



## WEEKLY TRADE UPDATE

### Foreign Trade Update

#### Directorate General of Foreign Trade Updates

##### **A. Amendments to Foreign Trade Policy 2015-2020.**

The Directorate General of Foreign Trade vide Notification No. 16/2015-20 dated July 01, 2022 has amended the Foreign Trade Policy 2015-2020 to provide exemption of Integrated Goods and Service Tax (IGST) and Compensation Cess under Advance Authorisation, EPCG and EOU scheme. Para 4.14, Para 5.01(a) and Para 6.01(d)(ii) of FTP 2015-20 are amended to provide exemption from Integrated Tax and Compensation Cess.

Notification is available at:

<https://content.dgft.gov.in/Website/dgftprod/3a564764-e081-4259-8c32-2fa1262a6345/Notification%2016%20English.pdf>

##### **B. Extension in deadlines for submission of applications under MEIS.**

The Central Government vide Notification No.15/2015-2020-DGFT dated July 01, 2022 has stated that the last date of submitting applications under MEIS, for exports made in the period September 01, 2020 to December 31, 2020, has been extended up to August 31, 2022.

Notification is available at:

<https://content.dgft.gov.in/Website/dgftprod/861f5f15-cd73-48dc-a585-efdd69c0664c/Notification%20No%2015%20English.pdf>

##### **C. Amendment in export policy of Motor Gasoline to incorporate policy conditions.**

The Central Government vide Notification No.14/2015-2020-DGFT dated June 30, 2022 has amended the export policy of motor gasoline and incorporated policy conditions against the export of items under the respective HS codes. The exporter is required to submit a self – declaration to the concerned Customs authority at the time of export confirming that 50% or 30% of quantity mentioned in the Shipping Bill has been/ will be supplied in the domestic market during the current financial year as the case may be. Nepal and Bhutan are exempted.

Notification is available at:

<https://content.dgft.gov.in/Website/dgftprod/c5b5524c-515f-45d4-974a-15ac3b14afba/Notification%20No.14.pdf>

##### **D. Clarifications regarding Chip Import Monitoring System (CHIMS).**

The Directorate General of Foreign Trade vide Policy Circular No. 40/2015-20 dated June 27, 2022 has made clarifications regarding Chip Import Monitoring System (CHIMS) Registration. CHIMS is a new import policy and mandatory registration for importers for a host of electronic integrated circuits. The clarifications provided that:

- Importer may include multiple products in one registration number. However, for each shipment a separate registration number is required.
- The CHIMS is applicable for air/sea shipments also. The CHIMS registration can also be made on the same day of arrival of import.
- The microprocessors covered under ITC (HS) code 84733010 and memory modules under ITC (HS) code 84733099 are excluded from CHIMS.

Circular is available at:

<https://content.dgft.gov.in/Website/dgftprod/1d6287ef-c9ce-4bf4-8eadb26ecc953604/Policy%20Circular%20No%2040%20dt%2027-06-22.pdf>

### **Department of Defence Production Updates**

#### **A. Amendment of Standard Operating Procedure for issue of authorization by Ministry of Defence, Department of Defence Production for Export of Munitions List items by both Private as well as Public Sector Units as notified by DGFT under Category 6 of SCOMET.**

The Department of Defence Production, Ministry of Defence, on 21 June 2022 amended the Standard Operating Procedure for issue of authorization by Ministry of Defence, Department of Defence Production for Export of Munitions List items by both Private as well as Public Sector Units as notified by DGFT under Category 6 of SCOMET and for the parts of the firearms mentioned at para 1.3 for examination and processing of export applications.

- An exporter is required to file an online application at [defenceexim.gov.in](http://defenceexim.gov.in) for seeking of authorization for Export of Munitions List items under Category 6 of SCOMET and for the parts of the firearms. The application should be accompanied by the requisite documents.
- The application requires the approval the Competent Authority as per the internal guidelines issued by the Department of DDP.
- The preliminary examination will be completed with 02 days.
- The official examination procedure contains seven parts which are as follows:  
Part-A: Export of Munitions List items as in Appendix-II  
Part-B: Export of Munitions List items other than in Appendix-II  
Part-C: Export of Munitions List items for exhibition purposes  
Part-D: Export of Munitions List items for testing and evaluation  
Part-E In-principle approval for Munitions List items for participation in Tenders/RFP/NIT or exploring export opportunities

Part-F: Approval for transfer of technology/software for design, development, manufacturing, training, maintenance services, upgrade & overhaul of Munitions List Items notified under Category 6 of SCOMET

Part-G: Re-export of an item (i) after undertaking repair or rework; (ii) for replacement of rejected quantity of items by the Foreign Original Equipment Manufacturers; (iii) export of an item which was imported for repair or for participation in tenders/RFP/RFQ/NIT/demo/display/exhibitions in India and needs to be re-exported to OEM.

