**Implementation of Duty Free Import Scheme during 2021-22**

**For import of lining and interlining materials by Leather Garments exporters**

**Procedure for Issue of Export Performance Certificates (EPC)**

**and Import Certificates (IC) – reg.**

Members may please note that the following procedure will apply in issue of EPC and IC during the financial year April 2021 to March 2022.

1. Serial No. 288 of the Customs Notification (Tariff) No.50/2017 dt.30.06.2017 states that the lining and inter lining materials falling under Chapter Nos. 43, 52, 54, 55, 56, 58, 59 or 60 can be imported by manufacturers of leather garments or by a merchant exporter tied-up with supporting manufacturer of leather garments to an extent of 2% of FOB value of exports in the previous year subject to fulfillment of following condition No.28 of the aforesaid Customs Notification.
2. The Council for Leather Exports is issuing necessary certificates namely Export Performance Certificate (EPC) and Import Certificates (IC) to eligible members in terms of Sl.Nos.288 of the aforesaid Customs Notification (Tariff) No.50/2017 dated 30.06.2017 under the Duty Free Import Scheme.

**Condition No. 28 applicable for Leather Garments exporters for import of lining and interlining materials as per S. No. 288 of Cus. Not. No. 50/2017 dated 30.6.17**

“If (a) the goods are imported

(i) by a manufacturer of textile garments or leather garments; or

(ii) by a merchant exporter tied up with supporting manufacturer of textile garments or leather garments,

for use in the manufacture of textile garments or leather garments for export by that manufacturer directly or through a merchant exporter, as the case may be, and that the said manufacturer or merchant-exporter is registered with the Apparel Export Promotion Council or Council for Leather Exports, or as the case may be, Handloom Export Promotion Council: and

(aa) the entitlement certificate issued by respective export promotion councils shall carry the name of supporting manufacturers along with the name of the merchant- exporter in case the goods are exported by a merchant exporter.”;

(b) the total value of lining and inter-lining materials imported **shall not exceed 2 percent of the said FOB value.**

(c) the importer produces a certificate from the Apparel Export Promotion Council or Council for Leather Exports, as the case may be, or Handloom Export Promotion Council, certifying the value of exports made during the financial year mentioned in clause (b) above, and also the value and quantity of goods already imported under this notification during the current financial year;

(d) the importer produces a certificate from Apparel Export Promotion Council or Council for Leather Exports, as the case may be, or Handloom Export Promotion Council, certifying that the lining and inter-lining materials shall not be put to any other use or sold in the market except in the manufacture of textile garments or leather garments; and

(e) there is a doubt as to the usability of lining and interlining materials in relation to the export product, the Commissioner of Customs, for reasons to be recorded in writing, orders drawal of sample at the time of export to verify such use;

**3 Operative Guidelines for implementing the Duty Free Import Scheme (DFIS) for import of lining and interlining materials of Leather Garment exporters**

**3.1 Eligibility**

Only those exporters who are registered as members with the “Council for Leather Exports” are eligible for availing the DFIS. The eligible exporters should have valid RCMC and they should be on the membership roll of the Council.

**3.2 Issuance of Export Performance Certificate (EPC)**

* An application for obtaining Export Performance Certificate (EPC) for the preceding financial year i.e., (2020-21) shall be submitted to the Council in the prescribed format enclosed herewith **at Annexure - I**, along with required declarations prescribed therein.
* The details to be furnished in the application shall pertain to the export bills realized during 2020-21 as evidenced by the Bank Realization Certificate given by the Bank or Certificate of Chartered Accountant.
* Applicant-exporters are required to furnish correct and complete information certifying the realization of leather garment export proceeds by the banker/chartered accountant. The EPC shall be issued only on the basis of export realization.
* Such applications shall be submitted to the respective Regional Offices of the Council. In respect of members of Southern Region, such applications may be submitted to Head Office
* The Council will process the applications and will issue the Export Performance Certificate, duly allotting specific Serial Number, wherein the duty free import entitlement @ 2% of FOB value of export realization for import of lining and interlinaing materials for Leather Garments exporters will also be mentioned.

**3.3 Issuance of Import Certificates**

For each import clearance of lining and interlining materials, the exporters are required to follow the following procedure.

* At the time of import, the exporter will apply to the concerned office of the Council from where the EPC has been obtained. **Such applications should be submitted online. Format of the application is at Annexure II. The online application mode will be in operation w.e.f. April 5, 2021.**
* The Council, upon receipt of the said application, will upload the Import Certificate (IC) in the Customs ICEGATE website. The DRN/IRN number for the Import Certificate will be sent to the registered e-mail ID of the exporter and this may be produced to Customs for availing duty free imports of permitted items under DFIS.
* The Council will issue the IC for the first consignment specifying the previous import as Nil.
* An Affidavit duly notarized have to be submitted along with application. The specimen of Affidavit is enclosed at [**Annexure-III**](http://www.leatherindia.org/policy_guide3_anx3.asp).

