

Mid Term Review of Foreign Trade Policy 2017 : Highlights

- Across the board increase of 2% in existing MEIS incentive for exports by MSMEs / labour intensive industries
- To provide an impetus to the services trade, the SEIS incentives have been increased by 2% for notified services such as Business, Legal, Accounting, Architectural, Engineering, Educational, Hospital , Hotels and Restaurants
- The validity period of the Duty Credit Scrips has been increased from 18 months to 24 months to enhance their utility in the GST framework.
- GST rate for transfer/sale of scrips has been **reduced to zero from the earlier rate of 12%.**

- **New trust based Self Ratification Scheme**

Under this scheme, instead of getting a ratification of the Norms Committee for inputs to be used in the manufacture of export products, exporters will self-certify the requirement of duty free raw materials/ inputs and take an authorization from DGFT. The scheme would initially be available to the Authorized Economic Operators (AEOs).

- **Duty Drawback scheme** administered by Department of Revenue continued with revised rates for drawback of Basic Customs and remnant Central Excise Duties.
- New **Trade Infrastructure for Export Scheme (TIES)** launched in March 2017 to enhance export competitiveness
- Envisaged assistance for setting up and up-gradation of infrastructure projects with overwhelming export linkages like the Border Haats, Land customs stations, quality testing and certification labs, cold chains, trade promotion centres, dry ports, export warehousing and packaging, SEZs and ports/airports cargo terminuses.

- **Market Access Initiatives (MAI) Scheme** to act as a catalyst to promote exports on a focus product-focus country approach, so as to evolve specific markets and products through market studies/surveys.
- Supplies of goods and services to **Special Economic Zones** to be treated as zero rated under GST so as to get the benefit of tax refund on the pattern of actual exports. Earlier VAT refund used to depend on the States concerned.
- The concept of DTA sale from EOU on Concessional and full duty has been removed and hence, the time limit on entitlement of DTA sale has also been removed.
- Status holders shall be entitled to export freely exportable items on free of cost basis for export promotion subject to an annual limit of Rs. 1crore or 2% of average annual export realization during preceding 3 licensing years whichever is lower.
- For Pharma exports the annual limit would be 2% of the annual export realization during preceding 3 licensing years.

About us

D Arvind & Associates LLP (DAA) is a Chartered Accountant Firm founded in 2009 by D Arvind, an Ex-partner of KPMG with a vision to provide to create innovative and insightful solutions to resolve Complex Business & Tax Challenges.

D Arvind, apart from being a Chartered Accountant is also a Company Secretary & Arbitrator, having 30 Years of Experience in Large Industries as Tax & Legal Head and Partner in Big 4 Consulting Firms. This puts him in a unique position to see Complex tax Issues from Business & Solutions perspective.

DAA is a boutique tax firm specializing in GST, Customs, Foreign Trade Policy including representation to Government, Appearance before Tax Authorities & Tribunal apart from practicing in Internal Audit and Corporate Governance.

DAA operates out of Mumbai, Chennai & Bangalore with a wide range of clientele across Industries assisting them in their Tax positions, Tax Litigations up to High Court, Tax Optimization and End to End Tax Compliance Management.

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