

Seminar on

“EXPORT PROCEDURE AND DOCUMENTATION”

The series of Seminar on ‘Export Procedure and Documentation’ was conducted by the Eximius Centre, Exim Bank in Bhubaneswar, Bangalore, Bhopal, Kohima, Mysore, Hyderabad, Shimoga, Tumkur, Cochin and Vishakapatnam. In Karnataka, Bhubaneswar, Hyderabad and Bhopal the seminars were conducted in association with the respective State Chambers of Commerce & Industry viz., Federations of Karnataka Chamber of Commerce & Industry (FKCCI), Utkal Chamber of Commerce & Industry (UCCI), Federation of Andhra Pradesh Chambers of Commerce & Industry (FAPCCI) and Madhya Pradesh Chamber of Commerce & Industry (MPCCI), while in Cochin, Vishakapatnam and Kohima it was conducted in association with Indian Chamber of Commerce & Industry (ICCI), GIFT and jointly by Govt. of Nagaland & United Bank of India (UBI) respectively.

EXPORT PROCEDURE AND DOCUMENTATION	
Place & Date	Speakers
Bhubaneswar July 14, 2006	<ol style="list-style-type: none"> 1. Mr. P.K. Ghosh, Asst. Director General of Foreign Trade (DGFT), Bhubaneswar 2. Dr. Sanjeev Sharma, General Manager, Reserve Bank of India (RBI), Mumbai 3. Mr. N. K. Upadhyay Jt. Commissioner of Customs, Bhubaneswar 4. Mr. S. K. Das, Manager, Export Credit Guarantee Corporation of India Ltd. (ECGC)
Bangalore August 29 & 31, 2006 March 29, 2007	<ol style="list-style-type: none"> 1. Mr. K. Balagangadharan, Jt. Director General of Foreign Trade (DGFT), Bangalore 2. Mr. S. Harikrishnan, Deputy General Manager, Reserve Bank of India (RBI) 3. Mr. Prasanna Srinivasan, Secretary, FKCCI 4. Mr. K. R. Nath, Chief Executive, EnTrust 5. Mr. G. S. Sandhu, Jt. Commissioner of Customs, Bangalore 6. Mr. Jai Ahluwalia, Head-Business Development, Global Trade Finance Ltd (GTF) 7. Mr. S. K. Ghosh, Sr. Manager, Export Credit Guarantee Corporation of India Ltd 8. Dr. H.B.N. Murthy, Packaging Consultant
Bhopal September 8, 2006	<ol style="list-style-type: none"> 1. Mr. P.C. Tripathi, Jt. Director General of Foreign Trade (DGFT), Bhopal; 2. Dr. Sanjiv Sharma, General Manager, Reserve Bank of India (RBI); 3. Mr. P. C. Borkar, Jt. Commissioner of Customs, Bangalore; 4. Ms. Aditi Chitre, Manager, Global Trade Finance Ltd (GTF) 5. Mr. A.K. Sahoo, Asst. Manager, Export Credit Guarantee Corporation of India Ltd.
Kohima November 8, 2006	<ol style="list-style-type: none"> 1. Mr. Z. Khuma, Jt. Director General of Foreign Trade (DGFT), Kolkata; 2. Mr. K.P. John Kutty, Deputy General Manager, Reserve Bank of India (RBI); 3. Mr. P.P. Singh, Senior Manager, UBI; 4. Mr. P.P. Taneja, Asst. Commissioner of Customs, Dimapur; 5. Mr. N.C. Das, Manager, Export Credit Guarantee Corporation of India Ltd; and 6. Mr. Sunil Kumar, OSD, CAPEXIL

