CHAPTER 1

Legal Framework and Trade Facilitation

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1.01 Notification of Procedure

In pursuance of the provisions of paragraph 1.03 of Foreign Trade Policy (FTP), the Director General of Foreign Trade (DGFT) hereby notifies the procedure to be followed by an exporter or importer or by the licensing/Regional Authority or by any other authority for purpose of implementing the provisions of Foreign Trade (Development S Regulation) Act, the Rules/Orders made there under and the provisions of Foreign Trade Policy. The said procedure is contained in following compilations:

(a) Hand Book of Procedures

(b) Appendices S Aayat Niryat Forms and

(c) Standard Input Output Norms (SION)

These compilations, as amended from time to time, shall come into force from the date of the notification and shall continue to be in operation unless otherwise specified or amended.

1.02 Objective

The objective is to implement provisions of FT (DSR) Act, Rules and Orders made thereunder and provisions of FTP by laying down simple, transparent and digitally (electronically) compatible procedures, which are user friendly and easy to comply with and administer for efficient management of Foreign Trade.

1.03 Definition

For the purpose of this Handbook, definitions and glossary contained in FT (DSR) Act, Rules and Orders made there under and in the FTP shall apply.

1.04 E-governance of Foreign Trade in DGFT

IT initiatives taken by DGFT are as under:

(a) DGFT Online Customer Portal

A customised online dashboard is made available to the exporter which provides a 360-degree view of Export related applications at https://dgft.gov.in/CP.

(b) Exporter Importer Profile

An Importer / Exporter shall regularly update the Importer Exporter profile on the online IEC module to enable efficient delivery of services to the IEC holder. The documents S details available in the IEC Profile and online Repository will facilitate paperless processing in DGFT.

(c) Facility of online filing and processing of applications

Through the DGFT Customer Portal, applicants can apply online for various trade related benefits/services including for issue of authorisations/scrips and amendments thereof under various FTP provisions. The online environment also enables uploading of supplementary documents, replying to the queries online and tracking status of applications as well as processing of application by officials.

(d) Automated processing in online environment

Rule-based, system-driven workflow is being implemented in a phased manner for automated processing of various applications with a risk based management approach.

(e) Applications requiring Inter-Ministerial Consultation

Exporters would be able to apply and track status of the applications made against various categories including

(i) Import of Restricted Items
(ii) Export of Restricted Items
(iii) SCOMET Items
(iv) Fixation of norms by Norms Committees

The requisite consultation for these applications with other Ministries/Stakeholders will also be handled in online environment.

(f) Onboarding of CA/CS/Cost Accountant

In order to move towards paperless processing, an electronic procedure has been developed to upload digitally signed documents by Chartered Accountant / Company

Secretary / Cost Accountant. Exporter shall be able to link digitally uploaded annexure with the online applications under various schemes of the FTP.

(g) 24 X 7 Helpdesk Facility to guide applicants and monitor grievances

A dedicated 24 X 7 Helpdesk facility has been put in place to assist the exporters in filing online applications on the DGFT portal and other matters pertaining to Foreign Trade Policy.

A Help manual S FAQs for filing various applications under the FTP are also available on DGFT website under the link https://dgft.gov.in> Learn > Application Help S FAQs.

For assistance any of the following channels may be accessed —

(i) Raise a service request ticket on DGFT website under the link > Services > DGFT Helpdesk Service
(ii) Call the DGFT toll free helpline number at 1800-572-1550 / 1800-111-550
(iii) Send an email to the Helpdesk on dgftedi@nic.in

(h) Message Exchange with Community partners

CBIC, CBDT, MCA and Banks are major community partners of DGFT for message exchange. An effective message exchange system is in place with various community partners which is as follows:

(i) API Message Exchange with CBIC for

- (a) Importer Exporter Code Number
- (b) Authorisations/ Scrips including of DFIA, AA, EPCG
- (b) Shipping Bills and Bills of Entry
- (d) RBI's EDPMS for Export Realisation details

(ii) API Message Exchange with CBDT for PAN related services

(iii) API Message Exchange with MCA for company related information

(iv) Message Exchange with Banks, PFMS S Bharat Kosh

- (a) Application Fee
- (b) electronic Bank Realisation Certificate (e-BRC) data

(v) API message exchange with M/o MSME for Udyam Registration.

