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G:142:07:2021

July 31, 2021

**Shri SBS Reddy**  
Additional – DGFT  
Directorate General of Foreign Trade  
Department of Commerce  
Government of India  
Udyog Bhawan,  
New Delhi-110011

**Subject: Suggestions on New Foreign Trade Policy (2021-26)**

Dear Sir,

With reference to the Trade Notice 09/2021-22 dated 16th July 2021, the Institute of Cost Accountants of India is pleased to submit its suggestions attached herewith for your kind consideration for the preparation of New Five Year Foreign Trade Policy.

Thanking you,

Yours faithfully,

*Biswarup Basu*

**CMA Biswarup Basu**  
President

S.No.	Suggestions relating to	Subject Matter	Para Number/Notification Number related to Suggestion	Suggestions for changes	Justification
1	Foreign Trade Policy	CHAPTER 1 - LEGAL FRAMEWORK AND TRADE FACILITATION	1.05 (c )	Any license / authorisation issued earlier or upto March 2021 which are valid upto 2020, validity extended automatically by one year from the date of original validity.	During COVID situation, almost all the trade and industries suffered the business due to lockdown and overall worldwide recession and therefore this relaxation is must to be included.
2	Foreign Trade Policy	CHAPTER 2 - GENERAL PROVISIONS REGARDING IMPORTS AND EXPORTS	General conditions Ch. 2	Extension for MEIS	Since Export realised against Shipping Bills from 1st April, application for scrips are hold online.
3	Foreign Trade Policy	CHAPTER 2 - GENERAL PROVISIONS REGARDING IMPORTS AND EXPORTS	Para 2.31	Second hand Capital goods and toolings to be allowed when total project is imported from another country for relocation and creating manufacturing in India	if Make in India is to be promoted and India has to made tmanirbhar, number of foreign projects are expected to be dislocated and start the business in India and therefore, such amendment is necessary
4	Foreign Trade Policy	CHAPTER 3 - EXPORTS FROM INDIA SCHEMES	Para 3.08	3.08 Eligibility (a) Service Providers of notified services, located in India, shall be rewarded under SEIS. Only Services rendered in the manner as per Para 9.51(i) and Para 9.51(ii) of this policy shall be eligible. The notified services and rates of rewards are listed in Appendix 3D.	Since list of services included in Appendix 3D are incomplete in view of queries & clarifications asked by DGFT to Applicants. Required Revised Appendix 3 D with specific list of services.
5	Foreign Trade Policy	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	Para 4.07	Limit for allowing import duty free under Advance authorisation for the new unit should be extended from Rs 3 Cr to Rs. 5 Cr and without asking past 2 years record. New Unit will not have any past records, therefore such condition should be removed.	For bringing new projects from abroad
6	Foreign Trade Policy	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	2.07(j)	Following item to be inserted after 2.07(i) 1) Imports from China w.r.t. consumer goods, chemicals and other indigenous goods for which India is self-sufficient	If such items are included, Ministry of Govt will have rights to put the restrictions to safeguard the Indian industry and promote Make in India
7	Foreign Trade Policy	CHAPTER 3 - EXPORTS FROM INDIA SCHEMES	3.04	Restriction imposed should be removed with retrospective effect and MEIS portal to be kept open till the time new scheme (RoDTEP) is finalised.	Exporters have incurred tremendous losses since MEIS benefits was considered while pricing and amount has been restricted, which has caused the hardship.
8	Foreign Trade Policy	CHAPTER 3 - EXPORTS FROM INDIA SCHEMES	3.04	SEIS Scheme for service exporters have been stopped. For Stoppage of MEIS, RoDTEP Scheme is introduced. In Similar fashion RoDTEP should be made available for service export too.	Exporters have incurred tremendous losses since MEIS benefits was considered while pricing and amount has been restricted, which has caused the hardship.
9	Foreign Trade Policy	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs)	Para 6.08	Input contained in finished goods cleared in DTA required to pay back duty forgone which may include basic custom duty, CVD, Cess, etc. which should be replaced with Basic Customs Duty, IGST & Cess.  For indigenous goods, Excise Duty should be replaced with IGST.	When CVD and Cess is payable, no ITC / Cenvat is available and hence it becomes the cost as against Cenvat was available of CVD paid earlier. Therefore there is cascading effect.
10	Foreign Trade Policy	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs)	Para 6.08	DTA Sale is restricted to the extent of 50% of FOB value of exports for service units.	It should be made at par with other manufacturing EOUs and restrictions should be removed.
11	Foreign Trade Policy	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs)	Para 6.08	DTA Sale to be allowed to items restricted or prohibited in accordance with Chapter2 of FTP.	Since warehousing provisions for EOU is removed such prohibitions also to be removed
12	Foreign Trade Policy	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs)	Para 6.09	Other supplies to include supplies to unit operating under Manufacture and Other Operations, Warehousing Regulations 2019 without payment of duty with the condition to mention custom duty forgone and if such goods with use or as such is sold in domestic then such duty to be paid by the unit operating under Manufacture and Other Operations, Warehousing Regulations 2019.	The goods are sold to Unit under Manufacture and Other Operations, Warehousing Regulations 2019, and after utilisation of such goods, the duty forgone only will be payable as against total custom duty.
13	Foreign Trade Policy	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs)	Para 6.12 (d)	Exemption to AEO holder for giving bank guarantee. AEO holder to be added in the list	In line with Custom Circular No.48/2017-Customs dated 8th Dec 2017
14	Foreign Trade Policy	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs)	Para 6.13	6.13 Inter Unit Transfer (a) Transfer of manufactured goods from one EOU / EHTP / STP / BTP unit to another EOU / EHTP / STP / BTP unit is allowed with prior intimation to concerned Development Commissioners of the transferor and transferee units as well as concerned Customs authorities, following procedure of in-bond movement of goods. Transfer of manufactured goods shall also be allowed from EOU / EHTP / STP / BTP unit to a SEZ developer or unit as per procedure prescribed in SEZ Rules, 2006.	Since no bonding rules are in existence, so whether following procedure of in-bond movement of goods is still required.
15	Foreign Trade Policy	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs)	Para 6.15	Removal of material as such if imported prior to 2017. At present, basic custom duty, CVD, Cess, etc. which should be replaced with Basic Customs Duty, IGST & Cess  For indigenous goods, excess duty should be replaced with IGST	When CVD and Cess is payable, no ITC / Cenvat is available and hence it becomes the cost as against Cenvat was available of CVD paid earlier. Therefore there is cascading effect.

