

Setting up Business in India

Trade and Facilitation Series - Vol 6



DEEMED EXPORTS - MEANING

For the purpose of FTP

- It refers to those transactions in which goods supplied do not leave the country, and the payment of such supplies is received either in Indian Rupees or in free foreign exchange.

For the purpose of GST

- It includes only the supplies made under section 147 of the CGST Act, on the recommendation of the GST council.

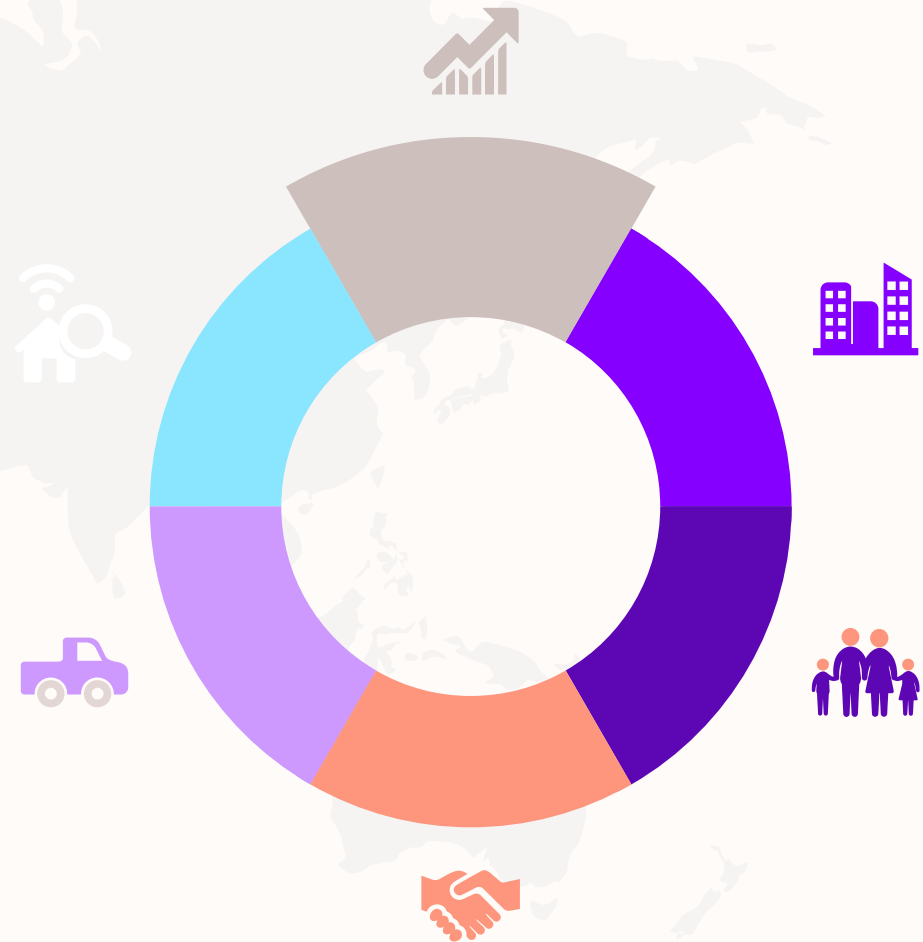
DEEMED EXPORTS - CATEGORIES

Supply by Manufacturer

- Supply of goods by a registered person against Advance Authorisation.
- Supply of Capital Goods by a registered person against EPCG.
- Supply of goods by a registered person to an EOU/EHTP/STP/BTP.

Supply to Main/Sub-contractors

- Supply of goods to projects financed by department of economic affairs, ministry of finance.
- Supply and installation of goods and equipment to projects financed by DEA, MoF for which the bids are evaluated on basis of delivered duty paid.
- Supply of goods to nuclear power projects provided such project has a capacity of 440 MW or more



