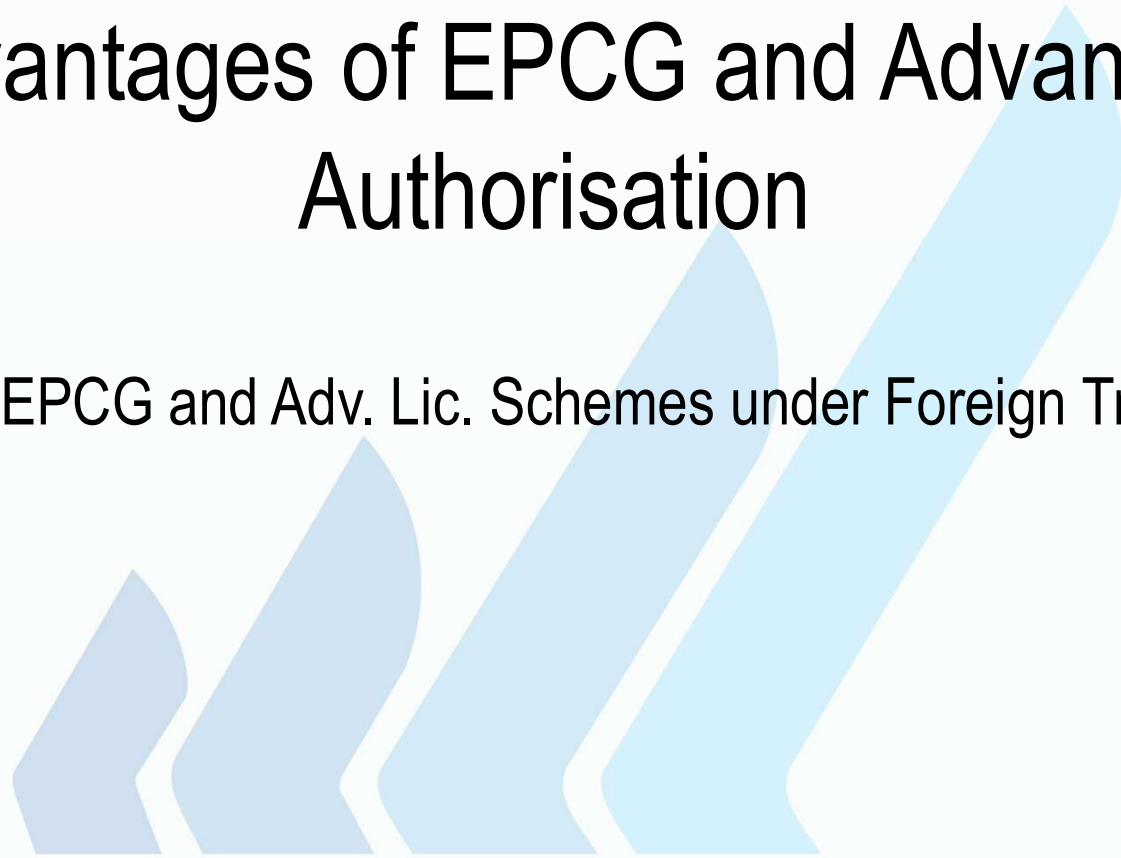


Advantages of EPCG and Advance Authorisation

Benefits of EPCG and Adv. Lic. Schemes under Foreign Trade Policy



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Import of Capital Goods under EPCG

- Chapter 5 of the Foreign Trade policy cover Import of Capital Goods under EPCG Scheme.
- The rate of Duty payable at time of import is 0% - All Duties are Exempted except any dumping duty and safeguard duty if applicable has to be paid.
- All Capital Good, Spares, Tools and dies and Accessories except 2nd Hand can be imported under EPCG.
- Capital Machineries imported can be used for Domestic as well as Export product manufacturing.

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Procedure to be followed under EPCG

- EPCG Authorisation is issued by Local Director General of Foreign Trade (DGFT).
- Application need to be submitted with the DGFT office with all required documents and details of the CG to be imported.
- At time of clearance of the CG from Customs – A EPCG Bond and with 15% BG need to be submitted or can be reduce to 0% in certain conditions as per customs notification.
- Export obligation is 6 times of duty saved amount as per import Bill of Entry in US\$ or foreign currency.

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Procedure to be followed under EPCG

- The Specific export obligation is divided into 2 parts 50% to be achieved in 1st to 4th Year and balance 50% to be achieved in 5th & 6th Year.
- In case 75% of the Export Obligation is completed within first 3 years license can be closed from DGFT.
- Export can be Physician Export or Deemed export and Merchant Export and documentation will be guided for any.
- Once Export is completed and application with all required documents to be submitted with DGFT authority for closure.
- After Closures of file with DGFT we need to approach Customs for closure of Bond and BG submitted at time of Import.
- In case the export obligation is not fulfilled or part done proportionate unfulfilled duty has to be paid with Interest of 15% per year without any penalty.

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Import of Raw Material and consumables under Advance Authorisation.

- Chapter 4 of the Foreign Trade policy cover Import of RM and Consumables under Adv Lic.
- The rate of Duty payable at time of import is 0% - All Duties are Exempted.
- All RM and Consumables imported are actual user condition i.e If an IEC holder imports goods in his particular factory as per the adv lic he cant use the products in any other manufacturing except for some procedures if followed.
- At time of clearance of the RM from Customs – A Bond and with 15% BG need to be submitted.
- RM and Consumables imported are to be used only for Export product manufacturing.
- Have to maintain report of the consumption of RM and the scrap generated in the manufacturing process.

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Procedure to be followed under Advance Lic.

- At the time of Application we have to provide the list of RM required for manufacture of export item.
- The Import quantity of RM and Export quantity of FG manufactured need to be disclosed.
- Export Obligation is to be completed within a period of 18 Months from date of License.
- Slandered Input Output Norms need to be fixed if the same is not covered in the All industry Norms.
- Export can be Physician Export or Deemed export and Merchant Export.
- Once Export is completed and application with all required documents to be submitted with DGFT authority for closure.
- After Closures of file with DGFT we need to approach Customs for closure of Bond and BG submitted at time of Import.

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Mae Exim Pvt Ltd is a company for providing commercial services. We provide the services to our clients as per their requirement. It is a company having rich experience in all managerial disciplines of business. By understanding the business need, Mae Exim advises strategic solutions best suitable for the business of the client. We help the client for systematic implementation of the solutions effectively with minimum cost, innovation with measurable performance. We help to convert the innovative thoughts to practical solutions. We help clients on formulation of business strategies taking full advantage of all commercial opportunities available in the environment.

We provide single window for wide range of commercial services in indirect tax, import, export, corporate laws.

We specialise in Foreign Trade Policy and EOU related activities.

We analyse the business ERP / software of the client and provide solutions for generating the business and statutory reports which otherwise may not be feasible due to practical difficulties and economic reasons.

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