

# Directorate General of Foreign Trade (DGFT) - UPSC

## Notes

The Directorate General of Foreign Trade (DGFT) is a government body responsible for implementing the country's foreign trade policy. UPSC aspirants should be aware of important government bodies and agencies since they could be asked about such bodies in the [IAS prelims](#).

### Directorate General of Foreign Trade (DGFT)

The DGFT is the chief body that administers laws related to foreign trade and foreign investment in India.

- It implements the foreign trade policy or the EXIM (export-import) policy of the government.
- Its main mandate is to promote exports from India.
- It is an attached body of the Ministry of Commerce & Industry, GOI.
- It is headed by the **Director General of Foreign Trade**. He/she is at the apex position of the [Indian Trade Services \(ITS\)](#).
- The DGFT was formed in 1991 when the LGP (liberalisation, globalisation, privatisation) policies of the government took off. Read more on the [Economic Reforms of 1991](#).
- Before 1991, the DGFT was known as the Chief Controller of Imports & Exports (CCI&E).
- The organisation formulates guidelines for Indian exporters and importers.
- Since the liberalisation, the DGFT is no longer the 'controller', rather it is a facilitator in matters of foreign trade.
  - There was a policy shift from control/prohibition to facilitate/promotion of foreign trade.
- The office works in tandem with other similar organisations such as the Customs Commissionerate, the DRI authorities, the Central Excise authorities and the Enforcement Directorate.
- The DGFT is the licensing authority for export/import businesses in India.
- The DGFT's offices offer facilitation to exporters in connection with developments in international trade such as [WTO](#) Agreements, Rules of Origin and anti-dumping issues, etc. to aid them in their export and import decisions in an internationally dynamic environment.
- The Directorate is headquartered in New Delhi with 38 regional offices all over the country.

### Functions of DGFT

The functions of the DGFT are given below.

- Implementing the foreign trade or EXIM policy of the government.
- Providing a complete database of all exporters and importers in India.
- Granting of the Exporter Importer Code (EIC) Number to exporters and importers in India.
  - The EIC Number is a ten-digit number that is needed for people to export and/or import.
- It has the authority to prohibit, restrict and regulate importers and exporters.
- Regulating and permitting the transit of goods from India to adjacent countries according to the bilateral trade agreements.
- Promoting trade between India and her neighbouring countries.
- Granting permission of free export wherever necessary.
- It plays a vital role in controlling DEPB rates.
  - DEPB: Duty Entitlement Pass Book
  - DEPB Scheme is an export incentive scheme of the GOI given to exporters.
- Handling quality complaints of the foreign buyers of Indian export products.
- Formulating or adding new codes in the ITC-HS Codes.

- ITC-HS codes are also known as Indian Trade Clarification based on Harmonized System of Coding.
- These are codes given to export/import products.

## **UPSC Questions related to DGFT**

### **Who is the present DGFT?**

The current Director General of Foreign Trade is Alok Chaturvedi, IAS.

### **What is a Bank Realisation Certificate (BRC)?**

It is a certificate issued by banks as a confirmation that the exporter has received payment against export of goods from his buyer.