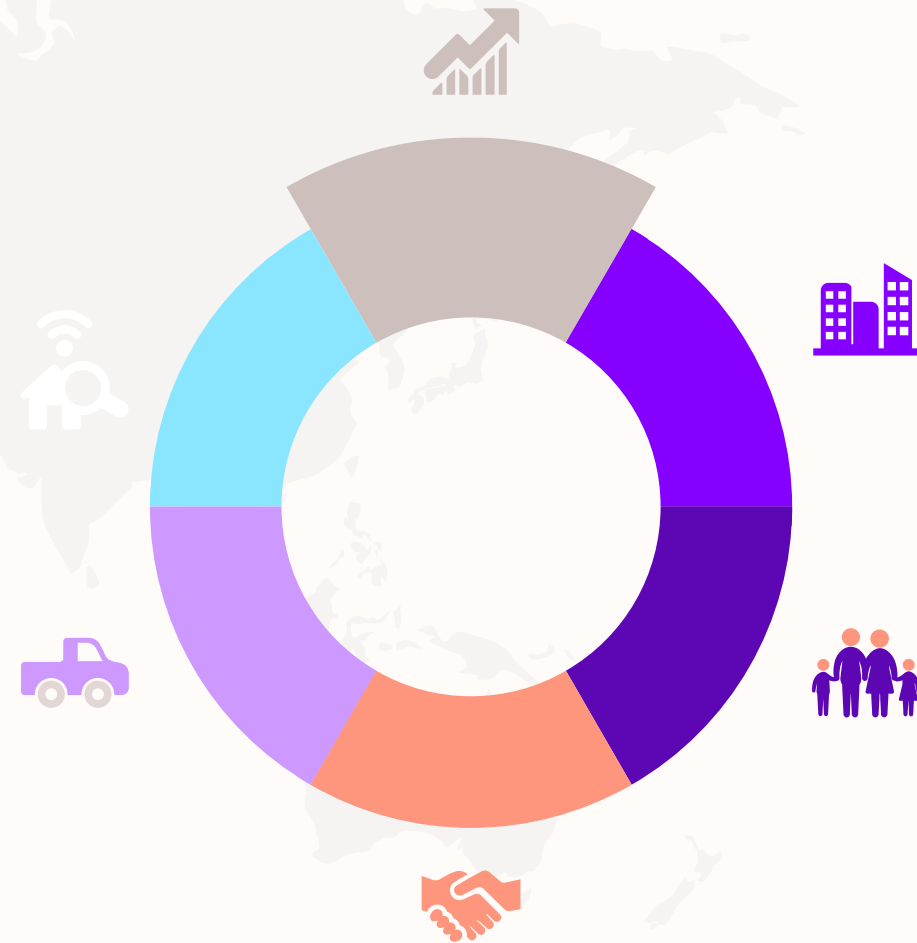
BENEFITS FOR THE DEEMED EXPORTERS

Advance authorization for DFIA

- In respect of goods supplied to Advance Authorization holder against invalidation letter, application to obtain AA for import of duty-free inputs can be made as per the procedures prescribed.

Deemed export drawback and refund of Terminal Excise duty (TED)

- Application can be filed either by the supplier or the recipient having valid IEC.
- To obtain certificate for non-availment of CENVAT credit as per ANF 7A.
- Claims can be filed against payment received through normal banking channels, as per e-brc.
- In respect of goods supplied by manufacturer, then application for TED/Drawback may be filed within 12 months from the date of realization of 100% payment against such supplies.
- Drawback shall be allowed normally as per All industry rate. However, fixation of brand rate is available if specified documents are made available to RA concerned





LIABILITY AND PAYMENT OF INTEREST



Note 1

- Incomplete applications are liable to be rejected.
- Simple interest @ 6% p.a payable in case of a delay in refund of DBK/TED, provided the claim is not settled within 30 days from the date of issue of final approval letter by RA

Note 2

- If interest is not added by RA/DC, a separate application in ANF 7B maybe filed within 30 days from the date of receipt of principal amount.
- No interest shall be paid thereafter.

Note 3

- RA shall submit a monthly report in relation to disbursement of deemed exports claim in ANF 7F.

