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THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

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Sub : DGFT prescribes levy of composition fee in case of extension of Export Obligation Period (EOP) under Advance Authorisation Scheme

Dear Member,

DGFT vide Public Notice No. 59/2015-2020 dated 28th February, 2023 (enclosed) has added a new sub-para (j) under Para 4.42 of HBP 2015-2020 which relates to Export Obligation Period (EOP) and its Extension.

This amendment aims to integrate a uniform and transparent system for implementation of all the decisions of Policy Relaxation Committee (PRC), including previous decisions involving the process of levying Composition Fee in case of extension of EOP and/or regularisation of exports already made under Advance Authorization (AA) Scheme. The goal is to make doing business easier and reduce transaction costs.

The new sub-para (j) under para 4.42 reads as follows –

(j) For implementation of all PRC decisions involving levy of Composition Fee while allowing extension in EOP and/or regularisation of exports already made, the applicable Composition Fee shall be as prescribed hereunder:

CIF Value of AA Licenses issued	Composition Fee to be Levied
(a) up to Rs.2 Crores,	Rs. 25,000
(b) more than Rs. 2 Crores to Rs.10 Crores,	Rs. 50,000
(c) above Rs.10 Crores,	Rs. 1,00,000

No refund of the earlier paid Composition Fee shall be admissible.

Members may kindly make a note of the above.

Regards,

Dr. Siddhartha Rajagopal

Executive Director

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