

# E-comm hubs, faster customs nod may top 100-day agenda

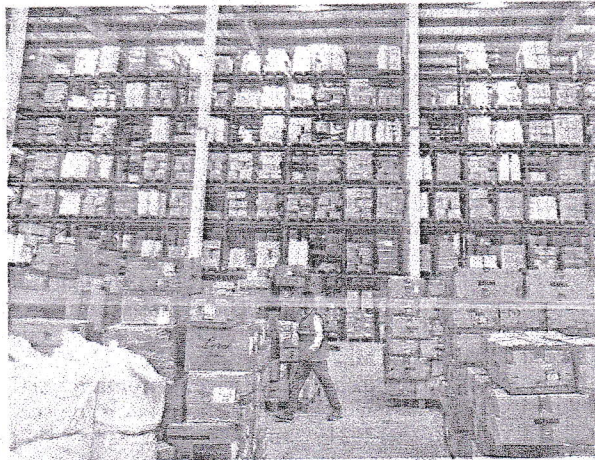
**WORK IN PROGRESS.** Commerce, Revenue Depts in talks to sort out some tricky issues

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With the development of e-commerce hubs to facilitate online exports likely to be prominent on the government's 100-day agenda, the Commerce Department is working with the Department of Revenue on tricky issues such as the proposal to allow returns without imposing import duties and expediting customs clearances, sources said.

"The Commerce Department is in discussions with the Department of Revenue on the support to be extended to e-commerce players to expedite export clearances and help in re-imports of rejects. Implementation of the policy on e-commerce hubs may also be announced in the Union Budget if the issues are settled between the two," a source said.

E-commerce hubs are envisioned to serve as pivotal



**MINIMISING ISSUES.** The broader objective is to ensure that return of goods does not face too much scrutiny and small-value, high-frequency returns, particularly, do not face issues BLOOMBERG

facilitators for export clearances, offering a wide range of services including warehousing, customs clearance, return processing, labelling, testing and repackaging, per the government.

#### **RETURN LOGISTICS**

"It is important to sort out the issue related to the im-

port of rejects, as about 25 per cent of e-commerce sales are returned. These imports need to be duty-free. But the problem is how these items could be identified. Identification is a challenging job," the source said. One way out of the problem could be to do customs bonding for e-com-

merce exports. "There are options that are being looked into by both the Commerce Ministry and the Department of Revenue. Hopefully, it will be sorted out soon," the source said.

The broader objective is to ensure that returns of goods do not face a lot of scrutiny and small-value, high-frequency returns, particularly, do not face issues, the source added.

The DGFT is focussing on promoting e-commerce exports from India, as the sector holds a lot of promise.

India's e-commerce exports annually are estimated at around \$2 billion, while global e-commerce trade is valued at \$800 billion.

The DGFT is also working with the postal department and the RBI on various measures that could be adopted to ease the operations of e-commerce players.