

Report of changes during the month of May, 2020 under FEMA / RBI Rules / Banking / Export- Import

SUMMARY REPORT

- ❖ Late cut on MEIS Application & Validity of MEIS Scrips related.
- ❖ SEIS Application Time Period Extension
- ❖ Online issuance of Preferential Certificate of Origin under certain FTAs
- ❖ Extension of Interest Equalization Scheme for 1 Year
- ❖ Extension of time period in completion of Import Payments

1.

Late Cut on MEIS Application & Validity of MEIS Scrips related

1. The MEIS Scrips issued under Chapter 3 of FTP are valid for 24 Months from the date of issue.
2. Revalidation of the same is not permitted unless covered under para 2.20(c) of HBP
3. Now, due the pandemic, the validity of MEIS Scrips issued between 01.03.2018 and 30.06.2018 shall be valid till 30.09.2020
4. In MEIS Application which attracted a late cut as on 01.03.2020, the period between 01.03.2020 and 30.06.2020 shall not be counted and the last date of submission of various categories of applications attracting that late cut and the applicable cuts will be accordingly suitable re-determined.

2.

SEIS Application Time Period Extension

1. In Further relief to Service Exporters to claim SEIS benefit, SEIS Application for services rendered in the FY 2016-17 can be made until 30.06.2020 with late Cut of 10%. The same will be time barred after the extended date.
2. For Application of FY 2017-18, Applications can be filed until 30.06.2020 with 5% Late Cut and until 31.03.2021 with 10% Late Cut.

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3.

Online issuance of Preferential Certification of Origin for certain FTAs

1. In continuation of ease of doing business and moving on digital platforms, DGFT has already announced Online issuance of Preferential Certificate of Origin (CoO) from the portal www.coo.dgft.gov.in
2. CoO under 3 FTAs were already being issued. Now, w.e.f 7th April 2020 SIX More FTAs for export to various countries are now being issued online through the said portal
3. The List if FTAs and Countries are as below:

FTAs/PTAs		Partner Countries
AIFTA	ASEAN-India Free Trade Agreement	Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore , Thailand, Vietnam
IJCEPA	India Japan Comprehensive Economic Partnership Agreement	Japan
SAPTA	SAARC Preferential Trading Agreement	Afghanistan, Bangladesh, Bhutan, Maldives, Pakistan, Sri Lanka. (already Live for Nepal)
SAFTA	South Asian Free Trade Area	Bangladesh, Bhutan, Maldives, Pakistan, Sri Lanka (already Live for Nepal)
APTA	Asia Pacific Trade Agreement	Bangladesh, China, Lao, Republic of Korea, Sri Lanka
ISLFTA	India Sri Lanka Free Trade Agreement	Sri Lanka

4. However, for export to Thailand and Vietnam under ASEAN-India FTA continue to remain in Manual Mode.

4.

Extension of Interest Equalization Scheme for 1 Year

1. RBI circular on Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit had expired on 31.03.2020.
2. Now, RBI has extended the Interest Equalisation Scheme for 1 Year i.e from 1st April 2020 to 31st March 2021

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3. Under the Scheme all MSME Manufacturer exporters can avail benefit of 5% Interest Equalisation benefit and Other Manufacturer Exporters including Merchant exporters of selected 416 items can get avail benefit of 3%
4. In line with RBI export realization relaxation, it has been decided to increase the maximum permissible period of pre-shipment and post shipment export credit sanctioned by banks from one year to 15 months, for disbursements made upto July 31, 2020.

5.

Extension of time period in completion of Import Payments

1. Normally, as per RBI Directions, the Import Payment (except in cases where amounts are withheld towards guarantee of performance etc.) must be paid within 6 Months.
2. However, In view of the disruptions due to outbreak of COVID- 19 pandemic, it has been decided to extend the time period for completion of remittances against such normal imports (except in cases where amounts are withheld towards guarantee of performance etc.) from six months to twelve months from the date of shipment for such imports made on or before July 31, 2020.

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