access to accurate and complete information.
- ii. **Technology:** development & use of digital and detection technologies to ease out trade bottlenecks and improve efficiency.
- iii. **Simplification of Procedures & Risk based Assessments:** simplified, uniform and harmonised procedures with increased adoption of a risk based management approach.
- iv. **Infrastructure Augmentation:** enhancement of infrastructure, particularly the road & rail infrastructure leading to ports and the infrastructure within ports, airports, ICDs, Land Customs Stations is a major enabler for growth in trade that cuts across all stakeholders.

P1.07 DGFT as a facilitator of exports/imports

P1.08 Free passage of Export Consignment

P1.09 No seizure of export related Stock

P1.10 Export of perishable agricultural Products

P1.11 Niryat Bandhu - Hand Holding Scheme for new export/ import entrepreneurs

National Trade Facilitation Action Plan aims to achieve

- Improvement in Ease of Doing Business through reduction in transaction cost and time
- Reduction in cargo release time
- A paperless regulatory environment
- A transparent and predictable legal regime
- Improved investment climate through better infrastructure

- **P1.08 Free passage of Export Consignment** : Consignments of items meant for exports shall not be withheld/ delayed for any reason by any agency - In case of any doubt, authorities concerned may ask for **an undertaking from exporter and release such consignment**.
- **Niryat Bandhu - Hand Holding Scheme for new export/ import** entrepreneurs: by DGFT -for mentoring new and potential exporter on the intricacies of foreign trade through counseling, training and outreach programmes including the 'Districts as Export Hubs'
- **DGFT Online Customer Portal**: Export Import related information including Acts, Rules, Policy and Procedures etc. are available online at DGFT portal <https://dgft.gov.in/>.
- **Issue of e-IEC (Electronic-Importer Exporter Code)**: (<https://dgft.gov.in/>).
- **Online facility for e-RCMC/RC Related Processes**: DGFT has created a common digital platform for application of issuance, renewal, amendment and related processes pertaining to Registration Cum Membership Certificate (RCMC)/ Registration Certificate (RC) issued by Registering Authorities in electronic form as per Chapter 2 of HBP.
- **Online facility for e- Certificate of Origin (e-CoO)**.
- Online facility to file **Quality Control and Trade Disputes (QCTD)**.
- **Electronic record** of export proceeds through eBRC & EDPMS:
 - (a) e-BRC (Electronic Bank Realisation Certificate) has enabled DGFT to capture details of realisation of export proceeds directly from the Banks through secured electronic mode. This has facilitated the implementation of various export promotion schemes without any physical interface with the stake holders.
 - (b) RBI has also developed a comprehensive IT-based system called Export Data Processing and Monitoring System (EDPMS) for monitoring of export of goods and software and facilitating AD banks to report various returns through a single platform.
- RBI EDPMS data available in DGFT IT System can also be used by exporters on DGFT portal.

P1.15 -E-Certificate of Origin Revamp proposed- to provide for self-certification of CoOs as well as automatic approval of CoOs, -. Initiatives for **electronic exchange** of CoO data with partner countries envisaged.-

- *Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020-CAROTAR,2020*

Paperless filing of export obligation discharge applications All authorisation redemption applications to be paperless –entire lifecycle of the authorization shall become paperless.

2. Export promotion initiatives

2.1 Status Holder Export Thresholds Rationalised - Enabling more exporters to achieve higher status and reduced transaction cost for exports.

3.21 Status Category	FOB (as converted) Value (in US \$ million)	
	Existing Export Performance Threshold	Revised Export performance Threshold
One Star Export House	3	3
Two Star Export House	25	15
Three Star Export House	100	50
Four Star Export House	500	200
Five Star Export House	2000	800

Privileges of Status Holders

- (a) Authorisation and Customs Clearances for both imports and exports on self-declaration basis;
- (b) Input-Output norms may be fixed on priority within 60 days by the Norms Committee ;
- (c) Exemption from furnishing of Bank Guarantee for Schemes under FTP.
- (d) Two star and above Export houses shall be permitted to establish Export Warehouses as per Department of Revenue guidelines.
- (e) Three Star and above Export House shall be entitled to get benefit of Accredited Clients Programme (ACP) as per the guidelines of CBEC (website: <http://cbec.gov.in>).
- (f) The status holders would be entitled to preferential treatment and priority in handling of their consignments by the concerned agencies.
- (g) Manufacturers who are also status holders (Three Star/Four Star/Five Star) will be **enabled to self-certify their manufactured goods** , for preferential treatment under different preferential trading agreements (PTA), Free Trade Agreements (FTAs), Comprehensive Economic Cooperation Agreements (CECA) and Comprehensive Economic Partnership Agreements (CEPA).
- (i) Status holders shall be entitled to export freely exportable items (excluding Gems and Jewellery, Articles of Gold and precious metals) on free of cost basis for export promotion subject to an annual limit

P 2.39 Merchanting Trade reform –involving shipment of goods from one foreign country to another foreign country without touching Indian ports, involving an Indian intermediary is allowed subject to compliance with RBI guidelines, except for goods/items in the CITES and SCOMET list.

CGST schedule III –negative list – “7. *Supply of goods from a place in the non-taxable territory to another place in the nontaxable territory without such goods entering into India.*

•8. (a) *Supply of warehoused goods to any person before clearance for home consumption; (b) Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption”.*

- CITES - Convention on International Trade in Endangered Species of Wild Fauna and Flora

- Appendix I - threatened with extinction -highest level of protection e.g., tigers (*Panthera tigris* subspecies), Asian elephant (*Elephas maximus*)

- Appendix not necessarily threatened with extinction, but trade must be controlled in order to avoid utilization incompatible with their survival. E.g., the great white shark (*Carcharodon carcharias*),

- Appendix III-protected in at least one country, & that country has asked other CITES Parties for assistance

- SCOMET- Special Chemicals, Organisms, Materials, Equipment and Technologies - export of which is regulated

2.52 Denomination of Export Contracts- Rupee payment to be accepted under FTP Schemes Effective step towards internationalisation of Rupee FTP benefits extended for rupee realisations through special Vostro accounts setup as per RBI circular issued on 11 July 2022

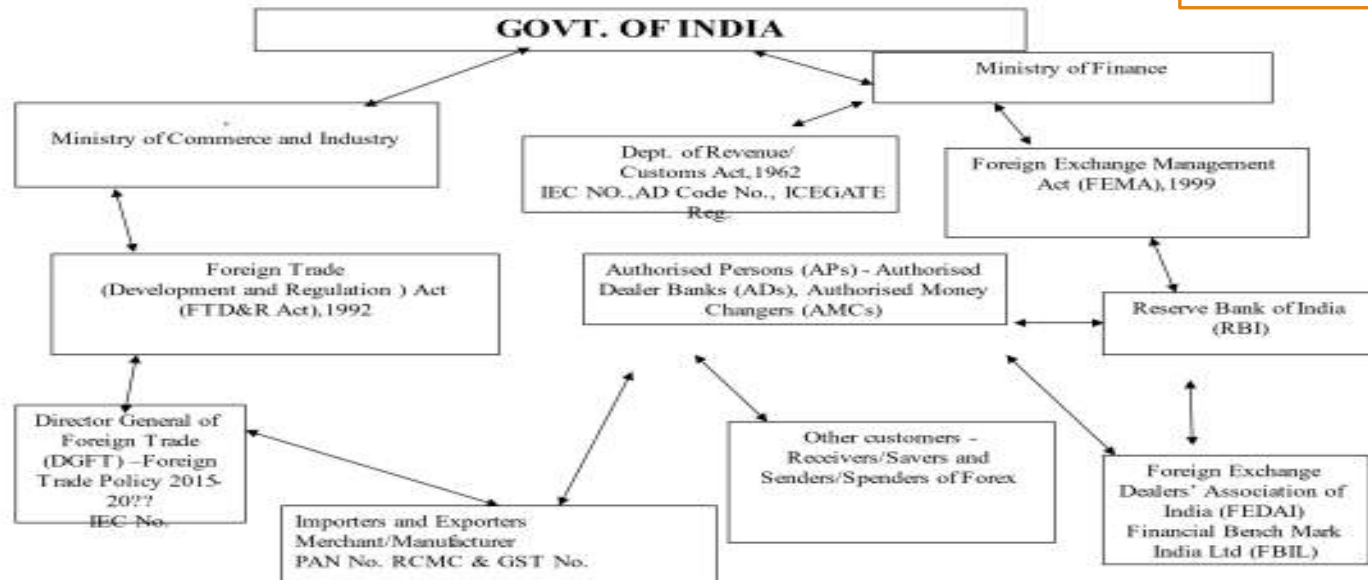
The Reserve Bank of India (RBI) has allowed invoicing and payments for international trade in Indian Rupee vide A.P (DIR Series) Circular No. 10 RBI/2022-2023/90 dated 11.07.2022 on “International Trade Settlement in Indian Rupees (INR)”.

Impact on Importers & Exporters- Changes introduced in FTP vide DGFT NN 43/2015-20 & Public Notice 35/2015-20 both dated 09.11.2022 for grant of exports benefits & fulfilment of Export Obligation for export realisations in INR as per RBI guidelines

•Vostro accounts 22 countries – Russia, Germany, Israel, United Kingdom, Malaysia, Russia, Singapore, New Zealand, Sri Lanka, Myanmar, Botswana, Israel, Fiji, Oman, Germany, Kenya, Guyana, Mauritius, Seychelles, Tanzania, and Uganda, Bangladesh....

**REGULATORY AUTHORITIES & ROLE OF FEMA 1999/
ADMINISTRATION OF FOREIGN EXCHANGE IN INDIA**

Administration of Foreign Exchange in India



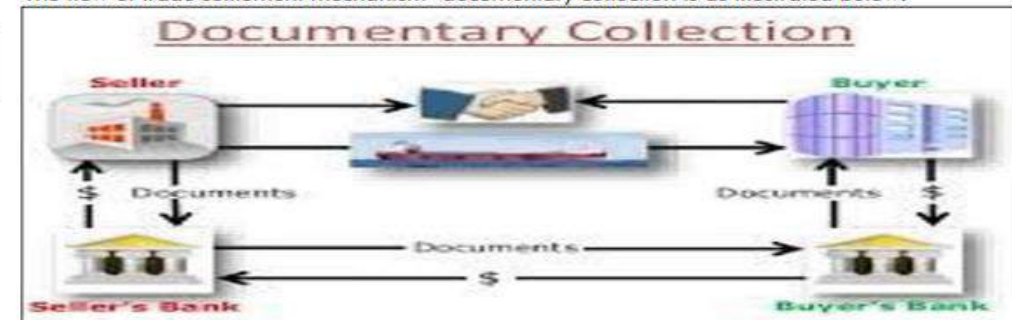
Handbook on- Settlement Of foreign Exchange In Indian Rupee Banking, Financial Services And Insurance Board (BFSIB)- ICMA publication

SETTLEMENT OF FOREIGN EXCHANGE IN INDIAN RUPEE

**INTERNATIONAL TRADE
SETTLEMENT MECHANISM/CYCLE**

(NO LC – under Collection Basis – URC 522 – ICC Paris)

The flow of trade settlement mechanism- documentary collection is as illustrated below:



- **P1.23 Towns of Export Excellence (TEE) - Four new towns** declared- in addition to the already existing 39 towns. -Faridabad -Apparel ; Moradabad - Handicrafts; Mirzapur – Handmade; Carpet and Dari Varanasi - Handloom & Handicraft
- gives thrust to **cluster based economic development.**
- **industrial clusters** recognized based on export performance
- Benefits under TEE Scheme are
 - Recognition- Helps in getting recognition/credibility attached to industrial units of the region/town while exploring/expanding into newer markets. Puts such industrial units/town on the global stage.
 - **Market Access Initiative Scheme (MAI) Scheme** – Recognized associations of units are provided financial assistance under **MAI Scheme** on priority basis, for export promotion projects for marketing, capacity building and technological services. - can get financial assistance to visit various trade exhibitions/fairs for exploring more marketing avenues.
 - Common Service Provider facility –entitled for Authorisation under EPCG Scheme which can help in increasing the competitiveness of the cluster and provide enabling environment.
 - This arrangement gives facility to exporters to not own all the infrastructure for conversion from inputs to final export products.

