

Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Foreign Trade
Udyog Bhawan, New Delhi

Trade Notice No. 18/2016 Dated 23rd September 2016

To

All RAs of DGFT
Department of Revenue
Members of Trade
Export Promotion Councils

Subject: Clarification in respect of definition of service provider under Common Service Providers (CSP) in Export Promotion Capital Goods (EPCG) scheme.

The issue has arisen whether EPCG authorizations can be issued to a person who does job work for the exporter of goods, as a CSP under para 5.02 read with para 1.35 of Foreign Trade Policy (FTP) 2015-20.

2. In light of Para 9.00 of the FTP 2015-20 which states as under:

“For purpose of FTP, unless context otherwise requires, the following words and expressions shall have the following meanings attached to them”

and in terms of para 2.57 of the FTP 2015-20, it is hereby clarified that in the context of common service providers under the EPCG scheme dealt with in Para 5.02 of the FTP the definition of service provider includes job workers of the type illustrated in the example below.

Example – there may be multiple garment exporters obtaining services at different stages of garment manufacturing (such as knitting, dyeing, compacting, printing, embroidering, labelling, cutting etc.) from a number of other units who own these facilities but do not engage in the export of garments. The arrangement gives flexibility to exporters to not own all the infrastructures for conversion from input to final export products.

3. In such cases the provisions of DoR exemption Notification no. 16/2015 Customs are to be complied with.
4. This issues with the approval of competent authority.



(Kumar Rahul)

Deputy Director General of Foreign Trade
Email: kumar.rahul@nic.in

Issued from F.No. 18/03/AM-17/PC-5