16	Foreign Trade Policy	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs)	Para 6.17	17 Replacement / Repair of Imported / Indigenous Goods: (b) Goods sold in DTA and not accepted for any reasons, may be brought back for repair / replacement, under intimation to concerned jurisdictional Customs / Central Excise Authorities.	Since no bonding rules are in existence, so goods once sold in DTA with payment of applicable duties saved why such intimation from jurisdictional authorities for repairs/replacement is required.
17	Foreign Trade Policy	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs)	Para 6.18	Conversion of existing EOU Unit to DTA Unit under Manufacture and Other Operations, Warehousing Regulations 2019 should be allowed without payment of duties. Similarly, conversion of DTA Unit under Manufacture and Other Operations, Warehousing Regulations 2019 will be allowed to EOU Scheme without payment of duty.	There is no provision of conversion of EOU unit to the unit operating under manufacture and Other Operations, Warehousing Regulations 2019, where on procurement of imported goods, no duty is payable and hence such provision is required to be included.
18	Foreign Trade Policy		FTP & Notifications	FTP and Custom Notification should be aligned 100%. E.g. FTP states intimation whereas notifications states permission.	
19	Foreign Trade Policy		FTP & Notifications	Currently Anti-Dumping on the product imported from china should be extended for further 5 year or it should be restricted for import in India.	
20	Foreign Trade Policy	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	4.15	Drawback is allowed and rate is specified in the drawback schedule, but it should be part of FTP also. Demand was 2% and not 1.5% Also long discussion of point 5.0 and suggestion for which have not been mentioned.  Pre-import condition should be removed retrospectively from 1st July 2017	Ministry of Commerce should represent to department of revenue to increase the drawback rate considering the fact that during the COVID situation and worldwide recession, FOB value has been substantially reduced and therefore impact of Custom Duty will be automatically more and hence it needs to be enhanced.
21	Foreign Trade Policy	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	4.26	Duty free import Authorisation shall be exempted from payment of whole duty.  Pre-import condition should be removed retrospectively from 1st July 2017	Subsequently pre-import condition is removed but it was not with retrospective effect and therefore, there are number of litigations and cases made by DRI, for which exporters are suffering.
22	Foreign Trade Policy	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	4.26	Export Obligation period & import period should atleast for 24 months to 36 months.	At present, import validity is 24 months and validity for exports is 18 months. Considering the worldwide recession on account of COVID, import period needs to be extended and export period also needs to be extended.
23	Foreign Trade Policy	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	4.26	Supply to SEZ under Advance Authorisation and Duty Drawback should be allowed for payment under indian Rupees	At present, mandatory requirement is to get th remittances from SEZ in foreign currency, which is adding to the transaction cost. Ultimately, after using such products, SEZ is going to receive Foreign Exchange on value addition too.
24	Foreign Trade Policy	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	General conditions Ch. 4 & 5	Online redemption facility required	As such there should be automatic redemption. Since details of Bill of Entries for imports, shipping bill / bill of exports for exports under advance authorisation / EPCG authorisation is available with ICE Gate and linked with DGFT and E-BRC System is also linked with ICE Gate and DGFT. There is no necessity of redemption. After validity of authorisation is over, automatic EODC should be issued and Bank Guarantee should be released or demand letter to be issued.  This will substantially reduce transaction cost and time and reduce the blatant corruption in DGFT and Customs.
25	Foreign Trade Policy	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs)	New Para	Point on EOU and exporters units struggling to get taxes like G.S.T. implementation on input has not been taken up as there is inverted tax structure of Pharma GST on raw material & excipients etc. Is 18% whereas on finished goods it is around 12% so all the time lots of funds are of manufacturers are struck. All the merchant exporters pick material at 0.1% as per scheme and manufacturers have to file for refund in inverted tax structure which is not an easy refund and does not get refunded for years. As a result the dream of making India a manufacturing hub may be far fetched as actual cost of goods manufactured goes up due to taxes levied on inputs which are difficult & take years to be refunded.	Exporters have lot of accumulated ITC but refund of duty paid on exports is not allowed to EOU and Advance License Holder, which should be allowed.
26	Foreign Trade Policy			HS code in our country should be harmonized with international custom tariff	
27	Foreign Trade Policy			Guidelines for the issuance of certificate of origin by Start Export Houses should be expedited and implemented	
28	Foreign Trade Policy	CHAPTER 9 - DEFINITIONS	9.05	In Para 9.05 of volume 1 of handbook of procedure DGFT does not classify / take long time to provide the classification & interpretation on foreign trade policy process. There should be fix timelines for this replies	
29	Foreign Trade Policy			Export Promotion Council registration has to be renewed periodically instead of that for MSME there should be one-time registration and no renewable should be required.	
30	Foreign Trade Policy			Redemption of EPCG & advance authorization should be simplified. While filing shipping bill we have specify the advance license or EPCG license and these data could be link directly with DGFT where these auto Redemption done by the software.	
31	Foreign Trade Policy			RODTEP scheme is to be replaced with MEIS scheme. It should be made like duty drawback scheme so that direct credit can be made in account of the exporter or directly the script can be send by registered email id.	
32	Foreign Trade Policy			There is provision of income tax for last 40 years where export income called tax 3, after the SEZ act this was abolished. Now SEZ scheme failed so for MSMEs the old provision of income tax should be restarted.	
33	Foreign Trade Policy			There has been misuse of EPCG license, to stop these EPCG should be allowed to star export houses with proven track records.	

