



# Foreign Trade Policy



# Key Features

## Policy Continuity Framework



FTP 2015-20 had been updated time-to-time to ensure smooth transition to modifications in FTP 2023.

## No Validity Period



Subsequent revision(s) in the FTP 2023 shall be done as and when required and not linked to any date.

## Remission Based Approach



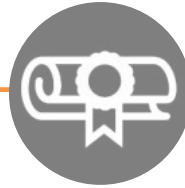
Shift from incentive-based approach to tax remission-based approach for export promotion schemes.

## Trade Facilitation



Impetus on Ease of Doing Business through e-initiatives, automation, and continuous process re-engineering.

# Procedural Reforms – ease of doing business



## Self Certification for e-CoO

- Online e-CoO proposed to be revamped to provide for self- certification and automatic approval of CoOs.
- Initiatives proposed for electronic exchange of CoO related data with other countries.



## Automatic Approvals

- ❑ Automatic approval within 1 working day of filing of **complete application** for the following:
  - Issuance of Advance Authorization
  - Issuance of EPCG authorization
  - Revalidation of authorizations
  - Extension of Export Obligation period



## E-filing of EODC Application

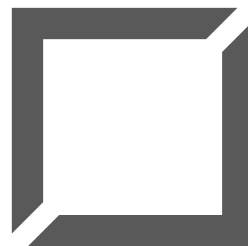
- Paperless applications for discharge of export obligations/ redemption of authorizations

# SCOMET Procedures



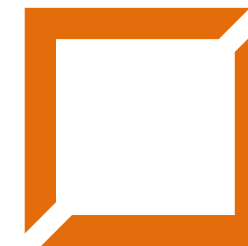
## Background

- SCOMET policy emphasizes on India's export control in line with various **International regimes** such as:
- Wassenaar arrangement
- Australia group
- Missile Technology Control Regime
- These regimes strive to control trade in **sensitive and dual use items** including software and technology.



## Objective

- Focus on **simplifying policies** to facilitate export of dual-use high-end goods/ technology such as UAV/Drones, Cryogenic Tanks, Certain chemicals etc.
- Streamlining of Policy under SCOMET through **consolidation at one place** (Chapter 10) for ease of understanding and compliance.



## Policy Initiatives

- Introduction of procedure for **voluntary self-disclosure** of non-compliance of export control under the FTDR Act, WMD Act, Customs or SCOMET related provisions
- Recent policy changes introduced such as **general authorizations for export** of certain SCOMET items to streamline licensing of dual use goods.

# Export Promotion

*The policy is transitioning from 'Export Incentives' to a 'Tax Remission' approach*

Export Incentives



Tax Remission

## Comments

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- The WTO Dispute Settlement Panel had found India's various export promotion schemes, including MEIS and SEZ, to be non-compliant with WTO objectives in ***India – Export Related Measures (DS541)***. The Panel found that these schemes are in the nature of subsidies since they are linked to export performance.
- Although India has appealed against the Panel Report before the Appellate Body, there are visible steps by the government to restructure its export incentive programmes into being WTO compliant. The notable ones being, replacing MEIS with the RoDTEP scheme and announcement of replacement of the SEZ scheme in the previous Union Budget (2022).
- The export promotion schemes under FTP 2023 aim to remit taxes/ duties suffered during production of export merchandise, rather than incentivizing exporters solely based on their export performance.

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# INR Settlement considered for FTP Benefit



Recently, the Reserve Bank of India has allowed settlement for international trade with certain specified nations in Indian Rupee ('INR'), including Sri Lanka, Russia and Bangladesh.



In reciprocity, several other nations have expressed interest in facilitating international trade in INR



In furtherance of the government's objective of internationalization of INR, the FTP 2023 allows export settlement in INR to be considered for availing benefits under FTP



# E-commerce Exports

## Benefits

All benefits under FTP to be extended to e-commerce exports

## Last mile activities enablement

Processing facility to be allowed for last mile activities such as labelling, testing, repackaging, etc.