Mysore November 18, 2006	<ol style="list-style-type: none"> 1. Mr. S. Harikrishnan, Deputy General Manager, Reserve Bank of India (RBI); 2. Mr. Prasanna Srinivasan, Secretary, FKCCI; 3. Mr. K. R. Nath, Chief Executive, EnTrust; 4. Mr. S. K. Ghosh, Sr. Manager, Export Credit Guarantee Corporation of India Ltd; 5. Dr. H.B.N. Murthy, Packaging Consultant .
Hyderabad November 28, 2006	<ol style="list-style-type: none"> 1. Mr. M. Gopinath, Jt. Director General of Foreign Trade (DGFT), Hyderabad; 2. Mr. G. Mohan, Asst. General Manager, Reserve Bank of India (RBI); 3. Mr. A. Sekar, Jt. Commissioner of Customs, Hyderabad; 4. Ms. Shruti Singh, Manager, Global Trade Finance Ltd (GTF); 5. Mr. V. D. Sarvadekar, Manager, Export Credit Guarantee Corporation of India Ltd; 6. Mr. K.V. Rao, Managing Director, Techtron Polylenses
Shimoga December 2, 2006	<ol style="list-style-type: none"> 1. Mr. K. Unnikrishnan, Dy. Director, Federation of Indian Export Organisations(FIEO), Bangalore; 2. Mr. Prasanna Srinivasan, Secretary, FKCCI; 3. Mr. K. Srinivasan, Manager, Export Credit Guarantee Corporation of India Ltd; 4. Dr. H.B.N. Murthy, Packaging Consultant
Tumkur January 23, 2007	<ol style="list-style-type: none"> 1. Mr. Prasanna Srinivasan, Secretary, FKCCI; 2. Mr. K. R. Nath, Chief Executive, EnTrust; 3. Mr. K.M. Chandrasekhar, Asst. General Manager, Export Credit Guarantee Corporation of India Ltd; 4. Dr. H.B.N. Murthy, Packaging Consultant
Cochin February 8, 2007	<ol style="list-style-type: none"> 1. Mr. A. Komu, Jt. Director General of Foreign Trade (DGFT), Cochin; 2. Mr. E. N. Girijavallabhan, Asst. Manager, Reserve Bank of India (RBI); 3. Mr. N. S. Ramachandran, Dy. Commissioner of Customs, Cochin; 4. Mr. M. Sankaranarayanan, Regional Manager, Global Trade Finance Ltd (GTF); 5. Mr. T.K. Vijayagopalan, Manager, Export Credit Guarantee Corporation of India Ltd.
Vishakapatnam March 2, 2007	<ol style="list-style-type: none"> 1. Mr. G.S. Reddy, Jt. Director General of Foreign Trade; 2. Ms. Lakshmi Karthik, Manager, Reserve Bank of India; 3. Prof. Bhanoji Rao, Professor, GIFT; 4. Mr. D. Phani Kumar, Appraising Officer, Customs; 5. Prof. V.L. Rao, Professor, GIFT; 6. Mr. M. Sankaranarayanan, Regional Manager, Global Trade Finance Ltd (GTF); 7. Mr. D.V.S. Sairamam, Manager, Export Credit Guarantee Corporation of India Ltd

The objective of the programme was to develop the knowledge and skill of existing and potential entrepreneurs in proper compliance with the procedure and documentation for exports, and thereby to enhance the prospect of their export efforts.

Topics covered in the Seminars included:

1. Foreign Trade Policy;
2. Foreign Exchange Regulations;
3. Introduction to exports procedures;
4. Customs formalities;
5. Export Factoring & Forfaiting;
6. Export Credit Risk Insurance;
7. Packaging for Exports

Foreign Trade Policy

As an export promotion tool, Foreign Trade Policy (FTP) provides for various incentive schemes for exports: duty-free import of raw materials required for export production, import, on concessional duty, of capital goods and plant & machinery required for export production, and special schemes for EOU, SEZ and areas having potential for export of agri/horticultural products. A special Agriculture & Village Industries Scheme (Vishesh Krishi Gram Udyog Yojana) has been introduced under the FTP to facilitate export of fruits, vegetables, flowers, minor forest produce, dairy, poultry, value added products and Gram Udyog products.

DGFT, functioning under the Ministry of Commerce and Industries, Government of India acts as a facilitator of foreign trade from India and also regulates the country's export-import trade and formulates the related policies and procedures. Information on Schemes, electronic filing of documents, viewing of IEC status and regular updates on exports incentives and other aspects of FTP are facilitated by DGFT through their websites (www.dgft.gov.in).

