

E-BOOK



Service Exports from India Scheme (SEIS)

Service Exports from India Scheme

Note: In this E-book, attempts have been made to explain about **Service Export from India Scheme (SEIS)**. It is expected that it will help departmental officers in their day to day work.

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Abbreviations used in this E-Book

AIIS:	Agri. Infrastructure Incentive Scheme
ANF:	Aayaat-Niryaat Form
BTP:	Bio-technology Park
CBEC:	Central Board of Excise & Customs
CENVAT:	Central Value Added Tax
CPC Code:	Central Product Classification Code (of UN)
DoR:	Department of Revenue
DGFT:	Directorate General of Foreign Trade
EDI:	Electronic Data Interface
EHTP:	Electronic Hardware Technology Park
EOU:	Export Oriented Units
FMS:	Focus Market Scheme
FOB:	Free on Board
FPO:	Foreign Post Office
FPS:	Focus Product Scheme
FTP:	Foreign Trade Policy
HBP:	Handbook of Procedures
ITC (HS):	Import Tariff Classification (Harmonised System)
MEIS:	Merchandise Exports from India Scheme
MLFPS:	Market Linked Focus Product Scheme
RA:	Regional Authorities
RCMC:	Registration Cum Membership Certificate
SFIS:	Serve from India Scheme
STP:	Software Technology Park
TRA:	Transfer Release Advice
VKGUY:	Vishesh Krishi and Gram Udyog Yojana

1. Introduction

1.1 In the new Foreign Trade Policy-2015-2020, with effect from 1.4.2015, Service Exports from India Scheme (in short, also known as SEIS) has been announced by the Government.

1.2 It not only replaces Served from India scheme (SFIS) available under the Foreign Trade Policy 20109-2014, but it rationalize the incentives under the erstwhile schemes, removes various kind of restrictions of use of scrip issued under the Scheme and significantly enlarges the scope of the earlier scheme. Unlike earlier Scheme, this scheme has been made applicable to exports by SEZ units.

1.3 SEIS shall apply to 'Service Providers located in India' instead of 'Indian Service Providers'. Thus SEIS provides for rewards to all Service providers of notified services, who are providing services from India, regardless of the constitution or profile of the service provider. The present rates of reward are 3% and 5% of net foreign Exchange Earning.

2. Objective of the Scheme

2.1. Objective of Service Exports from India Scheme (SEIS) is to encourage export of notified Services from India. This Scheme has been announced on 01.04.2015 under the New Foreign Trade Policy- 2015-2020 and has come into effect from 1.4.2015. In other words, the rewards under the scheme are admissible on exports of notified services rendered on or after 1.4.2015.

3. Salient Features of the Scheme at a glance

- Apply to 'Service Providers located in India' instead of 'Indian Service Providers'.
- Provides for rewards to all Service providers of notified services, who are providing exporting services from India, regardless of the constitution or profile of the service provider
- Rate of reward under SEIS are based on net foreign exchange earned.
- Reward issued as duty credit scrip is freely transferable and usable for all types of goods and service tax Debits on procurement of services / goods.

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- Debits are eligible for CENVAT credit or drawback.
- Certain specified categories of services are not eligible for benefit under the Scheme.
- Scrip can be used for payment of (i) Customs Duties for import of inputs or goods, except items listed in Appendix 3A; (ii) Payment of excise duties on domestic procurement of inputs or goods, including capital goods and (iii) Payment of service tax on procurement of services (iv) Payment of Customs Duty and fee as per paragraph 3.18 of this Policy.
- The services and rates of rewards notified are applicable for services export made between 01.4.2015 to 30.09.2015 only. The list of services/rate is subject to review with effect from 01.10.2015.

4. Legal Provisions at a Glance

Sr. No.	Act/Rules/Notification /Circular/Policy/Handbook/ Appendix and annexures	Subject/ explanation
1.	Foreign Trade Policy (Paragraphs 3.07 to 3.19)	Lays down substantive policy provisions of the Scheme.
2.	Handbook of procedure (Paragraphs 3.04 to 3.19)	Provides procedural aspects including timelines to be followed by the exporter for availing benefit under the Scheme.
3.	Notifications/Circulars/Public Notices issued by DGFT	
	Public Notice No. 3/2015-2020, dated 1.4.2015	List of eligible services, rates and conditions for rewards under the Services Exports from India Scheme (SEIS) is notified.
4.	Relevant Appendices of the Appendices & ANFs	
	Appendix-3A	List of items not allowed for import under Export From India Schemes under Chapter 3, unless otherwise specified.
	Appendix-3D	List of services eligible under Service Export From India Schemes.
	Appendix-3E	List of services where payment has been received in Indian rupees which can be treated as receipt in deemed foreign exchange as per guidelines of RBI. Yet to be notified by DGFT .
5.	Relevant Aayaat-Niryaat Forms (ANFs)	
	ANF-3B	Application Form for service Export from India Scheme (SEIS)
6.	Notifications/Circulars/ Instructions issued by the Department of Revenue	

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6.1	Notification No. 25/2015-Customs, dated 08.04.15
6.2	Notification No.21/2015-CE, dated 08.04.15
6.3	Notification No.11/2015-ST, dated 08.04.15.

5. **Eligibility Criterion for Reward under the Scheme (Ref: Para 3.08 of the FTP)**

- Service Providers of notified services, located in India, eligible for reward under SEIS, subject to conditions as may be notified.
- Only Services rendered in **Mode I: Cross Border Trade** i.e. Supply of a 'service' from India to any other country and **Mode-2: Consumption abroad** Supply of a 'service' from India to service consumer(s) of any other country only are eligible.
- Supply of service through **Mode 3 – Commercial Presence-** i.e.- Supply of a 'service' from India through commercial presence in any other country and **Mode 4- Presence of natural persons** i.e. Supply of a 'service' from India through the presence of natural persons in any other country- **not eligible for reward under the scheme**
- The notified services and rates of rewards are as per Appendix 3D.
- Minimum net free foreign exchange earnings criterion prescribed is US\$15,000 in preceding financial year for eligibility under the Scheme.
- For Individual Service Providers and sole proprietorship, such minimum net free foreign exchange earnings criterion is US\$10,000 in preceding financial year.
- Payment in Indian Rupees for service charges earned on specified services (listed in Appendix 3E) to be treated as receipt in deemed foreign exchange.
- In case of IEC holder being manufacturer of goods as well as service provider, then the foreign exchange earnings and Total expenses / payment / remittances to be taken into account for service sector only.
- To claim reward, Service provider is required to have an active IEC at the time of rendering such services.

6. **Ineligible categories under SEIS (Ref: Paragraph 3.09 of the FTP)**

- Foreign exchange remittances other than those earned for rendering of notified services would not be counted for entitlement.

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- Other sources of foreign exchange earnings such as equity or debt participation, donations, receipts of repayment of loans etc. and any other inflow of foreign exchange, unrelated to rendering of service, - **not eligible** for benefit under the Scheme.
- Following is not to be considered for calculation of entitlement under the scheme
 - (a) Foreign Exchange remittances:
 - I. Related to Financial Services Sector
 - (i) Raising of all types of foreign currency Loans;
 - (ii) Export proceeds realization of clients;
 - (iii) Issuance of Foreign Equity through ADRs / GDRs or other similar instruments;
 - (iv) Issuance of foreign currency Bonds;
 - (v) Sale of securities and other financial instruments;
 - (vi) Other receivables not connected with services rendered by financial institutions; and
 - II. Earned through contract/regular employment abroad (e.g. labour remittances);
 - (i) Payments for services received from EEFC Account;
 - (ii) Foreign exchange turnover by Healthcare Institutions like equity participation, donations etc.
 - (iii) Foreign exchange turnover by Educational Institutions like equity participation, donations etc.
 - (iv) Export turnover relating to services of units operating under SEZ / EOU / EHTP / STPI / BTP Schemes or supplies of services made to such units;
 - (v) Clubbing of turnover of services rendered by SEZ / EOU / EHTP / STPI / BTP units with turnover of DTA Service Providers;
 - (vi) Exports of Goods.
 - (vii) Foreign Exchange earnings for services provided by Airlines, Shipping lines service providers plying from any foreign country X to any foreign country Y routes not touching India at all.
 - (viii) Service providers in Telecom Sector.