The member-exporters are required to follow the above procedure for each subsequent import consignment to avail DFIS.

**The Council reserves the right to call for any other documents/ information that may be relevant for the purpose of issuing Export Performance Certificate and Import Certificates under the DFIS.**

**3.4 Payment of ‘Service Charges’ to the Council under DFIS**

* Applications should be accompanied by ‘service charges’ in the form of Demand Draft or Banker’s Pay Order or through NEFT in favour of **‘Council for Leather Exports’**. In case of NEFT the payment transfer confirmation/ UTR number should accompany the application.

CLE BANK DETAILS

|  |  |
| --- | --- |
| Name of the Account | Council for Leather Exports |
| Name of the Bank | Canara Bank |
| Branch | Park Town Branch, Chennai |
| Type of Account | Savings |
| Account No | 0976101016996 |
| IFSC Code | CNRB0000976 |

* OPTION 1 – At the time of making application for issue of Export Performance Certificate: One time payment of an amount equivalent to 0.04% of previous year’s FOB value of export realization as certified by bank for each Certificate issued plus GST of 18%.

***Note: The minimum service charge payable for issue of EPC is Rs.4000/- + 18% Goods & Services Tax = Total Rs.4720/-***

* OPTION-2 – At the time of making application for issue of Import Certificate: Each time payment of an amount equivalent to 2% of the CIF value of import at the time of import plus Goods & Services Tax of 18%.

Note: The minimum service charge payable for this option is Rs.200/- + 18% Goods & Services Tax = Total Rs.236/- for issue of every IC.

\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*

Annexure - I

COUNCIL FOR LEATHER EXPORTS

**(Sponsored by Ministry of Commerce & Industry, Government of India)**

Application for Export Performance Certificate (EPC) for

Leather Garments Exporters (2020-21) for import of lining and interlining materials

***(Applicable for exports made during April 2020 to March 2021)***

|  |  |
| --- | --- |
| Name of the Company |  |
| RCMC No. issued by CLE |  |
| Date of issue of RCMC |  |
| RCMC valid upto |  |
| Import Export Code No.  issued by DGFT office |  |

**Instructions**

1. As per Serial No. 288 of Customs Notification (Tariff) No.50/2017-Customs, dated June 30, 2017, as amended from time to time, Manufacturer Exporters of Leather Garments as well as Merchant Exporters tied-up with Supporting Manufacturers are eligible to avail the facility of the Duty Free Import Scheme (DFIS) for import of lining and interlining materials .
2. Such Manufacturer-Exporters or Merchant Exporters tied-up with Supporting Manufacturers should be registered with Council for Leather Exports and should have valid Registration-Cum-Membership-Certificate (RCMC) issued by Council.
3. As per serial No. 288 of the aforesaid Customs Notification (Tariff) No.50/2017-Customs dated June 30, 2017, read with condition No. 28, the import of lining and interlining materials will be restricted to 2% of FOB value of export realization in the previous year.
4. Registered Merchant Exporters for Leather Garments who are tied-up with Supporting Manufacturers should provide Name & Address of supporting Manufacturers in the application. A copy of Agreement between Merchant exporter & supporting Manufacturer is to be submitted along with the application.
5. FOB value of Export Realisation will be considered only to the extent of the export of Leather Garments manufactured and/or exported by the member-exporter under consideration.
6. For availing the Export Performance Certificate, the member-exporter has to submit to the Council in soft copy, the details of their FOB value of export realization by giving the Invoice Number & Date, Product Exported, Realized Amount & Date of Realization, and Bank Details in Excel Sheets either via e-mail or in CD format. This is in addition to submitting the Hard Copy duly signed by the Exporter and countersigned by the Banker/ Chartered Accountant to the respective Regional Offices of the Council.
7. The Value of the Export Performance Certificate for Leather Garments for any single member- exporter can be revised twice during the financial year. That is, two supplementary EPCs can be issued by CLE in case
8. The Council reserves the right to call for any other documents/ information that may be relevant for the purpose of issuing Export Performance Certificate and import certificates under the DFIS

Service Charges Payment:

A. We hereby wish to make onetime payment of service charges of an amount equal to 0.04% of the previous year's FOB value of export (rounded off in tens, for example if the service charge payment is Rs.4002/-, it may be rounded off to Rs.4010/-) plus 18% Goods & Services Tax towards issue of Export Performance Certificate (decimals to be rounded off, for example if the service tax value is Rs.721.80, it may be rounded off to Rs.722/-). **Accordingly, we are sending payment of Rs.\_\_\_\_\_\_\_\_\_\_\_ through NEFT. The payment confirmation is enclosed.**

Note: The minimum service charge payable for issue of EPC is Rs.4000/- + 18% Goods & Service Tax Rs.4000+720 i.e. total of Rs.4720/-

OR

B. We are choosing the option of paying service charges @ 2% of the CIF value of import plus 18% Goods & Services Tax at the time of issuance of Import Certificates.

