**Basic Chemicals, Cosmetics &
Dyes Export Promotion Council**
(Set - up by the Ministry of Commerce & Industry Government of India)

CHEMEXCIL NEWS

Issue February - March 2018

CAPINDIA - 2018

From left Shri. Sumit Kumar Ghosh-Chairman-SHEFEXIL, Shri. R. Veeramai, President, CAPEXIL, Shri. Ashok Basak, Chairman, Plexconcil, Chief Guest Shri. Suresh Prabhu, Hon'ble Union Minister of Commerce & Industry and Civil Aviation, Shri. Shymal Mishra, IAS Joint Secretary, EP (CAP), Shri. Satish Wagh, Chairman Chemexcil during CAPINDIA 2018 dated 22nd March, 2018

GLIMPSES OF CAPINDIA - 2018

Shri. Satish Wagh, Chairman Chemexcil lightning the lamp along with Chief Guest Shri. Suresh Prabhu, Hon’ble Union Minister of Commerce & Industry and Civil Aviation, Shri. Shymal Mishra, IAS Joint Secretary, EP (CAP), Shri. Sumit Kumar Ghosh-Chairman–SHEFEXIL, Shri. R. Veeramai, President, CAPEXIL, Shri. Ashok Basak, Chairman, Plexconcil

Shri. Satish Wagh, Chairman Chemexcil felicitating Chief Guest Shri. Suresh Prabhu, Hon’ble Union Minister of Commerce & Industry and Civil Aviation, with a bouquet of flowers to his right Shri. Shymal Mishra, IAS Joint Secretary, EP (CAP), left Shri. Ashok Basak, Chairman, Plexconcil

Chief Guest Shri. Suresh Prabhu, Hon’ble Union Minister of Commerce & Industry and Civil Aviation addressing the CAPINDIA 2018 gathering

IN THIS ISSUE

Editorial

Chairman's Desk

Dear Member-exporters,

"I have pleasure to bring to you bi-monthly issue of the CHEMEXCIL Bulletin for the month of Feb-March 2018.

Finance Minister Shri ArunJaitley unveiled his last full Budget in Parliament on 1st February 2018. I welcome the Union Budget 2018-19 wherein the government has provided a budget for all.The focus on agriculture, rural economy, health, infrastructure and MSMEs is highly appreciable. It is good and well-rounded budget which will create demand and employment along with investments in the economy.

I am pleased to know that India is now a US$2.5 trillion economy and we are firmly on path to achieve 8% plus growth soon.The corporate tax rate has been reduced to 25% for MSMEs which is highly appreciable as it was the need of the hour.

Government is focusing now on ease on living after ease of doing business. MSMEs sector gets Rs 3,794 crore in the form of capital support and interest subsidy. Footwear & leather industry to get benefits extended to Apparel industry. Corporate tax for companies with turnover up to Rs 250 crore cut to 25%. 100% tax deduction to companies with revenue of Rs 100 crore registered as farmer producers.

Target MUDRA loans for Rs. 3 lakh crore in the next financial year would go a long way to create self-employment opportunities in the country. The rise in allocation of Rs. 1.38 lakh crore in FY19 from Rs. 1.22

lakh crore for government health and education programs will facilitate socio-economic development in the country. The FY19 disinvestment target is set at Rs. 80,000 crore while the FY18 disinvestment estimate is revised to Rs. 1 lakh crore is inspiring as it will increase the non-tax revenue of the government.

Cabinet approves proposal for Amendment to the Micro, Small and Medium Enterprises Development Act, 2006 to change the criteria of classification and to withdraw the MSMED (Amendment) Bill, 2015 – pending in Lok Sabha

The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has approved change in the basis of classifying Micro, Small and Medium enterprises from 'investment in plant & machinery/ equipment' to 'annual turnover' category. This will encourage ease of doing business, make the norms of classification growth oriented and align them to the new tax regime revolving around GST.

The amendment is as follows:

- A micro enterprise will be defined as a unit where the annual turnover does not exceed five crore rupees;
- A small enterprise will be defined as a unit where the annual turnover is more than five crore rupees but does not exceed Rs 75 crore;
- A medium enterprise will be defined as a unit where the annual turnover is more than seventy five crore rupees but does not exceed Rs 250 crore.

Almost all the associations and bodies representing commerce and industry welcomed the budget.

On the GST front, it's heartening to note that to further facilitate the exporters and expedite IGST refunds, CBEC has decided to observe"IGST/ ITC Exports Refund Fortnight"from 15th March to 29th March 2018 to liquidate all the pending export refund claims (specially related to SB005 error) at various customs locations which will organize facilitation camps. The council has already informed the members to take advantage of this drive and clear their IGST refunds pendency. However, we understand that still there are IGST validation failure issues and also delays due to lack of facility to correct GSTR-3B. We hope that the same shall be resolved soon.

On the FTP side, there are few positive developments pertaining to MEIS which will provide relief to the impacted members. DGFT has issued PN that MEIS will be considered based on HS codes in the shipping bills. This will take care of delays faced due to mis-match in description in the S/B and MEIS schedule. Another, important development is that DGFT has sought information on details of shipping bills which had a Let Export date from 01.10.2015 to 31.03.2016 pertaining to cases where exporters who have inadvertently ticked `N`(for No) instead of Y``(for Yes) in "Reward" column of shipping bills while filing the EDI shipping bills, but have declared the intent in the affirmative (in wording) in the shipping bill. Once these cases are considered, it willprovide big relief to the members.

As regards Chemicals export is concerned, I am glad to inform you that we have already crossed the last year's exports of USD 12.15 Bn. The cumulative Chemical exports during April-February-2018have touched $ 13.84bn recording a high growth of 28.6% over the same period last year.

I take this opportunity to thank the Ministry of Commerce & Industry, especially Shri. Shymal Mishra, Joint Secretary, Ministry of Commerce & Industry, for taking initiative in organizing the 3rd edition of CAPINDIA Exhibition which was held from 22nd -24th March 2018 at Hall 1 Bombay Exhibition Centre, Goregaon, Mumbai. The exhibition was jointly organized by four Export Promotion Councils, viz. PLEXCONCIL, CHEMEXCIL, CAPEXIL, SHEFEXIL under the aegis of the Department of Commerce, Government of India, supported by Department of Chemicals and Petrochemicals, Ministry of Chemicals & Fertilizers, Government of India.

CAPINDIA 2018 Exhibition was one of the largest showcasing and networking event to boost the Chemical, Plastic, Construction Industry Shellac & Forest Products sector under the "Make in India" initiative and establish its presence in the global market. The initiatives of Make in India and the CAPINDIA are very much relevant in today's scenario in terms of building and enlarging our manufacturing base and targeting the world as our market. The Event attracted Retailers and wholesalers from the Industry, which has brought the entire chemicals, plastics and allied products fraternity under one roof and that too for the 3rd time. The Council has received overwhelming response from members and more than 600 Exhibitors covering manufacturers/exporters showcasing a range of Industrial & agricultural inputs, Consumer items, Packaging items, Plastics processing machinery under the purview of, CHEMEXCIL, PLEXCONCIL, CAPEXIL and SHEFEXIL

The event was inaugurated on 22nd March-2018 at 10.00am by chief guest Shri Suresh Prabhu, Hon'ble Union Minister of Commerce & Industry and Civil Aviation in the presence of Shri. Shymal Mishra, IAS Joint Secretary, EP (CAP), Mr. Ashok Basak, Chairman, Plexconcil, Mr. R. Veeramai, President, CAPEXIL and Sumit Kumar Ghosh-Chairman -SHEFEXCIL.

All EPCs Jointly invited more than 280 foreign buyers from 45 countries including Algeria, Egypt, Israel, Iran, Iraq, Tunisia, Lebanon, Palestine, Libya, Qatar, U.A.E, Kuwait, Bangladesh, Nepal, Sri Lanka, Maldives, Afghanistan, Angola, Kenya, Ghana, Tanzania, Ethiopia, South Africa, Uganda, Namibia, Senegal, Mauritius, Djibouti, Azerbaijan, Uzbekistan, Russia, Kazakhstan, Tajikistan Vietnam, Indonesia, Singapore, Brunei, Myanmar, Thailand, Malaysia, Mexico, Argentina, Chile, Colombia, Saudi Arabia.

I also have pleasure to inform you Chemexcil will organize its 46th Export award function in April end 2018 in Mumbai. Chemexcil Export Awards pay tribute to the achievements and contributions of export companies have made to the Indian economy. The awards celebrate export excellence through leadership and innovation. Council has already received the applications from member exporters for export award and we are in process of finalizing the awards.

I hope that you would find this Chemexcil News bulletin informative and useful. The Secretariat looks forward to receiving your valuable feedback and suggestions which help us to improve this bulletin. ”

Satish Wagh
Chairman,
CHEMEXCIL

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Dangerous Goods by Road - India

Shashi Kallada
Consulting & Training - Dangerous Goods by Rail, Road, River & Sea

Rules regulating transport of Dangerous Goods by roads within India is promulgated through **Hazardous Substances (Classification Packaging and Labelling) Rules, 2011 and The Central Motor Vehicles Rules, 1989**.

Hazardous Substances (Classification Packaging and Labelling) Rules, 2011, gives exemption to **pharmaceutical and cosmetic** end products available in packages designated for consumer use and to dangerous goods required for the propulsion of the means of transport or the operation of its specialized equipment during transport.

Dangerous goods in packaged form domestically transported must be classified packaged, marked, labelled and the vehicle carrying the goods appropriately marked according to above said rules.

Salient points within The Central Motor Vehicles Rules, 1989 (CMVR, 1989)

Chapter II **licensing** of drivers of motor vehicles para 9 require drivers to be able to read and write at least one Indian language specified in the schedule VIII of the Constitution and English. The driver must successfully pass training from a recognized institute and his licence endorsed by the licencing authority.

As per section 129.2 Chapter V, Construction, Equipment and Maintenance of Motor Vehicles, every goods carriage carrying dangerous goods must be fitted with **tachograph**, (an instrument to record the lapse of running time of the motor vehicle; time speed maintained, acceleration, deceleration, etc.) confirming to the specification of the Bureau of Indian Standards

Vehicle owner's responsibility, Section 132.2 Every owner of a goods carriage shall, before undertaking the transportation of dangerous or hazardous goods in his goods carriage, satisfy himself that the information given by the consignor is full and accurate in all respects and correspond to the classification of such goods specified in rule 137.

Information to driver, section 132.3, The owner of a goods carriage shall ensure that the driver of such carriage is givenall the relevant information in writing as given in Annexure V of these rules in relation tothe dangerous or hazardous goods entrusted to him for transport and satisfy himself thatsuch driver has sufficient understanding of the nature of such goods and the nature ofthe risks involved in the transport of such goods and is capable of taking appropriateaction in case of an emergency.

Route planning, section 132.4, The owner of the goods carriage carrying dangerous or hazardous goods, and the consignor of such goods shall lay down the route for each trip which the driver shall be bound to take unless directed or permitted otherwise by the Police Authorities. They shall also fix a time table for each trip to the destination and back with reference to the route so laid down.

Responsibility of driver, section 133 The driver of a goods carriage transportingdangerous or hazardous goods shall ensure that the information given to him in writingunder sub-rule (3) of rule 132 is kept in the driver's cabin and is available at all time whilethe dangerous or hazardous goods to which it relates, are being transported.Every driver of a goods carriage transporting any dangerous or hazardous goodsshall observe at all times all the directions necessary for preventing fire, explosion orescape of dangerous or hazardous goods carried by him while the goods carriage is inmotion, and when it is not being driven he shall ensure that the goods carriage is parkedin a place which is safe from fire, explosion and any other risk, and at all times thevehicle remains under the control and supervision of the driver or some other competentperson above the age of 18 years.

Emergency information panel: Every goods carriage used for transporting anydangerous or hazardous goods shall be legibly and conspicuously marked with anemergency information panel in each of the three places indicated in theTable below sothat the emergency information panel faces to each side of the carriage and to its rearand such panel shall contain the following information, namely:-

(ii) the correct technical name of the dangerous or hazardous goods in letters not lessthan 50 millimetres high;

(i) the United Nations class number for the dangerous or hazardous goods as given inColumn 1,Table 1 appended with rule 137, in numerals not less than 100 milimetreshigh;

(iii) the class label of the dangerous or hazardous goods of the size of not less than 250millimetres square;

(iv) the name and telephone number of the emergency services to be contacted in theevent of fire or any other accident in letters and numerals that are not less than 50millimetres high and the name and telephone number of the consignor of the dangerousor hazardous goods or of some other person from whom expert information and advice can be obtained concerning the measures that should be taken in the event of anemergency involving such goods.

The information contained in sub-rule (1) shall also be displayed on the vehicle bymeans of a sticker relating to the particular dangerous or hazardous goods carried inthat particular trip.

Every class label and emergency information panel shall be marked on the goodscarriage and shall be kept free and clean from obstructions at all times.

Incident Report: The driver of a goods carriage transporting any dangerous or hazardous goods shall, on the occurrence of an accident involving any dangerous or hazardous goods transported by this carriage, report forthwith to the nearest police station and also inform the owner of the goodscarriage or the transporter regarding the accident.

You may download following documents for reference and compliance.

1. Hazardous Substances (Classification Packaging And Labelling) Rules, 2011http://tinyurl.com/pxmdy8p
2. The Central Motor Vehicles Rules, 1989http://tinyurl.com/p2aatuk

Frost & Sullivan Perspective on Union Budget 2018-19

By: **Mamta Wadhwa, Vice President, Frost & Sullivan**

1. **Agriculture and Food Processing Sector** - Budget will have a positive impact on the Agriculture and Food Processing sector. Demand for agriculture related products such as fertilisers, crop protection chemicals, micro irrigation equipment will go up. Since the focus will be on technology and modernisation, warehousing and logistics industry will also get benefitted. Financing for these sectors will increase. We will also witness an increase in exports of processed foods with the setting up of many testing labs.

2. **Affordable Housing for Lower and Middle Classes by 2020** - The affordable housing sector will continue to grow in the coming years. We will see increased growth in low income/ small budget houses in tier 1 cities, and growth in housing in tier 2 and 3 cities. Consequently, the related industries in the supply chain - Steel, Iron, Cement, Construction Materials, and Transportation, will witness growth.

3. **Health Insurance Cover** - This will boost the health insurance sector, health service providers, and also the pharmaceutical sector in general. Overall healthcare expenditure will get a boost. Share prices of most of the pharma companies like GSK, Glenmark, Divis Laboratories went up when this announcement was made by the Finance Minister during the Budget today.

4. **Textile Sector** - The Government has proposed an outlay of INR 7,148 crore for the textile sector, especially for the apparel and made up segments in 2018-19. This will give much needed impetus to the apparel and fabric sector in the country. This sector is highly fragmented with a lot of SMEs, and growth has been volatile in the last 3 years due to weakening of rupee, GST and demonetization.

This announcement is likely to stabilise the SMEs in this industry, and lead to employment opportunities. Demand for yarn and filaments will go up. India is a net exporter of apparels and this will give a further boost to this industry. Also, suppliers of printing inks, dyes, and pigments will benefit from this initiative.

For the above mentioned industries, the impact of 2018 budget is positive.

Perpective on Union Budget 2018 -19 Macro-politico Economics

By: **Rituparna Majumder, Senior Industry Analyst, Emerging Market Innovation Practice, Frost & Sullivan**

As expected, the Budget for the year 2018-19 has some powerful proposals touching upon various sectors and priority areas, albeit a few core populist measures. Finance Minister Arun Jaitley's budget speech focused on five key areas namely, agriculture and rural sector, health inclusion to less privileged class, greater focus on infrastructure, focus on benefits for senior citizens and improving the quality of education. However, the middle class got a blink-and-you-will-miss-it attention in the budget with the re-introduction of standard deduction of INR 40,000 which would partially offset by 1% additional education cess.

Healthcare delivery to become efficient

This path breaking announcement for heath sector will not only create a new era of social security in India towards inclusive growth, but the underutilized capacity at the public and private hospitals can now be effectively brought under full use, which was otherwise not affordable. Approximately 500 machines and equipment worth INR 30 crore are not being used at many of the healthcare facilities in the district and village centers.

Fiscal prudence maintained

The Finance Minister tabled a revised fiscal deficit target for 2018-19 to 3.3% of GDP against last year's target of 3% of GDP. As anticipated, there is a small fiscal slippage registered since target fiscal deficit in 2017-18 was 3.2%, but the revised estimate is now 3.5% of the GDP. The slippage was mainly because GST revenue was collected for 11 months in 2017-18. Part of the shortfall was offset by higher direct tax collections as well as bigger disinvestment receipts. Disinvestment is expected to bring in better fiscal prudence in 2018-19 with government's process initiation of strategic disinvestment in 24 public sector units including Air India. The disinvestment target for 2018-19 stands at INR 80,000 crore. Revenues from the disinvestment efforts will also be accompanied by continued gains from GST collection as well as higher direct tax revenue growth.

E-governance

The announcement of rolling out of e-assessment from 2018-19 after a pilot introduction in 2017 will minimize interface between the tax department and taxpayers. This move is expected to aid India improve its e-governance and further strengthen the ease of doing business in India.

Major infrastructure allocations

This year's budget had major infrastructure allocations – INR 1 trillion towards restructuring school education up to class 12 under the scheme of "Revitalizing Infrastructure in School Education" or RISE. Along with agriculture and health, road and railways also remained at the cornerstone of the budget with an all-time high allocation to rail and road sectors. While the Bharatmala Pariyojana has been approved to connect the backward and interior areas with an estimated cost of INR 5,35,000 crore in Phase I, almost entire railway network is to be transformed into broad gauge with strengthened network and additional carrying capacity.

Needless to say, the Indian Budget for the year 2018-19 is pro-poor and rightly mentioned by the Finance Minister as one giving stress on 'Ease of Living' taking the 'Ease of Doing Business' one step further. With manufacturing sector back on growth track, exports are expected to grow at 15% in 2017-18, and Indian economy is expected to grow at 7.2-7.5% in the second half of the fiscal 2017-18. The Economic Survey 2018 has estimated that the Indian economy will grow by 7-7.5% in 2018-19, thereby reiterating International Monetary Fund's projection on India as the world's fastest-growing major economy.

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, works in collaboration with clients to leverage visionary innovation that addresses the global challenges and related growth opportunities that will make or break today's market participants. For more than 50 years, we have been developing growth strategies for the global 1000, emerging businesses, the public sector and the investment community. Contact us: Start the discussion

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EXPORT STRATEGY - VIETNAM

BRIEF OF COUNTRY - VIETNAM

Vietnam is officially known in English as the "Socialist Republic of Vietnam", sometimes abbreviated as SRV. The full name in Vietnamese is Cong HoaXa Hoi Chu Nghia Viet Nam. In common usage, Vietnamese use two words "Viet Nam", and Americans use a single word "Vietnam".

Vietnam is part of South East Asia, bordered by ocean on the west and south, with China to the north and Cambodia and Laos to the west. Vietnam is about the size of New Mexico (329,560 sq km), but shaped in a long, narrow "S".

Vietnam has a hot tropical climate in the south and a monsoon climate in the north. The hot, rainy season lasts May to September and warm, dry season is October to March.

Vietnam is a populated country of over 93 million people. Although the villages have played a key role in Vietnam's psyche and social order, most people now live in the major cities where jobs are more plentiful. Due to the war, there are fewer older men in Vietnam (although they still are predominant in the government) and many younger people. Military service is still compulsory for 2 years.

The literacy rate is impressively high (over 90% are able to read). However, Vietnam is still a relatively poor and less healthy country.

Vietnamese is the primary language. It is a tonal language, relatively easy to read but difficult to speak. Luckily, English is growing in popularity. Some French is spoken in the North. Khmer and related languages are spoken in some areas. The 65 tribes speak their own languages Mon-Khmer and Malayo-Polynesian.

