

F. No. 605/10/2022-DBK
Government of India
Ministry of Finance: Department of Revenue
Central Board of Indirect Taxes and Customs
(Drawback Division)

New Delhi dated 24th May 2023

To
All Principal Chief Commissioners/Chief Commissioners,
All Principal Directors General/Directors General,
All Principal Commissioners/Commissioners

Madam/Sir,

Subject: Foreign Trade Policy 2023 - reg.

The Central Government has notified the Foreign Trade Policy, 2023 (FTP) effective from 1.4.2023 vide Notification No. 01/2023 dated 31.03.2023 and DGFT has issued Public Notices No. 01/2023 dated 01.04.2023 for related Handbook of Procedures (HBP) and No. 10/2023 dated 26.04.2023 for Appendices and ANF. These are available at <https://dgft.gov.in>.

2. The Customs notifications for purposes of implementation of schemes mentioned in FTP chapters on duty remission/exemption or EPCG schemes that were issued on 01.04.2023 include the Notification Nos. 21 to 24/2023-Customs for Advance Authorization (AA), AA for deemed export, AA for annual requirement, AA for export of prohibited goods, No. 25/2023-Customs for Duty Free Import Authorization, No.26/2023 for EPCG and No. 27/2023 for Special Advance Authorization. Notification Nos. 24 and 25/2023 - Customs (NT) have been issued with respect to RoDTEP and RoSCTL schemes, respectively. These notifications are available at www.cbic.gov.in.

3. It is requested to peruse the details of the above cited notifications.

4. A few aspects of the FTP-HBP are highlighted below -

(a) The Special Advance Authorization Scheme (SAAS) in Para 4.04A of FTP is for import of specialized fabrics meant for export production of garments of Chapter 61 and 62. It has been provided that such authorization may also be issued on the basis of self- declaration with the condition that the norms shall be finalized/fixed in such cases within stipulated time period of 90 days.

(b) The eligibility to apply under Self Ratification Scheme for purposes of Advance Authorization in para 4.06 of FTP has been extended to a manufacturer cum actual user who holds a valid 2-Star or above Status under para 1.25 of FTP if it has already submitted its application on CBIC's AEO portal for grant of AEO certification, provided he obtains the AEO certification within 120 days, else the DGFT's Norms Committee shall have to fix the norms. The field formations and Directorate of International Customs should note this aspect and ensure that AEO applications do not pend on their account and are handled in a timely manner.

(c) In terms of para 4.09 of FTP, a minimum value addition of 25% is now to be achieved for spices under Advance Authorisation Scheme.

(d) In terms of para 4.11 of FTP, all items with a basic customs duty of more than 30% have also been included in the list of ineligible categories of import under self-declaration basis.

(e) Project imports are excluded from EPCG scheme.

(f) In terms of para 6.11 (d) of FTP, facility of exemption from furnishing bank guarantee shall not be available to certain units which have been issued confirmed demand etc. under CGST/SGST/UTGST/IGST Acts. Further, the facility of exemption from furnishing Bank Guarantee at the time of import or going for job work in DTA to EOU / EHTP / STP / BTP has been extended to units having AEO certification, subject to certain conditions. The Circulars No. 54/2004 – Customs dated 13.10.2004 and 36/2011-Customs dated 12.08.2011 would stand modified to the extent mentioned in para 6.11 (d) of FTP.

(g) In terms of para 6.04 (b) (i) of HBP, the EOUs, for setting up, operations or maintenance of wind captive power plant and solar captive power plant would not get tax/duty benefits. Accordingly, the Notification nos. 52/2003 – Customs dated 31.03.2003 and Notification no. 22/2003 – Central Excise dated 31.03.2003 have been amended vide Notification no. 28/2023 – Customs dated 01.04.2023 and Notification no. 20/2023 – Central Excise dated 26.04.2023 respectively.

(h) In terms of para 6.38 (a) of HBP, the conversion to EOU from DTA unit having EPCG licence, would, apart from other conditions, be permitted only if either the DTA unit has fulfilled the stipulated export obligation and obtained EODC or the DTA unit has made payment of applicable duties and taxes and compensation cess on capital goods imported under the EPCG Scheme. Appendix 6M has been suitably modified vide DGFT Public Notice No.10/2023 dated 26.04.2023.

(i) In the Gems and Jewellery schemes the list of Nominated Agencies has been revised. Accordingly, Notification no.57/2000-Customs dated 08.05.2000 has been amended vide Notification no. 28/2023 – Customs dated 01.04.2023.

5. Suitable Trade/Public Notice may be issued. Difficulties faced, if any, may be brought to the notice of the Board.


24/4/23.
(Kapil Chaudhary)
Joint Secretary