



सत्यमेव जयते

Directorate General of Foreign Trade
Department of Commerce
Ministry of Commerce and Industry

Foreign Trade Policy 2023

Presentation by:

,
O/o Addl. DGFT, Bengaluru

Director General of Foreign Trade

Under Ministry
of commerce

Implements
FTDR Act and
FTP

Runs number of
export promotion
schemes

DGFT has 24
Regional offices
throughout the
country

What is Foreign Trade Policy ?

- The main objective of the Foreign Trade Policy is to provide the development and regulation of foreign trade by **facilitating imports into, and augmenting exports from India.**
- Foreign Trade Policy announced on 01.04.2023 is valid for period of One year

Export ?

- What is export ?
- Why Export ?
- What to Export ?
- Export to Whom ?
- How to Export ?
- Whom all to approach during export ?
- What laws & procedures to keep in mind during export ?
- What after export ?

What is Export? and Why Export?

- Movement of goods/services out of the country
 - Documentation
 - Shipping Bill/Airway Bill
- Foreign Exchange Earnings (FE coming in the country)
 - Realisation of Foreign Exchange
 - Bank Certificate/e-BRC/FIRC

What to Export? And Export to Whom?

Identify Your Export Product

Identify Your Target Market

EXIM Policy of your product - ITCHS

Type	Description
Free	Free items which do not require any Licence / Authorisation / Permission from the DGFT have been denoted as 'Free'. 96% items are free items.
Restricted	Restricted items is permitted under an Import Licence / Authorisation / Permission granted by the DGFT.
STE	STE items allowed only through specified State Trading Enterprises (STEs) subject to specific conditions laid out in the FTP.
Prohibited	Prohibited item is not permitted.

Trade Enquiry

- Export-import data bank: At commerce ministry website (commerce.nic.in), you can get data set related to India's International trade. You can analyze this data country-wise and commodity-wise.
- Export Promotion councils and commodity Boards
- WTO Publications
- Commodity Trade Statistics Of UNO
- Chamber of commerce and other Advocacy Organisation
- Embassies
- www.indiantradeportal.in

Export-Import Data Bank

Browser tabs: @gov.in, Directorate General of Foreign Trade, GOVERNMENT OF INDIA, Online Pizza Order: Online, New Tab

Address bar: commerce.nic.in/eidb/default.asp

GOVERNMENT OF INDIA
Ministry of Commerce & Industry
DEPARTMENT OF COMMERCE

EXPORT IMPORT DATA BANK Version 7.2 - TRADESTAT

Exports

- [Commodity-wise](#)
- [Chapter-wise all commodities](#)
- [Commodity-wise all Countries](#)
- [Commodity x Country-wise](#)
- [Country-wise](#)
- [Country-wise all Commodities](#)
- [Region-wise](#)
- [Region-wise all Countries](#)
- [Region-wise all Commodities](#)
- [Predefined Group of countries](#)
- [Customised Group of countries](#)



Total Trade
[Country-wise](#)
[Top n countries](#)

Imports

- [Commodity-wise](#)
- [Chapter-wise all commodities](#)
- [Commodity-wise all Countries](#)
- [Commodity x Country-wise](#)
- [Country-wise](#)
- [Country-wise all Commodities](#)
- [Region-wise](#)
- [Region-wise all Countries](#)
- [Region-wise all Commodities](#)
- [Predefined Group of countries](#)
- [Customised Group of countries](#)

Data available 1996-1997 to 2015-2016(Apr-May) Last data updated on 03/08/2015 [Feedbacks/ Suggestions](#) [Help](#) Data Source : [DGCI&S, Kolkata](#)

NOTE: 1. Trade figures in US\$ from the year 2006-07 onwards are addition of monthly US\$ figures.
2. Where periods are not mentioned with year, it is yearly data from April to March e.g. 2012-2013 means Apr2012 to Mar2013


HOME

Disclaimer:
The data referenced in the system do not have any legal sanctity and is for general reference only.
The user may like to verify official publications for DGCI&S, Kolkata for any further reference

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Establishing Export Business

- Type of Entity: Company/Partnership/Proprietorship
- Registration with RoC/Registrar of firms
- Opening a Bank Account
- Obtaining a PAN Number in the name of entity
- Applying of Importer Exporter Code: IEC
- Goods & Services Tax Registration
- Applying for Registration cum Membership Certificate : RCMC
- Obtaining permission for manufacturing: DIC/Udyog Aadhar /DML
- Obtaining permission for exports if item is restricted

Importer-Exporter Code (IEC)

IEC Code is unique 10 Digit Code issued by DGFT-Director General of Foreign Trade, Ministry of Commerce, Government of India, to Indian Companies and Individuals to enable them to carry International Trade.



