

Tax Guru™
EdU
Empowering your growth

**Professional Development Courses on
Customs & FTP**



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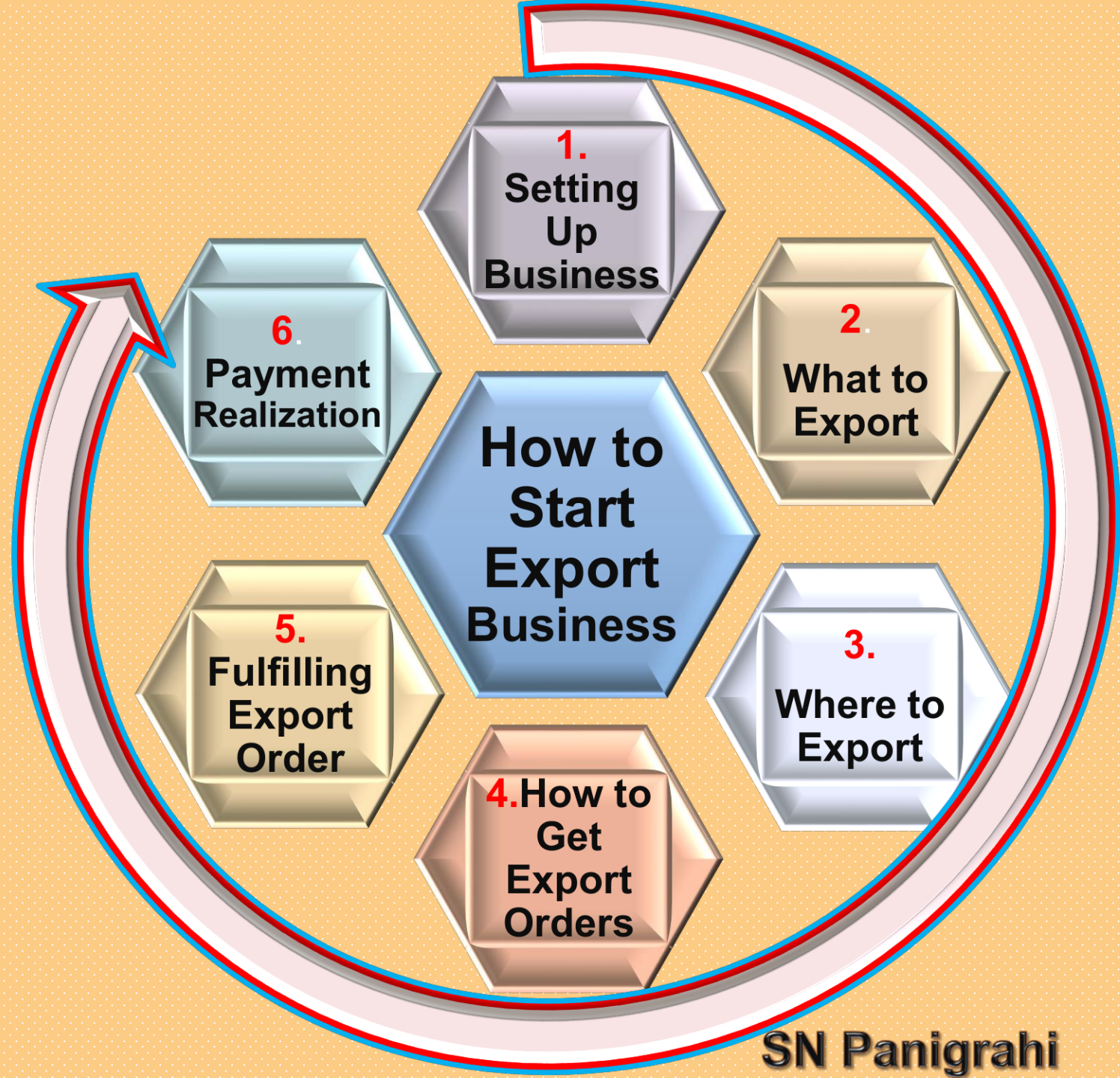


Professional Development Courses on Customs & FTP by TaxguruEdu Edu – November'20 Batches

Session – 4
**Export- Import Procedures
& Documentation**

- ❖ **Export- Import Procedures & Documentation**
- ❖ **Export Order – S/B Filling - Fulfilment**
- ❖ **Container Stuffing & Sealing : RFID**
- ❖ **Indian Customs – EDI System : ICES & ICEGATE**
- ❖ **Self-Assessment & Risk Management System (RMS)**
- ❖ **Turant Custom : e-Sanchit & Customs Faceless & Paperless Assessment & Clearances**
- ❖ **Import Duty Calculation - Other Formalities**
- ❖ **International Logistics**
- ❖ **3 PL & 4 PL; INCOTERMS; Multimodal Transport; IMO Provisions**
- ❖ **Port & Shipping Formalities;**