- In case of repeat orders of the same items, consultation with stakeholders i.e., service HQRS and DRDO already done for a particular product/service/technology would suffice after due consultation with MEA.
- According to different Parts A, B, C, D, E, F, G the validity of authorization varies from 2 years to 06 months. The validity of authorisation may be extended from time to time based on the requirements and merits by the competent authority.
- The exporter is required to maintain records in physical or electronic form for a period of 05 years from date of export.
- In case of denial/refusal by the DDP, an exporter is entitled to appeal against such a rejection by representing to the Ministry within 30 days of such rejection.
- Unlawful activities carried out during export of Munitions List items by an exporter will attract penal provisions.

Available at:

<https://defenceexim.gov.in/WriteReadData/exportsop21june2022.pdf>

## **B. Open General Export Licens ("OGEL") for export of major platforms & equipment.**

The Department of Defence Production, Ministry of Defence, on 16 June 2022 pursuant to the authority granted by the Directorate General of Foreign Trade, vide Public Notice No. 4/2015-20, dated 24th April 2017, notified the issuance of Open General Export Licenso ("OGEL") for export of major platforms & equipment of SCOMET Category 6 items mentioned in the Notification.

- The OGEL will be applicable for export to the countries mentioned in Section III of this Notification.
- The procedure for grant of OCEL by DDP shall be in accordance with the provisions of Standard Operating Procedure dated 3 March 2021 and revised from time.
- Online Application for grant of OGEL shall be filed by an Exporter on [defenceexim.gov.in](https://defenceexim.gov.in).

This licence allows exporter to transfer or export major platforms & equipment of SCOMET Category items including Night Vision devices Thermal Night Sights Thermal binoculars etc listed in the notification for military end use from India to any of the countries mentioned in the notification.

Available at:

<https://defenceexim.gov.in/WriteReadData/OGELforMajorPlatformsandequipment.pdf>

### **C. Open General Export License for export of parts and components.**

The Department of Defence Production, Ministry of Defence on 16 June 2022 pursuant to the authority granted to it by the Directorate General of Foreign Trade, vide Public Notice No: 4/2015-20. dated 24th April 2017, and in supersession of the Notice dated 21.10.2019, notified issuance of Open General Export License (OGEL) for export of parts & components of items related to SCOMET Category 5 items mentioned in this Notification.

- The procedure for grant of OGEL by DOP shall be in accordance with the provisions of Standard Operating Procedure dated 3 March 2021 and revised from time to time.
- Online Application for grant of OGEL shall be filed by an Exporter on [defenceexim.gov.in](https://defenceexim.gov.in).

This notification has widened the scope of the OGEL and allows exporter to transfer or export parts & components of SCOMET Category 6 items like components of ammunition & fuze setting device without energetic and explosive materials etc for military end use from India to any of the countries listed in Section III of this license.

Available at:

<https://defenceexim.gov.in/WriteReadData/OGELforPartsComponents.pdf>

### **D. Open General Export License for Intra-company Transfer of Technology.**

The Department of Defence Production, Ministry of Defence on 16 June, 2022 pursuant to the authority granted to it by the Directorate General of Foreign Trade, vide Public Notice No. 4/2015-20 dated 24th April 2017, and in supersession of the Notice dated 21.10.2019, notified the issuance of Open General Export License (OGEL) for Transfer of Technology widening the scope of its applicability to SCOMET Category 6 items.

- The OGEL will be applicable for export to the countries mentioned in this Notification.
- The procedure for grant of OGEL by DDP shall be in accordance with the provisions of Standard Operating Procedure dated 3 March 2021 and revised from time to time.
- Online Application for grant of OGEL shall be filed by an Exporter on [defenceexim.gov.in](https://defenceexim.gov.in).

