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Subject:- Export and Import- Procedures and Documentation

Unit:- III (Central Excise and custom clearance regulations- Procedures and Documentation. Export/ trading/ star trading/ superstar trading houses; Objective criteria and benefits, procedures and documentation; Policy for EOU/ FTZ/ EPZ units, Objectives, criteria and benefit. **& Unit IV**(Institutional Support for India's Foreign Trade, Export Incentives (Financial & Non-Financial Incentives). Schemes for import of capital goods, procedures and documentation for new/second hand capital goods, International Logistics.)

e-material of the subject of Export and Import

Unit III

The following contents has been covered in unit three as per the syllabus of export and import

Central Excise and custom clearance regulations- Procedures and Documentation. Export/ trading/ star trading/ superstar trading houses; Objective criteria and benefits, procedures and documentation; Policy for EOU/ FTZ/ EPZ units, Objectives, criteria and benefit

As we know that the excise duty is levied on the production of goods and it is major source for revenue of the union government. Custom duty is levied on the export and import of goods so any good is transferred from one country to other country it is essential to get the certificate of custom clearance.

When goods are ready for dispatching to the port of shipment, exporters must have to apply to the central excise authority for excise clearance of the cargo. As we know there are three modes to exporting goods which are through air, land and sea route. The exporters now an option to

remove the goods with inspection by the central excise officers or remove the goods without inspection.

Exporter has to apply to the jurisdiction Range Superintendent of central excise in the prescribed form ARE-1, in sixuplicate (six copies). Exporter has to give advance notice of 24 hours to the range superintendent in a division. Then inspection may be made by the range superintendent or inspector of central excise of the range, is the subordinate officer of the superintendent or nominated by the superintendent of excise, after the inspection, they seal the goods and give excise clearance. In case goods are inspected by the excise officers and seal are not broken, the custom authorities may not inspect the goods at the port. If the goods are removed by the exporter, without the inspection of excise authorities, customs conduct inspection of goods at the port.

- Circular for levy and collection of SWS on imports under MEIs and SEIs programmes.
- Circular no 02/2020 dtd 10th January, 2020 under customs levy and collection of social welfare Surcharge (SWS) on imports under Merchandise Exports from India scheme (MEIS) and service Exports from India Scheme (SEIS). The extract of customs circular No. 02/2020 is given below: customs circular No. 02/2020 dated 10th January, 2020.
- India to launch hub centers to quick track agricultural exports to the gulf countries.
- India to launch hub to quick track agricultural exports to the gulf an agricultural export hub has now been set up in Varanasi (U.P.) to build on the success of the Dubai trial. India's Agricultural and Processed Food Products Export Development Authority (APEDA) is an organization under India's Ministry of Commerce and Industry, responsible for promoting exports of agricultural and processes food products from India, India's Agricultural and Processed Food Products Export Development Authority.
- Re-export of unsold rough diamonds from customs special notified zone.
- Global trade Data and trade facilitation.
- MAI (Market Access Initiative) scheme, 2018.

Trading – It is a statement which is prepared by a business firm or organisation which make trade relationship between the nations and helpful for the removing the scarcity of important things which is generally not easily available in their countries, so the it is necessary to make trading account which shows the incoming and outgoing of the funds trading account gives details of total sales, total purchases and direct expenses relating to purchase and sales. Trading account format for the year contains Particulars, Amount, Dr., Cr., Purchases, Sales, etc.

Trade and Economic Development

In condition to minimize the dependence on the foreign aid for their economic development requiring sustained supply of foreign capital and easily availability of such things which are not easily available in their market, the under-developed countries or developing countries have in the recent years raised a demand with the developed countries for a higher share of total gains

from trade and only trade. They say that they want **TRADE** and **NOT AID** which is very challengeable for the developing country. Actually they want to stand on their own legs. According to the developing countries, trade must act as an “**ENGINE OF GROWTH**” and this is that thing which is helpful for enhancing the value of economy. This is helpful for creating powerfully stimulate the development of the poor countries. The developing countries have made their views and opinion known in this regard at the GATT and the UNCTAD meetings and several other international seminar & conferences.

Export Houses, Trading Houses, Star Trading Houses and Superstar Trading Houses

Objectives:- The objective of the scheme is to recognize established exporters as Export House, trading House, Star Trading House, Super Star Trading House with a view to building marketing advanced infrastructure and expertise required for export promotion. Such Houses should operate as highly professional with good academic background and dynamic institutions and act as important of export growth.