How to Start Export Business in Six Simple Steps



Export Procedure - Steps



Commercial Documents

Principal Documents

Commercial Invoice

Packing List

Certificate of Inspection

Certificate of Origin

Insurance Certificate

Shipping Advice

Bill of Lading / Airway Bill

Bill of Exchange

Auxiliary Documents

Proforma Invoice

Intimation for Inspection

Shipping Instructions

Insurance Declaration

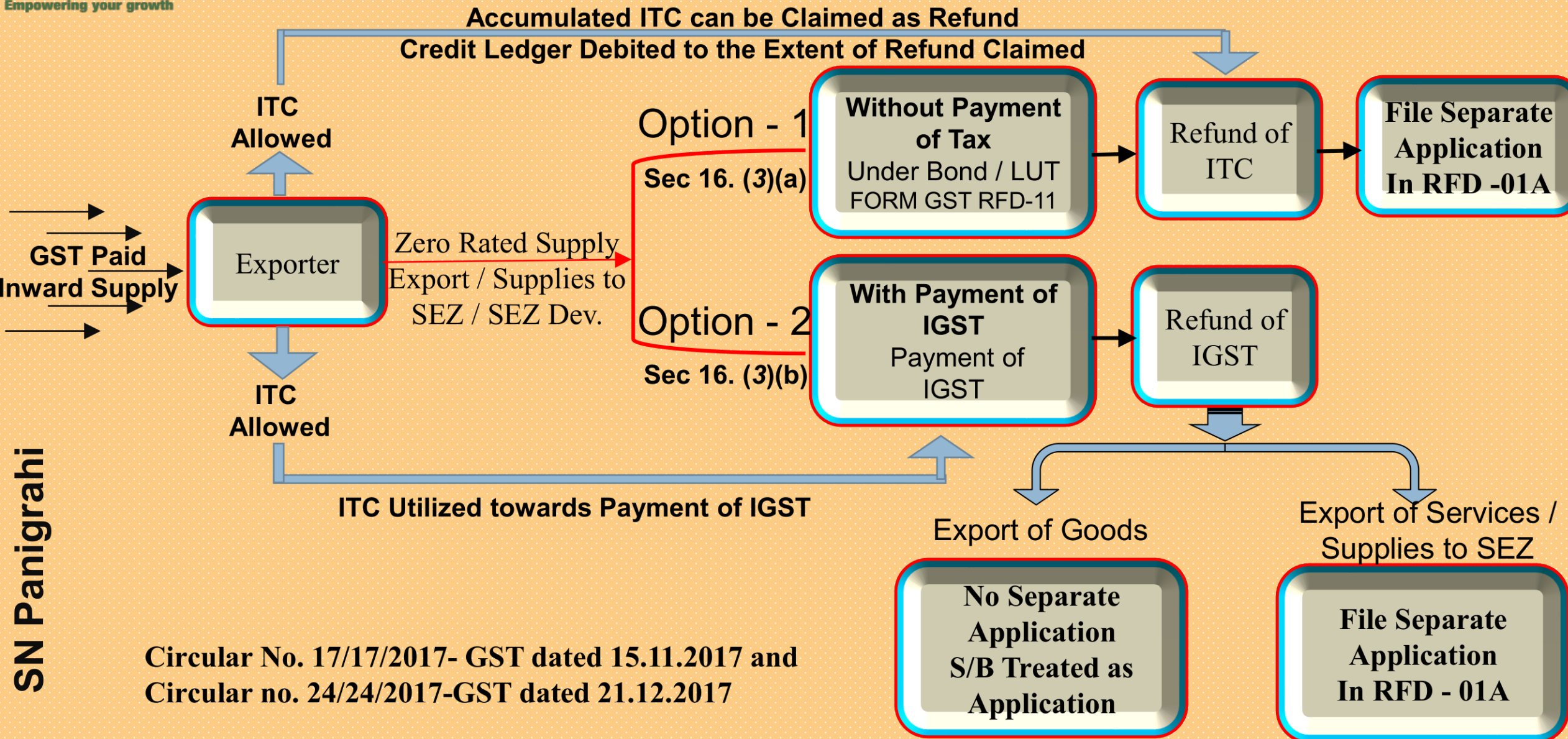
Application for Certificate of Origin

Mate's Receipt

Letter to Bank for Collection

Shipping Order

Export Without Payment of Tax Under Bond / LUT (or) With Payment of IGST & Refund



