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Amnesty Scheme: Advance & EPCG Authorisations

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The Directorate General of Foreign Trade (DGFT), vide its Public Notice No. 02 dated April 01, 2023 has notified a procedure, under category of regularization of bona fide defaults, in which all pending cases of the default in meeting Export Obligation (EO) may be regularized by the Authorization Holder on payment of applicable Customs duty, corresponding to the shortfall in EO. Interest payable is capped at maximum of 100% of the Basic Customs Duties saved. However, no interest is payable on the portion of Additional Customs Duty and Special Additional Customs Duty saved.

To implement the aforesaid Public Notice dated April 01, 2023, Notification No. 32/2023-Cus., dated April 26, 2023 and Circular No. 11/2023-Cus., dated May 17, 2023 [2023 (384) E.L.T. (T41)] have also been issued accordingly.

Benefits: Amnesty Scheme is expected to ease the burden on Exporters and facilitate compliance with Export Obligations, ultimately promoting smoother trade activities. Holders of Advance and EPCG Authorisations who have defaulted on their export obligations can now avail the following benefits in regularizing these licenses under the Amnesty Scheme :

- (i) Case can be closed on payment of full Customs Duty (BCD+ACD+SAD) only for the part of Export Obligation that could not be fulfilled.
- (ii) Interest payable is capped at maximum of 100% of Basic Customs Duty only.
- (iii) No interest to be paid on the portion of Additional Customs Duty and Special Additional Customs Duty.
- (iv) Cases already Adjudicated or pending in Appeal can also be regularised.
- (v) No penalty or fine to be paid

Eligibility / Coverage: Holders of the following category of Authorisations and EPCG Licenses are eligible for the Amnesty Scheme:

- (i) All Authorizations issued under the Advance Authorization scheme and the EPCG scheme issued under the Foreign Trade Policy 2009 - 2014 till 31.03.2015; and

- (ii) All Authorisations issued under Advance Authorization Scheme and EPCG Scheme under the Foreign Trade Policy 2004 - 2009 and before, but limited to those authorisation whose Export Obligation Period (EOP) was valid till 12.08.2013.

Exclusion: Following cases are kept outside the purview of this Amnesty Scheme:

- (i) Cases where duty with applicable interest already paid in full;
- (ii) Cases under investigation/cases Adjudicated involving fraud, misdeclaration, or unauthorized diversion of material and/or capital goods;

How to avail Amnesty Scheme:

- (i) Interested Authorization Holders must register and apply on the website <https://dgft.gov.in> by June 30, 2023.
- (ii) In cases where entire EO could not fulfilled, Applicant can directly pay the Customs duty and the applicable Interest to the Jurisdictional Customs Authorities before 30.09.2023 and submit the proof of payment to the concerned the Regional Authority of DGFT.
- (iii) In case of a shortfall in EO fulfilment, Applicant must approach DGFT to obtain details of the customs duty and interest payable. Subsequently, the Applicant must make the payment to the jurisdictional customs authority and submit proof of payment to the DGFT.

Conclusion:

This Amnesty Scheme has provided one time settlement of default in EO by the Advance and EPCG Authorisation Holders, to rectify their non-compliance by depositing Customs Duties with the limited Interest on the Basic Customs Duty only, for the shortfall in EO.

