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GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
DIRECTORATE GENERAL OF FOREIGN TRADE
VANIJYA BHAVAN, NEW DELHI

PUBLIC NOTICE No. 15 /2024-25
NEW DELHI, DATED THE 25th July, 2024

Subject: Amendments in Chapter 5 of the Handbook of Procedures (HBP) 2023, related to Export Promotion Capital Goods Scheme to reduce 'Compliance Burden' and enhance 'Ease of doing Business' – reg.

In exercise of powers conferred under Paragraphs 1.03 and 2.04 of the Foreign Trade Policy, 2023, as amended from time to time, the Director General of Foreign Trade hereby makes the following amendments in Chapter 5 of the HBP, 2023 with immediate effect. -

| S. No. | Para No. | Existing provision | Revised provision |
|--------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | 5.04(a) | Authorisation holder shall produce, within six months from date of completion of import, to the concerned RA, a certificate from the jurisdictional Customs authority or an independent Chartered Engineer, at the option of the authorisation holder, confirming installation of capital goods at factory/premises of authorisation holder or his supporting manufacturer(s). The RA may allow one time extension of the said period for producing the certificate by a maximum period of 12 months with a composition fee of Rs. 5000/-. Where the authorisation holder opts for independent Chartered Engineer's certificate, he shall send a copy of the certificate to the jurisdictional Customs Authority for intimation/record. The authorisation holder shall be permitted to shift capital goods during the entire export obligation period to other units mentioned in the IEC and RCMC of the authorisation holder subject to production of fresh installation | Authorization holder shall produce, within 3 years from date of completion of import, to the concerned RA, a certificate from the jurisdictional Customs authority or an independent Chartered Engineer, at the option of the authorisation holder, confirming installation of capital goods/spares at factory/premises of authorization holder or his supporting manufacturer(s). The RA may allow extension of the said period for submission of certificate, upto valid EO period with a payment of a composition fee of Rs. 10,000/- per year by the authorisation holder. Where the authorisation holder opts for independent Chartered Engineer's certificate, he shall send a copy of the certificate to the jurisdictional Customs Authority for intimation/record. The authorization holder shall be permitted to shift capital goods during the entire export obligation period to other units mentioned in the IEC and RCMC of the authorization holder subject to |

| | | certificate to the RA concerned within six months of the shifting. | production of fresh installation certificate to the RA concerned within six months of the shifting. | | | | | | | | | | | | | | | | |
|-----------------------------------------------|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------|-----------------|-------|----------------------------------|--------|------------------|--------|-----------------------------------------------|------------------------------------------|-----------------|--------|----------------------------------|--------|------------------|--------|
| 2 | 5.04(b) | In the case of import of spares, the installation certificate shall be submitted by the Authorisation holder within a period of three years from the date of import. | Deleted. | | | | | | | | | | | | | | | | |
| 3 | 5.13(c) | Request for extension of Export Obligation period of first block shall be submitted within 6 months from the date of expiry of first block EO period along with composition fee of 2% on duty saved amount proportionate to unfulfilled portion of EO pertaining to the block. RA may consider the request for extension of block wise EO period, received after 6 months, but within 6 years from date of issue of authorisation, with a late fee of Rs. 10,000/- per authorisation. Application made beyond 6 years, for extension of block-wise EO period for regularization purpose, shall also be considered by RA concerned, with an additional late fee of Rs. 5,000/- for each year per authorisation. This late fee is in addition to the composition fee that may be payable on account of shortfall in export obligation. Where EO of the first block is not fulfilled in terms of para (a) above, except in cases where the EO prescribed for first block is extended by the RA, the Authorisation holder shall, within 6 months from the expiry of the block, pay duties of customs (along with applicable interest as notified by DOR) proportionate to duty saved amount on total unfulfilled EO of the first block. | <p>Request for extension of Export Obligation period of first block shall be submitted within 6 months from the date of expiry of first block EO period along with composition fee as under :-</p> <table border="1"> <thead> <tr> <th>Duty Saved value of EPCG Authorisation issued</th> <th>Composition fee to be levied (in Rupees)</th> </tr> </thead> <tbody> <tr> <td>Up to ₹2 Crores</td> <td>5,000</td> </tr> <tr> <td>More than ₹2 Crores to 10 Crores</td> <td>10,000</td> </tr> <tr> <td>Above ₹10 Crores</td> <td>15,000</td> </tr> </tbody> </table> <p>RA may consider the request for extension of block-wise EO period, received after 6 months, but within 6 years from date of issue of authorisation, with composition fee as under :-</p> <table border="1"> <thead> <tr> <th>Duty Saved value of EPCG Authorisation issued</th> <th>Composition fee to be levied (in Rupees)</th> </tr> </thead> <tbody> <tr> <td>Up to ₹2 Crores</td> <td>10,000</td> </tr> <tr> <td>More than ₹2 Crores to 10 Crores</td> <td>20,000</td> </tr> <tr> <td>Above ₹10 Crores</td> <td>30,000</td> </tr> </tbody> </table> <p>Application made beyond 6 years, for extension of block-wise EO period for regularization purpose, shall also be considered by RA concerned, with composition fee as under :-</p> | Duty Saved value of EPCG Authorisation issued | Composition fee to be levied (in Rupees) | Up to ₹2 Crores | 5,000 | More than ₹2 Crores to 10 Crores | 10,000 | Above ₹10 Crores | 15,000 | Duty Saved value of EPCG Authorisation issued | Composition fee to be levied (in Rupees) | Up to ₹2 Crores | 10,000 | More than ₹2 Crores to 10 Crores | 20,000 | Above ₹10 Crores | 30,000 |
| Duty Saved value of EPCG Authorisation issued | Composition fee to be levied (in Rupees) | | | | | | | | | | | | | | | | | | |
| Up to ₹2 Crores | 5,000 | | | | | | | | | | | | | | | | | | |
| More than ₹2 Crores to 10 Crores | 10,000 | | | | | | | | | | | | | | | | | | |
| Above ₹10 Crores | 15,000 | | | | | | | | | | | | | | | | | | |
| Duty Saved value of EPCG Authorisation issued | Composition fee to be levied (in Rupees) | | | | | | | | | | | | | | | | | | |
| Up to ₹2 Crores | 10,000 | | | | | | | | | | | | | | | | | | |
| More than ₹2 Crores to 10 Crores | 20,000 | | | | | | | | | | | | | | | | | | |
| Above ₹10 Crores | 30,000 | | | | | | | | | | | | | | | | | | |