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Circular No. 17/17/2017- GST dated 15.11.2017 and Circular no. 24/24/2017-GST dated 21.12.2017

Legal Undertaking (LUT)

**Eligible to Furnish LUT
 Suppliers of
Zero Rated Supply**

Any Registered Exporter

Merchant Exporter

Supplier to SEZ Dev. / SEZ

Not Eligible to Furnish LUT

**Prosecuted for any offence
 Tax Evaded > Rs 250 Lakhs**

Supplier to EOU

**Supplier to
 Merchant Exporter**

**LUT Valid for one
 Financial Year**

Primary authorized signatory / Any other Authorized Signatory needs to sign and file the verification with DSC/EVC.

Required to fill in the names of two independent witnesses, along with their occupations and addresses.

LUT Format : Form RFD – 11

- undertakes to: Complete the export of goods/services within three months of the date of issue of export invoice, or such further period as allowed by the Commissioner
- Adhere to the GST laws with respect to exports
- In case of failure to export, pay the IGST along with interest at the rate of 18% from the invoice date to the date of payment of IGST

How to get:

In GST Portal Navigate to Services > User Services > Furnish Letter of Undertaking (LUT) command to file LUT

Notification No. 37 /2017 – Central Tax, 4 th October, 2017 & Circular No. 8/8/2017-GST, 4 th October, 2017

Export Tax Invoice

(Under Sec 31 of CGST Act; Rule 46)

SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS ON PAYMENT OF INTEGRATED TAX”

Or

“SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS UNDER BOND OR LETTER OF UNDERTAKING WITHOUT PAYMENT OF INTEGRATED TAX”

Exporter / Consignor / Beneficiary Name & Address		Invoice No. & Date Buyers Order No. & Date			Exporters Ref. / Sales Contract							
GSTIN : Importer / Consignee		Other Reference(s) Buyer (if other than Consignee)			Notify Party Name and Address of the Other Party Involved other than Buyer							
Pre-Carriage by:		Place of Receipt by Pre-Carriage:		Country of Origin: Port Code :			Country of Final Destination					
Vessel / Flight Details Port of Discharge		Port of Loading Final Destination		Terms of Delivery : Payment Terms : L/C No. & Date : Usance :								
Marks & Nos		No. & Kind of Pkgs		Description of Goods		HSN Code	Qty	UoM	Foreign Currency Price Value		Indian Currency Price Value	
Container No.												
											Discount	
											Taxable Value (FOB)	
											GST Rate	
											GST Amount	
Exchange Rate :											Total	
LUT No. & Date												
Bank Details Amount Chargable (Rs in Words)											Grand Total	
											For	
Place Date											Authorised Signatory	

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E-Waybill

**Required
for Value
> Rs 50,000**

**Cargo to
Move Along
with E-Waybill
+ Other
Documents
Like Invoice**

**E-Waybill Not
Required in
Case of
Customs
Sealing**

**E-Waybill Not
Required
Transport of
Exempted
Goods**

Self-assessment of Imported and Export Goods

Section 17 of the Customs Act, 1962 provides that an importer entering any imported goods under section 46 or an exporter entering any export goods under **section 50** shall **self-assess the duty**.

Thus, under self-assessment, it is the importer or exporter who will ensure that **he declares the correct classification, applicable rate of duty, value, benefit of exemption notifications claimed**, if any, etc. in respect of the imported / export goods while presenting Bill of Entry or Shipping Bill.

**Self-Assessment
Sec 17 of
Customs Act,
1962**

**Entry of Good for
Importation
Section 46 of Customs
Act, 1962**

Presenting Bill of Entry

**Entry of Good for
Exportation
Section 50 of Customs
Act, 1962**

**Presenting Shipping Bill
(exported in a vessel or
aircraft), a Bill of Export
(exported by land)**

Risk Management System (RMS)

The Earlier Practice of Routine Assessment, Concurrent Audit & Examination of almost all B/E or S/B was Abolished & Replaced by RMS - **Focus on Quality Assessment, Examination and Post Clearance Audit** selected by the RMS.

The verification of a self-assessed Bill of Entry or Shipping Bill, which are interdicted by the RMS, shall be with regard to Correctness of Classification, Value, Rate of Duty, Exemption Notification or any other relevant particular having bearing on correct assessment of imported or export goods.

B/E or S/B and IGMs / EGMs filed Electronically into ICES through the Service Centre or the ICEGATE.

Data Transmitted by ICES to the RMS.

