

Export Promotion Capital Goods (EPCG) Scheme

The Zero duty EPCG Scheme is available to exporters of electronic products. It allows import of capital goods for pre-production, production and post-production (including CKD/SKD thereof as well as computer software systems) at zero% customs duty, subject to an export obligation equivalent to 6 times of duty saved on capital goods imported under EPCG scheme, to be fulfilled in 6 years reckoned from Authorization issue-date.

The concessional 3% duty EPCG Scheme allows import of capital goods for pre-production, production and post-production (including CKD/SKD thereof as well as computer software systems) at 3% customs duty, subject to an export obligation equivalent to 8 times of duty saved on capital goods imported under EPCG scheme, to be fulfilled in 8 years reckoned from Authorization issue-date.

The capital goods shall include spares (including refurbished/reconditioned spares), tools, jigs, fixtures, dies and moulds. Second hand capital goods, without any restriction on age, may also be imported under the EPCG Scheme. The export obligation can also be fulfilled by the supply of ITA-1 items to the DTA, provided the realization is in free foreign exchange. The details of the EPCG scheme are available in Chapter-5 of India's Foreign Trade Policy and Procedures on the website of the Department of Commerce, Ministry of Commerce & Industry (<http://commerce.nic.in>).

Duty Exemption and Remission Schemes

Duty exemption schemes enable duty free import of inputs required for export production. Duty exemption schemes consist of:

- Advance Authorisation scheme
- Duty Free Import Authorisation (DFIA) scheme

A Duty Remission Scheme enables post export replenishment / remission of duty on inputs used in export product. Duty Remission Schemes consist of :

- Duty Entitlement Passbook (DEPB) Scheme
- Duty Drawback (DBK) Scheme

The details of these schemes are available in Chapter-4 of India's Foreign Trade Policy and Procedures on the website of the Department of Commerce, Ministry of Commerce & Industry (<http://commerce.nic.in>).