34	Foreign Trade Policy			The advance license is proceed electronically but issued by the EPCG officer manually, these should be issued directly to exporter on registered email id	
35	Foreign Trade Policy	CHAPTER 2 - GENERAL PROVISIONS REGARDING IMPORTS AND EXPORTS		In chapter 2 of import export policy there is provision of profile which should be made compulsory for all.	
36	Forms and Appendices		Appendix	There should not be any permission or intimation for DTA Sale, being there is no limit	
37	Forms and Appendices		Appendix No. 6E	QPR and APR should be filed online.	
38	Handbook of Procedures	CHAPTER 2 - GENERAL PROVISIONS REGARDING IMPORTS AND EXPORTS	Para 2.16	2.16 Validity period of Authorisation/ License/ Certificate/ Authorisation/ Permissions/ CCPs (a) Validity period of Import / Export Authorisations from the date of issue shall be as follows, unless specified otherwise:	Procedure provided validity of Authorisations, whereas, no time line has been declared for scrutiny of Documents & EODC/Bond Waiver Certificate. Processing of any application for redemption, timeline required
39	Handbook of Procedures	CHAPTER 3 - EXPORTS FROM INDIA SCHEMES	3.02	Utilisation of MEIS script towards payment of basic duty by 100% EOU's in case of DTA sales	It will be in line with imports and EOU's will be benefited to a great extend in the present liquidity crunch.
40	Handbook of Procedures	CHAPTER 3 - EXPORTS FROM INDIA SCHEMES	3.03 Exports from India Scheme	MEIS Scheme to be extended after 1st January 2021 without any discontinuation with firm assurance.	The scheme supports the exporters to offset the various costs such as freight costs, regulatory fees on inspection, audits, expenses incurred in India and abroad for pre and post approvals.
41	Handbook of Procedures	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	4.07A Advance Authorisation	Self Ratification Scheme for AEO certificate holder not accepted by the Regional offices of DGFT in true spirit and insist for approval from DGFT New Delhi	Regional offices to accept the self ratification norms for AEO certificate holder and should not insist for NORMS FIXATION from Norms Committee of New Delhi
42	Handbook of Procedures	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	4.13	Pre-import condition as listed in Appendix 4 J to be removed for import of drugs.	The time limit restrictions of use and export the goods within 12 months time limit is a hurdle for the exporter.
43	Handbook of Procedures	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	4.2	Inspite of Para 4.20 (v) the SEZ and FTWZ Units insist for against Advance Release Order or Invalidation Letter from DGFT office	The ARO or Invalidation letter requirement to be waived as it is manual process and time consuming. DGFT officials and SEZ / FTWZ officials not to insist for this requirement for Advance License holder.
44	Handbook of Procedures	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	Para 4.04	4.04 Applicant shall file application online in ANF 4A. Same form is applicable where Standard Input Output Norms (SION) have been notified or on the basis of adhoc norms or on self declaration basis as per paragraph 4.07 of Hand Book of Procedures. Self declared norms will be verified & fixed on suo moto basis within the 120 days	Since many Authorisation holder advance authorization with No Norms in case of SION not available for their products, same will be going to Norms committee for Fixation. Fixation Norms may take 3 months to 12 months' time Or More subject to category of Products & their Committee. Norms fixed by NC are different and Authorisation holder liable to Pay duties along with interest.
