

Immediate/By Email

F.No. 4(8)/2021-IC
Government of India
Ministry of Micro, Small & Medium Enterprises
(IC Section)

Udyog Bhawan, New Delhi-110011
Dated: 15 July, 2022

OFFICE MEMORANDUM

Sub: Guidelines of Sub-Component II: Capacity Building of First Time MSE Exporters (CBFTE) of International Component Scheme of Ministry of MSME-reg.

The undersigned is directed to refer to this Ministry's OM dated 19.08.2021 and to state that the Competent Authority i.e. Secretary (MSME) had already approved the SFC Memorandum for continuation of International Cooperation (IC) Scheme for the next financial cycle 2021-22 to 2025-26. In accordance with the approval accorded, the IC Scheme was revised with the following three sub-components:

- i. Market Development Assistance (MDA) - (both Physical and Virtual Mode)
- ii. Capacity Building of First Time Exporters (CBFTE)
- iii. Framework for International Market Intelligence Dissemination (IMID)

2. Accordingly, the guidelines for Sub-Component-1 i.e. MDA was circulated for information and necessary action by all concerned on 19.08.2021 which is available on the Ministry's website www.msme.gov.in.

3. It is hereby informed that guidelines for the Capacity Building of First Time Exporters (CBFTE) have now been completed and are being circulated to all concerned for further information and necessary action. The remaining third Sub-Component will be circulated after completion of background work for its operationalization.

4. The guidelines for Sub-Component-II -CBFTE will be effective from the date of issue of this O.M.

Encl. Scheme Guidelines for Sub-Component-II -CBFTE



(S. K. Verma)
Deputy Secretary to Govt. of India (IC)
Tel: 23062736

To

- I. AS&DC/SS&FA/JS (SME)/JS(AFI)/EA/US (Fin.I/II)/Budget Division - Ministry of MSME, New Delhi.
- II. Chairman-cum-Managing Director, NSIC, New Delhi.

- III. Chairman-cum-Managing Director, ECGC Ltd., Mumbai
- IV. Chief Executive Officer, KVIC, Mumbai.
- V. Secretary, Coir Board, Cochin, Kerala.
- VI. Director General, NI-MSME, Hyderabad.
- VII. Technical Director (NIC), Office of DC (MSME), Nirman Bhawan, New Delhi with the request to kindly upload the CBFTE Component of revised IC Scheme guidelines on the website of this Ministry under International Cooperation link and also make the requisite changes in the MIS of IC Scheme Portal.
- VIII. Joint Director (OL), Ministry of MSME with the request to kindly provide Hindi version of the CBFTE Component of IC Scheme guidelines.
- IX. All the Export Promotion Councils.

Copy for information to:

1. PS to Minister (MSME)
2. PS to MOS (MSME)
3. PPS to Secretary (MSME)
4. Sr. PPS to JS(SME)
4. ~~PA~~ to DS(IC)

Annexure

Sub-Component II: Capacity Building of First Time MSE Exporters (CBFTE) (Detailed Guidelines)

8. ELIGIBILITY CONDITONS

- a. Micro and Small Enterprise with valid Udyam Registration
- b. To claim the benefits under the scheme, the applicant's Importer Exporter Code (IEC) must not be older than 3 years on the date of export shipment.
- c. This sub-component of the scheme is applicable from the date of issuance of scheme guidelines.

9. ASSISTANCE UNDER THE SCHEME

9.1 Procedure to avail benefits under Sub-Component II: Capacity Building of First Time MSE Exporter

The applicant Organisation will submit an online application for financial assistance, along with the relevant documents in the proforma (prescribed on the IC Scheme portal: <https://ic.msme.gov.in>) giving full details of expenditure. The admissible financial assistance would be worked out in accordance with the criteria/scale mentioned in **paragraph 9.2**