Foreign Exchange Regulations

The Foreign Exchange Management Act (FEMA) facilitates external trade and payments, and orderly development and maintenance of foreign exchange market in India. Commercial banks through notified Authorised Dealers (ADs) and financial institutions have been given greater flexibility in meeting the foreign exchange requirements of exporters. Based on the FTP, ADs have been given increased autonomy to extend facilities to exporters, and need to seek Reserve Bank of India (RBI)'s prior permission in very select cases. ADs are authorised to receive advance payment for exports, change of buyer, reduction in value, write-off of unrealised export bills and permit Exchange Earners' Foreign Currency Account (EEFC), in which prescribed percentage of export earnings can be credited. Information related to foreign exchange regulations can be accessed from RBI's website (www.rbi.org.in)

Export Procedure & Documentation

Basic requirements for export business includes Permanent Account Number (PAN card), Importer Exporter Code (IEC) from DGFT office and opening a bank account. Other key factors include knowledge of trading systems, FTP and Industrial Policy, access to market information (for which

internet is a good source), ensuring product quality and compliance with export procedures & documentation.

Export documentation can be basically divided into two categories viz., (i) Pre-shipment and (ii) Post-shipment documents. Pre-shipment documents are those that an exporter has to generate, authenticate and submit to the concerned authorities and departments for necessary clearances, prior to the actual shipment of the cargo. Post-shipment documents comprise the certified copies of some of the main pre-shipment documents and certain additional documents generated and compiled by the exporter and presented to the negotiating bank for collecting the payments on delivery of goods.

The common payment terms in export are: (i) *Advance payment*; (ii) *Documents against payment*; (iii) *Documents against acceptance*; and (iv) *Letter of Credit*. Export shipments are usually insured against loss, damage and delay in transit, by cargo insurance. Cargo insurance may be made by either the buyer or the seller, depending on the terms of sale.

Customs Formalities

Collection of customs duties on imports and exports is governed by basic Customs laws (Customs Act, 1962 and Customs Tariff Act, 1975). Central Board of Excise and Customs (CBEC) is the authorized body in the process. Some of the important customs documents are *Customs Invoice*, *Customs Packing List*, *G R Form*, *ARE-1 Form* etc. Details on Customs formalities and circulars are available on the website www.cbec.gov.in.

Export Promotion Schemes

Under the FTP, the following are some of the Export Promotion Schemes:

- Duty Exemption/Remission Schemes:-
 - Advance Authorisation Scheme (DEEC/Adv. Licence)
 - Duty Free Replenishment Scheme
 - DEPB Scheme
 - Duty Free Import Authorisation
- Export promotion capital goods scheme(EPCG)
- EOU/STP/EHTP/Biotechnology parks
- Special Economic Zones (separate act & rules framed)

- Free Trade And Warehousing Zones
- Deemed Exports
- Special schemes under export promotion
 - Vishesh Krishi and Gram Udyog Yojana
 - Focus Market Schemes (export to specified countries)
 - Focus Product Schemes (export of specified commodities)

Export Factoring and Forfaiting

Factoring is a continuous arrangement between a factoring concern and the seller of goods and services (on credit) whereby the factor purchases the accounts receivable for immediate cash and also provides other services such as sales ledger maintenance, collection and credit protection. Global Trade Finance Private Limited (GTF), a Joint Venture, promoted by Exim with WestLB, Germany (since replaced by FIM Bank, Malta and Bank of Maharashtra) and IFC (World Bank), offers structured foreign trade financing products such as forfaiting and factoring. Details can be obtained from the website www.gtfindia.com.

Export Credit Insurance

Export Credit Guarantee Corporation of India Ltd (ECGC) offers policies to protect exporters from non-payment risks of buyer/country and guarantees to banks against non-payment by the borrower. Details of ECGC policies are available on its website www.ecgc.in.

Packaging for Exports

Proper packing is essential in exporting, often the buyer specifies packing requirements. If the buyer does not so specify, care should be taken while packaging. Packaging should adequately take into considerations preventive measures against theft and pilferage, besides, critical specifications for air cargo and shipped cargo.
