



कालीन निर्यात संवर्धन परिषद CARPET EXPORT PROMOTION COUNCIL

(Set up by Ministry of Textiles, Govt of India)

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Ref.: CEPC/HQ/Gen-Cir/2022-23

Date: 19-01-2023

To,
All Members, CEPC

Subject: Streamlining Trade: DGFT Simplifies Composition Fee for Export Obligation Extension under Advance Authorization Scheme

Dear Sir,

The DGFT has notified the amended rules for calculation of Composition Fee for extending Export Obligation under **Advance Authorization Scheme by amending Para 4.42** of Handbook of Procedures (2015-20) vide [Public Notice No.52/2015-20 dated 18th January, 2023 \(Copy Enclosed\)](#).

The simplification of calculations for Composition Fee helps in automation and faster service delivery by making the process more efficient and easier to understand. The previous formula for Composition Fee was convoluted and difficult to understand, which made the process more tedious and strenuous for exporters. However, the revised Composition Fee formula, which is based on a specific rate for different levels of the 'CIF value of Authorisation', is more straightforward and easier to calculate. This will help automate the entire Export Obligation extension process with minimal human intervention, further eliminating the risk of errors and misconceptions.

Simplification of calculations also helps in the "Ease of Doing Business" objective by reducing the complexity and making the process more straightforward for exporters. By simplifying the calculations for Composition Fee, the DGFT is working towards this objective by making the process more efficient and easier to understand for exporters. This will ultimately lead to trade facilitation and ease of doing business.

Members may take the note of the above and go through the enclosed notification for more details.

Regards

Dr. Smita Nagarkoti
Officiating Executive Director