



Sub: Highlights of the Annual Supplement, 2010-11 to the Foreign Trade Policy, 2009-14

Hon'ble Minister of Commerce & Industry, Shri Anand Sharma released the Annual Supplement 2010-11 to the Foreign Trade Policy 2009-14, on 23rd August 2010

Some of the highlights of the Supplement which have a bearing on the manufacturing and exports of Textiles & Clothing are as follows:-

Higher support for Market & Product diversification

- Additional benefit of 2% bonus (Duty Credit Scrip) over and above the existing benefit of 2%/5% under Focus Product Scheme for existing products covered under Sector like Handlooms, among others.
- The facility of Market Linked Focus Product Scheme (MLFPS) available to Ready Made Garments has been extended further from October 2010 to March 2011, only for 300 select products (at 8 digit level)

Export Promotion Capital Goods Scheme (EPGC)

- The existing facility of import of capital goods at Zero duty under EPCG Scheme which would expire on 31-3-2011 has been extended further by one year i.e. upto 31-3-2012.

Incentive to Status Holders (Export Houses etc)

- The existing facility of granting Status Holder Incentive Scrip at 1% of FOB Value of exports made has been extended for exports made in the year 2011-12 also.

Duty Entitlement Pass Book (DEPB) Scheme

- Duty Entitlement Pass Book (DEPB) Scheme has been extended till 30-06-2011

Other facilities

- Extension of the facility of duty free import of specified trimmings, embellishments etc. to polyester made ups at 3% of FOB value of exports made in the preceding year
- The highlights include extension of Interest Subvention of 2% for Pre-shipment Credit for products covered under select HS Lines in Textile Sector (viz. Cotton yarn and terry towels covered under 52052290, 63049250, respectively)

Procedural Simplification & Reduction in Transaction cost

- Flexibility to get a high value EPCG Authorisation by filing EPCG application on Annual basis, instead of filing application for individual capital goods from time to time
- Flexibility to club Advance Authorization with Advance Authorization for Annual Authorization/requirement for the purpose of account closure
- To facilitate smooth clearance of consignments a single Customs Notification for the two variants of Advance Authorization Scheme viz. Advance Authorization for physical exports and deemed exports
- Ad-hoc Norms ratified under Advance Authorization Scheme shall henceforth apply to all cases for the same export product up to one year, not only prospectively but also retrospectively
- Extension of the facility of availability of refund of 4% SAD, as clarified by Customs Notification No. 102/2007 to also manufacturers who sell the imported goods like trader-importers.
- Dispensation of Chartered Engineer Certification for Advance Authorization on self declared basis

EDI Initiatives

- In order to remove redundancy of repeated submission of RCMC an 'e-RCMC' has been commenced. Under this, the Export Promotion Councils would upload the RCMC data of their Members on DGFT' website (only once)
- Facility of a data preparation module for Advance Authorization and Export Promotion Capital Goods (EPCG) has been provided on an offline mode, which would reduce the need of continuous online interaction for long and address the connectively and service response issues significantly
- Inclusion of additional licenced certifying authorities for digital signatures and banks for electronic fund transfer (EFT), in order to provide wider choice to the users and enlarge access for online filing

The online message exchange for Annual Advance Authorization and Duty Free Import Authorization (DFIA) shall also be made operational with Customs w.e.f 1-12-2010