



GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
OFFICE OF THE DEVELOPMENT COMMISSIONER
NOIDA SPECIAL ECONOMIC ZONE
NOIDA DADRI ROAD, PHASE-II, NOIDA - 201305
DISTT. GAUTAM BUDH NAGAR (UTTAR PRADESH)



F. No. 12-02/2016-Project | 5477

Dated: 06.06.2016

CIRCULAR

Sub. : Procedure for claiming the benefits under SEIS.

1. FTP 2015-20:-

The undersigned is directed to refer to the subject cited above and to say as under:-
The Foreign Trade Policy 2015-20 (FTP 2015-20) has been announced by Hon'ble Minister of State for Commerce & Industry, Govt. of India on 1st April 2015. In order to encourage Export of notified Services from India, FTP 2015-20 has inter alia introduced the new Export Promotion Scheme:

- (a) **Service Exports from India Scheme (SEIS):** For increasing Exports of notified services.

Details of the schemes are given in chapter 3 of Foreign Trade Policy & Chapter 3 of Hand Book of Procedure (2015-2020) which may please be seen. However some salient points in respect of SEIS Scheme are given as follows:

In case of IEC HOLDERS that have units in SEZ for availing benefits under SEIS provided in FTP 2015-2020, shall file their application to concerned DEVELOPMENT COMMISSIONER (DC), SEZ. DTA units shall apply to concerned Regional Authority (RA), DGFT.

(2) Objective of Schemes:

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

(3) Cut Off Date:- (Para 3.12 of FTP)

The benefits under MEIS & SEIS are admissible for Exports made/services rendered from 1st April 2015 onwards.

(4) Mode of Benefit under(Para 3.02 of FTP) :-

Rewards under MEIS & SEIS will be provided in the form of Duty Credit Scrip. Duty credit scrip can be used inter alia for payment of duties on goods procured domestically/imported. Duty Credit Scrip is freely transferable. Therefore, if Exporter is not in a position to use the Duty Credit Scrip, he can sell the same in the open market

(5) Purposes for which Duty Credit Scrip under MEIS & SEIS can be used for (Para 3.02 of FTP):-

- (a) Payment of Customs Duties for import of inputs or goods including Capital goods as per DoR Notification, except items listed in Appendix 3A.
- (b) Payment of excise duties on domestic procurement of inputs or goods, including capital goods as per DoR notification.
- (c) Payment of service tax on procurement of services as per DoR notification.
- (d) Payment of Customs Duty and fee as per paragraph 3.18 of FTP 2015-20.

(6) Validity (Para 3.13 of HBP):-

Duty Credit Scrip under MEIS & SEIS will be valid for 18 months from the date of issue and must be valid on the date on which the actual Debit of duty is made.

(7) Eligibility: (Para 3.08 of FTP)

(a) Service Providers of notified services, located in India, shall be rewarded under SEIS, subject to conditions as may be notified. In this context reference is invited to para 3.08 of the FTP 2015-2020 which clearly states that Only Services rendered in the manner as per Para 9.51(i) and Para 9.51(ii) of Foreign Trade Policy shall be eligible.

Para 9.51 "Service Provider" means a person providing:

- (i) Supply of a 'Service' from India to any other country; (Mode 1- Cross Border trade)
- (ii) Supply of a 'service' from India to service Consumer(S) of any other country; (Mode 2- Consumption abroad)

The notified services and rates of rewards under SEIS are listed in Appendix 3D. (PUBLIC NOTICE NO. 3/2015-20 DT 01.04.2015 MAY BE REFERRED)

(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:

Net Foreign Exchange = Gross Earnings of Foreign Exchange minus 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.

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

(8) Ineligible categories under SEIS: (Para 3.09 of FTP)

(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 interalia shall not be taken into account for calculation of entitlement under the SEIS scheme-

a. Foreign Exchange remittances:

- I. Related to Financial Services Sector
- II. Earned through contract/regular employment abroad (e.g. labour remittances);

b. Export turn over relating to services of units operating under EOU/ EHTP/STPI/BTP Schemes or supplies of services made to such units; (Notification No.08/2015-2020 dated 04 June 2015).