(i) DGFT Trade facilitation Mobile application

A DGFT Trade Facilitation Mobile App is available for information on Trade Statistics, FTP Schemes and status of applications submitted for both Android and iOS.

(j) Facility to verify the documents/certificate issued through DGFT Portal

Digitally issued e-authorisations/e-certificates through DGFT Portal can be verified at DGFT website under the link > Services > Verify Document.

(k) Submission of views, suggestions, comments, or feedback

The mode of receiving views, suggestions, comments, or feedback as provided in Para 1.07 (A) of the Foreign Trade Policy 2023 shall be provided for in the Public Notice/Trade Notice seeking such views, suggestions, comments, or feedback.

1.05 Use of Digital Signature Certificates and Aadhar e-Sign

DGFT allows submission of applications authenticated through digital signature certificate (DSC) issued by any approved entity of Controller of Certifying Authority of India or through Aadhar eSign in online environment.

1.06 Conversion of Currencies in e-BRCs

(a) Currencies, where Exchange rates are notified by CBIC: The foreign exchange realised (as mentioned by bank in the eBRC) is converted into Indian Rupee (INR) using the monthly exchange rates published by CBIC as on Let Export Order (LEO) date.

(b) Currencies, where Exchange rates are not notified by CBIC: In such cases, total realised value in INR (as mentioned by bank in the eBRC), will be converted into US$ by using the US$ /INR exchange rate prevailing on the date of realisation as published by CBIC.

1.07 Generation of eBRC where payments are realised through Insurance Agencies

(a) An applicant realising export proceeds through Insurance Agency will approach the concerned RA with the proof of payment issued by the concerned Insurance Agency. RA, after satisfying itself of the bona fide of the payment, will obtain approval of EGSTF Division, DGFT Hqrs and then RA will upload the value (in lieu of eBRC value) in EDI system of DGFT for processing of the case.

(b) If the proof of payment issued by the Insurance Agency mentions claim value both in foreign exchange and INR, RA will use the foreign exchange value for processing. If the claim value is mentioned only in equivalent INR, RA will convert this INR value in equivalent US$ using the exchange rate (published by CBIC) applicable on the date of settlement of insurance claim.

STATUS HOLDER CERTIFICATION

1.08 Status Holder: Application for grant of Status Certificate

(a) Exporters shall be required to file an application online for recognition of status under the Policy in ANF 1B along with prescribed documents.

(b) Online Application for status certificate shall be filed with jurisdictional RA as determined by the location of Registered Office in the case of Company and of Head Office in the case of others as per Appendix 1A.

1.09 Validity of status certificate

(a) Any Status Certificate issued under FTP 2015-20 to an IEC holder shall remain valid only till 30.09.2023.

(b) Status Certificates issued under this FTP shall be valid for a period of 5 years from the date on which application for recognition was filed.

(c) On achieving higher status threshold as per Para 1.26 of FTP a firm can, at its discretion, upgrade their status holder category after surrender of the previous Certificate and applying as per para 1.08 above.

1.10 Maintenance of Accounts and Submission of Annual Export Statement

Status Holders shall maintain true and proper accounts of its exports and imports based on which such recognition has been granted. Records shall be maintained for a period of two years from the date of grant of status certificate. These accounts shall be made available for inspection to RA concerned or any Authority authorized by DGFT, as and when required.

1.11 Refusal /Suspension /Cancellation of Certificate

Status Certificate may be refused / suspended/ cancelled by RA concerned, if status holder or authorized representative acting on his behalf:

(a) Fails to discharge export obligation imposed;

(b) Tampers with Authorisations;

(c) Misrepresents or has been a party to any corrupt or fraudulent practice in obtaining any Authorisation;

(d) Commits a breach of FT (DS R) Act, or Rules, Orders made there under and FTP, The Customs Act 1962, The Central Excise Act 1944, FEMA Act 1999, COFEPOSA Act 1974 and Central / State GST Acts ;

(e) Fails to furnish information required by this Directorate.

A reasonable opportunity shall be given to Status Holder before taking any action under this paragraph.

1.12 Appeal

An applicant, who is not satisfied with decision taken to suspend or cancel Status Certificate, may file an appeal to DGFT within 45 days. Decision of DGFT shall be final and binding thereon.