Hanoi is Vietnam's capitol, and the location of Vietnam's central government. Hanoi was the former capitol of North Vietnam under the French and during the war. It is an older gracious city. Ho Chi Minh City (aka Saigon) was the capital of South Vietnam. It is the second largest city, and is a leader in business. Ho Chi Minh city is sprawling and vibrant, with a large Chinese center.

Vietnam has 5 major cities or municipalities (city-provinces): Can Tho, Da Nang, Hai Phong, Ha Noi, and Ho Chi Minh and 59 provinces. Most of these allow international adoption.

ECONOMY OF VIETNAM

Vietnam is a densely populated developing country that has been transitioning from the rigidities of a centrally planned, highly agrarian economy since 1986 to a more industrial and market based economy, raising incomes substantially. In 2016 and 2017, Vietnam missed its yearly growth target of 6.7% due to environmental issues – drought and salinization - impacting the agricultural sector, and low oil prices affecting the extractive sector. However, annual GDP growth reached 6.3%, reflecting strengthening domestic demand and strong manufacturing exports.

Vietnam has a young population, stable political system, commitment to sustainable growth, relatively low inflation, stable currency, strong FDI inflows, and strong manufacturing sector. In addition, the country is committed to continuing its global economic integration. Vietnam joined the WTO in January 2007 and concluded several free trade agreements in 2015-16, including the EU-Vietnam Free Trade Agreement, the Korean Free Trade Agreement, and the Eurasian Economic Union Free Trade Agreement.

However, to continue its trajectory of strong economic growth, the government acknowledges the need to spark a second wave' of reforms, including reforming state-owned-enterprises, reducing red tape, increasing business sector transparency, reducing the level of non-performing loans in the banking sector, and increasing financial sector transparency. Vietnam has demonstrated a commitment to sustainable growth over the last several years, but a recent slowdown in economic growth could test the government's resolve.

In 2016, Vietnam cancelled its civilian nuclear energy development program, citing public concerns about safety and the high cost of the program, and is facing growing pressure on energy infrastructure. Overall, the country's infrastructure fails to meet the needs of an expanding middle class. As the 2017 Asia-Pacific Economic Cooperation (APEC) chair, Vietnam lead the dialogue on key APEC priorities such as inclusive growth, innovation, food security and climate change.

VIETNAM CHEMICAL INDUSTRY:

Chemical industry plays an important role in economic development as it provides materials input for a number of essential industries, serving manufacturing and consumption. In Vietnam, under Decision 207/2005/QD-TTg the chemical industry is showcased as one of the key industries and prioritized according to the country's socioeconomic development strategy. All domestic and external resources will focus on putting into place a comprehensive chemical industry, covering main domains such as fertilizer, common and special-use rubber, base chemicals (including both organic and inorganic chemicals), petro-chemistry, pure chemicals, pharmaceutical chemistry, and consumer chemicals to meet domestic demand and the requirements of regional and world economic integration. As calculated by Vietnam Industry Research and Consultant, Fertilizer and Nitrogen accounts for the highest proportion (30%) in the industry by revenue, followed by the group of Detergent. The group of Synthetic Fibers contributes little to the structure of chemical industry by revenue.

This is a comprehensive research of chemical industry in Vietnam which witnessed high growth rate of 19.25% from 2010-2014, and is expected to grow substantially afterwards. Chemicals ranked 11th among the top imported items in the country with a turnover of 1.94 billion US dollars and has just started to develop and met only 15-20% of demand meanwhile consumption in many areas every year are so high. Gaps in the market are also canvassed in detail, breaking the market into key components. One of the biggest weaknesses of Vietnam chemical industry is the ability to supply input materials, thus, the majority of input materials has to be imported with China as the biggest import market, accounting for 29.8% of the 988 million USD total import turnover. Another looming problem in Vietnam is the inferior technology machinery systems which are largely at average low level in comparison with other countries in the region, resulted in the low in productivity and added value.

8 Product Segments: Fertilizer and Nitrogen, Detergent, Pants and Printing Ink, Synthetic Rubber and Polymer, Plant Protection Chemical, Basic Chemical, Synthetic Fibers and Other. Detailed analysis is conducted about production, consumption, import, export, raw material, technology of each segment

Profiles, structure, and financial analysis of leading producers and major suppliers, such as Petro Vietnam Ca Mau Fertilizer JSC (PVCFC), Petro Vietnam Fertilizer and Chemicals Corporation (PVFCCo), Lam Thao Superphosphate Fertilizer and Chemicals JSC (LAFCHEMCO), BinhDien Fertilizer JSC, etc.

(Source:https://www.kenresearch.com/metal-mining-and-chemicals/chemicals/vietnam-chemicals-comprehensive/31966-101.html)

Vietnam's chemical industry is still young and does not meet with domestic demand. But by cooperating with Japan, UNDP, this sector is expected to have potential future and contribute to sustainable development of the economy.

Vietnam's economy almost depends on agriculture and an emerging chemical industry. As a result, the country is required to import massive agrochemical and other chemical products. Vietnamese chemical industry is still in its infancy stage where it only produces a limited variety of basic chemicals. Chemicals for industrial use do not meet domestic demand and are only sufficient for pesticide production and several basic goods. Furthermore, pure and special chemicals are not produced in the country. In the agrochemical aspect, every year about 70% of urea demand is imported while ammonium phosphate is 100% imported.

Vietnam's chemical production technologies are considered backward compared to the world in general. Its chemical products have lower competitive capability compared to regional countries and Vietnam aslo have lower awareness to chemical risks. This leads to loss of natural resources and the country faces severe environmental pollution issues. At present, Vietnamese agricultural chemical market occupies approximately 0.5% of the international market.

INVESTMENT OPPORTUNITIES IN CHEMICAL INDUSTRY:

Vietnam's chemical industry growing impressively with annual growth of 12% is one of the key economic sectors and prioritized to fulfill the needs of other industries and the total economy. Production of detergents and cosmetics expands rapidly in Vietnam. Vietnamese companies such as NET, LIX, Daso, and joint-ventures as well as foreign invested companies such as Lever Vietnam and P&G have brought to the consumer new and nicely-packaged quality products. Manufacturing of paint and rubber products also rises as a result of such firms as Dong A, Dong Nai, and Casumina.

The chemical industry is important to the development of many other industries. Via Decision 207/2005/QD-TTg the Prime Minister approved the strategy of developing the chemical industry to 2010 also the development until 2020.Under this Decision, the chemical industry is showcased as one of the key industries and prioritized.Therefore, all domestic and external resources will focus on putting into place a comprehensive chemical industry, covering main domains such as fertilizer, common and special-use rubber, base chemicals (including both organic and inorganic chemicals), petro-chemistry, pure chemicals, pharmaceutical chemistry, and consumer chemicals to meet domestic demand and the requirements of regional and world economic integration.

In addition, the plan has encouraged application of advanced technology for high quality chemical products at competitive costs and minimizing adverse impacts of chemical production on the environment. Also, the development of the chemical industry must go along with the restructuring of the industrial sector and total economy.

(Source: http://vtown.vn/en/articles/vietnam-chemical-industry.html)

Top 5 reasons why companies should consider exporting to Vietnam:

1. Strong GDP growth expected to continue for medium term.
2. The fastest-growing middle and affluent class in the region, with young consumers who are among the most optimistic in the world providing the right demographics for growth and receptivity to U.S. products and services.
3. Extraordinary growth in India's exports.
4. Large population of over 93 million consumers.
5. Political stability in a region known for its uncertainty.

MARKET CHALLENGES-VIETNAM

The evolving nature of regulatory regimes and commercial law in Vietnam, combined with overlapping jurisdiction among government ministries, often results in a lack of transparency, uniformity and consistency in government policies and decisions on commercial projects. Project timelines often exceed initial projections, especially when financed using official development assistance.

While Vietnam's anti-corruption law is considered amongst the best legal frameworks in Asia for anti-corruption, implementation remains problematic. Corruption and administrative red tape within the government has been a vast challenge for governmental consistency and productivity and for foreign companies doing business in Vietnam. Vietnam ranked 113 (out of 176) on Transparency International's 2016 Corruption Perceptions Index, placing it low in a region infamous for its levels of corruption. As comparison, regional neighbors scored – Philippines and Thailand tied at 101, Indonesia 90, China 79, and Malaysia 55). 55 percent of respondents felt that public officials and civil servants were corrupt or extremely corrupt.

Many firms operating in Vietnam, both foreign and domestic, found ineffective protection of intellectual property to be a significant challenge. Piracy rates for software were estimated to be 78 percent in 2015, a small improvement from 92 percent ten years earlier, but a signaling a steady but slow decline.

"Tied" official development assistance (ODA), in addition to corruption, continues to be a significant challenge for overseas firms bidding on infrastructure projects. Some companies have successfully partnered with Japanese companies to be eligible to bid on Japanese ODA funded projects, which represents the largest source of foreign ODA.

While Vietnam has reduced tariffs on many products in line with its WTO commitments, high tariffs on selected products remain.

Investors often run into poorly developed infrastructure, high start-up costs, arcane land acquisition and transfer regulations and procedures, and a shortage of skilled personnel. Vietnam ranked 82nd (of 190) in the World Bank's Ease of Doing Business report released in October 2016. This is an improvement from its ranking of 91st in 2015. Of note, the World Bank reported that Vietnam is working to make it easier to trade across borders, and introduced or improved electronic submission and processing of documents for imports. Lack of financial transparency and poor corporate disclosure standards add to the challenges overseas companies face in performing due diligence on potential partners and clients.

(Source:https://www.export.gov/article?id=Vietnam-Market-Challenges)

VIETNAM CHEMICAL LAW

In Vietnam, the main chemical law is the Chemical Law issued in Nov 2007. It is supported by various decree and ministerial circular.

The Ministry of Industry and Trade is leading chemical management in Vietnam. A dedicated agency Vietnam Chemicals Agency (Vinachemia) was established by the Ministry of Industry and Technology (MIT) in 2009 to overhaul the chemical management in Vietnam.

The Chemical Law provides regulations on chemical handling, safety in chemical handling, right and obligations of organizations and individuals engaged in chemical handling, and state management of chemical handling.

Decree No. 113/2017/ND-CP has designated lists of chemicals subject to regulatory control under the Chemical Law and specified detailed conditions on chemical manufacturers and traders. This chemicals Decree comes into force on November 25, 2017 and replaces the Decree No. 108/2008/ND-CP issued on October 07, 2008.

For companies producing, importing or trading chemicals in Vietnam, the most important thing is to check if their chemicals are on the following regulatory lists or not.

- The list of chemicals subject to conditional production or import (1);
- The list of chemicals restricted from production or trade (2);
- The list of banned chemicals;
- The list of hazardous chemicals for which chemical incident prevention and response plans are required;
- The list of chemicals subject to compulsory declarations;

The above lists can be found in Decree No. 113/2017/ND-CP

Chemicals Subject to Compulsory Declaration

Importers of chemicals on the list of chemicals subject to declaration must declare the chemicals in hard copy or electronically to the Vietnam Chemicals Agency and obtain declaration certificates first. Producers must make written declarations to provioncial/munical Industry and Trade Services before 31 Jan each year.

Information to be provided includes chemical identity, a chemical safety data sheet in Vietnamese and in original language(for imported chemicals), chemical sale and purchase invoices and other documents. A fee needs to be paid.

Chemicals produced or imported with a volume less than 100kg/y are exempt from declaration provided that they are not restricted from production/trade and not subject to the control of international conventions.

(Source:http://www.chemsafetypro.com/Topics/Vietnam/Chemical_Control_Law_in_Vietnam.html)

VIETNAM's FTA INVOLVEMENT

Vietnam has signed a number of bilateral and multilateral free trade agreements, completed negotiation of an FTA with the EU, and is negotiating the Regional Comprehensive Economic Partnership.

Vietnam is also negotiating the ASEAN-Hong Kong FTA and bilateral FTAs with Cuba and Israel. In 2016, Vietnam became a member of the ASEAN Economic Community and started implementing an FTA with the Eurasia Economic Union.

Curranty Vietnam has signed 16-FTAs which are as under

1. ASEAN-Hong Kong, China Free Trade Agreement
2. Regional Comprehensive Economic Partnership
3. Viet Nam-European Free Trade Association Free Trade Agreement
4. Viet Nam-European Union Free Trade Agreement
5. Viet Nam-Israel Free Trade Agreement
6. Trans-Pacific Partnership (TPP)
7. ASEAN Free Trade Area
8. ASEAN-Australia and New Zealand Free Trade Agreement
9. ASEAN-India Comprehensive Economic Cooperation Agreement
10. ASEAN-Japan Comprehensive Economic Partnership
11. ASEAN-People's Republic of China

Comprehensive Economic Cooperation Agreement

12. ASEAN-[Republic of] Korea Comprehensive Economic Cooperation Agreement
13. Chile-Viet Nam Free Trade Agreement
14. Japan-Viet Nam Economic Partnership Agreement
15. Viet Nam - Eurasian Economic Union Free Trade Agreement
16. [Republic of] Korea-Viet Nam Free Trade Agreement

(Source: https://aric.adb.org/fta-country)

India granted the "Most Favoured Nation" status to Vietnam in 1975 and both nations signed a bilateral trade agreement in 1978 and the Bilateral Investment Promotion and Protection Agreement (BIPPA) on March 8, 1997.The Indo-Vietnam Joint Business Council has worked to promote trade and investment since 1993. In 2003, both nations promulgated a Joint Declaration on Comprehensive Cooperation when the General Secretary of the Communist Party of Vietnam NôngĐứcMứnh visited India and both nations are negotiating a free trade agreement In 2007, a fresh joint declaration was issued during the state visit of the Prime Minister of Vietnam NguyứnTứnDứng. Bilateral trade has increased rapidly since the liberalisation of the economies of both Vietnam and India.India is the 13th-largest exporter to Vietnam, with exports that have grown steadily from $11.5 million in 1985-86 to $395.68 million by 2003. Vietnam's exports to India rose to $180 million, including agricultural products, handicrafts, textiles, electronics and other goods. Between 2001 and 2006, the volume of bilateral trade expanded at 20-30% per annum to reach US$1 billion by 2006. Continuing the rapid pace of growth, bilateral trade is expected to rise to $2 billion by 2008, 2 years ahead of the official target. India and Vietnam have also expanded cooperation in information technology, education and collaboration of the respective national space programmes.Direct air links and lax visa regulations have been established to bolster tourism.

In 2010, as the ASEAN-India free trade agreement came into effect, bilateral trade exploded to US$3.917 billion by the end of 2012, with Vietnam exporting $1.7 billion to India in 2012, an increase of 56.5% from 2011. As of 2015 bilateral trade stands at US$ 7 billion & both nations have agreed on a target of US$ 20 billion by 2020.

(Source: https://en.wikipedia.org/wiki/India%E2%80%93Vietnam_relations)

VIETNAM– IMPORT/EXPORT DUTIES

Most goods imported/exported across the borders of Vietnam, or which pass between the domestic market and a non-tariff zone, are subject to import/export duties. Exceptions to this include goods in transit, goods exported abroad from a non-tariff zone, goods imported from foreign countries into non-tariff areas for use in non-tariff areas only, and goods passing from one non-tariff zone to another.

Most goods and services being exported are exempt from tax. Export duties (ranging from zero percent to 45 percent and computed on free-on-board (FOB) price) are only charged on a few items, mainly natural resources such as minerals, forest products, and scrap metal.

Consumer goods, especially luxury goods, are subject to high import duties, while machinery, equipment, materials and supplies needed for production, especially those items which are not produced domestically, enjoy lower rates of import duties, or even a zero percent tax rate. Duty rates for imported goods include preferential rates, special preferential rates, and standard rates depending on the origin of the goods.

Import/export duties declarations are required upon registration of customs declarations with the customs offices. Export duties must be paid within 30 days of registration of customs declarations. For imported goods, import duties must be paid before receipt of consumer goods.

Depending on the trade conditions, Vietnam imposes a number of different types of duties on the import and export of goods. Companies wishing to find in-depth information on a range of goods would be well advised to visit the website of Vietnam Customs.

Imports

Vietnam imposes a tax on almost every type of product that is imported into the country. The import tax rates range depending on the type of product, for example, consumer products and luxury goods are highly taxed while machinery, equipment, and raw materials, tend to receive lower taxes and even tax exemptions. Imports are subject to import tax, Value-added tax (VAT) and, for certain goods, Special Consumption Tax (SCT).

Tax rates applicable to imported goods include preferential tax rates, special preferential tax rates, and ordinary tax rates:

Preferential tax rates apply to goods originating from countries, groups of countries, or territories, which apply the most favored nation treatment in their trade relations with Vietnam

Special preferential tax rates apply to goods originating from countries, groups of countries, or territories, which apply special preferences on import tax to Vietnam. Currently, it is mainly applicable to ASEAN nations under common preferential tariffs (CEPT).

Ordinary tax rates apply to goods originating from countries, groups of countries, or territories, which do not apply the most favored nation treatment of special preferences on import tax to Vietnam. Ordinary tax rates will be no more than 70 percent higher than the preferential tax rates specified by the government

(Source:http://www.vietnam-briefing.com/news/understanding-vietnams-import-export-regulations.html/)

VIETNAM - IMPORT REQUIREMENTS AND DOCUMENTATION

Vietnamese traders are entitled to (I) export goods of all kinds, except goods on the list of those banned from export, and (II) import goods according to the business lines stated in their business registration certificates. Foreign-invested enterprises and business cooperation parties, apart from the exportation of their own products, may export goods of other kinds, except those on the list of goods banned from export and several goods categories restricted by MOIT (Ministry of Information Technology). The goods imported by foreign-invested enterprises and business cooperation parties must comply with the provisions of their granted investment licenses, the Law on Foreign Investment in Vietnam, and other relevant legal requirements. Traders that wish to import or export goods subject to import or export permits must obtain permits of related ministries or sectors. Imports and exports must comply with relevant regulations on quarantine, food safety, and quality standards and regulations, and must be inspected by competent and appropriate agencies before customs clearance.

Import Licensing System

Business entities, including foreign invested enterprises with a legally registered business license, may be engaged in direct import and export activities. However, foreign invested enterprises can import materials, equipment, and machinery only for establishing production lines and producing goods in accordance with their investment licenses. Under Vietnam's WTO commitments, trading rights are now open to all foreign invested enterprises. Vietnam facilitates an automatic import licensing system that requires importers of a wide category of goods to obtain a license from MOIT to get their goods through customs. Distribution rights for these entities are opened to joint venture investment with no limit on capital contribution, and since 2009 have been opened to wholly foreign invested enterprises.

(Source: https://www.export.gov/article?id=Vietnam-Import-Requirements-and-Documentation).

GDP (purchasing power parity):$643.9 billion (2017 est.), $605.7 billion (2016 est.), $570.3 billion (2015 est.)

Industries: -food processing, garments, shoes, machine-building; mining, coal, steel; cement, chemical fertilizer, glass, tires, oil, mobile phones.

Exports: - $194.6 billion (2017 est.), $176.6 billion (2016 est.)

Exports Commodities: -Clothes, shoes, electronics, seafood, crude oil, rice, coffee, wooden products, machinery.

Exporting Partners:- US 20.2%, China 14.2%, Japan 8.2%, South Korea 6.2% (2016).

Imports: -$190.1 billion (2017 est.), $162.6 billion (2016 est.)

Import Commodities: -machinery and equipment, petroleum products, steel products, raw materials for the clothing and shoe industries, electronics, plastics, automobiles.

