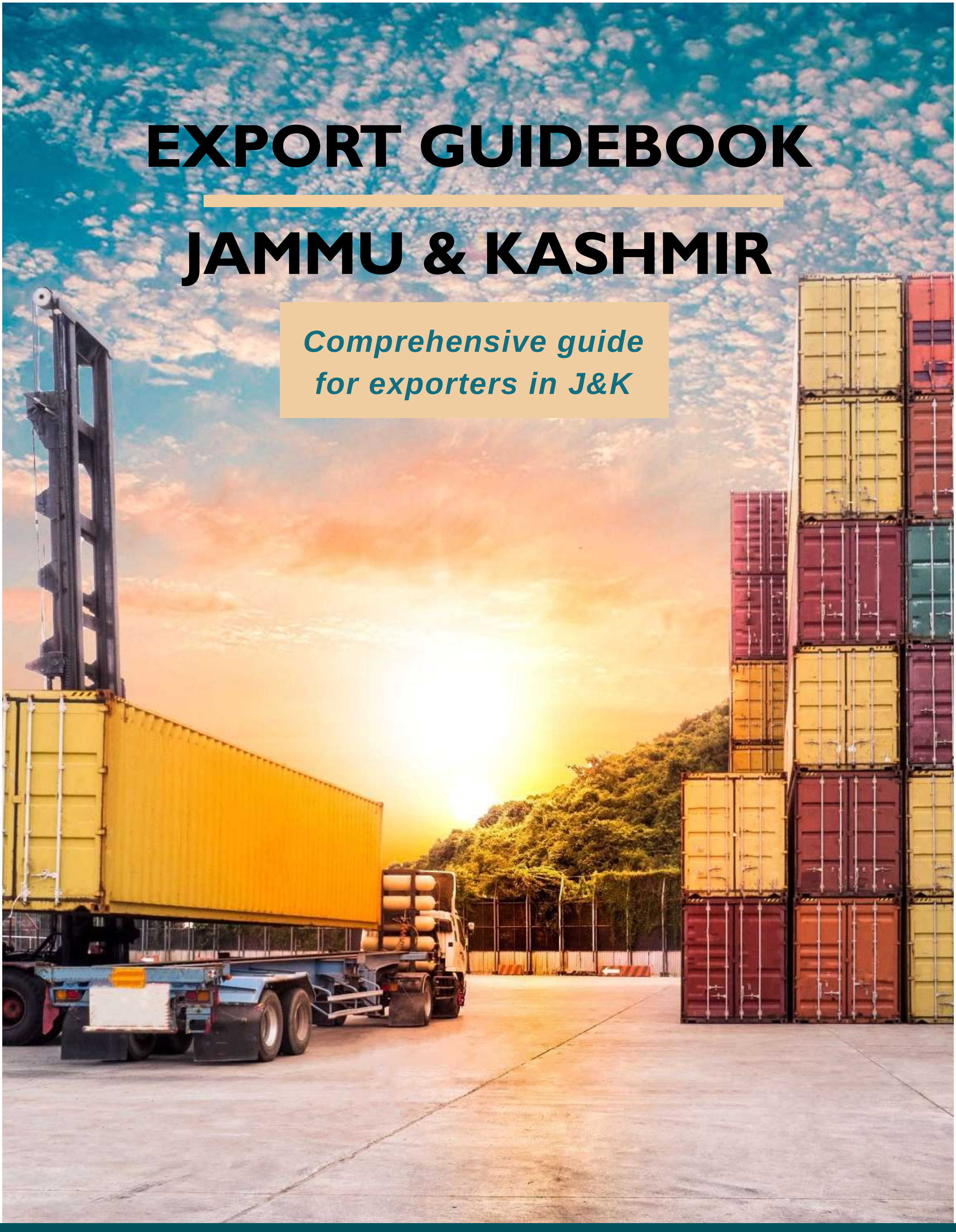
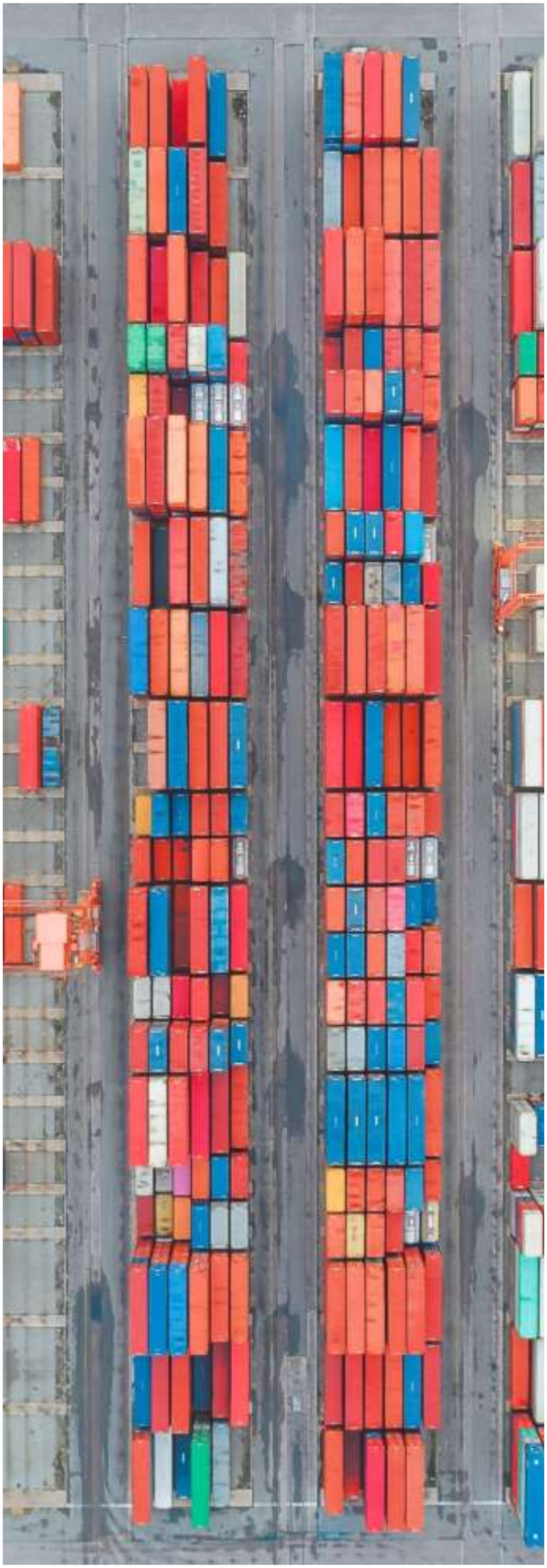
EXPORT GUIDEBOOK

JAMMU & KASHMIR

Comprehensive guide for exporters in J&K



Jammu and Kashmir Trade Promotion Organization | Department of Industries & Commerce |



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INTRODUCTION

Jammu and Kashmir (J&K), a Union Territory of India in the country's northern part is a global tourist destination. The economy is primarily agri-oriented, and services based. The Gross State Domestic Product (GSDP) increased at a CAGR of 8.51% between 2015-16 and 2020-21 to reach Rs. 1.76 trillion (US$ 24.28 billion). J&K's NSDP increased at a CAGR (in Rs.) of 8.61% from 2015-16 to 2020-21 and reached Rs. 1.49 trillion (US$ 20.49 billion). In comparison the UT of J&K has overseen a CAGR of 13.48% to achieve exports of USD 221.7 in the year 2021-22 as compared to USD 117.81 in the year 2016-17. Total export from J&K stood at US$ 188.18 million in 2019-20. In FY21, exports from J&K stood at US$ 159.64 million.

- Export value CAGR of 10.89%
- 3rd amongst Union territories based on EPI index
- 1st in production of Saffron, Apple, Walnut, Trout Fish in India
- Leading Wool producer in India
- Mineral rich land – Limestone, Gypsum, Quartzite, Dolomite, Bauxite
- Major handicraft items include Carpets, Papier Machie, Crewel, Chain Stitch
- GI Tags - Kani Shawl, Kashmir Pashmina, Kashmir Sozani Craft, Kashmir Saffron, Kashmir Paper Machie, Kashmir Walnut Wood Carving, Khatamband, Basmati, Kashmiri Hand Knotted Carpet

A vast natural resource base has enabled J&K to develop land for cultivating major fruits. With varied agro-climatic conditions, the scope for horticulture is significantly high in J&K. Food processing and agro-based industries (excluding conventional grinding and extraction units) thrive in the UT. J&K has an ideal climate for floriculture and an enormous assortment of flora and fauna. J&K has Asia's largest tulip garden. J&K's handicrafts are world famous, and the traditional handicraft industry has emerged as a large industry. Due to its large employment base and export potential, the industry has been receiving priority attention of the government. The UT is also famous for its small-scale and cottage industries such as carpet weaving, silks, shawls, basketry, pottery, copper and silverware, papier-mâché, and walnut wood. The cottage handicrafts industry provides direct and gainful employment to around 340,000 artisans. In addition to traditional recreational tourism, a vast scope exists for adventure, pilgrimage, spiritual, and health tourism.

Based on its potential in various sectors, the Government of J&K sees exports as a priority area for development of the UT. Keeping the view of the projection of India's exports, the Government of J&K proposes to set an export target in line with its target of achieving a sustained economic growth in the next 5 years. The export policy of J&K focuses not only on the measures to identify new markets and developing new exportable products as per international standards but also to enhance the entire trade ecosystem of the UT.

As a strategic step, GoJK will also launch revamped export policy with the vision to provide below interventions for the potential exporters/artisans of J&K:

- Fiscal and Non-Fiscal Incentives
- Preparation of database and market research for exporters
- Development of Common Facility Centers for Exporters
- Strengthening of existing infrastructure at district level

- Leveraging E commerce platforms for market linkages at global platform
- Financing of export infrastructure within the funds approved for respective districts

The following strategic interventions are being taken by GoJK to boost and augment exports from the UT of J&K in next 5 years:

- Strengthening UT associations with Export Promotion Councils, International trade bodies, FIEO (Federation of Indian Exports Organization), ITPO (India Trade Promotion Organization), NCTI (National Centre for Trade Information and Product Sectoral Associations)
- Further, GoJK is engaging with various organizations like APEDA, CEPC, EPCH, WWEPC, SGPC and SPICE Board for promotion of local products and Brand JK worldwide
- GoJK is also providing support for promotional activities such as external publicity, participation in fairs and exhibitions, promotion of exclusive exhibitions and trade fairs of specific products in targeted markets for export-oriented units
- Export related training and capacity building, and liaison with DGFT and industry chambers for facilitating these initiatives

Further, to above various activities are being implemented for Ease of doing Exports as under:

- Government of J&K is working on reducing procedural formalities for export transactions by way of faster processing of export-related documents by different agencies of the UT Government, reduction of procedural formalities for export transactions and speedy redressal of exporters' grievances etc. through the JK Export Promotion Council
- GoJK has also planned to undertake a study to identify the possibilities of Integration of SWIFT program (Single Window Interface for Trade) system with the state's Single desk portal

In accordance with the Atmanirbhar' s initiative of Hon'ble PM following actions are also being taken:

- Under District as Export Hub, 20 products have been finalized by all 20 Districts
- Preparation of a holistic vision strategy aiming at cluster-based needs for bringing all the cluster players at one platform for exploring potential of ODOP Export products procured at International level
- Knowledge transfer of various export schemes to the identified ODOP products and benefits available in availing the same related to exports
- Assisting exporters in linking with finance institutions to avail credit at competitive rates
- Geographical Indicator (GI) products identification for every district pertaining to local strength and resources available.
- One District One Product (ODOP) finalization done with stakeholder consent, assisting the vision to make every district an Export hub.
- Opportunity diversification study, for identified GI products conducted to locate potential markets.
- Activities like Outreach programs, Export Haats, Virtual meetups with Stake holders, Knowledge sessions organized by DEPC to encourage export in all districts.
- Establishment of Permanent Exhibition Centres – Jammu Haat and Kashmir Haat

For more information on trade promotion initiatives visit the website http://www.jktpo.in/

1. GETTING STARTED IN INTERNATIONAL TRADE

In this section we have highlighted the basic actions and requirements an exporter must complete before starting an export business.

Step 1: Incorporating a Firm

Proprietorship	‣ Any PAN card holder can apply for IEC
Partnership Firm	‣ Registration under Partnership Act 1932 ‣ Partnership can be Written or Silent (Construed)
Company: Private / Public/ Non-Profit Company / Government Co.	‣ Registration Under Company Act 2013 ‣ SEBI formalities in case of Public Company
Limited Liability Partnership (LLP)	‣ Registration under Limited Liability Act 2009 Limited Liability
Hindu Undivided Family	‣ Registration under Hindu Undivided Family Act Hindu Undivided
Cooperative Society / Trust / NGO	‣ Indian society Registration Act or ‣ Indian Trust Act

For more information on incorporation of a firm go through CompaniesAct2013.pdf (mca.gov.in)

Step 2: Bank Account and Pan Card

i. Banks listed under the AD (Authorized Dealer) Category 1 / EXIM banks are eligible to support and process transactions with foreign parties in terms of Export of Engineering goods, Services, Machinery, Agriculture products and Basic production goods. Exporters can check for the list of banks you can associate with, following the link - Reserve Bank of India - Database (rbi.org.in) Once the Bank is finalized, one can apply for a start-up Business Account online on the chosen bank's website. In case the online application doesn't work, it is possible to apply through the bank's branch by collecting the required Know Your Customer (KYC) documents required for opening the account.

ii. Further a Permanent Account Number (PAN) must be obtained on the Registered Company name as per below:
   - Fill in the application form (FORM 49A) on the NSDL website.
   - Select 'Firm' from the 'Application Type' and fill in details such as company name, date of incorporation etc.
   - Fill in the company registration number and income details, as well as the communication address.

   Requirements: For new PAN applications, Proof of Office Address along with Proof of residential address is to be submitted to NSDL.

   Information link: Online PAN Application

   Direct Registration link: https://www.onlineservices.nsdl.com/

Step 3: Importer -Exporter Code (IEC)

Import & Export Code is to be obtained by the business entity for import into or export from India. Import & Export Code is popularly known as IEC number. IEC is issued by Directorate General of Foreign Trade (DGFT) and is a 10-digit unique number.

IEC registration certificate is mandatory for businesses who are involved in import and export. An importer or an exporter can apply online at www.dgft.delhi.nic.in or manually.

- Apply on Aayaat Niryat Form and attach the following:
  - Copy of Address Proof
  - Copy of PAN card
  - Copy of Firm Registration
  - DD of Rs. 500 only
  - Bank Certificate as mandated under ANF

An exporter must apply on prescribed application in ANF 2A. Each page of the application must be duly singed by the applicant or the person authorised for this purpose under partnership deed, article of association. Application must be accompanied by documents as per details given below:

- Bank certificate endorsing the proprietor, partnership firm, company, HUF, or cooperative society hold a saving or current account with the bank under appendices 18C
- Self-certified copy of Permanent Account Number (PAN) issued by Income Tax Authorities.
- Two copies of passport size photographs of the applicant/ authorised signatory
- Photograph on the banker's certificate should be attested by the banker of the applicant or cancelled cheque.
- Demand Draft of Rs. 500 evidencing payment of application fee in favour of the concerned Regional Office of DGFT. In case of electronic transfer, there is rebate of 25% and online application attract additional 25% rebate.\
- Self-addressed envelope and stamp of Rs. 40.

For detailed process guidance please refer to the section on IEC application and visit the website – https://www.indiafilings.com/

Step 4: Registration Cum Membership Certificate

- Must for availing DGFT licenses and Approvals and claiming all export incentives/ benefits

- Issued by Export Promotion Councils/ Commodity. Boards/ Export Development Authorities / FIEO.

Step 5: Goods and Services Tax (GST) Registration

Benefits of GST:

- Eliminating cascading effect of taxes.
- Tax rates will be comparatively lower as the tax base will widen.
- Seamless flow of Input tax credit.
- Prices of the goods and services will fall.
- Efficient supply change management.
- Promote shift from unorganised sector to organised sector.

GST Registration Procedure

- Log in to the online GST Portal (www.gst.gov.in).
- Fill Part-A of Form GST Registration form 1
- You will receive an application reference number on your mobile and via E-mail.
- You will then need to fill the second part of the form and upload the required documents according to the business type
- Finally, a certificate of registration is issued to you by the department
- In case of errors and questions, you may need to visit the department
- Produce the documents within 7 working days along with GST REG-04.
- The office may also reject your application if any errors are found. Exporter will be informed in form GST REG-05 of GST registration regarding the same.

Eligibility for Registration of GST

- A business entity that is currently registered under any of the existing tax regimes then it is compulsorily required to migrate under GST law irrespective of the threshold limits. The following central and state level tax regimes will end with introduction of Goods and Service Tax (GST)
  - Central Excise duty
  - Service Tax
  - State VAT
  - Central Sales Tax
  - Entry Tax (all forms)
  - Luxury Tax
  - Entertainment and Amusement Tax (except when levied by the local bodies)
  - Purchase Tax
  - State Surcharges and Cesses so far as they relate to supply of goods and services
  - Taxes on lotteries, betting, and gambling
- But if you are supplying goods and services and not registered under any existing tax legislative then you are liable to register only if the aggregate turnover in any financial year exceeds the threshold limit. The existing threshold limit specified by the GST council is 20 lakhs for all the states except for North Eastern States where the limit is 10 lakhs.
- Composition scheme also exist for small businesses.

GST Registration

1. Verify prelim Details: This step deals with creating a login account on the GST website to initiate the registration process. A person must submit the email, mobile number, and PAN on the GSTN portal. The PAN shall be verified automatically online. The mobile number and email shall be verified through a One-Time password validation system. These details are to be filed in form PART 1 of GST REG-01.
2. Submit Application form: Once your basic details are verified, one must fulfil the registration form and complete all the related formalities like uploading documents. Documents required for GST registration are as follows:
   - Photograph
   - Constitution of taxpayer (Partnership deed, COI, etc.)
   - Proof of principle place of business (electricity bill, NOC, rent agreement)
   - Bank Account details
   - The application if submitted online through FORM GST REG – 02.
3. Verification by GST officer: Once the application is filled and submitted, then it shall be forwarded to the proper officer who will then examine the application and the documents attached. If everything is found to be in order, then GST registration will be granted within 3 working days. If any deficiency is found in the application, then it shall be communicated to the applicant within 3 working days in FORM GST REG-03. After getting the deficiencies, applicant will have to respond within 7 working days through FORM GST REG-04.
4. No action within 3 working days: If the officer does not respond to you either with deficiencies or approval then the application for grant of registration shall be deemed to have been approved.
5. Registration Certificate: When the application is approved by the officer, then a certificate of registration in FORM GST REG-06 shall be issued through a common portal. The applicant can easily download the registration certificate from the common portal using their log in id passwords.
6. Separate registration for each branch: If you have different branches in different states, then separate registration needs to be applied for each state. A registered taxable person eligible to obtain a separate registration for business verticals may file separate application in FORM GST REG-1 in respect of each such vertical.