7. List of services where payment received in Indian rupees to be treated as Deemed Foreign Exchange

[Yet to be notified by DGFT]

8. Utilisation of Scrip: List of items not allowed for import/or Scrips not be used for payment of Customs duty on specified Items(Ref: Appendix-3A of the Appendices and ANFs)

The Scrips issued under the Scrip is not allowed to be used for payment of duty on import of the following Commodities:

- (1) Garlic, Peas and all other Vegetables with a Duty of more than 30% under Chapter 7 of ITC (HS) Classification of Export and Import items.
- (2) Coconut, Areca Nut, Oranges, Lemon, Fresh Grapes, Apple and Pears and all other fruits with a Duty of more than 30% under Chapter 8 of ITC (HS) Classification of Export and Import items.
- (3) All Spices with a Duty of more than 30% under Chapter 9 of ITC (HS) Classification of Export and Import items (except Cloves)
- (4) Tea, Coffee and Pepper as per Chapter 9 of ITC (HS) Classification of Export and Import items.
- (5) All Oil Seeds under Chapter 12 of ITC (HS) Classification of Export and Import items.
- (6) Natural Rubber as per Chapter 40 of ITC (HS) Classification of Export and Import items.
- (7) Capital Goods
 - (i) General-purpose agricultural tractors above 25 HP and upto 75 HP.
 - (ii) Stationary Diesel Engines.
 - (iii) Irrigation pumps.
 - (iv) Threshers for cereals.
 - (v) Combine harvesters suitable only for wheat and paddy crops.
 - (vi) Animal driven implements.

9. Services and Rate of Reward

Service eligible for reward under the scheme and rate of reward is as given in Table below.

Table

Sl No	SECTORS	Admissible rate
1	BUSINESS SERVICES	
A	PROFESSIONAL SERVICES Legal services, Accounting, auditing and bookkeeping services,	5%

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	Taxation services, Architectural services , Engineering services, Integrated engineering services, Urban planning and landscape architectural services, Medical and dental services, Veterinary services, Services provided by midwives, nurses, physiotherapists and paramedical personnel.	
B	RESEARCH AND DEVELOPMENT SERVICES R&D services on natural sciences, R&D services on social sciences and humanities, Interdisciplinary R&D services .	5%
C.	RENTAL/LEASING SERVICES WITHOUT OPERATORS Relating to ships, Relating to aircraft, Relating to other transport equipment, Relating to other machinery and equipment	5%
D	OTHER BUSINESS SERVICES Advertising services, Market research and public opinion polling services Management consulting service, Services related to management consulting, Technical testing and analysis services, Services incidental to agricultural, hunting and forestry, Services incidental to fishing, Services incidental to mining, Services incidental to manufacturing, Services incidental to energy distribution, Placement and supply services of personnel, Investigation and security, Related scientific and technical consulting services, Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment), Building- cleaning services, Photographic services, Packaging services, Printing, publishing and Convention services.	3%
2	COMMUNICATION SERVICES Audiovisual services Motion picture and video tape production and distribution service, Motion picture projection service, Radio and television services, Radio and television transmission services, Sound recording	5%
3	CONSTRUCTION AND RELATED ENGINEERING SERVICES General Construction work for building, General Construction work for Civil Engineering, Installation and assembly work, Building completion and finishing work	5%
4	EDUCATIONAL SERVICES (Please refer Note 1) Primary education services, Secondary education services, Higher education services, Adult education	5%
5	ENVIRONMENTAL SERVICES Sewage services, Refuse disposal services, Sanitation and similar services	5%
6	HEALTH-RELATED AND SOCIAL SERVICES Hospital services	5%
7	TOURISM AND TRAVEL-RELATED SERVICES	
A.	Hotels and Restaurants (including catering)	
a.	Hotel	3%
b.	Restaurants (including catering)	3%
B.	Travel agencies and tour operators services	5%
C.	Tourist guides services	5%

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8	RECREATIONAL, CULTURAL AND SPORTING SERVICES (other than audiovisual services) Entertainment services (including theatre, live bands and circus services), News agency services, Libraries, archives, museums and other cultural services, Sporting and other recreational services	5%
9	TRANSPORT SERVICES (Please refer Note 2)	
A.	Maritime Transport Services Passenger transportation*, Freight transportation*, Rental of vessels with crew*, Maintenance and repair of vessels, Pushing and towing services, Supporting services for maritime transport	5%
B.	AIR TRANSPORT SERVICES Rental of aircraft with crew, Maintenance and repair of aircraft, Airport Operations and ground handling	5%
C	ROAD TRANSPORT SERVICES Passenger transportation, Freight transportation, Rental of Commercial vehicles with operator, Maintenance and repair of road transport equipment, Supporting services for road transport services	5%
D.	Services Auxiliary To All Modes Of Transport Cargo-handling services, Storage and warehouse services, Freight transport agency services	5%

Note:

(1) Under education services, SEIS shall not be available on Capitation fee.

(2) *Operations from India by Indian Flag Carriers only is allowed under Maritime transport services

[Note: For details, please refer to Appendix 3D of the Appendices & ANFs]

10. Important Procedural Aspects of the Scheme

10.1 Filing of Application

- An application for grant of duty credit scrip for eligible services rendered shall be filed online for a financial year on annual basis in ANF 3B using digital signature.
- RA to process the application received online after due scrutiny

10.2 Transitional Arrangement(Ref: Para 3.05 of HBP)

- Up to 30.06.2015, applicants in respect of exports on which SFIS are claimed has following choices:-
 - To file applications in the manner prescribed in the previous policy(ies)

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- To file application under new procedure prescribed (under HBP 2015-2020 for SEIS)
- From 1.7.2015, all applications to be submitted under new procedure only.

10.3 Determination of Jurisdictional Officer of Regional Authority of DGFT (Ref: Paragraph 3.06 of HBP)

- Applicant to have option to choose Jurisdictional RA on the basis of Corporate Office/ Registered Office/Head Office/ Branch Office address endorsed on IEC for submitting application/ applications. .
- Option need to be exercised at the beginning of financial year.
- Once an option is exercised, no change would be allowed for claims relating to that year.

10.4 Port of Registration under SEIS (Ref: Paragraph 3.08 of HBP)

- In case of scrip applied under SEIS, the applicant can choose any port as port of registration and mention it in the application at the appropriate column.
- RA will issue the scrip with such port of registration.
- Such Duty credit scrip needs to be registered at the port of registration of duty credit. Once registered at EDI port, scrip can be automatically be used at any EDI port for import and at any manual port under Telegraphic Release Advise (TRA) procedure.
- In case port of registration is a manual port, TRA shall be required for imports at any other port.

10.5 Last date of filing of application for Duty Credit Scrips (Ref: Para 3.15 of HBP)

- 12 months from the end of relevant financial year of claim period.

10.6 Validity period and Revalidation (Ref.: Paragraph 3.13 of HBP)

- Duty Credit Scrip to be valid for a period of 18 months from the date of issue and must be valid on the date on which actual debit of duty is made.
- Revalidation of Duty Credit Scrip shall not be permitted unless validity has expired while in custody of Customs Authority / RA.

10.7 Facility for Split Scrips (Ref: Paragraph 3.09 of the HBP)

- On request, split certificates of Duty Credit Scrip subject to a minimum of Rs. 5 Lakh each and multiples thereof may also be issued, at the time of application.

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- After issuance, splits certificates permitted with same port of registration as appearing on the original Scrip- in respect of EDI enabled ports.
- The facility of splits not allowed after issue of Scrip- in case of export through non-EDI ports.

