

THOUGHTS ON PROFESSIONAL OPPORTUNITIES IN FOREIGN TRADE

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INDIA'S FOREIGN TRADE

Foreign trade is the exchange of goods and services between countries and India's foreign trade is a significant part of its economy.

India's cumulative overall exports during April -September 2024 is estimated at about US \$393 billion. India's overall exports (Merchandise and Services combined) in FY 2023-24 exhibited a positive growth to reach \$776.68 billion worth of exports. Merchandise exports have been recorded at \$447.46 billion during FY 2023-24 and Services export leads the overall export growth and has set a new record annual value of \$339.62 billion during FY 2023-24. India's overall exports in August 2024 stands at \$65.40 billion.

India has a robust EXIM infrastructure comprising of industrial corridors consisting of a comprehensive network of major ports, roads, railways, airports, infrastructure, economic hubs etc. About 95% of India's merchandise trade (by volume) is handled by its maritime transport. Jawaharlal Nehru Port Trust (JNPT) in Maharashtra is India's largest port, handling 55% of container cargo across all major ports.

India has entered into trade agreements with various countries to facilitate and boost its external trade. Imports and exports are regulated by the Foreign Trade (Development and Regulation) Act, 1992, which empowers the central government to make provisions for development and regulation of foreign trade. Foreign Trade Policy (FTP) is the prime policy that lays down procedures for management of foreign trade in India. Certain items which are restricted, canalized, or prohibited, as declared and notified by the government require additional permission and licenses from the Directorate General of Foreign Trade (DGFT) and the central government.

PROFESSIONAL OPPORTUNITIES IN FOREIGN TRADE

1. Advisory with respect to various rules and regulations of foreign trade

2. Assistance in fulfilling the regulatory and licensing requirements
3. Liaison across related government agencies like Director General of Foreign Trade (DGFT), Reserve Bank of India (RBI) etc.
4. Representation and Liaison for Foreign companies/NRIs/OCBs in India, Indian Investments Abroad
5. Ensuring preparation of correct documentation required at all stages of export & import
6. Advisory on Foreign Trade Policy and Procedures and Compliance with Foreign Trade Procedures
7. Multidisciplinary consultancy with respect to Foreign exchange transaction and Foreign Exchange Management Act (FEMA) related areas
8. Certificates under the Duty exemption/remission schemes of the Foreign Trade Policy.
9. Setting up 100% EOU/STP/EHTP/BTP/SEZ units
10. Comprehensive Risk assessment
11. Availability of trade finance & judicious management of finance, credit and security
12. Analysis of business operations and facilitation services
13. Development of strategies and implementation plans according to the specific needs of the clients
14. Advisory for
 - a. Starting export import business
 - b. Expansion of export import business
 - c. Products in high demand from India
 - d. Countries/Regions where goods should be exported
 - e. How to reach foreign buyers
 - f. Participation in Exhibitions/Trade fairs
 - g. Government Initiatives, Schemes, Programs
15. Consulting, documentation and facilitation for
 - a. Taxation
 - b. Impact of GST (Goods & Services Tax) on Export & Import
 - c. Accounting and auditing services
 - d. Licenses
 - e. Incentives

- f. Logistics
 - g. Trade Finance and benefits from Government Schemes and programs
 - h. Export-Import legal matters
 - i. Getting Foreign Investment and related matters like Setting up of Business Operations in India including Liaison Office, Branch Office, Subsidiary Company, Joint Ventures,
 - j. Approval of Investments from Reserve Bank of India (RBI)/Foreign Investment Promotion Board (FIPB)/Ministries,
 - k. Domestic operations & Incorporations like Formation of companies in India & related issues
 - l. Representation of Cases Before Central Excise Appellate Authorities, Customs Authorities, Fixation of /Brand Rates for Drawback, Rebate/ Refund of Central Excise Duties, Customs Duties etc.
16. Application and Issuance of Advance Authorization, Duty Drawback, Deemed Export Benefits etc.
17. Obtaining refund of customs duties etc.
18. Assistance for valuation of imported goods.
19. Quality certification for Foreign Companies exporting to India
20. Planning, Strategizing and implementation for clearances of Project Imports, Plant Relocations, Restricted Items Imports
21. Representing the corporate and non-corporate clients before customs and subsequent statutory authorities.
22. Technical Advisory to Government bodies and Policy makers on Policy Formulation and advisory to Export Promotion Councils
23. WTO Agreements on anti-dumping, countervailing duties measures and emergency measures
24. India's Trade agreements with other countries
25. International dispute settlement and Arbitration in case of foreign transactions

ADMINISTRATIVE FRAMEWORK

The Department of Commerce under the Ministry of Commerce and Industry formulates, implements, and monitors the Foreign Trade Policy (FTP) which provides the basic framework and strategy to be followed for foreign trade in India. The Trade Policy is periodically reviewed to incorporate changes necessary to take care of emerging economic scenarios both domestic and international. Besides, the Department is also entrusted with responsibilities relating to multilateral and bilateral commercial relations, Special Economic Zones, state trading, export promotion and trade facilitation, and development and regulation of certain export-oriented industries and commodities.

Director General of Foreign Trade

Foreign trade in India is promoted and facilitated by the Directorate General of Foreign Trade (DGFT), under the Ministry of Commerce and Industry. The DGFT organization is an attached office of the Ministry of Commerce and Industry and is headed by Director General of Foreign Trade, and is headquartered at Delhi. The DGFT has 24 regional offices. The regional offices are located at Ahmedabad, Bengaluru, Chennai, Coimbatore, Delhi, Ernakulam (Kochi), Guwahati, Hyderabad, Indore, Jaipur, Jammu, Kanpur, Kolkata, Ludhiana, Mumbai, Nagpur, Panipat, Pune, Rajkot, Srinagar, Surat, Vadodara, Varanasi and Visakhapatnam.

Before 1991, DGFT was known as the Chief Controller of Imports & Exports (CCI&E) and was regulated through the Imports and Exports (Control) Act, 1947. Keeping in line with liberalization and globalization and the overall objective of increasing of exports, DGFT has since been assigned the role of "facilitator". The shift was from prohibition and control of imports/exports to promotion and facilitation of exports/imports, keeping in view the interests of the country.