Import Partners: - China 25.1%, South Korea 17.5%, Japan 7.9%, US 6%, Thailand 4.7% (2016)

(Source: https://www.cia.gov/library/publications/the-world-factbook/geos/vm.html)

CHEMEXCIL EXPORTS TO VIETNAM

CHEMEXCIL's Export Statistics : VIETNAM for the years 2014-15, 2015-16 & 2016-17

In USD Million

PANEL	2014-15 (Actual)	2015-16 (Actual)	%Increase/ Decrease over previous year	2016-17 (Provisional)	%Increase/ Decrease over previous year
(32) Dyes & (29) Dye Intermediates	23	25	9	27	8
(28) Inorganic, (29) Organic & (38) Agro chemicals	82	86	5	103	20
(33) Cosmetics, (34) Soaps, Toiletries and (33) Essential oils	8	10	25	11	10
(15) Castor Oil	1	1	0	1	0
Total	114	122	7	142	16

Source: DGCI&

DYES TOP ITEMS EXPORTS TO TO VIETNAM

In USD Million

HSCode	Product	2014-2015	2015-2016	2016-2017
32041751	PIGMENT BLUE 15 (PATHALOCYANINE BLUE)	2.36	3.02	3.46
32041761	PIGMENT GREEN 7 (PATHALOVYANINE GREEN)	2.11	2.52	2.82
32042010	0PTICAL WHITENING AGENTS	2.85	3.52	2.47
32041680	REACTIVE BLACKS	2.97	2.63	1.85
32041982	FOOD COLOURING YELLOW 4 (TARTRAZINE)	0.98	1.05	1.75
32041790	OTHER PIGMENTS	**1.03**	**1.12**	**1.4**
32041759	OTHERS PIGMENT BLUE	1.34	1.57	1.37
32021000	SYNTHETIC ORGANIC TANNING SUBSTANCES	1.07	1.15	1.24
32041719	OTHERS PIGMENT YELLOW (ORGANIC)	0.58	0.61	1.07
32041159	OTHER DISPERSE BLUE	0.92	1.02	1.06
	Total	16.21	18.21	18.49

SOURCE:DGCI&S

DYE INTERMEDIATES TOP ITEMS EXPORTS TO VIETNAM

In USD Million

HSCode	Product	2014-2015	2015-2016	2016-2015
29215140	O-DIAMINOTOLUENE	0.06	0.1	0.18
29215130	P-PHENYLENEDIAMINE	0.22	0.03	0.17
29049070	SODIUM META NITROBENZENE SULPHONATE	0	0.02	0.01
29222913	PARA AMINOPHENOL	0	0.01	0.01
29093019	OTHER ANISOLE AND THR DRVTVS	0	0.01	0.01
29222912	META AMINOPHENOL THN ONE KIND OF OXYGEN FUNCTION ;SALTS	0	0	0.01
29214110	ANILINE	0	0	0.01
29214350	PARA TOLUIDNE	0	0	0.01
29072200	HYDROQUINONE (QUINOL) AND ITS SALTS	0.01	0	0.01
29049020	DINITROCHLOROBENZENE	0	0	0.01
	Total	0.29	0.17	0.43

SOURCE:DGCI&S

INORGANIC CHEMICALS TOP ITEMS EXPORTS TO VIETNAM

In USD Million

HSCode	Product	2014-2015	2015-2016	2016-2015
28030010	CARBON BLACKS	13.86	11.23	12.78
28151110	FLAKES OF SODIUM HYDROXIDE(NAOH),SOLID	0	0.13	2.22
28061000	HYDROGEN CHLORIDE(HYDROCHLORIC ACID)	0.22	1.29	1.94
38151100	SUPPRTD CATALYSTS WTH NICKEL/NICKEL CMPNDS	0	0	0.95
28469010	RARE EARTH OXIDES NES	1.16	0	0.95
28030020	ACETYLENE BLACK CARBON	**0.7**	**0.89**	**0.83**
28273200	CHLORIDES OF ALUMINIUM	0.37	0.39	0.77
28209000	OTHER MANGANESE OXIDES	0.42	0.62	0.71
28369990	OTHER CARBONATES, NES	0.07	0.45	0.51
28469090	OTHER COMPNDS INORGNC/ORGNC OF RARE EARTH MATERIALS	0.06	0	0.49
	Total	16.86	15	22.15

SOURCE:DGCI&S

ORGANIC CHEMICALS TOP ITEMS EXPORTS TO VIETNAM

Value USD in million

HSCode	Product	2014-2015	2015-2016	2016-2017
29333990	OTHER CMPNDS CNTNG AN UNFUSED PYRDN RING (W/N HYDRGNTD) IN STRUCTURE	1.63	2.19	4.49
38249025	PRECIPITATED SILICA AND SILICA GEL	2.52	3.4	3.52
29153990	OTHER ESTERS OF ACETIC ACID	1.5	1.08	1.53
29157090	OTHER PALMITIC ACID, STEARIC ACID AND THEIR SALTS AND ESTRS	0.77	1.51	1.42
29335990	OTHER CMPNDS CNTNG A PYRIMIDINE RING (W/N HYDRGNTD) OR PIPERAZINE RING IN STRUCTURE	1.03	0.63	1.23
29181690	OTHER GLUCONIC ACID ITS SALTS AND ESTERS	**0.1**	**0.17**	**1.13**
29252990	OTHER IMINES AND THEIR DERIVTVS, SALTS THEREOF	0.87	0	1.12
29224990	OTHER AMINO ACIDS AND THR ESTERS CNTNG NOT MORE THAN ONE KIND OXGN FN.	0.59	0.74	1.11
29152990	OTHER SALTS OF ACETIC ACID	0.88	1.03	1.08
11081200	STARCH OF MAIZE (CORN)	1.32	1.19	1.01
	Total	11.21	11.94	17.64

SOURCE:DGCI&S

AGRO CHEMICALS TOP ITEMS EXPORTS TO VIETNAM

Value USD in million

HSCode	Product	2014-2015	2015-2016	2016-2017
38089290	OTHERS FUNGICIDE NES	6.23	13.06	15.96
38089910	PESTICIDES, NOT ELSEWHERE SPECIFIED OR INC	10.21	13.93	12.59
38089199	OTHER INSECTICIDE NES	5.28	5.6	7.73
38089400	DISINFECTANTS	3.72	1.89	4.03
38089122	METHYL BROMIDE	1.47	2.41	3.01
38089135	CIPERMETHRIN TECHNICAL	**5.08**	**5.12**	**2.74**
38089390	OTHER HERBICIDES-ANTI-SPROUTING PRODUCTS	0.27	1.04	2.65
38089132	QUINALPHOS	5.94	0.88	2.53
38089320	2:4 DICHLOROPHENOXY ACTC ACD AND ITS ESTERS	1.39	2.16	1.86
38089137	SYNTHETIC PYRETHRUM	1.93	2.27	1.75
	Total	41.52	48.36	54.85

SOURCE:DGCI&S

COSMETICS AND TOILETRIES TOP ITEMS EXPORTS TO KENYA

Value USD in million

HSCode	Product	2014-2015	2015-2016	2016-2017
34021190	OTHERS(E.G.ALKYLSULPHATES,TECHNICAL DODECYLBENZENE-SUL	1.02	2.26	4.2
34021300	NON-IONIC W/N FOR RTL SALE	1.22	2.02	1.59
34021900	OTHR ORNGC SRFCE-ACTV AGNTS W/N FOR RTL SL	1.26	0.76	1.04
38099110	TEXTILE ASSISTANTS MORDANTING AGENTS	0.29	0.25	0.37
25262000	NATRL STEATITE CRUSHED/POWDERED	0.13	0.2	0.3
38099190	OTHR FINISH AGENTS USED IN TXTILE INDUSTRY	**0.19**	**0.15**	**0.27**
29157040	HCO FATTY ACID(INCL 12-HYDROXY STEARC ACD)	0.21	0.21	0.22
34029099	OTHER (OTHER PREPARATIONS) NES	0.12	0.07	0.15
33029011	SYNTHETIC PERFUMERY COMPOUNDS	0.37	0.28	0.15
34021200	CATIONIC W/N FOR RTL SALE	0.3	0.19	0.15
	Total	5.11	6.39	8.44

SOURCE:DGCI&S

ESSENTIAL OILS TOP ITEMS EXPORTS TO KENYA

Value USD in million

HSCode	Product	2014-2015	2015-2016	2016-2017
33029019	OTHER MXTR OF AROMATIC CHEMICALS ANDESSN OIL	0.44	0.56	0.62
33021010	SYNTHETIC FLAVOURING ESSENCES	0.25	0	0.33
33021090	OTHER MXTR OF ODORFRS SBSTNS OF A KIND USDKIND USD IN FOOD/DRINK INDUSTRIES	0.31	0.25	0.23
33012942	LEMON GRASS OIL	0.08	0.1	0.17
33012990	OTHERS	0.04	0.15	0.17
33012590	OTHERS	0.04	0.03	0.11
33019090	OTHR CONC OF ESNL OILS IN FATS/FIXD/WAX LIKE TRPNC BYPRDCTS OF DETERPENATION OF ESNL OILS AQUS DISTLTS/SOLTN ESNL OL	0.05	0.05	0.04
33012400	ESSNTL OIL OF PEPPERMINT(MENTHA PIPERITA)	0.09	0.01	0.02
33012924	EUCALYPTUS OIL	0.01	0.01	0.01
33012922	CORIANDER SEED OIL	0	0	0.01
	Total	1.31	1.16	1.71

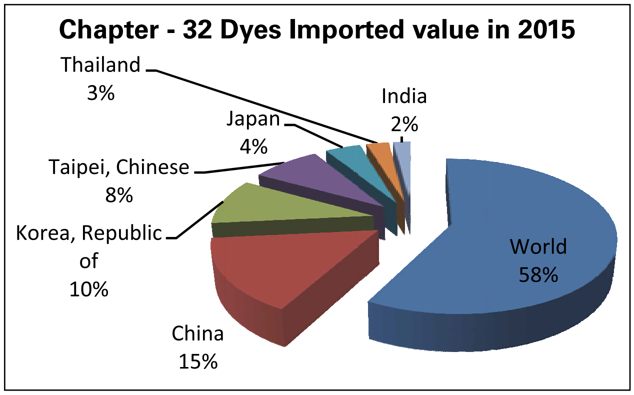
SOURCE:DGCI&S

List of supplying markets for a product imported by Vietnam
Product: 32 Tanning or dyeing extracts; tannins and their derivatives; Dyes, Pigments and other Colouring

Unit : US Dollar million

Exporters	Imported value in 2013	Imported value in 2014	Imported value in 2015
World	913.43	1083.46	1125.67
China	228.06	280.88	301.34
Korea, Republic of	122.36	174.19	188.08
Taipei, Chinese	149.27	155.96	157.73
Japan	82.44	82.17	80.61
Thailand	46.11	52.19	50.72
India	25.46	36.22	39.19

Source:intracen

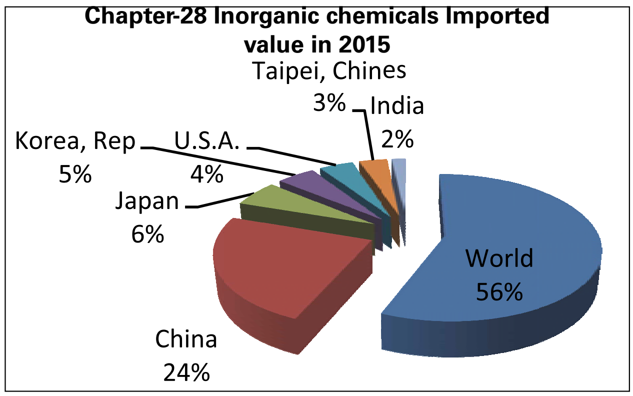


List of supplying markets for a product imported by Vietnam
Product: 28 Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, ...

Unit : US Dollar million

Exporters	Imported value in 2013	Imported value in 2014	Imported value in 2015
World	832.79	948.90	938.49
China	354.94	399.01	397.32
Japan	66.68	82.90	97.04
Korea, Republic of	51.66	60.51	78.65
United States of America	56.69	70.37	69.35
Taipei, Chinese	52.22	55.53	57.12
India	28.88	34.08	27.88

Source:intracen

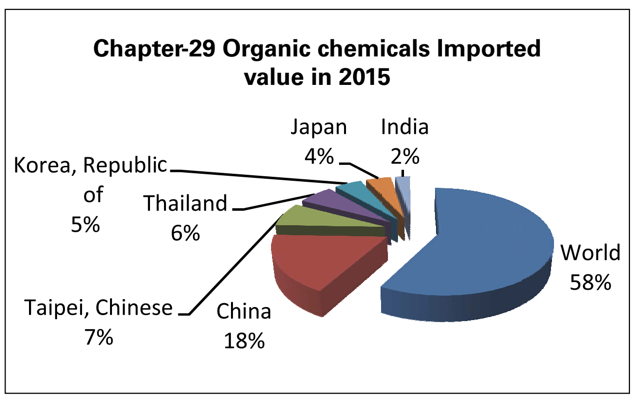


List of supplying markets for a product imported by Vietnam Product: 29 Organic chemicals

Unit : US Dollar million

Exporters	Imported value in 2013	Imported value in 2014	Imported value in 2015
World	2508.92	2725.09	2533.97
China	640.05	792.35	768.83
Taipei, Chinese	391.97	404.86	316.41
Thailand	237.52	246.32	257.55
Korea, Republic of	263.96	272.23	199.95
Japan	160.41	205.95	185.33
India	91.60	107.12	108.71

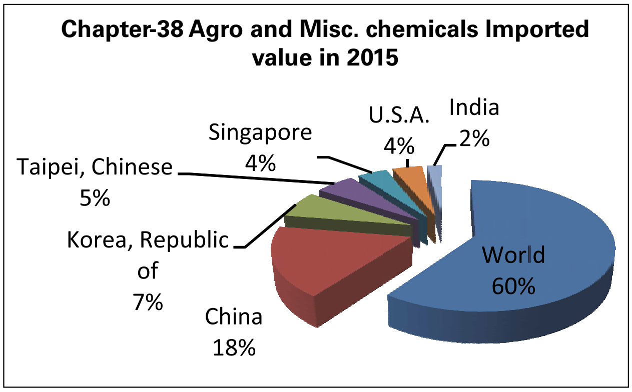
Source:intracen



List of supplying markets for a product imported by Vietnam
Product: 38 Miscellaneous chemical products

Unit : US Dollar million

Exporters	Imported value in 2013	Imported value in 2014	Imported value in 2015
World	1925.70	2107.99	2108.73
China	576.75	633.16	615.81
Korea, Republic of	155.61	206.55	235.53
Taipei, Chinese	151.04	163.68	193.68
Singapore	146.81	136.67	144.12
United States of America	122.35	136.50	144.02
India	59.07	70.00	70.10

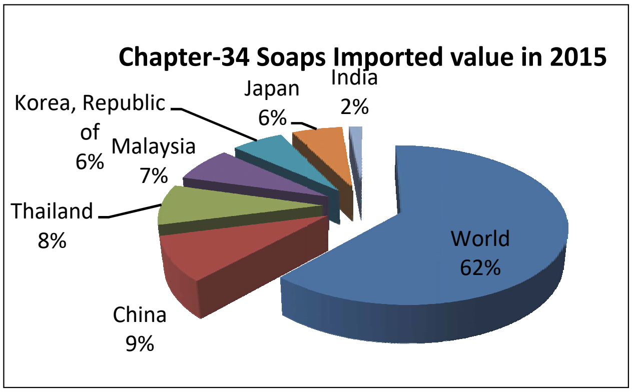


Source:intracen

List of supplying markets for a product imported by Vietnam
Product: 34 Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial

Unit : US Dollar million

Exporters	Imported value in 2013	Imported value in 2014	Imported value in 2015
World	384.83	421.07	458.67
China	51.82	57.35	67.87
Thailand	58.06	57.76	62.37
Malaysia	41.25	52.47	53.52
Korea, Republic of	29.09	30.94	44.86
Japan	46.86	48.51	43.92
India	4.78	6.24	10.52

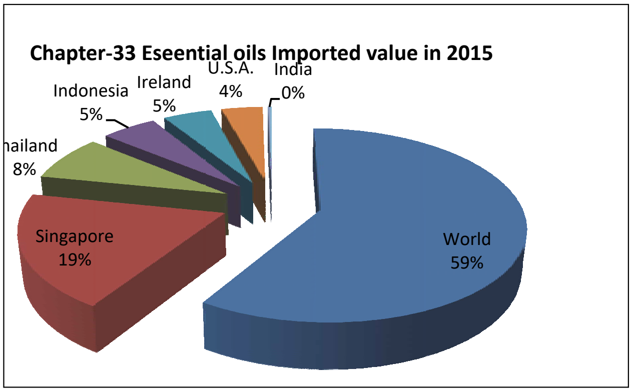


Source:intracen

List of supplying markets for a product imported by Viet Nam
Product: 33 Essential oils and resinoids; perfumery, cosmetic or toilet preparations

Unit : US Dollar million

Exporters	Imported value in 2013	Imported value in 2014	Imported value in 2015
World	494.55	560.29	606.56
Singapore	162.46	180.25	197.80
Thailand	75.86	69.94	80.57
Indonesia	35.26	49.19	53.28
Ireland	32.59	38.49	47.24
United States of America	27.39	39.88	39.96
India	3.13	2.73	3.30

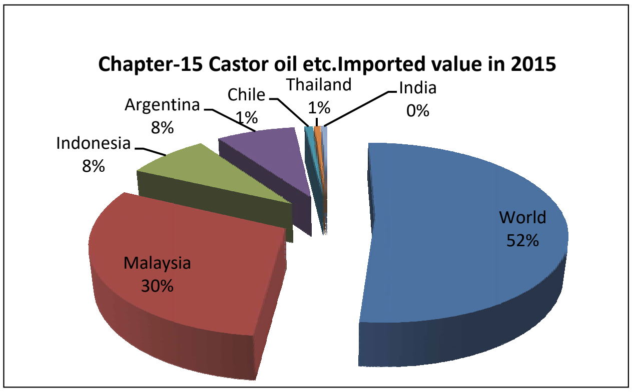


Source:intracen

List of supplying markets for a product imported by Vietnam
Product: 15 Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal ...

Unit : US Dollar million			
Exporters	**Imported value in 2013**	**Imported value in 2014**	**Imported value in 2015**
World	699.23	765.61	686.88
Malaysia	460.59	527.99	402.04
Indonesia	104.52	88.98	109.19
Argentina	37.63	81.05	105.06
Chile	9.28	8.40	10.02
Thailand	33.92	6.22	8.01
India	5.73	10.27	7.19

Source:intracen



CHEMEXCIL SMS Alert service Form

1. Name of the Company:
2. Name of the applicant:
3. IEC Number
4. Chemexcil Membership Number
5. RCMC Number
6. Correspondence address.
7. Mobile Number

I undertake to abide by all terms and conditions for SMS alert facility as may be prescribed from time to time by Chemexcil.

Date Place Signature

FOR OFFICE USE RCMC No.

The aforementioned standing instruction/ details have been logged and maintained in the system after verification of company and mobile number in use

Date Name of Concern officer Signature of Authorized person.

Please mail above filled form at membership@chemexcil.gov.in

CHEMEXCIL ACTIVITIES

1 Interactive Meeting with M/S. Laxmikumaran & Sridharan (L & S) attorneys on E-way Bill System/Union Budget 2018-19

Mr. Joshua Ebenezer, Director- Laxmikumaran & Sridharan Attorneys (L&S) being welcomed during interactive meeting on e-way Bill System/ Customs Amendments (Union Budget 2018-19) on 08.02.2018 at Chemexcil Office Mumbai

Presentation by Laxmikumaran&Sridharan Attorneys (L&S) during interactive meeting on e-way Bill System and Customs Amendments (in Union Budget 2018-19) on 08.02.2018 at Chemexcil Office Mumbai

E-WAY BILL system for inter-state movements became mandatory w.e.f 1st Feb 2018. However, due to technical glitches, the same has been postponed and currently being run on trial basis till further notification by the government. Since there were concerns amongst the membersabout e-way bill system, as a service to the members, the council had organised an interactive meeting with experts from M/s. Laxmikumaran &Sridharan (L & S) Attorneysin Conference room of Chemexcil Mumbai office on 8th February-2018 between 3.00pm to 6.00 pm. M/s. Laxmikumaran &Sridharan (L & S) Attorneys made a presentation on the subject and also addressed queries. Besides, as the Union budget has also been announced recently, L&S Attorneys also briefly touched Union Budget 2018-19 (Customs amendments).