Understanding Stakeholders in Trade Supply Chain

Directorate General of Foreign Trade (DGFT)

DGFT, formerly known as the Chief Controller of Imports and Exports (CCI&E), is responsible for facilitation and promotion of foreign trade through regulation. The main objective of DGFT is to promote India's export through formulating and implementing the Foreign Trade Policy.

The functions of DGFT includes –

- Formulation and implementation of various trade policies, particularly the Foreign Trade Policy.
- Formulation and implementation of promotional schemes
- Conducting research and analysis on policies
- Licensing of imports and exports

- Regulate, restrict, or prohibit exports and imports
- Play an advisory role to the Government on policy measures pertaining to national and international economic scenarios.
- Establish and control the standard norms for input and output
- To allocate the Tariff Rate Quota
- Assisting states to develop their infrastructure for exports
- Identifying towns potential for export and providing them with amenities for growth.
- Funding export promotion councils, industry and trade associations, agencies of state governments, etc. on their various endeavours.
- Financial aid for development in marketing and meeting expenses for matters related to trade.
- Development of Export Oriented Units, Special Economic Zones, Technology and Bio-tech parks for the purpose of importing capital goods and services at a discounted rate of customs duty

Role of DGFT

- Foreign Trade Policy: Drafted by Director General of Foreign Trade under the Ministry of Commerce.
- Importer Exporter code/ Other Licenses issued by DGFT. All applications in Aayaat Niryat form.
- Trade Policy is implemented with the help of various other
- Departments mainly Customs, Excise and RBI.
- To understand the co-relation, one must get familiar with the various laws and functions of various departments.
- Document and maintain Classification of ITC-HS Codes
- Platform for updating eBRC
- Inform about goods which can or cannot be exported freely under Export Policy Schedule 2
- Maintains SCOMET List
- Grant Export Licenses for Restricted Items
- Promote Trade
- Control DEPB Rates
- Regulate Transit of Goods

For more information on DGFT visit Directorate General of Foreign Trade | Ministry of Commerce and Industry | Government of India (dgft.gov.in)

Role of Customs & Excise

Foreign Trade Policy: Customs Act, 1962

- Customs Tariff Act, 1975
- Foreign Exchange Management Act, 1999
- Central Excise Act, 1944
- Excise Tariff Act, 1985
- Industries Development and Regulation Act, 1951
- Laws of Weights and Measures

Home Page of Central Board of Indirect Taxes and Customs (cbic.gov.in)

Role of Reserve Bank of India

Coverage

- Monitoring Foreign Exchange
- Inflow – on account of exports of goods and services
- Outflow – on account of imports of goods and services

Governing Acts/Laws/Manual

- Foreign Exchange Management Act 1999
- Foreign Exchange Manual

Tools

- Master Circulars
- FEMA Notifications
- A.P. (DIR. Srs.) Circulars

Ministry of Finance

Customs	**Excise**
Coverage	**Coverage**
Validity of imports and exports	**Export**
Assessment and valuation	Under bond – clearance of excisable goods for export under bond
Determination of import/export duty applicable	Rebate of excise duty post exports where exports have been affected after payment of excise duty
Collection of duty	Monitoring factory stuffed containers in certain cases
Inspection and supervision of cargo	**Import**
Examining co-relation and compliance with other laws	Monitoring CENVAT
Governing Acts/Laws/Manual	**Governing Acts/Laws/Manual**
1. Customs Act, 1962	1. Central Excise Act, 1944
2. Customs Tariff Act, 1975	2. Good and Services Tax 2007
3. Customs Law Manual	3. GST Rules 2007
Tools: i. Notifications ii. Public Notices iii. Customs Circular iv. General Exemption Notifications	Tools i. Notifications ii. GST Circulars iii. General Exemption Notifications

While starting an import-export business, one must be aware of all the import and export procedures and documentation. It is critical for smooth running of export businesses. We shall discuss in this concept note the export procedure and documentation required. Export procedures is directly connected with documentation. Because anyone who wishes to export needs to provide or fill the documents required for export. Every procedure or process is related to specific set of documents. Failing to provide the documents or failing to perform some export procedures can lead to serious cost related issues and even failure to export.

Understanding Harmonized Trade Classification System

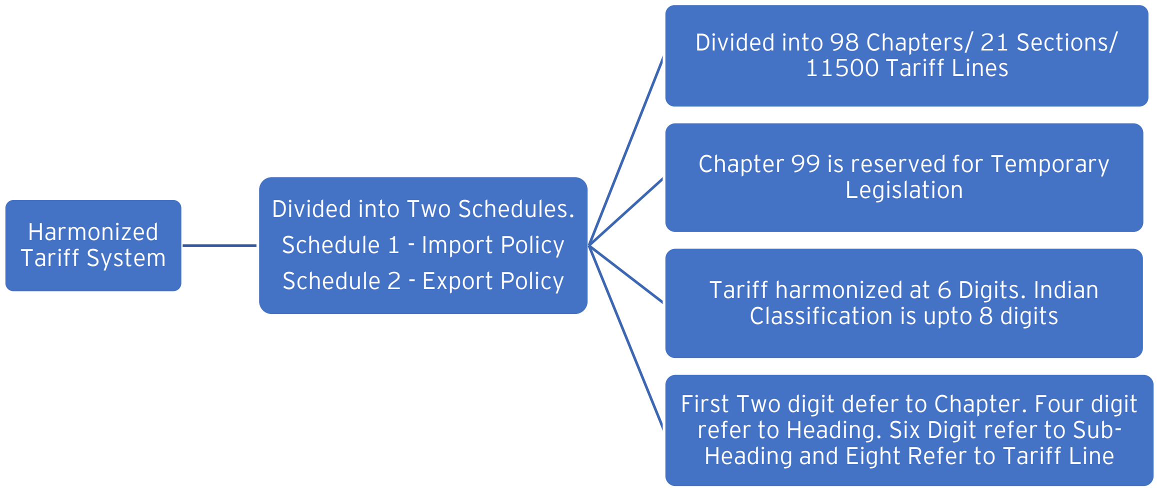
The Harmonized System is an international classification system standardized between countries at a basic 6-digit level, with country-specific definitions for the 8- and 10-digit levels. It is used to classify physical goods. HS code stands for a Harmonized System Code that was developed by WCO (World Customs Organization). This is a multipurpose global product nomenclature that describes the type of product i.e., shipped. Nowadays, customs officers must use this code to clear each product that crosses any global borders.

HS Code Classification India

It is very important for government officials to classify products being exported and imported to obtain appropriate taxes. HS Classification is the final challenge products face before hitting the finish line in the process of shipping. These six to ten digits numbered harmonized system code serve 2 main roles and purposes aside from assisting products clear through customs. Those two major roles are:

i. They recognize goods which are exported or imported through a country's borders.
ii. They categorize goods in a worldwide system use for customs clearance purposes.

This code is a need for exporters and importers because having the correct classification of product is a part of their legal responsibility.



How can HSN Code help an Exporter

- Fixation of the customs tariffs of the country
- Determination of applicable duties and taxes
- Collection/ compilation/publication and dissemination of international trade statistics

- Helps in framing rules of origin
- Monitoring of restricted and prohibited goods
- Determination of quota controls
- Helpful in statistical and economic research and analysis

For detailed information on each chapter of ITC HSN codes visit ITC(HS) WEB BASED STATUS (dgftcom.nic.in)

2. REGULATORY REQUIREMENT FOR EXPORTS

Following are the regulatory requirements that an exporter must complete before starting an export business.

1. **Importer Exporter Code (IEC) Number**

   According to India's Foreign Trade Policy no trade can be conducted without an IEC code number and such IEC code shall be issued by a competent authority on application by the exporter. In India, the Director General of Foreign Trade, a body, under the Ministry of Commerce, Government of India is authorized to grant such license to the exporter.

   Process of obtaining IEC Code:

   a) Application for obtaining IEC/ e-IEC can be filed manually by submitting the form to the office of Regional Authority (RA) of DGFT. Alternatively, an application for e-IEC may be filed online in ANF 2A, in accordance with Para 2.08 of Handbook of Procedure on payment of application fee of Rs. 500/-, to be paid online through net banking or credit/debit card. Documents/ details required to be uploaded/ submitted along with the application form are listed in the Application Form (ANF 2A).

   When an e-IEC is approved by the competent authority, the applicant is informed through e-mail that a computer-generated e-IEC is available on the DGFT website. By clicking on "Application Status" after having filled and submitted the requisite details in "Online IEC Application" webpage, applicant can view and print e-IEC.

   Briefly, following are the requisite details /documents (scanned copies) to be submitted/ uploaded along with the application for IEC:

   i. Details of the entity seeking the IEC, as per Impex Policy 2015-20
      - PAN of the business entity in whose name Import/Export would be done (Applicant individual in case of Proprietorship firms).
      - Address Proof of the applicant entity.
      - LLPIN /CIN/ Registration Certification Number (whichever is applicable).
      - Bank account details of the entity. Cancelled Cheque bearing entity's pre-printed name or Bank certificate in prescribed format ANF2A(I).

   ii. Details of the Proprietor/ Partners/ Directors/ Secretary or Chief Executive of the Society/ Managing Trustee of the entity:
      - PAN (for all categories)
      - DIN/DPIN (in case of Company /LLP firm)

   iii. Details of the signatory applicant as per Export Import Policy 2015-20:
      - Identity proof
      - PAN
      - Digital photograph

In case the applicant has digital signature, the application can also be submitted online, and no physical application or document is required. In case the applicant does not possess digital signature, a print-out of the application filed online duly signed by the applicant must be submitted to the concerned jurisdictional RA, in person or by post.

For more information of IEC application procedure and FAQs visit https://www.dgft.gov.in/CP/

No Export/Import without IEC

i. No export or import shall be made by any person without obtaining an IEC number unless specifically exempted under Import Export Policy 2015-20.
ii. Exempt categories and corresponding permanent IEC numbers are given in Para 2.07 of Handbook of Procedures.
iii. Only one IEC against one Permanent Account Number (PAN)

If any PAN cardholder has more than one IEC, the extra IECs shall be disabled. In India without IEC number export or import of goods is not allowed like other developing countries like China, Vietnam, South Africa. However, export-import agent or sourcing agent, need not apply for the IEC code.

b) IEC Format and Statements: The Regional Authority of Director General of Foreign Trade concerned shall issue, an IEC number in the format as given in the Aayaat Niryat Form. A copy of this IEC number shall be endorsed to the concerned banker (as per the details given in the IEC application form). A consolidated statement of IEC numbers issued by the Regional Authority shall be sent to the officer of the the Exchange Control Department of the RBI.

c) Validity of IEC Number: An IEC number allotted to an applicant shall be valid for all its branches/divisions/units/factories as indicated by exporter while applying for the same in the format of IEC.

d) Duplicate Copy of IEC Number: Where an IEC number is lost or misplaced the issuing authority may consider requests for grant of a duplicate copy of IEC number, if accompanied by an affidavit.

e) Surrender of IEC Number: If an IEC holder does not wish to operate the allocated IEC number, he may surrender the same by informing the issuing authority. Upon receipt of such intimation, the issuing authority shall immediately cancel the same and electronically transmit it to DGFT for onward transmission to the Customs and Regional Authorities.

2. **Registration cum Membership Certificate (RCMC)**

Registration-Cum-Membership Certificate (RCMC) is a certificate that validates an exporter dealing with products registered with an agency/ organization that are authorized by the Indian Government. The certificate is issued for five years by the Export Promotional Councils or commodity board in India. https://www.indiafilings.com/learn/rcmc/

Registration with Export Promotion Councils (EPC):

(a) Authorities issuing RCMC: An exporter desiring to obtain a Registration Cum- Membership Certificate (RCMC) shall declare his main line of business in the application, which shall be made to the Export Promotion Council (EPC) relating to that line of business. However, a status holder has the option to obtain RCMC from Federation of Indian Exporters Organization (FIEO).

Notwithstanding anything stated above, exporter or drugs and pharmaceuticals shall obtain RCMC from Pharmexcil only. Further, exporters of minor forest produce, and their value-added products must obtain RCMC from Shellac Export Promotion Council.

A total number of 27 Export Promotion Councils and 9 commodities board/Development Authorities are present in India. The Export Promotional Councils (EPC) and Commodities board/Development Authority the concerned authorities for issuing RCMC. These institutions have been authorized by the Central Government to issue RCMC to the exporters. Every EPC and the Commodities board/ Development Authority in India categories itself depending on the type of products.

The below is a list of all the Export Promotion Councils/ Commodity Boards/ Export Development Authorities:

S. No.	Name of Council/ Board/ Authority	Website
1	Agriculture and Processed Food Products Export Development Authority (APEDA)	https://apeda.gov.in
2	Apparel Export Promotion Council (AEPC)	https://www.aepcindia.com
3	Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council (CHEMEXCIL)	https://chemexcil.in/
4	Carpet Export Promotion Council (CEPC)	http://cepc.co.in/
5	Cashew Export Promotion Council of India (CEPCI)	http://www.cashewindia.org
6	Chemical and Allied Export Promotion Council of India (CAPEXIL)	http://capexil.org/
7	Coconut Development Board	www.coconutboard.gov.in
8	Coffee Board of India	http://indiacoffee.org
9	Coir Board	http://coirboard.gov.in
10	Cotton Textile Export Promotion Council (TEXPROCIL)	www.texprocil.org
11	Council for Leather Exports (India CLE)	http://leatherindia.org
12	Engineering Export Promotion Council of India (EEPC INDIA)	https://www.eepcindia.org
13	Electronics and Computer Software Export Promotion Council (ESC India)	https://www.escindia.in/
14	Export Promotion Council for EOUs & SEZ Units	https://www.epces.in/
15	Export Promotion Council for Handicrafts (EPCH)	https://epch.in/
16	Gem and Jewellery Export Promotion Council (GJEPC)	https://www.gjepc.org
17	Handloom Export Promotion Council (HEPC)	http://www.hepcindia.com
18	Indian Oilseeds & Produce Export Promotion Council	http://www.iopepc.org
19	Indian Silk Export Promotion Council (ISEPC)	http://www.isepc.com
20	Jute Products Development and Export Promotion Council	http://www.jpdepc.org/

21	Marine Products Export Development Authority (MPEDA)	https://mpeda.gov.in/
22	Pharmaceutical Export Promotion Council (Pharmexcil)	https://pharmexcil.com/
23	Plastics Export Promotion Council (PLEXCONCIL)	https://plexconcil.org/
24	Powerloom Development & Export Promotion Council (PDEXCIL)	https://www.pdexcil.org/
25	Project Exports Promotion Council of India	http://www.projectexports
26	Services Export Promotion Council	https://www.servicesepc
27	Shellac and Forest Products Export Promotion Council (SEPC)	https://www.shefexil.org/
28	Spices Board of India	www.indianspices.com
29	Sports Goods Export Promotion Council (SGEPC)	http://www.sgi.org
30	Synthetic and Rayon Textiles Export Promotion Council (SRTEPC)	http://www.srtepc.org/
31	Tea Board of India	http://www.teaboard.gov.in
32	Telecom Equipment and Services Export Promotion Council (TEPC)	https://www.telecomepc.in
33	The Rubber Board	http://rubber.org.in/
34	Tobacco Board	https://tobaccoboard.com
35	Wool Industry Export Promotion Council	
36	Wool & Woollens Export Promotion Council (WWEPC)	https://www.wwepcindia

In case, if the product line of exporter does not come under the category, then he shall apply for RCMC from the **Federation of Indian Export Organizations (FIEO).** The service exporters (except software service exporters) shall be required to obtain RCMC from FIEO. In respect of exporters having their head office/ registered office in the State of Odisha, RCMC may he obtained from FIEO office in Bhubaneswar irrespective of the product being exported by them.

Documents required:

- Duly filled and signed Registration-cum-Membership-Certificate application form.
- Self-certified copy of the IEC Number that is issued by the concerned regional licensing authority.
- Self-certified copy of Permanent Account Number (PAN) which is granted by the competent authority.
- The membership fee of the 'Services Export Promotion Council' in Demand Draft the must be paid at New Delhi or through cheque that is payable at branches by remitting the membership fee.
- Self-certified copy of company's MOA (For Corporate/ institutional/ Private Limited/ Limited company).
- Self-certified copy of the company's Partnership Deed (For Partnership company and Individual Ordinary).
- Self-certified copy of the Trust's Deed (For Trusts/ institutional/ Corporate).
- Self-certified copy of the certificate that is issued by the Registrar of Companies regarding the company's registered office change.
- The last 3 years Services Export Data (Foreign Exchange Earnings) that must be certified by the Chartered Accountant of the company.
- Self-certified copy of the Board Resolution or Power of Attorney issued in favor of signing authority if the name of the signing authority is not mentioned in IEC/ MOA/ Partnership Deed/ Trust Deed of the company/ firm/ Trust.
- Self-certified copy of GST registration certificate.

  Application Form for Registration & Membership - Associate Member Category for Exporters (fieo.org)

To give proper guidance and encouragement to the Service Sector, an exclusive Export Promotion Council for Services shall be set up. In addition, an exporter has the option or obtaining an RCMC from FIEO or any other relevant EPC if the products exported by him/ her relate to those EPCs. If the export product is such that it is not covered by any EPC, RCMC in respect thereof may be issued by FIEO. Apex body of Indian Exporters (fieo.org)

(b) Registration-cum-Membership: An exporter should apply on application as given in Aayaat Niryat Form and get registered to become a member of Export Promotion Council. On being admitted to membership, the applicant shall be granted forthwith Registration-cum-Membership Certificate (RCMC) of the EPC concerned, in the format given in Aayaat Niryat Form subject to such terms and conditions as may be specified in this behalf. In case an exporter desires to obtain registration as a manufacture exporter, he shall furnish evidence to that effect. Prospective/ potential exporters may also, on application, register and become an associate member or an export promotion council.

(c) Validity period of RCMC: The RCMC shall he deemed to be valid from 1st April of the licensing year in which it was issued and shall be valid tor five years ending 31st March of the licensing year. unless otherwise specified.

(d) Intimation regarding change in constitution: In case of change in ownership, constitution, name, or address of an exporter, it shall be obligatory on the part of RCMC holder to intimate such change to the registering authority within a period of one month from the date of such change. The registering authority, however, may condone delays on merits.