RMS

The RMS will Process the Data through a Series of Steps and Produce an Electronic output for the ICES.

This output will determine whether any action be taken-up for (appraisal or examination or both) or be cleared after payment of duty and Out of Charge directly, without any assessment and examination.

Also where necessary, RMS will provide instructions for Appraising Officer, Examining Officer or the Out-of-Charge / Let Export Officer. In a few cases, the field formations might decide only with the prior approval of the jurisdictional Commissioner of Customs or an officer authorized by him, backed by Proper Evidence.

Turant Customs - Three Key Attributes

Faceless

Contactless

Paperless

Leveraging Technology - Automated System

**Uniformity in
Assessment Across
the Country**

**Anonymous
Customs
Assessments**

**Reduce Interface
Between the Trade &
Customs Officers**

**Faster
Clearance**

Lesser Cost

Transparent

**Clear
Accountability**

**Professional
Customs
Administration**

Ease of Doing Business

For More Details pl. go through Link Below

<https://taxguru.in/custom-duty/customs-faceless-assessment-good-intensions-strong-resistance.html>

Import Clearance Procedure

Upon Cargo Arrival, the Importer has

Two Options:

To Clear Immediately
for
Home Consumption

File B/E for Home Consumption

Cargo is cleared for delivery upon
payment of applicable duties.

Importer takes away his cargo and no
storage charge is applicable, if done so
During the free period.

To Store under Bond
&
Clear Later

File B/E for Into Bond

Cargo is put in Customs Bonded Warehouse
without Payment of Duty and Cleared later
On Filing Ex-Bond B/E on payment of
applicable duties.

Bonded Warehouse storage charges will be
Applicable during the period of storage.

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Import Duty : under GST w.e.f 2-02-2018

A	Ass. Value		100
B	Basic Customs Duty (on A)	@ 7.5%	7.5
C	Social Welfare Surcharge (on B)	@ 10%	0.75
D	IGST (on A+B+C)	@ 12%	13
E	Total Customs Duty (B+C+D)		21.24
F	Customs Duty Net-off Credit (E-D)		8.25

Note : Compensation Cess if any shall be calculated on (A+B+C). Input Tax Credit of this Cess can only be utilized towards Cess payment towards outward supply.

How to Calculate Import Duty

ICEGATE stands for
Indian **C**ustoms Electronic commerce
Gateway. It's a e-commerce portal of
Central Board of Indirect Taxes & **C**ustoms.

