

# DGFT provides one-time relaxation from average export obligation maintenance for sectors affected due to COVID-19 pandemic

The Directorate General of Foreign Trade (DGFT) has notified a one-time relaxation from maintaining the average export obligation under the Export Promotion Capital Goods (EPCG) scheme for certain sectors affected due to the COVID-19 pandemic.

## Key relaxations notified:

### For hotel, healthcare, and educational sectors:

- There will be no requirement to maintain the average export obligation (EO) for the years 2020-21 and 2021-22;
- the extension of the EO period from the date of expiry for the duration equivalent to the number of days the EO period falls between 1 February 2020 and 31 March 2022;
- the extension shall be granted without payment of any composition fees;
- in case the extension has already been obtained`

on payment of composition fees, refunding such fees may not be permitted.

### For EPCG authorizations other than hotel, healthcare, and educational sectors:

- the extension of the EO period from the date of expiry for the duration equivalent to the number of days the EO period falls between 1 February 2020 and 31 July 2021.
- the extension may be granted without the payment of composition fees, but it will be subject to a 5% additional EO on the balance EO as on 31 March 2022;
- the option to avail an EO extension upon the payment of composition fees would remain open, and such fee, once submitted, shall be non-refundable.