(e) Furnishing of returns: The exporter shall furnish quarterly returns/details of exports of different commodities to the concerned registering authority. This will be in addition to any other returns as may be prescribed by the registering authority. However, status holders shall also send quarterly returns to FIEO in the format specified by FIEO.

(f) De-registration: The registering authority may de—register an RCMC holder for a specified period for violation of the conditions of registration. Before such de-registration, the RCMC holder shall he given a show-cause notice by the registering authority, and an adequate and reasonable opportunity to make a representation against the proposed de-registration. Upon de-registration, the concerned export promotion council shall intimate the same to all the regional authorities.

(g) Appeal against de-registration: A person aggrieved by a decision of the registering authority in respect of any matter connected with the issue Of RCMC may prefer an appeal to the Director General of Foreign Trade or an officer designated in this behalf within 45 days against the said decision and the decision of the appellate authority shall be final.

(h) Directives of DGFT: The Director General of Foreign Trade may direct any registering authority to register or de-register an exporter or otherwise issue such other directions to them consistent with and to implement the provisions of the Act, the Rules and Orders made thereunder, the Policy or this Handbook.

3. Registration for Value Added Tax (VAT)

The Time required to complete the registration for value added tax is around 15 days, and the cost of getting registered is around Rs. 525 in Delhi. While time and cost may vary from state to state in India, the majority or the states in India have already replaced Sales Tax with Value Added Tax excepting one or two states. In Delhi Value Added Tax came into effect from April 1, 2005 as per the provisions of the Delhi Value Added Tax Act, 2004 being enacted by Delhi government. Delhi State Government has formulated the VAT Act and the VAT is levied and collected as per the provisions in force from time to time.

In addition to Value Added Tax interstate sales are subject to levy of Central Sales Tax as per the provisions of the Central Sales Tax Act, I956. It is essential and mandatory to get registered with the state concerned with Value Added Tax.

In case of the Central Sales Tax Act, registration is essential and mandatory to start any business of sales of goods and services from one state to another in India. If one is interested to get registered under the Delhi Value Added Tax Act, 2004, and the Central Sales Tax Act, 1956, he has to file an application in the prescribed Form to the Sales Tax Officer of the ward in which, the headquarter/ registered office of the business is located along with the following documents as mentioned below:

(a) The latest rent receipt (if premises is taken on lease) or ownership documents, as the case may be
(b) Proof of legal and physical possession of the business premises
(c) Four photographs of the authorized signatory and his identification proof
(d) List of directors of the company
(e) Bank statement of the company from the date of incorporation till the date of making the application
(f) Copy of first sales and purchase document
(g) List of products for which registration is required
(h) A copy each of the Certificate of Incorporation, Memorandum of Association and Articles of Association
(i) A certified true copy of the Board Resolution
(j) A self-attested copy of the Permanent Account Number of the company]
(k) Bank guarantee for a sum of Rs 100,000/- however, subject to compliance of certain additional requirements eg. if the premises is owned by the company, bank guarantee or Rs 50,000/- may also be accepted by the Department. Alternatively, in lieu of furnishing a bank guarantee surety may also be given by an already registered dealer if the said dealer is registered for a period of atleast 12 months.

After examining the aforesaid documents, registration certificate under Delhi Value Added Tax Act, 2004 and Central Sales Tax Act, 1956 shall be issued by the Department within 10 to 16 working days. Generally, the Sales Tax/ VAT inspector makes a visit within 2 to 3 days from the date of issue of certificate of registration and the said inspector submits a report about the functioning of the Company/firm to the Department. It is to be understood that VAT registration will be effective from the date of application.

4. **Central Excise Registration:**

The manufacturer-exporter is also required to get registered for the E.C.C., which is issued by Central Board of Excise and Customs under the Rule 9 of the Central Excise Rules and other notifications that are issued with respect to export of manufactured material and exporter entitlements under Rules 18 and 19 of the Central Excise Rules. The following types of persons are supposed to get registered for availing ECC, with jurisdictional Central Excise Officer in the Range office, who is having jurisdiction over the exporter place of business/factory.

(a) Every manufacturer of excisable goods whether owning firm/factory on which excise duty is leviable. Even the Central/State Government undertakings or undertakings that are owned or controlled by autonomous corporations must ECC Number as per Central Excise Rules.
(b) Persons, whether Domestic Trader/Merchant Exporter/ Manufacturer Exporter who desire to issue CENVATABLE invoices under the provisions of the CENVAT Credit Rules, 2001.
(c) Persons who are having or holding private warehouses for storing/warehousing the goods/ cargo.
(d) Persons whether Domestic Trader/Merchant Exporter/Manufacturer—Exporter who obtain

excisable goods for availing end—use based exemption notification.

(e) Exporters who are manufacturing or processing export goods from the inputs on which duty has been paid and such exporters wish to claim duty rebate/ duty remission by using inputs received without payment of duty and exporting the finished export goods.

Application pr ECC Registration: A person/firm must apply for ECC on an application form, which has been prescribed for the purpose under the Section 6 of the Central Excise Act 1944 and under the Rule 9 of the Central Excise Rules for the sake of registration. The application for ECC registration must be made to the jurisdictional Central Excise Officer under which jurisdictions the premises of factory/ enterprise are located and such application for ECC registrations hall be signed.

(a) The applicant for EEC registration or by the authorized agent of the applicant provided has general power of attorney. The Range officer Of Central Excise department shall have the powers, if he is not satisfied, to call the original documents to verify 'power of attorney'.
(b) All partners of the firm must sign the application format in case the firm is an unregistered partnership firm.
(c) The managing partner can sign the application format on behalf of all parents or other partners in case the firm is registered partnerships.

5. **Export License for Restricted Items:**

In the cases where the product happens to be in the Restricted List of Export, but other than prohibited and canalized items and those in Schedule 2 of Appendix of the book "ITC (HS) Classification of Export-Import items, 2004-09", the exporter must approach the Director General of Foreign Trade under whose jurisdiction his business premises falls, for obtaining the necessary export license in the manner as prescribed in the trade policy and procedures.

6. **Geographical Indication (GI)**

A geographical indication (GI) is a sign that is used in relation to products or goods that possess specific qualities, characteristics, or reputation, that is attributable to place of its geographical origin. Since the nature of the underlying product is dependent on the location of production, there is a strong correlation between the product and its geographical place of origin.

Governing Body for Geographical Indication

- International Level: It is governed by WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Under Articles 1 (2) and 10 of the Paris Convention for the Protection of Industrial Property, geographical indications are covered as an element of IPRs. They are also covered under Articles 22 to 24 of the Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement, which was part of the Agreements concluding the Uruguay Round of GATT negotiations.

- In India: Geographical Indications of Goods (Registration and Protection Act), 1999 is a governing body that administered by Controller General of Patents, Designs and Trademarks, who is also Registrar of Geographical Indications. It enacted the Geographical Indications of Goods (Registration & Protection) Act, 1999 has come into force with effect from 15th September 2003.

Benefits of GI Registration

- Legal protection: This enables to IP holder to secure protection against infringement of the registered GI
- Exclusive rights: Prevents unauthorised use of a registered GI by others and assures safety of individuality
- Demand: Boosts exports of the registered GI products since they receive their individual identification on every legal platform and invite media coverage
- Economic Growth: Promotes economic prosperity of producers of goods produced in a geographical territory.

Registered Proprietor of a GI

Any association of persons, producers, organisation, or authority established by or under the law can be a registered proprietor; and their name should be entered in the Register of GI as registered proprietor for the GI.

Authorised User of a GI

An Authorised User has the exclusive rights to the use of GI in relation to goods in respect of which it is registered. He/ she is a producer of goods in respect of a registered GI. An authorised user should apply in writing in the prescribed form along with prescribed fee.

Producers in Relation to a GI

The persons dealing with three categories of goods are covered under the term Producer:

- Agricultural Goods includes the production, processing, trading, or dealing
- Natural Goods includes exploiting, trading, or dealing
- Handicrafts or Industrial goods includes making, manufacturing, trading, or dealing.

Term of a Registered GI

The registration of a GI is valid for a period of 10 years. The registered GI can be renewed for every 10 years on the payment of prescribed renewal fee. If a registered GI is not renewed it is liable to be removed from the register.

Infringement of a Registered GI

A GI is infringed in the following situations:

- Unauthorised use: when an unauthorised party uses a GI indicating or suggesting origination of the same other than the true place of origin of such goods, in a manner which may mislead the public
- Passing off: when the use of GI results in an unfair competition including passing off in respect of registered GI

- False representation: when the use of another GI results in false representation to the public that the goods originate in a territory in respect of which a registered GI relates
- The Registered Proprietor or an Authorised User of a registered GI can initiate an infringement action.

Penalties for GI Infringement

- The Geographical Indications of Goods (Registration and Protection) Act 1999 provides for a sentence of imprisonment for a term between 6 months to 3 years and a fine varying from Rupees Fifty Thousand (INR 0.05 million) to Rupees Two Lakhs (INR 0.2 million) in case of GI infringement.
- Note: A GI is a public property belonging to the producers of the concerned goods. Therefore, it is not a subject matter of assignment, transmission, licensing, pledge, mortgage, or such other agreement. However, when an Authorised User dies, his right devolves on his successor in title.

Eligibility for Filing Geographical Indications

An application for registration of the Geographical Indication can be made by an association of persons or producers or any organisations or authority established by or under any law for time being in force; who must be representing the interest of the producers of the concerned goods; and desirous of registering a geographical indication in relation to such goods."

Non-Registrable Indications

There are certain Geographical Indications, the registration of which is prohibited by law. These include such indications:

- The use of which is likely to deceive or cause confusion
- The use of which is contrary to the law for time being in force
- Which comprises of or contains any scandalous or obscene matter
- Which comprises or contains any matter that is likely to hurt the religious sentiments of any class or section of people
- Which would be disentitled to protection of law
- Which are determined to be the generic names or indications of goods and therefore ceased or not protected in the country of origin
- Which, although literary true as to the territory, region, or the locality in which the goods have originated, but falsely represent that the goods originate in a different territory or locality or region of a country

Procedure for application of GI product:

STEP 1: Filing of application

- The applicant should confirm that indication comes within the ambit of the definition of a G.I. under section 2(1)(e).
- The association of persons or producers or any organization or authority should represent the interest of producers of the concerned goods and should file an affidavit how the applicant claims to represent their interest. Application must be made in triplicate.
- The application shall be signed by the applicant or his agent and must be accompanied by a statement of case. The applicant must submit three certified copies of the map of the region to which the GI relates.
- Every application for the registration of a geographical indication shall be made in the prescribed form accompanied by prescribed fees of Rs 5000.
- The completed application should be sent to the below mentioned address:
- Geographical Indications Registry, Intellectual Property Office Building, Industrial Estate, G.S.T Road, Guindy, Chennai – 600 032

STEP 2 and 3: Preliminary scrutiny and examination

- Further to receipt of application, the examiner will scrutinize the application for any deficiencies. The applicant must submit the response within one month of the communication. The content of statement of case is assessed by a consultative group of experts well versed on the subject. They will ascertain the correctness of furnished and thereafter an examination report would be issued.

STEP 4: Show cause notice

- The registrar will review the application and communicate objection if any.
- The applicant must respond within two months or apply for a hearing. If he wishes to appeal, he may within one month make a request. The Registrar is also empowered to withdraw an application, if it is accepted in error, after giving on opportunity of being heard.

STEP 5: Publication in the geographical indications Journal

- Every application, within three months of acceptance shall be published in the Geographical Indications Journal.

STEP 6: Opposition to Registration

- Any person can file a notice of opposition within three months (extendable by another month on request which must be filed before three months) opposing the GI application published in the Journal.

- The registrar shall serve a copy of the notice on the applicant. Within two months the applicant shall sent a copy of the counter statement. If he does not do this be shall be deemed to have abandoned his application.

STEP 7: Registration

- Where an application for a GI has been accepted, the registrar shall register the geographical indication. If registered the date of filing of the application shall be deemed to be the date of registration.
- The registrar shall issue to the applicant a certificate with the seal of the Geographical indication's registry.

STEP 8: Renewal

- A registered GI shall be valid for 10 years and can be renewed on payment of renewal fee.

STEP 9: Additional protection to notified goods

- Additional protection for notified goods is provided in the Act.

STEP 10: Appeal

- Any person aggrieved by an order or decision may prefer an appeal to the intellectual property appellate board (IPAB) within three months. The address of the IPAB is as follows:

Intellectual Property Appellate Board, Annex 1,

2nd Floor, Guna Complex, 443,

Anna Salai, Chennai – 600 01

References:

1. Application form link: https://ipindia.gov.in/forms-gi.htm
2. Procedure for form filling: Microsoft Office Word Document.docx (ipindia.gov.in)

3. OVERVIEW OF EXPORT PROCEDURE

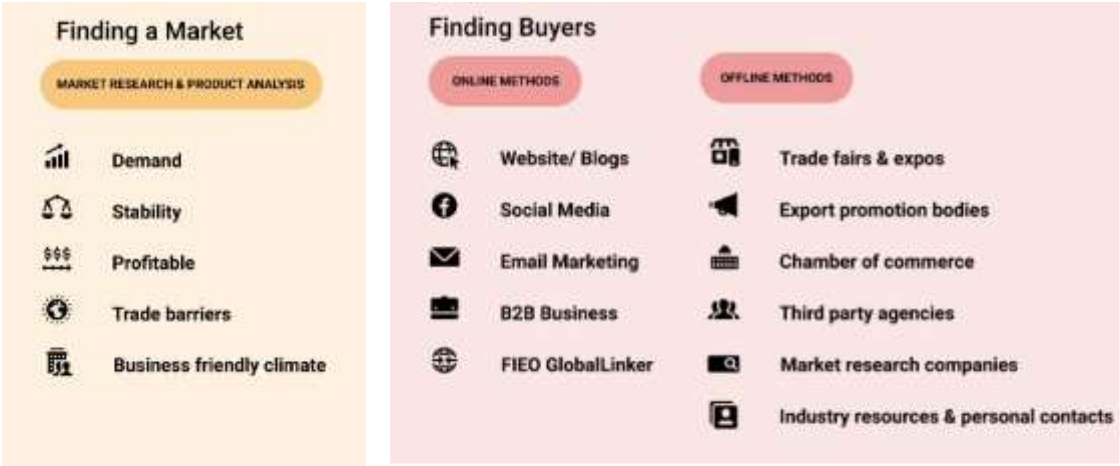
Once an exporter has completed all the regulatory compliances, he/she must move to the next phase of the export procedure as detailed in this section.

Purview of Exports

1. **Buyer Identification**

   Once the company is set up and the IEC number is obtained, an exporter needs to start contacting potential buyers from overseas. First, an exporter must find out where to find buy requests. To ensure the right marketing channels, it is also very important to understand export-marketing. Then the exporter should start directly approaching the potential buyers and validate serious buyers. With serious buyers, exporter may start negotiations and discussions and find out the buyer's exact requirement for product(s). The validation procedure includes online research and background check of the potential buyers. For validated and serious buyers, exporter should send out price offers which includes price, delivery term, quality, and validation period for the offer.

Finding Markets and Buyers for Export



Online methods

- **Website/blog:** The first step is to set up a website for your business. Make it attractive and professional as first impressions matter. Including regularly updated information about your products and manufacturing processes, with photographs, can give your business credibility. Using search engine optimisation (SEO) will ensure your website pops up on Google whenever a relevant search request is made by potential buyers in your target country. Search Engine Marketing and Google Search Console are other tools at your disposal to increase your website's visibility. Apart from a website, you can start a blog to inform potential buyers about your products.
- **Social media:** Social media can be a powerful ally in your search for foreign buyers. A presence on Facebook, Twitter, Instagram, YouTube, LinkedIn, and Reddit can help you reach out to a global audience. You can join a Facebook group that matches buyers and sellers and offers trade tips, for example. There are advantages to having a social media marketing strategy for your export business – it isn't difficult to come up with a well-thought-out strategy and, best of all, it doesn't cost a lot of money.
- **Email marketing:** Another internet marketing strategy you can use is email marketing, which is when you send out newsletters, sales promotions and exclusive deals and offers

to potential buyers via email. An email is unexpectedly effective. It has a better chance of being seen than a social media post. You can build your own email list or buy a database of importers and stores. Just remember to follow the relevant laws on business emails. Spamming is not okay.

- **B2B websites:** Registering with business-to-business (B2B) websites such as Alibaba, Global Sources, DHgate, Made in China, Tradewheel and iOffer is another effective way of becoming visible to a wide customer base. These platforms attract millions of buyers and sellers. Chinese e-commerce firm Alibaba, for instance, is the world's third-largest retailer after Walmart and Amazon. There are also numerous Indian B2B companies – IndiaMART, TradeIndia and Exporters India – that match exporters with buyers.
- **FIEO GlobalLinker:** As its name suggests, the FIEO GlobalLinker connects sellers and buyers. It allows exporters to set up their online stores and develop a digital catalogue that can be accessed by buyers across the world. Additionally, it uses AI to identify businesses that might be interested in what you export.

