

Foreign Trade Policy 2023: Key Aspects

The Foreign Trade Policy 2023 was unveiled by Commerce and Industry Minister Mr. Piyush Goyal on March 31, 2023. The Key Highlights can be accessed [here](#). A brief snapshot is also provided below:

<u>Approach of FTP 2023:</u>	
No end date for FTP	The new FPT is without sunset clause. FTP 2023 would continue and the policy would be amended as and when required. This will give policy certainty and will enable dynamism by addressing issues as and when required.
From incentive to remission	To comply with the WTO's guidelines, the approach has changed from incentivising for exports to an attempt that taxes are not exported.
Emerging areas	Lot of buzz and expectations have been on e-commerce exports, developing districts as export hubs and streamlining SCOMET
Others	Export promotion through collaboration of exporters, states, districts and other industries. Focus on ease of doing business, reduction in transaction cost and technology interface.
<u>FTP 2023 - Key points</u>	
Introduction of duty remission scheme	Schemes of RoDTEP and RoSCTL has been notified for goods exported. The goods/industries eligible for the benefit would be expanded. No Incentive (MEIS/SEIS) but only remission (like RoDTEP) would continue.
Continuation of duty exemption scheme	Advance Authorization/DFIA/EPCG would continue
Automatic system-based/rule based approval	One day approval for licenses to be introduced (AA, EPCG).
Revised performance threshold for export houses	A lower threshold limits for Star Exports house have been announced.
Specific provisions on merchant trading	It was re-iterated that no specific provisions were governing merchant trading. Specific provision governing merchant trading (buying from third country and selling to third country without touching the boarders) is expected. However, RBI FEMA regulations should be relaxed. This needs to be seen in detail.
Town of Export excellence has been announced	4 additional towns of excellence (apart from earlier 39 towns of excellence)
Steps to boost manufacturing	Sectors like Textile/Dairy/Green sectors is focused. Some sectors like battery electric vehicle, vertical farming equipment, etc would now be eligible for reduced export obligation requirement [i.e. from 6 times to 4.75 times] . Special Advance authorization for certain sectors like apparel and clothing.

	Self-ratification for 2 star export house for input output norms.
Boost to E-commerce	Courier exports limits increase from Rs. 5 lakhs to Rs. 10 lakhs. There should be E-commerce Export hub and training for small E-commerce exporters. Tech support for E-commerce to linking with Banks for financing.
Amnesty scheme for default of Advance authorization/EPCG:	Relief is provided to exporters who are unable to meet the export obligations. The payment of custom duty would be required proportionate to unfulfilled export obligation. Interest is capped and limited to 100% of Basic Customs Duty and No interest on Additional Customs Duty and SAD.

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