10 Digit Code issued by
DGFT, Ministry of
Commerce

Issued to Individuals and
Companies to carry
International Trade

IEC- Importer Exporter Code

Features:

- No License is needed for Export Import Business.
- IEC is only registration for Export Import activity.
- PAN based code and it is valid till surrendered or cancelled
- Allows import/export from any port in India
- Since 08.08.2018, Issue of IEC is system generated and applicant can take printout of IEC themselves.

IEC- Importer Exporter Code

- Documents Required:
 - 1) Bank Certificate or cancelled Cheque bearing the applicant entities name
 - 2) Address Proof
 - 3) Application fee : Rs 500

Export Promotion councils

- These are semi-government organizations which help their members in enhancing their exports through exhibitions, seminars, fairs, and publications etc.
- There are different councils for different sectors e.g. EEPC for engineering products, CAPEXIL for chemical products, APEDA and so on
- Exporter can join an EPC by paying requisite fee and obtain RCMC (registration cum membership certificate), which is an important document while applying for export incentives with DGFT

Certificate of Origin

CERTIFICATE OF ORIGIN

The undersigned _____
_____ declares that the
following mentioned goods shipped via _____ on the date
of _____ consigned to _____
_____ are the
product(s) of _____.

Marks & Numbers (Air Waybill/Tracking #)	No Pkg.	Gross Wgt(kg)	Net Wgt(kg)	Description of Goods

These commodities, technologies or software were exported from the United States of America in accordance with the Export Administration Regulations. Diversion contrary to U.S. law prohibited.

Dated at _____ on _____
_____ Exporter

Sworn to before me on _____
_____ Notary Public

The _____ Chamber of Commerce, a recognized Chamber of Commerce under the laws of the State of _____, has examined the manufacturer's invoice or shipper's affidavit concerning the origin of the merchandise and, according to the best of its knowledge and belief, finds the products named originated in _____.

Secretary _____

- A document used in Foreign Trade attesting that the goods in a particular export shipment have been wholly produced, manufactured or processed in a particular country.

- Issued by the authority approved in this regard for attestation.

Free Sale and Commerce Certificates

- (i) Free Sale and Commerce certificate is issued for export of items not covered under Drugs & Cosmetics Act, 1940, which have usage in hospitals, nursing homes and clinics, for medical and surgical purposes and are not prohibited for export. Validity of such certificate shall be two years from date of issue unless otherwise specified.
- (ii) It is also issued for items falling under the Drug & Cosmetics Act, 1940, application for issue of Free Sale & Commerce Certificate may be made to the Central Drug Standards Control Organisation (CDSCO)
- (iii) It is also issued for any other item which is not restricted or prohibited for export. Validity of such certificate shall be two years from date of issue unless otherwise specified.

CoO & Rules of Origin

- Rules of origin (Preferential): Where concessional duty benefit is provided. Examples are FTAs, PTAs, GSP etc. List of agencies authorised to issue certificates are given Appendix 2 B of Handbook of Procedure.
- Rules of Origin (Non-preferential): No concessional duty benefit is available. List of agencies authorised to issue certificate is given in Appendix 2 E.

REX System of Self Certification for GSP

- GSP: Global system of preferences is a system under which **Indian goods receive preferential tariff treatment upon imports into developed markets.**
- REX: Issuance of certificate by authorities replaced by Self Declaration (Statement of Origin) by Exporter.
- REX: Registered Exporter System is applicable for **EU, Norway, Switzerland and Turkey.**
- For other nations except above, certificate in form of Form 'A' will continue to be applicable.

Procedure to obtain REX

- Application to be made to Local users for Registration as per Annexure 1 B in Public Notice No 51 dated 30.12.2016.
- Website for application:
<https://customs.ec.europa.eu/rex-pa-ui/>
- No fee is charged for REX
- IEC code number is mandatory for making REX application
- Registration is required only once

Realisation of Export Proceeds

- Regulated by RBI through FEMA.
- As per the Foreign Trade Policy export invoices can be denominated in either rupees or freely convertible foreign currency. **However payment shall be realized in Freely Convertible Currency only unless otherwise specified.**
- As per RBI guidelines, payment for export of goods & services must be realized within 9 months, relaxable under special circumstances.
- One can refer to RBI master Circular on export of goods & Services for greater understanding.

BRC - Bank Realization Certificate

- BRC means Bank Realization Certificate
- Bank Realization Certificate BRC issued by the respective bank who received foreign amount for exporters.
- DGFT provides incentives, import duty exemptions and other financial assistance to the exporters. It requires to be submitted export proof by exporters to claim such benefits.