B2B Portal list:

Website	Details	Country	Link
Global Spec	Global Spec is technology company that offers search engine services for engineering products. The company showcases products from 24,000 manufacturers.	US (Global)	https://www.globalspec.com/
EC21	EC21 is a leading global B2B marketplace connecting buyers with suppliers all over the world including China, Korea, United States and more.	US (Global)	https://www.ec21.com/
US Importer Directory	Import database helps to identify active US importers and American buyers' directory based on US import shipments and bill of lading filed with US customs.	US	http://usa.importers-directory.net/
eSources	Online directory of wholesale distributors, suppliers, and products.	UK	https://www.esources.co.uk/trade-directory.php
Yellow Pages UAE	Online directory provides details (suchas contact details, map, and website link) of local business located in UAE,Dubai, Abu-Dhabi and Sharjah etc.	UAE	https://www.yellowpages-uae.com/
Tradeling	Tradeling is online B2B platform fundedby Dubai government through DAFZA (Dubai Airport Freezone Authority).	UAE	https://www.tradeling.com/

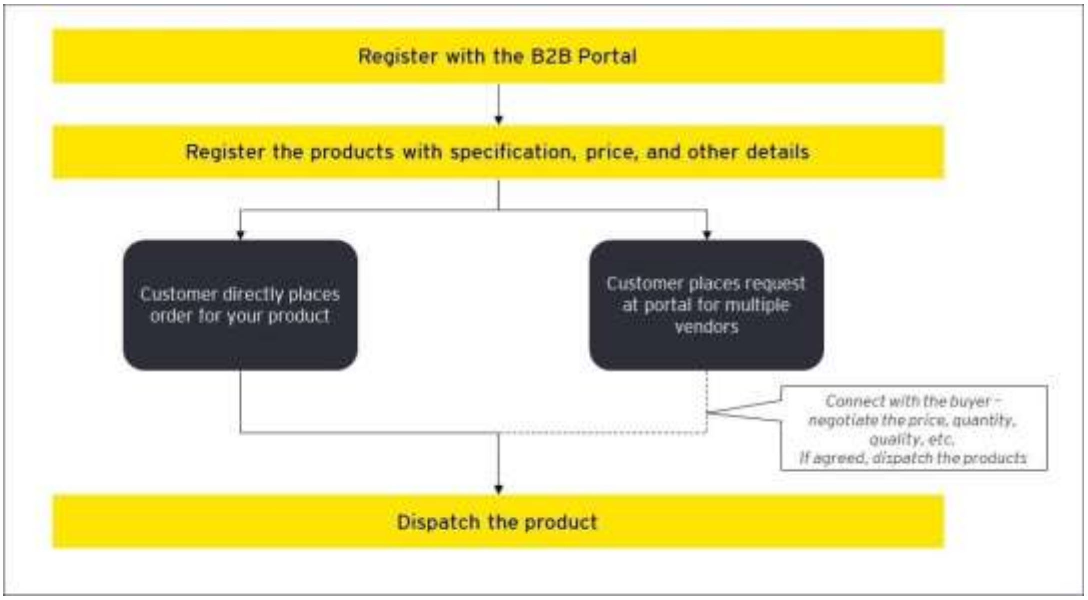
Website	Details	Country	Link
Dubai Commercial Directory	Dubai Commercial Directory - operatedby the Dubai Chamber of Commerce and Industry.	UAE	https://dcciinfo.ae/
Alibaba	China-based B2B online platform – thatalso helps Indian MSME in selling products to international buyers.	Global	https://seller.alibaba.com/
Europages	Directory of European companies.	EU	http://www.europages.com/
Agriculture Sector			
Agricultural Marketing Service	Official website of the US Governmentfor Agricultural Marketing Service	US	https://www.ams.usda.gov/
Agro Market 24	International Agricultural ExchangeAgro-Market24	Global	https://agro-market24.eu/
The Department for International Trade, UK	The Department for International Tradeof the UK government	UK	https://www.great.gov.uk/
Agri Market Place	US based B2B online platform	US	https://agrimp.com/
Agriculture Australia	Official website of the Australian Government	Australia	https://www.agriculture.gov.au/
European Union	Official website of the European Union	EU	https://ec.europa.eu/info/index_en
Fisheries and Marine Sector			
JETRO	Japan External Trade Organization	Japan	https://www.eworldtrade.com/japan/
Sea-ex	Trade Sea Food Industry Directory	Singapore	http://www.trade-seafood.com/directory/seafood/country/singapore.htm
Gems and Jewellery Sector			
GlobalBuyersOnline	Global Buyers Online for identification ofbuyers/ importers for Gems & Jewellery	Global	https://www.globalbuyersonline.com/GemsJewellery/

Website	Details	Country	Link
Jeweller to the World	GJEPC is going to launch Jeweller to the World online B2B platform for Gemsand Jewellery. The website is under construction	Global	https://jewellertotheworld.com/
Engineering and Electronics Sector			
eWorldTrade	eWorldtrade is a comprehensive B2B marketplace having over 10 years of expertise in digital branding and web development. The B2B Marketplace currently caters over 500,000 registeredusers and briskly expanding its database of manufacturers, suppliers, and companies from all over the world.	Germany (Global)	https://www.eworldtrade.com/
TradeWheel.com	TradeWheel is the most influential and largest USA based online marketplace that serves the most competitive and fastest growing E-commerce industry. With our efficient and intelligent tools, we cater to the requirements of a multitude of buyers and suppliers acrossthe world in cross-border trade transactions. TradeWheel is a complete B2B online trading platform having extensive experience in the trans-border trade and digital marketing.	US (Global)	https://www.tradewheel.com/
B2BListings.org	Founded in 2009, B2B Listings is (one of the) human edited B2B directories that provide information about quality B2B websites of all industries.	UK	https://www.b2blistings.org/
B2B Quote Ltd	Website helps users to find tenders related to sectors such as automotive, industrial machinery, IT, etc.	UK	https://www.b2bquotetenders.co.uk/
Information Technology Sector			
Eindiabusiness	one of the top 30 global B2B website portals with a wide range of clients from all over the world	Global	India Business B2B Directory Trade Suppliers Portal Yellow Pages (eindiabusiness.co m)
Handicrafts Sector			

Website	Details	Country	Link
Amazon	Global B2B online platform	Global	https://www.amazon.com/
Made in China	China-based B2B online platform	Global	https://www.made-in-china.com
Alibaba	China-based B2B online platform	Global	https://www.alibaba.com
Euro pages	Directory of European companies.	EU	http://www.europages.com/
Apparel Sector			
Amazon	Global B2B online platform	Global	https://www.amazon.com/
Alibaba	China-based B2B online platform	Global	https://www.alibaba.com
Flipkart	Global B2B online platform	Global	https://www.flipkart.com/
Tradeling	Global B2B online platform	Global	https://www.tradeling.com/
Efashion	Paris based online platform	Global	https://www.efashion-paris.com/
Textile Sector			
Amazon	Global B2B online platform	Global	https://www.amazon.com/
Fiber2 Fashion	Global B2B online platform	Global	https://www.fibre2fashion.com/
Flipkart	Global B2B online platform	Global	https://www.flipkart.com/
SuratiFabric	B2B online platform	Global	www.suratifabric.com
Textile Market	B2B online platform	Global	http://www.textilemarket.in/

Sellers first need to register with the B2B portal with details such as company name, type of company, address, email id, contact details, certification details, IEC, and GST number. Many B2B portal offers trial and basic service (limited number of products can be registered) with free of cost and provides option to upgrade service based on the requirement of sellers.

If the customer directly orders from the seller, a notification is sent to the seller via email and text message - upon receiving the request, the seller dispatches the product. In some cases, the buyer places a global request where notification is sent to multiple sellers. In this case, a seller needs to connect with the buyers and negotiate (or provide a quotation) the price, quantity, and quality of the product.



Offline methods

If social media and online methods are not your cup of tea, there are some tried and tested offline ways of finding foreign buyers. They might take a little more of your time and money, but they're well worth the effort:

- **Trade fairs and expos:** You can make a trip to a trade fairs in your target country. Many countries host several trade fairs a year and these attract hundreds of thousands of buyers and sellers. If you're thinking of exporting to China, for example, you could check out the Canton Fair, the country's largest trade fair, which is held twice a year. If flying to another country is too much trouble, India hosts many trade fairs and expos that attract international buyers. You can find information regarding these events on the Federation of Indian Export Organisations (FIEO) and Export Promotion Council websites. At a trade fair, you can show prospective buyers product samples, answer their questions, and even strike deals. Because you deal with buyers in person, trade fairs are a great way of forming long-term relationships.
- **Export promotion bodies:** India has several government bodies set up to promote the country's exports. These include the 14 Export Promotion Councils and five Commodity Boards under the Ministry of Commerce and Industry. Exporters can take their help to find foreign buyers. These bodies provide information and organise delegation visits to various countries so you can explore market opportunities or participate in trade fairs there.
- **Chambers of commerce:** Chambers of commerce or trade associations are large networks of businesses and companies found in countries across the world. They can be a source of information about importers for your product in your chosen country. Alternatively, you

can become a member of a chamber. This means your company is registered on the chamber's website, which helps you gain visibility among buyers.

- **Third-party agencies:** Your target country has several third-party agencies that can help you find buyers, generate sales for your product and guide you through language and cultural barriers. Third-party agencies can be:
- **Foreign agencies** – State-sponsored trading companies that import goods for their country in bulk. There are different agencies for different products.
- **Buying agents** – Bulk buyers looking to import from your country. Some of them work for foreign agencies. Information related to foreign agencies and buying agents can be found at the importing country's embassy in your country.
- **Foreign wholesalers** – Bulk buyers who resell the imported products in their country. They, thus, work as middlemen. Dealing with them instead of government-controlled foreign agencies might be quicker, though margins might be smaller.
- **Commission agents** – Foreign agents who connect the above-mentioned foreign wholesalers with goods suppliers in other countries for a commission.
- **Your own salesperson:** Your own sales agent or salesperson in your target country who helps you find buyers for your product and finalises orders, all for a commission. A good sales agent also does market research, takes the lead in negotiations, performs after sales services, and manages your accounts.
- **Market research companies:** When entering a new market, information is key. Market research companies, as their name suggests, specialise in market research and studies. You can pay them for information specific to your product or industry or for the directories of importers in a particular country.
- **Industry resources and personal contacts:** Finally, there are your personal contacts (friends, family) and business contacts (fellow businessmen, companies) who can help you get in touch with new international buyers.

2. **Send samples to your overseas buyers**

Potential overseas buyer usually asks for samples first. An exporter must pack the sample and ship to the customer, for testing of the product(s). An exporter needs to get in touch with an international shipping company for support in filling export documents and completing export procedure. Even for sample sending, an exporter needs to fill the export declaration marking the product, its HS code, and its value. For sending samples, the exporter needs to prepare and provide the following documents:

- Proforma invoice (mark the price "0")
- Packing list
- CO (certificate of origin)
- Airway bill with exporter data, receiver data and destination.

Usually, it will cost around 100 USD to ship small test samples but depends on what is being sent. While sending samples an exporter needs to make sure all the restrictions and duties related to the goods and ensure that the goods are not in the restricted category. Usually, there's no export duty, but some goods may be restricted or prohibited to export in India. A customs broker may be contacted for the same. After successful testing of the product samples, if the buyer is satisfied, they can move to the next stage of exports which is placing the order and signing of the contracts.

3. **Confirm order from buyer and receive money**

An exporter must sign the sale-purchase contract, issue a proforma invoice and receive the first payment. Considering the buyer likes the sample they will place an export order with the order quantity and terms. This is the time for final negotiation after which the exporter needs to sign the agreement of sales and purchase. In contract, all important terms and conditions need to be stated and confirmed. The following terms must be negotiated and settled into the contract:

- Price of the goods and total price on the shipping date
- Description of the goods with HS code
- Ordered quantity
- Delivery term (EXW; FOB; CIF)
- Payment terms (TT, LC, DC)
- Inspection and warranty terms
- Agreed advance-payment % and balance payment %
- Packing details
- Required docs provided by exporter
- The step-by-step process of the work

3.1. **Issuing the proforma invoice and requesting the first payment**

After the contract is signed, the exporter issues a proforma invoice to the buyer. The buyer needs to make an advance payment to confirm the order. Advance payment is usually 30% and the balance payment must be arranged against the copy of the bill of landing.
In the case of LC (Letter of credit) payment, the buyer opens a deposit for the exporter in the agreed bank. All the LC conditions must be previously agreed upon, so that the bank knows in what conditions the LC deposit will be released to the exporter. For LC payment, exporter's bank will send the docs to the buyer's bank and the buyer's bank will give over to the buyer. First time exporters are advised to use the service of freight forwarders and custom agents.

4. **Preparing order for the customer**

Once the advance payment is received from the customer, the order is confirmed. If the exporter plans to work 100% on LC, then a notice from the bank is received regarding the LC deposit getting opened. Next, the exporter needs to arrange for the agreed order to the buyer and must send the order to the shipping port. The exporter can use a freight forwarder to collect, pack and send the goods to the shipping port.

5. **Final inspection by the buyer before shipping and final payment**

This is very critical part of any export import business. Usually, the buyer is not going to make the final payment or accept the goods, until receiving the inspection and test report. Buyer may conclude the inspection on his own or he may authorize some third party for the same. Final inspection will be done at the exporter's warehouse or on the port, before sending it to the shipping board. The bank also checks test report results if LC is being used.

6. **Receiving balance payment against B/L and test report copy**

Before the goods have been taken on the shipboard, exporter needs to arrange for the export custom for which a custom broker may also be consulted. Export procedures of customs are specific and formal. If an exporter does not have any previous experience in the field, then it is advised to take consultation from custom brokers and freight forwarders.
If the goods are sent via sea, then the exporter will get Bill of lading (B/L) from a shipping company. Thereafter, the exporter must receive the balance payment from the buyer, against the copy of the bill of lading. In case of LC payment, exporter needs to present all the documents to the bank where LC is opened.

Trade Supply Chain

Buy Ship Pay

Order/ Prepare
- Exporter/ Importer
- DGFT
- EPC/ CB/ EDA/ FIEO
- Excise Dept.
- VAT Dept.
- Insurance Co.
- Chamber of Commerce
- Export/ Import Agent
- Embassies
- ECGC/ Credit Checking
- Suppliers/ Sub-contractors
- Other Intermediaries

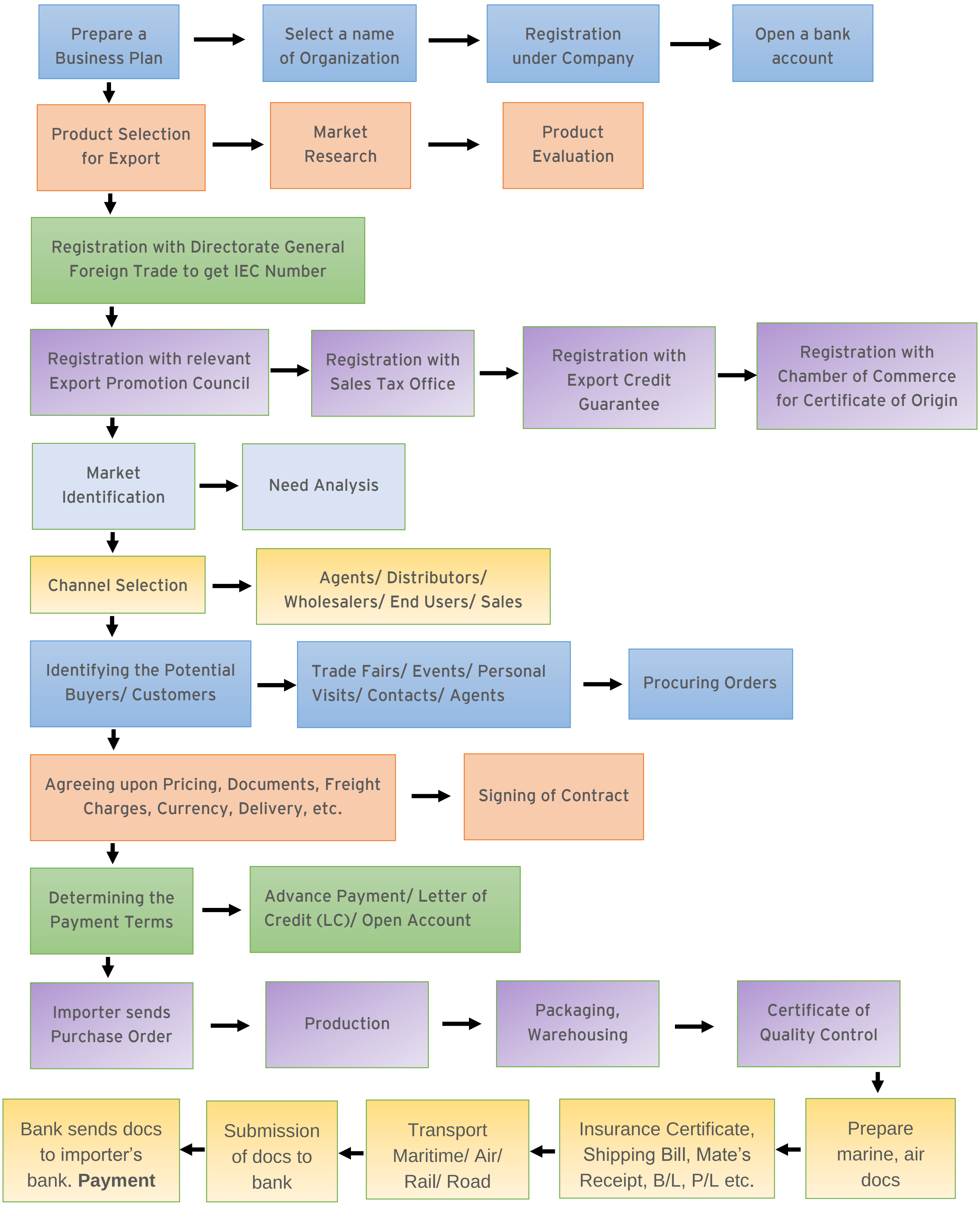
Transport
- Freight Forwarders
- Packers & Consolidators
- Transporter
- Fumigation & Pest Control
- Carrier/ MTO
- Shipping Line
- Export Inspection Agency
- Other Itermediaries

Customs
- Custom Clearance
- Custom House Agent
- ICDs/ CFSs
- Health Authorities/ PHO
- Terminal Operators
- Port Management
- Other Itermediaries

Payment
- Bank
- Financial Institutions
- Factor/ forfaitors
- Other Itermediaries

International Trade Documentation

Documents Prepared by Shipping / Transport Company	Documents Prepared by Exporter & Importer	Documents Prepared by Facilitating Agencies
Transport Documents: 1. Negotiable Bill of Lading 2. Non-Negotiable Bill 3. Combined Transport Document 4. Airway Bill 5. Courier and Postal Receipt 6. Railway Consignment Note/ Road Transport Document 7. Shipping Order 8. FreightPayment Certificate 9. Mate's Receipt 10. Export General Manifest 11. Import General Manifest 12. Delivery Order	By Exporter: 1. Pro-forma Invoice 2. Commercial Invoice 3. Packing List 4. Shipping Instruction 5. Intimation of Inspection 6. Insurance Declaration 7. Application for COO 8. Bill of Exchange 9. Shipment Advice 10. Letter to the Bank for Collection / Negotiation of Documents 11. ARE (I & II) Form 12. Shipping Bill/ Bill of Export 13. Export Application / Dock Challan / Port Trust Copy of Shipping Bill 14. Exchange Control Declaration (SDF/GR/PP/SOFTEX/VOP) Forms By Importer: 1. Import Order 2. Bill of Entry 3. Authorization to release the payment for import 4. Import Declaration Form	1. Certificate of Inspection/ Quality Control 2. Certificate of Insurance 3. Certificate of Origin 4. Receipt for Payment of Port Charges 5. Vehicle Chit 6. Insurance Premium Payment Certificate


Prepare a Business Plan
Select a name of Organization
Registration under Company
Open a bank account
Product Selection for Export
Market Research
Product Evaluation
Registration with Directorate General Foreign Trade to get IEC Number
Registration with relevant Export Promotion Council
Registration with Sales Tax Office
Registration with Export Credit Guarantee
Registration with Chamber of Commerce for Certificate of Origin
Market Identification
Need Analysis
Channel Selection
Agents/ Distributors/ Wholesalers/ End Users/ Sales
Identifying the Potential Buyers/ Customers
Trade Fairs/ Events/ Personal Visits/ Contacts/ Agents
Procuring Orders
Agreeing upon Pricing, Documents, Freight Charges, Currency, Delivery, etc.
Signing of Contract
Determining the Payment Terms
Advance Payment/ Letter of Credit (LC)/ Open Account
Importer sends Purchase Order
Production
Packaging, Warehousing
Certificate of Quality Control
Prepare marine, air docs
Insurance Certificate, Shipping Bill, Mate's Receipt, B/L, P/L etc.
Transport Maritime/ Air/ Rail/ Road
Submission of docs to bank
Bank sends docs to importer's bank. **Payment**

4. INDIA'S FOREIGN TRADE POLICY

The Department of Commerce has the mandate to make India a major player in global trade and assume a role of leadership in international trade organizations commensurate with India's growing importance. The Department devises commodity and country-specific strategy in the medium term and strategic plan/ vision and India's Foreign Trade Policy in the long run. India's Foreign Trade Policy is periodically reviewed to adapt to the changing domestic and international scenario.

