

FOREIGN TRADE POLICY EXTENDED DUE TO PANDEMIC COVID-19 BY ANOTHER ONE YEAR I.E. UP TO 31ST MARCH 2021.

In view of the unprecedented current situation arising out of the pandemic Novel COVID-19, the Ministry of Commerce and Industry issued a Press Release on March 31, 2020 announcing changes in the current Foreign Trade Policy (“FTP”) of the Government of India.

Subsequently, the Director General of Foreign Trade issued Notifications/Public Notices/Trade Notices notifying several amendments in the FTP and Handbook of Procedure.

Pursuant to the amendments, it has been decided to continue relief under various export promotion schemes by granting extension to the existing FTP by another one year i.e. up to 31st March 2021.

The present FTP which came into force on 1st April, 2015 was valid upto 31st March, 2020.

Some of the key changes made in the FTP and Handbook of Procedure via Notification no. 57/2015-2020 dated 31st March, 2020 and Public Notice no. 67/2015-2020 dated 31st March, 2020 respectively are as under;

1. The current FTP which was valid till 31.03.2020 has been extended till 31.03.2021 to provide continuity in the policy regime.
2. Similar extension is made in the related procedures, by extending validity of Handbook of Procedures till 31.03.2021.
3. Benefit under all the Export Promotion Schemes (except SEIS) and other schemes, available as on date, will continue to be available for another 12 months, i.e., 31st March 2021. Decision on continuation of SEIS will be taken and notified subsequently.
4. Validity period of the Status Holder Certificates is also extended to enable the Status Holders to continue to avail the specified facilities/benefits. Status certificate will be valid for five years from the date of filing of application or 31 March 2021, whichever is later.
5. Exemption from payment of IGST (Integrated Goods and Service Tax) and Compensation Cess on the imports made under Advance/EPCG Authorisations and by EOUs etc. has been extended up to 31.03.2021.
6. The scheme for providing “Transport Marketing Assistance on the specified Agricultural Products” is further extended for one year till 31st March 2021;
7. Validity period for making imports under various duty-free import authorizations (AA/DFIA/EPCG) expiring between 01.02.2020 and 31.07.2020, has been allowed automatic extension for another six months from the date of expiry, without requirement of obtaining such endorsement on these authorizations.
8. Wherever the period to make export is expiring between 01.02.2020 and 31.07.2020 under various authorizations, automatic extension in the export obligation period is allowed for another six months from the date of expiry, without payment of any composition fee.
9. Last dates for applying for various duty credit Scrips (MEIS/SEIS/ROCTL) and other Authorisations have been extended.
10. Timelines for imposing late cuts, on the applications which are filed after the prescribed dates, have been relaxed.
11. Validity period of Letter of Permission/ Letter of Intent as granted to EOUs, units in STPs/EHTPs/BTPs is further extended up to 31st December, 2020.
12. Last date of filing applications for refund of TED/Drawback where the dates of filing application falls on or after 1 March 2020 has been extended to 30th September 2020;

13. Extension in time has been allowed for filing various Reports>Returns etc. under various provisions of the FTP.

COMMENTS

The extension of FTP ensures continuity of existing schemes for exporters and importers as they strive to cope with business disruption due to COVID-19 pandemic. The continuation of Merchandise Exports from India Scheme, which earns exporters cashable scrips against exports of identified items, and the Export Promotion Capital Goods scheme, under which capital goods for production of export goods can be imported duty-free is a big relief for the exporters. The extension of timelines for filing applications or complying with the procedural requirements will provide much required respite to the industry.

For any clarifications, please feel free to write to:

Ms. Sulekha Kaul: sulekha@vaishlaw.com

.....
DISCLAIMER

While every care has been taken in the preparation of this Corporate Alert to ensure its accuracy at the time of publication, Vaish Associates Advocates assumes no responsibility for any errors which despite all precautions, may be found therein. Neither this bulletin nor the information contained herein constitutes a contract or will form the basis of a contract. The material contained in this document does not constitute/substitute professional advice that may be required before acting on any matter. All logos and trademarks appearing in the newsletter are property of their respective owners.

.....