

URGENT

AEPC Circular No : 139

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Secretary General, AEPC

AEPC/HO/SG/R&PA/2022
06.12.2022

Dear Members,

Sub: Seeking details of the cases filed with the DGFT under paragraph 2.85/2.87 of the Handbook of Procedures for closure in case of non-realization of export proceeds.

AEPC had represented to the DGFT regarding closure of the cases in case of non-realization of export proceeds on account of Bankruptcy/Insolvency/Discounting/cancellation of export orders.

2. DGFT had clarified as follows:

a) Regarding non-realization of proceeds, please refer towards para 2.54 (c) of FTP which states that:

“The payment realized through insurance cover, would be eligible for benefits under FTP as per Procedures laid down in Para 2.85 of Handbook of Procedure”

b) Provisions given in para 2.85 of Handbook of Procedures are given below for ready reference:

2.85 Admissibility of benefits on payment through insurance cover

(I) Payment through ECGC cover would count for benefits under FTP.

(II) Payment through General/ Private Insurance companies:

Amount of Insurance Cover for transit loss by General Insurance and Private Approved Insurance Companies in India would be treated as payment realized for exports under various export promotion schemes.

An applicant realizing export proceeds through the Insurance Agency will approach the concerned RA with the proof of payment issued by the concerned Insurance Agency. RA, after satisfying itself of the bona fide of the claim, will obtain approval of Additional DGFT (EDI) and then will upload the value (in lieu of e BRC value) in EDI system of DGFT for processing of the case.

c) Para 2.87 of Handbook of Procedures mentions as follows:

2.87 RBI write-off on export proceeds realization

Realization of export proceeds shall not be insisted under Foreign Trade Policy, if the Reserve Bank of India (RBI) or any "Authorised Bank" (authorised by RBI for this purpose) writes off the requirement of realization of export proceeds on merits and the exporter produces a certificate from the concerned Foreign Mission of India about the fact of non-recovery of export proceeds from the buyer. However, this would not be applicable in self – write off cases.

3. We have been informed that exporters have filed cases before concerned RAs for closure of AA/SAA/EPCG but there are still pending cases with the RAs/DGFT.
4. AEPC is compiling all such pending cases of members. After compilation, AEPC will take-up this matter again with DGFT and other concerned RAs.
5. **Members are requested to complete the below mentioned Google Form and send their issues/information within 3 days of issue of this circular.**

Google Form Link: <https://forms.gle/Zi9k5qvTQJTICE43A>

6. This is for your information please.

With regards.

Yours sincerely,

Dr. L. B. Singhal
Secretary General