The current Foreign Trade Policy (2015-20) focusses on improving India's market share in existing markets and products as well as exploring new products and new markets. India's Foreign Trade Policy also envisages helping exporters leverage benefits of GST, closely monitoring export performances, improving ease of trading across borders, increasing realization from India's agriculture-based exports, and promoting exports from MSMEs and labor-intensive sectors. The five-year Foreign Trade Policy (FTP) 2015-20 released on 01 April 2015 provides a framework for increasing exports of goods and services. With the release of the FTP 2015-20, Handbook of Procedures was also released. Handbook of Procedures notifies the procedure to be followed by an exporter or importer or by the licensing/ Regional Authority or by any authority for purpose of implementing the provisions of Foreign Trade (Development and Regulation) Act, Rules and Orders issued under the provisions of Foreign Trade Policy. It contains the following documents:

- Handbook of Procedures
- Appendices & Aayaat Niryat Forms
- Standard Input Output Norms (SION)

The Department of Commerce has also sought to make states active partners in exports. Consequently, state governments are now actively developing export strategies based on the strengths of their respective sectors.

While the external environment has a major role to play in the success of export policies, it is also critical to address constraints within India including infrastructure bottlenecks, high transaction costs, complex procedures, constraints in manufacturing and inadequate diversification in India's services exports. India is a signatory to the Trade Facilitation Agreement (TFA) at the WTO, which will contribute to the simplification and lowering of transaction costs. According to current WTO rules as well as those under negotiation India needs to eventually phase out subsidies and move towards fundamental systemic measures in the future. The government is looking to focus on promoting exports of high value-added products, where India has a strong domestic manufacturing base, including engineering goods, electronics, drugs and pharmaceuticals, textiles, and agriculture. This is apart from the continued push to AYUSH and the Indian services sector. Around 70% of India's exports constitute products that have just 30% share in global trade. The government is looking at some more promising product groups like defense equipment, medical devices, agro-processing, technical textiles, and chemicals.

4.1 Classifications of goods for exports

Permissibility of import and export goods is governed by the nomenclature, ITC (HS) classification of import and export of goods published by the Directorate General of Foreign Trade (DGFT). All goods other than the entries in the export licensing schedule along with its appendices are freely exportable.

Types of export goods as classified in FTP

Free	Products categorised as free can be exportted without any permission from DGFT subject to condition, if any mentioned against the product in the ITC (HS) book and any other law of the country govering their exports
Restricted	The restricted items can be permitted for export under licence. The procedures/conditions wherever specified against the restricted items may be required to be complied with, in addition to the general requirement of licence in all cases of restricted items.
Prohibited	Prohibited items are not permitted to be exported. An export licence will not be given in the normal course for goods in the prohibited category. Some of the prohibited items of exports are all forms of wild animals, exotic birds, beef, seashells, human skeleton, peacock feathers, etc.
State Trading Enterprises	Export through State Trading Enterprises STE(s) is permitted without an Export Licence through designated STEs only as mentioned against an item and is subject to conditions of FTP.
Restrictions on Countries of export	Export to Iraq is subject to conditions as specified in Exim Policy and other conditions which may be listed in the title ITC (HS) Classification of Export and Import items

4.2 Customs Duties in India

Customs duty is a form of indirect tax which is imposed at the time of both import and export of goods and services. The tax which is imposed on the import of goods and services are known as Import Duty and for export of goods and services as Export Duty. The objective behind levying customs duty is to safeguard each nation's economy, jobs, environment, residents, etc., by regulating the movement of goods, especially prohibited and restrictive goods, in and out of any country.

4.2.1 Duties and Taxes on Import

Import through sea – Territorial water extends up to 12 nautical miles into the sea from the coast of India and so the liability to pay import duty commences as soon as goods enter the territorial waters of India. No duty is livable on goods which are in transit in the same ship or if goods are in transit from one ship to another.

Customs duties are calculated on the value of goods. Such value is determined as per the rules laid down in the Customs Valuation (Determination of Value of Imported Goods) rules, 2007. The customs duty for import of goods are divided into the following:

Types of Customs Duty on import of goods

Type of Duty	Details
Basic CustomsDuty (BCD)	It is applicable on imported items that falls under the ambit of Section 12 of the Customs Act, 1962. These duties are levied atthe rates prescribed in Schedule I to Customs Act, 1975 under the terms specified in Section 2 of the act. The levied rates (5%to 40%) may be standard or preferential as per the country of import.

CountervailingDuty (CVD)	This duty is levied on imported items under Section 3 (1) of Customs Tariff Act, 1975. It is equal to the Central Excise Duty that is levied on similar goods produced within India. This duty is calculated on the aggregate value of goods including landing charges.
Additional Customs Duty or Special CVD	Under Section 3(5) of Customs Tariff Act, 1975 imported goods in addition to BSD and CD shall also be liable to special CVD atthe rate notified by Central Government (at present 4%). Some goods are fully exempt from Special CVD including goods packed for retail sales covered under Standards of Weight & Measurement Act, Wrist watches & pocket watches, telephone for cellular networks, articles of apparel excluding parts of made-up clothing accessories.
Protective Duty	Protective duty may be imposed to shield the domestic industry against imports at a rate recommended by the Tariff Commissioner.
Anti-dumpingDuty	It may be imposed if the good being imported us at below fair market price and is limited to the difference between export and normal price (dumping margin).
Education Cess	This duty is levied at 2% and higher education cess at another1% of aggregate of custom duties.
Social Welfare Surcharge	10% SWS. The levy of SWS on imports made and present practice regarding its debit through duty credit scrips such as MEIS, SEIS etc. of FTP.
Custom Health Cess	The Schedule IV of the Finance Bill provides for the levy of health cess for the goods falling under headings 9018, 9019, 9020, 9021 and 9022 of the First Schedule of the Customs Tariff Act, 1975 shall be liable for health cess leviable @5%.
Preferential rate of duty	Preferential rate of duty for import of specified goods may be applicable for imports from China as per the notification no. 040/2017 dated 01.07.2017
IGST Levy	The GST rate structure for goods have been notified. For convenience, goods have been organised rate-wise in schedulesI to VII.
GST Compensation Cess	Levied on supply of certain notified goods mostly belonging to luxury and demerit category.

The step-by-step process for checking the import duties and taxes of product with ITC HS Code are given below

Source: Central Board of Indirect Taxes & Customs

Step 1: Go to the ICEGATE Webpage and select Import Duty Calculator

Step 2: Enter CTH Code and Country of Origin

Step 3: Select the tariff item

Step 4: Final structure of duty for estimated value of INR 1 Lakh

https://www.icegate.gov.in/Webappl/Structure-of-Duty-for-selected-Tariff

Central Board of Indirect Taxes & Customs
Department of Revenue, Ministry of Finance, Government of India

Structure of Duty for CTH :73261990

Customs Tariff Head :73261990 Country of Origin :CN
DESCRIPTION FOR CTH

Customs Duty	Rate of Duty (Tariff)%	Spec Duty	Unit	Notification -Slno	Rate of Duty (Effective) %	Spec Duty	Unit	Duty Amount
Basic Customs Duty(BCD)	25			024/2005-13R Select Exemption Notn. (if any)	0			0
Preferential Notification				050/2018-A206 Select Exemption Notn. (if any)	14			0
Additional Duty Of customs(ADC(M))	0	0		Select Exemption Notn. (if any)	0	0		0
Customs AIDC	25			Select Exemption Notn. (if any)	0			0
Custom Health CESS(CHCESS)	5	0		Select Exemption Notn. (if any)	5	0		5000
Other Duties								
Excise AIDC(EAIDC)	0	4	LTR	Select Exemption Notn. (if any)				0
Social Welfare Surcharge(SWC)	10			Select Exemption Notn. (if any)	10			0.5
Antidumping Duty(ADD)	54.09	0		015/2016-1	54.09	0		54090
Safeguard Duty(SG)	14.5			002/2020-(b)	14.5			14500
Countervailing Duty(CD)	13.44	0		001/2016-1	13.44	0		13440
GST Duty								
IGST Levy	18			001/2017-III111 Select Exemption Notn. (if any)	18			33665
Compensation Cess(CC)	22	0		001/2017-52B Select Exemption Notn. (if any)	22	0		41147
Duty Calculator								
Total Duty	121.2				161.842			162542
Total Duty (Preferential)					0.0			161843
Sample calculation for Assessable value Rs. 100000	121200			Enter your Assessable value and press Enter	162542	Enter Qty if Applicable		
Enter your Assessable value in INR				100000	162542	100		-> Show Duty Bifurcation

Spec duty Flag	H=Rate or Specific duty whichever is higher; L=Rate or Specific duty whichever is lower ;+= Rate of duty plus Specific duty
Compulsory compliance Requirements (CCRs)	
Preferential rate of duty for import of specified goods	Preferential rate of Duty may be applicable for imports from CHINA refer Notification 040/2017 Dated 01/07/2017
SWIFT PGA Filing	PGA Cd PGA Name Info Cd Info Desc QFR Cd QFR Desc REQ Man Opt
Antidumping Duty may be applicable	refer Notification 015/2016 Dated 26/04/2016
Safeguard Duty may be applicable	Refer Notification 002/2020 Dated 30/01/2021

Disclaimer: The contents of this web site do not constitute legal or professional advice and carry no legal force. The purpose of the web site is to enhance public access to information on rates of duties and other compliance requirements for Customs clearance of goods.
The web site is strictly meant for general guidance. While all efforts are made to ensure correct, complete and current information on the web site, Central Board of Indirect Taxes and Customs (CBIC)

4.3 Most Favoured Nation

In International Economic Relations and International Politics, the most favored nation (MFN) is a status or level of treatment accorded by one state to another in international trade. The term means the country which is the recipient of this treatment must nominally receive equal trade advantages as the "Most Favored Nation" by the country granting such treatment.

Under rules of the World Trade Organization (WTO), a member country is not allowed to discriminate between trade partners and if a special status is granted to one trade partner, the country is required to extend it to all members of the WTO. In a nutshell, MFN is a non-discriminatory trade policy as it ensures equal trading among all WTO member nations rather than exclusive trading privileges.

The advantages of the most favored nations are:

- These nations a get access to a wider market for better trade.
- They pay a lesser cost on their exports due to the reduction in trade barriers

- Due to the above opportunities, they get better options in terms of growth in business and competitiveness

Within the South Asian Association for Regional Cooperation (SAARC), Bangladesh, Maldives, Nepal, Pakistan, and Sri Lanka are members of WTO and all excepting Pakistan have extended MPN status to India, which had extended MFN status to all the SAARC countries.

In India Africa Trade Agreement, both the countries parties grant MFN statusto both the countries

4.4 Free Trade Agreements

A Free trade Agreement (FTA) is an agreement between two or more countries where the countries agree on certain obligations that affect trade in goods and services, and protections for investors and intellectual property rights, among other topics.

Types of Trade Agreements

- Trading blocs
    - A regional trading bloc is a group of countries within a geographical region that protect themselves from imports from non-members.
    - Preferential Trade Areas (PTAs) exist when countries within a geographical region agree to reduce or eliminate tariff barriers on selected goods imported from other members of the area.
    - This is often the first small step towards the creation of a trading bloc.
- Free Trade Areas (FTAs)
    - These are created when two or more countries in a region agree to reduce or eliminate barriers to trade on all goods coming from other members.
    - Early Harvest Scheme: An Early Harvest Scheme (EHS) is a precursor to an FTA between two trading partners.
        - ✓ At this stage, the negotiating countries identify certain products for tariff liberalization pending the conclusion of actual FTA negotiations.
        - ✓ India and Thailand signed an EHS in October 2003, where both countries agreed to reduce tariff duties on 83 products to zero, in a phased manner.
- Customs Union
    - A customs union involves the removal of tariff barriers between members, plus the acceptance of a common (unified) external tariff against non-members.
    - This means that members may negotiate as a single bloc with 3rd parties, such as with other trading blocs, or with the WTO.

- Common Market
  - A 'common market' (or single market) is the first significant step towards full economic integration and occurs when member countries trade freely in all economic resources – not just tangible goods.
  - This means that all barriers to trade in goods, services, capital, and labour are removed.
  - In addition, as well as removing tariffs, non-tariff barriers are also reduced and eliminated.

PTA	reduce or eliminate tariff barriers **on selected goods** imported from other members of the area.
FTA	reduce or eliminate barriers to trade **on all goods** coming from other members.
Customs Union	removal of tariff barriers between members, plus the acceptance of a common (unified) external tariff against non-members.
Common Market	Free flow labour, capital, and output (goods/services) among the members. Example: SICA (in Central America).
Economic Union	Members share a common currency and macro-economic policies (Example European Union).

List of India's Free Trade Agreements

S. No.	Agreement	Member Countries	Conditions
1	**Preferential Trade Agreement between India and Afghanistan**	India and Afghanistan	Free movement of goods between their countries through reduction of tariffs on the movement of goods in accordance with the provisions of Annexures A & B (Link – India Afghanistan Free Trade Agreement.Indo-Afghanistan Preferential TradeAgreement. (eximguru.com)) The preference tariff granted by the Government of Afghanistan includethe following HS Code – 090230, 090240, 300210, 300390, 300490, 170199, 252310, 252321
2	**Comprehensive Economic Cooperationand Partnership Agreement (CECPA) between The Republic of India and The Republic of Mauritius**	India and Mauritius	The CECPA between India and Mauritius covers 310 export items forIndia, including food stuff and beverages (80 lines), agricultural products (25 lines), textile and textile articles (27 lines), base metals and articles thereof (32lines), electricals

S. No.	Agreement	Member Countries	Conditions
			and electronic item (13 lines), plasticsand chemicals (20 lines), wood and articles thereof (15 lines), and others.(Link – Comprehensive EconomicCooperation and Partnership Agreement (CECPA) between The Republic of India and The Republic of Mauritius (indiantradeportal.in)
3	**India Africa TradeAgreement**	India and African Countries – Botswana, Cota D Ivory, Liberia, Mozambique, Rwanda, South Africa, Seychelles, Uganda, Angola, Cameroon, Ghana, Mauritius, Nigeria, Senegal,Swaziland, Tanzania, Zaire, Zambia, and Zimbabwe	`The agreement grants each other the most favored nation treatment inrespect of the following: 1. Custom duty and other dutiesand taxes applicable for import, export, and transit of commodities 2. Custom formalities and all dues and charges in relationto import, export, transit storage and 77 transshipment of commodities 3. Issue of import and exportlicense The list of products from each countries can be access through thelink – India Africa Trade Agreement (indiantradeportal.in)
4	**Asia Pacific TradeAgreement (APTA)**	India, Bangladesh, China, Republicof Korea, Lao People's Democratic Republic and Sri Lanka	Preferential Trade arrangement that aims at promoting intra-regional trade. The standing Committee initiated negotiations in the areas of tariff concessions with an average of 50% MOP on 50% of tariff lines alongwith framework agreements on i. trade facilitation ii. Trade in services iii. Investments and iv. Non-tariff measures. The list of preferential tariff items -Asia Pacific Trade Agreement (APTA) (indiantradeportal.in)
5	**Comprehensive Economic CooperationAgreement between India and Association of Southeast Asian Nations (ASEAN)**	India, Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam	Preferential Trade Agreement, wherethe applied MFN tariff rates at 0%, they shall remain at 0%, applied MFNtariff rates of 5% can be maintained for up to 50 tariff lines and for remaining reduced to 4.5%. Special products refer to India's crude and refined palm oil, coffee, black tea andpepper. The tariff of these special products reduced by almost 40-50%. The list of other countries products has been listed in the agreement - Comprehensive Economic Cooperation Agreement Between India And Association of Southeast Asian Nations (ASEAN) (indiantradeportal.in)

S. No.	Agreement	Member Countries	Conditions
6	**Agreement on Trade, Commerce and Transitbetween India and Bhutan**	India and Bhutan	All exports and imports of Bhutan to and from countries other than India will be free from and not subject to customs duties and trade restrictions of the Government of India. The procedure for such exports and imports and the documentation whichare detailed in the Protocol to this Agreement, may be modified by mutual agreement from time to time. View of the free movement of goods flowing between the two countries and of the possibility of the flow from one to the other of goods of third country origin
7	**Preferential Trade Agreement betweenIndia and Chile**	India and Chile	Under this agreement, Chile has offered concession to India on 1798 tariff lines with Margin of Preference (MOP) ranging from 30% - 100% andIndia offered concession on 1071 tariff lines ranging from 10-100%. Under this, India's 86% of exports to chile gets covered. Link - PreferentialTrade Agreement Between India And Chile (PTA) (indiantradeportal.in)
8	**Comprehensive Economic PartnershipAgreement between the Republic of India and Japan**	India and Japan	The agreement seeks to eliminate tariffs on 90% of Japanese exports toIndia such as auto parts and electric appliances and 97% of imports from India, including agriculture and fisheries products. The list is given inthe agreement - Comprehensive Economic Partnership Agreement Between India And Japan (CEPA)(indiantradeportal.in)
9	**Comprehensive Economic PartnershipAgreement between the Republic of Korea and India**	India and Korea	The agreement seeks to eliminate tariff on 90% of India exports to Korea and 85% of Korea exports to India. India also getting benefitted, which allows temporary movement ofprofessional workers to Korea. Around, 163 professions would be allowed access to Korean service market. Link - Comprehensive Economic Partnership Agreement Between India And Republic of Korea (CEPA) (indiantradeportal.in)
10	**Comprehensive Economic CooperationAgreement between India and Malaysia**	India and Malaysia	Under CECA, the items on which India has obtained market access from Malaysia include basmati rice, mangoes, eggs, trucks, motorcycles, and cotton garments. Also, adequateprotection has been provided by the Indian side for sensitive sectors suchas agriculture, fisheries, textiles, chemicals, auto, etc. This agreement also facilitates the temporary movement of businesspeople including contractual service