The session was conducted by Mr Joshua Ebenezer, Director, L&S Attorneys, Advocate Mr Ratan Jain, Joint Partner, L&S Attorneys, Advocate Mr. NiravKaria, Principal Associate, L&S Attorneys, Mr. Chaitanya Bhatt, Principal Associate, L&S Attorneys

From the council, the session was attended by Mr. Deepak Gupta, DyDirector and Mr. Prafulla Walhe, Deputy Director.

Advocate Mr NiravKaria- covered the important topic of e-way bill system and made a comprehensive presentation on the topic which was customised based on their expertise and FAQ's. He explained in detail the circumstances/ situations under which e-way bill is needed or not needed and also by whom, the penalties etc. Mr. Kariaparticularly advised the participants that in future, companies should fix the onus of e-way bill in the business/ supply contract itself so that there is no ambiguity on who will generate the same.

Mr Joshua Ebenezer &Advocate Mr Ratan Jain- covered the recent Customs (amendments) in the Union-Budget 2018-19 to align certain provisions with the commitments under the Trade Facilitation Agreement and smoothen dispute resolution processes and to reduce litigation, certain amendments are being made, to provide for pre-notice consultation, definite timelines for adjudication and deemed closure of cases if those timelines are not adhered to. They also explained in brief the changes made in duty treatment pertaining to High seas sales and Ex-Bond B/E. The interactive meeting received good response with around 35 members attending the session from reputed companies like Godrej Inds, Tata Chemicals, Atul Ltd, Jayant Agro, Lanxess, I-Chess, Ultra Chemicals, Godavari Bio- Refineries, EmcoDystuffs etc.

Member's interacted with the speakers and were satisfied with the information provided to them.3.

2. CAPINDIA 2018 Roadshow, Vapi

Mr S.G. Bharadi, Executive Director, Chemexcil addressing Participants about CAPINDIA 2018 during the Roadshow

The Council, had organised a seminar/roadshow in Vapion 16th February-2018 at Hotel Fortune Park Galaxy, Daffodil Hall, N H-8, G.I.D.C, Vapi, Gujarat 396195 to disseminate information on the CAPINDIA 2018 Exhibition.

Along with CAPINDIA roadshow we also organised an interactive meeting cumseminar on the topic "Challenging issues under GST, E-Way Bill, Treatment of HR policy-related issuesbeing with the law firm M/s. Lakshmikumaran & Sridharan (L&S) Attorneys

E- Way bill and Challenging issues under GST there are concerns amongst the members about the operation, procedures, etc. Members got an opportunity to interact with M/s. Lakshmikumaran&Sridharan (L&S) Attorneysand clear their related queries about the topics.

From council Mr. Prafulla Walhe Dy. Director, Mr. S.G. Bharadi, Executvie Director attended the program

Shri S.G. Bharadi, Executive Director Chemexcil welcomed the gathering and informed them about CAPINDIA 2018 event and showed CAPINDIA 2018 film to participants requested them to participate in this event.

The interactive meeting cum roadshow received good response with over 75 members attending the session. Member's interacted with the speakers and were satisfied with the information provided to them.The interactive meeting ended with thanks to the participants followed by Tea.

3. CAPINDIA 2018 Road Show, Mumbai

Mr. Satish Wagh, Chairman, Chemexcil addressing Media During Roadshow

CHEMEXCIL jointly with PLEXCONCIL, CAPEXIL and SHEFEXIL had organised a Roadshow in Mumbai on 21st February 2018 at Hyatt Regency Mumbal, Sahar Airport Road, Andheri East, Mumbai - 400 099 (Phone: 022-6696 1424) to disseminate information on the CAPINDIA 2018 Exhibition. Along with CAPINDIA 2018 Roadshow, Council had also organised programmes on Niryat Bandhu "ForeignTrade Policy, GST & Exports, FTA. From 03-00 p.m. to 6:00 p.m.

The programme was addressed by Shri. A. K. Jha, Joint DGFT - Mumbai and presentation on "Foreign Trade Policy, GST & Exports, FTA" was made by Shri Prakash Kamble, Assistant DGFT, Mumbai.

Shri. Ashok Basak, Chairman of PLEXCONCIL, Mr. Satish Wagh, Chairman, Chemexcil, Mr. Sribash Dasmohapatra, Exe. Director, Plexconcil, Mr. S. G. Bharadi, Exe. Director, Chemexcil, Ms. Debjani Roy, ED, Shefexil, Mr. V. R. Chitalia, Director, Capexcil, were present during the Roadshow on CAPINDIA 2018

Around 50 participants attended the roadshow. Mr. Satish Wagh Chairman, Chemexcil in his welcome address, welcomed the dignitaries on the Dias and audience stating the information about the Roadshow and seminar.

The PRESS and MEDIA had a happy and satisfactory interaction with the spokesperson and they look forward to be in touch with the spokes people and CAP INDIA Exhibition.

4. Workshop On "Process Safety Management in Chemical Industry” 16Th February 2018, Bhiwadi

Dr. Tiwari Regional Director Chemexcil Inaugurating the Workshop on “Process Safety Management in Chemical Industries” on 16th February 2018 at Bhiwadi.

Indian Chemical Industry (ICC) in association with CHEMEXCIL organized a one day workshop on “Process Safety Management in Chemical Industries” on 16th February 2018 at Bhiwadi,Distt. Alwar, Rajasthan to enhance competency levels among industry personnel on Process Safety Management System & technologies, their effective implementation and monitoring.

“Process Safety Management (PSM) is a proactive and systematic approach for identification, evaluation, mitigation, prevention and control of hazards that could occur as a result of failures in process, procedures, or equipment. Increasing industrial accidents, loss of life & property, public scrutiny, statutory requirements, aging facilities and intense industrial processes, all contribute to a growing need for cost-effective Process Safety Management (PSM) Program to ensure safety and risk management.

During the workshop, Presentations were given by eminent speakers from the industry/consultants on PSM and Responsible Care in Chemical Sector. Dr. J P Tiwari, Regional Director, CHEMEXCIL participated in this workshop and gave presentation highlighting activities of CHEMEXCIL and promoting CAPINDIA Exhibition. Participants were requested for taking membership of our Council and to consider participation in CAPINDIA Exhibition.The workshop got excellent response with participation of nearly 40 delegates from the industry.

5. Chemexcil Participation in 19th China International Agrochemical & Crop Protection Exhibition, China

The 19th China International Agrochemical & Corp Protection (CAC2018) exhibition wasa 3 days event held from 7th-9th March 2018 at the Shanghai New International Expo Centre (SNIEC) in Shanghai, China. This event was held concurrently with the 19th China International Agrochemical and Crop Protection Equipment Exhibition (CAC2018) and the 9th China International Fertilizer Show (FSHOW2018).

In order to promote exports of Agro Chemicals from India and also to assist our members to explore the market potential in China, the Council has participated in the 19th China International Agrochemical & Corp Protection (CAC2017) held from 7th-9thMarch 2018.

As the largest Agrochemicals exhibition in China, CAC offers an international trade, communication and exchange platform involving pesticides, fertilizers, seeds, beyond-agriculture, production & packaging equipment, crop protection equipment, logistics, consultancy, laboratories and supportive services.

The three shows which were spread over 60,000 square meters, 1,100 exhibitors; more than 120 countries and regions 30,000 domestic and foreign professional buyers; more than 10 sessions over the same period of meetings and activities in five exhibition Hallsnamely- N1 to N5 in Shanghai New International Expo Centre.

CHEMEXCIL had organised an India Pavilion in CAC 2017 by booking 622 sq.mt.of space in Hall N3 at SNIEC.Total 35 exhibitors from India had showcased their products under the umbrella of CHEMEXCIL.

Chemexcil's India pavilion attracted good visitor interest from Local buyers and global business professionals/ dealers/ buyersetcfrom countries such as Argentina, Bangladesh,Brazil, Egypt, Iraq, Jordan, Korea, Mexico, Pakistan,Turkey, Yemen,Vietnam etc. Indian exhibitors were happy to interact and network with them.

6 CAPINDIA-2018 - Event

Shri. Shymal Mishra, IAS Joint Secretary, EP (CAP), Ministry of Commerce and Industry addressing the gathering during CAPINDIA-2018 Inauguration dated 22nd March-2018

The third edition of CAPINDIA was organised jointly by, PLEXCONCIL, CHEMEXCIL, CAPEXIL and SHEFEXIL under the aegis of the Department of Commerce, Government of India, supported by Department of Chemicals and Petrochemicals, Government of India. It was one of the largestsourcing and networking events for the Chemicals, Plastics, Construction Industry & Allied Products sector at Hall 1, Bombay Exhibition Center, Goregaon, Mumbai during 22nd-24th March-2018.

The Event attracted Retailers and wholesalers from the Industry.

CAPINDIA 2018 was an opportunity to:

- Display products, technologies, innovations, and the best practices of Indian companies
- A platform to network and share knowledge with foreign and Indian delegates.
- Cultivate business relations at a Global level
- An opportunity to explore investment opportunities
- Give access to innovative technologies and global best practices.

More than 600 exhibitors exhibited in this event, 280foreign delegates invited from 45 countries.

An inauguration was carried on 22nd March-2018 at Hall 2 of Bombay Exhibition Centre, Goregaon, Mumbai at 10.00am

The event was inaugurated by chief guest Shri Suresh Prabhu, Hon'ble Union Minister of Commerce & Industry and Civil Aviation in the presence of Shri. Shymal Mishra, IAS Joint Secretary, EP (CAP), Mr. Ashok Basak, Chairman, Plexconcil, Mr. R. Veeramai, President, CAPEXIL and Sumit Kumar Ghosh-Chairman -SHEFEXCIL.


SHAPING YOUR
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BEYOND 2018

NEWS ARTICLE

1. EU, INDIA UPDATING POSITIONS ON FTA: KOZLOWSKI

NEW DELHI, JANUARY 31

European Union Ambassador to India Tomasz Kozlowski says the bloc remains committed to negotiating the long-pending Free Trade Agreement (FTA) with India. In an interview with BusinessLine, he said post the protracted talks, both sides are now updating each other on the pact. Excerpts:

The European economy seems to be finally recovering now...

The EU has overcome the financial difficulties. We were in crisis a few years ago. As of now we can clearly state that economic and financial crises within the EU are over and, after four years of recovery stage, now the EU and its member states have embarked on a steady, sustainable economic growth path. Our economic growth has reached a level of 2.3 per cent in 2017, which is the fastest pace of economic growth in the last decade. Forecasts for the coming years are also positive.

What about the Eurozone?

The Eurozone is in a very good shape. Private consumption is growing. Unemployment in the euro area is expected to average at 9.1 per cent this year, its lowest level since 2009, as the total number of people employed climbs a record high. Inflation is expected to dip to 1.4 per cent in 2018 before climbing up to 1.6 per cent in 2019. The manufacturing sector is growing as consumption and exports are growing.

What has led to this growth?

We have strengthened our financial sector. The role of the European Investment Bank has been modified. Its role is now to handle conditions of the banking sector in EU member states. The banking union was put in place. Investments have been promoted. Overall, many instruments and new solutions have been put in place to stabilise the banking and financial sectors in EU member states and at the EU level. The European Commission has put in place a pro-investment plan.

Why is the EU not resuming FTA talks with India?

India is a very important partner for the EU in all sectors. In the last India-EU Summit in 2017, we designed a long-term agenda for developing our relations in all sectors. Overall, we can identify two main directions of our bilateral ties. During the summit, both sides agreed to re-engage actively towards relaunching negotiations in a time-bound manner for a comprehensive and mutually beneficial India-EU Broad-based Trade and Investment Agreement (BTIA).

There was also an informal meeting between the chief negotiators in November...

Both the chief negotiators met in the middle of November and a number of expert-level meetings discussing the specific issues is now going on. The intention on both sides is now to have another informal meeting of the chief negotiators in a few months' time. The meeting is decided but the dates have to be fixed.

Why are the chief negotiators not meeting formally?

We are making a lot of effort to prepare timely relaunching of negotiations. This process is about identifying what the Indian interests are, what the European interests are, what we can expect from this proposed agreement, and what should be the scope of the agreement.

Does that mean talks are back to where it all began 10 years ago?

No, it is not. This exercise is to update ourselves. This not a stocktaking exercise. Since 2015 so many things have changed in Europe and in India. That is why we are updating our positions, we are identifying our interests, we are taking into account changes in legislation in India and in Europe. India has a new economic policy. All these have to be taken into account. And the EU is absolutely committed to conclude the FTA, including on investment protection.

Does the demand on tariff reduction in automobiles and wines and spirits still remain?

Our objective is to find an agreement which will be mutually beneficial to both sides. Any kind of international agreement should be balanced. We are in the process of discussing everything.

Is the EU now negotiating a Bilateral Investment Treaty (BIT) with India after the previous ones were revoked?

As of spring last year new investments from EU member states are not any more covered by investment protection. Overall, the idea is to have one agreement which will also cover all such issues.

But the EU is insisting on having the BIT concluded first and then m on FTA...

As of now, as I understand, the agreement is called 'Broad-based Trade and Investment Agreement' and our mandate covers all issues. But it is a concern for us that new investments are not covered by any protection. That is why we are very interested in having an investment chapter as part of the agreement.

But again you have reservations on India's BIT model ...

We have changed our investment protection very much. It's not the same as it was 10 years ago. Our dispute settlement mechanism was based on international arbitrage. Now we are open to new methods for dispute settlements.

What about granting India 'data secure' nation status from EU?

We are discussing this with India. This is an important issue for us and India. We want to be sure that exchange of data is done in a secure way.

What is your strategy to step up security cooperation with India? Are you on the same platform with India on cross-border terrorism, something that EU was in denial about earlier?

Both the EU and India have a rules-based international order. We are on the same platform concerning terrorism. We had clearly stated in the EU-India Summit Joint Statement on Cooperation in Combating Terrorism that we are committed to combat terrorism in all its forms and manifestations.

For the first time we included the names of terrorists and terror entities, such as Hafeez Saeed, Zaki-ur-RehmanLakhvi, Dawood Ibrahim, Lashkar-e-Tayibba, Jaish-eMohammad and Hizb-ul-Mujahideen. The EU listed HizbulMujahideen in 2005, even before the Americans did.

(Source:http://www.thehindubusinessline.com/news/eu-india-updating-positions-on-fta-kozlowski/article22612681.ece dated 31st January-2018)

2. INDIA: INDIAN BUDGET 2018 | INDIRECT TAX

CUSTOMS LAW

Legislative changes (effective from the date of Presidential assent)

- The law is proposed to be amended to give extra-territorial jurisdiction in respect of offences committed outside India, and proposes to include non-resident offenders. The Amendment empowers the revenue department to launch proceedings, inter alia, against foreign suppliers for abetting duty evasion or circumvention of regulations.
- The Amendment proposes to empower custom officers to undertake search of vessels and conveyances, confiscate goods, and arrest people in the Exclusive Economic Zone (EEZ) of India. The EEZ extends up to

200 nautical miles from the baseline. Earlier, such power was restricted to the Contiguous Zone of India, i.e., 24 nautical miles. This will prevent intrusion of hostile persons in the EEZ.

- Various enactments of Parliament regulate the import and export of goods such as drugs & cosmetics, food, pesticides etc. Further, the Foreign Trade Policy and Indian Trade Classification (Harmonised System) (ITC (HS)) issued under the Foreign Trade (Development & Regulation) Act, 1992 lays down a licensing regime for import and export, of dual-use items and technologies notified under Special Chemicals, Organisms, Materials, Equipment and. Technologies List (SCOMET). It is proposed that any such regulation on import or export would not be effective, unless it is also notified under the Customs Act, 1962 (Customs Act).

- The Government has to issue the requisite notification under Section 11 of the Customs Act, in order to give effect to other enactments that regulate import and export, as they are mandatorily obligated on account of security, public safety, or international obligations. This amendment seems to be contrary to the provisions contained in Section 111(d) and Section 113(d) of the Customs Act which mandate compliance with other laws.

- Amendments are proposed to substantially overhaul demand and adjudication proceedings:

  o Pre-notice consultations with the importer/ exporter will be required before issuance of notice.

  o Notices issued under Section 28 of the Customs Act shall be adjudicated in a time bound manner, failing which notices will lapse.

  o Wherever notice for extended periods (5 years) do not survive, in the absence of collusion, willful mis-statement, or suppression, the notice will be deemed to have been issued for a normal period (2 years), and duty/interest will be computed accordingly.

- The Amendment proposes substantial changes to the mechanism for obtaining advance rulings:

  o In line with the obligations under the World Trade Organization Trade Facilitation Agreement (which came into force on 22 February 2017), the definition of 'applicant' has been broadened to permit more persons to approach the advance ruling authority.

  o The Authority has been made two tier: Customs Authority for Advance Ruling (CAAR), and Appellate Authority for Advance Ruling (AAAR). Principal Commissioner or Commissioner of Customs shall be CAAR. Present Authority for Advance Ruling shall become the AAAR. On appointment of CAAR, all pending applications shall stand transferred to CAAR.

  o CAAR has to give a ruling within three (3) months.

- As a measure to apparently link customs with GST, option of making duty payments through an electronic cash ledger (operational in GST) has been introduced.

- A new provision proposes to provide for a customs audit. This will replace the on-site post clearance audit regulations of 2011. The 2011 regulations were not implemented widely.

- Option to redeem confiscated goods on payment of redemption fine shall be exercised within 120 days of the order, unless an appeal is pending against such order. Failure to redeem goods within prescribed time will render confiscation absolute.

- Appellate Commissioner of Customs is empowered to remand a case back to the original adjudicating authority in case there is a breach of the principles of natural justice.

- Mode of service for official communication has been amended and brought in line with the modes of service prescribed under GST law.
- IGST forming part of customs duty on the clearance of into-bond transferred goods shall be as below:
  - o The higher of the in-bond sale value or Assessable value, being aggregate of assessable value under Section 14 of the Customs Act + basic customs duty + Social Welfare Surcharge (if any);
  - o In case of multiple in-bond sales, the in-bond sale value of the last sale or Assessable value (as determined above), whichever is higher.

New levy (effective from 2 February 2018)

The Budget has replaced Education Cess and Secondary & Higher Education Cess with the following:

- Social Welfare Surcharge @ 10% on the aggregate duties of customs levied at the time of import. Petrol and High Speed diesel (HSD), unwrought or semi-manufactured silver and gold are subjected to surcharge @3%.
- Road and Infrastructure Cess @ INR 8/liter on domestically produced petrol and High Speed diesel. Import of petrol and HSD has been exempted from this cess.

Customs Duty rates tracker

The standard rate of Basic Customs Duty (BCD) of 10% remains unchanged.

