

EXPORT PROMOTION COUNCIL FOR EOUs & SEZs

Ministry of Commerce & Industry, Government of India

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Deputy Director

EPCES CIRCULAR NO. 208 DATED 15-6-2015

**Sub : (i) SEZ Units – ineligible for rewards under SEIS
(ii) Fast Track Clearance Scheme for EOUs – domestic procurement & import**

DGFT has issued Policy Circular No. 1/2015-20 dated 11th June, 2015 informing that supply of services by units located in DTA to SEZ units is **not** eligible for rewards under SEIS of Chapter 3 of FTP. The Circular clarifies that as per 3.08(a) read together with para 9.51(i) of FTP provides that supply of a service to any other country only is eligible for SEIS benefits. Since SEZ is Indian Territory, supply of service to SEZs is not eligible for rewards under SEIS.

Therefore it is clarified that regardless of the amendment notified vide Notification No. 08/2015-2020 dated 4/6/2015, through which export turnover relating to services of units operating under SEZ Scheme or supplies of services made to such units has been deleted from the list of ineligible categories under SEIS thereby making supply of a service from SEZ to other countries eligible for SEIS benefits, **supply of a service by units located in DTA to SEZ units was and shall continue to remain ineligible for rewards under SEIS.**

A copy of Circular No. 1/2015-2020 dated 11th June, 2015 is attached for ready reference.

(ii) Fast Track Clearance Scheme for EOUs – domestic procurement & import

Para 6.40(c) of Handbook of Procedures was amended and now EOUs having physical export turnover of **Rs. 10 crore (earlier it was 15 crore)** and above in preceding financial year shall be allowed to import goods without payment of duty on basis of pre - authenticated procurement certificate issued by jurisdictional Customs / Central Excise Authority.

Accordingly DGEP vide Circular No. 19/2015-Cus dated 9/6/2015 has modified Boards Circular No. 17/2006-Cus dated 1/6/2006 regarding Fast Track Scheme for EOUs for import of goods and Circular No. 19/2007-Cus dated 3/6/2007.

A copy of DGEP Circular No. 19/2015-Cus dated 9th June, 2015 is attached for ready reference.

This is for kind information of the members.

Government of India
Ministry of Commerce and Industry
Department of Commerce
Directorate General of Foreign Trade
UdyogBhawan, New Delhi

Policy Circular No. 1 / 2015-20

Dated: 11.06.2015

To All Regional Authorities
Central Board of Excise & Customs

Subject: Supply of a 'service' by units located in DTA to SEZ units - ineligible for rewards under SEIS.

1. References have been received in this Directorate enquiring whether or not supply of a 'service' by unit(s) located in DTA to SEZ unit(s) is eligible for rewards under SEIS.

2. In this context reference is invited to Para 3.08 of the FTP 2015-2020 which specifies the requirements for being eligible for rewards under SEIS. Sub-para (a) of Para 3.08 clearly states that "Only Services rendered in the manner as per Para 9.51(i) and Para 9.51(ii) of this policy shall be eligible"

Para 9.51(i) of FTP 2015-2020 reads as under:

"Service Provider" means a person providing:

(i) Supply of a 'service' from India to any other country; (Mode1- Cross border trade)

3. Para 3.08 (a) read together with para 9.51(i) of FTP 2015-2020, as notified on 1.4.2015, makes it abundantly clear that 'supply' of a service to any other country only is eligible for SEIS benefits. Since SEZ is 'Indian Territory' supply of a service to SEZs is not eligible for rewards under SEIS.

4. Therefore it is clarified that regardless of the amendment notified vide Notification No. 08/2015-2020 dated 04.06.2015 (through which export turnover relating to services of units operating under SEZ Scheme or supplies of services made to such units has been deleted from the list of ineligible categories under SEIS thereby making supply of a 'service' from SEZ to other countries eligible for SEIS benefits), supply of a 'service' by units located in DTA to SEZ units was and shall continue to remain ineligible for rewards under SEIS as explained in para 3 above.

This issues with the approval of DGFT.

(AkashTaneja)
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F. No. DGEP/FTP/23/2014-EOU & G&J
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs
Directorate General of Export Promotion

New Delhi, the 9th June, 2015

To,
All Principal Chief Commissioner of Customs/Central Excise,
All Chief Commissioner of Customs/Central Excise,
All Principal Commissioner of Customs/Central Excise,
All Commissioner of Customs/Central Excise.

Sir/Madam,

Sub: Revision of Handbook of Procedures (HBP)- Changes/ amendments in the EOU/EHTP/STP/BTP Schemes-reg.

New Handbook of Procedures (HBP) 2015-2020 has been notified by DGFT vide Public Notice No. 01/2015-2020 dated 01.04.2015. In this regard, attention is invited to CBEC Circular No. 17/2006-Cus dated 1st June, 2006 and Circular No. 19/2007-Cus dated 3rd June, 2007 as amended by Circular No.16/2014-Cus dated 18th December 2014 regarding units set up under EOU/EHTP/STP/BTP scheme.

2. As per the para 6.40(c) of HBP 2015-2020, 'the turnover limit of Rs 15 crores and above in the preceding year' has now been revised to 'the turnover limit of Rs. 10 crores and above in the preceding year'.

3. Accordingly, the Para 7 of Circular No. 17/2006-Cus dated 1st June, 2006 regarding the Fast Track Scheme for EOUs for import of goods and opening Para of Circular No. 19/2007-Cus dated 3rd June, 2007 shall be taken as modified to the above extent.

4. This issues with the approval of CBEC.

5. Receipt of this circular may kindly be acknowledged.

6. Hindi version will follow.

Yours faithfully

Sd/-
(Dr. Tejpal Singh)
Addl. Director General