S. No.	Agreement	Member Countries	Conditions
			suppliers and independent professionals. Link - ComprehensiveEconomic Cooperation Agreement between India and Malaysia (CECA)(indiantradeportal.in)
11	**Preferential Trade Agreement between India and MERCOSUR**	India, Brazil, Argentina, Uruguay and Paraguay	The agreement aims to expand and strengthen the existing relations and promote the expansion of trade by granting reciprocal fixed tariff preferences with the ultimate objective of creating a free trade areabetween the parties. The major products covered in Indian offer list are meat and meat products, organic& inorganic chemicals, dyes & pigments, raw hides and skins, leather articles, wool, cotton yarn, glass and glassware, articles of iron and steel, machinery items, electricalmachinery and equipment, optical, photographic & cinematographic apparatus. The major product groupscovered in the offer list of MERCOSUR are food preparations, organic chemicals, pharmaceuticals, essential oils, plastics & articles, rubber and rubber products, tools and implements, machinery items, electrical machinery and equipment. Link - Preferential Trade Agreement Between India And MERCOSUR(PTA) (indiantradeportal.in)
12	**Agreement of Cooperation with Nepal to Control Unauthorized Trade**	India and Nepal	Open border between the two counties for free movement of persons and goods across the borderNo restriction on re-export from the territory of a Contracting Party to third countries of the goods imported from the other party without manufacturingactivity. Link - Agreement of Cooperation withNepal to Control Unauthorized Trade(eximguru.com)
13	**Treaty of Transit between Governmentof India and Government of Nepal**	India and Nepal	Warehouses, sheds, and open spaces shall be made available on lease for the storage of transit cargo(other than hazardous goods) meantfor transit to and from Nepal through India (Port of Calcutta) Traffic-in transit via Calcutta shall pass only through mutually agreedroutes. Product specific usage of transitmode is given in the agreement.Treaty of Transit Between Government of India andGovernment of Nepal (indiantradeportal.in)

S. No.	Agreement	Member Countries	Conditions
14	**Agreement on South Africa Free Trade Area(SAFTA)**	Afghanistan, Bangladesh, Bhutan, Maldives, Nepal,Pakistan, Sri Lanka, and India	There should be a fall to 20% tariff from the existing tariff by the non- Least Developing Countries and 30%reduction from the existing tariff by the Least Developing Countries. The list of the products is given in the agreement - Agreement On South Asia Free Trade Area (SAFTA) (indiantradeportal.in)
15	**Agreement on SAARC Preferential Trading Arrangement**	Bangladesh, Bhutan, Maldives, Nepal,India, and Sri Lanka. Pakistan has been removedfrom the list.	There should be a fall to 20% tariff from the existing tariff by the non- Least Developing Countries and 30%reduction from the existing tariff by the Least Developing Countries. If LTA is having tariff listed under SAFTA, they should follow SAFTA tariff. Link - Comprehensive Economic Cooperation Agreement between The Republic of India and the Republic of Singapore (CECA) (indiantradeportal.in)
16	**Comprehensive Economic CooperationAgreement between the Republic of India and the Republic of Singapore**	India and Singapore	It is a free trade agreement between Singapore and India to strengthen bilateral trade. The CECA eliminated tariff barrier, double taxation, duplicate processes and regulations and provided unhindered access and collaboration between two countries. Singapore invested in India for upgradation of ports, airports, STPs and SEZ. The list of products for phased elimination in duty is given - https://commerce.gov.in/international-trade/trade- agreements/comprehensive-economic-cooperation-agreement- between-the-republic-of-india-and- the-republic-of-singapore/
17	**Free Trade Agreementbetween the Republic of India and The Democratic Socialist Republic of Sri Lanka**	India and SriLanka	The Contracting Parties hereby agree to establish a Free Trade Areafor the purpose of free movement of goods between their countries through elimination of tariffs on the movement of goods in accordance with the provisions of Annexures A &B which shall form an integral part ofthis Agreement. The list is given - Free Trade Agreement Between TheRepublic of India And The Democratic Socialist Republic of SriLanka (FTA) (indiantradeportal.in)
18	**India – Thailand FreeTrade Agreement (EHS)**	India andThailand	Amendment to the Early Harvest Scheme. The Tariff reduction on applied MFN rates has been reducedup to 100%. The tariff items list - India-Thailand Free Trade Agreement (EHS)(indiantradeportal.in)

S. No.	Agreement	Member Countries	Conditions
19	**India-UAE Comprehensive Economic Partnership Agreement**	India and UAE	The India-UAE CEPA is in effect from May 1, 2022. In a symbolic gesture, the commerce secretary BVR Subrahmanyam handed over Certificates of Origin to three exporters from the gems and jewelry sector, whose consignment [expected to reach Dubai by May 1] will attract zero customs duty under the Agreement. India will not provide any kind of customs duty concessions on 1,157 goods under the treaty – given the sensitivities of India's domestic industry. The products that are being excluded from the FTA include TVs, picture tubes, soaps, toys, footwear, instant coffee, sharbat, and petroleum waxes. More information can be gathered in an FAQs document uploaded by the Ministry of Commerce here: FAQs-on-CEPA_For-Uploading-on-DoCs-website-05-May-2022.pdf (commerce.gov.in)
20	**India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA)**	India and Australia	The IndAus ECTA will provide zero-duty access to the bulk of India's exports to Australia (96 percent), including engineering goods, gems and jewelry, textiles and apparel, and leather etc. After five years, this will be expanded to 100 percent of Indian goods. Under the ECTA, 85 percent of Australian exports will enjoy zero-duty market access, including coal, LNG, alumina, metallic ores, sheep meat and wool; duties will lowered on Australian wines, cotton, almonds, lentils, and certain fruits – oranges, mandarins, apricots, and strawberries. Tariffs on Australian avocados, onions, pistachios, macadamias, cashews in-shell, blueberries, raspberries, and blackberries will be eliminated over seven years. Key market protections India will not relax tariffs on certain products considered as 'sensitive sectors', such as dairy products, wheat, rice, chickpeas, beef, sugar, apples, toys, and iron ore. The ECTA contains strict rules of origin to prevent routing of products from other countries and a safeguard mechanism to address any sudden influx in imports of a product.

4.5 Finance Program by Export Import (EXIM) Bank of India

Role of EXIM Bank

EXIM Bank of India was established by Government of India in 1982 under the Export- Import Bank of India, 1981 for the purpose of financing, facilitating, and promoting India's international trade. The main objective of EXIM Bank is to provide financial assistance to promote the export production in India. The financial assistance provided by the EXIM bank widely includes the following:

- Direct financial assistance
- Foreign investment finance for equity contribution to the Indian companies to form Joint Venture with the foreign companies.
- Term loaning options for export production and export development
- Pre-shipping credit
- Buyer's credit
- Lines of credit
- Reloaning facility
- Export bills rediscounting
- Refinance to Commercial banks

The EXIM Bank Act also empowers the bank to finance export of consultancy and related services, assist Indian joint ventures in third countries, conduct export market studies, finance export-oriented industries and provide international merchant banking services. EXIM bank concentrates on medium and long-term financing, leaving the short-term financing to be handled by commercial banks. Various stages of exports covered by EXIM bank includes –

- Development of export makers
- Expansion of export production capacity
- Production for exports
- Financing post-shipment activities
- Export of manufactured goods
- Export of projects
- Export of technology and software's

For information on Financial products by the EXIM Bank of India visit the website bewlo:

Finance for Export Packages | Financial Products and Services (eximbankindia.in)

5. SCHEMES FOR INDIAN EXPORTERS

Exports are regarded as an engine of economic growth in the wake of liberalization and structural reforms in the economy. In recent times India is witnessing slowdown in exports with its traditional partners. Under these circumstances, we need to set in motion strategies and policy measures which catalyze growth of exports in several different sectors as well as in newer markets. To provide promotional measures to boost exports with the objective to offset infrastructural inefficiencies and associated costs involvedto provide exporters a level playing field, the following schemes has been introduced.

Export related Schemes and Incentives

Scheme/ Incentive Type	Name of Schemes/ Incentives
Financial assistance	▶ Interest Equalization Scheme (IES) ▶ Gold Card Scheme by RBI ▶ NIRVIK Scheme
At production stage	▶ Duty Drawback Scheme ▶ Duty Exemption Scheme ▶ Duty Remission Scheme
Export Incentive	▶ MEIS ▶ SEIS ▶ RoDTEP Scheme
Technology Upgradation	▶ Export Promotion Capital Goods (EPCG) Scheme ▶ Trade Infrastructure for Export Scheme
Insurance	▶ Export Promotion Credit Guarantee Scheme
Ease of Doing Business	▶ SEZ Scheme ▶ EOU/ EHTP/ STP and BTP Schemes
Export Promotion for Handlooms	▶ Comprehensive Handlooms Development Scheme
Export Promotion for Agri products	▶ Financial Assistance Scheme for Exporters by APEDA ▶ One District One Focus Product Scheme 2021

Schemes for Gem and Jewellery Sector	▶ Advance Procurement/ Replenishment of Precious Metals from Nominated Agencies ▶ Replenish Authorization for Gems ▶ Replenishment Authorization for Consumables ▶ Advance Authorization for Precious Metals
GST Concessions	▶ LUT and Bond under GST for export ▶ IST Refund (Shipping bills and other export related documents should be filed at ICEGATE for claiming GST refund)
Capacity Building and R&D	▶ Niryat Bandhu Scheme ▶ Market Access Initiative Scheme
Transport Assistance	▶ Transport and Marketing Assistance (TMA) Scheme for Agri-Export
Acknowledgement/ Achievement	▶ Status Holder Certificate ▶ Town of Export Excellence (TEE) Scheme
Participation in International Trade Fairs	▶ Marketing Development Assistance (MDA) Scheme

In the Foreign Trade Policy 2015-20, under Export from India Schemes, there are two Schemes for exports of merchandise and services viz.:

i. Merchandise Exports from India Scheme (MEIS); and
ii. Service Exports from India Scheme (SEIS)

The objective of MEIS is to offset infrastructural inefficiencies and associated costs involved in export of goods/products, which are produced/ manufactured in India, especially those having high export intensity, employment potential and thereby enhancing India's export competitiveness. Similarly, the objective of SEIS is to encourage export of notified Services from India.

MEIS has since been withdrawn w.e.f. 1st January 2021. A new Scheme called Remission of Duties and Taxes on Exported Products (RoDTEP) has been introduced which shall refund the embedded duties suffered in export goods. For details, please visit RoDTEP Scheme (fieo.org)

Some of the main features of these Schemes are as under:

MEIS	The MEIS Entitlement would be 2% / 3% / 5% / 7% of FOB value of notified goods exported to notified markets [based on three distinct categories framed and covered in Appendix 3B] in free foreign exchange or FOB value of exports as given in the Shipping Bills in free foreign exchange, whichever is less.
	Country Groups - Category A: Traditional Markets (30) - European Union (28), USA, Canada. Category B - Emerging & Focus Markets (139), Africa (55), Latin America and Mexico (45), CIS countries (12), Turkey and West Asian countries (13), ASEAN countries (10), Japan, South Korea, China, Taiwan, and Category C: Other Markets (70).
	Units located in SEZs have also been made eligible for MEIS & SEIS benefit.
	Export of goods through Courier or Foreign Post Offices using e-Commerce (as notified in Appendix-3C) of FOB value only upto Rs. 5,00,000/- per consignment are entitled for rewards under MEIS.
Service Sector	Export of goods through Courier or Foreign Post Offices using e-Commerce (as notified in Appendix-3C) of FOB value only upto Rs. 5,00,000/- per consignment are entitled for rewards under MEIS.
	Only services provided in the manner/mode specified at Para 9.51 (i) & (ii) are eligible, i.e., Supply of a 'service' from India to any other country (Mode 1-Cross border trade) and Supply of a 'service' from India to service consumers of any other country (Mode 2- Consumption abroad).
	Only services provided in the manner/mode specified at Para 9.51 (i) & (ii) are eligible, i.e., Supply of a 'service' from India to any other country (Mode 1-Cross border trade) and Supply of a 'service' from India to service consumers of any other country (Mode 2- Consumption abroad).
Duty Credit Scrip	Basic Custom duty paid in cash or through debit under Duty Credit scrip shall be adjusted for Duty Drawback benefits.
	As per Trade Notice No. 11 dated 30/06/2017, under the GST regime, the Duty Credit Scrips cannot be used for payment of IGST, GST and Compensation cess in inputs and CGST/SGST/IGST, GST and Compensation cess for domestic procurement.
	Duty Credit Scrip issued on or after 01.01.2016 under Chapter 3 shall be valid for a period of 24 months from the date of issue and must be valid on the date on which actual debit of duty is made.

STATUS HOLDER

Status Holder Scheme is for business leaders who have excelled in international trade and have successfully contributed to country's foreign trade.

An applicant shall be categorized as status holder on achieving export performance during the current and previous three financial years (for Gems & Jewellery Sector the performance during the current and previous two financial years shall be considered for recognition as status holder) as under:

Status Category	***Export Performance FOB/FOR (as converted) Value (in US $ million)***
One Star Export House	3
Two Star Export House	25
Three Star Export House	100
Four Star Export House	500
Five Star Export House	2000

Privileges of Status Holders

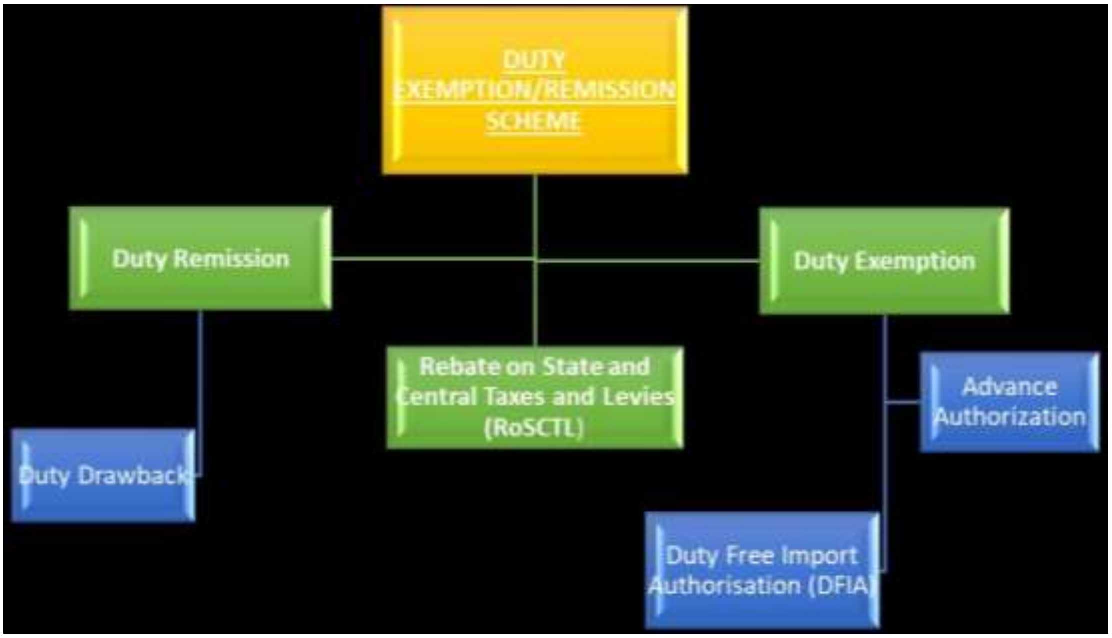
A Status Holder shall be eligible for privileges as under:

Provision for self-declaration	Authorization and Customs Clearances for both imports and exports may be granted on self-declaration basis;
Input-Output Norms	Input-Output norms may be fixed on priority within 60 days by the Norms Committee
Banking related provisions	Exemption from furnishing of Bank Guarantee for schemes under FTP, unless specified otherwise anywhere in FTP or HBP
	Exemption from compulsory negotiation of documents through banks. Remittance / receipts, however, would be received through banking channels
Two star and above	Two star and above Export houses shall be permitted to establish Export Warehouses as per Department of Revenue guidelines.
Three star and above	Three Star and above Export House shall be entitled to get benefit of Accredited Clients Programme (ACP) as per the guidelines of CBEC (website: http://cbec.gov.in).
Preferential treatment in handling of consignments	The status holders would be entitled preferential treatment and priority in handling of their consignments by the concerned agencies.
Provision for self-certification of manufactured goods	Manufacturers who are also status holders (Three Star/Four Star/Five Star) will be enabled to self-certify their manufactured goods (as per their IEM/IL/LOI) as originating from India with a view to qualify for preferential treatment under different preferential Trading agreements(PTA), Free Trade Agreements (FTAs), Comprehensive Economic Cooperation Agreements (CECA) and Comprehensive Economic Partnership Agreements (CEPA). Subsequently, the scheme may be extended to remaining Status Holders.
	Manufacturer exporters who are also Status Holders shall be eligible to self-certify their goods as originating from India as per para 2.108 (d) of Hand Book of Procedures.
Freely exportable items	Status holders shall be entitled to export freely exportable items (excluding Gems and Jewellery, Articles of Gold and precious metals) on free of cost basis for export

	promotion subject to an annual limit of Rupees One Crore or 2% of average annual export realization during preceding three licensing years, whichever is lower.
Export of Pharma Products	For export of pharma products by pharmaceutical companies, the annual limit would be 2% of the average annual export realization during preceding three licensing years.
	In case of supplies of pharmaceutical products, vaccines, and lifesaving drugs to health programmes of international agencies such as UN, WHO-PAHO and Government health programmes. The annual limit shall be upto 8% of the average annual export realization during preceding three licensing years. Such free of cost supplies shall not be entitled to Duty Drawback or any other export incentive under any export promotion scheme.

DUTY EXEMPTION / REMISSION SCHEME

This Scheme enables exporters' duty-free import of inputs for export production, including replenishment of input or duty remission.