Key BCD rate changes

Description of Goods	Existing rate	New Rate
Cashew nuts in shell	5%	2.5%
Crude edible vegetable oils	12.5%	30%
Refined edible vegetable oil	20%	35%
Orange fruit juice	30%	35%
Cranberry juice	10%	50%
Miscellaneous food preparations (other than soya protein)	30%	50%
Kites	10%	20%
Articles of stone containing magnesite, dolomite or chromite	10%	7.5%
Ceramic goods of siliceous fossil meals / siliceous earths	10%	7.5%
Refractory goods	5%	7.5%
Solar tempered glass used in manufacture of solar cells/panels/modules	5%	Nil*
Silica used in manufacture of optical fibre cables	Nil*	5%*
Diamonds; Cut and polished coloured gemstones	2.5%	5%
Specified goods used in manufacture of LCD / LED TV panels	Nil*	10%*
Motor vehicles imported as		
(a)Completely Knocked Down (CKD) kit;	10%	20%
(b)Other form	15%	25%
Raw materials, parts or accessories for manufacture of Cochlear Implants	2.5%	Nil*
Lamps and lighting fittings excluding solar lantern / solar lamps	10%	20%
Silk fabrics	10%	20%
Moulded plastics of charger or adapter of cellular mobile phones	Nil*	10%

**Subject to conditions*

EXCISE DUTY

- Imposition of Road and Infrastructure Cess: An Additional Duty of Excise called the Road and Infrastructure Cess has been imposed on petrol and highspeed diesel (HSD) oil at the rate of INR 8 per litre. This levy will come into effect immediately. The levy is in lieu of erstwhile Road Cess imposed on such products at the rate of INR 6 per litre which is now being abolished.
- Reduction in Basic Excise Duty on petrol and diesel: Basic Excise Duty on petrol and diesel has been reduced by INR 2 per litre to neutralize the incremental impact of Road and Infrastructure Cess. Accordingly, the total Excise Duty burden on motor spirit, commonly known as petrol and HSD, remains unchanged.
- Exemption from levy of Road and Infrastructure Cess: The following exemptions have been granted from levy of Road and Infrastructure Cess namely:
    - o 50% exemption on petrol and HSD manufactured in and cleared from four specified refineries located in North-East
    - o Full upfront exemption from Road and Infrastructure Cess on – (i) 5% ethanol blended petrol (ii) 10% ethanol blended petrol and (iii) bio-diesel up to 20% by volume subject to the condition that appropriate excise duty on petrol or diesel and appropriate GST on ethanol or bio-diesel has been paid.

SERVICE TAX

- Retrospective exemption to specified services: Retrospective exemptions from levy of service tax has been granted to the following services:

PARTICULARS EXEMPTION FROM

Services by Naval Group Insurance Fund by way of life insurance to personnel of Coast Guard under Group Insurance Schemes of Central Government 10 September 2004

Services by Goods and Services Tax Network (GSTN) to the Central Government, State Government, or Union Territories 28 March 2013

Services by way of grant of license or lease by Government to explore or mine petroleum crude or natural gas or both, when the consideration is paid in the form of its share of profit petroleum
1 April 2016

(Source:-http://www.mondaq.com/india/x/670050/sales+taxes+VAT+GST/Indian+Budget+2018+Indirect+Tax dated 2nd feb-2018)

4. UNION COMMERCE AND INDUSTRY MINISTRY LAUNCHES STARTUPINDIA RANKING FRAMEWORK

The tools are: the State and Union Territory Startup Ranking Framework, the Compendium of Good Practices for Promoting Startups in India and the Startup India Kit.

These will act as catalysts to help the Startup India initiative to drive India's economic growth, the ministry said.

According to government reports, India is home to about 20,000 startups, with about 1,400 beginning operations every year. They are not only driving economic growth but also leading to technological innovations and employment generation in every state.

Therefore, to encourage and help startups the Central government has taken the lead in creating policies and a framework.

Eighteen states and UTs have a startup focused environment with ease of doing business for startups, the ministry said.

According to the ministry, the key objective of the Startup States and UTs Ranking Framework is to encourage states and UTs to take proactive steps towards strengthening the Startup ecosystems at the local level.

The Ranking Framework will measure the impact of each step initiated at the local level for building a strong Startup ecosystem.

The Ranking Framework will also enable continuous learning through the dissemination of good practices, the release said.

Union minister for Commerce and Industry, Suresh Prabhu, said that the Central government is aligning its strategies to tap into the infinite potential of young entrepreneurial minds.

The govt wants to help them in the journey from idea to business and business to success. These policies will help states to take proactive steps to enable startup ecosystems at the local level, he said.

The state and UT Ranking Framework is based on the feedback collected from Startup ecosystem stakeholders, which include startups, mentors, investors, accelerators, incubators and the government bodies.

Areas which should be given greater thrust like seed funding support, women entrepreneurship are given more score, the release said.

The parameters of this feedback focus on all the actions and initiatives undertaken by states on or before March 2018.

These include having a startup cell or helpline and a mobile or web portal for queries, the size of the startup mentor network created by the state government and the number of key incubators for incubation support to startups.

The Startup India Hub portal will provide a platform for the launch of the Ranking Framework.

The official release of theStartup India Compendium of Good Practises for promoting Startups in India focuses on enriching the Startup ecosystem through ethical behaviours and is currently followed by 18 states and UTs.

It covers 95 good practises across sevenareas of intervention. These are distilled into 38 action points, including Incubation Support, Seed Funding, Angel & Venture Funding, Startup Policy & Implementation, Simplified Regulations, Easing Public Procurement, Awareness and Outreach.

The Startup India Kit is primarily a one-stop guide on all Startup India offerings, the ministry said.

It offers vital information, advice and assistance through website links, statistics, tools, templates, events, competitions and a glossary on startup terms.

All the benefits available to startups from the Startup India initiative can be found in the kit.

(Source:https://indiablooms.com/finance-details/8499/union-commerce-and-industry-ministry-launches-startupindia-ranking-framework.html dated 6th Feb-2018)

5. DUTIES PLACED ON INDIAN CHEMICALS

China's Ministry of Commerce (MOFCOM) announced on Wednesday that imported m-phenoxybenzaldehyde originating from India will be subject to anti-dumping duties ranging from 36.2 percent to 56.9 percent.

Following the preliminary ruling, importers of Indian m-phenoxybenzaldehyde should provide China Customs with corresponding deposits as determined by the ruling, according to a statement on the MOFCOM website.

MOFCOM said it "believed that there is dumping of imported m-phenoxybenzaldehyde from India, which has substantially harmed domestic industry."

M-phenoxybenzaldehyde is mainly used in the production of pesticides. India is the world's largest producer of m-phenoxybenzaldehyde and China is the country's largest export market.

(Source:http://www.globaltimes.cn/content/1088679.shtml dated 7th Feb-2018)

6. INDIA'S ACTIVE FOREIGN POLICY IS SECURING ITS LONG-TERM GOALS IN ASEAN, WEST ASIA

The unprecedented sight of 10 Asean leaders being honoured as chief guests at the Republic Day Parade, and Narendra Modi's significant three-nation tour shows the depth of India's foreign policy outreach

Prime Minister Narendra Modi with Crown Prince of Abu Dhabi, Deputy Supreme Commander of the UAE Armed Forces, General Sheikh Mohammed Bin Zayed Al Nahyan, Abu Dhabi, United Arab Emirates, February 10(PTI)

Two recent foreign policy initiatives of the Indian government have the promise of yielding key gains in the long-term. In January, New Delhi witnessed the unprecedented sight of the leaders of the 10 member states of the Association of Southeast Asian Nations (Asean) being honoured as chief guests at the annual Republic Day Parade after a crucial dialogue. On Saturday, Prime Minister Narendra Modi became the first Indian PM to make an official visit to Palestine during a trip that also took him to the United Arab Emirates and Oman. India's near simultaneous engagements show the change in thinking and depth of India's foreign policy outreach, aimed at balancing its long-term goals of playing a vital role in the region.

Many Asean states have strong economic relations with China despite disputes over such issues as the South China Sea. India would do well strengthen its links in a wide range of areas with the regional bloc, especially trade, connectivity and security.

Though the Asean states have signed up for China's Belt and Road Initiative, many members continue to be wary of their larger neighbour because of territorial disputes and Beijing's trade and security policies. In such a situation, India stands to gain a lot by taking on a greater leadership role in the region, not necessarily to confront China, but to offer an alternative path that could be more attractive to other nations.

Mr Modi's visit to Palestine was hardly surprising, given his stand-alone visit to Israel last year. The outcomes of the visit, including Mr Modi's support for an independent Palestine, bode well for India's overall outreach to West Asia, home to millions of expatriates.

Besides trade and energy supplies, India has also forged close security ties with countries in West Asia that are crucial for the war on terrorism. There may be little common ground between the Israeli and Palestinian leadership but India enjoys huge constituencies of goodwill on both sides that it can leverage to its advantage in the longer run.

(Source: https://www.hindustantimes.com/editorials/india-s-active-foreign-policy-is-securing-its-long-term-goals-in-asean-west-asia/story-IsKIlp2OPke6eSO7ZMZz8N.html dated 13th February-2018)

7. JORDAN, INDIA DISCUSS TRADE COOPERATION

Amman, Feb. 14 (Petra)-The head of the Jordan Chamber of Commerce, Na'el Al-Kabariti, on Wednesday discussed with the Indian Ambassador to Jordan, ShubhdarachiniTripathi, ways to foster bilateral trade and investment relations at the level of private sector institutions.

During the meeting, Al-Kabariti said bilateral ties are "distinguished and rooted" in the various fields, especially in the economic domain, and added India is a crucial trading partner of the Kingdom.

Al-Kabariti stressed the desire of the Jordanian private sector to strengthen ties with its Indian counterpart, to schedule visits of delegations and to benefit from the mutual agreements signed to expand the bulk of goods exchanged.

He said the Jordanian-Indian business forum is slated to be held in the Indian capital later this month.

"I share a similar view with the Indian private sector to launch trade and investment partnerships and to revive the signed accords to increase the Kingdom's exports to the Indian market," he added.

Commenting on India's strengths, the Indian economy has become one of the most important world economies, Indian goods are competing robustly at world markets and New Delhi turned a key player in the international trade system, he pointed out.

In turn, the Indian envoy expressed her appreciation for the efforts of His Majesty King Abdullah II to boost and support bilateral ties, and lauded the noted attention the recent visit of the Indian prime minister to Amman drew.

Tripathi also praised efforts of the Jordanian private sector, represented by the Jordan Chamber of Commerce, to forge closer relations with the Indian private sector institutions and to give fresh momentum to the economic relations between the two countries.

The Kingdom's exports to India during the 11 months of last year amounted to 337 million dinars compared to 330 million dinars imports.

Jordan exports to India cover metal products, chemical industries, machinery and equipment, while it imports mineral and food products, chemical industries, machinery and equipment, metals, and textile materials.

(Source:-http://www.petra.gov.jo Public_News/Nws_News Details.aspx?Site_ &lang=2&NewsID=3405 55&CatID=13 & Type = Home&GType=1 dated 14th February-2018)

8. INDIA EXTENDS UREA SUBSIDY TILL 2020

The government today approved a proposal to extend urea subsidy till 2020 and implement direct benefit transfers (DBT) for disbursement of the fertiliser subsidy.

"The continuation of the urea subsidy scheme will ensure adequate quantity of urea is made available to the farmers at statutory controlled price," according to a media release after the meeting of Cabinet Committee on Economic Affairs.

Urea is made available to farmers at a statutorily controlled price of Rs 5,360 per tonne. The difference between the delivered cost of the fertiliser at farm gate and maximum retail price is given as subsidy to manufacturers. Urea subsidy is projected to be Rs 45,000 crore for 2018-19, compared with Rs 42,748 crore this year.

The urea subsidy has been extended for three years till 2020 at a total estimated cost of Rs 1.64 lakh crore, the statement added. Normally, the ministry of chemicals and fertilisers takes approval for the urea subsidy subsidy on an yearly basis. This time it has received clearance for three years.

The CCEA also approved implementation of direct benefit transfer (DBT) for disbursement of fertiliser subsidy in order to reduce diversion and plug the leakages. In the statement, the government said it is in the process to roll out DBT in fertiliser sector nationwide. DBT would entail 100 percent payment to fertiliser companies.

Continuation of the urea subsidy will facilitate smooth implementation of DBT scheme in fertiliser sector, the statement said.

(Source:-https://www.bloombergquint.com/business/2018/03/14/india-extends-urea-subsidy-till-2020 dated 14th March-2018)

9. U.S. LAUNCHES WTO CHALLENGE AGAINST ALMOST ALL OF INDIA'S EXPORT SUBSIDIES

The U.S. has launched a trade challenge against almost all of India's export subsidy programs at the World Trade Organisation in its latest protectionist move, coming soon after President Donald Trump threatened retaliatory duties on countries that export more to the U.S. than they import from it.

"These export subsidy programs harm American workers by creating an uneven playing field on which they must compete," U.S. Trade Representative Robert Lighthizer said in a media statement on the USTR website.

"USTR will continue to hold our trading partners accountable by vigorously enforcing U.S. rights under our trade agreements and by promoting fair and reciprocal trade through all available tools, including the WTO," Lighthizer added.

The programs listed in the statement are:

- Merchandise Exports from India Scheme
- Export Oriented Units Scheme and sector specific schemes
- Electronics Hardware Technology Parks Scheme
- Special Economic Zones
- Export Promotion Capital Goods Scheme
- Duty free imports for exporters program

Through the mentioned programs, India provides exemptions from certain duties, taxes and fees; reduces import liability and benefits numerous Indian exporters including producers of steel products, pharmaceuticals, chemicals, information technology products, textiles, and apparel, the statement said.

The USTR has computed the benefit to Indian exporters at over $7 billion every year from these programs, the statement added citing documents from the Indian government.

Earlier this month, Trump potentially triggered a global trade war after he imposed tariffs on imported steel and aluminium. The announcement was met with stern reactions from across the world, including the European Union, which has threatened to slap a retaliatory tariff on everything from American jeans to whiskey and even the iconic Harley Davidson bikes. China, which Trump branded as a "strategic competitor" has also warned of a "justified and necessary response"

The metal tariffs have little impact on India as it is only a minor exporter of the two metals to U.S.

But this offensive against several export incentives is likely to elicit a strong reaction from the Indian government.

The WTO allows certain developing countries, like India, to offer export subsidies till they reach a defined economic benchmark, said the USTR statement. The WTO's provisions say that export incentives can be provided by countries where gross national income per capita is less than $1,000 per annum at the 1990 exchange rate, according to information on its website. The incentives can only be given to a sector that has a share of less than 3.25 percent in global exports.

The USTR claims that India surpassed the benchmark in 2015 and its exemption has expired. Yet the country has not withdrawn its export subsidies, it alleges.

As the USTR statement details, if the U.S. and India are not able to arrive at a settlement on these via consultations, "the United States may request the establishment of a WTO dispute settlement panel to review the matter".

The WTO is the arbiter of international trade disputes for member countries such as India and the U.S. Currently India has been or is involved in over 170 WTO disputes, according to data on the trade organisation's website - in 23 as the complainant, in 24 as the respondent and in over 125 India has had third party involvement. Sixteen of these involve the U.S., next only to the 20 disputes with the European region.

(Source:-https://www.bloombergquint.com/business/2018/03/14/us-launches-wto-challenge-against-almost-all-of-indias-export-subsidies dated 15th March-2018)

10. EXPORTS FROM INDIA JUMPED 4.5 PCT, IMPORTS BY 10.4 PCT; TRADE DEFICIT ESTIMATED AT $12 BN: RITA TEAOTIA

Continuing the positive growth path, India's exports grew by 4.5 per cent in February to USD 25.8 billion, Commerce Secretary Rita Teaotia said today. Imports too rose by 10.4 per cent to USD 37.8 billion during the last month, leaving a trade deficit of USD 12 billion. The country's merchandise exports are showing continuous positive growth, Teaotia told reporters here.

During April-February period of the current fiscal, exports recorded a growth of 11 per cent to USD 273.7 billion, while imports grew by 21 per cent to USD 416.87 billion. Oil imports in February rose by 32 per cent.

Export sectors, which are recording healthy growth so far includes chemicals, engineering goods and petroleum products.

India does not consider the stand-off with the United States at the World Trade Organisation over export subsidies to be the beginning of a trade war, Indian trade secretary Rita Teaotia told reporters on Thursday.

The United States on Wednesday launched a challenge to Indian export subsidies at the World Trade Organization, saying they hurt U.S. companies by letting Indian exporters sell goods more cheaply.

India provides exemptions from certain duties, taxes and fees that benefit numerous Indian exporters, including producers of steel products, chemicals, pharmaceuticals, textiles and information technology products, U.S. Trade Representative Robert Lighthizer said.

(Source:-http://www.zeebiz.com/india/news-exports-from-india-jumped-45-pct-imports-by-104-pct-trade-deficit-estimated-at-12-bn-rita-teaotia-39289 dated 15th March-2018)

Chemexcil Notice
NOTICE 1

EPC/LIC/BUDGET/2018-19 1st Feb 2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-UNION BUDGET 2018-19, Highlights & provision for exports and Chemicals Sector

Dear Members,

As you are aware, Hon'ble Union Minister of Finance Shri ArunJaitely has presented the Union Budget 2018-19 on 1st February 2018.

The budget 2018-19 lays focus on strengthening agriculture and rural economy, provision of good health care to economically less privileged, taking care of senior citizens, infrastructure creation and working with the States to provide more resources for improving the quality of education in the country.

Also steps will be taken for Ease of Doing business further by stress on 'Ease of Leaving' for the common men of this country, especially for those belonging to poor & middle class of the society. Good governance also aims at minimum interference by the government in the life of common people of the country.

The key economic indicators as per budget statement

- GDP growth at 6.3% in the second quarter signaled turnaround of the economy. The government estimates 7.2-7.5% GDP growth in second half of the current FY18.
- India is today a $2.5 trillion economy and will become fifth largest economy in the world from the present seventh largest.
- Fiscal deficit for 2017-18 at 3.5% and projected for 2018-19 at 3.3%
- Our exports are expected to grow at 15% in 2017-18.
- Divestment target for 2018-19 has been set at Rs 80,000 crore
- Proposed spending on rural infra is Rs 14.34 lakh crore.

Gist of provisions in Union Budget 2018-19 from exports and chemicals perspective.
Medium, Small and Micro Enterprises (MSMEs)

- Corporate Tax of 25% extended to companies with turnover up to ₹250 cr in financial year 2016-17.
- Provided ₹3794 crore to MSME Sector for giving credit support, capital and interest subsidy and innovations.
- It is proposed to onboard public sector banks and corporates on Trade Electronic Receivable Discounting System (TReDS) platform and link this with GSTN. Online loan sanctioning facility for MSMEs will be revamped for prompt decision making by the banks.
- It is proposed to set a target of ₹3 lakh crore for lending under MUDRA for 2018-19 after having successfully exceeded the targets in all previous years.
- Use of Fintech in financing space will help growth of MSMEs. A group in the Ministry of Finance is

examining the policy and institutional development measures needed for creating right environment for Fintech companies to grow in India.

Tax proposals

Health and Education Cess

At present there is a 3% cess on personal income tax and corporation tax consisting of 2% cess for primary education and 1% cess for secondary and higher education. The existing 3% education cess will be replaced by a 4% "Health and Education Cess" to be levied on the tax payable.

Indirect Tax.

- To abolish the Education Cess and Secondary and Higher Education Cess on imported goods, and in its place impose a Social Welfare Surcharge, at the rate of 10% of the aggregate duties of Customs, on imported goods, to provide for social welfare schemes of the Government. Goods which were hitherto exempt from Education Cesses on imported goods will, however, be exempt from this Surcharge.

CUSTOM TARIFFS

1.	C.	Changes in Customs duty to provide adequate protection to domestic industry			
			Perfumes and toiletry preparations		
	9	3303	Perfumes and toilet waters	10%	20%
	10	3304	Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or suntan preparations; manicure or pedicure preparations	10%	20%
	11	3305	Preparations for use on the hair	10%	20%
	12	3306	Preparations for oral or dental hygiene, including denture fixative pastes and powders; yarn used to clean between the teeth (dental floss), in individual retail packages	10%	20%
	13	3307	Pre-shave, shaving or after-shave preparations, personal deodorants, bath preparations, depilatories and other perfumery, cosmetic or toilet preparations, not elsewhere specified or included, prepared room deodorizers, whether or not perfumed or having disinfectant properties	10%	20%
II	Rationalization measures				
	1	1508, 1509, 1510,1512, 1513, 1515	Crude edible vegetable oils like Ground nut oil, Olive oil, Cotton seed oil, Safflower seed oil, Saffola oil, Coconut oil, Palm Kernel/ Babassu oil, Linseed oil, Maize corn oil, Castor oil, Sesame oil, other fixed vegetable fats and oils.	12.50%	30%
	2	1508, 1509, 1510,1512, 1513, 1515, 1516 20, 1517 10 21, 1517 90 10, 1518 00 11, 1518 00 21, 1518 00 31	Refined edible vegetable oils, like Ground nut oil, Olive oil, Cotton seed oil, Safflower seed oil, Saffola oil, Coconut oil, Palm Kernel/ Babassu oil, Linseed oil, Maize corn oil, Castor oil, Sesame oil, other fixed vegetable fats and oils, edible margarine of vegetable origin, Sal fat; specified goods of heading 1518	20%	35%

Amendments in Custom Act for Trade Facilitation / dispute resolution.

