



THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

(Sponsored By Government of India)

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Sub : Amnesty scheme for one time settlement of default in export obligation by Advance and EPCG authorization holders

Dear Member,

The DGFT has notified the one-time amnesty scheme in Foreign Trade Policy 2023 vide Public Notice No.2/2023 dated 1.4.2023 ([copy enclosed](#)) for defaulters of export obligation under the Advance Authorisation and EPCG schemes.

In this connection, Authorisations issued under these two schemes issued under FTP (2009-14) till 31.3.2015, are covered under the amnesty scheme. However, authorisation issued under FTP 2004-09 and before that, the coverage of the scheme is limited to those authorizations whose export obligation period was valid beyond 12.8.2013.

EPCG Scheme

EPCG is an export promotion scheme under which an exporter can import a certain amount of capital goods at zero duty for upgrading technology related to exports, subject to an export obligation. The objective of the scheme is to facilitate import of capital goods for producing quality goods and services. The authorisation holder (or exporter) under the schemes has to export finished goods worth six times of the actual duty saved in value terms in six years. Authorisation is valid for import for 24 months from the date of issue and revalidation of the authorisation will not be permitted.

Advance Authorisation Scheme

An advance authorisation scheme allows duty-free import of inputs, which which is physically incorporated in the export product. In addition to any inputs, packaging material, fuel, oil, and catalyst which is consumed/utilized in the process of production of export products, is also allowed. However, the export obligation may be fulfilled within 18 months from the date of issue of authorization under this scheme.

Under the Amnesty Scheme

· All pending cases of the default in meeting export obligation (EO) of certain

authorizations can be regularised by the authorisation holder on payment of all customs duties that were exempted in proportion to unfulfilled EO and interest at the rate of 100% of such duties exempted.

· However, no interest is payable on the portion of additional customs duty and special additional customs duty.

· All those authorization holders who are interested to avail of the scheme will have to register themselves with the DGFT before 30.6.2023 and complete the payment of customs duty plus interest by 30.9.2023.

· Cases under investigation for fraud, and misdeclaration of capital goods will be excluded from the coverage of the amnesty scheme.

Relief to Exporters

· Exporters who are unable to fulfill their entire EO against these Authorizations can pay Customs Duty plus interest to the Jurisdictional Customs Authorities concerned and submit the proof to the concerned RA of DGFT

· When exporters have partially defaulted, the concerned RA of DGFT on basis of request of applicant and application filed for EODC along with the necessary supporting documents shall intimate to the applicant the details of default on which Customs duty and interest is payable. The applicant pays Customs Duty plus interest to the Jurisdictional Customs Authorities concerned and submit the proof to the concerned RA of DGFT

For detailed information, members may kindly refer to Public Notice No.2/2023 dated 1.4.2023.

Members may kindly take a note of the above & avail benefits of the scheme before the deadline

Regards,

Dr. Siddhartha Rajagopal
Executive Director

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