Eligibility:- Merchant/ Sahukars as well as Manufacturer exporters, Service providers, Export Oriented Units (EOUs)/ units located in Export Processing Zones (EPZs)/ Special Economic Zones(SEZs) in any state/ Self Help Groups (SHGs)/ Electronic Hardware Technology Parks (EHTPs) Software Technology Parks(STPs) shall be eligible for such recognition.

Criterion for Recognition:- The minimum eligibility criterion for such recognition shall be on the basis of the FOB/NFE value of export of goods and services, while producing in the big organizations, small sector enterprises, hardware or equipment sectors, including software exports made directly, as well as on the basis of services rendered by the service provider during the preceding three licensing years or the preceding licensing year, at the option of the exporter. The exports made, both in free foreign exchange currency and in Indian Rupees, shall be taken into account for the purpose of recognition.

Exports made by Subsidiary Company:- The exports made by a subsidiary of a limited company shall be counted towards export performance of the limited company for the purpose of achieving the targets. The company shall have the majority share holding in the subsidiary company.

Export Performance level:- The applicant is required to achieve the prescribed average export performance level and minimum target which has been assigned by the government subject to the condition that must be followed.

The level of export performance for the purpose of recognition shall be as per the table

Category	Average FOB value during the preceding three licensing years,	FOB value during the preceding Years,	Average NFE earnings made during the preceding three	NFE earned during the preceding licensing years,
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	in Rupees	in Rupees	licensing years, in Rupees	in Rupees
1.	2.	3.	4.	5.
EXPORT HOUSE	15 crores	22 crores	12 crores	18 crores
TRADING HOUSE	75 crores	112 crores	62 crores	90 crores
STAR TRADING HOUSE	375 crores	560 crores	312 crores	450 crores
SUPER STAR TRADING HOUSE	1125 crores	1680 crores	937 crores	1350 crores

Manufacturing Companies/ Industrial Houses:- Manufacturing companies or Industrial houses or enterprises with an annual manufacturing turnover of Rs. 300 crores and Rs. 1000 crores in the preceding licensing year shall be recognized as Star Trading House respectively on signing a Memorandum of Understanding in the prescribed form for achieving physical exports targets as currently prescribed for these categories over a period of next three years. Similarly, companies/ organizations, project exporters, domestic service providers with annual turnover of Rs. 100 crores or more in the preceding licensing year shall be recognized as Export House and International Service Export House respectively on signing a Memorandum of Understanding in the prescribed form for achieving physical exports targets as currently prescribed for this category over a period of next three years.

Efficient Service providers shall be entitled to recognition as Service Export House, International Service Export House, and International Star service Export House, international Super Star Export House on earning free foreign exchange currency.

Golden Status Certificate:- Exporters who have attained Export House and have full facility to export, Trading House, Star Trading Houses and Super Star Trading Houses status for three times or more and continue to export and the capacity to export is appraisable, shall be eligible for getting golden status certificate which would enable them to enjoy the benefits certificate irrespective of their actual performance and motivate them to do better comparison to past performance, thereafter as per the guidelines issued by the government in this regard from time to time.

Unit IV

Institutional Support for India's Foreign Trade, Export Incentives (Financial & Non-Financial Incentives). Schemes for import of capital goods, procedures and documentation for new/second hand capital goods, International Logistics.

India's foreign trade is not a new concept because India has a great experience of trading since harappan civilization. At that time India has many partners for trading and now the no. of trading partners has been increased. In 1980's, many developing countries which had earlier followed an import substitution and only import substitution. Industrialization period was started in European countries with the concept of "**Industrial revolution**". It had brought the industrial produces in boom condition. The strategy began to liberalise trade practices and adapt an outward orientation. The reforms were done by the debt crisis that began in 1982 and the evident success of the export oriented countries. Some developing countries in Africa, Asia and Latin America adopted some trade liberalizing measures for improving the condition during the 1980's and early 1990's. In general, the reforms involved a dramatic reduction but not fruitful and simplification in average tariff rates and quantitative import restrictions. These, in turn resulted in a much higher degree of openness, as measured by the sum of exports plus imports as a ratio of GDP, a sharp increase in the ratio of manufacturers in total exports and higher rates of growth in the liberalizing economies. Trade reforms were most successful when launched in a single bold move rather than with a member of small relevant steps over time and when accomplished by anti-inflationary measures.