45	Handbook of Procedures	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	4.5	When export obligation is not fulfilled of Advance Authorisation / EPCG Authorisation, duties saved is required to be paid back including basic custom duties, CVD, Cess, etc. which should be replaced with Basic Customs Duty, IGST & Cess	When CVD and Cess is payable, no ITC / Cenvat is available and hence it becomes the cost as against Cenvat was available of CVD paid earlier.
46	Handbook of Procedures	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	4.10 - Advance Authorisation	Advance authorisation for applicants with multiple units	It will minimise the transportation cost and delivery timings. Also un-necessary documentation under GST for transfer of duty free imported goods from Port to Importer location and then importer location to Job worker
47	Handbook of Procedures	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	Para 4.47 (a) (ii) of HBOP	(i) For such a request, an applicant has to file online application attaching Shipping Bills and e-BRC. Scanned copy of other documents as prescribed in the ANF 4F shall also be uploaded. In case of deemed exports or export from non-EDI ports, the documents evidencing proof of export/supply shall be submitted at the counter of Regional Authority concerned giving reference of online application in physical form except e-BRC	Till the online facility not yet activated required activation with enhanced capacity of data ( volume of documents)
48	Handbook of Procedures	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	Para 4.47 (C) of HBOP	(C)Ordinarily, redemption of BG / LUT shall not preclude customs authority from conducting random checks and from taking action against Authorisation holder for any misrepresentation, misdeclaration and default detected subsequently as per the Customs Act.	Copies of Bill of Entries & Shipping bills with relevant BRC not required to submit with redemption request to jurisdictional RA & Customs at Port for Bond waiver Certificate against EODC issued by RA. Since BOEs & Shippings are provided online by Customs Authority through EDI, submission of hard copies of above documents at RA for redemption & the same asking by Customs at Port for Bond Waiver Certificate.
49	Handbook of Procedures	CHAPTER 5 - EXPORT PROMOTION CAPITAL GOODS (EPCG) SCHEME	Para 5.22 of HBOP	(c) RA shall process such applications ordinarily within 30 days. Shortcomings, if any, shall be pointed out in one go. All correspondence, thereafter, shall relate to these deficiencies only. Fresh correspondence, if necessary, shall be within 15 days. Once documents are complete, EO will be discharged within 30 days of receipt of complete documents / information. (d) Applications that remain outstanding beyond a period of 60 days after receipt of complete documents shall be reported to the EPCG Division at DGFT headquarters alongwith reasons thereof.	Since, no time line has been ruled at the local RA level. Issuing repetitive queries which were responded earlier.
50	Handbook of Procedures	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	4.10(i)	4.10(i) the transfer of any duty free material imported or procured from one unit of a company to another unit for manufacturing purpose shall be done with prior intimation to jurisdictional customs authority. It is not clear as the GST registered person does not fall under Customs Jurisdiction and intimation of the importer may not be not be accepted by the Customs. Need to have proper guidelines in this regard. The prior intimation can be to the jurisdictional DGFT office (license issuing authority) instead of customs and transfer can be against Delivery Challan by the importer. Process of filing intimation whether on line or manual is also to be clarified to indicate this on the delivery challan to handle the transit issue and comply with GST Regulations as well as E - Way Bill.	Procedural simplification and ease of doing business.

