

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

SUMMARY REPORT

- ❖ Extension in deadlines for submission of applications under MEIS
- ❖ Migration of e-BRC portal/website to new IT platform
- ❖ Indian government allows relatives living abroad to send up to Rs. 10 lakh without disclosing it
- ❖ GST rate hike for consumers
- ❖ Forex
- ❖ FIEO partners to facilitate lei issuance to Indian exporters

1.

EXTENSION IN DEADLINES FOR SUBMISSION OF APPLICATIONS UNDER MEIS

1. DGFT has extended the last date for submission of applications under MEIS up to 31.08.2022.
2. This will help many exporters to get MEIS, which they have not applied.

Existing Para 3.13A as per Notification no. 58 dated 07.03.2022			Amended Para 3.13 A		
With effect from 07.03.2022, the last date for submission of online applications for certain scrip based Schemes and applicable late cut on such applications would be :			The last date for submission of online applications under MEIS for exports made in the period 01.09.2020 to 31.12.2020 , and applicable late cut as in Para 9.02 of HBP would be as below:		
Scheme	Last date of submission of Application	Late Cut if submitted till the last date as in column 2 (as % age of Entitlement under the scheme)	Scheme	Last date of submission of Application	Late Cut if submitted till the last date as in column 2 (as % age of Entitlement under the scheme)
(1)	(2)	(3)	(1)	(2)	(3)
(i) MEIS (for exports made in the period 01.04.2020 to 31.12.2020)	30.04.2022	Nil	MEIS (for exports in the period 01.09.2020 to	31.08.2022	Nil

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			31.12.2020)		
(ii) 2 % additional ad hoc incentive (under Para 3.25 of the FTP – for exports made in the period 01.01.2020 to 31.03.2020 only)	30.04.2022	Nil	No further MEIS applications would be allowed to be submitted after the prescribed last date (as above) and such applications would become time-barred. Late cut provisions shall also not be available for submitting claims at a later date.		
No further applications would be allowed to be submitted after the prescribed last date (as above) as they would become time-barred. Late cut provisions shall also not be available for submitting claims thereafter.					

(Notification No. 58 dated 07.03.2022, and Notification No. 15/2015-2020 dated 01.07.2022)

2.

MIGRATION OF E-BRC PORTAL/WEBSITE TO NEW IT PLATFORM

1. Electronic Bank Realization Certificate (e-BRC) was introduced on 05.06.2012.
2. The existing e-BRC platform (<http://dgftebrc.nic.in>) is being managed by NIC-DGFT from 2012 onwards and has enabled us to capture details of realization of export proceeds from the Banks directly.
3. E-BRC is an essential document requires for implementation of various export promotion schemes.
4. The existing e-BRC module is now being upgraded w.e.f. 01.08.2022.
5. further assistance is available on the DGFT Helpdesk on dgfiedi@gov.in

3.

INDIAN GOVT ALLOWS RELATIVES LIVING ABROAD TO SEND UP TO RS 10 LAKH WITHOUT DISCLOSING IT

1. The Union Home Ministry has amended certain rules related to the Foreign Contribution (Regulation) Act (FCRA) allowing Indians to receive up to Rs 10 lakh in a year from relatives staying abroad without informing the authorities. The earlier limit was Rs 1 lakh.

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2. If the amount exceeds the above limit, the individuals will now have 90 days to inform the government instead of 30 days earlier.
3. Rule 6 of “the Foreign Contribution (Regulation) Rules, 2011. deals with intimation of receiving foreign funds from relatives.
4. Now, anyone receiving foreign funds under the FCRA will have to follow the existing provision of placing the audited statement of accounts on receipts and utilisation of the foreign contribution, including income and expenditure statement, receipt and payment account and balance sheet for every financial year.

4.

GST RATE HIKE FOR CONSUMERS

Goods and Services and GST Rates
Printing, Writing or drawing ink : 12% to 18%
Knives with cutting blades, paper knives, pencil sharpeners and blades therefor, : 12% to 18%
Tetra Pak : 12% to 18%

5.