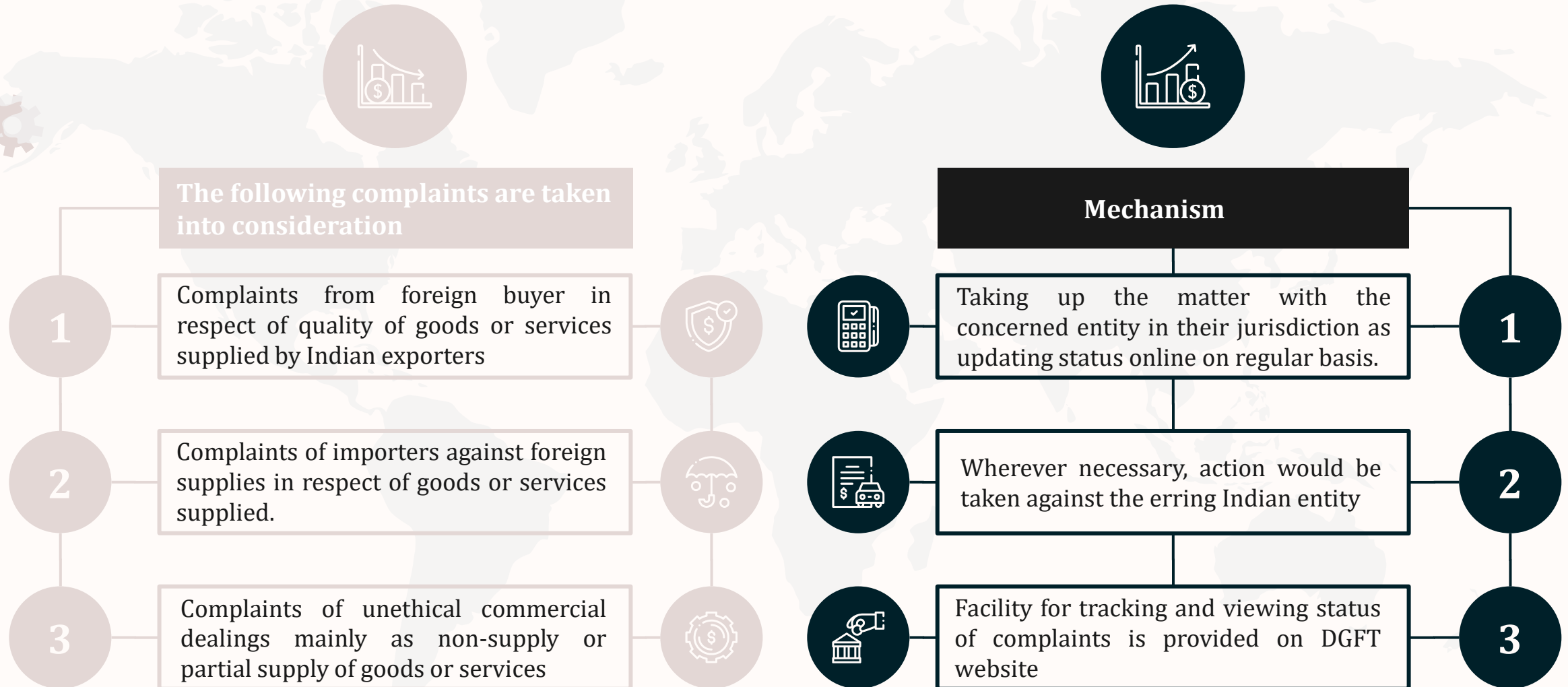


COMMITTEE ON QUALITY COMPLAINT AND TRADE DISPUTE (CQCTD)

For dealing with Quality Complaints and trade disputes, CQCTD is constituted in 20 offices of DGFT. These committee may comprise of the following members:

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1. Additional DGFT/Joint DGFT – **Chairperson**
 2. Representative of Bureau of India Standard (BIS) – **Member**
 3. Representative of Agricultural and Processed Food Products Export Development Authority (APEDA) - **Member**
 4. Representative of the Branch Manager of the concerned Bank – **Member**
 5. Representative of Federation of Indian Exporter Organization (FIEO)/ Export Promotion Council/Commodity Boards – **Member**
 6. Representative of Export Inspection Agency – **Member**
 7. Nominee of Director of Industries of State Government – **Member**
 8. Nominee of Development Commissioner of MSME – **Member**
 9. Officer as Nominated by Chairperson – **Member Secretary**
 10. Any other agency, as co-opted by chairperson - **Member**

QUALITY COMPLAINT AND TRADE DISPUTES - MECHANISM



PROCEEDINGS AND CORRECTIVE MEASURES

Proceedings are conciliatory in nature. The aggrieved party is free to pursue any legal resource against the other erring party

The committee can authorize the export inspection agency to assess if there is any technical failure of not meeting the standards



Complaints against foreign entities would be taken up for settlement by the respective 'Foreign trade division' through Indian mission abroad

If the Indian missions abroad are satisfied, they shall send such information to DGFT for circulation among the other concerned authorities.

E-COMMERCE EXPORT HUBS (ECEH)



1

Application for creation of ECEH shall be made to DGFT. DGFT shall constitute a committee for evaluation of such applications

2

The Committee shall have one member from department of revenue

3

DGFT may specify negative list of export items that cannot be dealt within the ECEH

4

ECEH developer shall provide an annual statement of accounts as per instruction

5

DGFT shall notify procedures for supervision and inspections at ECEHs, which could also be an independent evaluation

FRAMEWORK FOR CROSS-BORDER TRADE OF GOODS AND SERVICES

1 Export of goods and services through E-commerce platform for which the payment shall be made through international debit or credit cards

2 Export and import through a registered courier service/Foreign Post Office is permitted, but it shall be regulated in accordance with FTP

3 The value limit for exports shall not exceed Rs. 10,00,000 per consignment



Nature of ECEH Operations





Thanks!

Do you have any questions?
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