Role and Organizational Set-up

The Directorate assists Government in formulation of Foreign Trade Policy and is responsible for implementing the Foreign Trade Policy and Schemes under the FTP with the main objective of promoting India's exports. Further, it is responsible for implementation of Foreign Trade (Development and Regulation) Act, 1992 and Rules and Regulations notified there under. The DGFT also issues authorizations to exporters and monitor their corresponding obligations.

The DGFT also issues scrips/authorization to exporters and monitors their corresponding obligations through a network of 24 regional offices. All regional offices provide facilitation to exporters in regard to developments in international trade, i.e. WTO agreements, Rules of Origin and anti-dumping issues, etc. to help exporters in their import and export decisions in an internationally dynamic environment.

DGFT is implementing the Niryat Bandhu Scheme for mentoring new and potential exporter on the intricacies of foreign trade through counseling, training and outreach programmes including the 'Districts as Export Hubs' initiative with 'industry partners', 'knowledge partners' and other stakeholders to create vibrant District-Product-Market relevant knowledge ecosystem.

Central Board of Indirect Taxes and Customs (CBIC)

Central Board of Indirect Taxes and Customs (CBIC), Department of Revenue, Ministry of Finance, Government of India deals with the formulation of policy concerning levy and collection of Customs, Goods and Service Tax (GST) and Central Excise duties, prevention of smuggling and administration of matters relating to Customs, Goods and Service Tax (GST), Central Excise, and Narcotics to the extent under CBIC's purview.

The Indian Customs National Trade Portal (<https://www.icegate.gov.in/>) provides access to information on all Customs procedures and regulatory compliance for nearly 12,000 Customs Tariff Items.

LEGISLATIVE FRAMEWORK

India's principal law governing foreign trade is the Foreign Trade (Development and Regulation) Act, 1992. Additionally, various regulations, procedures and documentation need to be followed with respect to foreign trade and they are:

- Foreign Trade (Development & Regulation) Act, 1992
- Foreign Trade (Regulation) Rules 1993
- Foreign Trade (Exemption from application of Rules in certain cases) Order 1993
- Foreign Trade Policy (Earlier called Export and Import Policy)

- Handbook of Procedures
- Indian Trade Classification (Harmonized System) of Classification of Imports and Exports [ITC (HS) Classification]
- Importer Exporter Code (IEC) Number
- Registration-cum-Membership Certificate (RCMC)

The Exports and Imports are regulated in accordance with the Foreign Trade Policy read with the Indian Trade Classification (Harmonized System) of Classification of Imports and Exports (ITC (HS)). The Director General of Foreign Trade is empowered to issue Public Notices specifying the Procedures for implementation of the Policy. The Handbook of Procedures is a Public Notice issued by the DGFT under powers vested in him through Para 1.03 of the Foreign Trade Policy 2023. The DGFT is empowered to grant relaxations from Policy/Procedures in specific cases. He is also empowered to give any binding clarifications. The Central Government reserves the right in public interest to make any amendments to the Foreign Trade Policy in exercise of the powers conferred by Section-5 of the Foreign Trade (Development & Regulation) Act, 1992. Such amendment shall be made by means of a Notification published in the Gazette of India.

Foreign Trade (Development & Regulation) Act, 1992

The Act provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. It was enacted on 7.8.1992 and came into force on 19.6.1992.

As per the provisions of the Act, the Government: - (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the export-import policy.

In accordance with the Act, the Government of India formulates and announces a foreign trade policy and amends it from time to time.

Salient features of the Act are as follows:

The Act is divided into VI Chapters containing 20 sections. Salient features of the Act are:

- (1) Objective: Development and regulation of foreign trade by facilitating imports and augmenting exports. (The objective of the repealed Act was to ‘prohibit and control imports and exports’)
- (2) Section 3: Enables the Central Govt. to make development and regulation of foreign trade and for prohibiting, restricting or otherwise regulating import and export of goods
- (3) Section 5: Enables the Govt. to formulate and announce the Export and Import Policy and also amend the Policy
- (4) Section 6: Provides for appointment of Director General of Foreign Trade to advise the Central Govt. in the formulation of the Export and Import Policy and be responsible for implementation of the same.
- (5) Section 7: Provides that any import/export can be made only by a person holding an Importer Exporter Code Number
- (6) Sections 8 and 9: Provide for issue, renewal, refusal or cancellation of Importer Exporter Code Number or license to export or import
- (7) Sections 10 to 14: Provide for search and seizure, fiscal penalty/confiscation in the event of contravention, adjudication and reasonable opportunity to the owner of goods
- (8) Section 15 to 17: Provide for Appeal, Revision and powers of adjudicating and other authorities
- (9) Section 18 to 20: Protect actions taken in good faith, Central Govt.’s powers to make Rules, Repeal and Savings

The Foreign Trade (Development and Regulation) Amendment Act, 2010 passed on 27.8.2010 amended the Principal Act by incorporating safeguard measures by imposing quantitative restrictions on imports, trade control and establishing controls similar to the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005.

Foreign Trade (Regulation) Rules, 1993

These Rules are made under the Rule making powers vested with Central Govt. under Section 19 of the Foreign Trade (Development and Regulation) Act, 1992.

The salient features of the Rules are:

- (1) Rule 3: Enables the Director General of Foreign Trade to issue Special Licenses to persons whose Importer Exporter Code Numbers have been suspended or cancelled.
- (2) Rule 5: Specifies the scale of fees to be paid towards applications for licenses and categories which are exempt from payment of fees
- (3) Rule 6: Details the general conditions applicable to licenses and Import Certificates issued under the Indo-US Memorandum of Understanding
- (4) Rule 7: Specifies the circumstances under which a license can be refused
- (5) Rule 8: Enables the licensing authority to amend a license
- (6) Rule 9: Deals with suspension of licenses
- (7) Rule 10: Deals with cancellation of licenses
- (8) Rule 13: Indicates the manner of utilization of goods allotted by STC etc. and of the goods imported against a license
- (9) Rule 15: Provides for search, seizure etc.
- (10) Rule 16: Provides for settlement
- (11) Rule 17 & 18: Provide for confiscation and redemption of goods and conveyances

Foreign Trade (Exemption from application of Rules) Order, 1993

The main feature of this Order is that it details the categories of imports and exports, which are exempt from the application of the Foreign Trade (Regulation) Rules, 1993.

