

# EXPORT AND TRADING HOUSES

## CHAPTER – 3

### 3.10.1- 3.10.4 from FT Policy:

#### 3.10

#### EXPORT AND TRADING HOUSES

##### 3.10.1

##### Eligibility for Export and Trading Houses Status

Merchant as well as Manufacturer Exporters, Service Providers, Export Oriented Units (EOUs) and Units located in Special Economic Zones (SEZs), Agri. Export Zones (AEZs), Electronic Hardware Technology Parks (EHTPs), Software Technology Parks (STPs) and Bio-Technology Parks (BTPs) shall be eligible for recognition as a status holder.

##### 3.10.2

##### Status Category

Status recognition depends upon export performance. An applicant shall be categorized as status holder upon achieving export performance indicated in table below. The export performance will be counted on the basis of FOB value of export proceeds realized during current plus previous three years (taken together). For Export House (EH) Status, export performance is necessary in at least two out of four years.

| <b>Status Category</b>      | <b>Export Performance<br/>FOB / FOR Value<br/>(Rupees in Crores)</b> |
|-----------------------------|--|
| Export House (EH)           | 20   |
| Star Export House (SEH)     | 100  |
| Trading House (TH)          | 500  |
| Star Trading House (STH)    | 2500   |
| Premier Trading House (PTH) | 7500   |

##### 3.10.3

### **Double Weightage and other conditions for Grant of Status**

- (a) Exporters in Small Scale Industry (SSI) / Tiny Sector / Cottage Sector, Units registered with KVICs / KVIBs, Units located in North Eastern States, Sikkim and Jammu & Kashmir, Units exporting handloom/handicrafts / hand knotted or silk carpets, exporters exporting to countries in Latin America / CIS / sub-Saharan Africa as listed in Appendix-9, Units having ISO 9000 (series) / ISO 14 000 (series) / WHOGMP/ HACCP / SEI CMM level-II and above status granted by agencies listed in Appendix-6 of HBP v1, exports of services and exports of agro products shall be entitled for double weightage on exports made for grant of status. Double Weightage shall be admissible to Merchant as well as Manufacturer Exporters. However, a shipment can get double weightage only once in any one of above categories.
- (b) Transfer of export performance from one to another is not permitted. Therefore disclaimer system shall not be allowed for counting of export turnover.
- (c) Exports made on re-export basis shall not be counted for recognition.
- (d) Exports made by subsidiary of a limited company shall be counted towards export performance of limited company for recognition only if limited company has a majority share holding in subsidiary company.

### **3.10.4 Privileges of Export and Trading Houses Status Holders**

A Status Holder shall be eligible for privileges as under:

- (a) Authorization and Customs Clearances for both imports and exports on self-declaration basis;
- (b) Fixation of Input-Output norms on priority within 60 days;

(c) Exemption from compulsory negotiation of documents through banks. Remittance / Receipts, however, would be received through banking channels;

(d) Exemption from furnishing of BG in Schemes under FTP;

(e) SEHs and above shall be permitted to establish Export Warehouses, as per DoR guidelines.

(f) For status holders, a decision on conferring of ACP Status shall be communicated by Customs within 30 days from receipt of application with Customs.

(g) As an option, for Premier Trading House (PTH), the average level of exports under EPCG Scheme shall be the arithmetic mean of export performance in last 5 years, instead of 3 years.

(h) Status Holders of specified sectors shall be eligible for Status Holder Incentive Scrip under Para 3 .16 of FTP.

(i) Status Holders of Agri. Sector (Chapter 1 to 24 ) shall be eligible for Agri. Infrastructure Incentive Scrip under VKGUY - Para 3.13.4 of FTP