# AMENDMENTS IN FOREIGN TRADE POLICY – 2013

Please find below highlights of amendments made in Foreign Trade Policy (FTP). Till now notifications, public notices and circulars and new FTP have still not been uploaded on the website.

SEZ

1. Requirement of land for setting SEZ has been made 50% of the existing minimum limit
2. Sector specific SEZ can have the sectorial Broad banding for similar and related area
3. Pre-existing structure not in commercial use can be considered for notifying the SEZ without any duty benefit thereon, i.e. existing structure
4. Minimum land area of 10 hectors of IT & ITES SEZ has been dispensed with reduction in built up area by 50% in CLASS B cities and 75% in CLASS C Cities
5. Exit Policy for SEZ Unit has been permitted by way of transfer of ownership or sale

A. EPCG
    1. 3% EPCG Scheme has been dispensed with and Zero Duty EPCG Scheme made applicable for all products
    2. No second hand capital goods can be imported under EPCG Scheme
    3. Imports of capital goods can be made within 18 months
    4. Export obligations through alternate products or export of Group companies not permitted under EPCG
    5. Textile units under Technology Up-gradation Fund Scheme can also avail Zero Duty EPCG Scheme
    6. Reduced Export Obligation if goods procured from Indian manufacturers against invalidation
    7. Reduced Export Obligation to the extent of 25% to the exporters of Jammu & Kashmir

B. Interest Subvention Scheme has been extended upto 31.03.2013 and additional 134 sub sectors of engineering have been added and also continued for handicraft, handloom, carpets, readymade garments, sports goods and toys and processed agricultural products

C. Additional Duty Free Scrip can be utilized for payment of service tax
D. Export Promotional Scheme
    1. Norway and Venezuela has been added under Special Focus Market Scheme
    2. 126 products including engineering, electronics , chemicals , pharmaceuticals and textile sectors have been added under Focus Product Scheme
    3. 47 new products from engineering , auto components and textile has been added and Brunei and Yamen has been included in Market Link Focus Product Link
    4. Additional incentive on export of High Tech Products will be separately notified by 30.06.2013

E. Incremental Export Incentivization Scheme has been also made applicable for exports to USA, European Union and ASIA and extended for the year 2013-14 and calculation will be done on annual basis. Additional 53 countries have been included in the Scheme

F. Facility to close cases of default in export obligation is allowed on the basis of payment of duty and interest for the period of 6 month with overall limit of twice of duty amount.

G. Duty Free Scrip Entitlement under Serve from India Scheme (SFIS) will be @ 10% based on NFE earned and transferability will be limited within the good company including their manufacturing operations and can be utilized for procuring capital goods including spares required even for manufacturing sectors.

H. Limiting provision under VKGUY has been deleted

I. Transferability of Agri Infrastructural Incentive Scrip is made limited only to the supporting manufacturer and said scheme has been extended upto 31.03.2014

J. SAD Payment cannot be made through Duty Free Scrip if exporter requires refund of SAD

K. Anti Dumping Duty and Safeguarding Duty will not be exempted under Transferable DFIA Scrip.

L. EDI initiative has been made for EBRC and the same data can be used for VAT Return, DGFT, etc.

M. There will be no need to submit the physical copy of IE Code and RCMC along with each application

N. New Task force has been formed for reducing transaction cost in international Trade

O. Additional items are included to be imported duty free to the extent of 5% FOB value of exports of handloom made ups and up to 1% for cotton / Man-made ups and specified 5 items have been included in list of sports goods

Of course, this was not enough and a lot of benefits were expected by the exporters and there is a total disappointment to the EOU’s .