10.8 Procedure to upload documents by Chartered Accountant/Company Secretary/Cost Accountant(Ref: Paragraph 3.10 of HBP)

- Some of the Annexures attached to ANF-3B, ANF-3C and ANF-3D- are required to be signed by these Chartered Accountant / Company Secretary / Cost Accountant signatories.
- E -procedure being developed to upload digitally signed documents by the above said signatories.
- Till such time, such annexures attached to ANF-3B, ANF-3C, ANF-3D would continue to be submitted in physical form to RA.
- After creation of such facility, Exporter will be required to link digitally uploaded annexure with his online applications.

10.9 Import from private / public Bonded warehouses (Ref: Paragraph 3.11 of HBP and Paragraph 2.36 of FTP)

- Entitlement allowed to be used for import from private / public bonded warehouses subject to fulfillment of paragraph 2.36 of FTP and terms and conditions of DoR notification.

10.10 Re-export of defective/unfit goods (Ref: Paragraph 3.12 of HBP) :

- Goods imported, which are found defective or unfit for use, may be re-exported, as per DoR guidelines.
- Where Duty Credit Scrip has been used for imports, Customs shall issue a certificate containing particulars of Scrip used, date of import of re-exported goods and amount debited while importing such goods.
- Based on this certificate, upon application, a fresh Scrip shall be issued by concerned RA to extent of 98% of debited amount, with same port of registration and valid for a period equivalent to balance period available on date of import of the defective / unfit goods.

11. Reference Material

11.1 Text of Relevant Provisions of FTP

3.00 Objective: The objective of schemes under this chapter is to provide rewards to exporters to offset infrastructural inefficiencies and associated costs involved and to provide exporters a level playing field.

3.01 Exports from India Schemes: There shall be following two schemes for exports of Merchandise and Services respectively:

- (i) Merchandise Exports from India Scheme (MEIS).
- (ii) Service Exports from India Scheme (SEIS).

3.02 Nature of Rewards: Duty Credit Scrips shall be granted as rewards under MEIS and SEIS. The Duty Credit Scrips and goods imported / domestically procured against them shall be freely transferable. The Duty Credit Scrips can be used for :

- (i) Payment of Customs Duties for import of inputs or goods, except items listed in Appendix 3A.
- (ii) Payment of excise duties on domestic procurement of inputs or goods, including capital goods as per DoR notification.
- (iii) Payment of service tax on procurement of services as per DoR notification.
- (iv) Payment of Customs Duty and fee as per paragraph 3.18 of this Policy.

3.07 Objective: Objective of Service Exports from India Scheme (SEIS) is to encourage export of notified Services from India.

3.08 Eligibility:

- (a) Service Providers of notified services, located in India, shall be rewarded under SEIS, subject to conditions as may be notified. Only Services rendered in the manner as per Para 9.51(i) and Para 9.51(ii) of this policy shall be eligible. The notified services and rates of rewards are listed in Appendix 3D.
- (b) Such service provider should have minimum net free foreign exchange earnings of US\$15,000 in preceding financial year to be eligible for Duty Credit Scrip. For Individual Service Providers and sole proprietorship, such minimum net free foreign exchange earnings criteria would be US\$10,000 in preceding financial year.
- (c) Payment in Indian Rupees for service charges earned on specified services, shall be treated as receipt in deemed foreign exchange as per guidelines of Reserve Bank of India. The list of such services is indicated in Appendix 3E.
- (d) Net Foreign exchange earnings for the scheme are defined as under:
$$\text{Net Foreign Exchange} = \text{Gross Earnings of Foreign Exchange} - \text{Total expenses / payment / remittances of Foreign Exchange by the IEC holder, relating to service sector in the Financial year.}$$
- (e) If the IEC holder is a manufacturer of goods as well as service provider, then the foreign exchange earnings and Total expenses / payment / remittances shall be taken into account for service sector only.

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- (f) In order to claim reward under the scheme, Service provider shall have to have an active IEC at the time of rendering such services for which rewards are claimed.

3.09 Ineligible categories under SEIS

- (1) Foreign exchange remittances other than those earned for rendering of notified services would not be counted for entitlement. Thus, other sources of foreign exchange earnings such as equity or debt participation, donations, receipts of repayment of loans etc. and any other inflow of foreign exchange, unrelated to rendering of service, would be ineligible.
- (2) Following shall not be taken into account for calculation of entitlement under the scheme
- (a) Foreign Exchange remittances:
- I. Related to Financial Services Sector
- (i) Raising of all types of foreign currency Loans;
 - (ii) Export proceeds realization of clients;
 - (iii) Issuance of Foreign Equity through ADRs / GDRs or other similar instruments;
 - (iv) Issuance of foreign currency Bonds;
 - (v) Sale of securities and other financial instruments;
 - (vi) Other receivables not connected with services rendered by financial institutions; and
- II. Earned through contract/regular employment abroad (e.g. labour remittances);
- (b) Payments for services received from EEFC Account;
- (c) Foreign exchange turnover by Healthcare Institutions like equity participation, donations etc.
- (d) Foreign exchange turnover by Educational Institutions like equity participation, donations etc.
- (e) Export turnover relating to services of units operating under SEZ / EOU / EHTP / STPI / BTP Schemes or supplies of services made to such units;
- (f) Clubbing of turnover of services rendered by SEZ / EOU / EHTP / STPI / BTP units with turnover of DTA Service Providers;
- (g) Exports of Goods.
- (h) Foreign Exchange earnings for services provided by Airlines, Shipping lines service providers plying from any foreign country X to any foreign country Y routes not touching India at all.
- (i) Service providers in Telecom Sector.

3.10 Entitlement under SEIS: Service Providers of eligible services shall be entitled to Duty Credit Scrip at notified rates (as given in Appendix 3D) on net foreign exchange earned.

3.11 Remittances through Credit Card and other instruments for MEIS and SEIS: Free Foreign Exchange earned through international credit cards and other instruments, as permitted by RBI shall also be taken into account for computation of value of exports.

3.12 Effective date of schemes (MEIS and SEIS) : The schemes shall come into force with effect from the date of notification of this Policy, i.e. the rewards under MEIS/SEIS shall be admissible for exports made/services rendered on or after the date of notification of this Policy.

3.13 Special Provisions

- (a) Government reserves the right in public interest, to specify export products or services or markets, which shall not be eligible for computation of entitlement of duty credit scrip.
- (b) Government reserves the right to impose restriction / change the rate/ ceiling on Duty Credit Scrip under this chapter.
- (c) Government may also notify goods in Appendix 3A which shall not be allowed for debiting through Duty Credit Scrips in case of import.
- (d) Government may prescribe value cap of any kind for a product(s) or limit total reward per IEC holder under this chapter at any time.

Common Provisions for Exports from India Schemes (MEIS and SEIS)

3.14 Transitional Arrangement : For the goods exported or services rendered upto the date of notification of this Policy, which were otherwise eligible for issuance of scrips under erstwhile Chapter 3 of the earlier Foreign Trade Policy(ies) and scrip is applied / issued on or after notification of this Policy against such export of goods or services rendered, the then prevailing policy and procedure regarding eligibility, entitlement, transferability, usage of scrip and any other condition in force at the time of export of goods or rendering of the services, shall be applicable to such scrips.

3.15 CENVAT/ Drawback : Additional Customs duty/excise duty/Service Tax paid in cash or through debit under Duty Credit scrip shall be adjusted as CENVAT Credit or Duty Drawback as per DoR rules or notifications. Basic Custom duty paid in cash or through debit under Duty Credit scrip shall be adjusted for Duty Drawback as per DoR rules or notifications.

3.16 Import under lease financing : Utilization of Duty Credit Scrip shall be permitted for payment of duty in case of import of capital goods under lease financing in terms of provision in paragraph 2.34 of FTP.