- Institutions for Export Promotion in India
- Ministry of Commerce and industry
- India Trade promotion Organization
- Indian Institute of Foreign Trade (IIFT)
- Federation of Indian Export Organisation (FIEO)
- Indian institute of Packaging (IIP)
- Federation of Indian chambers of commerce and industry (FICCI)
- Marine Products Exports Developing Authority (MPEDA)
- Export Promotion Councils (EPC)
- India investment centre (IIC)
- Directorate General of Foreign Trade (DGFT)
- Director General of Commercial Intelligence Statistics (DGCIS)
- India Trade Promotion Organisation (ITPO)
- Indian council of Arbitration (ICA)
- Export Inspection Council (EIC)
- Chamber of Commerce and Industry (CII)

India has a great experience of trading from various areas since ancient times and India has a collection of all ideas, cultures, think tanks, traditions, values, customs etc so India is leading country to export more things. India has a comprehensive institutional set up to promote international trade through various mechanisms. There is need to understand the exporting firms and appreciate the various institutions involved in exporting services and the functions carried out by them. The Ministry of Commerce is the prime agency of the country to encourage & promote international trade whereas DGFT has the role model for enhancing the exporting graph.

The Ministry of commerce is the primary governmental agency of the cabinet responsible for enhancing, developing and directing foreign trade policy (FTP) and exporting programmes, including commercial as well as friendly relations with other countries especially in the Asian countries and Arab countries because a developing country easily know the pain of another developing country. The state trading, treaties, plans, offers and various trade promotional measures and development have been maintained in the department of commerce. Government make regulations of certain export- oriented industries.

The Economic Division of the commercial activities is engaged in export planning, export controlling, export developing, export strategies, periodic appraisal, and review of old policies. The economic Division also maintains coordination between the nations and control over other financial divisions and various organizations set up by the Ministry of Commerce to facilitate export growth.

The Trade Policy of India division keeps track of development of trade in International organizations, such as WTO, BRICS, ASEAN, SAARC, UNCTAD, Economic Commission of Europe, Africa, Latin America, and Asia and Far East (ESCAP). The various CEPA, CECA have been signed between the countries and this has become the panacea for bumper the exporting areas as well as the creating the cordial relationship between the nations. The Indian Trade Policy Division is also responsible for India's relationship with neighboring countries, Asian countries, regional trading agreements, treaties with countries, international agreements such as EU, NAFTA, SAFTA, G-20, Commonwealth, etc.

The foreign trade division looks after and enhancing the development of trade with different countries and regions of the world. It also deals with state trading, inter- state trading and barriers trade, organization of trade, trade fairs and exhibitions, commercial publicity and supply samples abroad, etc. further, it maintains contact with trade missions to many countries and carries out trade related administrative work.

In the **Foreign Trade Policy 2015-20**, which was started by the then Ministry of External Affairs Smt. Sushma Swaraj in 2015. There are two schemes which are, exports of merchandise and services exports, mentioned in detailed below:-

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

The main objective of MEIS is to get off infrastructural inefficiencies, backward in advancement and associated as well as irrelevant costs involved in export of goods/ products and items, which are being produced/ manufactured in India, especially those having high export intensity and capacity, getting employment potential and thereby enhancing India's export competitiveness. Improving infrastructure facility with advanced equipments and newly generated software's.

Same as in the Service Exports from India Scheme (SEIS), though India is the leading country for exporting the services because it has the huge intellectual property some has gone or left India for making huge money or their interest to shift there so India is gradually increasing in the service sector and would be in the list of top leading service sector provider countries in the world. The main objective of SEIS is to encourage export of more & more services of notified areas from India.

Privileges of Status Holders for Exporting.

A Status Holder shall be eligible for privileges as under:

Coverage	All exporters duly registered with the relevant EPCs of eligible agriculture finished products.
	The assistance, at fixed and notified rates, will be available for export of eligible agriculture products to the permissible countries, as specified from time to time.
Applicability	The scheme would be applicable for exports with effect from 01.03.2019 to 31.03.2020.
Eligibility of products	The assistance will be provided on export of all agriculture products covered in HSN Chapters 1 to 24 including farms, marine, and plantation products except those mentioned in Annexure (1).
Pattern of assistance	The TMA would be provided in cash through DBT as part reimbursement of all freight paid. FOB supplies where no freight is paid by Indian exporters while exporting are not covered under this scheme.
	The level of assistance would be different for different regions as notified from time to time. Currently it is available for these regions, namely: West Africa, East Africa, EU, Gulf, North America, South America ASEAN, Russia & CIS, Far East, Oceania, and China. List of export countries in each region eligible for assistance under TMA are mentioned under Annexure (2).
	The scheme covers freight and marketing assistance for exporting Agri- products by air as well as by sea (both normal and allotted cargo), made through EDI ports only and shall be admissible only if payments for the exports are received I Free Foreign Exchange through banking channels.
	The assistance will be provided as per the rates notified in Annexure 3.
Procedure for availing assistance	The application can be made by corporate office/ Registered office/ head office/ Branch office or manufacturing unit. Application for TMA would be filed to the RAs headed by Additional DGFT (Director General of Foreign Trade). Applicants shall have option to choose jurisdictional RA headed by Additional DGFT on the basis of address of its Corporate office/ Registered office/ head office/ Sub Office/ Branch office or manufacturing unit. Jurisdiction of RA