Note: The minimum service charge payable for issue of Import Certificate I/C is Rs.200/- + 18% Goods & Services Tax, Rs.200+36 i.e. Total Rs.236/-

(Strike out whichever is not applicable to you)

Name of the authorized signatory :

Designation :

Signature :

Company Seal :

Contact Details:

Name of the Dealing Person :

Telephone/Mobile :

**STATEMENT OF EXPORT REALISATION OF LEATHER GARMENTS**

**DURING FINANCIAL YEAR 2020 - 21**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sl. No.** | **Invoice No.** | **Date** | **Leather Garments**  **Exported** | **FOB Value**  **(in Rs.)** | **Date of**  **Realisation** |
| 1 |  |  |  |  |  |
| 2 |  |  |  |  |  |
| 3 |  |  |  |  |  |
| 4 |  |  |  |  |  |
| 5 |  |  |  |  |  |
| 6 |  |  |  |  |  |
| 7 |  |  |  |  |  |
| 8 |  |  |  |  |  |
| 9 |  |  |  |  |  |
| 10 |  |  |  |  |  |
| 11 |  |  |  |  |  |
| 12 |  |  |  |  |  |
| 13 |  |  |  |  |  |
| 14 |  |  |  |  |  |
| 15 |  |  |  |  |  |
| 16 |  |  |  |  |  |
| 17 |  |  |  |  |  |
| 18 |  |  |  |  |  |
| 19 |  |  |  |  |  |
| 20 |  |  |  |  |  |

**DECLARATION –CUM-UNDERTAKING**

**OF EXPORT REALISATION DURING FINANCIAL YEAR 2020 - 21**

1. I/We declare that we have realized a sum of Rs.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Rupees\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_) during the period from\_\_\_\_\_\_\_\_\_\_\_\_ to\_\_\_\_\_\_\_\_\_\_ as Export realisation calculated on FOB Basis in respect of product namely **Leather Garments.**

2. It is further declared that the export realisation given herein relates to the Leather Garments manufactured and exported by us/ manufactured by supporting manufacturer *(strike out whichever is not applicable)* as per terms of Customs Notification No.50/2017 dated 30.6.2017*.*

**3.**I/We hereby confirm and declare that the statement made above is true and correct to the best of our knowledge and belief. I/We hereby undertake to state that our company shall be solely responsible for all the legal consequences arising in the event of the above statement being found to be incorrect or false and our 'Export Performance Certificate' will be cancelled and we shall be liable for any other penal action that may be taken by the Council for Leather Exports or Government of India under the relevant rules.

Name of the authorized signatory :

Designation :

Signature :

Company Seal :

Date :

**EXPORT REALISATION DURING FINANCIAL YEAR 2020-21**

**CERTIFICATE OF BANKER**

We declare that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Name of the company) realized a sum of Rs.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Rupees\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_) during the period from\_\_\_\_\_\_\_\_\_\_\_\_ to\_\_\_\_\_\_\_\_\_\_ as Export realisation calculated on FOB Basis in respect of product namely Leather Garments.

The above mentioned statement is verified and found correct as per our Bank Records.

Name of Bank with complete address :

Name of the signatory :

Designation :

Signature & Seal :

EXPORT REALISATION DURING FINANCIAL YEAR 2020-21

CERTIFICATE OF CHARTERED ACCOUNTANT

We declare that \_\_\_\_\_\_\_\_\_\_\_\_\_ (Name of the company) realized a sum of Rs.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Rupees\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_) during the period from\_\_\_\_\_\_\_\_\_\_\_\_ to\_\_\_\_\_\_\_\_\_\_ as Export realisation calculated on FOB Basis in respect of product namely Leather Garments.

The above mentioned statement is verified and found to be correct as per the Books of the Company and that the export realisaton certified here in relates to the goods/products manufactured and exported by this Company.