Foreign Trade Policy

Central Government notifies the Foreign Trade Policy in exercise of the powers conferred under Section 5 of The Foreign Trade (Development and Regulation Act), 1992 (No. 22 of 1992). The Foreign Trade Policy (earlier known as the Export Import (EXIM) Policy) is announced for a period of five years incorporating therein the features of the previous year Policy. Central Government also announces an annual supplement of the policy each and every year in the month of April. The Foreign Trade Policy 2015-20 which was to end on 31.3.2020 was extended due to COVID pandemic and volatile geo political scenario till 31.03.2023. However, The Foreign Trade Policy 2023 currently in effect from 1.4.23, announced to provide the policy continuity and a responsive framework, is not a five-year policy and will be subsequently revised as and when required and shall not linked to any date.

Background of the FTP

The Central Government used to notify the Import and Export Policy every year. In 1985, the Government started the practice of notifying three-year Policy. The 1988-91 Policy, however, was prematurely terminated and replaced by the 1990-93 Policy. This Policy, in turn, died a premature death and gave way to a five year 1992-97 Policy and in 1997, the next five-year Policy for the period 1997-2002 was notified.

The Exim Policy 1992-97 was notified under the repealed Imports & Exports (Control) Act, 1947. The Policy was saved through Section 20 of the Foreign Trade (Development & Regulation) Act, 1992. Subsequent amendments to the 1992-97 Policy and the 1997-2002 Policy were notified by the Central Government under powers vested through Section 5 of the Foreign Trade (Development and Regulation) Act, 1992.

The Policies prior to 1992, contained an Open General License under which specific goods could be imported by specific categories of importers subject to fulfillment of certain conditions. Similar Open General License was there for exports. In 1992, the Policy was amended to do away with Open General License and allow imports and exports of all goods without a license, except those specifically mentioned in a small negative list.

The FTP 2023 Highlights:

- The New FTP moves from Incentives to Tax Remission:
 - Introduction of Duty Remission Schemes - Scheme for Remission of Duties and Taxes on Exported Products RoDTEP and Remission of State and Central Taxes and Levies RoSCTL notified with the objective to remit the taxes paid on the notified goods exported
 - Continuation of Duty Exemption Schemes – Duty Free input/raw material from overseas supplier or through domestic supplier being ensured through Advance Authorisation /DFIA scheme Technological upgradation through duty free import or indigenous sourcing of capital goods under Export Promotion Capital Goods(EPCG) scheme
- Ease of doing business:
 - Automatic approval of various permissions under Foreign Trade Policy based on process simplification and technology implementation.
 - Reduction in processing time and immediate approval of applications under automatic route for exporters
 - Application fee reduced for Advance Authorization and EPCG Schemes. Will benefit 55-60% of exporters under the scheme who are MSMEs.
 - Revamp of the e-Certificate of Origin (CoO) platform proposed to provide for self-certification of CoOs as well as automatic approval of CoOs, where feasible.
 - All authorisation redemption applications to be paperless – This is in addition to application process for issuance being already paperless. With this, the entire lifecycle of the authorization shall become paperless.
- Recognition to Exporters - Export performance threshold for Recognition of Exporters as Status Holders rationalized. Enabling more exporters to achieve higher status and reduced transaction cost for exports
- Export promotion Initiatives:
 - Rupee payments to be accepted under FTP schemes - International Trade Settlement in INR allowed and changes introduced in the FTP for grant of export benefits fulfillment

of Export Obligation for export realizations in Indian rupees as per Reserve Bank of India (RBI)

- Merchating trade reform - To boost merchating activities from India – Merchating trade involving shipment of goods from one foreign country to another foreign country without
 - touching Indian ports, involving an Indian intermediary is allowed subject to compliance with RBI guidelines, except for goods/items in the CITES and SCOMET list.
- Four new Towns of Export Excellence declared (in addition to the already existing 39 towns of export excellence)
- Steps to boost Manufacturing:
 - Prime Minister Mega Integrated Textile Region and Apparel Parks (PM MITRA) scheme has been added as an additional scheme eligible to claim benefits under CSP (Common Service Provider) Scheme of Export Promotion capital Goods Scheme(EPCG).
 - Dairy sector to be exempted from maintaining Average Export Obligation – to support dairy sector to upgrade the technology.
 - Battery Electric Vehicles (BEV) of all types, Vertical Farming equipment, Wastewater Treatment and Recycling, Rainwater harvesting system and Rainwater Filters, and Green Hydrogen are added to Green Technology products – will now be eligible for reduced Export Obligation requirement under EPCG Scheme
 - Special Advance Authorisation Scheme extended to export of Apparel and Clothing sector on self-declaration basis to facilitate prompt execution of export orders – Norms would be fixed within fixed time-frame.
 - Benefits of Self-Ratification Scheme for fixation of Input-Output Norms extended to 2 star and above status holders in addition to Authorised Economic Operators at present.
 - Fruits and Vegetables exporters are being included for double weightage for counting export performance under eligibility criteria for Status House certification. This is in addition to existing MSME sector who also get double weightage.

- Facilitating E-Commerce Exports:
 - All FTP benefits to be extended to e-Commerce exports.
 - Necessary enablement of IT systems in Department of Commerce, Post, CBIC to be undertaken.
 - To streamline e-Commerce export facilitation - Guidelines being formulated in consultation with other ministries to facilitate further exports under e-Commerce.
 - Special outreach and training activities for small e-commerce exporters
 - Handholding through industry and knowledge partners
 - Value limit for exports through courier is increased to Rs.10,00,000 per consignment.
 - Dak Ghar Niryat Kendras shall be operationalised throughout the country to work in a hub-and-spoke model with Foreign Post Offices (FPOs) to facilitate cross-border e-Commerce and to enable artisans, weavers, craftsmen, MSMEs in the hinterland and land-locked regions to reach international markets
 - Designated hubs with warehousing facility to be notified, to help e-commerce aggregators for easy stocking, customs clearance and returns processing.
 - Processing facility to be allowed for last mile activities such as labelling, testing, repackaging etc.
- Developing Districts as Export Hubs:
 - Identification of Products and Services in each District of the country
 - Create Institutional mechanism at State & District level (Constitution of State Export Promotion Committee (SEPC) & District Export Promotion Committee (DEPC) in States and Districts
 - Preparation and implementation of District Export Action Plans (DEAPs) in each District outlining the action plan to promote identified products and services.
 - Export promotion outreach programs in districts
 - Jurisdictional Nodal DGFT RAs to implement the initiative in collaboration with all the concerned stakeholders.
- Streamlining SCOMET (Special Chemicals, Organisms, Materials, Equipment and Technologies) policy.