To make certain changes to the Customs Act, 1962, to further improve ease of doing business in cross border trade, and to align certain provisions with the commitments under the Trade Facilitation Agreement. To smoothen dispute resolution processes and to reduce litigation, certain amendments are being made, to provide for pre-notice consultation, definite timelines for adjudication and deemed closure of cases if those timelines are not adhered to.

To change the name of Central Board of Excise and Customs [CBEC] to Central Board of Indirect Taxes and Customs (CBIC).

You are requested to take note of the above provisions. The original budget documents/ notifications are available for download using below link-

http://www.indiabudget.gov.in/ub2018-19/bs/bs.pdf

http://www.indiabudget.gov.in/cust.asp

http://www.indiabudget.gov.in/ub2018-19/cen/dojstru1.pdf

http://www.indiabudget.gov.in/ub2018-19/cen/dojstru2.pdf

We also look forward to your feed-back on the provisions of the Union Budget 2018-19. The same can be mailed to us on ed@chemexcil.gov.in & Deepak.gupta@chemexcil.gov.in .

Thanking You,

NOTICE 2

EPC/LIC/ITCHS2018/SCHEDULE2 2nd Feb 2018

To
ALL THE MEMBERS OF THE COUNCIL

SUBJECT: - DGFT Notification of ITC (HS) 2018, SCHEDULE 2 – EXPORT POLICY

Dear Members,

Kindly note that O/o The Directorate General of Foreign Trade, New Delhi has issued Notification no. 47/2015-20 dated 31/01/2018 notifying Schedule 2, Export Policy of ITC (HS), 2018.

The Schedule 2 pertains to the export policy of items indicated along-with their conditions, if any, to be fulfilled.

Members are requested to take of the same/ check. The details of items can be downloaded using below link:

http://dgft.gov.in/exim/2000/itchs2017/export/EITCHS2018.html

Thanking You,

NOTICE 3

EPC/LIC/GST/E_WAY_BILL 5th Feb 2018

to,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT: - E-way bill Postponement of compulsory implementation of e-way bill rules for inter-State movement. Trial Phase to continue for inter and Intra-state movement

Dear Members,

As you are aware, the nationwide e-way Bill system for inter-State movement of goods on compulsory basis had into from 1st February, 2018.

However, technical glitches/ issues were faced by the taxpayers on 1st Feb 2018 itself.

Taking cognizance of the difficulties faced by the trade in generating e-way bill due to initial technological glitches, government has extended the trial phase for generation of e-way bill, both for inter and intra state movement of goods. It'll be applicable from a date to be notified.

In this regard, the Central Board of Excise and Customs has issued Notification No. 74/2017 – Central Tax dated 2nd February 2018 which rescinds the earlier notification no 29th December, 2017 regarding implementation of e-way bill rules from 1st Feb 2018.

Members are requested to take note of this relaxation. The Notification No. 74/2017 – Central Tax dated 2nd February 2018 is available for reference on below hyperlink-

http://www.cbec.gov.in/resources//htdocs-cbec/gst/Notification-11-2018-central_tax-English.pdf

Central Tax Notifications

Notification No. & Date of Issue	English	Subject
11/2018-Central Tax ,dt. 02-02-2018	View (146 KB)	Seeks to postpone the coming into force of the e-way bill rules

Thanking you,

NOTICE 4

EPC/LIC/CBEC/ AEO 7th Feb 2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- Authorized Economic Operator (AEO) Programme& Advantages

Dear Members,

As you might be aware, Authorized Economic Operator (AEO) seeks to provide tangible benefits in the form of faster Customs clearances and simplified Customs procedures to those business entities who offer a high degree of security guarantees in respect of their role in the supply chain.

The AEO Programme provides businesses with an internationally recognized quality mark which will indicate their secure role in the international supply chain and that their Customs procedures are efficient and compliant. An entity with an AEO status can, therefore, be considered a 'secure' trader and a reliable trading partner.

For the economic operators other than importers and the exporters, AEO programme offers one tier of certification (i.e. AEO-LO) whereas for the importers and the exporters, there will be three tiers of certification (i.e. AEOT1, AEO-T2 and AEO-T3).

Eligibility conditions and criteria laid are down under paragraph 3 of Board Circular No. 33/2016-Cus., dated 22-7-2016 (as modified vide and Circular No. 3/2018- Customs, dated January 17, 2018) ((available at: http://www.cbec.gov.in/Customs-Circulars-Instructions). The council has also recently informed the members about the amendments vide circular dated 31/01/2018.

Through this initiative, Indian Customs extends to its AEO members with certain benefits, including:

I. Inclusion of Direct Port Delivery of imports to ensure just-in-time inventory management by manufacturers – clearance from wharf to warehouse for AEO T1, T2 and T3.

II. Inclusion of Direct Port Entry for factory stuffed containers meant for export by AEOs for AEO T1, T2 AND T3.

III. Provision of Deferred Payment of duties – delinking duty payment and Customs clearance for AEO T2 and AEO T3

IV. Benefits of Mutual Recognition Agreements with other Customs Administrations for AEO T2 and AEO T3.

V. Faster disbursal of drawback amount

VI. Fast tracking of refunds and adjudications

VII. Extension of facilitation to exports in addition to imports depending on the tier of certification.

VIII. Self-certified copies of FTA / PTA origin related or any other certificates required for clearance would be accepted

IX. Request based on-site inspection /examination

X. Paperless declarations with no supporting documents

XI. Recognition by Partner Government Agencies and other Stakeholders as part of this programme.

XII. In accordance with the conditions laid down in Para 4.07A of FTP 2015-2020, where there is no SION/ valid Ad-hoc Norms for an export product and where SION has been notified but exporter intends to use additional inputs in the manufacturing process, eligible exporter, who is an AEO, can apply for an Advance Authorisation under this scheme on self-declaration and self ratification basis"

In view of the above, all the importers, especially those also availing DPD facility, may apply for AEO certification so as to avail various significant benefits available to AEOs under the scheme, which also includes higher facilitation of Bills of Entry under RMS.

The application for AEO certification may be submitted to the relevant Customs Houses of your Jurisdiction. The Customs Houses nominate their Client Relationship Manager (CRM) for AEO entities in the jurisdiction.

In case of JNCH, application may be Addressed to the Additional Commissioner of Customs, Chief Commissioner's Office (CCO), Jawaharlal Nehru Custom House, NhavaSheva, Tal:- Uran, Dist: Raigad, Pin - 400 707) with copy to AEO Programme Manager, Directorate of International Customs or in case of any doubt, to the AEO Programme Manager, Directorate of International Customs, 10th Floor, Tower II, Jeevan Bharti Building, Connaught Place, New Delhi – 110001 as per the procedure prescribed under CBEC Circular 33/2016 (as modified vide and Circular No. 3/2018- Customs, dated January 17, 2018) (available at: http://www.cbec.gov.in/Customs-Circulars-Instructions)

Members are requested to take note and may do the needful for trade facilitation. Additional information (CRM's, Fact Sheet, existing list of entities etc) and the original circulars pertaining to AEO programme are available for download using below links:

http://www.cbec.gov.in/htdocs-cbec/home_links/india-aeo-prgm

Circular No.	English	Date of issue	Subject
03/2018	View(368 KB)	17-01-2018	Amendment in the AEO Programme Circular No. 33/2016 dated 22/7/2016
33/2016	View(246 KB)	22-07-2016	Review of entity based facilitation programmes viz. Accredited Client Programme (ACP) and Authorized Economic Operator (AEO) programme - Revised Guidelines.

Thanking you,

NOTICE 5

EPC/LIC/DGFT/EDI 7th Feb 2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- DGFT Advise to exporters to promptly check shipping bill transmission status on ICEGATE and DGFT website

Dear Members,

As you are aware, for MEIS application, sometimes Shipping Bill data is not found available in DGFT System. It takes considerable time to get the SB data available in DGFT System and, therefore, availing of FTP benefits, like MEIS, by exporter is delayed.

In this regard, O/o The Directorate General of Foreign Trade, New Delhi has issued Trade Notice No. 23/2018 dated 06/02/2018 titled "Advise to exporters to promptly check shipping bill transmission status on ICEGATE and DGFT website".

As per the Trade Notice, exporters are advised to check the Shipping Bill transmission status first on ICEGATE and then on DGFT website after 72 hours from integration of SB with ICEGATE.

The transmission status of a SB can be checked on ICEGATE website (https://www.icegate.gov.in/) under `Services->Public Enquiry-> DGFT Shipping Bill Integration Status' option and the same can be checked at DGFT website (http:dgft.gov.in/) under 'User Facilitation-> Shipping Bills Received from Customs' for an IEC option.

If the SB data is neither available on ICEGATE nor DGFT, the issue can be registered with DGFT using the Contact@DGFT service available on DGFT website and the issue details can also be shared with DGFT EDI helpdesk by sending an e-mail at dgftedi@nic.in quoting the Contact@DGFT reference number.

Members are requested to take note of this Trade notice and do the needful accordingly.

RADE NOTICES NO.	DATE	SUBJECT
Trade Notice No.23/2018	06.02.2018	Advise to exporters to promptly check shipping bill transmission status on ICEGATE and DGFT website

Thanking You,

NOTICE 6

EPC/LIC/MSME's

9th Feb 2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- MSME's

- RBI enhances NPA recognition Period for GST Registered MSMEs borrowers from 90 to 180 days.
- Government to amend MSME criteria based on annual revenue

Dear Members,

As we all know, MSME's are the back bone of our economy, but of-late these units are facing financial distress due to major economic changes/ disruptions in our economy.

Taking cognizance of the MSME issues, government has undertaken important steps which are being highlighted as follows for your ready reference:

- RBI enhances NPA recognition Period for GST Registered MSMEs borrowers from 90 to 180 days.

In a major relief to the medium and small enterprises sector, the RBI has issued Notification no. RBI/2017-18/129 DBR.No.BP.BC.100/21.04.048/2017-18 February 07, 2018 wherein GST-registered MSME borrowers will get a further 180-day window to pay dues if their accounts were standard as on August 31, 2017.

This relaxation will be applicable for dues between September 2017 and January 2018 if the aggregate exposure does not exceed Rs 25 crore. Banks and NBFCs will not be required to downgrade asset classification of these MSMEs. For further details, members may refer to RBI notification using below link. https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11216&Mode=0

http://msme.gov.in/node/1803

- Government to amend MSME criteria based on Annual Revenue

We understand that the Cabinet has approved proposal to redefine micro, small and medium enterprises, or MSMEs, based on their annual revenue, replacing the current definition that relies on self-declared investment on plant and machinery.

Section 7 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 will accordingly be amended to define units producing goods and rendering services in terms of annual turnover as follows:

- ú A micro enterprise will be defined as a unit where the annual turnover does not exceed five crore rupees;
- ú A small enterprise will be defined as a unit where the annual turnover is more than five crore rupees but does not exceed Rs 75 crore;
- ú A medium enterprise will be defined as a unit where the annual turnover is more than seventy five crore rupees but does not exceed Rs 250 crore.

At present the MSMED Act (Section 7) classifies the Micro, Small and Medium Enterprises (MSMEs) on the basis of investment in plant and machinery for manufacturing units, and investment in equipment for service enterprises. The criterion of investment in plant and machinery stipulates self-declaration which in turn entails verification if deemed necessary and leads to transaction costs.

MSME Members are requested to take note of these important updates and do the needful, wherever applicable. Feed-backs on these changes can be sent on ed@chemexcil.gov.in & deepak.gupta@chemexcil.gov.in .

Thanking You,

Yours faithfully,

NOTICE 7

EPC/LIC/IGST_REFUNDS 13/02/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-IGST Refund, GST Portal Advisory to the Exporters filing for Refund

Dear Members,

As per updates on GST Portal (www.gst.gov.in), two advisories have been uploaded for creating awareness amongst the exporters to ensure speedy refunds.

For the sake of convenience, the contents of the advisories are reproduced as follows:

- Advisory to the Exporters for Refund of IGST Paid on Export of Goods:
  1. File FORM GSTR 1 for the corresponding tax period.
  2. Fill complete and correct data of export of goods in Table 6A of FORM GSTR 1 of the relevant tax period.
  3. Pay your tax and File FORM GSTR 3B return for the corresponding tax period.
  4. While filing GSTR 3B Return for the said tax period, please make sure that that table 3.1 (b) of Form GSTR 3B is filled correctly and the amount shown in this should be equal to or more than the amount of IGST in table 6A, and table 6B (Supply to SEZ),of GSTR1.
- Advisory for exporters on correctly filing Table 3.1(b) of GSTR 3B:

  While filing GSTR 3B Return for the said tax period, please make sure that that table 3.1 (b) of Form GSTR 3B is filled correctly.

1. GSTR-3B of corresponding return period must be filed.
2. The IGST amount paid should be shown through Table 3.1(b) of FORM GSTR-3B, and the amount must be equal to or greater than the total IGST amount shown in Table 6A, and Table 6B, of GSTR-1 for the corresponding tax period.
3. NONE of the export invoices filed in Table 6A of GSTR-1, of the corresponding return period, shall get transmitted to ICEGATE if correct IGST amount is not filed in Table 3.1(b) of GSTR-3B. Hence the refund of IGST amount paid on exports will be impacted.

   https://www.gst.gov.in/newsandupdates/read/178

- Advisory to Exporters for filing Table 6A of GSTR-1:
- To ensure that the GST System transmits the export invoice data, in case of export of goods with payment of IGST, to ICEGATE for refund, Exporters need to provide Complete and Correct Data while filing Table 6A of GSTR-1:
- Invoice No. and Date (Tax invoice and not commercial invoice).
- Select from drop down list (WPAY- with payment of tax)/WOPAY-without payment of tax.
- Shipping Bill No. & Date.
- Please note, if you are using offline tool for GSTR 1, the date format is dd-mmm-yyyy e.g. 15th July 2017 will be written as 15-Jul-2017 and not like 15/07/2017.
- Six Digit Port Code should be mentioned correctly.
- Invoice Value: It is the total value of export goods covered by the invoice including of tax and other charges, if any.
- Taxable Value: It is the value of goods, on which tax is paid. (Value net of tax).
- Tax Paid IGST, only in case, where the export is done on payment of IGST.
- To ensure that the GST System transmits the export invoice data, in case of export of goods with payment of IGST, to ICEGATE for refund, Exporters need to maintain consistencies between data provided at GST Portal and ICEGATE Portal while filing Table 6A of GTSR-1. Invoice details specified under Table 6A of GSTR-1 should match with what is mentioned in the Shipping bills at ICEGATE. Please note that the invoice value data should match with that shown in shipping Bill.
- To ensure that the GST System transmits the export invoice data, in case of export of goods with payment of IGST, to ICEGATE for refund, Exporters should make payment of Tax and File Return:
- File Form GSTR-3B of corresponding period.
- In case of export of goods, the IGST amount paid should be shown through Table 3.1(b) of GSTR-3B and amount must be equal to or greater than the total IGST amount shown in Table 6A, and Table 6B, of GSTR-1 for the corresponding tax period.

  https://www.gst.gov.in/newsandupdates/read/179

Members are requested to take note of above updates and do the needful accordingly for speedy processing of IGST refunds. The advisories are available on GST Portal using urls provided above.

Queries/ Issues, if any, be first put forth to the concerned authority using new Grievance Redressal Portal (https://selfservice.gstsystem.in). Persistent issues may also be highlighted to the council on ed@chemexcil.gov.in& deepak.gupta@chemexcil.gov.in .

Thanking You,

NOTICE 8

EPC/LIC/IGST_REFUNDS 13th February-2018

To,
ALL MEMBERS OF THE COUNCIL

SUBJECT:-IGST Refund GST Portal Advisory to the Exporters filing for Refund

Dear Members,

As per updates on GST Portal (www.gst.gov.in), two advisories have been uploaded for creating awareness amongst the exporters to ensure speedy refunds.

For the sake of convenience, the contents of the advisories are reproduced as follows:

- Advisory to the Exporters for Refund of IGST Paid on Export of Goods:
    1. File FORM GSTR 1 for the corresponding tax period.
    2. Fill complete and correct data of export of goods in Table 6A of FORM GSTR 1 of the relevant tax period.
    3. Pay your tax and File FORM GSTR 3B return for the corresponding tax period.
    4. While filing GSTR 3B Return for the said tax period, please make sure that that table 3.1 (b) of Form GSTR 3B is filled correctly and the amount shown in this should be equal to or more than the amount of IGST in table 6A, and table 6B (Supply to SEZ),of GSTR1.
- Advisory for exporters on correctly filing Table 3.1(b) of GSTR 3B:

    While filing GSTR 3B Return for the said tax period, please make sure that that table 3.1 (b) of Form GSTR 3B is filled correctly.

    1. GSTR-3B of corresponding return period must be filed.
    2. The IGST amount paid should be shown through Table 3.1(b) of FORM GSTR-3B, and the amount must be equal to or greater than the total IGST amount shown in Table 6A, and Table 6B, of GSTR-1 for the corresponding tax period.
    3. NONE of the export invoices filed in Table 6A of GSTR-1, of the corresponding return period, shall get transmitted to ICEGATE if correct IGST amount is not filed in Table 3.1(b) of GSTR-3B. Hence the refund of IGST amount paid on exports will be impacted.

    https://www.gst.gov.in/newsandupdates/read/178
- Advisory to Exporters for filing Table 6A of GSTR-1:
    - To ensure that the GST System transmits the export invoice data, in case of export of goods with payment of IGST, to ICEGATE for refund, Exporters need to provide Complete and Correct Data while filing Table 6A of GSTR-1:
    - Invoice No. and Date (Tax invoice and not commercial invoice).
    - Select from drop down list (WPAY- with payment of tax)/WOPAY-without payment of tax.
    - Shipping Bill No. & Date.
    - Please note, if you are using offline tool for GSTR 1, the date format is dd-mmm-yyyy e.g. 15th July 2017 will be written as 15-Jul-2017 and not like 15/07/2017.

- Six Digit Port Code should be mentioned correctly.
- Invoice Value: It is the total value of export goods covered by the invoice including of tax and other charges, if any.
- Taxable Value: It is the value of goods, on which tax is paid. (Value net of tax).
- Tax Paid IGST, only in case, where the export is done on payment of IGST.

- To ensure that the GST System transmits the export invoice data, in case of export of goods with payment of IGST, to ICEGATE for refund, Exporters need to maintain consistencies between data provided at GST Portal and ICEGATE Portal while filing Table 6A of GTSR-1. Invoice details specified under Table 6A of GSTR-1 should match with what is mentioned in the Shipping bills at ICEGATE. Please note that the invoice value data should match with that shown in shipping Bill.
- To ensure that the GST System transmits the export invoice data, in case of export of goods with payment of IGST, to ICEGATE for refund, Exporters should make payment of Tax and File Return:
- File Form GSTR-3B of corresponding period.
- In case of export of goods, the IGST amount paid should be shown through Table 3.1(b) of GSTR-3B and amount must be equal to or greater than the total IGST amount shown in Table 6A, and Table 6B, of GSTR-1 for the corresponding tax period.

  https://www.gst.gov.in/newsandupdates/read/179

Members are requested to take note of above updates and do the needful accordingly for speedy processing of IGST refunds. The advisories are available on GST Portal using urls provided above.