Chapter 3 - Districts as Export Hubs initiative

- States & Districts as **partners in export promotion** **Districts as Export Hubs**
- aims to boost India's foreign trade by **decentralizing export promotion**.
- Bring a greater level of **awareness and commitment** regarding exports at district level.
- Identification of products/services in all the districts.
- Create institutional mechanisms at the State & District level to strategize exports (**State Export Promotion Committee & District Export Promotion Committee**). Preparation of **District Export Action Plans (DEAPs)** outlining the action plan to promote identified products and services.
- Make States and Districts meaningful stakeholders and active participants.
- **Capacity building at district level** - to create new exporters and identification of new markets.
- Training, handholding, and outreach programs by DGFT field offices in coordination with District Industries Centers. Regional Authorities of DGFT working with the States/UTs to prepare District specific Export Plans. Export promotion outreach programs in districts to focus on branding, packaging, design and marketing of identified product & services.
- **3.3 Infrastructure and logistics development** intervention To address Infrastructure and Logistics bottlenecks impeding exports. Districts to focus on development of logistics, testing facilities, connectivity for exports and other export-oriented ecosystem.

Chapter 9 - Promoting Cross Border Trade in Digital Economy - E-Commerce & postal Exports

Objective -provide a framework for cross-border trade of G/S from India in digital economy & promotion of e-Commerce & other emerging channels of exports from India.

-E-COMMERCE EXPORT HUBS (ECEHs) - 9.08 Objective of E-Commerce Export Hubs

-to establish designated areas as **ECEHs**, - act as a centre for favourable business infrastructure & facilities for Cross Border E-Commerce activities..

-To streamline e-Commerce export facilitation – Guidelines being formulated in consultation with other ministries to facilitate further exports under e-Commerce. Special outreach and training activities for small e-commerce exporters Handholding through industry and knowledge partners

--E-Commerce Export Hubs Designated hubs with warehousing facility to be notified, to help e-commerce aggregators for easy stocking, customs clearance and returns processing. Processing facility to be allowed for last mile activities such as labelling, testing, repackaging etc.

-9.12 Dak Niryat Kendras - shall be operationalized throughout the country to work in a hub-and-spoke model with Foreign Post Offices (FPOs) to facilitate cross-border e-Commerce and to enable artisans, weavers, craftsmen, MSMEs in the hinterland and land-locked regions to reach international markets.

- Steps to Boost Manufacturing Prime Minister Mega Integrated Textile Region and Apparel Parks (PM MITRA) scheme - to claim benefits under CSP(Common Service Provider) Scheme of Export Promotion capital Goods Scheme(EPCG).
- Dairy sector to be exempted from maintaining Average Export Obligation – to support dairy sector to upgrade the technology.
- Battery Electric Vehicles (BEV) of all types, Vertical Farming equipment, Wastewater Treatment and Recycling, Rainwater harvesting system and Rainwater Filters, and Green Hydrogen are added to Green Technology products – will now be eligible for reduced Export Obligation requirement under EPCG Scheme Special Advance Authorisation Scheme extended to export of Apparel and Clothing sector under para 4.07 of HBP on self-declaration basis to facilitate prompt execution of export orders – Norms would be fixed within fixed time-frame.
- Benefits of **Self-Ratification Scheme** for fixation of Input-Output Norms extended to 2 star and above status holders in addition to Authorised Economic Operators at present.
- Fruits and Vegetables exporters are being included for double weightage for counting export performance under eligibility criteria for Status House certification.
- This is in addition to existing MSME sector who also get double weightage.

- Special one-time Amnesty Scheme for default in Export Obligations In the interest of trade and industry and to motivate the exporters, relief to be provided to exporters who are unable to fulfill their EO against the EPCG and Advance Authorizations.
- Amnesty scheme shall be available for a limited period, up to 30.09.2023. Cases under investigation for fraud and diversion are not eligible under this scheme.

Way Forward

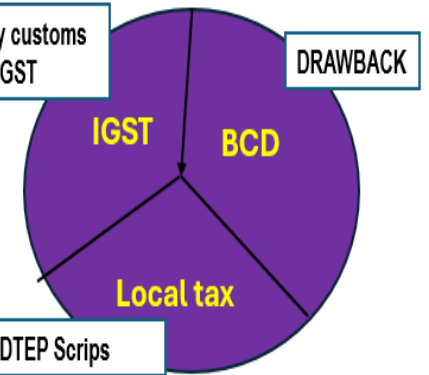
- FTP to be dynamic and responsive to the emerging trade scenario.
- Wider Engagement with States & Districts to promote exports from the grassroots.
- Focus on E-commerce exports to streamline processes and make it easier for exports to grow in e-commerce space.
- Sector specific targets to achieve the goal of a one trillion-dollar merchandise exports by 2030.
- Consultative mechanism to resolve issues of trade & Industry.
- Work towards making **Indian Rupees a global currency** & facilitating International Trade settlement in INR.
- Restructuring of Department of Commerce to make it future ready.

**CUSTOMS
GST
Duty refund**

**DGFT
Duty exemption**

**DGFT
incentive**

IGST refunded by customs
or ITC refund by GST



**ADVANCE
AUTHORISATION**

Zero rated

RODTEP

DFIA

MEIS

MOOWR Scheme

- MEISSEIS
- DFIA / AA
- DEEC/DEPB
- EPCG
- **Remission of Duties & Taxes on Exported Products (RoDTEP)**
- ZERO RATED
- DRAWBACK
- Manufacturing and Other Operations in a Customs Bonded Warehouse [MOOWR]

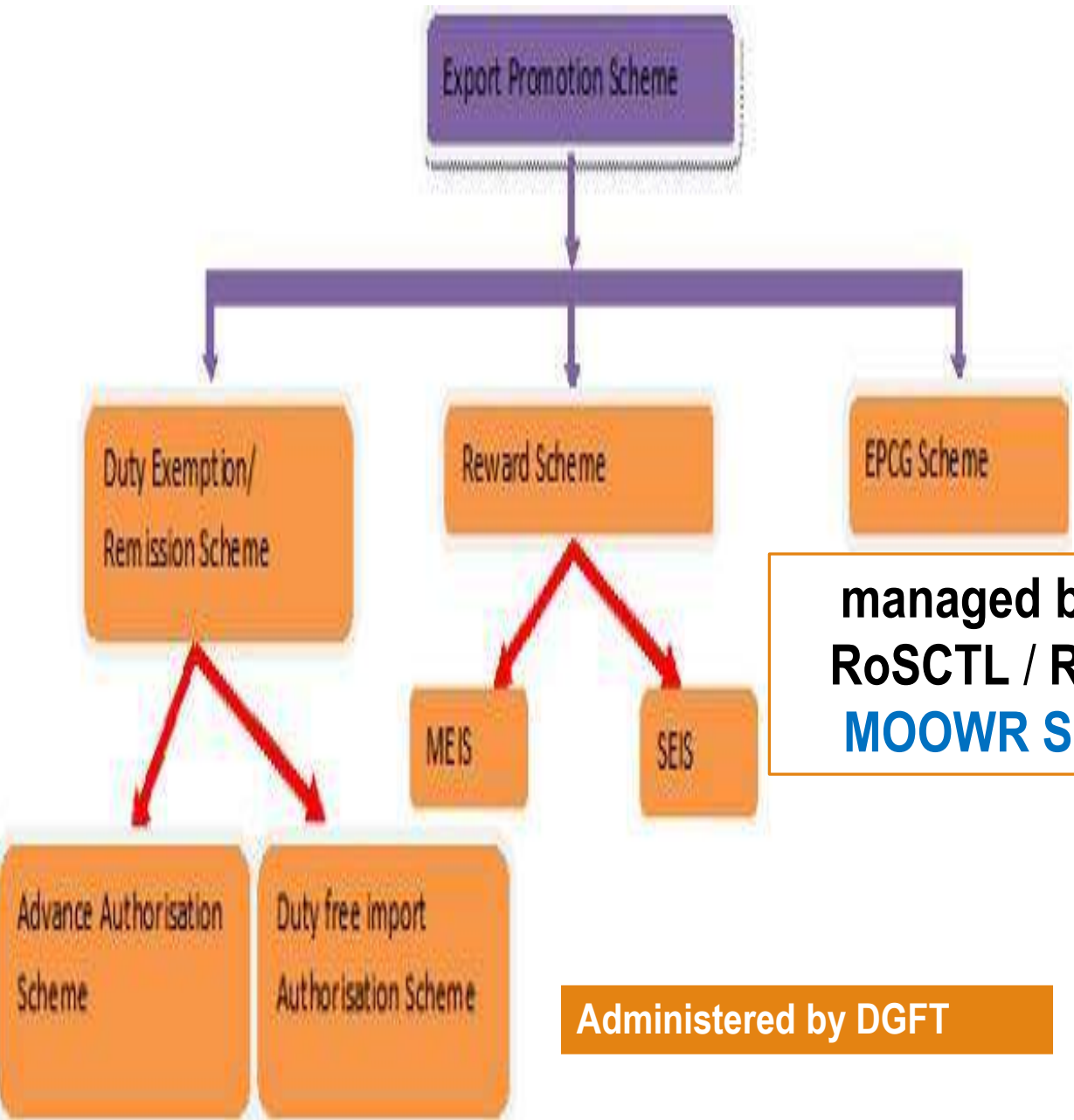
Drawback//

EPCG

SEIS

**Chapter 4 Duty Exemption / Remission Schemes
Chapter 5 Export Promotion Capital Goods (EPCG) Scheme**

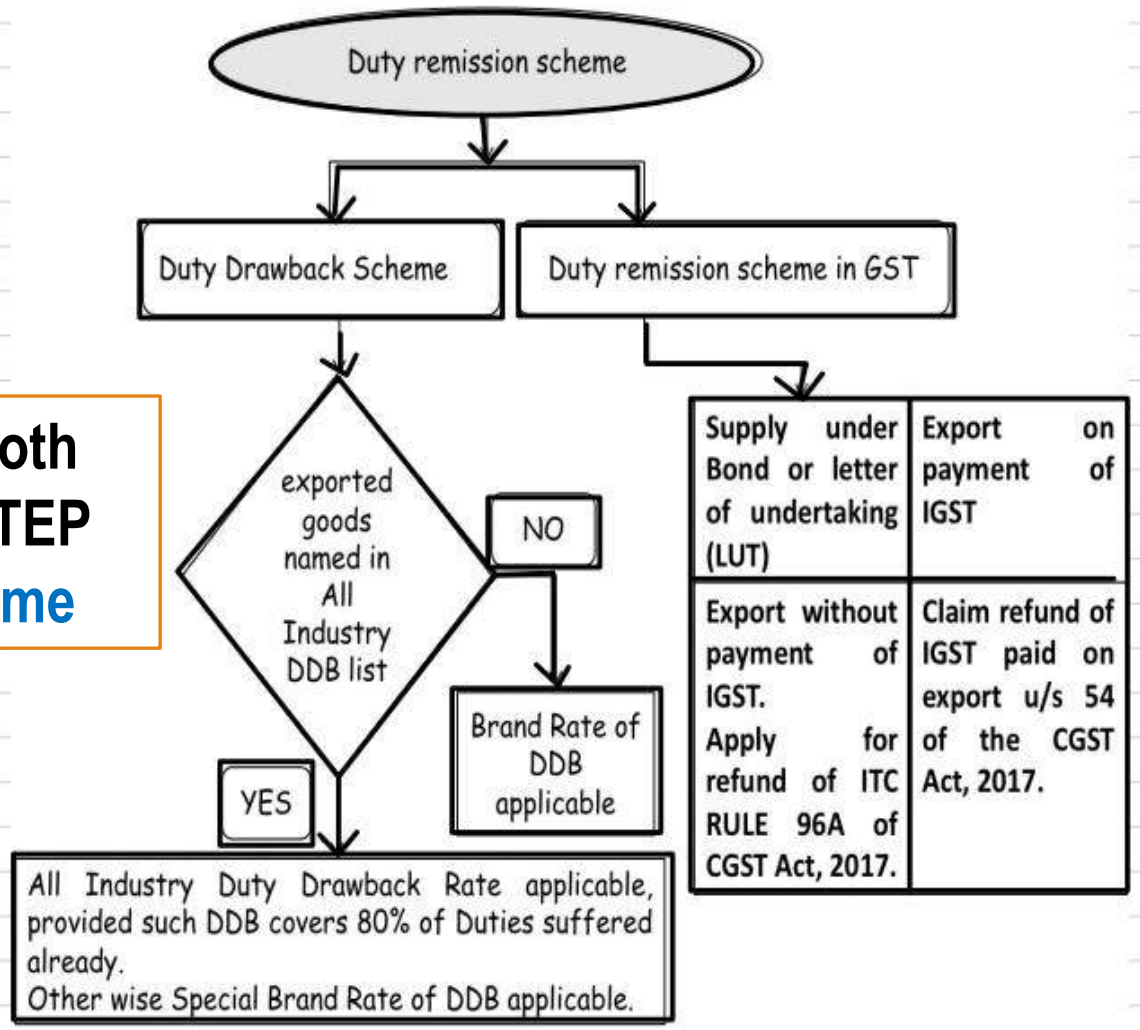
**Chapter 6 EOUs, EHTPs, STPs & BTPs
Chapter 7 Deemed Exports**