51	Handbook of Procedures	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	4.10(v)	4.10(v) Imported duty free inputs can be taken from the port / domestic supplier's premises to the factory or premises of the authorisation / co-authorisation holder or the factory of the supporting manufacturer (whose name is endorsed in the authorisation or allowed by the jurisdictional customs authority).....Above para to be modified / to read as the duty free inputs can be taken from the port to the supporting manufacturer / Job worker as per import bill of entry for manufacturing. Clarification required to follow the process for movement of goods from port to the manufacturing location of the job worker. The Customs import Bill of Entry will be in the name of importer and delivery to job workers location (supporting Manufacturer) hence need clarification. to follow the process for movement of goods from port under GST which will be allowed by Jurisdictional customs authority.	Procedural simplification and ease of doing business.
52	Handbook of Procedures	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	4.3 Supply by SEZ	On line facility to be introduced for filing of application for invalidation letter to procure the duty free goods against advance license.	Procedural simplification and ease of doing business.
53	Handbook of Procedures	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	4.3 Supply by FTWZ	On line facility to be introduced for filing of application for invalidation letter to procure the duty free goods against advance license.	Procedural simplification and ease of doing business.
54	Handbook of Procedures	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	4.07 A- Self ratification scheme	Self certification from the manufacturer to be considered instead of certificate from the Chartered Engineer to reduce the cost and time.	Under trust based and ease of doing the self certification of the manufacturer to be relied upon being the actual user of the imported material.
55	Handbook of Procedures	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	4.07 A- Self ratification scheme	In spite of C.E.certificate the Norms Committee decides the norms on their own based on the flow chart and justification of the manufacturer.	Procedural simplification and ease of doing business.
56	Handbook of Procedures	CHAPTER 4 - DUTY EXEMPTION REMISSION SCHEMES	4.49 - Regularisation of Bona fide Default	Sum Moto payment of customs duties to be allowed, as at present customs do not accept such payments.	This will reduce the interest burden on the importer
57				As of date customs authority insist for letter from DGFT authority before acceptance of the customs duty payment.	Choice of the license holder to close the license
58				Customs duty payment at Central Bank not accepted as there are no guidelines / instructions to the Central Bank.	Ease of Doing Business
59				Few more banks to be included with detailed guidelines to accept the customs duty payment for payment of sum moto duties for Advance Authorisation and EPCG licenses.	Ease of Doing Business
60	Handbook of Procedures	CHAPTER 5 - EXPORT PROMOTION CAPITAL GOODS (EPCG) SCHEME	Para 5.17	Export obligation period for EPCG should be automatically extended for one year without any composition fees, considering COVID situation and also validity of the license needs to be extended for such period automatically	Ease of Doing Business
61	Handbook of Procedures	CHAPTER 5 - EXPORT PROMOTION CAPITAL GOODS (EPCG) SCHEME	5.22(c) - Redemption	Practically this is not implemented by RA which leads to pendency and hardship to the exporter.  Strict measures to be introduced to comply with this para.  Repeated deficiencies raised before issue of redemption.	Due to delays for issue of redemption the exporter receives the alert notices from Customs inspite of filing of application for issue of redemption.  In case of short fall the interest amount becomes payable and more the delay the exporter has to bear more interest amount,  The IEC holder without any intimation receive surprise show cause notice inspite of submissions made to the authority. The IEC holder dragged in DEL entity due to non submission of EODC which are pending from Office of the DGFT authority.