9.2 Scale of Assistance and Eligible Items of Expenditure

9.2.1 Financial assistance towards costs incurred by first time MSE Exporters on export shipments:

Registration-cum-Membership Certificate (RCMC) charges/fee paid by the first-time exporter to related EPCs	75 percent of the cost paid subject to a maximum of Rs. 20,000/- or actual, whichever is lower subject to quarterly reporting by EPCs as per prescribed format.
Export Insurance Premium paid to Export Credit Guarantee Corporation Ltd. (ECGC) under the ECGC's Small Exporter's Policy	Maximum financial assistance in a financial year of Rs. 10,000/- or actual, whichever is lower subject to quarterly reporting by ECGC Ltd. as per prescribed format.
Fee paid on Testing & Quality Certification acquired by MSEs to Export Products <i>(Note: Ministry of MSME shall share the list of beneficiaries who have availed the financial assistance under this sub component, with MAI Division, Department of Commerce, on quarterly basis)</i>	75 percent of the testing and quality certification with a ceiling of Rs. 1.00 Lakh or actual, whichever is lower, subject to following conditions: <ul style="list-style-type: none">• Financial assistance is allowed for a maximum of 3 certificates per financial year with a ceiling of Rs. 1.00 Lakh per MSE unit.• Certificate, for which financial assistance is requested, should be attained within the same financial year.

9.2.2 Process of seeking financial assistance under the Scheme:

- i. **RCMC certificate:** Ministry of MSME to sign MoU with EPCs. These EPCs will then be eligible to apply for financial assistance under the IC scheme. They will be required to apply for financial assistance claim on behalf of MSEs along with all prescribed documents on the IC Scheme portal.
- ii. **Export Insurance Premium:** Export Credit Guarantee Corporation (ECGC) Ltd. provides insurance to Exporters. The Ministry of MSME will sign an MoU with ECGC Ltd. and claims for financial assistance for the first-time MSE exporters will be released from the IC Scheme to ECGC upon receipt of application on the updated portal of IC Scheme.
- iii. **Testing and Quality Certification:** Ministry of MSME to sign MoU with National Small Industries Corporation Ltd. Financial assistance on certifications defined under the scheme will be released to NSIC Ltd. for further dissemination of funds to eligible MSEs.

10. RELEASE OF GRANT

Grants under the Scheme will be released on re-imburement basis on submission of the re-imburement claim in the proforma (uploaded on the IC Scheme Portal). Claim must be accompanied with the documents, as prescribed by the Ministry.

11. DOCUMENTS REQUIRED

- i. **Documents required for RCMC (Claim Form at Annexure K):**
 - a. IEC Code not more than 3 years old on the date of export shipment
 - b. RCMC fee receipt
 - c. Proof of export carried out in the same financial year for which RCMC is claimed
- ii. **Documents required for Export Insurance Premium (Claim Form at Annexure L):**
 - a. IEC code not more than 3 years old on the date of export shipment
 - b. Receipt of Insurance Premium
 - c. Proof of export shipment carried out in the same financial year for which insurance is claimed

iii. **Documents required for Testing and Quality Certification** (Claim Form at Annexure M):

- a. IEC code not more than 3 years old on the date of export shipment
- b. Testing and quality certification
- c. Proof of export shipment of product for which testing and quality certification is claimed.
- d. Proof of mandatory requirement of Testing and Quality Certification for such export.
- e. Self-certification by MSE that he/she has not availed benefits under Market Access Initiative(MAI) Scheme of Department of Commerce, for the same purpose (As at Annexure-N).

Note: The above documents to be duly attested/certified by the applicant organisation.

ANNEXURE-K**Claim Forms for Sub-Component II: Capacity Building for First Time MSE Exporter**

CLAIM FORM - FOR EPCs (For Component II (a))	
Name of EPC (drop-down list)	
Address	
Phone	
E-mail	
Fax	
Website Address	
Fiscal Quarter (Drop Down list)	
Number of RCMCs Issued to MSEs	
Attach RCMC Fee Receipts	
Attach List of Beneficiary MSEs with Form ANF-2C for each MSE unit	
Total Claim Amount	
Attach Supporting Documents/Bifurcation	

Enterprise Details

Enterprise Details	
Unit Name	
Date of Incorporation	
UAM Number	
Office Address	
District	
Pin Code	
Telephone Number	
Email ID	
Category (Micro/ Small)	
Name of Promoter (s)	
Gender (Male/ Female/ Other)	
GST Number	
PAN Card No.	
Cost of Investment in Plant & Machinery or equipment's (In Rs.)	
Annual turnover in previous three financial years (In Rs)	

Range of Products manufactured or serviced	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Import – Export Code (IEC) Number	

Undertaking:

The list of MSE for which claim has been sought, has been verified for the following criteria, as set by the Ministry of MSME in International Cooperation Scheme.

