

AEPC Circular No- 87.

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Secretary General-AEPC

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April 13, 2022.

Dear Members,

Sub: Re-operationalization of Scrip Transfer Recording Modules – reg

Members of trade and industry are aware that various digital initiatives have been initiated by the Department of Commerce, Directorate General of Foreign Trade recently with an objective to provide transparent, paperless, contactless, online services to the trade community.

Earlier, the online scrip transfer recording module was suspended by the DGFT after receipt of certain information from the trade that certain fraudulent scrip transfers have taken place. Now, the Department of Commerce, Directorate General of Foreign Trade vide its Trade Notice No 01/2022-23 dated 11.04.2022 has decided to re-operationalize the IT module, which was put in place through Trade Notice No 42/2015-20 dated 11.01.2019 and Trade Notice No. 03/2015-2020 dated 03.04.2019 with additional features/limitations.

The link to access the Trade Notice No 01/2022-23 dated 11.04.2022 is given below:-

<https://content.dgft.gov.in/Website/dgftprod/87ead081-ff6e-4130-884a-39f55a0bd404/Trade%20Notice.pdf>

2. The following additional features have been added to the Scrip Transfer Recording Module:

(a) Introduction of time-lag for transfer of scrip from the original scrip owner to the next transferee i.e. the original owner of the scrip (A) will not be able to transfer the scrip to another entity (B) on an immediate basis and will be able to do that after 'n' number of days from the scrip issue date.

(b) Introduction of time-lag for scrip transfer from one entity to another i.e. the next scrip transfer from entity B to entity C can take place after 'x' number of hours of the last transfer.

(c) Introduction of time-lag for transfer of scrip subsequent to IEC modification i.e. once IEC has been modified in the IT database, the IEC holder will be able to transfer scrips only after 'x' number of hours of IEC modification date/time.

(d) Introduction of limit on the number of scrip transfers which can be initiated for transfer or accepted by each IEC per day i.e. 'y' number of scrips can only be initiated for transfer or transfer accepted by each IEC per day.

(e) Email and SMS notifications to IEC holder and Directors/Partners attached to IEC on the following trigger points:

1. Transfer of Scrips

2. Modification of IEC – Change in email / mobile for correspondence and changes in director/partner section

3. Linking of Users to IEC

(f) Automatic de-linking of Users from IEC every 6 (six) months;

(g) Automatic de-linking of Digital Signature and Aadhaar Registration every 90 (Ninety) days

(h) Certain IECs which have been 'flagged' in the IT database based on certain Rules like the same mobile number linked to more than 3 (Three) IECs, PAN mismatch, Director/Partner name

mis-match will not be allowed to use the Scrip Transfer Recording Module until this Flag is suitably rectified by the IEC holder.

3. The trade is requested to follow the necessary due diligence as per Trade Notice No 26 dated 26.11.2021 (copy enclosed), ensure safe custody of their digital dongles (DSCs) and review their IEC user profile, SMS/Email communications being sent to them on a regular basis and report any untoward incident to the concerned authorities. Trade is also required to get in touch with the concerned Certifying Agencies (CA) authorized by Controller of Certifying Authority (CAA) under the IT Act if any unauthorized issuance / usage of DSC is noticed for corrective actions including cancellation of such DSC.

4. The original duty scrip holder is required to register the duty credit scrip at the Port of Registration with Customs and the 'transfer' of scrips from one IEC to another IEC will be as per the negotiated terms & conditions between the buyer and the seller. DGFT / Customs shall not be responsible for any lapse between the transferor or the transferee (old or new owner of the scrips) or any dispute in this regard.

This issues for the information of the trade.

With warm regards,

Yours sincerely,

(Dr. L B Singhal)

Secretary General-AEPC

Enclosure: As above.