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Sub: Extension in the Export Obligation period of specified Advance & EPCG Authorisations till 31.12.2021

Dear Members,

Chairman AEPC had made representations to the Government of India on extension of the Export Obligation period on various occasions. We are happy to inform you that these requests have been accepted and the Directorate General of Foreign Trade (DGFT) has now issued a Notification No. 28/2015-2021 dated 23/09/2021 on the subject by making the following amendments in the Hand Book of the procedure 2015-20:-

2. Advance Authorisations

- a) For Advance Authorisations, where original or extended Export Obligation (EO) period is expiring during the period between 01.08.2020 and 31.07.2021, the Export Obligation period would be extended till 31.12.2021 without any composition fees. However this extension is subject to 5% additional export obligation in value terms (in free Foreign Exchange) on the balance Export Obligation on the date of expiry of the original/extended export obligation period.
- b) The option to avail EO extensions with payment of composition fees would remain available for these authorizations as per eligibility.
- c) In cases where Advance Authorisation Holder has already obtained EO extension upon the payment of composition fee, the refund of the composition fee will not be permitted.

3. EPCG Authorisations

- a) For EPCG Authorisations, where original or extended Export Obligation (EO) period is expiring during the period between 01.08.2020 and 31.07.2021, the Export

Obligation period would be extended till 31.12.2021 without any composition fees. However this extension is subject to 5% additional export obligation in value terms (in free Foreign Exchange) on the balance Export Obligation on the date of expiry of the original/extended export obligation period.

b) The option to avail EO extensions with payment of composition fees would remain available for these authorizations as per eligibility.

c) In cases where EPCG Authorisation Holder has already obtained EO extension upon the payment of composition fee, the refund of the composition fee will not be permitted.

4. Customs authorities shall allow export accordingly and EO fulfillment details as per above provisions will be checked/verified by the RA at the time of EODC/Closure/Regularisation. Authorisation Holders need not approach RA or make any application to avail this benefit.

The effect of the notification would be that it will provide another option to avail extension in Export Obligation period till 31.12.2021 in case of specified Advance Authorisations and EPCG Authorisations is provided without any composition fees subject to 5% additional export obligation on balance exports to be fulfilled. This is in addition to EO extensions facility (upon payment of the composition fees) already provided in FTP/HBP.

For detailed information, may please refer to the attached notification.

With warm regards,

Yours sincerely,

Dr. L.B.Singhal
Secretary General
AEPC