3.17 Transfer of export performance

- (a) Transfer of export performance from one IEC holder to another IEC holder shall not be permitted. Thus, a shipping bill containing name of applicant shall be counted in export performance / turnover of applicant only if export proceeds from overseas are realized in applicant's bank account and this shall be evidenced from e - BRC / FIRC.

- (b) However, MEIS, rewards can be claimed either by the supporting manufacturer (along with disclaimer from the company / firm who has realized the foreign exchange directly from overseas) or by the company/ firm who has realized the foreign exchange directly from overseas.

3.18 Facility of payment of custom duties in case of E.O. defaults and fee through duty credit scrips

- (a) Duty Credit Scrip can be utilised / debited for payment of Custom Duties in case of EO defaults for Authorizations issued under Chapters 4 and 5 of this Policy. Such utilization /usage shall be in respect of those goods which are permitted to be imported under the respective reward schemes. However, penalty / interest shall be required to be paid in cash.
- (b) Duty credit scrips can also be used for payment of composition fee under FTP, for payment of application fee under FTP, if any and for payment of value shortfall in EO under para 4.49 of HBP 2015-20.

3.19 Risk Management System

- (a) A Risk Management System shall be in operation whereby every month Computer system in DGFT Headquarters, on random basis, will select 10% of cases for each RA where scrips have already been issued, under each scheme. RA in turn may call for original documents in all such selected cases for further examination in detail. In case any discrepancy and/ or over claim is found on such examination, the applicant shall be under obligation to rectify such discrepancy and/or refund over claim in cash with interest at the rate prescribed under section 28 AA of the Customs Act 1962, from the date of issue of scrip in the relevant Head of Account of Customs within one month. The original holder of scrip, however, may refund such over claim by surrendering the same scrip whether partially utilized or fully unutilized, without interest.
- (b) Regional Authority may ask for original proof of landing certificate, annexures attached to ANFs or any other document, which has been uploaded digitally at any time within three years from the date of issue of scrip. Failure to submit such documents in original would make applicant liable to refund the reward granted along with interest at the rate prescribed under section 28 AA of the Customs Act 1962, from the date of issuance of scrip. It would be the responsibility of applicant to maintain such documents, certificate etc. for a period of at least three years from the date of issuance of scrips.

11.2 Text of Relevant Provisions of HBP.

3.04 Service Exports From India Scheme (SEIS)

- (a) Policy for Service Exports From India Scheme (SEIS) is given in Chapter 3 of FTP.

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- (b) An application for grant of duty credit scrip for eligible services rendered shall be filed online for a financial year on annual basis in ANF 3B using digital signature.
- (c) RA shall process the application received online after due scrutiny.

Common Procedural features applicable to MEIS and SEIS, unless specifically provided for:

3.05 Transitional Arrangement

- (a) For the goods exported or services rendered upto the date of notification of current Foreign Trade Policy, which were otherwise eligible for issuance of scrip under erstwhile chapter 3 of the earlier Foreign Trade Policy (ies) and scrip is applied on or after the date of notification of current Foreign Trade Policy against such export of goods or services rendered, the application shall be made to Jurisdictional RA in the form with documents as prescribed in the HBP v I 2009-2014.
- (b) Upto 30th June 2015, applicants in respect of exports on which FPS/MLFPS /FMS/ VKGUY/ SFIS are claimed, shall have a choice to file applications in the manner prescribed in the previous policy (ies) or in the manner given in paragraph 3.01 or paragraph 3.04, as applicable, of HBP 2015-20. From 1st July 2015, all such applications shall be submitted in the manner given in paragraph 3.01 or paragraph 3.04, as applicable, of HBP 2015-20 only.
- (c) Applicants shall continue to file application in respect of SHIS, IEIS and Agri Infrastructure incentive scheme scrip in the application form and manner prescribed in the previous policy (ies).

3.06 Jurisdictional RA / RA Concerned

Applicant shall have option to choose Jurisdictional RA on the basis of Corporate Office/ Registered Office/Head Office/ Branch Office address endorsed on IEC for submitting application/applications under MEIS and SEIS. This option need to be exercised at the beginning of financial year. Once an option is exercised, no change would be allowed for claims relating to that year. To illustrate, if an exporter has chosen RA Chennai for claiming rewards for exports made in 2015-16, then all claims for exports made in 2015-16, irrespective of the date of application shall be made to RA Chennai only.

3.07 Applicability of Provisions contained in Chapter 2 and 9 of this HBP: Provisions contained in Chapter 2 and 9 of this HBP shall apply to MEIS and SEIS.

3.08 Port of Registration of Scrips

- (a) Port of Registration under MEIS would be as follows:
 - (i) Duty Credit Scrip (including splits) under MEIS shall be issued with a single port of registration which shall be the port of export.
 - (ii) Duty credit scrip needs to be registered at the port of exports. This is to be done prior to allowing usage of duty credit. Once registered at EDI port, scrip can be automatically used at any EDI port for import and at any manual port under Telegraphic Release Advise (TRA) procedure.

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- (iii) In case port of registration is a manual port, TRA shall be required for imports at any other port.
- (b) In case of scrip applied under Service Exports from India Scheme, the applicant can choose any port as port of registration and mention it in the application at the appropriate column. RA will issue the scrip with such port of registration. Such Duty credit scrip needs to be registered at the port of registration of duty credit. Once registered at EDI port, scrip can be automatically be used at any EDI port for import and at any manual port under Telegraphic Release Advise (TRA) procedure. In case port of registration is a manual port, TRA shall be required for imports at any other port.

3.09 Facility for Split Scrips

- (a) On request, split certificates of Duty Credit Scrip subject to a minimum of Rs. 5 Lakh each and multiples thereof may also be issued, at the time of application.
- (b) Once Duty Credit Scrip has been issued, request for splits can be permitted with same port of registration as appearing on the original Scrip. The above procedure shall be applicable only in respect of EDI enabled ports.
- (c) In case of export through non-EDI ports, the facility of splits shall not be allowed after issue of Scrip.

3.10 Procedure to upload documents by Chartered Accountant / Company Secretary / Cost Accountant

- (a) In order to move towards paperless processing of reward schemes, an electronic procedure is being developed to upload digitally signed documents by Chartered Accountant/Company Secretary/Cost Accountant. Such documents like annexure attached to ANF-3B, ANF-3C and ANF-3D, which are at present signed by these signatories, can be facilitated by this procedure.
- (b) Till such time it is made mandatory to upload these annexure digitally, such annexures attached to ANF 3B, ANF3C, ANF3D would continue to be submitted in physical form to RA.
- (c) Exporter shall link digitally uploaded annexure with his online applications after creation of such facility.

3.11 Import from private / public Bonded warehouses :Entitlement can be used for import from private / public bonded warehouses subject to fulfillment of paragraph 2.36 of FTP and terms and conditions of DoR notification.

3.12 Re-export of defective / unfit goods : Goods imported which are found defective or unfit for use, may be re-exported, as per DoR guidelines. Where Duty Credit Scrip has been used for imports, Customs shall issue a certificate containing particulars of Scrip used, date of import of re-exported goods and amount debited while importing such goods. Based on this certificate, upon application, a fresh Scrip shall be issued by concerned RA to extent of 98% of debited amount, with same port of registration and valid for a period equivalent to balance period available on date of import of the defective / unfit goods.

3.13 Validity period and Revalidation: Duty Credit Scrip shall be valid for a period of 18 months from the date of issue and must be valid on the date on which actual debit of duty is

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made. Revalidation of Duty Credit Scrip shall not be permitted unless covered under paragraph 2.20(c) of HBP.

3.14 Declaration of Intent on shipping bills for claiming rewards under MEIS including export of goods through courier or foreign post offices using e-Commerce.