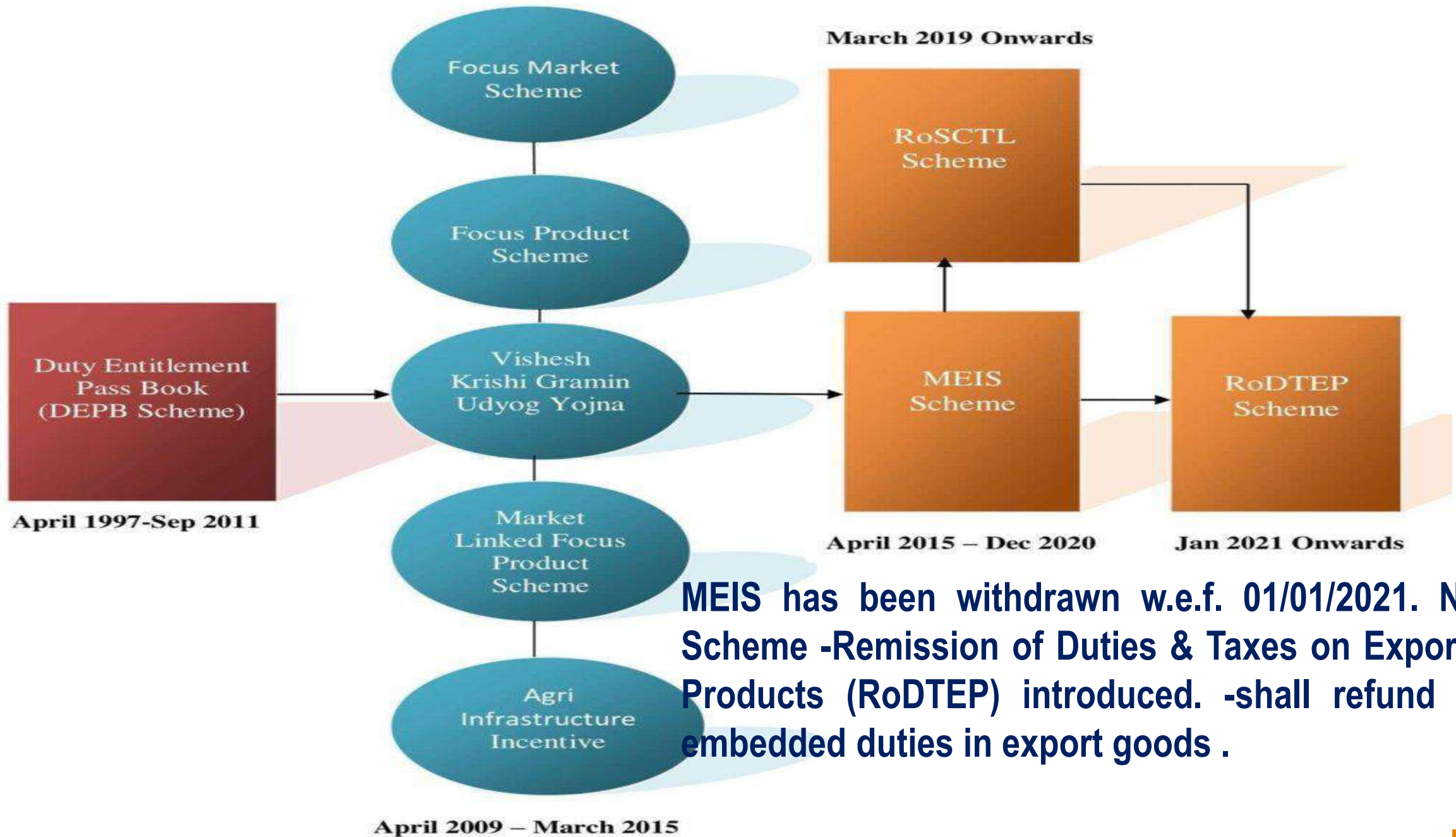


managed by both
RoSCTL / RoDTEP
MOOWR Scheme

Administered by DGFT

Duty Remission Scheme:





MEIS has been withdrawn w.e.f. 01/01/2021. New Scheme -Remission of Duties & Taxes on Exported Products (RoDTEP) introduced. -shall refund the embedded duties in export goods .

Chapter 4 - Duty Exemption /Remission Schemes

– **Objective** – enable duty free import of inputs for export production, including replenishment of inputs or duty remission.- **4.01 Schemes**

(a) **Duty Exemption Schemes** - consist of the following:

- Advance Authorisation (AA) (which will include Advance Authorisation for Annual Requirement).
- Duty Free Import Authorisation (DFIA).

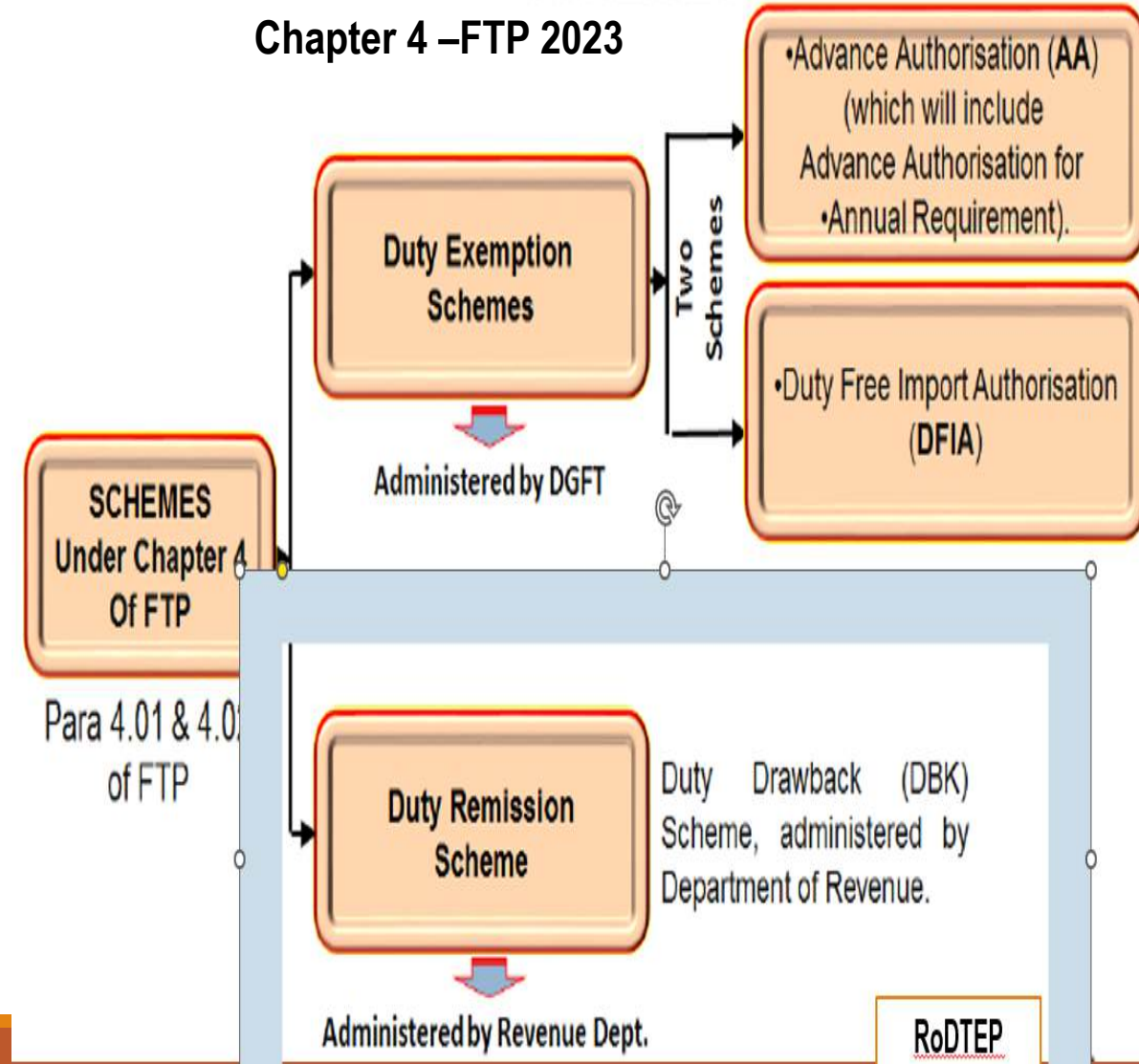
(b) **Duty Remission Scheme.-** Duty Drawback (DBK) Scheme, administered by Department of Revenue.

(c) Scheme for Rebate on State and Central Taxes and Levies (RoSCTL), as notified by the Ministry of Textiles.

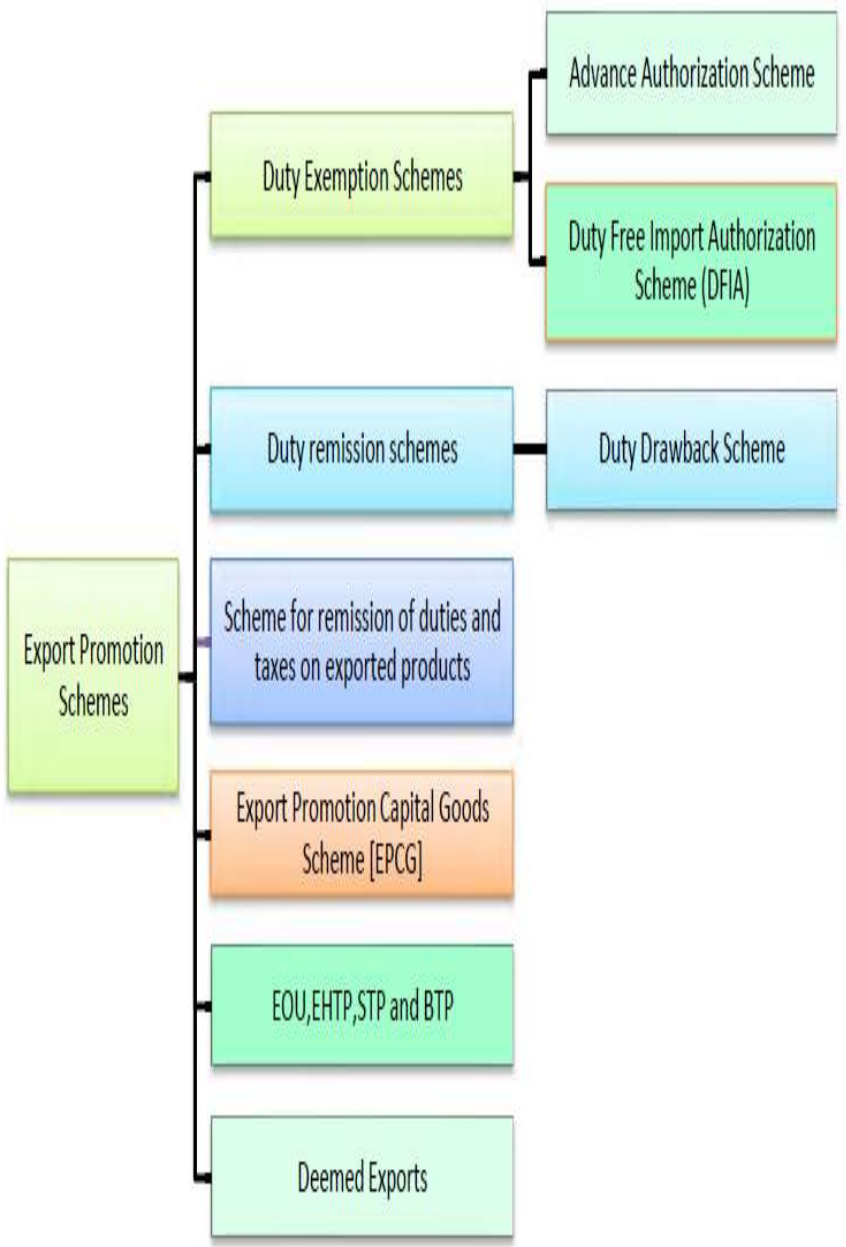
(d) Schemes for Remission of Duties and Taxes on Exported Products (RoDTEP) notified by Department of Commerce and administered by Department of Revenue.