62	Handbook of Procedures	CHAPTER 5 - EXPORT PROMOTION CAPITAL GOODS (EPCG) SCHEME	Para 5.10 (c) and Para 5.10 (d) (v)	EPCG Licenses issued as per FTP 2009-2014, the export obligation for fulfillment related to third party exports to be considered in full as per the Shipping Bill supported with BRC issued in the name of third party exports. Para 5.10 (c) and Para 5.10 (d) has been wrongly linked by DGFT offices while redemption of EPCG licenses for the period 2009-2014. All EPCG redemption licenses are kept pending by DGFT Offices without issue of proper denial reason leading to difficulties for the exporters. The Policy Circular No. 3/2015-2020 dated 02.09.2015 specifically mention the applicability of the provisions of relevant policy / procedures which means 2009-2014 provisions applies to the EPCG licenses towards fulfillment of export obligation.	Huge pendency on account mis-interpretation or limited application of Policy Circular No. 3 and Policy Circular No. 22/2015-2020 dated 29th March 2019. Need full and complete clarity to resolve the issues of the exporters and relief from Denied Entity List and Alerts from Customs.
63	Handbook of Procedures	CHAPTER 5 - EXPORT PROMOTION CAPITAL GOODS (EPCG) SCHEME	5.1 Export Promotion Capital Goods Scheme	EPCG licenses to be issued to manufacturers of Biotech products with reduced specific EO as there are lot of efforts taken up by BIOTECH Manufacturers for development of products for which advanced machinery and equipments are required.	The imported capital goods for biotech manufacturing are highly sophisticated and expensive one. The export orders are also very limited and with EPCG license with reduced EO it will encourage manufacturers to explore export market as well as compete in the international market.
64	Handbook of Procedures	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs)	6.08(a)(i) Export oriented units	DTA sale by EOU on payment of GST and compensation cess alongwith reversal of duties of customs leviable under First Schedule.to the customs Tariff Act, 1975 availed as exemption, if any on the inputs utilised for the purpose of manufacturing of such finished goods (including by-products, rejects, waste and scrap arising in the course of production, manufacture, processing or packagingof such goods).	Instead of inputs utilised the wording should be import duties payable on the imported goods contained in so much of the resultant products and payable on monthly basis in consolidated manner.This will give relief to have smooth DTA sales as the process of customs duty payment is manual and there is no online payment module for EOUs.
65	Handbook of Procedures	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs)	6.08 (b) (k)	In case of new EOUs advance DTA sale will be allowed not exceeding 50% of its estimated exports for first year, except pharmaceutical products where this will be based on its estimated exports for first two years.	With the introduction of GST this clause may please be deleted and DTA sales without any permission and approval to be allowed on payment of GST and reversal of customs duties contained in the finished goods.
66	Handbook of Procedures	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs)	6.13	Inter Unit Transfer - Transfer of manufactured goods from one EOU unit to another EOU unit allowed on payment of applicable GST and Compensation Cess with prior intimation to concerned development Commissioners of the transferor and transferee units as well as concerned customs authorities as per procedure for movement of goods.	the wording prior intimation to concerned Development Commissioner and Customs authorities to be deleted. The movement of goods will be against GST invoice with endorsement of customs duty applicable GST. Remark will be mentioned.