- (a) Export shipments filed under all categories of the Shipping Bills would need the following declaration on the Shipping Bills in order to be eligible for claiming rewards under MEIS: “We intend to claim rewards under Merchandise Exports From India Scheme (MEIS)”. Such declaration shall be required even for export shipments under any of the schemes of Chapter 4 (including drawback), Chapter 5 or Chapter 6 of FTP. In the case of shipping bills (other than free shipping bills), such declaration of intent shall be mandatory with effect from 1st June 2015.
- (b) Whenever there is a decision during the financial year to include any new product/goods or new markets then to avail such rewards:
 - (i) For exports of such products/goods, to such markets, a grace period of one month from the date of notification/public notice will be allowed for making this declaration of intent.
 - (ii) After the grace period of one month, all exports (of such products/goods or to such markets) would have to include the declaration of intent on all categories of shipping bills.
 - (iii) For exports made prior to date of notification/public notice of products/markets, such a declaration would not be required since such exports would have already taken place.

3.15 Last date of filing of application for Duty Credit Scrips

- (a) Application for obtaining Duty Credit Scrip under MEIS shall be filed within a period of :
 - (i) Twelve months from the Let Export (LEO) date or
 - (ii) Three months from the date of :
 - (1) Uploading of EDI shipping bills onto the DGFT server by Customs.
 - (2) Printing/ release of shipping bills for Non EDI shipping bills.whichever is later, in respect of shipments for which claim is being filed.
- (b) For SEIS, the last date for filing application shall be 12 months from the end of relevant financial year of claim period.

3.16 Application for Shipments from EDI Ports and Non-EDI Ports under MEIS

- (a) Shipments from EDI Ports and Non-EDI Ports cannot be clubbed in one application.
- (b) Port of registration for EDI enabled ports shall be the port of export. Accordingly separate application shall be filed for each EDI port.
- (c) In case of exports through non-EDI port, the port of registration shall be the relevant non EDI port of exports. Accordingly separate application shall be filed for each non EDI port.

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- (d) Multiple applications can be filed and supplementary cut shall not be applicable. However, an application can be filed with upto a maximum of 50 shipping bills.

3.17 Risk Management System

The policy relating to Risk Management System is given in Paragraph 3.19 of FTP. The Risk Management System shall be in operation as under:-

- (a) Computer System in DGFT HQ, on random basis, will select 10% of cases for each RA which has issued scrips in the preceding month by 10th of the month.
- (b) The list of such selected cases will be sent to concerned RA by NIC by 15th of the month.
- (c) Concerned RA, will in turn, ask for the original documents by 30th of the month for examination in detail.
- (d) The applicant shall be under obligation to submit the document asked for in the next 15 days.
- (e) Concerned RA in turn will examine such documents in next 15 days. In cases, there is any deficiency the applicant shall rectify it in next one month from the date of communication by RA. In case of excess avilment of rewards, the applicant shall refund the excess claim with interest as prescribed in paragraph 3.19 of FTP.
- (f) In case the applicant fails to submit the original documents/ rectify the deficiencies / refund the excess claim as stipulated above, RA will initiate action as per FTDR Act and Rules.

11.3 Text of Relevant Appendices

11.3.1 APPENDIX - 3A

List of items not allowed for import under Export from India Schemes under Chapter 3, unless otherwise specified

(Please read Para 3.02 of FTP)

Sl. No.	Name of the Product
01	Garlic, Peas and all other Vegetables with a Duty of more than 30% under Chapter 7 of ITC (HS) Classification of Export and Import items.
02	Coconut, Areca Nut, Oranges, Lemon, Fresh Grapes, Apple and Pears and all other fruits with a Duty of more than 30% under Chapter 8 of ITC (HS) Classification of Export and Import items.
03	All Spices with a Duty of more than 30% under Chapter 9 of ITC (HS) Classification of Export and Import items (except Cloves)
04	Tea, Coffee and Pepper as per Chapter 9 of ITC (HS) Classification of Export and Import items.
05	All Oil Seeds under Chapter 12 of ITC (HS) Classification of Export and Import items.
06	Natural Rubber as per Chapter 40 of ITC (HS) Classification of Export and Import items.
07	Capital Goods (i) General-purpose agricultural tractors above 25 HP and upto 75 HP. (ii) Stationary Diesel Engines. (iii) Irrigation pumps. (iv) Threshers for cereals.

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	(v) Combine harvesters suitable only for wheat and paddy crops. (vi) Animal driven implements.
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11.4 APPENDIX- 3D:

List of Services eligible under Service Exports from India Scheme (SEIS)

(Kindly see para 3.07 to 3.12 of FTP and Para 3.04 of HBP and other common procedural features applicable to SEIS)

Vide DGFT Public Notice No. 03/2015-2020, dated 01.04.2015, the Government notified Appendix-3D to the Appendices and ANFs.

- Note 1:** The services and rates of rewards notified against them shall be applicable for services export made between 1-4-2015 to 30-09-2015 only. The list of services/rate is subject to review with effect from 1-10-2015.
- Note 2:** The rate of reward for eligible services is subject to conditions as specified in FTP and HBP.
- Note 3:** For Educational Services, SEIS reward shall not be available on Capitation Fee.
- Note 4:** Under Maritime Transport Services marked with *[9A (a), (b) and (c)], the reward shall be limited to Operations from India by Indian Flag Carriers only.

List of Services

S.No.	SECTORS	Central product Classification (CPC) Code	Admissible rate in % (on Net Foreign Exchange earnings)
1	BUSINESS SERVICES		
A.	<u>Professional services</u>		
a.	Legal services	861	5
b.	Accounting, auditing and bookkeeping services	862	5
c.	Taxation services	863	5
d.	Architectural services	8671	5
e.	Engineering services	8672	5
f.	Integrated engineering service	8673	5
g.	Urban planning and landscape architectural services	8674	5
h.	Medical and dental services	9312	5
i.	Veterinary services	932	5
j.	Services provided by midwives, nurses, physiotherapists and paramedical personnel	93191	5
B.	<u>Research and development services</u>		

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a.	R&D services on natural sciences	851	5
b.	R&D services on social sciences and humanities	852	5
c.	Interdisciplinary R&D services	853	5
C.	<u>Rental/Leasing services without operators</u>		
a.	Relating to ships	83103	5
b.	Relating to aircraft	83104	5
c.	Relating to other transport equipment	83101 83102 83105	5
d.	Relating to other machinery and equipment	83106-83109	5
D.	<u>Other business services</u>		
a.	Advertising services	871	3
b.	Market research and public opinion polling services	864	3
c.	Management consulting service	865	3
d.	Services related to management consulting	866	3
e.	Technical testing and analysis services	8676	3
f.	Services incidental to agricultural, hunting and forestry	881	3
g.	Services incidental to fishing	882	3
h.	Services incidental to mining	883 5115	3
i.	Services incidental to manufacturing	884 885	3
j.	Services incidental to energy distribution	887	3
k.	Placement and supply services of personnel	872	3
l.	Investigation and security	873	3
m.	Related scientific and technical consulting services	8675	3
n.	Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment)	633 8861-8866	3
o.	Building-cleaning services	874	3
p.	Photographic services	875	3
q.	Packaging services	876	3
r.	Printing, publishing	88442	3
s.	Convention services	87909	3
2	<u>COMMUNICATION SERVICES</u>		
	<u>Audiovisual services</u>		
a.	Motion picture and video tape production and distribution service	9611	5
b.	Motion picture projection service	9612	5
c.	Radio and television services	9613	5
d.	Radio and television transmission services	7524	5