DUTY EXEMPTION / REMISSION⁵⁰ SCHEMES

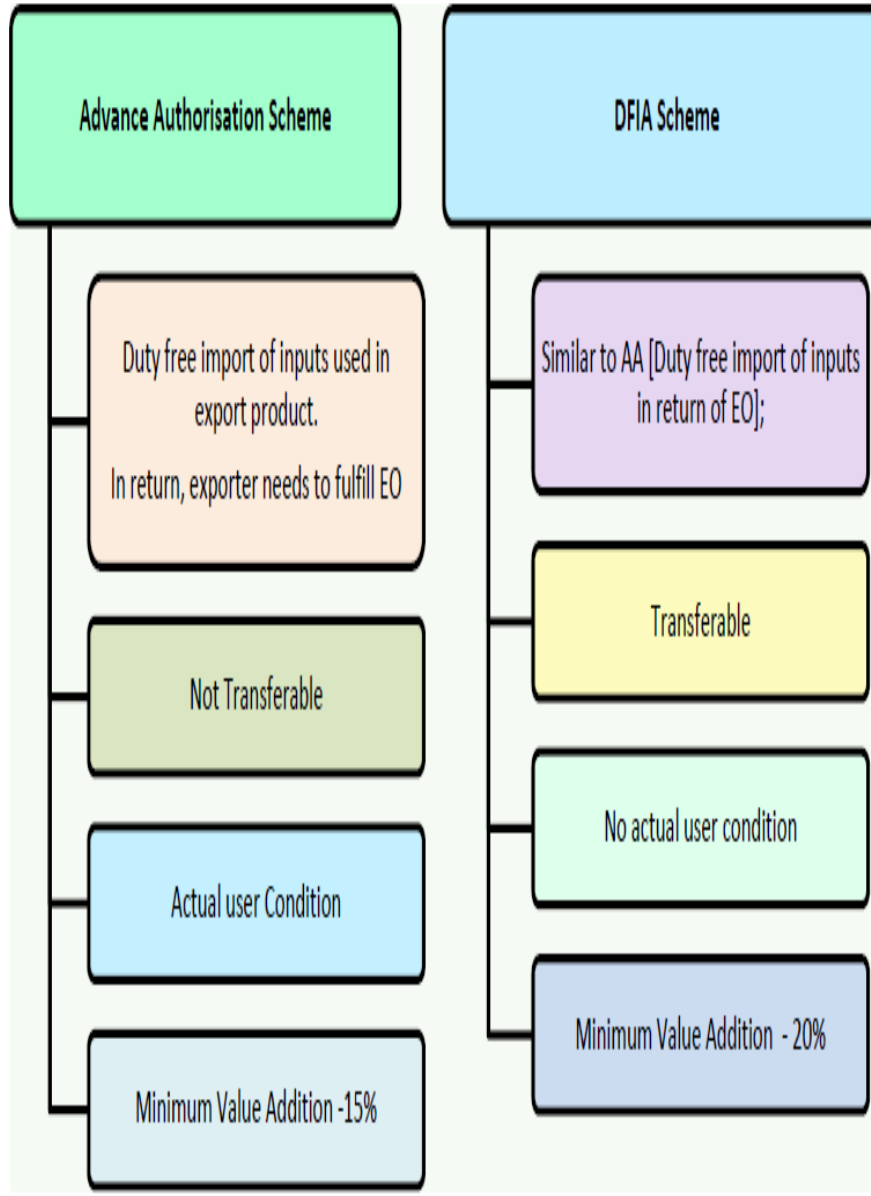
Chapter 4 –FTP 2023



Export Promotion Schemes



Advance Authorisation and DFIA Scheme



EPCG, EOU, EHTP, STP & BTP Schemes, Deemed Exports



4.03 Advance Authorisation

(a) issued to allow duty free **import of input, which is physically incorporated in export product (making normal allowance for wastage).**

(b) Advance Authorisation is issued for inputs in relation to resultant product, on the following basis:

- (i) As per SION notified (available in HBP); OR
- (ii) On the basis of self declaration as per paragraph 4.07 of HBP OR
- (iii) Applicant specific prior fixation of norm by the Norms Committee. OR
- (iv) On the basis of Self Ratification Scheme in terms of Para 4.07A of Foreign Trade Policy.

4.05 Eligible Applicant / Export / Supply

(a) AA - either to a manufacturer exporter or - merchant exporter tied to supporting manufacturer.

(b) AA for pharmaceutical products manufactured through Non-Infringing (NI) process (as indicated in paragraph 4.18 64 of HBP) shall be issued to manufacturer exporter only.

(c) AA shall be issued for:

- (i) Physical export (including export to SEZ);
- (ii) Intermediate supply; and/or
- (iii) Supply of goods to the categories mentioned in paragraph 7.02 (b), (c), (e), (f), (g) and (h) of this FTP.
- (iv) Supply of 'stores' on board of foreign going vessel / aircraft, subject to condition that there is specific Standard Input Output Norms in respect of item supplied.

Advance Authorisation



Subject to 'Actual User' condition

Allowed Duty Free Imports Subject to Fulfilment of Export Obligation



SN Panigrahi

Advance Authorization Scheme (AA) : minimum 15% value addition.

- issued for inputs in relation to resultant products as per SION, as prescribed in HBP Vol. II)- AA normally validity period of 12 months for the purpose of **making imports and a period of 18 months** for fulfilment of Export Obligation (EO) from the date of issue.

Eligible Applicant / Export / Supply

(a) Issued to a manufacturer exporter or merchant exporter tied to supporting manufacturer.

(b) for pharmaceutical products manufactured through Non-Infringing (NI) process (as indicated in paragraph 4.18 of HBP) shall be issued to manufacturer exporter only.

(c) Advance Authorisation shall be issued for: ie **Eligible Supply**

(i) Physical export (including export to SEZ);

(ii) Intermediate supply; and/or

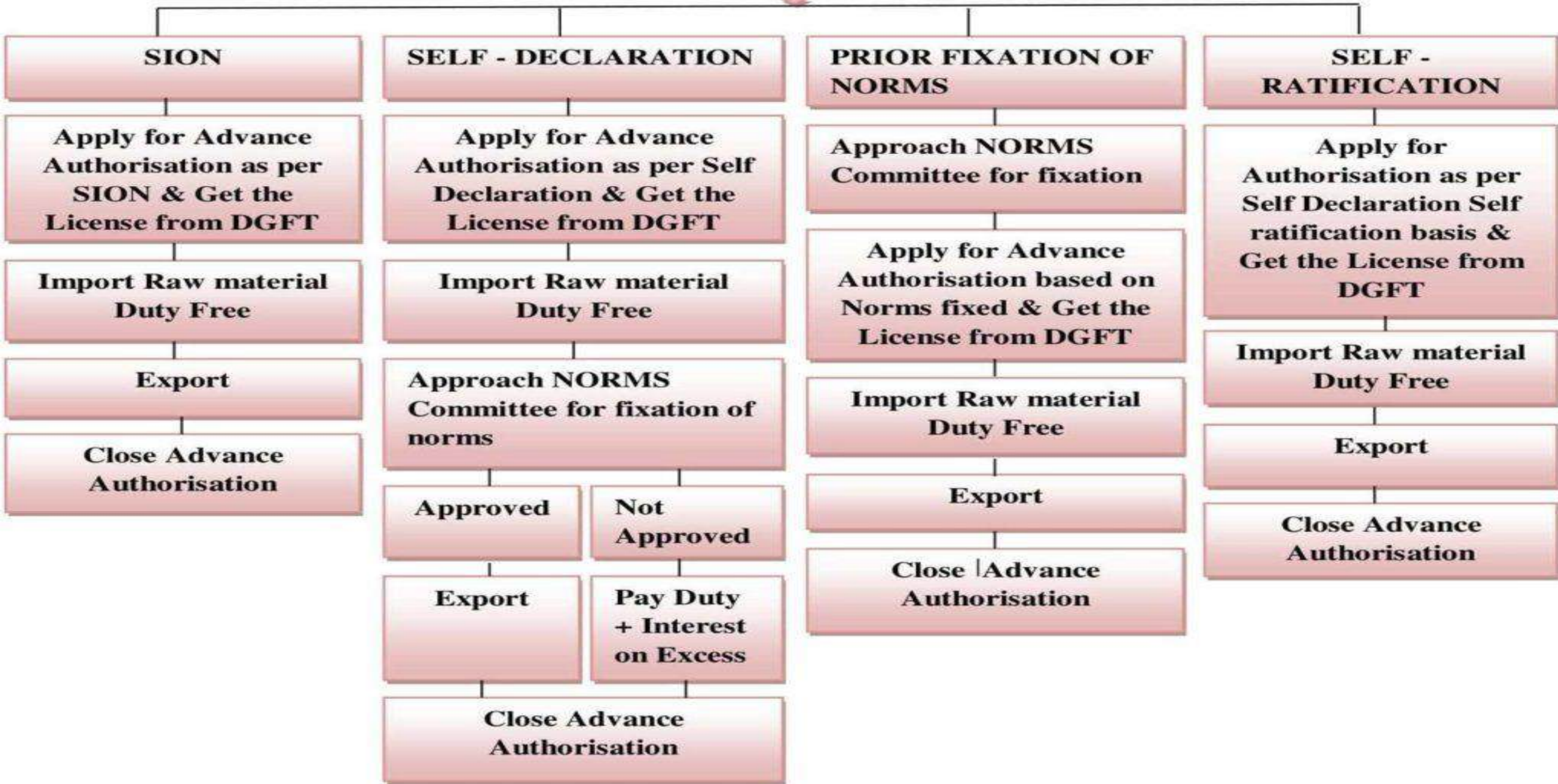
(iii) Categories of goods mentioned in paragraph 7.02 (b), (c), (e), (f), (g) and (h) of FTP.

(iv) Supply of “stores” on board of foreign going vessel / aircraft, subject to SION.

Basis of issuance of Advance Authorisation: issued for inputs in relation to resultant product, on the following basis:

- As per Standard Input Output Norms (SION) notified; or
- On the basis of self declaration or
- Applicant-specific prior fixation of norm by the Norms Committee or
- On the basis of Self Ratification Scheme

Advance Authorisation Scheme Methods



Advance Authorization Exemption from Duty on Imports (As per Para 4.14 of FTP)

Import Under
Advance
Authorisation

Import of
GST
Applicable
Items

Exempted from Payment of

Basic Customs Duty,
IGST
Anti-dumping Duty,
Safeguard Duty,
Transition Product Specific
Safeguard Duty, wherever applicable.
Imports against Advance
Authorisations for physical exports are
exempted from Integrated Tax and
Compensation Cess upto 31-3-2020
only.

- DGFT Notification : No. 57/2015-20; Dated 20.03.2019
- Customs Notification : 08/2019-Cus, dt. 25-03-2019

Import of
Non-GST
Items

Exempted from Payment of

Basic Customs Duty,
Additional Customs Duty,
Education Cess + SH Ed. Cess,
Anti-dumping Duty,
Countervailing Duty,
Safeguard Duty,
Transition Product Specific
Safeguard Duty, wherever applicable.

SN Panigrahi

DUTY FREE IMPORT AUTHORIZATION (DFIA) SCHEME

Provisions applicable to Advanced Authorisation are broadly applicable in case of DFIA. However, these Authorizations shall be issued only for products for which Standard Input and Output Norms (SION) have been notified. Duty Free Import Authorisation (DFIA) is issued to allow duty free import of inputs. In addition, import of oil and catalyst which is consumed / utilised in the process of production of export product, may also be allowed.

The goods imported are exempt ONLY from basic customs duty. Additional customs duty/excise duty, being not exempt, shall be adjusted as CENVAT credit as per DoR rules.

ONLY BCD exempted

DFIA shall be issued on post export basis for products for which SION have been notified. Separate DFIA shall be issued for each SION and each port.

