

Government of India
Ministry of Commerce & Industries
Department of Commerce
Office of the Additional Director General of Foreign Trade
(Central Licensing Area)
'A Wing' Indraprastha Bhawan, I.P Estate
New Delhi- 110002

Dated: 01/05/2023

Trade Notice No.: 01/2023

To,

1. All IEC Holders/Members of Trade and Industry
2. All Export Promotion Councils/Commodity Boards/ Other Industry Associations

Subject: - FAQs on Amnesty scheme for one-time settlement of default in export obligation by Advance and EPCG authorization holders

Attention of Trade and Industry is drawn towards Amnesty scheme for one-time settlement of default in export obligation by Advance and EPCG authorization holders announced by the DGFT vide Public Notice No. 2 dated 1st April 2023. In this regard, a set of the most frequently asked questions about the said scheme and suggestive answers to these questions are notified herewith as follows.

FAQs on the Amnesty Scheme:

1. **What is the Background of the Scheme?**
 - a. This scheme has been launched to help exporters who have defaulted in meeting their export obligations. It is notified by Public Notice No. 2 dated 1st April 2023. The same can be found on DGFT website. The Public Notice covers all important aspects of the scheme including the coverage of the scheme, eligibility criteria, benefits etc.
2. **What are the benefits of the Amnesty Scheme?**
 - a. The defaulted authorisations can be regularised by the authorisation holder on payment of all customs duties that were exempted in proportion to unfulfilled Export Obligation and interest payable is capped at maximum of 100% of such duties exempted on which interest is payable. However, no interest is payable on the portion of Additional Customs Duty and Special Additional Customs Duty.
 - b. **To explain with an example, please consider the following scenario where entire EO could not be fulfilled.** If the default in EO is 100%, this would mean the complete duty saved amount has to be refunded. The interest on this duty saved amount has to be calculated from the date of import till the date of payment. In the total CIF value of unutilised exempted material is say Rs. 100/-, all the customs duties (including Additional Customs Duty and Special Additional Customs Duty) exempted is say Rs.50/- . The Customs duties exempted (except Additional Customs Duty and Special Additional Customs Duty) portion is say Rs.32/- then interest payable is maximum of Rs. 32/- (100% of Rs.32/-). Therefore for regularising this case the maximum amount payable by the authorisation holder would be Rs. 50+32/- =Rs.82/-.
 - c. Above example shows how the Amnesty scheme provides a window to exporters to save their interest liabilities on long pending defaulted authorisations.
3. **Which authorisations are covered by this scheme?**

- a. The Advance and EPCG Authorisations issued under Foreign Trade Policy, 2009-14 till 31.03.2015 are covered under the Scheme.
- b. The Advance and EPCG Authorisations issued under Foreign Trade Policy, 2004-2009 and before, however, the coverage is limited to those authorizations whose Export Obligation Period (original or extended) was valid beyond 12.08.2013.

4. What is the Procedure to avail the scheme?

- a. To avail of this scheme, you must register yourself on the website: <https://www.dgft.gov.in> by filling in all relevant details.
- b. The details of the process is explained in the **Policy Circular 01 dated 17 April 2023**. The same is available on DGFT Website.
- c. Application for AA/EPCG discharge/closure shall be filed online by logging onto the DGFT Website and navigating to Services --> Advance Authorisation/DFIA -> Closure of Advance Authorisation. For EPCG please navigate to Services --> EPCG Closure of EPCG.
- d. The applicant shall select the checkbox for 'Amnesty scheme for one-time settlement of default in export obligation' and proceed to file application for closure against the concerned EPCG or AA authorisation. as per the online proforma.
- e. The applicant, as per their calculations, shall indicate the duty and interest values to be paid under the 'Redemption Matrix' tab and submit their application online.
- f. On receipt of online application, the RA concerned shall examine and confirm the shortfall through an online letter.
- g. Applicant shall make the required payment of duty and interest to the Jurisdictional Customs Authority and provide the proof of payment in response to the said letter online.
- h. Based on the evidence of payments and other relevant documents prescribed, concerned RA may examine and consider granting Export Obligation Discharge Certificate (EODC) online.

5. Does the Amnesty scheme cover already adjudicated cases?

- a. Yes, it does. The cases which have already been adjudicated (or pending adjudication), either originally or in appeal, can also be regularized under this scheme.
- b. In respect of cases which have already been adjudicated (or pending adjudication) and where appeal has not been filed, firms will produce a copy of the closure letter from the concerned RA, to the Adjudicating Authority.
- c. In case an appeal has been filed, then this closure letter will have to be submitted to the Appellate Authority. On submission of such closure letter Adjudicating Authority/Appellate Authority will decide on closure of such case/appeal and will inform the same to the Appellant and to the concerned RA.

6. Is there any deadline to avail the Amnesty Scheme?

- a. To avail this scheme, you must complete the process of registration on or before 30th June 2023, and payment of Customs duty plus interest with the Jurisdictional Customs Authorities concerned shall be completed by 30th September 2023.

7. How to approach DGFT for further clarity and help regarding the Amnesty scheme?

- a. For further guidance, please refer to the Help Manual on DGFT Website --> Learn --> Application Help & FAQs --> Advance Authorization Closure Help document or EPCG Help Document.
- b. If you need additional assistance, you can approach the concerned RA or utilize any of the following Helpdesk channels:
 - i. Raise a service request ticket through the DGFT Helpdesk service
 - ii. Send an email to DGFT Helpdesk at dgftedi@nic.in
 - iii. Call the Toll-free DGFT Helpdesk number 1800-111-550.

- iv. Approach the CLA Delhi office on email ID cladelhi-dgft@nic.in
- c. A video explainer will also be put out on DGFT Youtube channel shortly to explain all the important aspects of the Amnesty Scheme.



Chandrakant Mishra
Joint DGFT,

For the office of Additional DGFT, CLA Delhi