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e.	Sound recording	n.a.	5
3	CONSTRUCTION AND RELATED ENGINEERING SERVICES		
A.	General Construction work for building	512	5
B.	General Construction work for Civil Engineering	513	5
C.	Installation and assembly work	514 516	5
D.	Building completion and finishing work	517	5
4	EDUCATIONAL SERVICES (Please refer Note 3)		
A.	Primary education services	921	5
B.	Secondary education services	922	5
C.	Higher education services	923	5
D.	Adult education	924	5
5	ENVIRONMENTAL SERVICES		
A.	Sewage services	9401	5
B.	Refuse disposal services	9402	5
C.	Sanitation and similar services	9403	5
6	HEALTH-RELATED AND SOCIAL SERVICES		
A.	Hospital services	9311	5
7	TOURISM AND TRAVEL-RELATED SERVICES		
A.	Hotels and Restaurants (including catering)		
a.	Hotel	641-643	3
b.	Restaurants (including catering)	641-643	3
B.	Travel agencies and tour operators services	7471	5
C.	Tourist guides services	7472	5
8	RECREATIONAL, CULTURAL AND SPORTING SERVICES (other than audiovisual services)		
A.	Entertainment services (including theatre, live bands and circus services)	9619	5
B.	News agency services	962	5
C.	Libraries, archives, museums and other cultural services	963	5
D.	Sporting and other recreational services	964	5
9	TRANSPORT SERVICES (Please refer Note 4)		
A.	<u>Maritime Transport Services</u>		
a.	Passenger transportation*	7211	5
b.	Freight transportation*	7212	5

Service Exports from India Scheme

c.	Rental of vessels with crew *	7213	5
d.	Maintenance and repair of vessels	8868	5
e.	Pushing and towing services	7214	5
f.	Supporting services for maritime transport	745	5
B.	<u>Air transport services</u>		
a.	Rental of aircraft with crew	734	5
b.	Maintenance and repair of aircraft	8868	5
c.	Airport Operations and ground handling		5
C.	<u>Road Transport Services</u>		
a.	Passenger transportation	7121 7122	5
b.	Freight transportation	7123	5
c.	Rental of Commercial vehicles with operator	7124	5
d.	Maintenance and repair of road transport equipment	6112 8867	5
e.	Supporting services for road transport services	744	5
D.	<u>Services Auxiliary To All Modes Of Transport</u>		
	Cargo-handling services	741	5
b.	Storage and warehouse services	742	5
c.	Freight transport agency services	748	5

11.5 APPENDIX -3E

(Please read para 3.08 of FTP)

List of services where payment has been received in Indian rupees which can be treated as receipt in Deemed Foreign Exchange as per guidelines of Reserve Bank of India

(Yet To be notified)

11.6 Notification/Circular/Instructions issued by the DoR

11.6.1. Notification No.25 / 2015 - Customs

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II SECTION 3, SUB-SECTION (i)]

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

Notification No. 25 / 2015 – Customs

Service Exports from India Scheme

New Delhi, the 8th April, 2015.

G.S.R. 270 (E).- In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts goods when imported into India against a Service Exports from India Scheme duty credit scrip issued by the Regional Authority under paragraph 3.10 read with paragraph 3.08 of the Foreign Trade Policy (hereinafter referred to as the said scrip) from,-

(a) the whole of the duty of customs leviable thereon under the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as said Customs Tariff Act); and

(b) the whole of the additional duty leviable thereon under section 3 of the said Customs Tariff Act.

2. The exemption shall be subject to following conditions, namely :-

(1) that the duty credit in the said scrip is issued to a service provider located in India against export of notified services listed in Appendix 3D of Appendices and Aayat Niryat Forms of Foreign Trade Policy 2015-2020;

(2) that the imports and exports are undertaken through the seaports, airports or through the inland container depots or through the land customs stations as mentioned in the Table 2 annexed to the Notification No. 16/2015- Customs dated 01.04.2015 or a Special Economic Zone notified under section 4 of the Special Economic Zones Act, 2005 (28 of 2005):

Provided that the Commissioner of Customs may within the jurisdiction, by special order, or by a Public Notice, and subject to such conditions as may be specified by him, permit import and export through any other sea-port, airport, inland container depot or through any land customs station;

(3) that the said scrip is registered with the Customs Authority at the port of registration specified on the said scrip;

(4) that the said scrip is produced before the proper officer of customs at the time of clearance for debit of the duties leviable on the goods and the proper officer of customs, taking into account the debits already made under this exemption and debits made under the notification Nos. 21 of 2015 - Central Excise, dated the 8th April, 2015 and 11 of 2015 -Service Tax, dated the 8th April, 2015, shall debit the duties leviable on the goods, but for this exemption;

(5) that the said scrip and goods imported against it shall be freely transferable ;

(6) that where the importer does not claim exemption from the additional duty of customs leviable under section 3 of the said Customs Tariff Act, he shall be deemed not to have availed the exemption from the said duty for the purpose of calculation of the said additional duty of customs;

(7) that the importer shall be entitled to avail drawback of the duty of customs leviable under the First Schedule to the said Customs Tariff Act against the amount debited in the said scrip;

(8) that the importer shall be entitled to avail drawback or CENVAT credit of additional duty leviable under section 3 of the said Customs Tariff Act against the amount debited in the said scrip.

(9) that the benefit under this notification shall not be available to the items listed in Appendix 3A of Appendices and Aayat Niryat Forms of Foreign Trade Policy 2015-2020.

Explanation.- In this notification-

Service Exports from India Scheme

(I) "Capital goods" has the same meaning as assigned to it in paragraph 9.08 of the Foreign Trade Policy;

(II) "Foreign Trade Policy" means the Foreign Trade Policy, 2015-2020, published by the Government of India in the Ministry of Commerce and Industry notification number 01/2015-2020, dated the 1st April 2015 as amended from time to time;

(III) "Goods" means any inputs or goods including capital goods;

(IV) "Regional Authority" means the Director General of Foreign Trade appointed under section 6 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992) or an officer authorised by him to grant an authorisation including a duty credit scrip under the said Act.

[F.No.605/55/2014-DBK]

(Sanjay Kumar)

Under Secretary to the Government of India

11.6.2. Notification No.21 / 2015 - Central Excise

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II SECTION 3, SUB-SECTION

(i)]

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(DEPARTMENT OF REVENUE)

Notification No. 21/ 2015 – Central Excise

New Delhi, the 8th April, 2015.

G.S.R. 272 (E).– In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), read with sub-section (3) of section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957) and sub-section (3) of section 3 of the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 (40 of 1978), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the goods specified in the First Schedule and the Second Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), when cleared against a Service Exports from India Scheme duty credit scrip issued by the Regional Authority under paragraph 3.10 read with paragraph 3.08 of the Foreign Trade Policy (hereinafter referred to as the said scrip) from, -

- (i) the whole of the duty of excise leviable thereon under the First Schedule and the Second Schedule to the Central Excise Tariff Act, 1985 (5 of 1986);
- (ii) the whole of the additional duty of excise leviable thereon under section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957); and
- (iii) the whole of the additional duty of excise leviable thereon under section 3 of the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 (40 of 1978).

2. The exemption shall be subject to the following conditions, namely:-

- (1) that the conditions (1) and (2) specified in paragraph 2 of the Notification No. 25/2015-Customs, dated the 8th April, 2015 are complied and the said scrip has been registered with the Customs Authority at the port of registration specified on the said scrip (hereinafter referred as the said Customs Authority);
- (2) that the holder of the scrip, who may either be the person to whom the scrip was originally issued or a transferee-holder, presents the said scrip to the said Customs Authority along with a letter or proforma invoice from the supplier or manufacturer indicating details of its jurisdictional Central Excise Officer (hereinafter referred as the said Officer) and the description, quantity, value of the goods to be cleared and the duties leviable thereon, but for this exemption;

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- (3) that the said Customs Authority, taking into account the debits already made towards imports under Notification No. 25/2015-Customs, dated the 8th April, 2015, the debits made under Notification No.11/2015-Service Tax, dated the 8th April, 2015 and this exemption, shall debit the duties leviable, but for this exemption in or on the reverse of the said scrip and also mentions the necessary details thereon, updates its own records and sends written advice of these actions to the said Officer;
- (4) that at the time of clearance, the holder of the scrip presents the said scrip debited by the said Customs Authority to the said Officer along with an undertaking addressed to the said Officer that in case of any amount short debited in the said scrip he shall pay on demand an amount equal to the short debit, along with applicable interest;
- (5) that based on the said written advice and undertaking, the said Officer endorses the clearance particulars and validates, on the reverse of the said scrip, the details of the duties leviable, but for this exemption, which were debited by the said Customs Authority, and keeps a record of such clearances;
- (6) that the manufacturer retains a copy of the said scrip, debited by the said Customs Authority and endorsed by the said Officer and duly attested by the holder of the scrip, in support of the clearance under this notification; and
- (7) that the said holder of the scrip, to whom the goods were cleared, shall be entitled to avail drawback or CENVAT credit of the duties of excise leviable under the First Schedule and the Second Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957) and section 3 of the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 (40 of 1978), against the amount debited in the said scrip and validated at the time of clearance.