Structure of the FTP

Chapter 1 & 2

Legal framework
& trade
facilitation.
General
Provisions
regarding
Imports and
Exports

Chapter 3 & 7

Developing
Districts as
Export
Hubs.
Deemed
Exports

Chapter 4

Duty
Exemption/
Remission
Schemes

Chapter 5

Export
Promotion
Capital
Goods
Scheme

Chapter 6

Enabling
Provisions for
units which
export all their
production(
EOUs/EHTPs
and STPs)

Chapter 8

Committee
on Quality
Complaints
and Trade
Dispute

Incentive Schemes in FTP

Import based Incentives

Advance Authorization

- Duty free import of Goods
- Final Product shall be Exported

Export Promotion Capital Goods

- Duty Free Import of Capital Machinery
- Obligation to export goods of value six times duty saved in six years

Duty Drawback

- Refund of taxes incurred on inputs
- Customs Department Scheme

Export Promotion

SEIS

- Services Exports From India Scheme
- Incentive on Export of Specified services

Status Holder Scheme

- Recognition to Business Leaders
- Special Privileges given to these status Holders
- **1*** - 3 USD million
- **2*** - 15 USD million
- **3*** - 50 USD million
- **4*** - 200 USD million
- **5*** - 800 USD million



Services Exports from India Scheme (SEIS)

- SEIS provides for rewards to all Service providers of notified services, who are providing services from India, regardless of the constitution or profile of the service provider.
- SEIS eligibility only for the below two categories of supply.
- (i) Supply of a 'service' from India to any other country;
(Mode 1 - Cross border trade)
- (ii) Supply of a 'service' from India to service consumer(s) of any other country in India; **(Mode 2-Consumption abroad)**
- The rate of reward under SEIS would be based on net foreign exchange earned.
- Visit: Appendix 3D and 3E on dgft.gov.in

Services Exports from India Scheme (SEIS)

Incentive Scheme to Service Exporters

Duty Credit Scrip on FOB Value

Simply says: money back on value of exports

5%

Business Service, R&D Service, Educational Service, Motion picture and video tape production

3%

Legal services, Accounting, auditing and bookkeeping services, Taxation services, Architectural services, Engineering services, Hotels and Restaurants

ADVANCE AUTHORISATION SCHEME

- As per Standard Input Output Norms (SION) notified
- On the basis of self declaration as per paragraph 4.07 of Handbook of Procedures.
- Applicant specific prior fixation of norm by the Norms Committee.
Adhoc norms (Public Notice No 64 dated 27.12.2018)
- On the basis of Self Ratification Scheme in terms of Para 4.07A of Foreign Trade Policy.

ADVANCE AUTHORISATION SCHEME contd....

- Minimum 15% value addition on imported inputs
- Non transferable
- Third Party export is allowed
- Domestic Sourcing of inputs: Invalidation letter
- Export obligation Period & its extension
- Import Validity Period & revalidation
- EODC: Export Obligation Discharge Certificate

EXPORT PROMOTION CAPITAL GOODS (EPCG)

- Entitlement
 - Pre export benefit – import at 0% customs duty
- Eligibility
 - Manufacturer exporters
 - Merchant Exporter tied to a Supporting manufacturer
 - Service providers
- Imports allowed - capital goods, including
 - spares (including refurbished/reconditioned spares), tools, jigs, fixtures, dies and moulds
 - Computer systems and software which are a part of the Capital Goods being imported

EPCG: Procedural provisions

- Nexus Certification: Chartered Engineer Certificate establishing nexus between export product & machinery to be imported.
- Past Export : A CA certificate indicating past three years exports of same & similar goods is submitted for imposing average export obligation
- Installation Certificate: Issued by a Chartered Engineer needs to be submitted to the RA.

EPCG : various aspects (Obligations)

- Export obligation of 6 times the duty amount saved and to be completed in 6 years
- There are two block of (4+2 years) wherein exporter needs to fulfill 50 percent of EO in each block
- In case of failure to complete the block wise EO, exporter can convert two block into a single block by payment of composition fee
- If EO is not fulfilled within 6 years of EOP, exporter can apply for extension of EOP by paying composition fee

EPCG : various aspects (Obligations)

- Average Export Obligation: Exporter needs to maintain the past 3 years average exports of same & similar goods.
- A CA certificate is submitted along with application for EODC indicating fulfillment of Specific export obligation corresponding to duty saved amount as well as average export obligation.

Deemed Exports

Categories of Supply :

A.