## Increased Value Limit

Value limit for courier exports increased to INR 10 lakhs per consignment

## Designated Export Hubs

Provision for designated e-commerce export hubs with warehousing facility

# Sector Specific Initiatives

## Textiles



Prime Minister Mega Integrated Textile Region and Apparel Parks (PM MITRA) scheme is made eligible to claim benefits under Common Service Provider Scheme of EPCG Scheme.

## Dairy



Dairy sector to be exempted from maintaining Average Export Obligation.

## Green Technology



Scope of Green Technology Products expanded to include Battery Electric Vehicles (BEV), Vertical Farming equipment, etc. for reduction Scheme of EO under EPCG

## Fruits & Vegetables



Fruits & Vegetables exporters included for double weightage for Status holder eligibility criteria.



# Amnesty Scheme

One-time Amnesty Scheme to address default in Export Obligations (EO) by EPCG / Advance Authorization holders.

Cases under investigation for fraud & diversion not eligible for regularization.

Amnesty scheme shall be available for a period up to 30 September 2023.



Pending cases of default in EO can be regularized on payment of customs duties exempted in proportion to unfulfilled EO.

Maximum interest is capped at 100% of duty amount.

No interest payable on Additional Customs Duty & Special Additional Customs Duty.

# Other Key Changes

## Omissions under EPCG Scheme

- Provision regarding **eligibility of imports under Project Imports Scheme** for EPCG
- Provision regarding **post-export EPCG duty credit scrips**.

## Proof of export realization via EDPMS

- In addition to e-BRC, export realizations from **RBI's EDPMS** (as applicable) are prescribed within 6 months from the date of expiry of Export Obligation.

## Policy for refurbished/ re-conditioned spares

- Refurbished/re-conditioned spares of Capital Goods are **freely importable** subject to production of CE certificate, that the spares have at least 80% of residual life.

## IEC mandatory for export of services

- IEC is made mandatory for export of services or technology **on the date of rendering services** for availing benefits under the FTP.

# Our Service Offerings



## Customs

- Duty Drawback
- HS Classification
- Free Trade Agreement analysis
- Valuation of cross border transactions
- Dispute resolutions
- Health checks
- DRI related assistance

## Customs - Other

- Anti-dumping and safeguard duty investigation
- SCOMET related assistance
- Import license for restricted goods
- Duty exemption schemes (EPCG / Advance License)
- Duty credit script scheme

## GST & Erstwhile Laws

- Return filing
- Advisory
- Refund, Assessment and Audit
- Health checks
- Advance Ruling
- Dispute resolutions
- Representations
- Tax Planning
- Compliance Monitoring & Support

## Allied Laws

- Bureau of India Standards Act, 2016
- Legal Metrology Act, 2009
- Drugs and Cosmetic Act, 1940

## Others

- AEO Certification
- STP/EOU compliance
- SEZ/FTWZ compliance
- Customs Bonded Warehouse
- State & Fiscal Incentives
- Performance Linked Incentives

# Our Achievements

“values  
that  
add  
value”



## Our Offices

### Mumbai :

Peninsula Business Park, 19th  
Floor, Tower B, Lower Parel,  
Mumbai - 400013

Tel: +91 22 6124 6124

### Delhi :

MGB House, D-208,  
Divya Marg, Defence  
Colony, New Delhi - 110024

Tel: +91 0124 3600 241

### Bengaluru :

117-118-119,  
DBS House,  
No. 26, Cunningham Road,  
Bangalore - 560052

Tel: +91 80 4040 7148

### Jaipur :

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Sahakar Marg, Behind IOC  
Petrol Pump, Jaipur - 302015

Tel: +91141 274 1674

### Chennai :

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Vepery Chennai - 600007

Tel: +044 4260 1133

### GIFT City (Ahmedabad) :

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Centre Annexe Block -12,  
Road 1-D, Zone -1, GIFT SEZ,  
GIFT City, Gandhinagar - 382355

### Dubai :

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Dubai - 500001

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