



The Indian Silk Export Promotion Council

(Sponsored by Ministry of Textiles Govt. of India)
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IMPORTANT & OUT TODAY

ISEPC Cir NO 56-4/2020-21

14th April, 2020

To;

All Members of the Council – ISEPC;

Subject: Department of Commerce has provided a number of Relaxations / Extensions of various Compliance Deadlines etc. to address Corona Pandemic Related Hardships of Exporters: Reg;

Dear Member,

The Ministry of Commerce & Industry, Department of Commerce has provided a number of Relaxations / Extensions of various Compliance Deadlines etc. to address Corona Pandemic Related Hardships of Exporters through a Press Release dated 11th April, 2020.

To give relief to Members of Trade and affected individuals amidst the stress caused by the novel COVID – 19 pandemic, the Department has introduced several relaxations and extensions in deadlines etc. with regard to compliances mandated under its schemes and activities which are as follows:

(A) FACILITATION UNDER FOREIGN TRADE POLICY (FTP) 2015-20 BY DGFT

1. Extension of FTP beyond 31st March 2020: The Foreign Trade Policy (FTP) 2015-2020 and Handbook of Procedures (HBP) which was valid till 31st March 2020. ***Extended by one year till 31st March 2021;***
2. **Advance Authorizations and EPCG Authorizations: Extension of Export Obligation Period**
 - ❖ Those Advance Authorizations and EPCG Authorizations wherein the extended Export Obligation Period has either expired or is expiring between 1st Feb, 2020 to 31st July, 2020. ***Export Obligation Period has been extended for further six months from the date of expiry;***
 - ❖ Those Advance Authorizations and EPCG Authorizations wherein the import validity period has either expired or is expiring between 1st Feb, 2020 to 31st July, 2020. ***The import validity period has been extended for further six months from the date of expiry;***
 - ❖ Those EPCG Authorizations wherein Block period to fulfill the Block-wise export obligation has either expired or is expiring between 1st Feb, 2020 to 31st July, 2020. ***The Block period has been extended for further six months from the date of expiry;***
 - ❖ Those EPCG Authorizations wherein the time period to produce the Installation Certificate before the RA concerned has either expired or is expiring between 1st Feb, 2020 to 31st July, 2020. ***The time period has been extended for further six months from the date of expiry;***
3. Extension of validity of Registration cum Membership Certificate (RCMC) beyond 31st March, 2020: The Regional Authorities (RAs) of DGFT will not insist on valid RCMC (in cases where the same has expired on or before 31 March, 2020) from the applicants for any incentive / authorizations ***till 30th Sept, 2020.***
4. Merchandise Exports from India Scheme (MEIS): The last date for filing MEIS claims is 1 year from the Let Export Order (LEO) date of each Shipping Bill, and another 2 years beyond that with imposition of a late cut. The last date of filing MEIS claims without late cut for all Shipping Bills for which the initial one-year period expired / will be expiring on or after 1st Feb 2020 and on or before 31st May 2020, ***has been extended by 3 months beyond the expiry date of the initial one-year period.***
5. Rebate of State and Central Taxes and Levies (RoSCTL): Last date for filing RoSCTL claims for export shipments between 7th March to 31 Dec, 2019 of 30th June, 2020, ***has been extended to 31st Dec, 2020.***
6. Status Holder: The validity period of all Status Certificates issued under FTP 2015-20 to an IEC holder has been ***extended up to 31st March, 2021.***

7. **Remissions under provisions of Hand Book of Procedure (HBP)**

i. **Under para 4.12 (vi)** of the Handbook of Procedure (HBP), validity date of norms ratified is limited to 31.3.2020 or three years whichever is later. *This has been relaxed to be co-terminus with extended date of foreign trade policy / 3 years whichever is later.*

ii. **Under para 4.41 (a)** of HBP, Validity of Advance Authorizations for imports is capped at 12 months. Now the validity period of the Authorization for imports stands automatically *extended by six months for Authorizations where import validity is expiring after 1st Feb 2020.* The option to avail further validity extensions under para 4.41(c) shall be available.

iii. **Under para 4.42 (a) & (c)** of HBP, Export Obligation (EO) period allowed under Advance Authorization Scheme is 18 and 24 months respectively. The EO period under this para now stands automatically *extended by 6 months for Authorizations expiring after 1st Feb 2020.* Option for further extensions as per HBP 4.42 (e) and (f) shall remain available after this period is over.