Para 4.26 Duties Exempted : (i) DFIA shall be exempted only from payment of Basic Customs Duty (BCD).

Para 4.27 Eligibility

(i) DFIA shall be issued on **post export basis** for products for which **SION have been notified**.

(ii) Merchant Exporter shall be required to mention name and address of supporting manufacturer of the export product on the export document viz. S/B / Bill of Export / Tax Invoice for export prescribed under the GST rules.

(iii) Application is to be filed with RA before effecting export under DFIA

(iv) No DFIA shall be issued for an input which is subjected to pre-import condition or where SION prescribes 'Actual User' condition or Appendix-4J prescribes pre import condition for such an input.

4.29 Validity & Transferability of DFIA

(i) Applicant shall file online application to RA before starting export & generate file number.

(ii) Export shall be completed within 12 months from that date

(iii) While export / supply, applicant shall indicate file number on documents viz. Shipping Bill / / Bill of Export / Tax invoice.

(vi) Separate DFIA shall be issued for each SION and each port.

Duty Drawback - is a trusted and time-tested scheme administered by CBIC to promote exports.- It rebates the incidence of Customs, chargeable on imported material when used as inputs for goods to be exported. This WTO compliant scheme ensures that exports are zero-rated and do not carry the burden of the specified taxes.

Administered by the DoR. : Under this scheme products made out of duty paid inputs are first exported and thereafter refund of duty is claimed :The scheme comprises of three categories, i.e.

(a) All Industry Rate; (b) Brand Rate; and (c) Drawback on re-export of imported goods. Refer : Circular No. 52/2018. dated 12.12.2018 & NN.95/2018-Cus (NT) dtd 06.12.2018 ; NN 66/2018 - Cus,dt. 26-09-2018: NN 46/2018 - Cus (N.T.), dated 25-04-2018 visit : <http://cbic.gov.in/htdocs-cbec/customs/dbk-schedule/dbk-idx>

Section 74 /75 of Customs Act

- **Customs & CED - DBK Rules, 2017**(effective from 01.10.2017)
- “ in relation to any goods manufactured in India & exported, -excluding integrated tax leviable u/s 3(7) and 3(9) of the CTA”
- Rules allow claim of DBK of ED, BCD (excluding IGST on materials used in manufacture) **suffered at the raw material stage.**

- **Sec 75** of the Customs Act
- **All Industry Rates (AIR)** are published in the schedule
- The DBK rates are calculated based on the incidence of duties on the export product
- **Brand rate /special brand rate** is decided by Customs on products not covered in the schedule, on application by the exporter
- **Duty Drawback on re-export of imported goods:** can also be claimed on the export of duty-paid imported goods. Under this facility, goods imported earlier may be exported and Duty Drawback of up to 98% of import duty paid can be claimed on such exports. Proof of duty paid on importation and identification of the export goods as those that were imported earlier are among the primary requirements under this scheme. Length of period between the date of clearance for home consumption and the date when the goods are placed under Customs control for export

Percentage of import duty to be paid as Drawback

- 1. Not more than three months - 95%
- 2. More than three months but not more than six months - 85%
- 3. More than six months but not more than nine months - 75%
- 4. More than nine months but not more than twelve months - 70%
- 5. More than twelve months but not more than fifteen months -65%
- 6. More than fifteen months but not more than 18 months- 60%
- 7. More than eighteen months 'Nil'.

Duty Drawback on re-export of imported goods: can also be claimed on the export of duty-paid imported goods. Under this facility, goods imported earlier may be exported and Duty Drawback of up to 98% of import duty paid can be claimed on such exports. Proof of duty paid on importation and identification of the export goods as those that were imported earlier are among the primary requirements under this scheme. Length of period between the date of clearance for home consumption and the date when the goods are placed under Customs control for export

Percentage of import duty to be paid as Drawback

- 1. Not more than three months - 95%
- 2. More than three months but not more than six months - 85%
- 3. More than six months but not more than nine months - 75%
- 4. More than nine months but not more than twelve months - 70%
- 5. More than twelve months but not more than fifteen months -65%
- 6. More than fifteen months but not more than 18 months- 60%
- 7. More than eighteen months 'Nil'.

- **Scope of the RoDTEP Scheme** - approved on 13/03/ 2020 **operationalized from 01.01.2021**
- India lost the case at WTO - came up with a new WTO-compliant scheme - the RoDTEP Scheme -
- RoDTEP - new scheme to replace the existing MEIS
- Aims to reimburse the **taxes and duties** incurred by exporters such as **local taxes, coal cess, mandi tax, electricity duties and fuel** used for transportation, which are not exempted or refunded under any other existing scheme.
- Exporters will be able to monitor the clearance status real-time via a digital platform.
- acts as an authentic source to UN, WTO and other foreign embassies
- Scheme to make Indian products cost-competitive & create a level playing field in global market
- Taxes /duties refunded under RoDTEP
- **- Who are eligible?**
 - Applicable to all sectors (including textiles), with priority given to labour-intensive sectors
 - Both merchant exporters (traders) and manufacturer exporters are eligible
 - SEZ Units and EOU Units are also eligible to claim benefits
 - No minimum turnover criteria to claim RoDTEP
 - Goods exported through e-commerce platforms via courier are also eligible.
 - Country of origin of the exported products should be India, re-exported products are not eligible

Shift From
MEIS to **RoDTEP**

Key features of the new RoDTEP scheme

Under the Scheme, exporters will get **refunds in the form of transferable duty credit/electronic scrip**, which will be maintained in an electronic ledger.

MoF announced that the ITC will create a fully automated refund module to the manufacturing and service sector **through Form GST RST-01**.

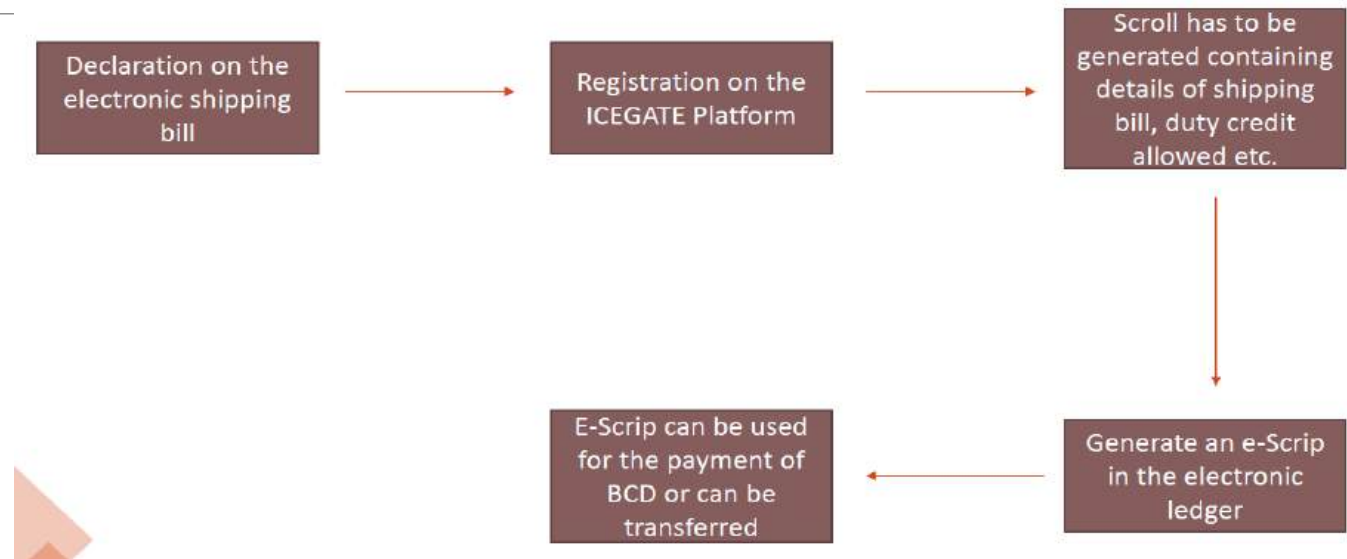
Procedure For RoDTEP Scheme Application

- ✓ RoDTEP Scheme - similar to existing RoSCTL Scheme (Rebate of State and Central Taxes and levies).
- ✓ RoSCTL Scheme is only for the made-ups & apparel sectors.
- ✓ Application shall be filed online Digital signature Certificate on ICEGate website(<https://www.icegate.gov.in/>).
- ✓ Relevant S/bills shall be linked with the online application by Exporter /Applicant.
- ✓ Refund under RoDTEP Scheme would be in the form of duty credit
- ✓ which will be transferable,
- ✓ in the form of electronic scrip - maintained in the electronic ledger.
- ✓ Implementation of the process - end to end digitization.

- Advisory No. 01/2021 RoDTEP – dated 1.1.2021
- Exporters log into their ICEGATE account and create the RoDEP Credit Ledger Account,
- by IECs- registered on ICEGATE with a DSC.
- Use the Credit Ledger tab
- Claim in Shipping Bill: mandatory for exporters
- wef 01.01.2021 – indicate whether or not intends to claim RoDTEP on the export goods
- RoDTEP rates will be notified as per RITC Code
- Therefore no need to declare any separate code or schedule serial number.
- **not specifically claimed in Shipping Bill** – no benefits will accrue
- RoDTEP would accrue to the exporter
- S/Bs with RoDTEP and/or Drawback claim after the EGM is filed, are routed through RMS.
- will move to the respective scroll queues
- officers to generate RoDTEP scrolls
- Once scroll is generated, amounts would be available to exporter as credits on ICEGATE portal.
- Exporter will be able to club the credits allowed for any number of S/Bs at a port & generate a credit scrip for the same on ICEGATE portal.

- Scripts once generated will reflect in the exporter's ledger and will be available for utilization in paying eligible duties during imports or for transfer to any other entity having IEC and a valid ICEGATE registration.
- The owner of the scrip will be able to use the scrip in the Bills of Entry, by giving the details in the license table of the Bill of Entry.
- The transferable duty credit/electronic scrips which will be maintained in electronic ledger, can be used to pay Basic Customs duty
- Freely transferable to other importers
- **Rates shall be notified shortly (wrt eligible export of goods) and will be applicable from 01 January 2021**

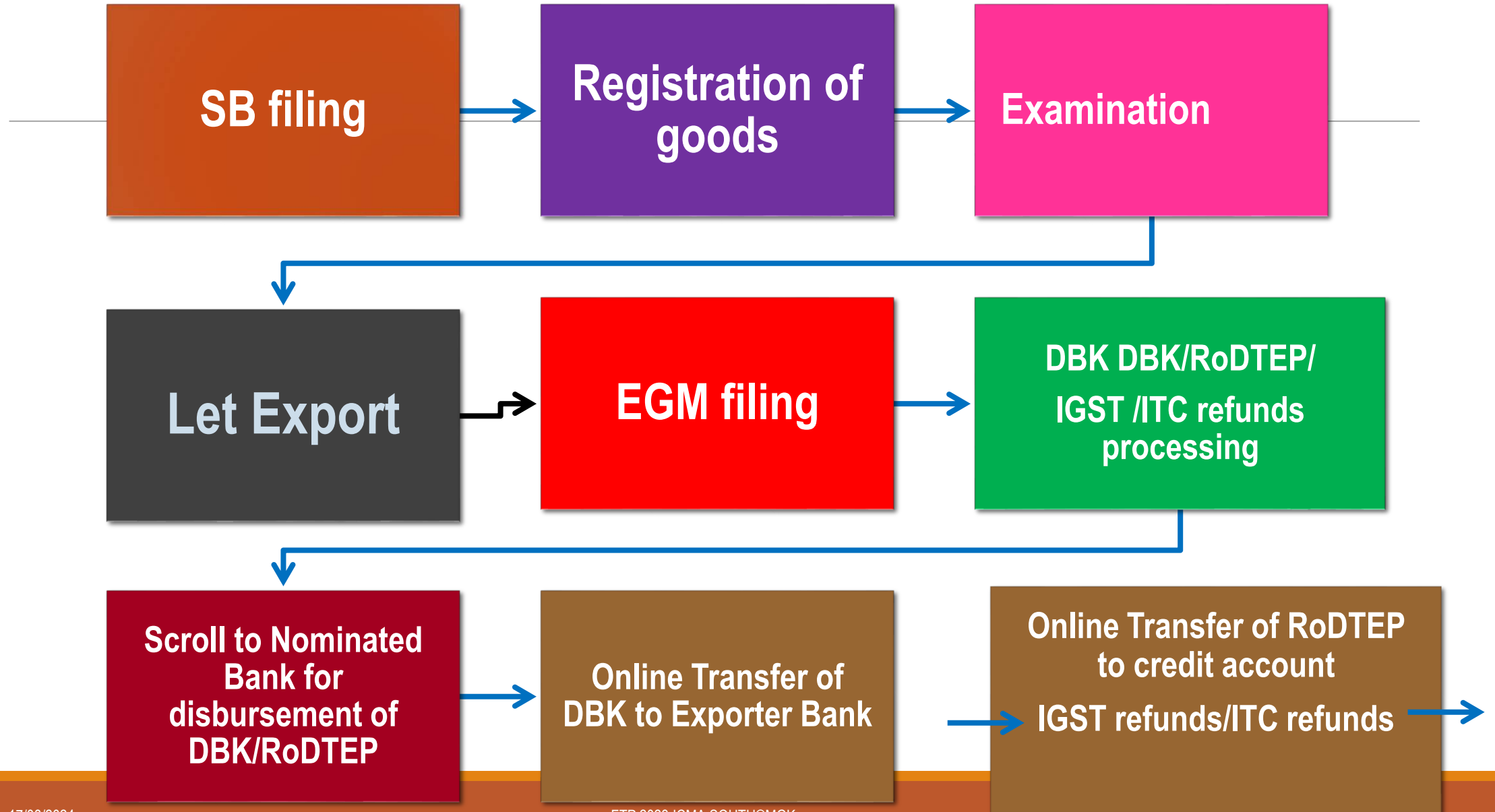
Remission of Duties or Taxes on Export Product (RoDTEP)