- Focus of FTP 2023 on Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET)
- Policy for export of dual use items under SCOMET consolidated at one place for ease of understanding and compliance by industry.
- SCOMET policy emphasizes India's export control in line with its International commitments under various export control regimes (Wassenaar arrangement, Australia group and Missile Technology Control Regime) to control trade in sensitive and dual use items including software and technology
- Recent policy changes introduced such as general authorizations for export of certain SCOMET items to streamline licensing of these items to make export of SCOMET items globally competitive.
- Focus on simplifying policies to facilitate export of dual-use high-end goods/technology such as UAV/Drones, Cryogenic Tanks, Certain chemicals etc.
- Amnesty scheme for one-time settlement of default in export obligation by Advance Authorization and EPCG authorization holders being introduced

Handbook of Procedures

In pursuance of the provisions of Foreign Trade Policy (FTP), the Director General of Foreign Trade (DGFT) 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 the notification and shall continue to be in operation unless otherwise specified or amended.

The HBP consists of the same number of Chapters as in the Foreign Trade Policy and these are organized in the same manner as the FTP. It covers procedure for various applications including their complete documentation. Procedure for applications for authorisations/ license/ permissions/ certificates for import/export and applications for benefits under FTP are given. Appendices specify various forms to be used, instructions for applying for licenses, information regarding licensing authorities, format of certificates etc. The “Aayaat-Niryaat Form” is a user friendly form. The Standard Input –Output Norms are notified by the DGFT for the purpose of issue of licenses under Duty Exemption Scheme. These are periodically updated. Thus, the FTP Policy for Duty Exemption Scheme have to be read with the General Notes to the Standard Input Output Norms (SION) and Specific Notes against each product Group.

Indian Trade Classification (HS) Classification of Imports and Exports

In 1996, the Central Govt. introduced the Indian Trade Classification (Harmonised System) of Classification of Imports and Exports (ITC (HS)). ITC (HS) is a notification issued by the Central Govt. It gives the policy for imports or exports against each entry and also any condition applicable for imports or exports.

About the ITC (HS)

- ITC(HS) is a compilation of codes for all merchandise/ goods for export/ import. Goods are classified based on their group or sub-group at 2/4/6/8 digits.
- ITC(HS) is aligned at 6-digit level with international Harmonized System goods nomenclature maintained by World Customs Organization (<http://www.wcoomd.org>). However, India maintains national Harmonized System of goods at 8-digit level notified under First Schedule of the Customs Tariff Act,1975.
- The ITC (HS) has two parts. Schedule 1 for Imports and Schedule 2 for Exports. The import/export policies for all goods are indicated against each item as per its ITC (HS).
- Schedule 1 of ITC (HS) lays down the Import Policy regime. Except where it is clearly specified, Schedule 1 of ITC (HS), Import Policy is for new goods and not for Second Hand goods.

- Schedule 1 is based on the International System of Classification of goods. All goods are classified in 21 Sections and 99 Chapters. Goods are further classified under each Chapter into Headings, sub-headings and sub-sub-headings. Each item can be classified as an eight-digit entry.
- The Section Notes and Chapter Notes are to be used to classify the items. Each Chapter has an Import Licensing Note that has to be read carefully.
- Schedule II of ITC(HS) lays down the Export Policy regime.
- Schedule II of the ITC-HS code contains 98 chapters giving all the details about the guidelines related to the export policies.
- Schedule 2 has two Parts. Part 'A' lists items that are restricted for exports, and falling under different Chapters of ITC (HS). Part 'B' lists items restricted for exports but falling within specific entries of ITC (HS).

SCOMET List

SCOMET is an acronym for Special Chemicals, Organisms, Materials, Equipment, and Technologies. In consonance with the guidelines and controls list of the international conventions and obligations as well as multilateral export control regimes related to the export of dual-use goods and technologies, India has regulated the exports of dual-use items, nuclear related items, including software and technology. SCOMET (Special Chemical, Organisms, Material, Equipment and Technologies) is India's National Export Control List of dual-use items, software and technology, that are regulated for export, maintained under Foreign Trade Policy and is aligned to the control lists of all the multilateral export control regimes and conventions including the Missile Technology Control Regime (MTCR), Wassenaar Arrangement and Australia Group. The SCOMET list has been notified under Appendix 3 to Schedule 2 of ITC (HS) Classification of Export and Import items. The provisions to control the dual-use items have been incorporated in Chapter IV-A of the Foreign Trade (Development & Regulation) (FTDR) Act, 1992, as amended in 2010.

The export of SCOMET items is regulated and can only be allowed against a SCOMET license issued by DGFT or other agencies designated for the purpose. In the recent past, steps have been

taken by DGFT to ease the process of licensing by making the applications process completely online, facilitating exporters by liberalising the SCOMET policy in case of certain goods and technologies, through bulk licensing and general authorisation provisions such as General Authorisation for export of Chemicals (GAEC), General Authorisation for export after repair in India (GAER), General Authorisation for Intra Company Transfer (GAICT), General Authorisation for export of Droned (GAED), Repeat Order Authorisation, Stock and Sale Policy etc.

Chapter 10 of the Foreign Trade Policy 2023 specifies the policy related to export of items covered under the SCOMET list. Chapter 10 of Handbook of Procedures 2023 details the procedures related to export of items in SCOMET. The SCOMET list is divided into nine categories of items from Category 0 to Category 8. However, Category 7 is presently 'Reserved' and has not been populated.

Import Export Code No.