- IEC Code less than 3 years old
- Proof of export carried out in the same financial year for which RCMC is claimed

We, _____, hereby declare that all information has been verified and is true to the best of our knowledge.

Date:.....
Place:.....

Signature of the authorised signatory

Name:
Designation:
Stamp of the Applicant Organization:

ANNEXURE-L

CLAIM FORM - FOR ECGC (For Component II (b))	
Fiscal Quarter (drop down list)	
Number of Insurance imparted to MSEs	
Attach list of recipient MSEs with details	
Attach Receipts of Insurance Premium	
Total Claim Amount	
Attach Supporting Documents/Bifurcation	

Undertaking:

The list of MSE for which claim has been sought, has been verified for the following criteria, as set by the Ministry of MSME in International Cooperation Scheme.

- IEC Code less than 3 years old
- Proof of export shipment carried out in the same financial year for which insurance is claimed.

We, _____, hereby declare that all information has been verified and is true to the best of our knowledge.

Date:.....
Place:.....

Signature of the authorised signatory
Name:
Designation:
Stamp of the Applicant Organization:

ANNEXURE-M

CLAIM FORM – To be submitted by National Small Industries Corporation Limited (NSIC) (For Component II (c))	
Name of Applicant MSE	
Address	
Phone	
E-mail	
Fax	
Website Address	
Udyam Registration Number	
Status of the Unit (Proprietorship/Partnership/Private Limited Company)	
Importer Exporter Code (IEC)	
Date of Issuance of IEC	
Name of Testing or Quality Certification	
Issuing Authority	
Proof of export shipment of product for which testing and quality certification is claimed.	
Proof of mandatory requirement of Testing and Quality Certification for such export.	
Claim Amount	
Original Bill/Invoices of the Certification	

Undertaking:

The list of MSE for which claim has been sought, has been verified for the following criteria, as set by the Ministry of MSME in International Cooperation Scheme.

- IEC Code less than 3 years old
- Proof of export shipment of product for which testing and quality certification is claimed.
- Proof of mandatory requirement of Testing and Quality Certification for such export.

We, _____, hereby declare that all information has been verified and is true to the best of our knowledge.

Date:.....
Place:.....

Signature of the authorised signatory

Name:

Designation:

Stamp of the Applicant Organization:

On the letter head of the Association/Organization in Original

CERTIFICATE

This is to certify that no Grants-in-Aid for the purpose of activities as approved vide sanction letter No..... dated..... of Ministry of MSME has been applied for or obtained from Department of Commerce (Under Market Access Initiative Scheme or any other scheme) OR any other Ministry or Department of Government of India or any other State Government or Government Institute/Agency.

Signature of the authorized
signatory
Name.....

Stamp of Association/Organization

Frequently Asked Questions regarding implementation of 'Reimbursement RCMC charges' sub-component under CBFTE component of IC Scheme.

Sl. No.	Queries of Export Promotion Councils (EPCs)	Reply
1.	Details regarding the documents which are required from the exporter towards the evidence of shipment?	Copy of bills of Lading, Airway bills or any other documents prescribed by Directorate General of Foreign Trade for Exporting goods.
2.	If the membership fees of an EPC is Entrance fee Rs. 2500/- + Annual subscription Rs. 5000/- + GST 18% I.E.; Total fees Rs. 8850/-. Question is 75% reimbursement is on 7500/- or 8850/-?	As per IC Scheme Guidelines, dated 15.07.2022, only Registration Cum Membership Charges (including GST) are to be reimbursed subject to ceiling specified in IC Scheme.
3.	MSMEs who have Nil export from the Registration date is not eligible for the reimbursement of Fees claim. Pl. confirm.	Yes. Proof of Export Shipment carried out in the same Financial Year for which reimbursement of RCMC charges is claimed is required for assistance under CBFTE.
4.	Condition b) The applicant's Importer Exporter Code must not be older than 3 years on the date of export shipment- Is there any deadline for shipment date?	Already replied in Sl No. 3 above.
5.	Is the application to be received in single pdf file?	Ministry is in process of creating an online portal for uploading the documents on website. Till such time a link is created, all the requisite documents, in original must be sent to IC Section, Room no.- 462, 4 th Floor, C Wing, Udyog Bhawan, New Delhi-110011