Ineligible categories under RoDTEP

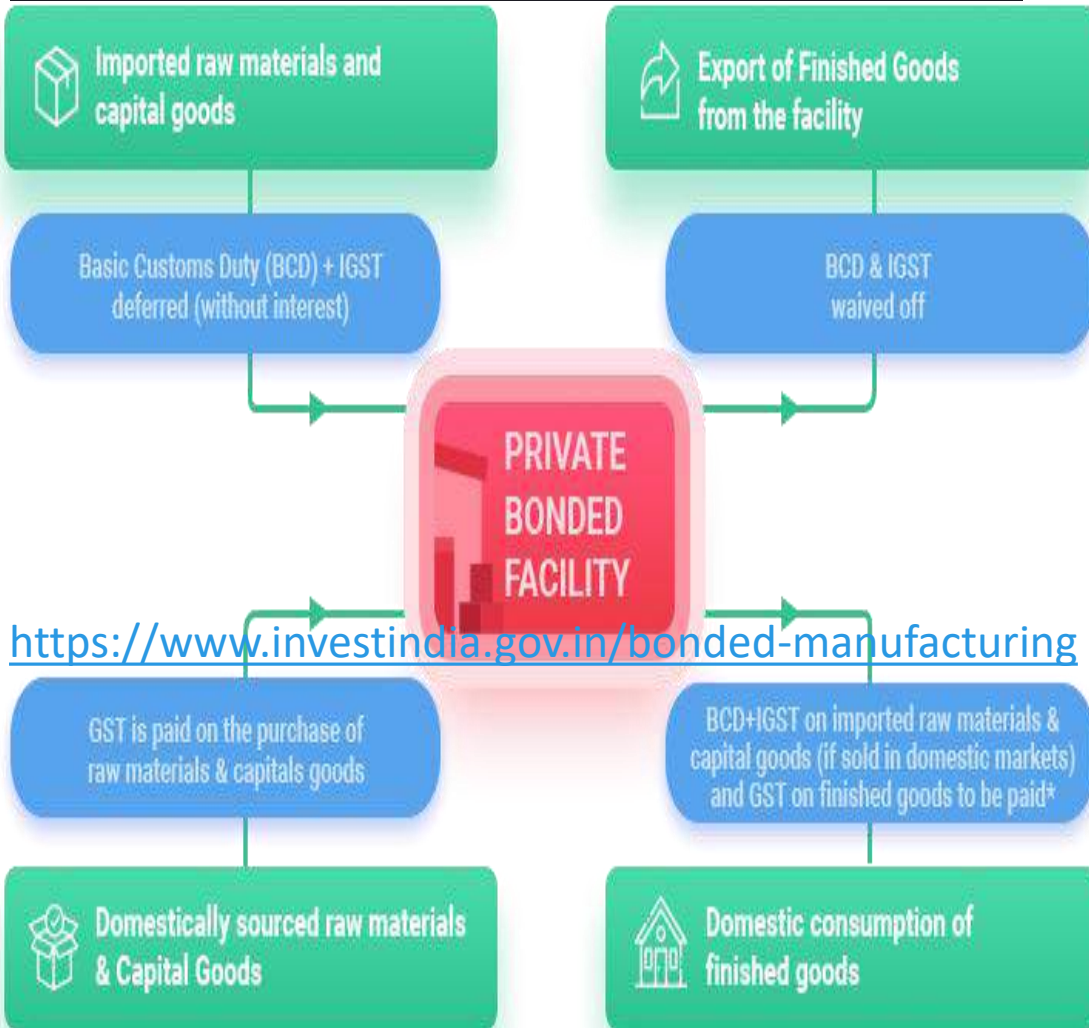
S. No.	Export categories or sectors ineligible for duty credit
1	Goods which are restricted or prohibited for export under Schedule-2 of Export Policy in ITC-HS
2	Export of imported goods covered under paragraph 2.46 of Foreign Trade Policy i.e. Import for Export
3	Exports through trans-shipment, meaning thereby exports that are originating in third country but trans-shipped through India
4	Goods subject to minimum export price or export duty
5	Deemed exports under Foreign Trade Policy
6	Goods manufactured or exported by any of the units situated in Special Economic Zone/ Free Trade Warehousing Zone/Electronic Hardware Technology park/Bio-Technology park/ Export Processing Zone or exported through DTA unit
7	Goods manufactured or exported by a unit licensed as hundred per cent Export Oriented Unit
8	Goods manufactured and supplied by units in Domestic Tariff Area to units in Special Economic Zone/Free Trade Warehousing Zone
9	Goods manufactured partly or wholly in a warehouse under section 65 of the Customs Act, 1962 (52 of 1962)
10	Goods for which claim of duty credit is not filed in a shipping bill or bill of export in the customs automated system
11	Goods that have been taken into use after manufacture

Process flow of DBK / RoDTEP Shipping Bill



Bonded Manufacturing

Scheme for Manufacturing and Processing in a Bonded Facility



<https://www.investindia.gov.in/bonded-manufacturing>

India allows manufacturing & other operations in a bonded manufacturing facility.

- to promote India as the **manufacturing hub globally**
- ease of doing business,
- initiative by CBIC
- **- allowing import of raw materials & capital goods without payment of duty**
- -for manufacturing and other operations
- When goods are imported, **import duty - is deferred.**
- If these **imported inputs are utilised for exports, the deferred duty is exempted.**
- Only when the **finished goods are cleared to the domestic market, import duty is to be paid** on the imported raw materials used in the production.
- When finished goods are exported, in addition to the waiver of BCD + IGST on the imported goods used, the GST on the finished goods can be zero-rated.
- All administrative operations – digital & self assessment mode

- 01 Overview
- 02 **Advantages of Bonded Manufacturing**
- 03 Types of Beneficiaries
- 04 Steps to Start Manufacturing
- 05 Steps for Clearance of Warehoused Goods
- 06 Essentials to Benefit from Bonded Manuf...
- 07 Requirements for Record-keeping
- 08 Stakeholders
- 09 Gallery



ANNEXURE B



ANNEXURE C



TRANSFER OF
GOODS



FAQS



NEW APPLICATION



RETRIEVE APPLICATION



Advantages of bonded warehousing

Highlights

Deferred duty on imported capital goods

+ More

Deferred duty on imported raw materials

+ More

Warehouse to warehouse duty free transfer allowed

+ More

No fixed export obligation

+ More

Ease of bonded manufacturing



Single point of approval

Commissioner of Customs acts as the single point of contact for all approvals



Common form

Common application cum approval form for a license for private bonded facility and permission for manufacturing and other operations



Unlimited period of warehousing

Capital and non-capital goods (raw materials, components, etc.) can remain warehoused until clearance or consumption



No geographical restriction

New manufacturing facility can be set up or an existing facility can be converted into a bonded manufacturing facility irrespective of its location in India



Easy compliance

Maintain all records of manufacturing and other operations digitally in a single format as per [Annexure B](#)

<https://www.investindia.gov.in/bonded-manufacturing>

CHAP 5 - Export Promotion Capital Goods (EPCG) SCHEME

- **Objective** : to facilitate import of capital goods for producing quality goods and services and enhance India's manufacturing competitiveness- allows import of capital goods (except in Appendix 5 F)
 - for pre-production, production and post-production
 - at zero customs duty.[Capital goods imported under EPCG Authorisation for physical exports are also exempt from IGST and Compensation Cess upto 31.03.2020 only]
- Authorisation holder may also procure Capital Goods from indigenous sources with provisions of paragraph 5.07 of FTP.

Capital goods[CG] for EPCG scheme shall include:

- (i) CG as defined in Chap 9 including in CKD/SKD condition;
 - (ii) Computer systems & software being a part of CG being imported;
 - (iii) Spares, moulds, dies, jigs, fixtures, tools & refractory; and
 - (iv) Catalysts for initial charge plus one subsequent charge.
- (b) Import of CG for Project Imports notified by CBIC is permitted.
- (c) Shall be subject to an export obligation equivalent to 6 times of duties saved on CGs, to be fulfilled in 6 years from date of Authorisation.

Authorisation valid for import for 18 months from the date of issue.

Revalidation of EPCG Authorisation shall not be permitted.

Export Promotion Capital Goods Scheme ('EPCG'):

Under EPCG Scheme, duty free import of capital goods which are required for manufacture of the export products is allowed.

The exporter is obligated to export the goods of an amount equal to 6 times of the amount of duty saved.

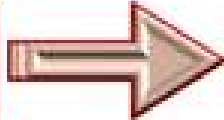
The said goods should be manufactured using the same capital goods which have been imported under EPCG scheme.

The export obligation is required to be fulfilled in 6 years.

Extended upto 31.03.2021

Basic customs duty, social welfare cess and IGST is exempted under EPCG scheme.

EPCG Scheme



Para 5.01(a) of
FTP 2015-20

Allows Import

Except those
specified in
negative list in
Appendix 5 F

For Pre-
Production

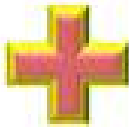
For
Production

For Post
Production

Duties Exempted under EPCG Scheme-

IGST and Compensation
cess is exempted only up to
31.03.2021. The
Government may extend the
date through a notification
issued from time to time.
Capital Goods under EPCG
Scheme can also be
procured from indigenous
sources (In such cases,
applicable GST for the
supply would be exempted.