	headed by Addl. DGFT of the Foreign Trade is specified in Appendix- 7 (A) B. the option of the RA needs to be exercised while making first application under this scheme. Once an option is exercised or get final, no change would be allowed for further claims under the above scheme. The units under SEZs/EOUs/FTWZ shall file applications for TMA to the RAs headed by Additional DGFT in whose geographical jurisdiction address of the applicant falls.
Documents required	EP copy of S/B or Airway Bill, Commercial Invoice, self-certified copy of EP shipping Bill/ Airway Bill(s) and certificate of Chartered Accountant (CA)/Cost and Works Accountant (ICWA)/ Company Secretary (CS) as per Annexure A to ANF-7(A)A.

GOLD CARD SCHEME

The Gold card scheme was introduced by the RBI in the year 2004 in India. The scheme provides for a credit limit of gold for three years, automatic renewal of credit limit time to time, additional 20% limit to meet sudden need of exports on account of additional getting orders, priority in PCFC, fee structure in respect of services provided by scheduled banks, relaxed norms, conditions for safety & security and collateral etc. A Gold card scheme may be issued to all eligible exporters including those in the small and medium sectors who satisfy the pre-requisite terms & conditions laid by individual banks.

INTERNATIONAL LOGISTICS

International logistics means the transferring goods from one country to partner country. Logistics is the managerial process which is planning, organizing, directing, implementing, and controlling the process of channels and transferring information related to the concerned materials and final goods which are for exporting and importing. International Logistics involves the management of these processes in a company's supply chain to exporting and importing across at least one international border which is signed in the treaty.

Let's look at a good example. Just suppose that you work as a logistics manager in an American jewellery company situated in New York. Your company is a reputed company and has a robust international supply chain. We'll talk about the simplified logistical process for a diamond ring.

Since South Africa is a diamond producing country and your diamond supplier is residing in South Africa. Generally you get your gold from supplier in china. The jewellery is assembled in Switzerland and your primary job is to manage the supply chain from the source of raw gold through its transformation into a finished product until it is sold to a customer in a market.

- The purchase of diamonds in South Africa then transfer to the china and gold of china to fulfill the company's production demands as per requirement of the customer.

- Proper arranging the temporary warehousing place where the purchased diamonds and gold at local and sophisticated storage facilities
- Proper arranging for the international shipping of the standard gold stored in china to a subsidiary in an European Country, where the gold will be easily refined and prepared for the jewelers in Geneva Switzerland an also European country.
- Proper arranging for the international shipping of the produced diamonds stored in South Africa to the company's facilities in Geneva Switzerland for cutting and polishing of the produced diamond.
- Proper arranging for the international shipping of the refined gold to the company's Geneva Switzerland facilities to create jewellery like rings and settings of the ornaments.
- When the prepared rings are finished, arranging for their warehousing at the company's allotted warehouse until they are needed to make orders, keeping proper computerized stock records, and ensuring the storage facility is adequately safe and secured.
- Proper arranging for the shipment of an order of diamond rings to the company's allotted standard retail store.
- Proper Continues monitoring of the stock at the retail store until the product is sold to a customer in a market.

International Logistics Channels

It is the channels which connect the partner countries for exporting and importing the goods, simply can say that it transfer the goods from one country to another country, you can understand through three different types of processes involved in functioning of international logistics channels:

1. The transactions of logistics channel involve transferring, buying, selling, and the collection of payment through different modes.
2. The distribution channel of logistics involves the physical movement of goods and transferring the products through affordable supply chain, adequate process, acquisition to purchase & sale with acknowledgement access.
3. The channels have the govt. terms and conditions which are the essential for the transferring goods via sea, air & land transport to the organization, must fulfill by the concerned organization.
4. The proper documentation, procedure, condition, communication channel involves the management of related information regarding the internal and external resources and logistics distribution such as inventory controls, commercial shipping.
5. It is depends on the various international treaties which are generally signed by the head of state and must follow the international terms and conditions. Channels must be decided by the head of the state and such channels cannot be changed without the consideration of the head of the state.

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