

CHAPTER 1

INTRODUCTION & TRADE FACILITATION

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 & 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 & 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 their notification and shall remain in force until 31st March, 2020.

1.02 Objective

The objective is to implement provisions of FT (D&R) Act, Rules and Orders made there under and provisions of FTP (2015-20) by laying down simple, transparent and EDI compatible procedures which are user friendly and are 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 (D&R) Act, Rules and orders made there under and in the FTP (2015-20) shall apply.

1.04 E-governance of Foreign Trade

- (a) DGFT delivers most of its services on a transparent and efficient EDI platform using tools like Online filing of Applications, Message Exchange with Community Partners, Digital Signatures and Electronic payment of application fee. Use of EDI at DGFT has enabled faster processing, speedier communication by e-mail and on-line availability of application processing status. The endeavor is to achieve higher level of information sharing through SMS.
- (b) Export Import related information including Acts, Rules, Policy & Procedures thereof including online DGFT portal can be accessed at <http://dgft.gov.in/>.
- (c) All the DGFT Regional Authorities are EDI enabled and connected with the DGFT Central Server to provide online connectivity to EXIM community in a 24x7 environment.
- (d) DGFT keeps expanding the scope and domain of EDI on a continuous basis. The endeavor is to achieve higher level of integration with community partners.

1.05 Procedure

An exporter shall file his application online on DGFT website at <http://dgft.gov.in/>. Application will then be processed in accordance with prevalent rules and regulations. The processing of applications will be made online. DGFT shall issue deficiency letters, if any, in online mode or through use of e-mail. No communication shall be issued by DGFT in manual mode.

1.06 Use of Digital Signature

- (a) DGFT allows online filing of applications with Class-II digital signature with IEC number embedded in it. A list of DGFT approved digital signature issuing authorities is given as under:

- (i) (n) Code Solutions CA
- (ii) e-Mudhra
- (iii) Safescrypt (Siffy Communication Limited)

(b) For purposes other than submission of the application, such as an enquiry or uploading/processing of e-BRC data, class II or above digital signature certificate issued by any approved entity of Controller of Certifying Authority of India is accepted.

1.07 Separate applications for exports from EDI and on EDI ports

Separate applications shall be filed to DGFT for exports from EDI ports and Non EDI ports.

1.08 Application for exports from Non EDI ports

An exporter would be able to file his application on DGFT website at <http://dgft.gov.in/>. Applicant will then submit to concerned RA the hard copy of application along with requisite documents. Authorisation/Scrip shall be issued on the basis of hard copies of documents as prescribed in HBP after due scrutiny.

1.09 Application for exports from EDI ports

Applications relating to exports from EDI ports will be filed online as per relevant provisions. Physical or Hard copy of the following documents shall not be required to be submitted:

- (i) Applications to DGFT
- (ii) EDI shipping bills
- (iii) Electronic Bank Realisation Certificate (eBRC)
- (iv) RCMC

1.10 No manual feeding allowed for EDI shipments

For EDI shipping Bills, no manual feeding of Shipping bill details will be allowed to the applicants in the online software and benefits will accordingly be granted by RAs without the need for cross verifying EDI Shipping Bill details.

1.11 Dispensing with hard copy of documents

Hard copy of documents already submitted online in exporter's profile shall not be called for.

1.12 Processing of Non EDI Shipping bill sat RA

In case of the Non EDI shipping bills or the shipping bills not received through the Message Exchange from Customs, concerned RA shall verify the details entered by the exporter from the original shipping bills before grant of benefits.

1.13 Instructions for filing of applications

Detailed step by step instructions for online filing of an application are available at the relevant HELP files at DGFT website and at scheme specific ANF of the HBP

1.14 EDI Procedure for claiming benefits in respect of Third Party exports

For claiming benefits under EDI system in respect of Third Party exports the process will be initiated by the First party who will link shipping bills and BRCs to repository. If the First Party chooses not to claim benefit for a particular shipping bill item/s, it may authorize Third Party to claim benefit for such shipping bill item/s. After such authorization by First party, Third Party will be able to utilize the shipping bill item/s in its application".

1.15 Conversion of Currencies in e-BRCs

- (a) Currencies, where Exchange rates are notified by CBEC:** The foreign exchange realized (as mentioned by bank in the e BRC) is converted to Indian Rupee (INR) using the monthly exchange rates published by CBEC as on Let Export Order (LEO).
- (b) Currencies, where Exchange rates are not notified by CBEC:** In such cases, total realized value in INR (as mentioned by bank in the e BRC), will be converted into US\$ by using the US\$ /INR exchange rate prevailing on the date of realization as published by CBEC.

1.16 Guidelines for Processing of claims where an exporter gets payment through Insurance Agencies (and not through banks) towards realization of export proceeds

- (a) An applicant realizing 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 Additional DGFT (EDI) and then 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 CBEC) applicable on the date of settlement of insurance claim.

1.17 EDI Help Desk & Online Complaint registration and monitoring system

An EDI Help Desk is available to assist the exporters in filing online applications on the DGFT portal and resolving other EDI related issues. For assistance an email may be sent at dgftedi@nic.in or Toll Free number 1800111550 can be used. Help Desk facility is also operational at the 4 Zonal Offices of DGFT, namely, CLA (New Delhi), Mumbai, Chennai & Kolkata. An Online Complaint registration and monitoring system allows users to register complaint and receive status/ reply online (details at <http://dgft.gov.in>).

1.18 E-Mail

Use of Email for queries relating to import/export is encouraged. Contact email ids are available at <http://dgft.gov.in/exim/2000/dgftContactUS.html>.

1.19 e Trade Project

The e TRADE project facilitates users to carry out all their foreign trade related compliances, regulatory or otherwise, online. Department of Commerce pilots this project.

The major stake holders of the project are Customs, Directorate General of Foreign Trade (DGFT), Seaports, Airports, Container Corporation of India (CONCOR), Inland container Depots(ICDs)/ Container Freight Stations (CFSs), Banks, importers/exporters, agents, airlines/shipping lines.

The project emphasizes automation of internal processes for quicker processing of trade requests. Transparency is induced in the system by reduced personal interface of importers/exporters with Government agencies.

The project provides for following key services:

- (i) e-delivery of services / clearances by community partners like Customs and Custodians at Sea ports, Airports and ICD/CFSs. These services are extended to exporter, importer, agents etc.
- (ii) E-filing of export/ import documents by exporter, importer, agents etc to Customs and Custodians at Sea Ports, Airports and ICD/CFSs.
- (iii) Electronic exchange of documents between community partners i.e. Customs and Custodians at Sea Ports, Airports, ICD/CFSs.
- (iv) e-Payment by exporter, importer, agents for Custom duties; DGFT's application and other fee and Charges (handling/freight, etc) of Custodians at Sea Ports, Airports, ICD/CFSs.