@ Zero Basic
Customs Duty



~~CESS
Exempted~~



~~Compensation
Cess
Exempted~~

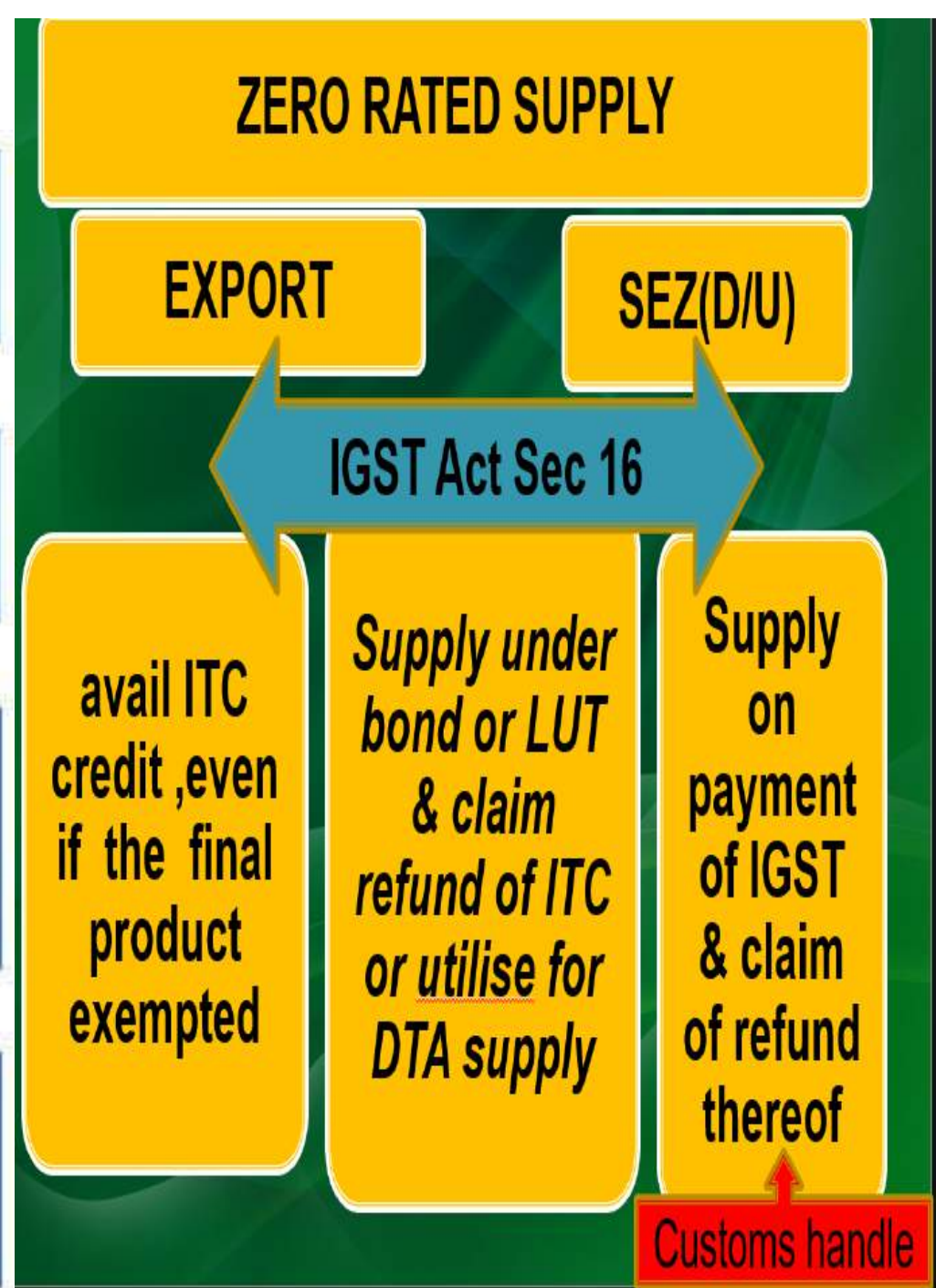
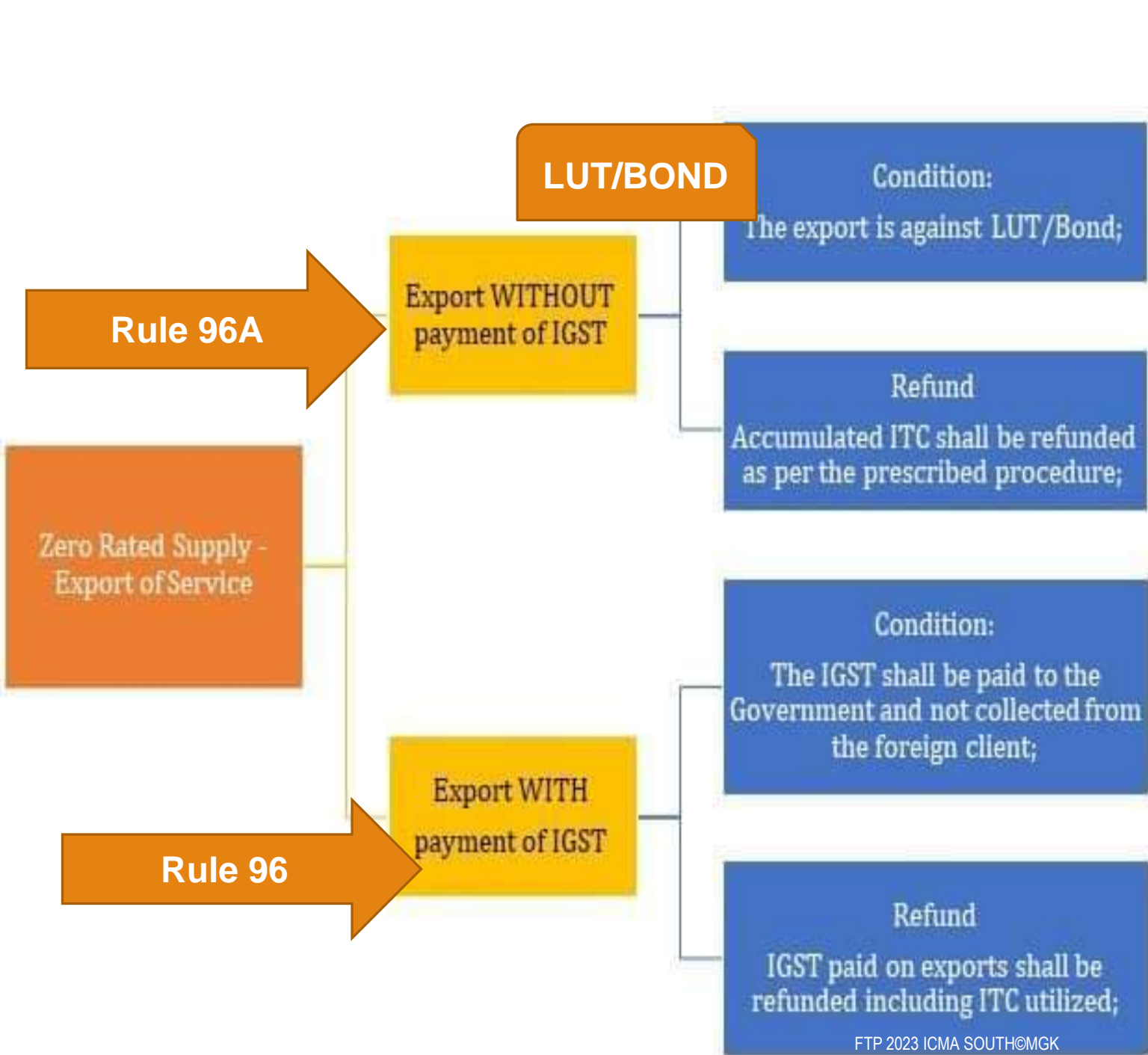
Under Section 12 of
Customs Act, 1962
Notification No. 16/
2015 – Customs;
Dt 1 st April, 2015.

Sec 3.7 of
Customs Tariff
Act, 1975

Sec 3.9 of
Customs Tariff
Act, 1975



Sr. no.	Name of item	Importability under EPCG
Export Promotion Capital goods (EPCG) Scheme: Negative list (Appendix 5F)		
1.	cables	Permitted only as an integral part of Capital Goods
2.	Railway wagons(excluding specialized wagons)	Not permitted
3.	Tractors	Not permitted
4.	Trucks/Tippers/Dumpers/ And Spares there of including tyres.	Permitted only to mining sector
5.	Motor Cars, Sports Utility Vehicle/ All purpose vehicles.	Not permitted
6.	Airport Ground handling Equipments.	Not permitted
7.	Furniture, carpets, crockery, marble, chandelier, tiles, flooring, doors for rooms, fixing panels.	Permitted only to hotel industry
8.	Construction equipments viz. cranes etc.	Permitted only for providing services
9.	All construction materials like sheds, cement, steel.	Not permitted
10.	Computers and printers	Not permitted
11.	All second hand capital goods	Not permitted
12.	Capital goods (including captive plants and power generator sets of any kind) for export of electrical energy (power)	:supply of electrical



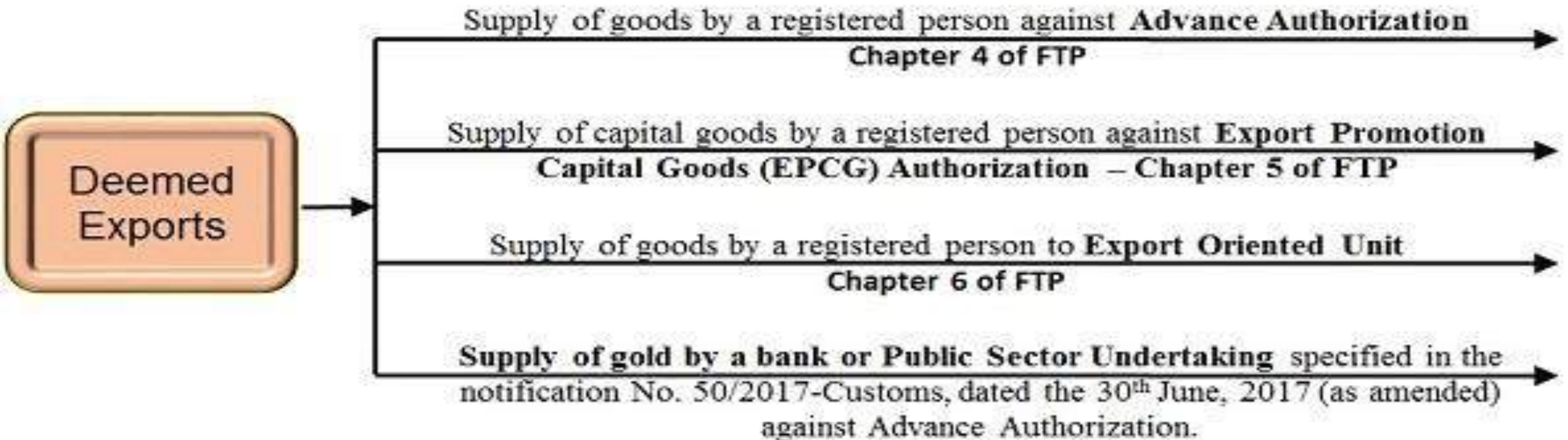
Deemed Exports legal framework

CGST Act Sec 2(39) - “**deemed exports**” means such supplies of goods as may be notified u/sec147;

CGST Act Sec. 147. Deemed exports.- Govt -recommendations of Council- notify certain supplies of goods as deemed exports, where (i) goods supplied do not leave India, & (ii) payment for such supplies is received either in Indian rupees or in convertible FE, (iii) if such goods are manufactured in India.

Sec 54 of CGST Act — extends refund benefits – either to **the supplier or recipient**.

Notification No. 48/2017-Central Tax, 18th October, 2017



India - signatory to - SCOMET - items are dual-use items having potential for both civilian applications as well as weapons of mass destruction.

International scenario on WMD & related security

- The United Nations Security Council Resolution 1540
- 1972 Biological and Toxin Weapons Convention (BWC)–
- 1993 Chemical Weapons Convention (CWC)
- 2009 Stockpile Destruction – 16.03.2009
- Missile Technology Control Regime (1987) (MTCR),
- Hague Code of Conduct -Ballistic Missiles (2002)
- 2017 Dec Wassenaar Arrangement, (WA)
- 2016 Jun Missile Technology Control Regime (MTCR)
- 2018 Jan Australia Group (AG); (Chemical & Biological),
- Nuclear Suppliers Group (NSG)
- Non- member of NSG (China blockade)
- Wassenaar Arrangement (WA)

SCOMET control list is aligned to control lists of all the multilateral export control regimes & conventions



- **The Indian laws on WMD and nuclear related**
- Foreign Trade (D&R) Act 1992,
- The Customs Act, 1962,
- The Central Excise Act 1944,
- GST Laws - classification
- Foreign Exchange Management Act, 1999;
- The COFEPOSA Act, 1974;
- WMD & their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005
- The Atomic Energy Act, 1962.
- Unlawful Activities (Prevention) Act, 1967.
- Export Control List & Guidelines.
- Automatic Energy Regulatory Board (AERB).
- Nuclear Controls and Planning Wing in the DAE

FTP 2023 - Streamlining SCOMET Policy

India is placing more emphasis on the "export control" regime as its integration with export control regime countries strengthens. There is a wider outreach and understanding of SCOMET among stakeholders, and the policy regime is being made **more robust to implement international treaties and agreements** entered into by India. A robust export control system in India would provide access of dual-use High end goods and technologies to Indian exporters while facilitating exports of controlled items/technologies under SCOMET from India.

FTDR Act

Chapter IVA of FT (Dev & Reg) Act, 1992 - regulates brokering, transshipment & export of specified **GOODS, SERVICES AND TECHNOLOGY** which have applications as ***WEAPONS OF MASS DESTRUCTION*** in aligning it with

- The WMD & their Delivery Systems (Prohibition Of Unlawful Activities) Act, 2005.

