

Export Clearance Procedure

Introduction

There are a lot of incentives provided by the Indian Government to exporters. It is significant to note that exports out of the country are to be zero rated. Apart from this, even the inputs required for production of goods to be exported can be sourced without payment of duty. The benefits available are not provided under one single law and include the Central Excise Act, 1944 and Rules, Customs Act, 1962 and Foreign trade policy. So exporters have to adhere to the rules and regulations laid down under each respective law.

Export Requirements

The first and foremost duty imposed on the master of the vessel under section 40 is that export goods are not to be loaded unless duly passed by the Proper Officer.

Section 39 stipulates that export goods are not to be loaded on vessel until **entry outwards** is granted. The master of the vessel shall not permit the loading of any export goods, other than baggage and mail bags, until an order has been given by the proper officer granting entry-outwards to such vessel. This restriction is for vessels and not for aircraft and vehicles. Therefore, for loading of goods for export, the following requirements are to be fulfilled:

- Entry outwards to be granted under section 39.
- Shipping bill under section 50
- 'Let-export' order under section 51
- Boat note under section 35 in case the vessel is anchored away from the wharf and the goods are carried in a boat to the vessel.

Export Procedure – An Overview

- Entry Outward - Loading in conveyance can start after 'Entry Outward' is given by a customs officer.
- Export manifest/Export report - The person in charge of conveyance is required to submit an 'Export Manifest' or 'Export Report'.
- Registration with DGFT and EPC – The Exporter has to be obtain an IEC number from DGFT in advance. He should be registered with the Export Promotion Council if he intends to claim export benefits.
- Third party exports - Export can be by the manufacturer himself or a third party (i.e. by exporter on behalf of another). Merchant exporter means a person engaged in trading activity and exporting or intending to export goods [para 9.40 of FTP]
- Registration of documents under Export Promotion Scheme - Advance authorisation, DEPB etc. should be registered if exports are under Export Promotion Scheme.
- Shipping Bill – An Exporter is required to submit a Shipping Bill with required documents for obtaining permission to export. There are five forms :

Shikha Singhania

- Shipping Bill for export of goods under claim for duty drawback – these should be in Green colour
 - Shipping Bill for export of dutiable goods –in yellow colour
 - Shipping bill for export of duty free goods –in white colour
 - Shipping bill for export of duty free goods ex-bond – i.e. from bonded store room – in pink colour
 - Shipping Bill for export under DEPB scheme – in Blue colour.
-
- FEMA formalities - GR/SDF/Softex form (under FEMA) is required to be submitted.
 - Noting, assessment, examination - The shipping bill is noted, goods are assessed and examined. Export duty is paid, if applicable.
 - Certification of documents for export incentives - If export is under export incentives, relevant documents are checked and certified. Then proof of export is obtained on ARE-1.
 - Let export order – The conveyance can leave only after the 'Let Export' order is issued.