Before 1.1.1997 it was mandatory for every exporter to obtain an Exporter's Code No. from the Reserve Bank of India to engage in export. However, after 1.1.1997, any person engaged in export or import business in India has to obtain an Import Export Code No. (IEC No.) by applying to the Director General of Foreign Trade.

The Importer -Exporter Code (IEC) is a key business identification number which is mandatory for Exports or Imports. No person shall make any import or export except under an IEC Number granted by the DGFT. In case of import or export of services or technology, the IEC shall be required only when the service or technology provider is taking benefits under the Foreign Trade Policy or is dealing with specified services or technologies

An IEC is a 10-character alpha-numeric number allotted to an entity (firm/company/LLP etc.) and is mandatory for undertaking any export/import activities. With a view to maintain the unique identity of an entity, consequent upon introduction / implementation of GST, IEC shall be same as Permanent Account Number(PAN) and shall be separately issued by DGFT based on an online application.

About IEC:

- No export or import of goods shall be made by any person without obtaining an IEC unless specifically exempted.
- Application process for IEC and updation in IEC is completely online and IEC can be generated by the applicant. DGFT issues Importer Exporter Code in electronic form (e-IEC). For issuance of e-IEC, application can be made on DGFT website (<https://dgft.gov.in>).
- An IEC holder has to ensure that details in its IEC is updated electronically every year, during the April-June period. In cases where there are no changes in IEC details same also needs to be confirmed online.
- An IEC shall be de-activated, if it is not updated within the prescribed period. An IEC so de-activated may be activated, on its successful updation.

Registration cum Membership Certificate (RCMC)

Registration-Cum-Membership Certificate (RCMC) is a certificate that validates an exporter dealing with products registered with an agency/ organization that the Indian Government authorizes. For availing various concessions under the current Foreign Trade Policy, the exporter is required to get himself registered with the concerned Export Promotion Council or Commodity Board by obtaining Registration-cum-Membership Certificate. An exporter desiring to obtain an RCMC has to file an application with the concerned Export Promotional Council (EPC) and declare his mainstream business in the application.

DGFT has created a common digital platform (DGFT e-RCMC module) for application of issuance, renewal, amendment and related processes pertaining to Registration Cum Membership Certificate (RCMC)/ Registration Certificate (RC) issued by Registering Authorities in electronic form.

Any person, applying for an Authorisation to import/export under the FTP (except items listed as 'Restricted' items in ITC (HS)) or applying for any other benefit or concession under FTP,

shall be required to provide, the RCMC granted by competent authority unless specifically exempted under FTP.

Certificate of Registration as Exporter of Spices (CRES) issued by Spices Board and Certificate of Registration as Exporter of Coir & Coir products issued by the Coir Board shall be treated as Registration-Cum- Membership Certificate (RCMC) for the purposes under this Policy.

STATES / UTs SPECIFIC EXPORT STRATEGIES

The Department of Commerce, Ministry of Commerce and Industry has nominated Additional Secretary / Joint Secretary level officers as nodal officers for institutionalizing a mechanism for regular and effective coordination and communication with States / UTs. The nominated nodal officers are the single contact point for all matters related to the State /UT concerning the Department of Commerce. The nodal officers work closely with the States /UTs on various trade-related matters including formulation / implementation of an ‘Export Strategy’ and address any issues or impediments to trade. So far, 24 States have prepared their Export Strategies. The Export strategies of 07 States / UTs (Bihar, Haryana, Manipur, Rajasthan, Punjab, UT of Ladakh and UT of Jammu Kashmir are under process).

EXPORT PROMOTION SCHEMES

Advance Authorization Scheme

Advance Authorization (AA) duty exemption scheme detailed under the Foreign Trade Policy, allows duty free import of inputs, which are physically incorporated or used in making of the export product (making normal allowance for wastage), with minimum 15% value addition. In addition to any inputs, packaging material, fuel, oil, catalyst which is consumed / utilized in the process of production of export product, may also be allowed.

Under AA scheme, all import duties on inputs, such as Basic Customs duty, IGST, Cess, Anti-dumping duty etc., are exempted. Also, local procurement of inputs in place of direct imports is allowed under AA wherein IGST for input supplies are refunded.

The required quantity of inputs allowed for a given product, is calculated based on specific norms defined for that export product, which considers the wastage generated in the manufacturing process. DGFT provides a sector-wise list of Standard Input-Output Norms (SION) under which the exporters may choose to apply. Where there is no SION/valid Adhoc Norms for an export product or where SION has been notified but exporter intends to use additional inputs in the manufacturing process, eligible exporter can apply for an Advance Authorization under this scheme on self-declaration and self-ratification basis.

Advance Authorisation covers manufacturer exporters or merchant exporters tied to supporting manufacturer(s). AA normally have a validity period of 12 months for the purpose of making imports of inputs and a period of 18 months for fulfilment of Export Obligation (EO) from the date of issue.

Advance Authorisation for Annual Requirement shall only be issued for items notified in Standard Input Output Norms (SION). And it shall not be available in case of adhoc norms.

Duty Free Import Authorization Scheme

Under the Duty Free Import Authorization (DFIA) Scheme, duty free import authorization is issued on post export basis to allow duty free import of inputs, with a minimum value addition requirement of 20%. DFIA shall be issued on post export basis for products for which Standard Input Output Norms (SION) has been notified. DFIA shall be exempted only from the payment of basic customs duty. Separate schemes exist for gems and jewellery sector.

Remission of Duties or Taxes on Export Products Scheme (RoDTEP)

Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) notified by Department of Commerce and administered by Department of Revenue, was notified on exports

from 1st January 2021 by Notification No. 19/2015-20 dated 17th August 2021. It is a budgeted scheme and operates in a budgetary framework for each financial year.