FOREX

1. India’s foreign exchange reserves stood at US\$ 593.3 billion as on June 24, 2022.
2. The Reserve Bank has been closely and continuously monitoring the liquidity conditions in the Forex market and has stepped in as needed in all its segments to alleviate dollar tightness with the objective of ensuring orderly market functioning.
3. External Commercial Borrowings (ECBs):
 - a) Under the automatic ECB route, eligible borrowers are allowed to raise funds through their AD banks, without approaching the RBI, as long as the borrowing is in conformity with the prudential parameters of the ECB framework such as all-in cost ceiling, minimum maturity requirements and the overall dynamic ceiling.
 - b) It has now been decided to increase the limit under the automatic route from US\$ 750 million or its equivalent per financial year to US\$ 1.5 billion.
 - c) The all-in cost ceiling under the ECB framework is also being raised by 100 basis points, subject to the borrower being of investment grade rating.

(Press Release: 2022-2023/481 dated 06.07.2022)

4. RBI has issued Circular No.10 dated: July 11, 2022 covering International Trade Settlement in Indian Rupees (INR).The subject is path breaking. It is for growth of global trade. The aim is to enhance export from India, as the exporter will have immunity against risk of fluctuation of Forex / Dollar.

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6.

FIEO PARTNERS TO FACILITATE LEI ISSUANCE TO INDIAN EXPORTERS

1. FIEO has signed a MoU with Rubix Data Sciences to facilitate Legal Entity Identifier (LEI) issuance to Indian exporters and entities.
2. Rubix Data Sciences is a business intelligence company offering technology and analytics based B2B risk management and monitoring platform.
3. In April 2022, the Global Legal Entity Identifier Foundation (GLEIF) and the Legal Entity Identifier India Ltd. (LEIL) appointed Rubix as India's first LEI validation agent to help clients obtain LEIs.
4. Rubix will assist Indian exporters through the documentation process and facilitate LEI issuance.
5. The Legal Entity Identifier (LEI) is a 20-character, alpha-numeric code.
6. It connects to key reference information that enables clear and unique identification of legal entities participating in financial transactions.
7. The LEI was developed as a collaborative effort by regulators across the world to push transparency in transactions across markets, businesses and organisations must mandatorily quote their LEI for many types of transactions when doing business abroad.
8. The LEI data pool can be regarded as a global directory.
9. 97,000+ Indian businesses have LEI and feature in this global directory.
10. The RBI, SEBI and IRDAI, regulations have mandated quoting the LEI for various types of transactions:

RTGS/NEFT Transactions	The RBI has mandated the LEI Number for all payment transactions of value ₹50 crore and above undertaken by entities (non-individuals) for RTGS and NEFT.
Cross Border Transactions	The RBI has mandated the LEI Number for cross border transactions such as capital or current account transactions of ₹50 crores and above. The timeline to obtain LEI Number is October 1, 2022.
Corporate Borrowing:	The RBI has mandated the phase-wise implementation of the LEI system for non-individual entities borrowing Rs. 5 crores and above from banks, NBFCs and primary Urban Cooperatives in India. Entities without an LEI code are not to be granted renewal or enhancement of credit facilities.

11. LEI is a global identifier that provided international recognition for the business or organisation.
12. It is standardized across countries.
13. LEI help establish identities across the value chain for the sake of security and for obtaining finance.
14. It confers global creditability on businesses, financial institution and organisations.

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15. MSME that obtain LEIs can stand out amongst their peers in the domestic and global marketplace.
16. One can display the LEI on one's Website, letterheads, business cards, marketing material and documents.
17. The LEI gives exporters and importers global recognition with prospective buyers and sellers in overseas markets.
18. The LEI makes it easy for banks to identify a person as an exporter or importer when transacting internationally.
19. On online market places, the LEI in your Profile helps potential overseas buyers know that your existence has been validated.
20. With the expansion of B2B e-commerce, LEI is being increasingly used for better identification of buyers and sellers on online marketplace.
21. Issued LEIs can be easily searched on the GLEIF database, either on its web interface or via API.
22. LEI searches always provide updated results, as the LEI have to be renewed annually.

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