Explanation. - For the purposes of this notification, -

- (I) "Capital goods" has the same meaning as assigned to it in paragraph 9.08 of the Foreign Trade Policy;
- (II) "Foreign Trade Policy" means the Foreign Trade Policy, 2015-2020, published by the Government of India in the Ministry of Commerce and Industry notification number 01/2015-2020, dated the 1st April 2015 as amended from time to time;
- (III) "Goods" means any inputs or goods including capital goods;
- (IV) "Regional Authority" means the Director General of Foreign Trade appointed under section 6 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992) or an officer authorised by him to grant an authorisation including a duty credit scrip under the said Act.

[F.No.605/55/2014-DBK]

(Sanjay Kumar)
Under Secretary to the Government of India

11.6.3. Notification No.11 / 2015 - Service Tax

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II SECTION 3, SUB-SECTION (i)]

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)
Notification No. 11 / 2015 – Service Tax

New Delhi, the 8th April, 2015.

Service Exports from India Scheme

G.S.R. 274 (E). In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the said Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable services provided or agreed to be provided against a scrip by a person located in the taxable territory from the whole of the service tax leviable thereon under section 66B of the said Act.

2. Application. – This notification shall be applicable to the Service Exports from India Scheme duty credit scrip issued by the Regional Authority in accordance with paragraph 3.10 read with paragraph 3.08 of the Foreign Trade Policy.

3. The exemption shall be subject to the following conditions, namely:-

(1) that the conditions (1) and (2) specified in paragraph 2 of the Notification No. 25/2015-Customs, dated the 8th April, 2015 are complied and the said scrip has been registered with the Customs Authority at the port of registration specified on the said scrip (hereinafter referred as the said Customs Authority);

(2) that the holder of the scrip, to whom taxable services are provided or agreed to be provided shall be located in the taxable territory;

(3) that the holder of the scrip who may either be the person to whom the scrip was originally issued or a transferee-holder, presents the scrip to the said Customs Authority along with a letter and an invoice or challan or bill, as the case may be, issued under rule 4A of the Service Tax Rules, 1994 by the service provider indicating details of his jurisdictional Central Excise Officer (hereinafter referred to as the said Officer) and the description, value of the taxable service provided or agreed to be provided and service tax leviable thereon;

(4) that the said Customs Authority, taking into account the debits already made under notification number 25/2015-Customs, dated the 8th April, 2015, notification No. 21/2015-Central Excise, dated the 8th April, 2015 and this exemption, shall debit the service tax leviable, but for this exemption in or on the reverse of the scrip and also mention the necessary details thereon, updates its own records and sends written advice of these actions to the said Officer;

(5) that the date of debit of service tax leviable, in the scrip, by the said Customs Authority shall be taken as the date of payment of service tax;

(6) that in case the service tax leviable as per the point of taxation determined in terms of the Point of Taxation Rules, 2011 is prior to date of debit or that the rate of tax determined in terms of rule 4 of the Point of Taxation of Rules, 2011, is in excess of the rate of service tax mentioned in the invoice, bill or challan, as the case may be, the holder of the scrip shall pay such interest or short-paid service tax along with interest, as the case may be;

(7) that the holder of the scrip presents the scrip debited by the said Customs Authority within thirty days to the said Officer, along with an undertaking addressed to the said Officer, that in case of any service tax short debited in the scrip, he shall pay such service tax along with applicable interest;

(8) that based on the said written advice and undertaking, the said Officer shall verify and validate, on the reverse of the scrip, the details of the service tax leviable, which were debited by the said Customs Authority, and keep a record of payment of such service tax and interest, if any;

(9) that the service provider retains a copy of the scrip, debited by the said Customs Authority and verified by the said Officer and duly attested by the holder of the scrip, in support of the provision of taxable services under this notification; and

(10) that the said holder of the scrip, to whom the taxable services were provided or agreed to be provided shall be entitled to avail drawback or CENVAT credit of the service tax leviable under section 66B of the said Act, against the service tax debited in the scrip and validated by the said Officer.

4. Any amount due to the Central Government under this notification shall be recoverable under the provisions of the said Act and the rules made there under.

Explanation. - For the purposes of this notification,-

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(A) "Foreign Trade Policy" means the Foreign Trade Policy, 2015-2020, published by the Government of India in the Ministry of Commerce and Industry notification number 01/2015-2020, dated the 1st April 2015 as amended from time to time;

(B) "Point of taxation" shall have the same meaning assigned to it in clause (e) of rule 2 of the Point of Taxation Rules, 2011.

(C) "Regional Authority" means the Director General of Foreign Trade appointed under section 6 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992) or an officer authorised by him to grant an authorisation including a duty credit scrip under the said Act.

(D) "Scrip" means Service Exports from India Scheme duty credit scrip issued to an exporter by the Regional Authority in accordance with paragraph 3.10 read with paragraph 3.08 of the Foreign Trade Policy.

[F.No.605/55/2014-DBK]

(Sanjay Kumar)

Under Secretary to the Government of India

11.7 ANF-3B

ANF – 3B

Application Form for Service Exports From India Scheme (SEIS)

(Kindly read para 3.07 to 3.12 of FTP and Para 3.04 of HBP and other common procedural features applicable to SEIS before filing application)

1.	Application Details:									
i	IEC No.									
ii	Name									
iii	Address									
iv	Telephone No									
v	Email ID									
2.	RCMC Details :									
i.	RCMC Number									
ii.	Valid upto [dd-mm-yyyy]									
iii.	Issuing Authority									
iv.	Products / Services for which registered — in terms of main line Of business									
3	Frequency of Application									Annual

4	Supply of eligible Service by Service Provider	Gross Foreign Exchange earned in US\$	Total expenses/ payment / remittances of Foreign Exchange in US \$	Net Foreign Exchange earned in US \$
		1	2	3=(1.2)
i.	Supply of a 'service' from India to any other country under Para 9.51 (i) of FTP.	(As per Total of col. 6 of Annexure- A)		

Service Exports from India Scheme

ii.	Supply of a 'service' from India to service consumer(s) of any other country in India under Para 9.51(ii) of FTP.	(As per Total of col. 6 of Annexure- B)		
iii.	Supply of a notified service, appearing in Appendix 3E , in India relating to services where value is realised in Indian Rupees which are otherwise considered as having been paid for in free foreign exchange by RBI, (As per Total of col. 6 of Annexure- C)	(As per Total of col. 6 of Annexure- C)		
iv	Total		(As per Total of col. 6 of Annexure D)	

5. Sector wise details of Net Foreign Exchange earned for eligible services:

SI No	Description of service rendered	SI No. of Service as per Appendix 3D	Rate of entitlement as per Appendix 3D (in %)	Gross Foreign Exchange earned in US\$	Total expenses/ payment/ remittances of Foreign Exchange in US \$	Net Foreign Exchange earned in US \$	Entitlement in US\$ #
1	2	3	4	5	6	7=(5-6)	8= (4X7)
			Total	This will match with amount as at Colmn 1of Sr No 4(iv)	This will match with amount as at Colmn 2 of Sr No 4(iv)	This will match with amount as at Colmn 3 of Sr No 4(iv)	