The RoDTEP Scheme is being implemented by the Central Board of Indirect Taxes and Customs (CBIC), Department of Revenue. The scheme rebates various Central, State and local duties/taxes/ levies incurred in the process of manufacture and distribution of exported products, which are not refunded under any other existing schemes. This does not only include the direct cost incurred by the exporter but also the prior stage cumulative indirect taxes on goods. A major component of such taxes is electricity duty and VAT on fuels used in transportation / distribution. The Department of Revenue issues remission amount in the form of transferable duty credit electronic scrip, which is maintained in an electronic ledger by the Central Board of Indirect Taxes & Customs (CBIC)

Schemes for Exporters of Gems & Jewelry

Exporters of Gems and Jewellery can import / procure duty free (excluding Integrated Tax and Compensation Cess leviable under Section 3(7) and 3(9) of Customs Tariff Act) input for manufacture of export product

Duty free import/procurement of precious metal (Gold / Silver / Platinum) from the nominated agencies is allowed either in advance or as replenishment. Duty Free Import Authorisation Scheme shall not be available for Gems and Jewellery Sector. The Schemes for Gems and Jewellery Sector are as follows:

- Advance Procurement/replenishment of Precious Metals from Nominated Agencies
- Replenishment Authorisation for Gems
- Replenishment Authorisation for Consumables
- Advance Authorisation for Precious Metals

Advance authorisation scheme for import of precious metals for exports of gold medallions and coins and fully mechanized jewellery has been discontinued.

Export Promotion Capital Goods (EPCG) Scheme

The objective of the EPCG Scheme is to facilitate import of capital goods for producing quality goods and services and enhance India's manufacturing competitiveness. EPCG Scheme allows import of capital goods (except those specified in negative list) for pre-production, production and post production at zero customs duty. Capital goods imported under EPCG Authorization for physical exports are also exempted from IGST and Compensation Cess, leviable thereon. The Authorization holder may also procure Capital Goods from indigenous sources in accordance with the FTP. Authorization shall be valid for import for 24 months from the date of issue of Authorization.

Capital goods for the purpose of the EPCG scheme shall include:

- (i) Capital Goods as defined in Chapter 11 of the Foreign Trade Policy including in completely knocked-down/semi-knocked down condition thereof;
- (ii) Computer systems and software which are a part of the Capital Goods being imported;
- (iii) Spares, moulds, dies, jigs, fixtures, tools & refractories; and
- (iv) Catalysts for initial charge plus one subsequent charge.

EPCG scheme covers manufacturer exporters with or without supporting manufacturer(s), merchant exporters tied to supporting manufacturer(s) and service providers.

Export Oriented Units (EOUs), Electronics Hardware Technology Parks (EHTPs), Software Technology Parks (STPs) and Bio-Technology Parks (BTPs) Scheme

The objectives of these schemes are to promote exports, enhance foreign exchange earnings, attract investment for export production and employment generation. The units undertaking to export their entire production of goods and services (except permissible sales in Domestic Tariff Area), maybe set up under the Export Oriented Unit (EOU) Scheme, Electronics Hardware Technology Park (EHTP) Scheme, Software Technology Park (STP) Scheme or Bio-Technology Park (BTP) Scheme for manufacture of goods, including repair, re-making, reconditioning, re-engineering, rendering of services, development of software, agriculture including agro-processing, aquaculture, animal husbandry, bio-technology, floriculture, horticulture,

pisciculture, viticulture, poultry and sericulture. Trading units are not covered under these schemes.

Other Schemes:

Towns of Export Excellence (TEE): Towns producing goods of Rs. 750 Crore or more can be designated as Towns of Export Excellence (TEE) based on potential for growth in exports. Recognized associations of units in Towns of Export Excellence can avail financial assistance under Market Access Initiative (MAI) scheme, on priority basis, for export promotion projects for marketing, capacity building and technological services. The FTP 2023 has designated 4 new TEE - Faridabad, Mirzapur, Moradabad and Varanasi - in addition to the existing 39 towns.

Market Access Initiative (MAI) Scheme: Under the Scheme, financial assistance is provided for export promotion activities on focus country, focus product basis to Export Promotion Councils, Industry & Trade Associations, etc. The activities are like market studies/surveys, setting up showroom/warehouse, participation in international trade fairs, publicity campaigns, brand promotion, reimbursement of registration charges for pharmaceuticals, testing charges for engineering products abroad, etc. In 2021, the Government approved continuation of the Market Access Initiative (MAI) Scheme in a revised form, with an outlay of Rs.1000 crore over the period of five years beyond 31st March 2021, i.e. up to 31st March 2026.

Trade Infrastructure for Export Scheme (TIES): The Trade Infrastructure for Export Scheme (TIES) is being implemented from FY 2017-18 with the objective to assist Central and State Government Agencies for creation of appropriate infrastructure for growth of exports from the States. The Scheme provides financial assistance in the form of grant-in-aid to Central/State Government owned agencies for setting up or for up-gradation of export infrastructure as per the guidelines of the Scheme. The Scheme has been extended for 15th Finance Commission Period i.e. FY 2021-22 to FY 2025-26 with total outlay of Rs.360crore.

Interest Equalization Scheme: The Interest Equalization Scheme had been formulated to give the benefit in the interest rates being charged by the banks to the exporters on their Pre and Post Shipment Rupee Export Credits. Interest Equalization Scheme on pre and post shipment rupee export credit has been extended up to 30-06-2024 with additional allocation of Rs.2500 crores.

Status Holder Certification Scheme : Upon achieving prescribed export performance, status recognition as one-star Export House, two-star Export House, three-star export house, four-star export house and five-star export house is accorded to the eligible applicants as per their export performance. The objective behind certifying certain exporter firms as “Status Holder” is to recognize such exporter firms as business leaders who have excelled in international trade and have successfully contributed to country’s foreign trade. Status Holders are expected to not only contribute towards India’s exports but also provide guidance and handholding to new entrepreneurs.

EXPORT PROMOTION COUNCILS

The Export Promotion Councils (EPCs) are organizations of exporters, registered as non-profit organizations under the Companies Act/ Societies Registration Act. Roles and functions of these Councils are guided by the Foreign Trade Policy, which also recognizes them as registering authorities for exporters.

As on 31.7.2023, there are a total of 39 Export promotion councils and commodities boards, out of which there are 30 EPCs and 9 Commodities Boards.