Name of the Chartered Accountant/ :

Firm and CA Registration Number :

Complete address & Seal :

Signature & Date :

Annexure - II

Application Proforma for issue of ‘Import Certificate’ for Leather Garment Exporters under for import of lining and interlining materials as per Customs Notification (Tariff) No.50/2017-Customs dated June 30, 2017, as amended from time to time.

***(TO BE SUBMITTED ONLINE BY THE APPLICANT EXPORTER)***

|  |  |  |
| --- | --- | --- |
| Name of the exporter |  | |
| RCMC No. issued by CLE |  | |
| Date of issue of RCMC |  | |
| RCMC valid upto |  | |
| Import Export Code No. issued by DGFT office |  | |
| Details of Export Performance Certificate issued by the Council | EPC No. | Duty Free entitlement in Rs |
|  |  |
| Details of Import Certificate used for previous import | IC No. | Value of IC in Rs. |
|  |  |

6. Details of lining and interlining materials for which Import Certificate is sought. :

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Sl. No. | Item | Quantity | Value (Rs.) | | Bill of Entry No.& Date |
|  |  |  |  | |  |
|  |  |  |  | |  |
| **Total** | | |  | |  |
| 7. Country of Import | | | |  | |
| 8.Overseas Supplier’s Name & Address | | | |  | |

9. Quantity & Value of Import of lining and interlining materials already effected during 2020-21 *as per Serial No. 311 of Customs Notification (Tariff) No. 50/2017- Custom, dated June 30, 2017, as amended from time to time*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Sl. No. | Already imported | Quantity | Unit | Value |
| 1 | Lining and interlining materials |  |  |  |

Name and designation of the authorised signatory :

Signature & Seal of the authorised signatory  **:**

ENCLOSURES:

1. Work Sheet in the form of ‘checklist’ Bill of Entry issued by Customs for the proposed import consignment. (OR)
2. Bill of Entry concerning imports to be made under Customs Notification No.50/2017-Customs, dated June 30, 2017, as amended from time to time.
3. For importing lining & inter lining material, falling under Customs Tariff Chapter No. 43,52,54,55,56,58,59 or 60 as per S. No.288 of Customs Notification (Tariff) 50/2017 dated 30.6.2017 (as amended) the applicant have to submit an Affidavit duly sworn in before Notary Public/Oath Commissioner, as per prescribed Format given at Annexure - III.
4. NEFT (Bank Transfer) for Rs……...........…… in favour of ‘Council for Leather Exports’ towards the service charges payable for issuance of Import Certificate (in case applicant has chosen every time payment option)

Annexure - III

# SPECIMEN OF AFFIDAVIT TO BE SUBMITTED BY MANUFACTURER-EXPORTER OF LEATHER GARMENTS OR MERCHANT EXPORTER TIED-UP WITH MANUFACTURER EXPORTER FOR IMPORT OF LINING AND INTERLINING MATERIALS IN TERMS OF SERIAL NO. 288 OF CUSTOMS NOTIFICATION (TARIFF) NO. 50/2017 DATED 30.06.2017

**AFFIDAVIT**

**(ON RS.20/- STAMP PAPER DULY NOTARIZED)**

This is with reference to our request dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_for issue of Import Certificate to import Lining/Inter-lining materials falling under Customs Tariff chapter No. 43, 52, 54, 55, 56, 58, 59 or 60 under Sl.No.288 read with condition No. 28 of the Custom Notification (Tariff) No.50/2017 dated 30.06.2017 as amended from time to time and against Export Performance Certificate Number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_within the balance entitlement amount. (Restricted to 2% of FOB value of Leather Garments exported and value realized during 2020-21).

We hereby undertake that the lining/inter-lining materials upon import will not be put to any other use or sold in the market except in the manufacture of Leather Garments for exports, in terms of the condition No.28 of Customs Notification (Tariff) No.50/2017-Customs dated June 30, 2017, as amended from time to time.

We understand fully that any violation of the conditions of the aforesaid Customs Notification (Tariff) No.50/2017-Customs dated June 30, 2017 shall be construed as malpractice and will render us liable to penal and/or any other action under the provisions of the Customs Act 1962, criminal law and any other act or rule as may be applicable and that such action may be resorted to against us without any opportunity or show cause notice to us, and we hereby indemnify **COUNCIL FOR LEATHER EXPORTS (CLE)** from any such action on account of our misuse/violation of condition as aforesaid.

SIGNATURE OF AUTHORISED REPRESENTATIVE :

NAME OF AUTHORISED REPRESENTATIVE :

NAME AND ADDRESS OF THE EXPORTER :

SEAL OF THE EXPORTER :

DATED:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

PLACE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

NAME AND ADDRESS OF THE NOTARY :

SIGNATURE AND SEAL OF THE NOTARY :