DGFT - Policy & procedure for such controlled items in -- **Appendix 3 to Schedule 2 of ITC (HS) Classification of Export & Import Items**, - website of DGFT @

(www.dgft.gov.in) at weblink <http://dgftcom.nic.in/exim/2000/scomet/2017/Appendix%203%20List%20of%20SCOMET%20items%20as%20on%2003.07.2018.pdf> .

India has single unified export control list

Relevant docs regulating export of SCOMET list are :

Chapter 10 FTP 2023 - SCOMET: Special Chemicals, Organisms, Materials, Equipment and Technologies

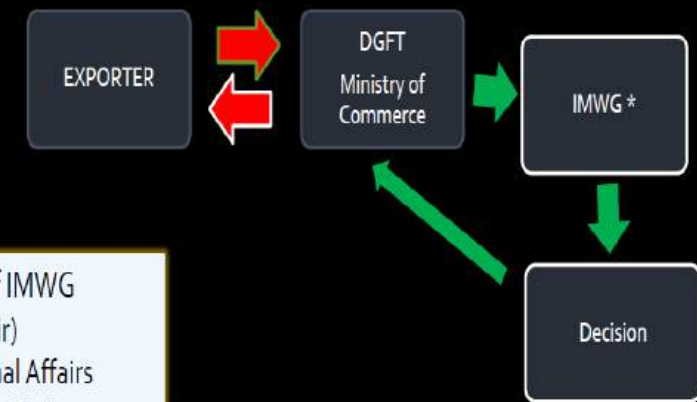
Chapter 10 - HBP 2023 - SCOMET:

Indian export control list was notified in 1995. Since then, amended several times - to align our national list with the control lists under four multilateral Export control regimes.

Category	SCOMET items	Licensing jurisdiction
0	Nuclear materials, nuclear-related other materials, equipment and technology	Dept of Atomic Energy(DAE)
1	Toxic chemical agents and other chemicals	DGFT
2	Micro-organisms, Toxins	DGFT
3	Materials, Materials Processing Equipment and related Technologies	DGFT
4	Nuclear-related other equipment and technology, not controlled under Category '0'	DGFT
5	Aerospace systems, equipment, including production and test equipment, and related technology	DGFT
6(NEW)	Munitions List	Deptt. of Defence Production (DDP)/ MoD
7(NEW)	RESERVED	DGFT
8(NEW)	Special Materials And Related Equipment, Material Processing, Electronics, Computers, Telecommunications, Information Security, Sensors And Lasers, Navigation And Avionics, Marine, Aerospace And Propulsion.	DGFT Based on Wassenaar Arrangement(WA) Dual use list



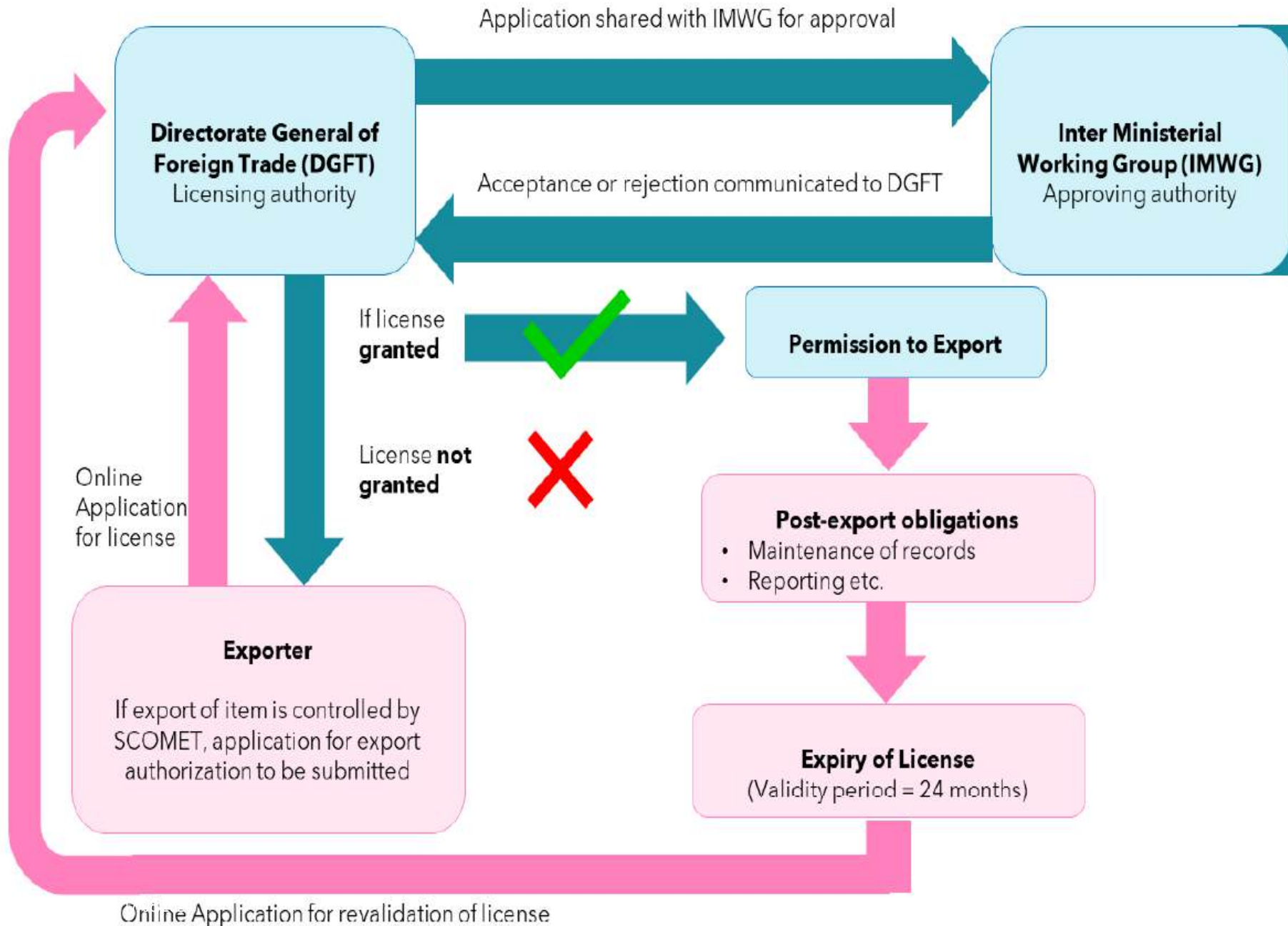
LICENSING PROCESS



- * Members of IMWG
- DGFT(Chair)
 - M/o External Affairs
 - DRDO/M/o Defence
 - D/o Atomic Energy
 - ISRO/D/o SPACE
 - NA, CWC
 - D/o Chemicals
 - D/o Defence Production
 - D/o Bio-Technology
 - Intelligence Agencies

- * IMWG-Inter Ministerial Working Group
- ✓ Standing body
 - ✓ Meets every month
 - ✓ Works by consensus
 - ✓ NOCs required from all members

Procedure for SCOMET Authorisation



Members:

Ministry of External Affairs, Department of Defence Production*, Department of Space (through ISRO), Defence Research and Development Organization, Department of Chemicals and Petrochemicals, National Authority of Chemical Weapon Convention and Cabinet Secretariat, Department of Biotechnology, Department of Atomic Energy, Department of Telecommunications, Ministry of Electronics and Information Technology, Cabinet Secretariat and Customs.

Grants approval on a case-to-case basis, decision by consensus

Criteria:

- Assessment of end-use, end-user credentials, supply-chain etc.
- Assessed risk that exported items will not fall into hands of terrorists and non-State actors;
- Export control measures instituted by the recipient State;

Authorised Economic Operator (AEO) Programme

(a) Based upon WCO's SAFE Framework of Standards (FoS), 'Authorised Economic Operator (AEO) programme' has been developed by Indian Customs to enable business involved in the international trade to reap the following benefits:

- (i) Secure supply chain from point of export to import;
- (ii) Ability to demonstrate compliance with security standards when contracting to supply overseas importers / exporters;
- (iii) Enhanced border clearance privileges in Mutual Recognition Agreement (MRA) partner countries;
- (iv) Minimal disruption to flow of cargo after a security related disruption;
- (v) Reduction in dwell time and related costs; and
- (vi) Customs advice / assistance if trade faces unexpected issues with Customs of countries with which India have MRA.

MISUSE OF EXPORT PROMOTION SCHEMES

Misuse of Export Promotion Schemes – MEIS, SEIS, EPCG, Advance Authorisation, EOU/SEZ/EPZ, Drawback.

- Availing of export benefits by wrong description/declaration of goods and services
- Diversion of duty free imports.
- Non fulfilment of export obligations.
- Non realisation of export proceeds.

Cases booked by DRI w.r.t misuse of Export Promotion Schemes during the period 01.04.2015 to 31.03.2020

S. No.	Export Promotion Scheme	No. of Cases	Duty Evasion Detected (Rs.)	Recoveries (Rs.)
1	Advance Licence/DEEC Scheme	411	43,18,75,92,666	22,23,18,92,923
2	Duty Free Import Authorisation (DFIA) Scheme	15	16,49,22,213	8,68,50,00
3	EOU/EPZ/SEZ/EHTP/FTWZ Scheme	35	1,11,32,14,156	7,36,51,516

4	EPCG Scheme	303	16,62,36,83,261	3,56,08,06,681
5	Merchandise from Indian Scheme (MEIS)	118	2,37,39,70,982	2,28,87,90,842
6	Duty Drawback Scheme	420	11,99,03,55,058	1,53,03,32,902
7	Service Exports from India Scheme (SEIS)	48	1,93,63,99,262	93,43,55,716
8	Served from India Scheme (SFIS)	31	4,18,09,16,430	31,26,50,189
	Grand Total	1381	81,57,10,54,028	31,01,93,30,769

(Source: DRI Record Management System - DIGIT)

B-READY to End Poverty on a Livable Planet

- On September 16, 2021, the World Bank Group (WBG) Senior Management decided to discontinue (Ease of) **Doing Business (DB)** report &

- announced would work on a new approach for assessing the **business & investment climate**.

Business Ready (B-READY) - World Bank's new flagship report

- benchmarking the business environment and investment climate in most economies worldwide.

- Report assesses the regulatory framework and public services directed at firms, and the efficiency with which regulatory framework and public services are combined in practice.

- With data that are comparable across economies and over time, B-READY provides actionable evidence to promote reforms for a stronger private sector.

- The first B-READY report will be launched on October 3, 2024.

<https://www.worldbank.org/en/businessready>

- Concept Note Business Enabling Environment

- Business Enabling Environment (BEE) - a new benchmarking exercise under development in the Development Economics Global Indicators Group.

- BEE will provide a quantitative assessment of the business environment for private sector development, published annually and covering most economies worldwide.

- BEE data and the summary report will aim to advocate for policy reform, inform specific policy advice, and provide data for development policy research.

- Through its focus on private sector development, BEE will effectively contribute to meeting the twin goals of the **World Bank Group (WBG) of eliminating poverty and boosting shared prosperity**.





India starts working on Business Ready project. It is World Bank's new flagship report benchmarking the business environment and investment climate in most economies worldwide.

India's report will be released
in April 2026

Expert Consultations
Apr 2025-Oct 2025

Firm-level Surveys
Oct 2024-Oct 2025

For more information visit:



Government of India
Ministry of Commerce and Industry
DEPARTMENT OF COMMERCE



#BusinessReadyIndia

Credits /References

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<https://customs.ec.europa.eu/rex-pa-ui/#/create-preapplication/>

Career opportunities in globalised world - demand in

- government sector,
- private sector,
- banking & finance sector,
- developmental agencies,
- education,
- training & research sector
- in service
- public utility sector.
- specialized knowledge on business strategy and value creation.
- Entrepreneurial CMAs managing their own businesses

QUESTIONS



संधिविग्रहयोस्तुल्यायां वृद्धौ संधिमुपेयात्।

Source – Arthashastra 7.2.1

If there is an equal benefit in peace or war,
he (the king) should choose peace.

यदि शांति या युद्ध में समान वृद्धि हो तो उसे (राजा को) शांति का सहारा लेना चाहिए।

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*Thank
You*

**It is amazing what you can
acomplish when you do not
care who gets the credit.**

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