Queries/ Issues, if any, be first put forth to the concerned authority using new Grievance Redressal Portal (https://selfservice.gstsystem.in). Persistent issues may also be highlighted to the council on ed@chemexcil.gov.in& deepak.gupta@chemexcil.gov.in .

Thanking You,

Yours faithfully,

NOTICE 9

EPC/LIC/E_SEALING 16th Feb 2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-Reminder e-seals, Mandatory implementation of e-sealing from 1st March 2018 (as per CBEC Circular No. 51/2017-Customs 21/12/2017), Updated list of 13 e-seal vendors(as on 5th Jan 2018)

Dear Members,

As you are aware, e-sealing for export containers was made voluntary till 1st March 2018 vide CBEC Circular No. 51/2017-Customs 21/12/2017 due to issues related to supply of e-seals etc.

Since the deadlies are approaching, for the sake of convenience of the members, we reproduce the important points of CBEC Circular No. 51/2017-Customs 21/12/2017 as follows:

- All entitled Exporters who have acquired RFID e-seals and are stuffing containers at approved premises for export through Ports/ ICDs where facilities for readers are available shall be free to continue / adopt the new e-sealing procedure. Essentially, this implies that the procedure is voluntary for entitled exporters till 1st March 2018.

- With effect from 1st March 2018 e-sealing shall become mandatory in respect of the exporters, who have been permitted self-sealing facilities under the erstwhile excise procedure or GST regime, AEO exporters and exporters availing supervised stuffing at their premises for the following locations:

  1. JNCH, NhavaSheva (INNSA1)
  2. Chennai Port (INMAA1)
  3. Mundra Port (INMUN1)
  4. Hazira Port (INHZA1)
  5. Cochin Port (INCOK1)
  6. Kattupalli, Port (INKAT1)
  7. Kolkata Port (INCCU1)
  8. ICD Tughlakabad (INTKD6)
  9. Tuticorin Port (INTUT1)
  10. Pipavav Port (INPAV1)
  11. Vishakhapatnam Port (INVTZ1)
  12. Krishnapatnam Port (INKRI1)
  13. ICD Bangalore (INWFD6)
  14. ICD Tirupur (INTUP6)
  15. ICD Ludhiana (INLDH6)

- e-sealing procedure for all Ports/ ICD's other than above locations shall be mandatory w.e.f. 1st April 2018.

- It is once again clarified that the exporters who have already switched to new procedure may continue with new procedure and exporters who intend to voluntarily adopt new e-sealing procedure are free to do so, if the readers are in place at the Customs station of export. Exporters availing stuffing under officer supervision shall continue to do so till the date e-sealing mandatory at the port/ ICD from where they are exporting containers.

Finally, also please note that as per e-seal vendor details updated on CBEC portal vide F. No. 450/188/2017-Cus IV, now there are total 13 e-seal vendors w.e.f. 5th Jan 2018. The council had informed the members about this updated list.

Members are requested to kindly take note of the above timelines and do the needful accordingly. The above-said circular/ updated e-seal vendor list are available for download using below hyperlink-

http://www.cbec.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2017/circ51-2017cs.pdf

http://www.cbec.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2018/eSeals_vendor_details_05jan2018.pdf

Thanking you,

NOTICE 10

EPC/LIC/MEIS 19th Feb 2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-MEIS, Important directives for processing of application for MEIS claims under Foreign Trade Policy 2015-20

Dear Members,

Delays in issuance of MEIS scrip due to mismatch in description of items in Shipping Bill vis-à-vis MEIS schedule has been a long-standing issue for exporters. In this regard, council has also regularly sent representations to O/o DGFT HQ, New Delhi for amendments in such item codes (specially falling in "others" category).

Taking cognizance of the issues faced by the trade & industry, the O/o DGFT New Delhi has issued Public Notice no. 62/2015-2020 dated 16/02/2018 giving Important directives for processing of application for MEIS claims under Foreign Trade Policy 2015-20. This will allow processing of MEIS claims for majority of items based only on ITC HS code mentioned in Shipping Bill.

For the sake of convenience of the members, the important points of the above-said PN are reproduced/ highlighted as follows:

- Except for the ITC(HS) Codes specified in Annexure to this Public Notice, for all other notified ITC(HS) Codes in Table 2 of Appendix 3B of HBP, Regional Authority (RA) shall process applications for MEIS claim only on the basis of ITC (HS) Code as specified in the Shipping bill. In respect of the ITC (HS) Codes specified in Annexure to this Public notice, Regional Authority (RA) shall continue to process the applications for MEIS claim after matching the description as well in the Shipping Bill with Export Product Description in Table 2 of Appendix 3B. The list of ITC(HS) Codes in the Annexure to this Public Notice is likely to change from time to time.

  As far as chemical sector items are concerned very few items are kept out of this relaxation (HS Code. 33019031, 33074900, 38085900 etc).

- The Directives in this Public Notice shall be followed for all applications which have not been finalized (finalized would mean that either the Scrip has been granted or applications in which DGFT HQs or the RAs have already rejected a claim) as on date of issue of this Public Notice. Thus, past cases which have been decided will not be re- assessed based on the Directives in this Public Notice.

The above said PN no. 62 is available for download using below link-

PUBLIC NOTICE NO.	DATE	SUBJECT
62/2015-2020	16.02.2018	Directives for processing of application for MEIS claims under Foreign Trade Policy 2015-20

http://dgft.gov.in/Exim/2000/PN/PN17/PN%2062%20english.pdf

Members are requested to take note of this relaxation/ directive and pursue with the concerned DGFT RA, in case your MEIS claim is pending due to description mismatch. In case of persistent issues, please write to the council on e-mail id- deepak.gupta@chemexcil.gov.in & balani.lic@chemexcil.gov.in.

Thanking You,

NOTICE 11

EPC/LIC/JNCH 20/02/2018

To,
ALL MEMBERS OFTHE COUNCIL

Subject:- JNCH, Importation of Insecticides/Pesticides on the basis of NOC's issued by CIB&RC long back under the Insecticide Act, 1968

Dear Members,

We draw your attention to the Public Notice No. 26/2018 dated 15/02/2018 issued by the Jawaharlal Nehru Customs House, NhavaSheva regarding importation of Insecticides/Pesticides on the basis of NOC's issued by CIB&RC long back under the Insecticide Act, 1968

As per above JNCH PN, attention of all Importers, is invited towards Public Notice dated 22.01.2018 issued by the Central Insecticide Board & Registration Committee (CIB&RC) on the issue related to the 'No Objection Certificates' issued by them long back for the substances/Chemicals listed in the Schedule to the Insecticide Act, 1968 and Insecticide Rules, 1971.

It was informed vide the above referred (CIB&RC) Public Notice that the issue was deliberated in the 379th meeting of the Registration Committee and following decision was made. The Committee deliberated the agenda in detail and found following discrepancies in the 'No Objection Certificates' (NOC) issued by CIB&RC long back-:

i) That the NOC's were open ended and did not contain any date of validity.

ii) That the source of import was not mentioned on these NOC's, thus, enabling importer to bring any kind of pesticides from un-approved source.

iii) Some of the NOC's also bear name of such pesticides which are either not registered in India or are in withdrawn/banned category.

iv) In view of above, it was decided that, henceforth, import of pesticides made on the basis of such NOC's shall not be considered and no clarification to Customs Authority shall be furnished by CIB&RC for the consignment imported on the basis of such NOC's. Registration Committee also directed Secretariat of CIB&RC to issue a Public Notice in that regard and to inform the Customs Authorities not to permit any imports of pesticides or products containing pesticides on the basis of NOC's.

v) It was also informed that this should be enforced with immediate effect, however, the consignments imported on the basis of such NOC's but in transit or having Bill of Lading on or before the date of issue of Public Notice i.e. 22.01.2018 will be permitted.

In view of above, JNCH has advised importers to obtain fresh Registration/Import Permit from the CIB&RC under Insecticide Act, 1968 containing (i) date of validity and (ii) details of the source of import and produce the same to Customs for the clearance of such goods before any import takes place or goods arrive at port.

Members importing Insecticides/Pesticides are therefore requested to take note and do the needful accordingly. The JNCH (NhavaSheva) Public notice and (CIB&RC) Public Notice are available for download using below links-http://164.100.155.199/pdf/PN-2018/PN_026.pdf (JNCH PN)

http://cibrc.nic.in/PublicNotice_23JAN2018.pdf (CIB&RC PN)

Issues, if any, may be highlighted to the council on ed@chemexcil.gov.in& deepak.gupta@chemexcil.gov.in .

Thanking You,

NOTICE 12

EPC/LIC/MEIS 22nd Feb 2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- MEIS, Information on details of shipping bills in cases where exporters who have inadvertently ticked `N`(for No) instead of Y``(for Yes) in "Reward" column of shipping bills while filing the EDI shipping bills, but have declared the intent in the affirmative (in wording) in the shipping bill

Dear Members,

As you are aware, there are many cases of MEIS Claims wherein exporters/CHA's have inadvertently ticked "N' (for No) instead of "Y' (for Yes) in the "Reward" column of shipping bills while filing the EDI shipping bills, but have declared the intent in the affirmative (in wordings) on the shipping bills.

However, such MEIS claims have been denied. The council has also sent representations to DGFT HQ seeking extension of benefit of Merchandise Exports from India Scheme (MEIS) to such cases/ shipping bills.

In order to gauge the problem and the financial implications O/o DGFT New Delhi has issued Trade Notice No. 24/2018 dated 21/02/2018 wherein following information is sought for considering the matter:

- It is requested that the exporters who have shipping bills which got ticked "N' (for No) instead of "Y' (for Yes) in "Reward" column of shipping bills while filing the EDI shipping bills, but have declared the intent in the affirmative (in wordings) on the shipping bills may send the details in excel format as in the table below by 31.03.2018 at the mail address: lokesh.hd@nic.in
- While sending the details it may please be noted that the shipping bills which had a Let Export date from 01.10.2015 to 31.03.2016 only should be included. Also, shipping bills in which declaration of intent has been allowed by customs authorities later, by manual amendment or otherwise should be excluded from the table below.

Name of the Firm	IEC	Shipping Bill Number	Let Export date	Port of Export	FOB value as per shipping bill

Members are requested to use this opportunity of resolving the issue by providing information in the specified format at the earliest. The information sought be sent DGFT e-mail id- lokesh.hd@nic.in under copy to the council id- deepak.gupta@chemexcil.gov.in & balani.lic@chemexcil.gov.in for records and future follow-ups.

The original Trade Notice is available for download using below link-

http://dgft.gov.in/Exim/2000/TN/TN17/trade%20notice.pdf

Thanking You,

NOTICE 13

EPC/LIC/DGFT/EP_Copy 23rd Feb 2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- DGFT, Further amendments in ANF 4F & 4G of Handbook of Procedures 2015-20, Option to submit self-certified Exporter Copy of shipping bill in Original

Dear Members,

The council has informed you recently that O/o DGFT, New Delhi had issued Public Notice no. 52/2015-2020 dated 12/01/2018 regarding amendments in Ayat Niryat Forms (ANF) 4A, 4E, 4F, 4G, 4H & 4I of Handbook of Procedures 2015-2020. As per the amendments, exporters had the option to submit Exporter Copy of shipping bill in original duly signed by the Customs authority concerned in lieu of EP copy of shipping bill for EODC. However, concerns were raised by the trade as the exporters copy was to be signed by the customs authority.

Taking note of the concerns, O/o DGFT, New Delhi has now issued Public Notice no. 63/2015-2020 dated 22/02/2018 wherein further amendment has been made in ANF 4F (Guidelines) used for EODC/ Redemption of Advance Authorisation.

As per the latest amendment, "Wherever printouts of EP Copy of shipping bill is not provided to exporters by Customs Authorities in terms of Circular No-55/2016-Customs dated 23.11.2016, applicant will have option to submit self-certified Exporter Copy of shipping bill in original"

Members availing the Advance Authorisation/ DFIA scheme are requested to take note and avail this relaxation. The said Public Notice is available for download using below link-

PUBLIC NOTICE NO.	DATE	SUBJECT
63/2015-2020	22.02.2018	Amendments in ANF 4F & 4G of Handbook of Procedures 2015-20.

http://dgft.gov.in/Exim/2000/PN/PN17/PN%2063%20eng.pdf

Thanking You,

NOTICE 14

EPC/LIC/IGST_REFUND_FAQ's 23/02/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT: - IGST Refund FAQ's, (issued by CBEC)

Dear Members,

The Council is getting lot of queries from the members regarding IGST refund delays due to matching errors/ corrective action to be taken. Some of these queries are also regularly put forth by council to CBEC/ GSTN for redressal and further clarity.

Taking note of the issues faced by the trade/ industry, Central Board of Excise and Customs (CBEC) has issued FAQ's on IGST Refunds on Goods Exported out of India.

The latest release covers various response codes/ errors (SBS001, SBS002, SBS003, SBS004, SBS005, and SBS006) and provides suggestions on rectification in an easy to understand manner.

In case your IGST refunds are stuck due to errors, please refer to the latest FAQ's issued by CBEC and do the needful. The link for the same available on JNCH portal and also provided below for download:

http://164.100.155.199/pdf/IGST_REFUND_FAQ.pdf

Persistent Queries/ Issues may be put forth to the new Grievance Redressal Portal (https://selfservice.gstsystem.in). The same may also be highlighted to the council on ed@chemexcil.gov.in& deepak.gupta@chemexcil.gov.in .

Thanking You,

NOTICE 15

EPC/LIC/GSTR-3B 24th Feb 2018

To,
THE MEMBERS OF THE COUNCIL

SUBJECT:-GST Portal, Advisory to Taxpayers on Improved GSTR-3B Return Filing Process

Dear Members,

As per updates on GST Portal (www.gst.gov.in), an improved GSTR-3B Return Filing Process has been made available for the taxpayers.

The features of the improved GSTR-3B are as follows:

- Filing of GSTR 3B Return made easier and user friendly.
- Optimum utilization of ITC is displayed by System, which however can be edited.
- The amount to be paid in cash after taking into account ITC, gets displayed.
- One click Challan preparation to avoid payment of tax under wrong heads.

Further details of above features are available in the advisory issued by the GST Portal which can be accessed using below link:

https://www.gst.gov.in/newsandupdates/read/184

Members are requested to take note of this new utility and do the needful accordingly. You may also send feed-back, if any, on our e-mail id's- deepak.gupta@chemexcil.gov.in & kalpana.acct@chemexcil.gov.in .

Thanking you

NOTICE 16

EPC/LIC/DGFT/PORTS 24th Feb 2018

To
ALL MEMBERS OF THE COUNCIL

SUBJECT:- DGFT, Inclusion of Seaports located at Dhamra Port and Dighi Port under Para 4.37 of Hand Book of Procedures 2015-20

Dear Members,

We would like to inform you that The Directorate General Of Foreign Trade (DGFT) has notified inclusion of Seaports located at Dhamra Port and Dighi Port as Port of Registration under paragraph 4.37(a) of Handbook of Procedures (2015-20).

As an effect of Public Notice No. 61/2015-2020 dated 16/02/2018, these ports are included as Port of Registration for availing export promotion benefits under Chapter 4 of Foreign Trade Policy.

Members are requested to take note of the same.

Thanking You,

NOTICE 17

EPC/LIC/IGST_REFUNDs 24/02/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-Very Imp, Alternative Mechanism for refund of IGST on export in case of invoice-Mismatch Cases (SBS005)

Dear Members,

As you are aware, IGST refunds in many cases have been delayed due to matching errors and limitations on corrective action to be taken.

The major errors that are committed by the exporters are-

a) incorrect Shipping bill numbers in GSTR 1

b) GSTIN declared in the shipping bill does not match with the GSTIN used to file the corresponding GST Returns

c) the most common error hampering refund is due to mismatch of invoice number, taxable value and IGST paid in the Shipping Bill vis-à-vis the same details mentioned in GSTR 1 /Table 6A which is the most common error hampering refund.

d) Another reason attributable to carriers is the non-filing or incorrect filing of electronic Export General Manifest (EGM).

In this regard CBEC has issued circular no Circular No. 05/2018-Customs dated 23/02/2018 with alternative mechanism to rectify various errors including the most common error (SBS005).

Alternative Mechanism for rectification of Invoice Mis-match error (SBS005)

Recognizing that invoice mis-match has been the major reason why the refunds have been held, it has been decided to provide an alternative mechanism to give exporters an opportunity to rectify such errors committed in the initial stages.

This envisages an officer interface on the Customs EDI System through which a Customs officer can verify the information furnished in GSTN and Customs EDI system and sanction refund in those cases where invoice details provided in GSTR 1/Table 6A are correct though the said details provided in the shipping bill were at variance.

It is pertinent to note that refund claims would be processed in only those cases where the error code is mentioned as SB005. Further, it may also be noted that all refunds shall continue to be credited electronically through the PFMS system, and no manual payment / cheque should be issued. The procedure for processing of IGST refund claims in these cases would be as follows:

- The exporter shall provide a concordance table indicating mapping between GST invoices and corresponding Shipping Bill invoices, as annexed in support of the refund claim to the designated officer in the Custom house. A scanned copy of concordance table may also be sent to dedicated email address of Customs location from where exports took place. The format of concordance table is annexed with this circular.
- Customs EDI system shall display list of all the invoices pertaining to such SBs vis-a-vis the invoice data received from GSTN. The officer shall verify the following:
    - Duly certified concordance table submitted by the exporter as per Annexure A indicating mapping between GST invoice and corresponding Shipping Bill invoice;
    - IGST taxable value and IGST amount declared in the Shipping Bill.
    - IGST details declared in the Shipping Bill should be in proportion to the goods actually exported.
- After determining the correct refund amount, the officer need to enter the same into the Customs EDI system. The officer has the facility to edit the IGST paid details in case of short shipment or incorrect calculation by the exporter. The officer shall complete the verification by accepting or rejecting or amending the same.
- Once all the invoices pertaining to Shipping Bill are verified by the officer, the system shall calculate the scroll amount against a shipping bill, after subtracting the drawback amount for each invoice where applicable, and display the refund amount to the officer for approval.
- Invoices in any particular GSTR 1 where refund is sanctioned shall be disabled in the system to prevent refund against same invoice in future.
- Once refund is sanctioned by the officer, the shipping bills would be available for generating scroll as per normal process.
- This procedure is available only for Shipping Bills filed till 31st December 2017.
- All Chief Commissioners are requested to issue Public Notice and Standing Orders, in this regard.

Members are requested to take note of the same and do the needful through your relevant Port/ customs house, if your refunds are stuck due to Invoice mismatch error. The original circular no Circular No. 05/2018-Customs dated 23/02/2018 is available for download using below link-

http://www.cbec.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2018/circ05-2018cs.pdf;jsessionid=4354E3AF1AAA006EEE337B833BA26A03

Issues if any may be highlighted to the council on ed@chemexcil.gov.in &deepak.gupta@chemexcil.gov.in .

Thanking You,

NOTICE 18

EPC/LIC/JNCH/ IGST/PFMS 26th Feb 2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- JNCH, List of exporters whose IGST refund has not been disbursed due to PFMS error

Dear Members,

Kindly note that JNCH portal (http://www.jawaharcustoms.gov.in/index1.php) has uploaded document having list of Exporters whose IGST refund has not been disbursed due to PFMS error.

The said list is attached for ready reference and also available for download using below link:

http://164.100.155.199/pdf/IGST_REFUND.pdf

Members are requested to take note and check. The concerned exporters whose account is rejected by PFMS, are advised to approach EDI SECTION, JNCH for updation of their account details with necessary documents as follows:

(i) Account details verified by concerned bank on exporter's letterhead

(ii) IEC Copy

(iii) PAN Copy

(iv) Authority Letter For Representative

(v) NOC from exporter and bank (in case of cancellation of present account and registration of a new one).