6	Exchange rate of US\$ to INR as on 1st April of the next financial year	
7	Gross Entitlement=Total of Column No.8 of Sr No.5xExchange rate at Sr No 6	
8	Late Cut (if any)	
9	Net Entitlement (7-8)	
10	Port of Registration (for purpose of imports):	
11	Number of Split Certificates required, if any ,(in multiples of Rs.5.00 lakhs each)	

#-If the amount in Col. No. 7 of Serial Number 5 exceeds the minimum earnings criteria prescribed at para 3.08 (b) of FTP, the RA will issue scrip. In case amount in Col. No. 7 of Serial Number 5 is negative, No scrip shall be issued

DECLARATION/UNDERTAKING

Service Exports from India Scheme

1	<p>I/We hereby certify that :</p> <p>B. the entity for whom the application has been made have not been penalized under any of the following Acts (as amended from time to time):</p> <p>(i) The Customs Act, 1962, (ii) The Central Excise Act 1944, (iii) Foreign Trade (Development & Regulation) Act 1992, (iv) The Foreign Exchange Management Act, 1999; and (v) The Conservation of Foreign Exchange, Prevention of Smuggling Activities Act, 1974</p> <p>C. none of the Directors / Partners / Proprietor / Karta / Trustees of the company /firm /HUF/Trust, (as the case may be), is/are a Director(s) / Partner(s) / Proprietor / Karta / Trustee in any other Company/ firm / entity which is on the Denied Entity List (DEL) of DGFT;</p> <p>D. neither the Registered Office of the company / Head Office of the firm / nor any of its Branch Office(s)/Unit(s)/ Division(s) has been declared a defaulter and has otherwise been made ineligible for undertaking import! export under any of the provisions of the Policy;</p>
2	I/We undertake to abide by the provisions of the Foreign Trade (Development and Regulation) Act, 1992, as amended from time to time, the Rules and Orders framed there under, the Foreign Trade Policy, the Handbook of Procedures
3	I/We hereby certify that that particulars and statements made in this application are true and correct and nothing has been concealed or held therefrom. I/We fully understand that any information furnished in the application if found incorrect or false will render me/us liable for any penal action or other consequences as may be prescribed in law or otherwise warranted.
4	I hereby certify that I am authorized to verify and sign this declaration as per Paragraph 9.06 of the Foreign Trade Policy.
5	I hereby certify that foreign exchange earned on account of services rendered from India alone in terms of Para 9.51 (i) and Para 9.51 (ii) of FTP has been taken into account for this application under SEIS as per Para 3.08(a) of <u>FTP 2015-20</u> and these do not fall under any category or service which are not eligible as per Para 3.08 and 3.09 of FTP 2015-20

Tick the box as acceptance of declaration/ undertaking and fill in the details below.

Signature of the Applicant		
Name		
Designation		
Official Address	Flat/Plot/Block No	
	Street/Area/Locality	
	City	
	State	
	PIN Code	
Telephone No.	Country Code --- Area Code ---Phone number	
Fax No.		
Email		
Place:		
Date:		

Enclosure to ANF 3B

**CERTIFICATE OF CHARTERED ACCOUNTANT (CA) / COST AND WORKS ACCOUNTANT (IC WA)!
COMPANY SECRETARY (CS)**

Service Exports from India Scheme

I have examined prescribed registers and also relevant records of M/s

1.	Bills, Invoices, Forward Inward Remittance Certificates (FIRCs), Bank Realization Certificates, Certificate from international credit card companies, and evidences of foreign exchange earnings have been examined and verified by me.
2.	Relevant records relating to Total expenses /payment/remittances of Foreign Exchange, by the IEC holder, relating to service sector in the Financial year have been examined and verified by me.
3.	Services for which benefit is claimed does not include ineligible services and remittances as listed under Para 3.09 of FTP 2015-20
4.	Neither I, nor any of my / our partners is a partner, director, or an employee of above-named entity, its Group companies or its associated concerns.
5.	Details of Foreign Exchange Earned for Supply of Service From India to outside India or in India, (as certified in Annexure A to C) and Total expenses /payment/remittances of Foreign Exchange by the IEC holder, relating to service sector in the Financial year (as certified in Annexure D of this Certificate) for the periodis as under:

6. Category of Service Provider		SI. No. of Appendix 3D	Gross Foreign Exchange earned (in US\$)	Total expenses/ payment /remittances of Foreign Exchange (in US\$)	Net Foreign Exchange earned (in US\$)
			1	2	3=(1-2)
a.	Para 9.51 (i) of FTP		As per Total of col. 6 of Annexure A		
b.	Para 9.51 (ii) of FTP		As per Total of col. 6 of Annexure B		
c.	Supply of a notified service, and also appearing in Appendix 3E , in India relating to services where value is realised in Indian Rupees which are otherwise considered as having been paid for in free foreign exchange by RBI.	-	As per Total of col 6 of Annexure C	As per Total of col 6 of Annexure D	
Total					

7. Sector wise details of Net Foreign Exchange earned for eligible services

SI No	Description of service rendered	SI No. of Service as per Appendix 3D	Rate of entitlement as per Appendix 3D (in %)	Gross Foreign Exchange earned in US\$	Total expenses/ payment/ remittances of Foreign Exchange in US \$	Net Foreign Exchange earned in US \$
1	2	3	4	5	6	7
			Total	This will match with amount as at Column 1 of Sr No 6	This will match with amount as at Column 2 of Sr No 6	This will match with amount as at Column 3 of Sr No 6

8	Exchange rate of US\$ to INR as on 1st April of the next financial year	
9	Equivalent Net foreign exchange earning in INR (Net Foreign Exchange earned in US \$ X exchange <u>rate</u>)	

I fully understand that any statement made in this certificate, if proved incorrect or false, will render me liable to face any penal action or other consequences as may be prescribed in law or otherwise warranted.

Service Exports from India Scheme

SI No.	Particulars if any	Date of Transaction	Earning in Indian Rupees which are otherwise considered as having been paid for in free foreign exchange by RBI (Amount in Rs)	Exchange rate on the date of transaction to convert in US \$	Equivalent in US \$ (i.e. 4X5)
1	2	3	4	5	6
Total					

Annexure-D

Calculation of Total expenses / payment / remittances in the financial year:

SI No	Particulars	Date of transaction of expenses/payment /remittances	Amount of expenses in currency of transaction (please see instruction 3 below)	Exchange rate on Date of Transaction to convert in US \$	Equivalent in US \$ (i.e. 4X5)
1	2	3	4	5	6
Total					

Instruction for filling up Annexure A to D.

1. It is mandatory to fill all column in Annexure A to D even if the amount is NIL.
2. Exchange rate for conversion shall be the rate as notified by Customs.
3. Expenses for the purpose of Annexure D shall mean Total expenses / payment / remittances of Foreign Exchange by the IEC holder, relating to service sector in the financial year.
4. If the IEC holder is a manufacturer of goods as well as service provider, then the foreign exchange earnings and Total expenses/payment /remittances shall be taken into account for service sector only.

12. Relevant Websites for latest Updates/notification/public notice/circulars/E-learning

- (1) Website of Central Board of Excise and Customs (www.cbec.gov.in)
- (2) Website of Directorate General of Foreign Trade (www.dgft.gov.in)
- (3) Website of NACEN, Kanpur for subject-wise e-books (www.nacenkanpur.gov.in)

13. Time-lime of Changes in the Scheme

[Nil so far]

14. Note for the readers

This e-book has been prepared by officers of the RTI, Kanpur on the basis of their understanding of the Scheme and is meant to be used as training material for the newly recruited officers. It may not be a perfect one and may require improvement. Pl assists the NACEN, Kanpur in improving the same by writing to us at goyalcp@hotmail.com or rtinacenkanpur@yahoo.co.in. Errors, if any, may also be brought to our notice.
