



Online Certificate of Origin for Merchandise Export

For Prelims: Certificates of Origin (CoO), Types of Trade Agreements.

For Mains: Export Promotion Schemes and significance of trade agreements signed by India.

Why in News

The Centre has suspended till 31st January 2022, a mandatory obligation imposed on exporters to obtain online Certificates of Origin (CoO) for every outbound consignment.

Key Points

▪ About:

- The online CoO system, put in place in late 2019 for exports to countries with whom India had a [Preferential Trade Agreement \(PTA\)](#), was expanded to cover all merchandise exports from November 2021.
- This platform acts as a **single access point for all exporters, all Free Trade Agreements (FTAs)/Preferential Trade Agreements (PTAs)**, and all concerned agencies.

▪ Devised By:

- The platform has been designed and developed by the **Director-General of Foreign Trade (DGFT)** and Regional & Multilateral Trade Relations (RMTR) Division, Department of Commerce, **Ministry of Commerce and Industry**.

▪ Significance:

- This online facility provides '[ease of doing business](#)' to the exporting community and gives a verifiable authentication mechanism to the partner countries to confirm the genuineness of the issued CoOs through a QR code which adds credibility to the issued e-CoO.

▪ Status of Merchandise Export:

- India's monthly merchandise exports have crossed USD 30 billion for seven months in a row and are largely on course to reach the government's target of a record USD 400 billion in 2021-22.
 - Export merchandising is **a method of offering retail goods for sale in a foreign consumer market.**

▪ India's Export Promotion Schemes:

◦ Merchandise Exports from India Scheme:

- **MEIS** was introduced in the [Foreign Trade Policy \(FTP\)](#) 2015-20, under MEIS, the government provides duty benefits depending on product and country.

◦ Service Exports from India Scheme:

- Under it, incentives are given by the Ministry of Commerce and Industry to Service Exporters based in India to promote the export of services from India.

◦ Remission of Duties or Taxes on Export Product (RoDTEP):

- It is a fully automated route for Input Tax Credit (ITC) in the [GST \(Goods and Service Tax\)](#) to help increase exports in India.

- It was started in **January 2021 as a replacement for the MEIS**, which was not compliant with the rules of the [World Trade Organisation](#).
- **Rebate of State and Central Taxes and Levies:**
 - Announced in March, 2019, RoSCTL was offered for embedded state and central duties and taxes that are not refunded through Goods and Services Tax (GST).
 - It is available only for garments and made ups. It was introduced by the Ministry of Textiles.
 - Previously, it was Rebate for State Levies (ROSL).

Types of Trade Agreements

- **Free Trade Agreement (FTA):**
 - A free trade agreement is an agreement in which two or more countries agree to provide preferential trade terms, tariff concession etc. to the partner country.
 - India has negotiated FTA with many countries e.g. Sri Lanka and various trading blocs as well e.g. [ASEAN](#).
- **Preferential Trade Agreement (PTA):**
 - PTAs or Generalized System of Preferences (GSP) is **a special status given in trade by various countries**. In this type of agreement, two or more partners give preferential right of entry to certain products by reducing duties on an agreed number of tariff lines.
 - Tariffs may even be reduced to zero for some products even in a PTA. India signed a PTA with Afghanistan.
- **Comprehensive Economic Partnership Agreement (CEPA):**
 - Partnership agreement or cooperation agreement are more comprehensive than an FTA.
 - CEPA covers negotiation on the trade in services and investment, and other areas of economic partnership.
 - India has signed CEPAs with South Korea and Japan.
- **Comprehensive Economic Cooperation Agreement (CECA):**
 - CECA generally covers negotiation on trade tariff and TRQ (Tariff Rate Quotas) rates only. It is not as comprehensive as CEPA. India has signed CECA with Malaysia.

[Source: TH](#)

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