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|-----------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|--------------------------------------------------------|-----------------|--------|----------------------------------|--------|------------------|--------|
| Duty Saved value of EPCG Authorisation issued | Composition fee to be levied (in Rupees) | | | | | | | | | | |
| Up to ₹2 Crores | 15,000 | | | | | | | | | | |
| More than ₹2 Crores to 10 Crores | 30,000 | | | | | | | | | | |
| Above ₹10 Crores | 45,000 | | | | | | | | | | |
| 4. | 5.13(e) | New provision | Notwithstanding sub-para (d) above, sub-para (c) above shall also be applicable for authorisations issued under FTP (2015-20). | | | | | | | | |
| 5. | 5.16(b) | In case of extension of Export obligation period beyond 6 years, two extensions, from date of expiry, of one year each may be considered by RA concerned, on payment of composition fee equal to 2% of proportionate duty saved amount on unfulfilled export obligation for each year of extension. However, minimum composition fee shall be Rs. 10,000/-. | <p>In case of extension of Export obligation period beyond 6 years, two extensions, from date of expiry, of one year each or two years in one go at the choice of authorisation holder, may be considered by RA concerned with composition fee as under :-</p> <table border="1"> <tr> <th>Duty Saved value of EPCG Authorisation issued</th> <th>Composition fee to be levied for each year (in Rupees)</th> </tr> <tr> <td>Up to ₹2 Crores</td> <td>20,000</td> </tr> <tr> <td>More than ₹2 Crores to 10 Crores</td> <td>30,000</td> </tr> <tr> <td>Above ₹10 Crores</td> <td>60,000</td> </tr> </table> <p>No refund of earlier paid Composition Fee shall be admissible.</p> | Duty Saved value of EPCG Authorisation issued | Composition fee to be levied for each year (in Rupees) | Up to ₹2 Crores | 20,000 | More than ₹2 Crores to 10 Crores | 30,000 | Above ₹10 Crores | 60,000 |
| Duty Saved value of EPCG Authorisation issued | Composition fee to be levied for each year (in Rupees) | | | | | | | | | | |
| Up to ₹2 Crores | 20,000 | | | | | | | | | | |
| More than ₹2 Crores to 10 Crores | 30,000 | | | | | | | | | | |
| Above ₹10 Crores | 60,000 | | | | | | | | | | |

| 6. | 5.16(e) | New provision | For implementation of all PRC decisions involving levy of Composition Fee while allowing extension in block-wise/EO period and/or regularisation of exports already made, the applicable Composition Fee shall be as under :- | | | | | | | | |
|-----------------------------------------------|------------------------------------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------|-----------------|--------|----------------------------------|--------|------------------|----------|
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| Duty Saved value of EPCG Authorisation issued | Composition fee to be levied (in Rupees) | | | | | | | | | | |
| Up to ₹2 Crores | 30,000 | | | | | | | | | | |
| More than ₹2 Crores to 10 Crores | 60,000 | | | | | | | | | | |
| Above ₹10 Crores | 1,00,000 | | | | | | | | | | |
| | | | No refund of earlier paid Composition Fee shall be admissible. | | | | | | | | |

Effect of this Public Notice: With a view to enhance ease of doing business and reduce the compliance burden, certain provisions of Chapter 5 related to the Export Promotion Capital Goods Scheme of the Handbook of Procedures, 2023 are amended for EPCG authorizations issued under Foreign Trade Policy.

Amr.
25.7.2024

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