iv. **Under para 4.42 (d)** of HBP, items under 4J get EO extension equal to half of the initially allowed period of EO. Now the EO period for items falling under appendix 4J stands automatically *extended for a further period of six months for Authorizations expiring after 1st Feb 2020.*

In addition, following changes are also implemented based on feedback, representation and inputs from other departments in light of COVID-19:

a. As approved by Department of Revenue, *Exemption of IGST and Compensation Cess under Advance Authorisation, EPCG Scheme and EOUs till 31.03.2021 has been notified.*

8. **Chapter 6 of Hand Book of Procedures (HBP)-EOU/EHTP/STP/BTP:**

(i) **Under para 6.01(b) (ii)** of HBP, any Letter of Permission (LoP) / Letter of Intent (LoI) issued under the FTP has an initial validity period of 2 years. Such validity may be extended by the competent authority. ***Now all such LOPs / LOIs whose original or extended validity expires on or after 1st March 2020, would be deemed to be valid up to 31st Dec, 2020.***

(ii) **Under Para 6.06 (c):** Special provisions have been laid down allowing a shorter period of export obligations in case of some sensitive products. ***In such cases where ever the export obligation period expires during 1st March, 2020 to 30th June, 2020, the same has been extended up to 30th of Sept, 2020;***

9. **Chapter 7 of Hand Book of Procedures (HBP)-Deemed Exports:** **Under para 7.05(a)** of HBP, an application for refund of TED / Drawback may be filed within 12 months from the date of realization / supply. ***Now in all such cases where the above dates fall on or after 1st March 2020, the date of filing of applications for refund of TED / Drawback will now be deemed to be extended up to 30th Sept 2020;***

10. **Chapter 7A of Hand Book of Procedures (HBP)- Transport and Marketing Assistance (TMA) Scheme:** **As per para 7A.01(d) of HBP, an application for claim of TMA may be filed within one year from the date of quarter ending.** ***Now application for refund of such claims for the quarter ending 31st March, 2019 and 30th June, 2019 may be filed up to 30th September, 2020;***

11. **Chapter 9 of Hand Book of Procedures (HBP)- Miscellaneous Matters:** As per Para 9.02 of HBP, provisions of late cut have been laid down wherever any application is received after expiry of last date for submission of such application. ***Now last date of submission of application for the purpose of late cut would be taken to be extended as per the extension given above for the regular application.***

B. FACILITATION FOR SPECIAL ECONOMIC ZONE (SEZ) UNITS

i.) In respect of SEZ Developers / Co-developers / Units relaxations have been allowed on following compliances:

- Requirement to file Quarterly Progress Report (QPR) attested by Independent Chartered Engineers by Developers/ Co-developers;
- SOFTEX form to be filed by IT/ITES units;
- Filing of Annual Performance Reports (APR) by SEZ units;

ii. Development Commissioners have been directed to facilitate all extensions of Letter of Approvals (LoAs) and other compliances through electronic mode in a time-bound manner. In the cases where it is not possible to grant extension through electronic mode or in cases where a physical meeting is required, Development Commissioners shall ensure that the Developer / Co-developer / Units do not face any hardship due to such expiry of validity during this period of disruption, and ad-hoc interim

extension / deferment of the expiry date may be granted without prejudice till 30th June, 2020 or further instructions of the Department on the matter, whichever is earlier. Such extensions will cover following type of cases:

- ♂ Developers/co-developers who are in the process of developing and operationalizing the SEZs;
- ♂ Units which are likely to complete their 5-year block for NFE assessment;
- ♂ Units which are yet to commence operations;

iii. Similarly, in case of expiry of LOPs of Export Oriented Units (EOU)s also, DCs have been directed to ensure that there is no hardship to EOUs during the lockdown period and if possible, all extension of LOPs may be facilitated through electronic mode in time bound manner. Where it is not possible to grant extension through electronic mode or such cases where physical meeting is required, in such cases expiry of validity of EOUs may be deferred suitably till 30th June, 2020. Such extensions will cover following type of cases:

- Letter of Permission (LoP) of existing EOUs whose five period for calculation of NFE is completed during the lockdown period;
- LoP of EOUs whose validity is expiring during the lockdown period;

iv. Along with IT/ITES Units, Non IT/ITES Units in SEZs have also been allowed to take desktop/laptop outside SEZs for work from home;

v. Power has been delegated to Development Commissioners for broad banding in case of manufacturing of essential items like masks, sanitizer, gowns and other protective preventive products/instruments subject to post-facto ratification by UAC;

vi. All DCs have been sensitized to adopt electronic working culture and to extend support to the units involved in manufacturing of drugs, essential items etc and to follow COVID guidelines;

vii. Department, in coordination with Development Commissioners is monitoring the situation on a daily basis. As on date, 403 units, engaged in manufacture of essential supplies like drugs, pharmaceuticals, medical supplies, etc. are functioning. In addition to this, 2055 units engaged in IT/ITES and other sectors have been allowed to work-from-home;