Commodities Boards:

1. Coffee Board
2. Coir Board
3. Rubber Board
4. Spices Board
5. Tea Board
6. Tobacco Board

7. Agricultural and Processed Food Products Export Development Authority (APEDA)
8. Coconut Development Board
9. Marine Products Export Development Authority (MPEDA)

Export Promotion Councils:

1. Apparel Export Promotion Council
2. Basic Chemicals, Cosmetics & Dyes Export Promotion Council (CHEMEXCIL)
3. Carpet Export Promotion Council
4. CAPEXIL
5. Cotton Textiles Export Promotion Council
6. Council for Leather Exports
7. EEPC INDIA (Formerly Engineering Export Promotion Council)
8. Electronics & Computer Software EPC
9. Export Promotion Council for Handicrafts
10. Export Promotion Council for EOUs & SEZ Units
11. Federation of Indian Export Organizations (FIEO)
12. Gem & Jewellery Export Promotion Council (GJEPC)
13. Handloom Export Promotion Council
14. Indian Oil Seeds & Produce Export Promotion Council (IOPEPC)
15. Indian Silk Export Promotion Council
16. Jute Products Development and Export Promotion Council -(JPDEPC)
17. Pharmaceuticals Export Promotion Council of India (PHARMEXCIL)
18. Plastics Export Promotion Council
19. Power loom Development & Export Promotion Council
20. Project Exports Promotion Council of India
21. Services Export Promotion Council (SEPC)
22. Shellac & Forest Products Export Promotion Council (SHEFEXIL)
23. Sports Goods Export Promotion Council (SQEPC)
24. Synthetic & Rayon Textiles Export Promotion Council
25. Telecom Equipment and Services Export Promotion Council (TEPC)
26. Wool Industry Export Promotion Council

27. Wool & Woollens Export Promotion Council
28. Mobile and Electronic Devices Export Promotion Council (MEDEPC)
29. Export Promotion Council for Medical Devices
30. AYUSH Export Promotion Council (AYUSHEXCIL)

TRADE PROMOTION ORGANIZATIONS

India Trade Promotion Organization (ITPO)

India Trade Promotion Organisation (ITPO) (<https://www.indiatradefair.com/>) is the premier trade promotion agency of the Ministry of Commerce & Industry, Government of India. It provides a broad spectrum of services to trade and industry and acts as a catalyst for growth of India's trade. ITPO's regional offices are located at Chennai, Kolkata and Mumbai.

ITPO owns, operates and manages India's world class exhibition complex 'Bharat Mandapam' located within the Pragati Maidan complex in New Delhi, India. Constructed in 1972, the Bharat Mandapam has evolved into a state-of-the-art International Exhibition-cum-Convention Centre (IECC).

Federation of Indian Export Organizations (FIEO)

Federation of Indian Export Organisations (<https://fieo.org/>) is the apex trade promotion organisation in India set up by the Ministry of Commerce, Government of India, and the private trade and industry segment in 1965. It is the apex body of the Government recognized Export Promotion Councils, Commodity Boards and Export Development Authorities in India and works towards boosting International trade from India. FIEO is the nodal agency for the promotion of exports in the logistics & professional services sectors. It provides the crucial interface between International Trading community of India with the Central and State Governments, Financial Institutions, Ports, Railways, Surface Transport and all engaged in Export Trade Facilitation.

FIEO enters into Memorandum of Understanding (MOU) with various organisations from time to time to provide services to its members. FIEO has MOUs with over 100+ trade associations across the globe to support its members. It facilitates Indian exporter's participation in international trade fairs & buyer-seller meets in India and abroad.

INDUSTRY & SECTOR SPECIFIC ASSOCIATIONS

Trade Associations and Chambers of Commerce are associations of businesspeople that help businesses with a variety of services, more prominently - extending their network; awareness of schemes, procedures, rules, regulations, the economy etc.; promotion of products and services etc. amongst other assistance. Many countries around the world have these trade and business associations that represent industries (by voicing out issues affecting the member companies within the industry), however, they do not have a direct role in creating laws or regulations. Membership of such associations can be obtained subject to satisfaction of specific conditions of the association and on payment of certain fee. They are large and diverse organizations as members may come from various industries/sectors of economy.

Industry Associations, Sector-specific Associations, Chambers of Commerce etc. and similar organizations act to promote both domestic and international trade, and reduce trade barriers while fostering conducive environment for the growth of trade and industry in India. Some important Trade Associations and Chambers of Commerce in India are mentioned below.

National Chambers of Commerce:

- Confederation of Indian Industry (CII) (<https://www.cii.in/>)
- Federation of Indian Chambers of Commerce & Industry (FICCI) (<https://www.ficci.in/api/home>)
- Federation of Indian Export Organisations (FIEO) (<https://fieo.org/>)
- Federation of Indian Micro and Small & Medium Enterprises (FISME) (<https://fisme.org.in/>)
- Associated Chambers of Commerce and Industry of India (ASSOCHAM) (<https://www.assocham.org/>)
- Indian Chamber of Commerce (<https://indianchamber.org/>)

Industry Associations in India:

- National Association of Software and Services Companies (NASSCOM) (<https://nasscom.in/>)
- Automotive Components Manufacturers Association of India (ACMA) (<https://www.acma.in/>)
- Builders' Association of India (<https://www.baionline.in/>)
- Cement Manufacturers' Association (<https://www.cmaindia.org/>)
- Consulting Engineers Association of India (<https://www.ceai.org.in/>)
- All India Plastics Manufactures Association (<https://www.aipma.net/>)
- Indian Drug Manufacturers Association (IDMA) (<https://idma-assn.org/>)
- All India Distillers' Association (<https://www.aidaindia.org/>)
- Indian Electrical & Electronics Manufacturers' Association (IEEMA) (<https://ieema.org/>)
- Indian Chemical Council (<https://www.indianchemicalcouncil.com/>)
- Hotel Association of India (<https://hotelassociationofindia.com/>)
- National Restaurant Association of India (<https://nrai.org/>)
- Federation of Hotel & Restaurant Associations of India (FHRAI) (<https://www.fhrai.com/>)
- Indian Machine Tool Manufacturers' Association (<https://www.imtma.in/>)
- Internet Service Providers Association of India (ISPAI) (<https://www.ispai.in/>)
- Internet and Mobile Association of India (IAMAI) (<https://www.iamai.in/>)
- Indian Small Scale Paint Association (<http://www.isspa.org/>)
- The Solvent Extractors' Association of India (<https://seaofindia.com/>)
- Electronic Industries Association of India (<https://elcina.com/>)
- The Fertiliser Association of India (FAI) (<https://www.faidelhi.org/>)
- Indian Sugar Mills Association (<https://www.indiansugar.com/>)
- Tools & Gauge Manufacturers Association of India (<https://www.tagmaindia.org/>)
- Indian Association of Tour Operators (<https://www.iato.in/>)
- Indian Agro & Recycled Paper Mills Association (<https://www.iarpma.org/>)
- Self Employed Women's Association (<https://www.sewa.org/>)
- Organization of Plastic Processors of India (<https://oppindia.org/>)