The Duty Exemption Scheme consists of the following:

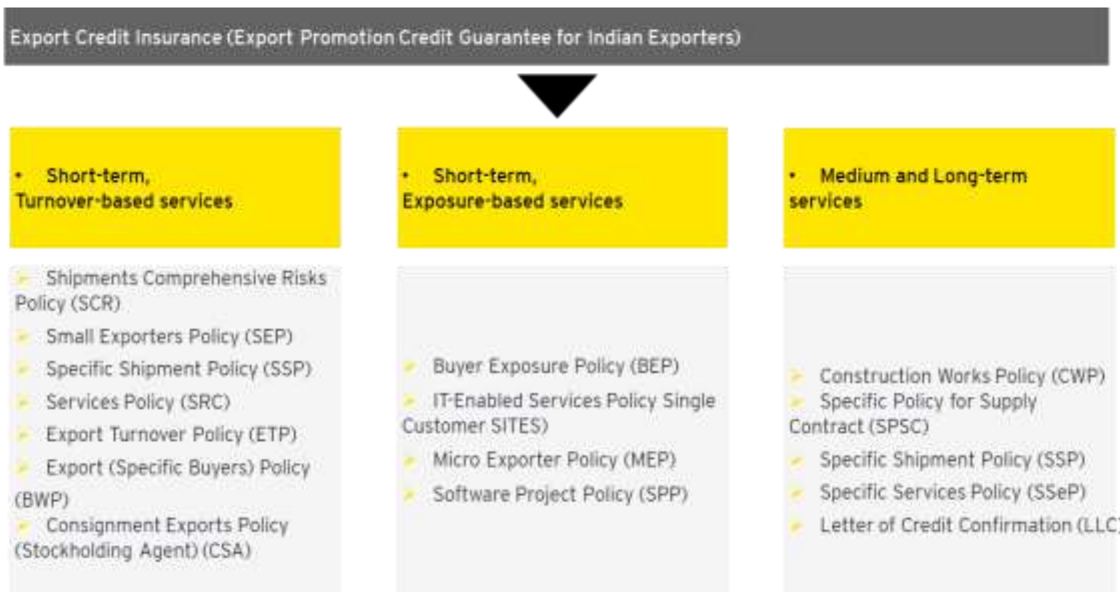
Advance Authorization	Allow duty free import of input, physically incorporated in export product, based on Standard Input Output Norms (SION) or Self Declaration. Minimum 15% value addition is required to be achieved. Period for fulfillment of export obligation is 18 months from the date of issue of Authorization.
	As per Trade Notice No. 11 dated 30.06.2017 under GST Regime, no exemption from payment of IGST and Compensation Cess would be available for imports under Advance Authorisation. However, as per Notification No. 66 dated 01.04.2022, imports under

	Advance Authorisation have been exempted from IGST and Compensation Cess till 30.06.2022.
	Special Advance Authorization Scheme for export of Articles of Apparel & Clothing Accessories has been introduced for duty free import of fabric, subject to the specified conditions.
	Under Self Ratification Scheme, eligible exporter, on self-declaration and self-ratification basis, can apply for an Advance Authorisation where there is no SION/valid Adhoc Norms for an export product and where SION has been notified but exporter intends to use additional inputs in the manufacturing process.
	Imports under Advance Authorization would now also be exempted from Transition Product Specific Safeguard Duty and Countervailing Duty.
	Advance Authorization for annual requirements would only be issued for items notified in SION and it shall not be available in cases of adhoc norms.
DFIA	Issued to allow duty free import of inputs and is exempted only from payment of Basic Customs Duty. Additional Customs Duty/Excise Duty paid may be adjusted as CENVAT credit. Value addition required 20%.
	DFIA will be exempted only from payment of Basic Customs Duty and minimum value addition of 20% will be required to be achieved.
	Duty Free Import Authorization (DFIA) will be issued only on post export basis separately for each SION and each Port and it will not be issued for an export product where SION prescribes 'Actual User' condition for any input.
	Exports under DFIA shall be made from a single Port and Regional Authority shall issue transferable DFIA with a validity of 12 months from the date of issue. No further revalidation shall be granted by Regional Authority.
Duty Drawback Scheme	The scheme is administered by Department of Revenue which has two components viz-a-viz: All Industry Rate (AIR) and Brand Rate. It comes under Duty Remission Scheme. Under the Scheme, Duty Drawback as per specified rates in Schedule of All Industry Rate of Drawback is granted. Exporter has the option to avail the benefit by getting fixation of Brand Rate on an application in the prescribed format.
Rebate on State and Central Taxes and Levies (RoSCTL)	The Scheme was notified by the Ministry of Textiles on 07.03.2019 to be implemented by DGFT. The Scheme will rebate all embedded State and Central Taxes/levies for meant for exports of made-up articles & garments. Under the RoSCTL, the benefit to exporters shall be given by DGFT in the form of transferable duty credit scrips.

EPCG SCHEME

EPCG Scheme allows import of capital goods for pre-production, production and post-production at Zero customs duty. As per Trade Notice No. 11 dated 30.06.2017 under GST Regime, no exemption from payment of IGST and Compensation Cess would be available for imports under EPCG. However, as per Notification No. 66/2015-20 dated 01.04.2022, Capital goods imported under EPCG scheme for physical exports are also exempt from whole of the Integrated Tax and Compensation Cess leviable thereon upto 30th June 2022.

Types of Insurance Schemes by ECGC



TOWNS OF EXPORT EXCELLENCE (TEE)

Selected towns producing goods of Rs. 750 crores or more are notified as TEE on potential for growth in exports and provide financial assistance under MAI Scheme to recognized Associations.

INTEREST EQUALIZATION SCHEME

The Government announced the Interest Equalisation Scheme @ 3% per annum for Pre and Post Shipment Rupee Export Credit with effect from 1st April 2015 for 5 years available to all exports under 416 tariff lines [at ITC (HS) code of 4 digits] and exports made by Micro, Small & Medium Enterprises (MSMEs) across all ITC(HS) codes. With effect from November 2, 2018, the rate of Interest Equalisation for MSME has been increased to 5%. The Scheme has also been extended to Merchant Exporters who can avail the benefit @ 3% for all exports under 416 tariff lines w.e.f. January 2, 2019.

GOLD CARD SCHEME

The Gold Card Scheme was introduced by the RBI in the year 2004. The Scheme provides for a credit limit for three years, automatic renewal of credit limit, additional 20% limit to meet sudden need of exports on account of additional orders, priority in PCFC, lower charge schedule and fee structure in respect of services provided by Banks, relaxed norms for security and collateral etc. A Gold Card under the Scheme may be issued to all eligible exporters including those in the small and medium sectors who satisfy the pre-requisite conditions laid by individual Banks.

TRANSPORT AND MARKETING ASSISTANCE FOR SPECIFIED AGRICULTURE PRODUCTS SCHEME

(TMA) scheme aims to aid with the international component of freight and marketing as well as to mitigate disadvantage of higher cost of transportation of export of specified agriculture products to specified destinations/countries due to trans-shipment and to promote brand recognition for Indian agricultural products in the specified region.

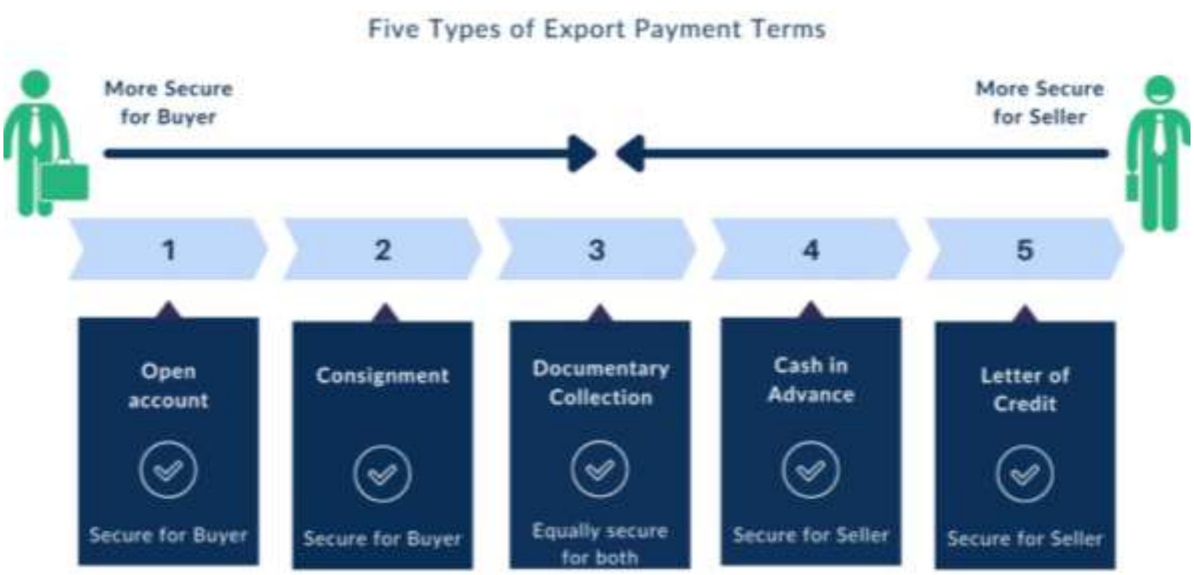
CUSTOMS

Facilities like 24X7 customs clearance, single window, self - assessment of customs duty, prior filing facility of Bill of Entry etc. are available to facilitate exports.

6. METHODS OF PAYMENT

Experienced exporters extend credit cautiously. Because being paid in full and on time is of the utmost concern, the level of risk you are willing to assume in extending credit in global markets is a major consideration. There are several ways in which you can receive payment for products sold abroad; your choice will depend on how trustworthy you consider the buyer to be. With domestic sales, if the buyer has good credit, sales are typically made on open account; otherwise, cash in advance is required. For export sales, five methods of payment are common.

1. **Open account**
   Open account payment in International Trade, the buyer receives the goods shipped by the exporter and then makes the payment at the end of an agreed credit period. The credit period can be a fixed duration – 30 days, 60 days, 90 days, etc. There is a gap between the date of receipt of the purchase order and the date of receipt of payment, with activities like production and shipping to be concluded in between. The time gap involved in this method puts a burden on the working capital situation of the exporter. Nevertheless, the exporter may choose to opt for this payment method if the importer is a strong player with prospects of high volumes in the future. An exporter may also agree to an open account payment mode if there is a trusted relationship between the two parties, or if the amount of money at stake is negligible.



2. **Documentary collection**
   In this payment method, both parties involve their respective banks to complete the payment. The remitting bank represents the exporter while a collecting bank works on behalf of the buyer. Once the exporter ships the goods, they can submit the shipping documents and a collecting order to the remitting bank, who in turn will send these to the collecting bank along with the collection instructions. This is then passed on to the buyer, on whose payment the collecting bank transfers the amount to the remitting bank. Finally, the exporter receives the amount from the remitting bank.

Documentary collection may be 'at sight' or after a time-lapse:

- **Cash Against Documents -** CAD payment term / DP in export, happens when the buyer needs to pay the amount due at sight. This payment is made before the documents are released by the buyer's bank (collecting bank). It is also known as sight draft or cash against documents.
- **Document Against Acceptance -** DA payment term in export, is an arrangement where the buyer is required to make the payment only after a specific duration. In this mode, the buyer accepts the time draft and makes a promise to pay. Once this acceptance is received, the bank can release the documents to the buyer.

3. **Letter of Credit**
This is a safe and common international trade payment mechanism. The buyer's bank gives a written commitment to the seller, called a Letter of Credit. It is an assurance to the exporter that the buyer's payment will be settled as per the agreed timeline and will be subject to the agreed terms and conditions.

4. **Cash in Advance**
This is by far the safest & the best mode of payment term in international trade for the exporter, in which they ship the goods to the buyer only after the receipt of payment from the buyer. Depending on the terms agreed upon, the payment may be full or partial. However, since in this case the buyer takes on the bulk of the risk associated with the transaction, most importers are unwilling to enter into cash-advance agreements.

5. **Consignment**
Consignment method of payment in International Trade is a variation of open account in which payment is sent to the exporter after the goods have been sold by the foreign distributor to the end customer. The key to succeed in exporting on consignment is to partner with a reputable and trustworthy foreign distributor or a third-party logistics provider. Appropriate insurance should be in place to cover consigned goods in transit or in possession of a foreign distributor as well as to mitigate the risk of non-payment.

Reducing Credit Risk

Timely receipt of the sale proceeds is the biggest concern for an exporter once they ship the goods to the port of destination. Though credit risk is inherent in the export industry, there are a few steps that one can consider reducing it.

- Export credit risk can be minimized by selecting the right mode of payment. As is apparent from the above payment modes, the cash advance is the safest payment mode for the exporter while an open account is the riskiest. Selecting the appropriate mode is often a business decision, but the risk element must be given due consideration.
- Another important safeguard against credit risk is the drawing up of a written contract that can be used to resolve any future differences. The Export Credit Guarantee Corporation (ECGC) offers various credit guarantees against payment defaults by the buyer. In the actual event of a payment default, the exporter can claim the bad debt from the ECGC, which has the power to blacklist such defaulting buyers, jeopardizing their future trade prospects of export payment terms in India.

Note: In India, the RBI does not have a direct role in regulating terms of payment in export. But since the exchange control regulation plays a vital role, any variation in the rule will require the RBI's approval.

- The exporter must acknowledge the fact that every country has its own set of rules and business norms. They should try to understand this, and the export contract drafted should be consistent with these norms.

If the buyer refuses to pay, the exporter can try to recover the amount by contacting the embassy of the buyer's country or any other diplomatic presence the country has in India. The exporter should try to develop a local network in the target country so that in case of defaults a local contact can be used to follow up with the defaulting buyer. The exporter can also take the help of international collection agencies to ensure better recovery efforts. Legal action can be expensive and won't make sense unless the amount at stake is significantly high. Arbitration agencies, such as the International Chamber of Commerce, are a more economical way of settling payment disputes.

7. QUALITY & STANDARDS

The government has an institutional mechanism in place to deal with quality complaints and crack down on erring exporters who do not meet the parameters of quality & standards. Following complaints may be considered:

a) Complaints received from foreign buyers in respect of poor quality of the products supplied by exporters from India
b) Complaints of importers against foreign suppliers in respect of quality of the products supplied
c) Complaints of unethical commercial dealings categorized mainly as non-supply/partial supply of goods after confirmation of order; supplying goods other than the ones as agreed upon; non-payment; non-adherence to delivery schedules, etc.

Following are basic obligations for exporters:

- On the importation into, or exportation out of, any customs ports of any goods, whether liable to duty or not, the owner of these goods shall in the Bill of Entry or the Shipping Bill or any other documents prescribed, state the value, quality and description of such goods to the best of his knowledge and belief and in case of exportation of goods, certify that the quality and specification of the goods as stated in those documents, are in accordance with the terms of the export contract entered into with the buyer or consignee and shall subscribe a declaration of the truth of such statement at the foot of such a Bill of Entry or Shipping Bill or any other documents. Violation of this provision renders the exporter liable for penal action.

- Exporters must conform to the standards for specified export commodities under the Compulsory Quality Control & Pre-shipment Inspection prior to their export. Penal action can be taken under the Export (Quality Control & Inspection) Act, 1963 as amended in 1984, against exporters who do not conform to these standards and/ or provisions of the Act as laid down for such products.

Erring exporters are liable for action under the Foreign Trade (Development and Regulation) Act, 1992, as amended and under Foreign Trade (Regulation) Rules, 1993.

Boosting Standards of Made in India

Indian products have faced quality issues due to the presence of traces of pesticides, pathogens, illegal dyes, etc. The government is endeavouring to upgrade quality and infrastructure to help companies move towards higher quality standards and protect Indian consumers from sub-standard imports. This will involve establishing more globally accredited testing laboratories, enhancing capacity of Indian testing laboratories and Mutual Recognition Agreements (MRA) with partner countries. Moreover, the government is organizing Standards Conclaves regularly to raise awareness on the importance of producing quality products in the country. The 12th Regional Standards Conclave was held in Orissa in February 2019.

7.1 Types of standards

ISI Standard:

- Indian Standards Institute now known as Bureau of Indian Standard (BIS) is a registered society under a Government of India. BIS main functions include the development of technical standards, product quality and management system certifications and consumer affairs

- W.r.t. "Electronics and Information Technology Goods (Requirement of Compulsory Registration) Order, 2021": As per the order, no person shall manufacture or store for sale, import, sell or distribute goods which do not conform to the Indian Standard specified in the Order. Manufacturers of these products are required to apply for registration from Bureau of Indian Standards (BIS) after getting their product tested from BIS recognized labs

AGMARK Standard:

- AgMark is an acronym for Agricultural Marketing and is used to certify the food products for quality control. Agmark has been dominated by other quality standards including the non-manufacturing standard ISO 9000. Products having Agmark are not required to be inspected by any agency

ISO 9000 Standard:

- ISO 9000 is a series of international standards that has been accepted worldwide as the norm assuring high quality of goods. ISO has till now has brought about 22521 International Standards, covering almost every industry, from technology to food safety, service, to agriculture and healthcare. ISO 9001:2015 is an international standard dedicated to Quality Management Systems (QMS). It outlines a framework for improving quality and a vocabulary of understanding for any organization looking to provide products and services that consistently meet the requirements and expectations of customers and other relevant interested parties in the most efficient manner possible

NABL (National Accreditation Board for Testing and Calibration Laboratories) Testing and Accreditation

NABL (National Accreditation Board for Testing and Calibration Laboratories) has been established with the objective of providing Government, Industry Associations, and Industry in general with a scheme of Conformity Assessment Body's accreditation which involves third-party assessment of the technical competence of testing including medical and calibration laboratories, proficiency testing providers and reference material producers.