Members exporting through other custom Houses/ Ports, may also re-check for PFMS validation in case IGST refunds are delayed. Some of the other custom houses portal links are as follows:

http://www.ahmedabadcustoms.gov.in/Documents/pdf-document/Public%20Notice%202017/As%20on%2023.02.2018.xlsx

http://mundracustoms.gov.in/?page_id=3341

http://delhicustoms.gov.in/drawback-aircargo-export.html

http://accmumbai.gov.in/aircargo/index.html

Thanking You,

NOTICE 20

EPC/LIC/IGST_REFUNDs_SBS005 27/02/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-IGST Refunds, Designated officers for IGST refund on export in Invoice mis-match Cases-SBS005 (Alternative Mechanism with Officer Interface)

Dear Members,

This in continuation of our mailer dated 24/02/2018 informing you about CBEC circular No. 05/2018-Customs dated 23/02/2018 pertaining to alternative Mechanism for refund of IGST on export in case of invoice-Mismatch Cases (SBS005). This procedure is available only for Shipping Bills filed till 31st December 2017.

As per the alternative mechanism, there will be an officer interface on the Customs EDI System through which a Customs officer can verify the information furnished in GSTN and Customs EDI system and sanction refund in those cases where invoice details provided in GSTR 1/Table 6A are correct though the said details provided in the shipping bill were at variance.

In this regard, the concerned exporters shall provide a concordance table indicating mapping between GST invoices and corresponding Shipping Bill invoices, as annexed in above circular in support of the refund claim to the designated officer in the respective Custom house. A scanned copy of concordance table may also be sent to dedicated email address of Customs location from where exports took place.

Members having cases of error code i.e. SBS005 are requested to take note of the same and do the needful. In case you are not aware of the error code, please use IGST validation detail inquiry facility on ICEGATE for checking the same or visit the portals of concerned custom Houses. As per JNCH Public Notice No. 29/2018, the list of IECs and the shipping bills where invoice mis-match exists is being made available on the http://www.jawaharcustoms.gov.in/index1.php .

Designated Officer For Alternative Mechanism (JNCH, NhavaSheva)

The Jawaharlal Nehru Custom House, NhavaSheva has issued Public Notice no. 29/2018 dated 26.02.2018 providing following details of designated officer whom the concerned exporters have to mail the prescribed concordance table indicating mapping between GST invoices and corresponding shipping bill invoices in support of the refund claim:

Deputy Commissioner of Customs
Drawback
NS-II, JNCH
e-mail: igstrefundjnch@gmail.com
Tel: 022-27244708/27243039

Kindly also note that as per PN, Exporters and their CHA's are not required to visit JNCH for this purpose. However, difficulties, if any, may be brought to the notice of Deputy Commissioner of Customs, Drawback, NS-II, JNCH at A-403, 4th Floor, JNCH, NhavaSheva. Phone no. 022-27244708/27243039.

The JNCH PN 29/2018 dated 26/02/2018 is available for download using below link-http://164.100.155.199/pdf/PN-2018/PN_029.pdf

Regarding other Customs Houses/ Ports, we shall update you about the designated officers details in the due course once available. Concerned exporters may also arrange to check through their CHA's/ or visit the portals of some of the other custom houses using below links:

http://ahmedabadcustoms.gov.in/en/index.html

http://mundracustoms.gov.in/ http://www.kolkatacustoms.gov.in/

http://delhicustoms.gov.in/ http://accmumbai.gov.in/aircargo/index.html

http://www.chennaicustoms.gov.in/chennaicustoms/c1.php

Persistent issues, if any, may also be highlighted to the council on ed@chemexcil.gov.in& deepak.gupta@chemexcil.gov.in .

Thanking You

NOTICE 21

EPC/LIC/RBI/LOU 14/03/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- RBI Discontinuation of Letters of Undertaking (LoUs) and Letters of Comfort (LoCs) for Trade Credits

Dear Members,

Kindly note that the Reserve Bank of India (RBI) has issued A.P. (DIR Series) Circular No. 20 dated March 13, 2018 regarding discontinuation of the practice of issuance of LoUs/ LoCs for Trade Credits for imports into India by AD Category –I banks with immediate effect.

However, Letters of Credit and Bank Guarantees for Trade Credits for imports into India may continue to be issued subject to compliance with the provisions contained in Department of Banking Regulation Master Circular No. DBR. No. Dir. BC.11/13.03.00/2015-16 dated July 1, 2015 on "Guarantees and Co-acceptances", as amended from time to time.

Members are requested to take note of this important change and do the needful accordingly. Your feed-back on this change can also be sent on e-mail id's: ed@chemexcil.gov.in & deepak.gupta@chemexcil.gov.in. The original circular is available for download using below link-

https://rbidocs.rbi.org.in/rdocs/notification/PDFs/NOTI139F15274F2540046CE9C14E9DFEAA60941.PDF

Thanking You,

NOTICE 22

EPC/LIC/DGFT 15/03/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- DGFT Amendment in Chapter 2 of the Handbook of Procedure (2015-20)

Dear Members,

The O/o Director General of Foreign Trade, New Delhi has issued Public Notice no. 65/2015-2020 dated 13/03/2018 regarding amendment in Chapter 2 of the Handbook of Procedure (2015-20).

As an effect of this Public Notice, Para 2.86 of the Handbook of Procedure (2015-20) is deleted.

Kindly note that Para 2.86 of HBP deals with admissibility of duty credit scrip / discharge of EO applications in cases where payments are backed by Irrevocable Letter of Credit. The Para 2.86 reads as follows:

"2.86 Irrevocable Letter of Credit

In case where applicant applies for duty credit scrip / discharge of EO against confirmed irrevocable letter of credit (or bill of exchange which is unconditionally Avalised / Co-Accepted / Guaranteed by a bank) and this is confirmed and certified by exporter's bank in relevant Bank Certificate of Export and Realization, payment of export proceeds shall be deemed to have been realized. For Status Holders, irrevocable letter of credit would suffice"

Members are requested to take note of this amendment regarding deletion of Para 2.86 from HBP. The Public Notice no 65/2015-2020 dated 13/03/2018 is available for download using below link-

http://dgft.gov.in/Exim/2000/PN/PN17/PN%2065%20eng.pdf

Thanking you,

NOTICE 23

EPC/LIC/GST 15/03/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-GST Clarifications on exports related IGST/ ITC refund issues

Dear Members,

The Central Board of Excise and Customs, GST Policy Wing has issued Circular No. 37/11/2018-GST dated 15/03/2018 regarding Clarifications on exports related refund issues.

We understand that CBEC has received several representations seeking further clarifications on various issues relating to IGST/ ITC refunds on exports. In this regard, clarifications have been provided in the circular which are reproduced/ highlighted as follows:

- Non-availment of drawback in case of ITC refund:

The third proviso to sub-section (3) of section 54 of the CGST Act states that no refund of input tax credit shall be allowed in cases where the supplier of goods or services or both avails of drawback in respect of central tax.

It is now clarified that a supplier availing of drawback only with respect to basic customs duty shall be eligible for refund of unutilized input tax credit of central tax / State tax / Union territory tax / integrated tax / compensation cess under the said provision. It is further clarified that refund of eligible credit on account of State tax shall be available even if the supplier of goods or services or both has availed of drawback in respect of central tax.

- Amendment through Table 9 of GSTR-1:

It has been reported that refund claims are not being processed on account of mis-matches between data contained in FORM GSTR-1, FORM GSTR-3B and shipping bills/bills of export. In this connection, it may be noted that the facility of filing of Table 9 in FORM GSTR-1, an amendment table which allows for amendments of invoices/ shipping bills details furnished in FORM GSTR-1 for earlier tax period, is already available. If a taxpayer has committed an error while entering the details of an invoice / shipping bill / bill of export in Table 6A or Table 6B of FORM GSTR-1, he can rectify the same in Table 9 of FORM GSTR-1. It is advised that while processing refund claims on account of zero rated supplies, information contained in Table 9 of FORM GSTR-1 of the subsequent tax periods should be taken into cognizance, wherever applicable.

Local offices are also advised to refer to Circular No. 26/26/2017 - GST dated 29th December, 2017, wherein the procedure for rectification of errors made while filing the returns in FORM GSTR-3B has been provided. Therefore, in case of discrepancies between the data furnished by the taxpayer in FORM GSTR-3B and FORM GSTR-1, the officer shall refer to the said Circular and process the refund application accordingly.

- Exports without LUT:

Export of goods or services can be made without payment of integrated tax under the provisions of rule 96A of the Central Goods and Services Tax Rules, 2017 (the CGST Rules). Under the said provisions, an exporter is required to furnish a bond or Letter of Undertaking (LUT) to the jurisdictional Commissioner before effecting zero rated supplies. A detailed procedure for filing of LUT has already been specified vide Circular No. 8/8/2017 –GST dated 4th October, 2017. It has been brought to the notice of the Board that in some cases, such zero rated supplies have been made before filing the LUT and refund claims for unutilized input tax credit have been filed.

In this regard, it is emphasised that the substantive benefits of zero rating may not be denied where it has been established that exports in terms of the relevant provisions have been made. The delay in furnishing of LUT in such cases may be condoned and the facility for export under LUT may be allowed on ex post facto basis taking into account the facts and circumstances of each case.

- Exports after specified period:

Rule 96A (1) of the CGST Rules provides that any registered person may export goods or services without payment of integrated tax after furnishing a LUT / bond and that he would be liable to pay the tax due along with the interest as applicable within a period of fifteen days after the expiry of three months or such further period as may be allowed by the Commissioner from the date of issue of the invoice for export, if the goods are not exported out of India.

It has been reported that the exporters have been asked to pay integrated tax where the goods have been exported but not within three months from the date of the issue of the invoice for export. In this regard, it is emphasised that exports have been zero rated under the Integrated Goods and Services Tax Act, 2017 (IGST Act) and as long as goods have actually been exported even after a period of three months, payment of integrated tax first and claiming refund at a subsequent date should not be insisted upon. In such cases, the jurisdictional Commissioner may consider granting extension of time limit for export as provided in the said sub-rule on post facto basis keeping in view the facts and circumstances of each case. The same principle should be followed in case of export of services.

- Deficiency Memo (RFD-01A):

  If the RFD-01A application for refund is complete, an acknowledgement in FORM GST RFD-02 should be issued and CGST Rules provides for communication in FORM GST RFD-03 (deficiency memo) where deficiencies are noticed.

  The said sub-rule also provides that once the deficiency memo has been issued, the claimant is required to file a fresh refund application after the rectification of the deficiencies.

  In this connection, a clarification has been sought whether with respect to a refund claim, deficiency memo can be issued more than once. In this regard rule 90 of the CGST Rules may be referred to, wherein it has been clearly stated that once an applicant has been communicated the deficiencies in respect of a particular application, the applicant shall furnish a fresh refund application after rectification of such deficiencies. It is therefore, clarified that there can be only one deficiency memo for one refund application and once such a memo has been issued, the applicant is required to file a fresh refund application, manually in FORM GST RFD-01A. This fresh application would be accompanied with the original ARN, debit entry number generated originally and a hard copy of the refund application filed online earlier. It is further clarified that once an application has been submitted afresh, pursuant to a deficiency memo, the proper officer will not serve another deficiency memo with respect to the application for the same period, unless the deficiencies pointed out in the original memo remain unrectified, either wholly or partly, or any other substantive deficiency is noticed subsequently.

- Self-declaration for non-prosecution:

  It is representation that exporters are being asked for a self-declaration with every refund claim to the effect that the claimant has not been prosecuted. It is clarified that this requirement is already satisfied in case of exports under LUT and asking for self–declaration with every refund claim where the exports have been made under LUT is not warranted.

- Discrepancy between values of GST invoice and shipping bill/bill of export:

  It is clarified that the zero rated supply of goods is effected under the provisions of the GST laws. An exporter, at the time of supply of goods declares that the goods are for export and the same is done under an invoice issued under rule 46 of the CGST Rules. The value recorded in the GST invoice should normally be the transaction value. The same transaction value should normally be recorded in the corresponding shipping bill / bill of export.

  During the processing of the refund claim, the value of the goods declared in the GST invoice and the value in the corresponding shipping bill / bill of export should be examined and the lower of the two values should be sanctioned as refund.

- Refund of taxes paid under existing laws:

  CGST Act provides that refunds of tax/duty paid under the existing law shall be disposed of in accordance with the provisions of the existing law. It is observed that certain taxpayers have applied for such refund claims in FORM GST RFD-01A also. In this regard, the field formations are advised to reject such applications and pass a rejection order in FORM GST PMT-03 and communicate the same on the common portal in FORM GST RFD-01B. The procedures laid down under the existing laws viz., Central Excise Act, 1944 and Chapter V of the Finance Act, 1994 read with above referred sub-sections of section 142 of the CGST Act shall be followed while processing such refund claims.

  Furthermore, it has been brought to the notice of CBEC that the field formations are rejecting, withholding or re-crediting CENVAT credit, while processing claims of refund filed under the existing laws. In this regard, attention is invited to sub-section (3) of section 142 of the CGST Act which provides that the amount of refund arising out of such claims shall be refunded in cash. Further, the first proviso to the said sub-section provides that where any claim for refund of CENVAT credit is fully or partially rejected, the amount so rejected shall lapse and therefore, will not be transitioned into GST. Furthermore, it should be ensured that no refund of the amount of CENVAT credit is granted in case the said amount has been transitioned under GST. The field formations are advised to process such refund applications accordingly.

- Filing frequency of Refunds:

  Various representations have been received by CBEC regarding the period for which refund applications can be filed. Section 2(107) of the CGST Act defines the term "tax period" as the period for which the return is required to be furnished. The terms 'Net ITC' and 'turnover of zero rated supply of goods/services' are used in the context of the relevant period in rule 89(4) of CGST Rules. The phrase 'relevant period' has been defined in the said sub-rule as 'the period for which the claim has been filed'.

  In many scenarios, exports may not have been made in that period in which the inputs or input services were received and input tax credit has been availed. Similarly, there may be cases where exports may have been made in a period but no input tax credit has been availed in the said period. The above referred rule, taking into account such scenarios, defines relevant period in the context of the refund claim and does not link it to a tax period. In this regard, it is hereby clarified that the exporter, at his option, may file refund claim for one calendar month / quarter or by clubbing successive calendar months / quarters. The calendar month(s) / quarter(s) for which refund claim has been filed, however, cannot spread across different financial years.

- BRC / FIRC for export of goods:

  It is clarified that the realization of convertible foreign exchange is one of the conditions for export of services. In case of export of goods, realization of consideration is not a pre-condition. In rule 89 (2) of the CGST Rules, a statement containing the number and date of invoices and the relevant Bank Realisation Certificates (BRC) or Foreign Inward Remittance Certificates (FIRC) is required in case of export of services whereas, in case of export of goods, a statement containing the number and date of shipping bills or bills of export and the number and the date of the relevant export invoices is required to be submitted along with the claim for refund. It is therefore clarified that insistence on proof of realization of export proceeds for processing of refund claims related to export of goods has not been envisaged in the law and should not be insisted upon.

- Supplies to Merchant Exporters:

  Notification No. 40/2017 – Central Tax (Rate), dated 23rd October 2017 and notification No. 41/2017 – Integrated Tax (Rate) dated 23rd October 2017 provide for supplies for exports at a concessional rate of 0.05% and 0.1% respectively, subject to certain conditions specified in the said notifications.

  It is clarified that the benefit of supplies at concessional rate is subject to certain conditions and the said benefit is optional. The option may or may not be availed by the supplier and / or the recipient and the goods may be procured at the normal applicable tax rate.

  It is also clarified that the exporter will be eligible to take credit of the tax @ 0.05% / 0.1% paid by him. The supplier who supplies goods at the concessional rate is also eligible for refund on account of inverted tax structure as per the provisions of clause (ii) of the first proviso to sub-section (3) of section 54 of the CGST Act. It may also be noted that the exporter of such goods can export the goods only under LUT / bond and cannot export on payment of integrated tax. In this connection, notification No. 3/2018-Central Tax, dated 23.01.2018 may be referred.

- Requirement of invoices for processing of claims for refund:

  It was envisaged that only the specified statements would be required for processing of refund claims because the details of outward supplies and inward supplies would be available on the common portal which would be matched. However, because of delays in operationalizing the requisite modules on the common portal, in many cases, suppliers' invoices on the basis of which the exporter is claiming refund may not be available on the system. For processing of refund claims of input tax credit, verifying the invoice details is quintessential. In a completely electronic environment, the information of the recipients' invoices would be dependent upon the suppliers' information, thus putting an in-built check-and-balance in the system. However, as the refund claims are being filed by the recipient in a semi-electronic environment and is completely based on the information provided by them, it is necessary that invoices are scrutinized.

- List of documents required for processing the various categories of refund claims on exports is provided in the Table available in the circular. Apart from the documents listed in the Table, no other documents should be called for from the taxpayers, unless the same are not available with the officers electronically

These instructions shall apply to exports made on or after 1st July, 2017.

Members are requested to take note of above clarifications regarding export related IGST/ ITC refund issues. The original circular is available for download using below link-

http://www.cbec.gov.in/resources//htdocs-cbec/gst/circularno-37-cgst.pdf

Persistent issues, if any, may also be highlighted to the council on ed@chemexcil.gov.in& deepak.gupta@chemexcil.gov.in .

Thanking You,

NOTICE 24

EPC/LIC/CBEC/e_SANCHIT 16/03/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-Online Application for uploading the supporting documents i.e. e-SANCHIT shall be made mandatory for Bills of Entry filed w.e.f 01.04.2018

Dear Members ,

This is in continuation of our recent mailer informing you about mandatory implementation of e-SANCHIT w.e.f 15/03/2018.

Now as per latest updates on CBEC/ICEGATE portals, Online Application for uploading the supporting documents i.e. e-SANCHIT, shall be made mandatory from 01.04.2018.

All Customs Brokers and self-filers are requested to start filing Bill of Entry using e-SANCHIT.

Members are requested to take note of this measure and also inform their CHA's/ Logistics Providers to do the needful accordingly.

For additional information on e-SANCHIT, Procedure for electronic document upload & FAQ's etc, please use below link for reference:

https://www.icegate.gov.in/eSANCHIT.html

Thanking you

CHEMEXCIL BULLETIN ADVERTISEMENT TARIFF

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SR. NO.	POSITION OF ADVERTISEMENT	SIZE OF ADVERTISEMENT	RATE OF COLOR ADVERTISEMENT RATE			RATE OF BLACK AND WHITE ADVERTISEMENT		
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2	HALF PAGE (HORIZONTAL)	18 CM WD X 11.5 CM HT	7000	1260	8260	4600	828	5428
3	HALF PAGE (VERTICAL)	8.5 CM X 23.5 CM	7000	1260	8260	4600	828	5428
4	QUARTER PAGE	8.5 CM WD. X 11.5 CM HT.	5000	900	5900	2300	414	2714
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6	INSIDE COVER PAGES (FULL PAGE)	18 CM WD X 23.5 CM HT	15000	2700	17700	NA		
7	BACK COVER INSIDE (FULL PAGE)	18 CM WD X 23.5 CM HT	12000	2160	14160	NA		
8	BACK COVER (FULL PAGE)	18 CM WD X 23.5 CM HT	20000	3600	23600	NA		

NOTE

- Rates quoted above are per insertion basis (For single insertion) and not for whole year.
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- Only ColourAdvts will be entertained on Cover Positions.
- No Classified Advertisements will be entertained
- For further details such as series discounts, etc
  please contact on : ed@chemexcil.gov.in;adreach@chemexcil.gov.in

GLIMPSES OF CAPINDIA - 2018

Mr. S.G. Bharadi Executive Director, Chemexcil escorting Hon. Chief Guest Shri. Suresh Prabhu, Hon'ble Union Minister of Commerce & Industry and CivilAviation, Govt. of India during CAPINDIA 2018 inauguration

Buyer Seller Meet in progress during CAPINDIA 2018 at Hall 1, of Bombay Exhibition Center, Goregaon.

View of Chemexcil pavilion at CAPINDIA 2018

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