

The logo consists of a dark blue square with the letters 'RJA' in white, serif, uppercase font.

**RJA**

# **Rajput Jain & Associates**

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Solutions**

**Services Exports from India Scheme (SEIS)**



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# SERVICES EXPORTS FROM INDIA SCHEME (SEIS)

## Introduction

**Service Exports from India Scheme**(SIES) has been introduced through the latest Foreign Trade Policy(FTP) 2015-2020 as a tool to encourage **export** of notified services from **India**. It replaces the Served from **India Scheme**(SFIS) that was introduced in the Foreign Trade Policy 2004-2009.

## Eligible Service Providers

All type of Service Providers (i.e. Companies, Partnership, Proprietorship) providing notified services will be eligible for SEIS if they are providing services as per any of the two specified modes (out of four modes) .

Mode	Title of Mode	Description	Eligible for SEIS
1	Cross border trade	Supply of a 'service' from India to any other country	Yes
2	Consumption abroad	Supply of a 'service' from India to service consumer(s) of any other country in India	Yes
3	Commercial Presence	Supply of a 'service' from India through commercial presence in any other country	No
4	Presence of natural persons	Supply of a 'service' from India through the presence of natural persons in any other country	No

## Calculation of Benefits

The first step in calculation of scheme benefits is to arrive at the figure of Net Foreign Exchange earned during the particular financial year as per following formula:

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

Once Net Foreign Exchange earnings are calculated, the next step is to find out the applicable rate as per the services being exported.



In the beginning of the scheme, DGFT notified the rates between **3 to 5%** of the Net Foreign Exchange earnings. However, later on, these rates were increased by 2% and the applicable rate of benefit under SEIS is in the range of **5 to 7%** with effective from 1st November'2017 and applicable till 31st March'2018.

- Following are the reward rates notified under the Annexure to Appendix3D of The Foreign Trade Policy 2015-2020:

<b>Services</b>	<b>Reward Rates (from 1.4.15 to 31.10.17)</b>	<b>Reward Rates (from 1.1.17 to 31.3.18)</b>
Professional Services (Legal, Accounting, Tax, Medical etc.)	5%	7%
Research & Development Services	5%	7%
Rental/Leasing services without operators	5%	7%
Other Business Services	3%	5%
Audiovisual services	5%	7%
Construction & related Engineering Services	5%	7%
Educational Services	5%	7%
Environmental Services	5%	7%

<b>Services</b>	<b>Reward Rates (from 1.4.15 to 31.10.17)</b>	<b>Reward Rates (from 1.1.17 to 31.3.18)</b>
Health-Related and Social Services	5%	7%
Tourism and Travel Related Services	3-5%	5-7%
Recreational, Cultural and Sporting Services (other than audio visual services)	5%	7%
Maritime Transport Services	5%	7%
Air Transport Services	5%	7%
Road Transport Services	5%	7%
Services auxiliary to all modes of Transport	5%	7%

## Procedure for filing application

Application to claim the benefit under SEIS is filed in Form ANF 3B online using digital signature.

This application contains one part which needs to be certified by a practicing Chartered Accountant.

Physical copy of application along with all supporting documents also needs to be submitted to the jurisdictional office of DGFT.

A small fee of Rs. 1000 is paid at the time of filing the application.

Application once filed, can't be revised online.

Exchange rate for each year is notified to calculate the value of duty credit scrip.

Application for each financial year is filed separately.

## Other important points

The duty credit scrip can be utilized for the payment of basic custom duty for the procurement of eligible inputs and capital goods.

The scrip is freely transferable i.e. the service exporter can sell the scrip to any other person.

The duty credit scrip shall be valid for a period of 24 months from the date of its issue.

An application for obtaining duty credit scrip shall be filed within a period of 12 months from the relevant financial year of claim period.

Period of delay in filing the claim	Late cut %
Application received after the expiry of last date but within six months from the last date	2%
Application received after six months from the prescribed date of submission but not later than one year from the prescribed date	5%
Application received after 12 months from the prescribed date of submission but not later than 2 years from the prescribed date	10%



# Reach Us



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