

Appendix- 2F
Approved Exporter System for Self-certification of Origin

1. Eligibility Criteria

1.1 Manufacturer exporters who are also recognised by DGFT as Status holders (One Star Export House/ Two Star Export House/ Three Star Export House/ Four Star Export House/ Five Star Export House) shall be eligible for the scheme.

1.2 The scheme for self-certification will be restricted to the products that are manufactured by the exporter and listed in the SSI/ IEM/ IL/ LOI registration certificate. Moreover, these products must be listed in the application for recognition as approved exporter.

1.3 Exporters not covered by the Approved Exporter Scheme shall continue to apply for certificates of origin from EIC or the other bodies designated for the purpose.

2. Application for recognition and registration as an Approved Exporter

2.1 Eligible exporters are invited to apply to the office of the DGFT for recognition as an Approved Exporter in the form given in Annex-A. The application shall be accompanied by documents in support of the details furnished. The application process shall be made on-line in the future.

2.2 All interested exporters will nominate at least one person who is a regular employee for certifying the certificates of origin. The applications for expression of interest shall close within a period of 30 days from the notification of the Scheme by the office of the DGFT.

2.3 On closure of receipt of applications, EIC shall conduct a basic training programme on Rules of Origin (RoO) concepts and determination of origin for all personnel nominated by the interested exporters.

2.4 EIC shall, on successful conclusion of the training programme, inform the DGFT of the names of persons who have completed the training module and the firms they represent. Such persons will be the authorised signatories who shall certify the CoO on behalf of the exporter.

2.5 The details of exporters who are granted recognition as Approved Exporters will be hosted on the DGFT website. Such details will, *inter alia*, consist of the name, address and IEC number of the Approved Exporter along with the products for which he has been authorised to self-certify and the name, specimen signature and seal impression of the authorised signatory.

2.6 DGFT may also provide unique identification numbers to all Approved Exporters apart from the IEC numbers.

2.7 The recognition shall be co-terminus with the validity of the Status Certificate. The exporter shall be eligible for extension of the recognition once the Status Certificate is renewed.

2.8 RMTR Division in Department of Commerce shall, with the assistance of the concerned territorial division in the Department of Commerce, renegotiate the chapter on rules of origin to include provisions for self-certification in the FTAS which have already been implemented.

3. Web Portal

- 3.1 DGFT shall develop and host an "Approved Exporter Portal" which will have the following modules:
- (i) A recognition module where interested exporters can file their application for recognition as Approved Exporters;
 - (ii) A database module which will contain the particulars of the Approved Exporter as in paragraphs 2.5 and 2.6 above;
 - (iii) An application module where Approved Exporters will fill in details and take print-outs for each CoO to be self-certified.
- 3.2 Facility for digital signatures may also be built into the system.
- 3.3 The web portal shall also have a facility for on-line verification as well as the ability to be used for generation of reports.
- 3.4 EIC shall organise and complete a second round of hands-on training on the web portal within a period of 30 days from the date when the web portal becomes operational.
- 3.5 The Scheme shall be ready to be operationalised once the hands-on training has been completed and the web portal is launched on-line.
- 3.6 RMTR Division in the Department of Commerce shall inform the trading partners when the scheme is ready to be implemented and disseminate information on on-line verification of specimen signatures and certificates.

4. Certification Procedures

- 4.1 An Approved Exporter shall fill in the details of the consignment for which a CoO is required in the application module of the self-certification portal hosted by DGFT. Mandatory data to be provided will include the HS Code (8-digit) and full description of the product, the FOB value and the origin criterion prescribed under the FTA.
- 4.2 The Approved Exporters will take a print of the CoO in the format as prescribed under the preferential agreement under which the goods are sought to be exported.
- 4.3 In cases where the FTA prescribes a security feature in the CoO, (e.g. EU GSP) EIC shall make available these security featured forms to the Approved Exporters at a nominal price.
- 4.4 Each certificate of origin shall cover a single consignment and each such consignment may contain one or more different export products, provided that each such product qualifies separately in its own right under the relevant free trade agreement.
- 4.5 The self-certified CoO shall not contain any erasures or superimpositions. A fresh certificate should be reprinted if any alteration or correction is to be made on the CoO. Unused spaces shall be crossed out to prevent any subsequent addition.
- 4.6 The certificate of origin shall be valid for the period prescribed in the free trade agreement under which the goods are being exported.
- 4.7 A copy of each self-certified CoO and all documents/ records relating to its issue, as listed in Annex-B, shall be retained by the Approved Exporter for a period of 5 years from the date of issue of the CoO. The DGFT or the Customs authorities may call for these documents at any time during these five years.

5. Implementation

- 5.1 Starting with the India-Japan and India-Korea CEPAs, RMTR Division will coordinate with the concerned territorial division a renegotiation of the RoO chapter in all our FTAs to incorporate provisions for self-certification.
- 5.2 The EU GSP will recognise self-certification by registered exporters from 1 January 2017.
- 5.3 Provision for self-certification has already been built into India-EU and the India-EFTA BTIAs.
- 5.4 The scheme shall be operationalised whenever self-certification system in any of the above agreements is in place.
- 5.6 RMTR Division shall inform the DGFT the date from which to operationalise the scheme upon which DGFT will issue the relevant notification.