1. Supply of goods against Advance Authorisation.
2. Supply of goods to EOU/STP/EHTP/BTP.
3. Supply of Capital goods against EPCG Authorisation.

B.

1. Supply of goods to projects financed by multilateral or bilateral Agencies / Funds as notified by Department of Economic Affairs(DEA), MoF, supplies covered competitive Bidding, as per the list of agencies in Appendix 7A.

Deemed Exports Cont..

2. Supply of goods as per Customs notification No. 50/2017 – as amended, Permits imports of such goods under zero customs duty, subject to ICB.
3. Supply of goods required to set up mega power projects based on DOR notification.
4. Supply of goods to United Nations or International organization as approved by Government of India.
5. Supply of goods to nuclear power projects where the capacity of the project is more than 440 MW.

Directorate General of Foreign Trade

Trade Promotion

- Knowledge Sharing/Training/Capacity building Programmes through:
 - Niryat Bandhu Scheme
 - Developing Districts as Export Hub Initiative
 - Outreach programs
 - Trade Promotion Wing
 - Youtube Channel
 - Self learning Videos
 - FAQs

Niryat Bandhu Scheme

- Mentoring new and potential exporter on the intricacies of foreign trade through counseling, training and outreach programmes
- Focused interventions to boost exports from TEE/ MSME clusters
- Outreach activities in a structured way with the help of Export Promotion Councils as ‘industry partners’ and other willing ‘knowledge partners’ in academia and research community
- To ensure optimum utilization of resources, efforts made in association with all the stakeholders, including Customs, ECGC, Banks and concerned Ministries

“Developing Districts as Export Hub” Initiative

- DEPCs have been set up in all the Districts of the State
- Participation of all Stake holder agencies-including state/central government departments, EPCs, Industry associations, Exporting community
- Collective effort of all stakeholders
- Identification of Potential Export Products
- Action Plan for promoting the identified products
- Information sharing to doorsteps of the Exporters
- Identification of issues and escalation with concerned agencies for further action

QUALITY COMPLAINTS AND TRADE DISPUTES

- Complaints received from foreign buyers in respect of poor quality of the products supplied by exporters from India;
- Complaints of Indian importers against foreign suppliers in respect of quality of the products supplied; and
- Complaints of unethical commercial dealings categorized mainly as non-supply/ partial supply of goods after confirmation of order; supplying goods other than the ones as agreed upon; non-payment; non-adherence to delivery schedules, etc.
- A request for investigation and settlement of quality complaint/trade dispute would be by an Indian/foreign entity at "www.dgft.gov.in>Services>Quality Complaints & Trade Disputes>fill Online Application Form".

Change in Approach

- From incentive based to create an enabling ecosystem/
remission based approach
- Focus:
 - Ease of guidelines
 - Process re-engineering-technology implementation-
Automation to facilitate ease of doing business-Automatic
approvals-Revalidation/EOP Extension/ Issuance /EODCs
 - Collaborative partnership with State Governments
 - Wider Engagement with Stakeholder
 - Awareness, Capacity Building, Outreach and Infrastructure
upgradation
 - Focus on emerging areas like-High tech exports, e-
Commerce, DEH
 - Reduced User charges-MSMEs

New Chapters

- Chapter 3- Developing Districts as Export Hubs
- Chapter 9- Promoting Cross Border Trade in Digital Economy
- Chapter 10- SCOMET

Amnesty Scheme for one time settlement of default in export obligation in Advance and EPCG Authorizations

- Public Notice No.02/2023 dated 01.04.2023
- Policy Circular No.02/2023-24 dated 17.04.2023
- Coverage:
 - AA/EPCG issued under FTP 2009-14 till 31.03.2015
 - AA/EPCG issued under FTP 2004-09 and before if EOP valid beyond 12.08.2013
- Scheme:
 - Payment of Exempted Customs Duty in proportion to unfulfilled EO
 - Interest only on the BCD part (no interest on portion of Addl CD and Special Additional Customs Duty)
 - Entire default
 - Partial Default
 - Adjudicated(or pending adjudication)/Appeal cases
 - Cases under Investigation
 - If already paid not eligible
- Time lines:
 - Complete process of registration before 31.12.2023
 - Payment by 31.03.2024

Readings and sites to refer to

- **FOREIGN TRADE POLICY (FTP)**
- **HANDBOOK OF PROCEDURES**
VOLUME -I - Procedures
VOLUME – II - SION

Sites to Refer to

www.dgft.gov.in

www.commerce.nic.in

www.rbi.org.in

www.cbec.gov.in

www.icegate.gov.in

www.apeda.gov.in

www.indiantradeportal.in

Thanks!

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Please visit dgft.gov.in for more information

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