NABL is Mutual Recognition Arrangements (MRA) signatory to ILAC (International Laboratory Accreditation Co-operation) as well as APAC (Asia Pacific Accreditation Co-operation) for the accreditation of below mentioned

- Testing and Calibration Laboratories (ISO/IEC 17025)

- Medical Testing Laboratories (ISO 15189)

- Proficiency Testing Providers (PTP) (ISO/IEC 17043)

- Reference materials producers (RMP) (ISO 17034)

MRA reduces technical barrier to trade and facilitates acceptance of test/ calibration results between countries which MRA partners represent. The state wise NABL Accredited laboratories list can be viewed /downloaded from the below mentioned link,

https://nabl-india.org/nabl/index.php?c=searchlab&m=index&Itemid=177

FSSAI (Food Safety and Standards Authority of India) Standards, Testing, and Inspection

FSSAI (Food Safety and Standards Authority of India) has been established for laying down science-based standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption. The list of FSSAI notified food laboratories and research institutions, referral food laboratories and national reference laboratory can be viewed/downloaded from the below mentioned link, https://fssai.gov.in/cms/food-laboratories.php

7.2 Types of Inspections

- Pre-Production Inspection

  This quality control inspection will assess the quantity and quality of raw material and components, and whether they are in conformity with product specifications

- During Production Inspection

  This type of quality control inspection conducted while production is underway, and as a follow-up when quality issues are found prior to manufacturing during a pre-production inspection

- Pre-Shipment Inspection

  Pre-shipment inspection ensures that production complies with specifications of the buyer and/or the terms of a purchase order or letter of credit. A Pre-shipment Inspection is performed when goods are 100% completed, packed and ready for shipment. This inspection is done according to standard Acceptable Quality Limits (AQL) specs for the product or based upon customer requirements. Samples are selected and inspected for defects at random, according to these standards and procedures

7.3 Quality Landscape

Below mention table illustrates broad view of quality landscape of products, services, and processes. The industry specific compliance may apply as per concern industry sector

Quality standards benchmarking

<table>
<tr><th colspan="5">Quality Landscape</th></tr>
<tr><td rowspan="6">Applicable to all products,services, and processes</td><th>Criteria</th><th>Compliance</th><td rowspan="6"></td><td rowspan="6">Benchmarking Organizations</td></tr>
<tr><td>Product Certification</td><td>CE Marking, CE-UK Marking,
UL Marking, GS Marking,
ISI Marking</td></tr>
<tr><td>System Certification</td><td>ISO 9001, IATF 16949,
ISO 45001, ISO 14001,</td></tr>
<tr><td>Quality Control and Inspection</td><td>Pre-Production Inspection
During Production Inspection
Pre-Shipment Inspection</td></tr>
<tr><td>Testing and Accreditation</td><td>Endurance, Life, Fatigue Testing Calibration of Equipment and Reference material
Intercomparisons</td></tr>
<tr><td>Product Compliance</td><td>Customer specific compliance,
REACH, RoHS Compliance</td></tr>
</table>

List of industry-wise standard controlling organizations with their respective scope

Standards controlling organizations

Name of the organization/body	Scope	Governing Authority
Agricultural and Processed Food Products Export Development Authority (APEDA)	Standards for organic production and Systems	An autonomous body underthe Department of Commerce, Ministry of Commerce and Industry, Govt. of India
Automotive Research Association of India (ARAI)	Standards for AutomotiveIndustries	Research Institute of the Automotive Industry with the Ministry of Heavy Industries & Public Enterprises, Govt. of India Standards for Automotive Industries
Bureau of Energy Efficiency (BEE)	Energy performance standards for Appliances, Energy Conservation, BuildingCode	Agency Ministry of Power, Govt. of India

Central Drugs Standard Control Organization (CDSCO)	Works for the drugs andhealth care devices or technologies	Directorate General of Health Services, Ministry ofHealth & Family Welfare, Govt. of India
Central Pollution Control Board (CPCB)	Works for air quality monitoring, water quality, emission norms for vehicles, prepares guidelines, manuals, codes, related to the treatmentand disposal of sewage	A statutory organization under the Ministry of Environment, Forest and Climate Change, Govt. of India
Food Safety and Standards Authority ofIndia (FESSAI)	Works for Food articles and regulates their manufacturing, distribution storage, sale	An autonomous body established under the Ministry of Health & FamilyWelfare, Govt. of India
Telecommunication Engineering Centre(TEC)	Formulate the standards aboutthe Telecom network equipment, services and interoperability	A nodal agency of the Department of telecommunications, Ministryof Communications and Information Technology, Govt. of India
Oil Industry Safety Directorate (OISD)	Safety standards, Product design, Codes of practices,Guidance standards for Oiland Gas sector	A technical advisory body in India was established in the year of 1986 by the Ministryof Petroleum and Natural Gas.
Tea Board of India	Promote the cultivation, processing, and domestic trade as well as export of tea from India	State agency of the Government of India
Atomic Energy Regulatory Board	Technical regulation, commissioning, construction, operation, and decommissioning of nuclear and radiation facilities including Medical and Industrial radiography	Regulatory Body, Department of Atomic Energy
The Marine Products Export Development Authority (MPEDA)	MPEDA is given the mandate to promote the marine products industry with special reference to exports from the country	An autonomous body under the Department of Commerce, Ministry of Commerce and Industry, Govt. of India

List of standards (Industry-wise)

Industry standards

Industry	Standards
Agricultural and Processed Food Products	ISO 22005, ISO 6492, ISO TC34, FSSC 22000, GLOBALG.A. P
Fisheries & Marine Products	ISO 17025, ISO 9001
Gems and Jewellery	ISO 17025, ISO 20121, Kimberley Process Certification, BIS Hallmark
Engineering & Electronics	ISO 9001, TL9000, ANSI/ESD S20.20, ISO 14001, ISO45001, ISO 50001, ISO 27001,
Information Technology	CMM 5 (Capability Maturity Model), BS ISO/IEC 27001:2013, BS ISO/IEC 27002:2013, ISO/IEC 27001,BS ISO/IEC 27003:2010, BS ISO/IEC 27004:2009, BSISO/IEC 27005:2011, BS ISO/IEC 27006:2011, BS ISO/IEC 27032:2012, ISO/IEC 27701:2019
Handicrafts	ISO 9000, ISO 9001:2000, TQM, QMS, AS 9100, ISO 13485, TS 16949
Apparel	ISO 9001, ISO 14001, ISO 26000, ISO 45001, (GPSD, REACH, RSL, BRP) Compliance, ISO 3758:2012, GOTS, WRAP Certification, ETI, BSCI, Oeko Tex, Sedex, Fair Trade, SA-8000
Textile	ISO 9001, ISO 14001, ISO 26000, ISO 45001, (GPSD,REACH, RSL, BPR) Compliance, ISO 3758:2012, GOTS, WRAP Certification, ETI, BSCI, Oeko Tex, Sedex, Fair Trade, SA-8000
Pharmaceutical	ISO 9001, CGMP, GLP, ICH Q10, ISO 27001, ISO 14001, ISO 45001
Chemical	ISO 9001, ISO 14001, ISO 45001, ISO 27001
Petrochemical	ISO 29001, ISO 14001, ISO 45001
Automotive & Auto Parts	ISO 9001, IATF 16949, ISO 14001, ISO 45001

8. LOGISTICS

There are three popular mode of Logistics for export this are Logistics through Air, Road & Sea route. Among this most popular route for export of goods is through sea that is through ship than comes Air route through air cargo & than Road route through truck transport.

- In India, road freight constitutes around 63 percent of the total freight movement consisting of 2.2 million heavy-duty trucks and about 600,000 light- duty trucks annually. In cases, where the exporter wants to export his goods via road the transport company will provide a lorry receipt.
- Sea freight consists of around nine percent of the total freight market and is mainly used as a major mode for imports and exports. In case the exporter wants to send its goods by see than shipping company will provide shipping bill or Bill of lading.
- Air freight comprises about one percent of the total freight market. In case were the exporter wants to export through air route than the airline cargo company will provide an Airway Bill.
- These logistic firms provide almost seamless service despite facing various odds such as poor road conditions, climatic aberrations, staff attrition and a plethora of licensing and tax laws.

Procedure to avail logistics services:

- All top Logistics companies have their own dedicated website through which one can connect
- One can connect with the logistics companies through telephone or mobile, the mobile no of logistics service provider which works locally or in other parts one can get from Just Dial by calling on 8888888888 or one can search in their mobile app or their website
- After getting the contact number the exporter will get the quotations from various parties
- The quotations received will be compared & analyzed and then finalize by the exporter according to the cost and benefits
- MSMEs can use the facility of LCL (Less than Country Load) in case the exporter cannot afford 40 ft container, or the order is not that big.
- The following are the receipts one receives after loading the goods in truck, Air and Ship. Shipping bill or Bill of Lading in case of Shipment by sea. Airway bill in case of shipment by air & Lorry receipt in case of transportation by road
- To reduce the cost of transport the exporter can choose to transport the goods from ICD's in case where the port for export is far away from the factory or farm

Top Logistics companies of India:

- Indian Railway
- House of Patels
- VRL Group
- Transport Corporation of India Ltd (TCI)
- Container Corporation of India Ltd
- Gati

Top Logistics companies for Agriculture, food products, Fisheries & Marine products:

- India Railways
- Coldrush Logistics
- Brring Integrated Logistics

- Snowman Logistics
- Sheetal Parivaha

Services from ICDs and ports

ICD means Inland Container Depot situated at inland points away from seaports used in India in the field of Imports and Export of sea shipments. ICD is formed to help importers and exporters to handle their shipments near their place of location. If the seaport is away from the places of importers and exporters Inland Container Depot (ICD) helps them to save time and money in the procedures and formalities. In Inland Container Depot (ICD), a combination of services of sea custodian, customs department, carriers, freight forwarders, customs brokers etc. are carried out to facilitate exporters and importers for smooth handling of cargo. ICD also acts as Dry port or CFS in many countries.

Other services from ICDs are mentioned below:

- Receipt and dispatch / Delivery of cargo
- Stuffing & Stripping of Container
- Transit operation by Rail / Road to and from serving port
- Custom clearance
- Consolidation & desegregation of LCL cargo
- Temporary store of cargo & container
- Reworking of container
- Maintenance and repair of container units

Types of Ports:

A port is an area on both land & water, whether on the sea or river, that provides facilities for shipping vessel to load & unload their cargo. It can be of three types, namely airport, seaport, and land port (ICD).

According to the Ministry of Ports, Shipping and Waterways, around 95 per cent of India's trading by volume and 70 per cent by value is done through maritime transport. It is serviced by 13 major ports (12 Government-owned and one private) and 187 notified minor and intermediate ports. The total 200 major and non-major ports are present in the following States: Maharashtra (53); Gujarat (40); Tamil Nadu (15); Karnataka (10) and others (82).

Container booking

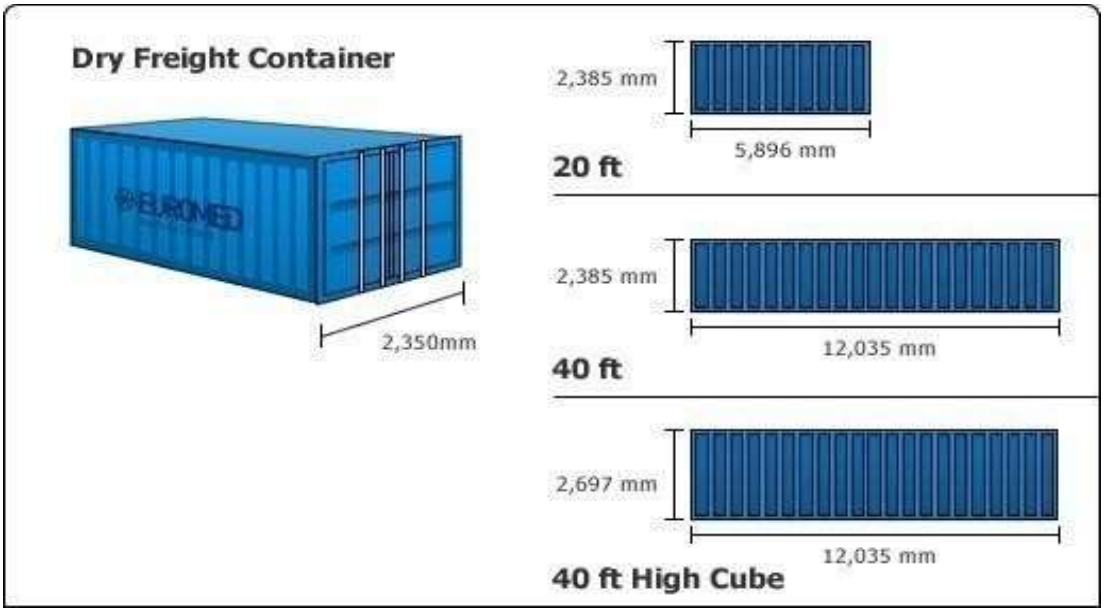
Container can be book by exporter directly for this he will have to connect with the shipping Line. Also, container can be book through CHA which is mostly prefer as CHA is dealing regularly with the container service provider and, they themselves own container so it will be cost effective. KYC form to be given in both case for direct booking of container and booking of container through CHA. There are basically two size of container 20 ft & 40 ft container the exporter can book this according to his requirement.

There are two popular methods to book the container:

- FCL: FCL stands for Full container Load in which the exporter can book the whole container which is 20 ft or 40ft according to the requirement. Full container will cost around 50,000.

- LCL: LCL stands for Less Than container Load in which the exporter can book part of container for which exporter will be charge on basis of per cubic meter or Mt whichever is higher. Size of packaging also matters for costing of container.

Freight Container dimensions



Types of Containers:

- Dry container
- Refrigerated Container (Fruits, Vegetable, Meat & Sea Food)
- Open Top Container
- Tunnel container
- Flat rack container
- Open Side container
- Double Door Container
- Thermal Container
- Tank Container
- Half Height Container
- Swap Body container
- Car carrier container

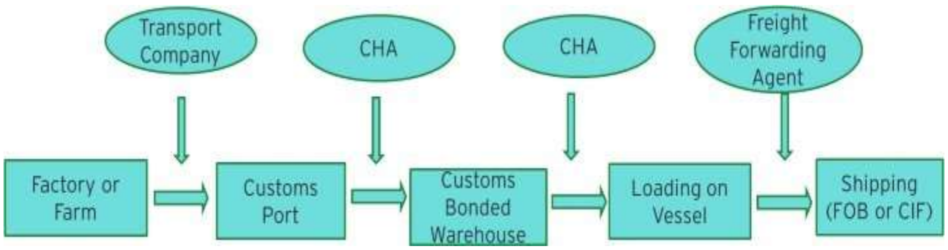
Shipping process

Following is the procedure for export from factory or farm to a shipping port:

- After receiving order from importer, goods are produced as per the requirements and packed
- Transport company is hired to help move goods from factory to customs port
- After the goods reach the customs port, CHA supports in shifting goods to bonded warehouse
- CHA then helps in loading the goods on the ship post customs clearance
- The freight forwarding agent or CHA now files a shipping bill on the IceGate portal for the goods

Product supply chain and service providers for each process:

Supply chain process



Incoterms

An Overview of Incoterms® 2020

The Incoterms® are a set of 11 individual rules issued by the International Chamber of Commerce (ICC) which define the responsibilities of sellers and buyers for the sale of goods in international transactions. Of primary importance is that each Incoterms rule clarifies the tasks, costs, and risks to be borne by buyers and sellers in these transactions. Familiarizing yourself with Incoterms will help improve smoother transactions by clearly defining who is responsible for what and each step of the transaction.

The Incoterms® 2020 rules are updated and grouped into two categories reflecting modes of transport. Of the 11 rules, there are seven for ANY mode(s) of transport and four for SEA or LAND or INLAND WATERWAY transport.

The seven Incoterms® 2020 rules for any mode(s) of transport are:

1. EXW - Ex Works (insert place of delivery)
2. FCA - Free Carrier (Insert named place of delivery)
3. CPT - Carriage Paid to (insert place of destination)
4. CIP - Carriage and Insurance Paid To (insert place of destination)
5. DAP - Delivered at Place (insert named place of destination)
6. DPU - Delivered at Place Unloaded (insert of place of destination)
7. DDP - Delivered Duty Paid (Insert place of destination).

The four Incoterms® 2020 rules for Sea and Inland Waterway Transport are:

1. FAS - Free Alongside Ship (insert name of port of loading)
2. FOB - Free on Board (insert named port of loading)
3. CFR - Cost and Freight (insert named port of destination)
4. CIF - Cost Insurance and Freight (insert named port of destination)

Incoterms® 2020 Rules Responsibility Quick Reference Guide

IncoDocs

	EXW	FCA	FAS	FOB	CFR	CIF	CPT	CIP	DAP	DPU	DDP
	Freight Collect Terms				Freight Prepaid Terms						
Groups	Any Mode or Modes of Transport		Sea and Inland Waterway Transport				Any Mode or Modes of Transport				
Incoterm®	Ex Works (Place)	Free Carrier (Place)	Free Alongside Ship (Port)	Free On Board (Port)	Cost and Freight (Port)	Cost Insurance & Freight (Port)	Carriage Paid To (Place)	Carriage & Insurance Paid to (Place)	Delivered at Place (Place)	Delivered at Place Unloaded (Place)	Delivered Duty Paid (Place)
Transfer of Risk	At Buyer's Disposal	On Buyer's Transport	Alongside Ship	On Board Vessel	On Board Vessel	On Board Vessel	At Carrier	At Carrier	At Named Place	At Named Place Unloaded	At Named Place

Incoterms Clarify Responsibilities of Parties to a Sales Transaction

For example, in each Incoterm rule, a statement is provided as to seller's responsibility to provide the goods and commercial invoice in conformity with the contract of sale. Likewise, a corresponding statement is provided which stipulates that the buyer pays the price of goods as provided in the contract of sale.

Each Incoterm rule has a statement stipulating which party is responsible for obtaining any export license or other official authorization required for export and for carrying out the customs formalities necessary for the export to proceed. Similarly, each rule has a corresponding statement as to which party is responsible for obtaining any import license or other official authorization required for import and for carrying out the customs formalities required for the import of goods. These statements also specify which party bears the cost of handling these tasks.

Similarly, each Incoterm rule specifies which party to the transaction, if any, is obligated to contract for the carriage of the goods. Another point addressed in each Incoterm rule is which party, if any, is obligated, to provide for cargo insurance coverage. These statements also specify which party bears the cost of handling these tasks. Each rule also contains statements, among others, as to which party is responsible for packing the goods for transport overseas and for bearing the costs of any pre-shipment inspections.

A final example is cargo delivery. Each Incoterm rule specifies the seller's obligations for cargo delivery and clarifies when delivery takes place. Each rule also specifies when the risk of loss or damage to the goods being exported pass from the seller to the buyer by reference to the delivery provision.

As noted above, Incoterms are generally incorporated in the contract of sale, however,

Incoterms Do Not:

- address all the conditions of a sale;
- identify the goods being sold nor list the contract price;
- reference the method nor timing of payment negotiated between the seller or buyer;
- when title, or ownership of the goods, passes from the seller to the buyer;
- specify which documents must be provided by the seller to the buyer to facilitate the customs clearance process at the buyer's country; and

address liability for the failure to provide the goods in conformity with the contract of sale, delayed delivery, nor dispute resolution mechanisms.

9. REFERENCES

Foreign Trade Policy
Handbook of Procedures Vol I.
Central Excise Manual
Trade Promotion Council of India

10. APPENDIX