67				Compensation Cess with prior intimation to concerned development Commissioners of the transferor and transferee units as well as concerned customs authorities as per procedure for movement of goods.	The wording prior intimation to concerned Development Commissioner and Customs authorities to be deleted. The movement of goods will be against GST invoice with endorsement of customs duty applicable GST. Remark will be mentioned.
68	Handbook of Procedures	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs)	6.18	Exit from EOU Scheme shall be subject to payment of applicable excise and customs duties and on payment of applicable IGST / CGST / SGST / UTGST and compensation cess if any and industrial policy in force. The EOU's may be permitted to convert the EOU's into Manufacturing and Other operations undertaken in Bonded Warehouses under Section 65 of the Customs Act as per EOU's into Manufacturing and Other operations undertaken in Bonded Warehouses under Section 65 of the Customs Act as per Notification No. 44/2019 Customs (N.T.) dated 19th June 2019	In view of dispute at the World Trade Organisation the fate of export incentive scheme is un-certain, the conversion from EOU to Manufacture and other operations in Warehouse Regulations, 2019 (MOOWR 2019) will support existing EOU's.
69				EOU scheme to be continued from 1st April, 2021 onwards.	The EOU scheme to be continued for a longer period as huge amount of investment in Plant & Machinery and infrastructure made by the Pharmaceutical Industry. In pharmaceutical industry the gestation period of commercial manufacturing is almost 2 to 3 years. The huge amount of spending made for regulatory compliance to obtain approval from overseas drug regulatory authorities. These investment and steps taken up only as the imports will be duty free under EOU scheme.
70	Handbook of Procedures	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs)	Chapter 6 of HBOP	Period of material returned from job worker to be extended to 365 days to raw material and inputs whereas for capital goods and tooling, should be extended to 3 years	In line with GST provisions
71	Handbook of Procedures	CHAPTER 6 - EXPORT ORIENTED UNITS (EOUs), ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTPs), SOFTWARE TECHNOLOGY PARKS (STPs) AND BIO-TECHNOLOGY PARKS (BTPs)	Chapter 6 of HBOP	Applicability of IGCRD Rules only limited to Rule 5 to be mentioned	Ease of Doing Business and Simplification of Procedure
72	Handbook of Procedures	CHAPTER 9 - DEFINITIONS	9.10 -Miscellaneous Matters	Time bound disposal applications for redemption of Advance authorisation and EPCG authorisation to be strictly followed	Will help to reduce the burden of interest and queries from Customs and audit dept. Smooth and hassle free operations under Imports and exports.

**Government of India  
Department of Commerce  
Directorate General of Foreign Trade  
Udyog Bhawan, New Delhi-110011**

Dated: 16<sup>th</sup> July, 2021

**Trade Notice No. 09/2021-22**

To,

Export Promotion Councils and Commodity Boards  
Trade/Industry Bodies/Associations/Organizations  
Members of Trade and Industry  
All RAs of DGFT  
Other stakeholders

**Sub: New Foreign Trade Policy (2021-26) - inviting suggestions regarding.**

The Foreign Trade Policy (2015-2020), was extended till 30 September 2021. In order to prepare a new five year Foreign Trade Policy, suggestions/inputs are invited from various stakeholders. To collate, analyze and for ease of processing the suggestions/inputs received, a Google Form has been created on the following link:

<https://bit.ly/3khHEI2>

2. The above link shall be valid upto 31.7.2021. Stakeholders including Export Promotion Councils (EPCs), Trade/Industry Bodies/Associations, Commodity Boards, RAs and members of trade, industry are requested to send their suggestions/inputs only through above-mentioned Google Form, rather than email or paper based submissions on or before 31.7.2021.

Sd/-  
(SBS Reddy)  
Additional DGFT

(Issued from File No. 01/75/171/00002/AM22-FTP Cell)