

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:478

ANSWERED ON:29.04.2013

REMOVAL OF RCMC

Adsul Shri Anandrao Vithoba; Sugumar Shri K.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government proposes to do away with the Registration-Cum-Membership Certificate (RCMC) that the exporters have to furnish in a move aimed at simplifying the process for traders and reducing transaction cost and if so, the details thereof;
- (b) whether the various export promotion councils and commodity boards have been resisting the said proposal of doing away with the RCMC;
- (c) if so, the details thereof and the reasons therefor along with the reaction of the Government thereto;
- (d) whether the Government has announced several other steps to lower the transaction cost of exports in a bid to make them more competitive in the global market; and
- (e) if so, the details thereof along with the steps taken/being taken by the Government to boost exports and to ensure removal of bureaucratic and infrastructural bottlenecks in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. D. PURANDESWARI)

a) to e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 478 FOR ANSWER ON 29TH APRIL, 2013 REGARDING "REMOVAL OF RCMC "

(a) to (c) Reduction of Transaction Cost of the exporters has been a constant endeavour of the Government. One of the areas of this is reducing the number of documents required to be submitted by the exporters for claiming various benefits/ incentives under Foreign Trade Policy (FTP). Registration-Cum Membership Certificate (RCMC) is one such document. Views were sought from all Export Promotion Councils (EPCs) to do away with RCMC. The EPCs have indicated that since RCMCs are already uploaded online, the requirement of submission of hard copies of RCMC is not necessary.

(d)&(e) Government has taken a number of steps to reduce transaction cost. Most important of these include:

i. The Task Force on Transaction Cost constituted by the government identified specific issues contributing to high transaction cost. Implementation of task force recommendations has so far resulted in reduction of Transaction cost of value Rs.2495 crore approximately in perpetuity to the stakeholders. Further implementation of a few recommendations is likely to yield approximate benefit of Rs.565 crore. To work further in the area, government has announced constitution of the Second Task Force on Transaction Cost.

ii. eBRC system has been set up to receive details of export proceeds from banks in secured electronic format. With this, DGFT dispensed with the issuance of physical copy of BRCs by banks. The eBRC system has significantly lowered the transaction cost of exporters who do not have to visit or pay high fee for BRC issuance to banks. Use of eBRC would lead to all round manpower and effort savings for the Government agencies like Customs, Central Excise and at the State Government level, the Departments dealing with imposition and refund of Value Added Tax (VAT).

iii. Submission of Copy of shipping bill has been dispensed with for EDI shipping bills for advance authorization, duty free import authorization and EPCG schemes.