6. Post-Audit and Verification Audit

- 6.1 DGFT, with assistance of EIC, will conduct a post-audit of at least [10] % of the Approved Exporters picked at random.
- 6.2 DGFT shall be at liberty to co-opt officials from DoC, EIC or Customs for the post-audit related work and may call for any or all related documents leading to the issue of the self-certified CoOs.
- 6.3 A verification audit shall be conducted whenever a request for verification is received from an FTA partner.
- 6.4 Such verification audits may be conducted for specific approved exporters or for specific consignments and will be done in accordance with the conditions and time periods prescribed under the FTA in question.

7. Penalty

- 7.1 If a post-audit or verification audit reveals that an Approved Exporter has not complied with the procedures laid down for self-certification, it shall be given an opportunity to comply with the requirements. A second audit shall be conducted after a reasonable time. The Approved Exporter status shall be suspended for a period of three months if the second audit reveals the same procedural lapses.
- 7.2 The suspension of the Approved Exporter status may be revoked if the exporter can satisfy that the procedural lapses have been adequately addressed.
- 7.3 If a post-audit or verification audit determines that an Approved Exporter has certified goods which do not qualify as originating goods under the relevant free trade agreement as goods of Indian origin, or has committed any act of commission or omission which has resulted in a wrong certification of origin, then the following penalties will be attracted:
- (I) First offence: Suspension of Approved Exporter status for three months.
 - (II) Second offence: Suspension of Approved Exporter status for six months and financial penalty of upto 5 times the value of the goods involved.
 - (III) Subsequent offence: Cancellation of Approved Exporter status and financial penalty of upto 5 times the value of the goods involved.
- 7.4 The power to impose the above penalties shall rest with DGFT or its officers within their delegated powers under the FTDR Act, 1992.

7.5 No action shall be taken against an Approved Exporter without giving him notice of the intent of taking action and giving reasonable time to present his case.

7.6 Any appeal against any decision on suspension/ cancellation of Approved Exporter status or imposition of fiscal penalty will lie with the Director General of Foreign Trade. The appeal shall be made within a period of 45 days from the award of action/penalty. DGFT will adjudicate the matter and will pass its verdict within three months of the receipt of the appeal.

7.7 Any further appeal will lie with the High Court.

7.8 Any action of suspension or cancellation of the Approved Exporter status shall be communicated to RMTR Division. RMTR Division will inform all FTA partners of such action.

8. Miscellaneous

8.1 After the initial recognition of Approved Exporters has been completed, other interested eligible exporters may apply for recognition on the on-line recognition module of the Approved Exporter Portal.

8.2 EIC will impart training to these subsequent applicants as and when necessary.

8.3 Post-audit will be a continuing process and undertaken at regular intervals.

8.4 Approved Exporters will be required to give a half-yearly report of the utilisation of the CoOs self-certified during the preceding half-year to enable a reasonable estimation of the preferential exports under a particular FTA.

8.5 The scheme will be reviewed after one year of its operation to consider if it can be extended to other category of exporters.

Application form for recognition as an Approved Exporter**1. IEC Details**

(i)	IEC Number	
(ii)	Date of issue	
(iii)	Issuing Authority	

2. Status House Details

(i)	One Star Export House/ Two Star Export House/ Three Star Export House/ Four Star Export House/ Five Star Export House	
(ii)	Certificate number	
(iii)	Date of Issue	
(iv)	Issuing Authority	
(v)	Valid upto	

3. Products to be exported for which recognition is sought (Attach separate sheet if required)

S.No	HS 8 digit Code	Description

Note: Please attach a copy of SSI/ IEM/ IL/ LOI registration certificate

4. Employee Details

(Attach separate sheet if required)

S.No	Name(s) and designation(s) of employee(s) to be authorized for self-certification	Specimen signature

DECLARATION/ UNDERTAKING

- I/ We hereby declare that the particulars and the statements made in this application are true and correct to the best of my/ our knowledge and belief and nothing has been concealed or held therefrom.
- I/ We fully understand that any information furnished in this application or any declaration attested in the certificate of origin, if found incorrect or false, will render me/ us liable for penal action or other consequences as may be prescribed in law or otherwise warranted.
- I/ We undertake to abide by the provisions of the Foreign Trade (Development and Regulation) Act, 1992, the Rules and Orders framed thereunder, the Foreign Trade Policy, the Foreign Trade Procedures and the Indian Trade Classification (HS).

4. I/ We declare that the firm/ company has the technical expertise to determine the origin of the products which are manufactured by using non-originating materials.

5. I/ We undertake to submit, at the request of the appropriate authorities, any supporting evidence which these authorities may require for the purpose of verifying the origin of the goods for which we have certified the origin, and undertake, if required, to agree to any inspection of my/ our accounts and to any check on the processes of manufacture of the above goods, to be conducted by the said authorities;

6. I hereby certify that I am authorised to verify and sign this declaration as per Paragraph 9.06 of the Foreign Trade Policy.

Place: Signature of the Applicant

Date: Name
Designation
Official Address
Telephone
Residential Address
Email Address

Annexure-B

List of documents to be retained by the Approved Exporter

The following documents/ records shall be retained by the Approved Exporter for a period of five years from the date of issue of the certificate of origin:

1. Copy of the self-certified CoO;
2. Shipping invoice(s);
3. Bill(s) of lading
4. Bill(s) of entry for imported raw material/ inputs;
5. Sales invoice(s) for locally procured raw material/ inputs;
6. All books of accounts relating to costs of raw material/ inputs;