C. FACILITATION BY ECGC:

- Time for filing returns like declarations, extension applications, report of default etc., under the insurance covers that are due in March and April, ***extended up to May 31, 2020;***
- Time for filing claim/ replies due during this period ***extended up to 30th June, 2020;***
- Waiver of credit limit application fee ***till 30th June, 2020;***
- Reduction in policy proposal processing fee by 50% for policies due for renewal / issue *from 1st March till 30th June, 2020;*
- Discretion to exporters to *extend due date for payment by buyers for shipments accepted earlier;*
- Discretion to decide about shipments (i.e. resale / reimport / or abandon) that reached destination but not cleared by overseas buyers due to lockdown in the destination countries;
- Claim eligibility period under insurance cover *reduced from the present 4 months period to 1 month;*

D. Measures taken by Government e-market place (GeM) to facilitate procurement in view of the covid-19 pandemic:

The status of various interventions for ease of procurement for COVID-19 related items are as follows:

- ✓ New page introduced for tracking COVID-19 categories and the number of sellers;
- ✓ Shorter duration Bids with shorter delivery period enabled. Bid Cycle for COVID-19 related categories has been reduced to 3 days from existing 10 days. Buyers would also be able to reduce the Delivery Period for such items to 2 days considering the critical nature of the items;
- ✓ A filter has been put in for Local Supplier and for Lead Time for delivery selection by the buyer, to facilitate early delivery;
- ✓ Prioritization is being done in Product/Brand approval of the COVID Specific Categories;
- ✓ A new business rule has been put in place for controlling unreasonable price increase;

- ✓ Delivery Period Extension have been allowed for 30 days beyond the expiry of the original Delivery Period;
- ✓ New business rule to stock out sellers who do not update stock within 48 hours of notification for specific categories;
- ✓ Original Equipment Manufacturers (OEMs) & Sellers for eight new COVID categories have been identified;
- ✓ A Business Continuity Plan has been put in place for MSP and GeM to ensure continuity of system operations;

E MEASURES TAKEN BY DEPARTMENT TO FACILITATE PREFERENTIAL EXPORTS IN THE COVID-19 PANDEMIC

i. In the wake of the lockdown, the agencies authorized to issue the certificates of origin for India's preferential exports under the free trade agreement (FTAs) are either not functional or are operating with a skeletal staff. In the light of this, Department of Commerce had included some specific FTAs on this digital platform which had facilitated online application by exporters for these certificates;

Trade Notice 1 dated 7.4.2020 has added India's main FTAs namely those with ASEAN, Japan, SAARC countries and Asia Pacific Trade Agreement (APTA) onto this digital platform. A related Trade Notice 62 dated 6.4.2020 has asked the agencies to issue the digitally signed certificates to the exporters on this platform as also keep a uniform fee for certificates even if they are issued retrospectively. The platform issues digitally signed certificates and we have been successful in getting the trading partners to accept these digitally signed certificates. This would ensure that our preferential exports are facilitated even during this lockdown period;

ii. Most of the exporters to the European Union (EU) avail of the EU Generalised System of Preferences (GSP) Scheme wherein they get tariff preferences on exports. While the EU GSP is on a self-certification basis, the exporters have to apply to the prescribed agencies in India for getting a REX (registered exporter) number;

In view of the closure of the offices of these agencies, Trade Notice 61 dated 2.4.2020 has prescribed the acceptance of scanned documents for getting the REX number so that the exporter has no physical interface with the agencies. This would ensure that exporters to EU under the EU GSP who have not got the REX number can apply electronically to the agencies (also known as Local Administrators for registration);

F. FACILITATION BY THE DIRECTOR GENERAL TRADE REMEDIES (DGTR)

- ✚ Submission of documents in the Trade remedies investigation process has been done online or through digital transmission without having to submit physical copies.
- ✚ This has been enabled for both new investigations and ongoing investigations.
- ✚ Also, the hearings and consultations are being carried out through Video conferencing.

Members are requested to make a note of the above.

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