6.	Whether EPCs should submit reimbursement claims of MSEs on Quarterly basis which means January to March, April to June, July to September, October to December. Any specific date of submission of claim to MSME of the ending quarter?	The claims for reimbursement should be submitted after the end of each quarter, as soon as possible.
7.	If an Exporter who has taken Membership after 20 th September 2022 having IEC issued in 2021 & exported before 20 th September 2022 i.e; the date of MOU signed by EPCH and MSME – In this case will that exporter be eligible for reimbursement?	As per the IC Scheme guidelines dated 15.07.2022, EPCs can submit claim for reimbursement of RCMC charges only when the Export Shipment is carried out in the same Financial Year for which RCMC charges were paid by the MSEs.
8.	Is the reimbursement of charges as mentioned at Sl. no.- 7 above will be valid for the RCMC issued after 20 th September 2022 i.e the date of MoU or it can be reimbursed for the RCMC issued before that also. If yes pl provide the dates form when the reimbursement of RCMC issued can be made.	Reimbursement of RCMC issued after the date of signing of MoU i.e.20.09.2022.
9.	As mentioned in the eligibility criteria the MSE should have a valid UDYAM Registration certificate, if the MSE is not a manufacturer but a merchant exporter will he be eligible for the reimbursement.	As per the IC Scheme Guidelines, all Micro and Small Enterprise having valid Udyam Registration are eligible for financial assistance.
10.	As mentioned the upper limit of reimbursement is Rs 20,000 per MSME, is this one time or on annual basis.	The upper limit of reimbursement is on Annual basis, subject to fulfilment of all other conditions of the IC scheme guidelines dated 15.07.2022.
11.	Till when the online portal on which the details are to be uploaded will be operationalised?	Ministry is in process of creating an online portal for uploading the documents on website. Till such time a link is created, all the requisite documents, in original must

		be sent to IC Section, Room no.- 462, 4 th Floor, C Wing, Udyog Bhawan, New Delhi-110011.
12.	The scheme is applicable only to Micro and Small scale manufacturers and not to the medium scale manufacturers (Investment in Plant and Machinery or Equipment less than 50Cr or Company turnover between 50Cr to 250Cr.) Is it correct?	Yes, as per Guidelines, only Micro and Small Enterprises are eligible for financial assistance under CBFTE component of IC Scheme.
13.	What is the detailed procedure for EPCs to follow for reimbursement of fees from MOMSME?	Details of all the documents and proforma which EPCs need to submit to the Ministry for reimbursement of claims may be seen at para 11 of IC Scheme Guidelines dated 15.07.2022 and Annexure-K.
14.	As per MoU para 2.4 EPC's needs to submit only 2-document to MSME i.e. a. Valid Udyam Registration (Not Udyog Adhar) b. Importer Exporter Code (IEC) not older than 3 years	
15.	It is stated that IEC must not be older than 3 years on the date of export shipment. Is it mandatory to have shipment from Exporter on the said IEC?	Yes. As per IC Scheme guidelines, it is mandatory to submit proof of Export Shipment carried out in the same Financial Year for which reimbursement of RCMC charges is claimed and secondly, the IEC code must not be order than 3 years on the date of export shipment.
16.	What if there is no shipment on IEC? Can EPCs apply in such case for RCMC fees reimbursement to MOMSME? Please clarify.	No. Already clarified in Sl. no.- 15.
17.	How should post signing of MOU and implementation of guidelines, EPC proceed How should they guide first time exporters to avail the benefits of the said scheme.	Details of all the documents and proforma which EPCs need to submit to the Ministry for reimbursement of claims may be seen at para 11 of IC Scheme Guidelines dated 15.07.2022 and Annexure-K.