

Sept 30 deadline for exporters to use amnesty scheme

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EXPORTERS, WHO INTEND to opt for the amnesty scheme on unfulfilled export obligations, will have to make the requisite payments on or before September 30, 2023, according to a circular issued by the Central Board of Indirect Taxes and Customs late Wednesday.

The amnesty scheme, which was announced in this year's Foreign Trade Policy on March 31, says that the amount payable will be in proportion to the unfulfilled export obligations. It also capped interest payment at 100% of the exempted duties. No interest will be charged on the additional customs duty and special additional customs duty that was not paid.

Exporters have to commit to shipment obligations while availing duty free imports of inputs and machinery for production.

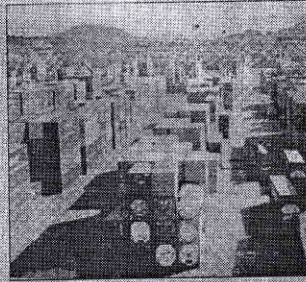
As part of the amnesty scheme, exporters who could not meet their obligations will have to pay the customs duty that they had saved when they imported inputs and machinery. Interest is charged for the period their export obligation remained unfulfilled.

Duty free imports of raw material and machinery under the Advance Authorisation Scheme (AA) and Export Promotion Capital Goods (EPCG) Scheme allow exporters to get inputs at international prices and enable them to compete in the global market.

Advance authorisation Scheme allows duty free imports of inputs which are physically incorporated in an export product.

In addition to that any input, packaging material, fuel, oil, catalyst which is consumed in the production process is also allowed duty free. Minimum value addition required to be achieved under Advance Authorisation is 15% in most of the products while for high-value products like gold, gems and jewellery it is lower.

Export Obligation is required to be fulfilled within 120 days from



BIG BREATHER

■ Under the amnesty scheme, exporters who could not meet their export obligations will have to pay the customs duty that they had saved when they imported inputs and machinery

■ Exporters will have to make the requisite payments on or before September 30, 2023

■ The last amnesty scheme for exporters was announced in 2022-12

date of import of each consignment against Authorisation Under the EPCG scheme units availing the benefits duty free imports of machinery and spare parts have an obligation to export six times of duties, taxes and cess saved on capital goods in 6 years. Last amnesty scheme for exporters was announced in 2022-12.

The new amnesty scheme would lead to substantial savings for exporters and using this scheme they can close their unfulfilled export obligations portion, commerce secretary Sunil Barthwal had said while announcing the scheme with Foreign Trade Policy.

There is no centralised data on how much exporters owe to the government for not fulfilling their export obligations. Even Comptroller and Auditor General has flagged this issues in its audit reports on export promotion schemes,