

Report of changes during the month of June, 2022 under FEMA / RBI Rules / Banking / Export- Import

SUMMARY REPORT

- ❖ RBI Implemented New Rule For ATM Cash Withdrawal
- ❖ FDI Inflow Hits All-Time High of \$83.57 Billion In 2021-22
- ❖ RBI's Interest Rate
- ❖ Bills of Entry by Providing all the Efforts to reduce queries/compulsion to raise queries
- ❖ Import of Paper brought under Compulsory Registration from October, 2022
- ❖ SC Judgement makes taxpayers entitled to claim refunds of IGST on Ocean Freight

1.

RBI IMPLEMENTED NEW RULE FOR ATM CASH WITHDRAWAL

1. RBI has proposed card less cash withdrawal facility from all ATMs. “Card less cash withdrawal facility is proposed from all banks and ATMs.
2. Customers will be able to withdraw money through UPI.
3. In this facility, the customer does not have to use his/her debit card to withdraw cash from the ATM. Instead, customers will have to use UPI.
4. **Option 1**
 - Customers have to fill the request details at the ATM.
 - The ATM will then generate a QR code.
 - Customers will scan the QR code through the UPI app. After that the request will be approved.
 - Now you will be able to withdraw money from ATM.
5. **Option 2 (Touch Screen ATM)**
 - The customer has to write the UPI ID and the amount in the ATM.
 - The request will come on its UPI phone app. Approve it through password.
 - You will be able to withdraw the cash after this process is successful.
6. The card less cash withdrawal facility is available at:

Sr. No.	Banks Name
1.	State Bank of India (SBI)
2.	HDFC Bank
3.	ICICI Bank
4.	Punjab National Bank (PNB)

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2.

FDI INFLOW HITS ALL-TIME HIGH OF \$83.57 BILLION IN 2021-22

1. India has recorded the "highest ever" annual foreign direct investment inflow of \$83.57 billion in 2021-22.
2. "India is rapidly emerging as a preferred country for foreign investments in the manufacturing sector,".
3. FDI equity inflow in manufacturing sectors has increased by 76 % in 2021-22.

3.

RBI'S INTEREST RATE

1. The RBI has raised interest rate.
2. India is having an ultra-low interest rate of 4% since 2018.
3. Then COVID came and the financial crisis that it brought with it further prompted the government to inject extra cash into the economy.
4. RBI has raised the repo rate from 4% to 4.40%.
5. This will make it costly for banks to get money and they will pass these costs to us, making borrowing in general costlier.
6. It is also raising the cash reserve ratio to 4.50%.
7. A rise in interest rates means that this is the perfect time to invest in fixed deposits and government bonds.
8. You will have to pay more interest on your home loans, car loans, and personal loans.
9. Many sectors are going to suffer because of this rate hike.
10. With borrowing costs high and the inflation still not tamed, many companies and industries will be in a bad situation.
11. Below rates are given indicating tentative interest rates charged by Public/Private Sector banks.

Type of Funding	Range of Interest Rate
Cash Credit (CC) / Overdraft (OD)	8.5% - 9%
Loan for Machines	6.75 % - 7.10%
Project Funding	7.50%
Pre Shipment Credit in Foreign Currency (PCFC) For Exports	3-3.5%
Foreign Currency Term Loan	3.5% -4%

12. Each bank is free to charge the rate of interest as decided by the management.
13. Interest rate of NBFC / Co-Op Bank will be higher.

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**BILLS OF ENTRY BY PROVIDING ALL THE EFFORTS TO REDUCE
QUERIES/COMPULSION TO RAISE QUERIES**

1. Kind attention of the Importers, Exporters, Custom Brokers and other stakeholders to the Board's Circular 45/2020 dated 12.10.2020, on Faceless Assessment.
2. Board has reviewed the implementation of Faceless Assessment.
3. Board's attention has been drawn to non-submission of complete information and documents at the first instance impacting the pace of assessment and clearances of consignments by raising queries.
4. As the prompt and timely assessment of Bills of Entry and clearance of imported consignments are key objectives of Truant Customs, these issues have been examined and as a remedial measures all the importers, exporters, Customs Brokers and all other stakeholders are informed to/of the advantages of providing at the first instance only, the complete details and description of the commodity, brand name, model and any other specifications essential for the assessment.
5. Further, the trade is advised to upload at the first instance only, supporting documents like product/technical literature and mandatory documents, certificates, which would help avoid queries and delays. It is also noticed that the documents are uploaded on e-Sanchit but are not linked to B/E and/or are not legible, leading to a situation where Appraising/Assessing officer is unable to view/read the document and is thus compelled to raise a query.
6. Hence, the trade needs to avoid such situation by linking every uploaded document to the relevant B/E.
7. The step by step guide in this regard is available as ICES Advisory No. 35/2020 dated 09.10.2020.
8. Difficulties faced, if any, may be brought to the notice of the Additional Commissioner in the email Id: commr-cusmnglr@nic.in

(PUBLIC NOTICE NO. 08/2022 dated: 26.05.2022)

5.

**IMPORT OF PAPER BROUGHT UNDER COMPULSORY
REGISTRATION FROM OCTOBER, 2022**

1. The import policy of major paper products has been amended from 'Free' to 'Free subject to compulsory registration under Paper Import Monitoring System' (PIMS).
2. This order shall be applicable on a range of paper products, such as:

1.	Newsprint	5.	Duplicating Paper	9.	Litho and Offset Paper	13.	Carbon Paper
2.	Handmade Paper	6.	Coated Paper	10.	Tissue paper	14.	Bobbins
3.	Wallpaper base and Wall Paper	7.	Uncoated Paper	11.	Parchment Paper	15.	Envelops

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4.	Toilet Paper	8.	Cartons	12.	Account Books	16.	Labels
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Full list of each import product along with HS Code is available in the notification.

3. All imports arriving on or after **1.10.2022** shall be governed by this policy.
4. Paper products like currency paper, bank bond and cheque paper, security printing paper, etc. have been excluded from this policy change.
5. *(Notification No. 11/2015-2020 Dated: 25 May, 2022)*
6. Whenever, the government finds that domestic industry is facing problem about regular availability of the products then this kind of policy measures are adopted.
7. The government has allowed almost 4 months times for the industry to adjudge with new regulations.
8. After the implementation of above registration procedures, the government will be better off in terms of data and trend.
9. After studying data, the government may take additional corrective measures, if required for the industry.
10. This above notification will further straighten Making India and Aatma Nirbhar Bharat philosophy.
11. In the past, the government has also adopted similar approach for steel.

6.

SC JUDGEMENT MAKES TAXPAYERS ENTITLED TO CLAIM REFUNDS OF IGST ON OCEAN FREIGHT

1. After the Supreme Court Verdict, Taxpayers who have paid GST on ocean freight on imported goods have become entitled to claim refunds, provided they have not claimed the input tax credit.
2. The Supreme Court held that since the Indian importer is liable to pay IGST on the composite supply, comprising supply of goods and supply of services of transportation, insurance, etc. in a CIF (Cost Insurance Freight) Contract.
3. A separate levy on the importer for the supply of services by the shipping line would violate the CGST Act.
4. In this particular case, a company had challenged the validity of the CBIC Notification regarding the levy of Integrated GST on ocean freight in the Gujarat HC and SC upheld the decision.

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