(9) Entitlement under SEIS (Para 3.10 of FTP)

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.

(10) Effective date of Scheme: (Para 3.12 of FTP)

The scheme shall come into force with effect from the date of notification of the FTP i.e. the rewards under SEIS shall be admissible for exports made/services rendered on or after the date of notification of the FTP 2015-20.

(11) Procedure for application-

(a) An application for grant of duty credit scrip for eligible notified services rendered shall be filed online for a financial year on annual basis in ANF 3B using digital signature along with certificate of Chartered Account (CA)/Cost and works Accountant (ICWA)/Company Secretary (CS) with its enclosures.

(b) Port of Registration of Srips: 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 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.

(c) Applicability: Benefit under SEIS is applicable for Exports undertaken from 1st April 2015.

(d) Nature of Reward: Rewards under SEIS will be provided in the form of Duty Credit Scrip. Duty credit scrip can be used for payment of duties on goods procured domestically (Excise Duty – Service Tax) / imported from other countries (Import Duty). Duty Credit Scrip is freely transferable. Therefore if Exporter is not in position to use the Duty Credit Scrip, he can sell the same in open market.

(12) Validity of Duty Credit Scrip: Duty Credit Scrip under SEIS will be valid for 18 months from the date of issue and must be valid on the date on which actual Debit of duty is made.

(13) Application with Late Cuts: If application is submitted after last date, it may be considered after imposing late cuts in the following manner:

Application Submitted after last date but within 6 months from Last date	2%
Application Submitted after 6 months from Last date but within 12 months from last date	5%
Application Submitted after 12 months from Last date but within 24 months from last date	10%

(14) Last date of filing of application for Duty Credit Srips: For claiming benefits under SEIS, the last date for filing application shall be 12 months from the end of relevant financial year of claim period.

(15) For SEIS ecom Application, the applicants may visit the DGFT website:
<http://dgft.gov.in>

List of eligible services, rates and conditions for rewards under the Services Exports from India Scheme (SEIS)

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

B.	<u>Research and development services</u>		
a.	R&D services on natural sciences	<u>851</u>	5%
b.	R&D services on social sciences and humanities	<u>852</u>	5%
c.	Interdisciplinary R&D services	<u>853</u>	5%

C.	<u>Rental/Leasing services without operators</u>		
a.	Relating to ships	<u>83103</u>	5%
b.	Relating to aircraft	<u>83104</u>	5%
c.	Relating to other transport equipment	<u>83101</u>	5%
		<u>83102</u>	
		<u>83105</u>	
d.	Relating to other machinery and equipment	<u>83106-83109</u>	5%

D.	<u>Other business services</u>		
a.	Advertising services	<u>871</u>	3%
b.	Market research and public opinion polling services	<u>864</u>	3%
c.	Management consulting service	<u>865</u>	3%
d.	Services related to management consulting	<u>866</u>	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	3%
		5115	
i.	Services incidental to manufacturing	884	3%
		885	
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	3%
		8861-8866	
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	COMMUNICATION SERVICES (Audiovisual services)		
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%
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	5%
		516	
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%
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>		
a.	Cargo-handling services	741	5%
b.	Storage and warehouse services	742	5%
c.	Freight transport agency services	748	5%

- For more information about the scheme, please refer to Charter 3 of FTP & HBP 2015-2020 & relevant Notification/Public Notices/Policy Circulars on the subject.
- The above circular is subject to amendment/Policy changes by virtue of various Notifications/Public Notices/Policy Circulars issued/to be issued by Govt. of India on the subject from time to time.

To:

1. All IT/ITES SEZ Units
2. All ADC's /Specified Officers/Authorized Officers

Copy to:

1. PA to DC, NSEZ- for kind information of DC please


Rakesh Kumar
 (Deputy Development Commissioner)

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