- Pesticides Manufacturers & Formulators Association of India (<https://www.pmfaiindia.org/>)
- Cellular Operators Association of India (COAI) (<https://coai.com/home>)
- Indian Wind Turbine Manufacturers Association (<https://www.indianwindpower.com/>)
- Manufacturers Association for Information Technology (<https://www.mait.com/>)
- Indian Footwear Components Manufacturers Association (<https://www.ifcoma.org/>)
- Indian Tea Association (<https://www.indiatea.org/>)

Regional / State Level Chambers of Commerce:

- The Cochin Chamber of Commerce & Industry (<https://www.cochinchamber.org/>)
- The Federation of Andhra Pradesh Chambers of Commerce and Industry (<https://www.fapcci.in/>)
- Indian Merchants Chamber (<https://www.imcnet.org/>)
- Bombay Chamber of Commerce & Industry (<https://bombaychamber.com/>)
- Gujarat Chamber of Commerce and Industry (<https://www.gujaratchamber.org/>)
- Gurgaon Chamber of Commerce and Industry (<http://www.gurgaonchamber.org/>)
- Goa Chamber of Commerce and Industry (<https://www.goachamber.org/>)
- Southern Gujarat Chamber of Commerce and Industry (SGCCI) (<https://sgcci.in/>)
- Kanara Chamber of Commerce and Industry (<https://www.kanarachamber.com/>)
- Udaipur Chamber of Commerce and Industry (<https://ucciendaipur.com/>)
- Bengal National Chamber of Commerce & Industry (<https://www.bncci.com/>)
- Delhi Chamber of Commerce (<http://www.delhichamber.com/>)
- Rajasthan Chamber of Commerce & Industry (<https://www.rajchamber.com/>)
- Southern India Chamber of Commerce (<https://sicci.in/>)

Bi-Lateral Chambers of Commerce:

- Indo-American Chamber of Commerce (<https://www.iaccindia.com/>)
- American Chambers of Commerce in India (<https://amchamindia.com/>)

- Indo-Arab Chamber of Commerce & Industries (<https://iacci.org/>)
- Indo-American Chamber of Commerce of Greater Houston (<https://www.iaccgh.com/>)
- Indo-Canada Chamber of Commerce (<https://www.icconline.org/>)
- Georgia Indo-American Chamber of Commerce (<http://giacc.net/>)
- Indo German Chamber of Commerce (IGCC) (<https://indien.ahk.de/>)
- Indo-Italian Chamber of Commerce & Industry (<https://www.indiaitaly.com/>)
- Indo-Thai Chamber of Commerce (<https://itccthailand.com/>)
- SICC - Swiss-Indian Chamber of Commerce (<https://sicc.ch/>)
- US - India Chamber of Commerce (<https://www.usaindiachamber.org/speaker.php>)
- Indo-French Chamber of Commerce & Industry (<https://www.ifcci.org.in/>)
- Florida Indo-US Chamber of Commerce (<https://indo-us.org/>)
- Kuala Lumpur & Selangor Indian Chamber of Commerce and Industry (<https://klsicci.com.my/>)

International Trade Organizations:

- For Trade related Organizations outside India - https://fieo.org/view_section.php?lang=0&id=0,34,552

INDIAN MISSIONS ABROAD – EMBASSIES, CONSULATES, HIGH COMMISSIONS

Indian embassies and consulates abroad play an important role in international business expansion and trade by promoting trade and investment, advice on market expansion and can also provide local knowledge and leads to opportunities. They are well-placed to help Indian businesses explore new markets for exports. India also has High Commissions located abroad which provide a great wealth of information and assistance in International trade and business.

Both Embassies and Consulates are government offices located in foreign countries with different functions. In some cases, a country may have both an embassy and multiple consulates in the same host country. An Embassy (headed by an Ambassador), usually located in the capital city of the host country, primarily deals with a broad range of political and diplomatic matters.

Whereas, a Consulate (headed by a Consul General), a smaller office normally located in a major city of the host country, focusses on providing consular services to citizens of the home country (and in some cases non-citizens who need assistance) like issuing visas, aiding in emergencies, assistance with travel documents etc.

High Commissions (headed by a High Commissioner) are established between Commonwealth countries. The Commonwealth of Nations is an association of independent sovereign states, most of which are former colonies of the United Kingdom. About 56 independent countries make up the Commonwealth; some of these countries were previously in the British Empire, some are still British dominions, while others had no colonial links to Britain but have chosen to join the association.

For Information on Indian Missions abroad and their contact details, one can visit <https://igod.gov.in/int/categories> and/or <https://www.mea.gov.in/indian-missions-abroad-new.htm>.

The Economic Diplomacy Division (ED), Ministry of External Affairs, Government of India endeavors to facilitate foreign investment flows, promote bilateral trade, tourism, yoga and traditional Indian medicine, in coordination with Indian Missions/Posts abroad, Territorial Divisions of the Ministry of External Affairs, Ministries/ Departments of the Government of India, State Governments and foreign Missions/Posts in India.

The ED website (<https://indbiz.gov.in/>) provides two-way information on Indian economy and business environment in India and its States for foreign enterprises as well as provides information on countries around the world for Indian businesses going abroad. The section on Opportunities (<https://indbiz.gov.in/worldwide-opportunities/>) provides the database depicting global supply and demand of resources such as minerals, materials, technologies, trade, agricultural exports and employment opportunities etc. This section would be useful for Indian businesses, to have easy access to view demand and supply side profiles of resources.