This notification allows export of intra-company transfer of technology related to SCOMET Category 6 including ammunition & fuze setting device without energetic and explosive materials listed in category 6A3003a and 6A003c etc from India to any of the countries listed in this license.

Available at:

<https://defenceexim.gov.in/WriteReadData/OGELforIntracompanyToTV.pdf>

### **E. Revision of Guidelines for End User Certificate for Indian companies against requirement of defence goods and technologies from abroad.**

Department of Defence Production vide Office Memorandum OM No. 04/02/2022-D(EPC) dated 3 June 2022 has revised guidelines for End user Certificate and these guidelines are called Department of Defence Production (Issuance of End User Certificate) Revised Guidelines 2022.

- Issuance Agency for EUC DOP will issue the EUCS to all Indian companies (both Public and Private), on their request and when required by the laws and regulations of exporting country subject to their holding a valid defence manufacturing licence.
- Import of equipment/ articles/component/material by Indian Defence Industry is subject to certification by Indian defence company.
- For direct acquisition from foreign companies buyers will continue to give the EUC as provided in the relevant Defence Procurement Procedures revised from time to time.
- Certificate for Additional requirements apart from EUC a Certificate signed by the Chairman/CMD of the Indian entity and the End User in the Service HQs, etc, will be countersigned by S(DIP) in Department of Defence Production subject to the condition that the Indian Entity is owned, operated or controlled by, or under contract to the Government of India and after having necessary consultations with relevant stakeholders.
- A mandatory quarterly submission of reports is required. CEO/MD of the importing company is responsible to ensure timely submission of reports to DSI(DIP), DDP, Ministry of Defence in the prescribed manner.

Available at:

<https://defenceexim.gov.in/WriteReadData/OfficeMemorandumm.pdf>

## **Central Board of Indirect Taxes and Customs Updates**

### **A. Exemptions for imports of Petroleum Crude and ATF.**

Central Government, vide Notification No. 32/2022-Customs dated 30 June, 2022, has exempted the imports of Petroleum Crude and ATF, from whole of the additional duty of Customs leviable thereon under sub-section (1) of section 3 of the Customs Tariff Act, 1975 as is equivalent to the Special Additional Excise Duty leviable thereon under section 147 of the Finance Act, 2002.

Notification link:

<https://taxinformation.cbic.gov.in/view-pdf/1009393/ENG/Notifications>

### **B. BCD rate on Gold imported under TRQ of India-UAE CEPA.**

Central Government, vide Notification No. 36/2022-Customs dated 30 June, 2022, has amended the notification of the Government of India, Ministry of Finance (Department of Revenue), Notification No.22/2022-Customs, dated 30<sup>th</sup> April, 2022, to increase the BCD rate on Gold imported under TRQ of India-UAE CEPA.

Notification link:

<https://taxinformation.cbic.gov.in/view-pdf/1009393/ENG/Notifications>

### **C. Exemption from Integrated Tax and Compensation Cess on goods imported under AA/EPCG/EOU Schemes.**

Central Government, vide Notification No. 37/2022-Customs dated 30 June, 2022, has amended the notifications issued by the Government of India, Ministry of Finance (Department of Revenue), to continue the exemption from Integrated Tax and Compensation Cess on goods imported under AA/EPCG/EOU Schemes.

Notification link:

<https://taxinformation.cbic.gov.in/view-pdf/1009391/ENG/Notifications>

### **Trade Remedy Measures Update**

The Directorate General of Trade Remedies (**DGTR**), Ministry of Commerce and Industry has recently undertaken the following measures concerning trade remedy investigations.

- **June 30, 2022-** Preliminary findings issued in anti-dumping investigation concerning imports of “Ursodeoxycholic Acid (UDCA)” originating in or exported from China PR and Korea RP.

Notification link:

[https://www.dgtr.gov.in/sites/default/files/PF\\_NCV\\_30-6-2022.pdf](https://www.dgtr.gov.in/sites/default/files/PF_NCV_30-6-2022.pdf)

- **June 24, 2022-**Final findings issued in sunset review investigation concerning imports of “Toluene Di-isocyanate”, originating in or exported from China PR, Japan and Korea RP.

Notification link:

<https://www.dgtr.gov.in/sites/default/files/TDI.pdf>

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**Our mailing address is:**

DGS Associates,  
C-485 (GF), Defence Colony, New Delhi-110024.  
Ph: 011 4174 9277/ 011 4174 9278.