<https://www.icegate.gov.in/Webappl/>

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INCOTERMS® - 2020

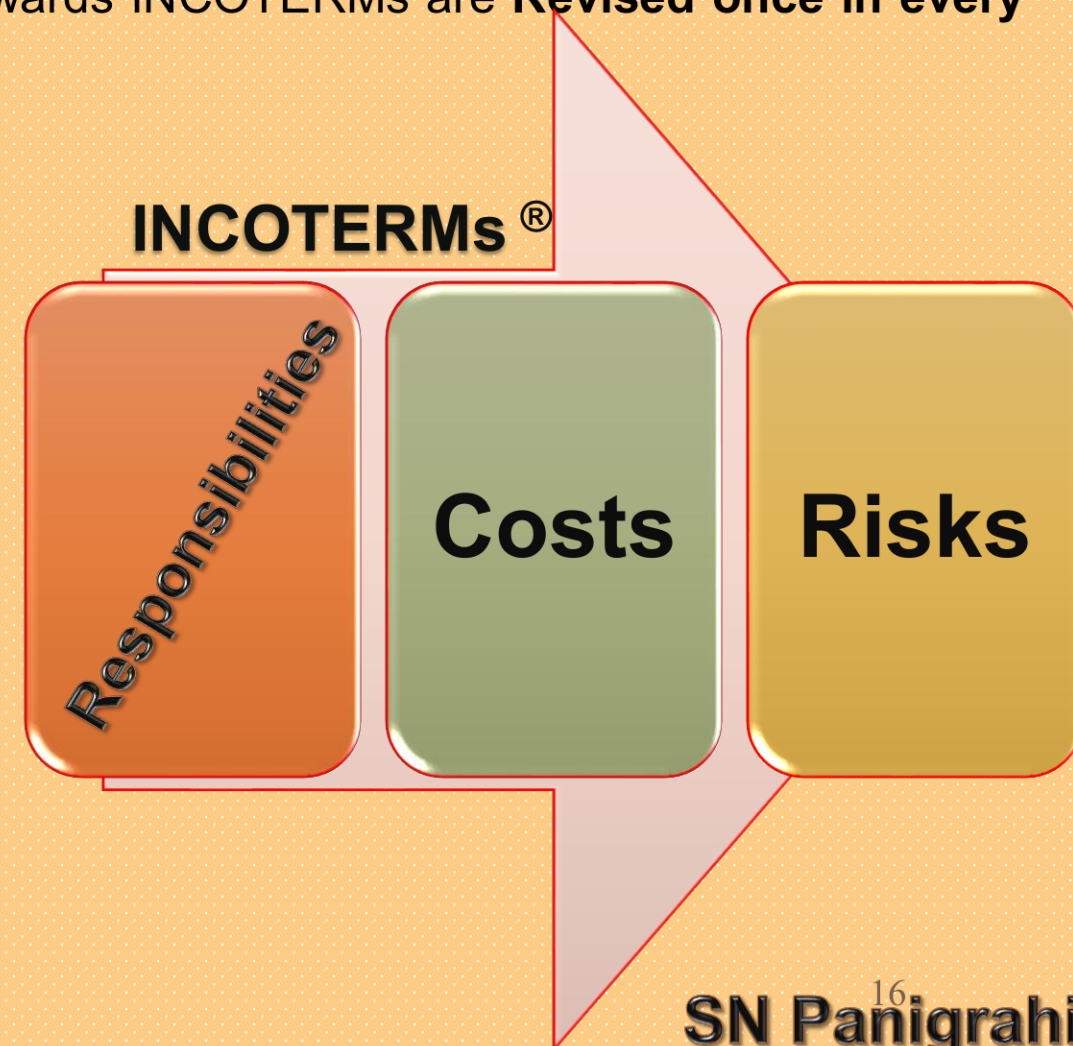
The Incoterm Rules or **International Commercial Terms** are a series of pre-defined commercial terms published by the **International Chamber of Commerce (ICC)** (@iccwbo) widely used in international commercial transactions. With the Intension to institutionalize best Practice of using Uniform Set of Rules in the International Transactions, **International Chamber of Commerce, First published in 1936** a set of **Three (3) Letter Acronyms** to describe **Delivery Terms**. From 1980 onwards INCOTERMS are **Revised once in every 10 Years**.

The **Incoterms® 2020** Rules, the 9th revision are comes into effective from **1st January, 2020**.

Incoterms® are Adopted by **over 120 countries**.

A series of **Three-letter Trade Terms** of Incoterms Rules are intended primarily as a uniform set of rules to clearly clarify & communicate the **Obligations : Responsibilities, Costs and Risks** associated with the Transportation and Delivery of Goods. .

Because they address issues relating to import and export by buyers and sellers in international commercial transactions, **Incoterms®** rules are most appropriate for **use in Sales Contracts & International Shipping**.



INCOTERMS ® 2020

By SN Panigrahi	Any Mode of Transport				Marine (Water Ways) Only				Any Mode of Transport			
	EXW	FCA	FAS	FOB	CFR	CIF	CPT	CIP	DAP	DPU	DDP	
	Ex Works	Free Carrier	Free Alongside Ship	Free on Board	Cost & Freight	Cost, Insurance Freight	Carriage Paid To	Carriage, Insurance Paid To	Delivery At Place	Delivery At Place Unloaded	Delivery Duty Paid	
Transfer of Risks 	When Seller Places the Goods at the Buyer's Disposal at Named Place	When Seller Loads Goods to Buyers Carrier	When Goods are Alongside the Vessel Nominated by the Buyer at the Named Port	When the Goods are on Board the Vessel Nominated by the Buyer at Nominated Port	When the Goods are on Board the Vessel Nominated by the Seller at Origin	When the Goods are on Board the Vessel Nominated by the Seller at Origin	When the Goods are Handed Over to the Seller's Nominated Carrier at the Named Place	When the Goods are Handed Over to the Seller's Nominated Carrier at the Named Place	When Goods are Piced at the Buyer's Disposal at the Named Place or Agreed Point within that Place	When Goods are Delivered & Unloaded at a Named Place or Agreed Point Within that Place	When Goods are Piced at the Buyer's Disposal at the Named Place or Agreed Point within that Place	
Responsibility & Cost 												
Packaging, Markings & Labelling, Quality Checks	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	
WareHouse Loading at Origin	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	
Inland Delivery Upto Port / Place	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	
Origin Customs Clearance, Export Duty & Taxes	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	
Origin Port Terminal Charges DTCH	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	
Loading on Export Carrier	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	
Insurance Charges Upto Originating Customs Place	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	
International Freight / Carriage Charges	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	
Insurance Charges Beyond Originating Customs Place	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Buyer	Seller	Seller	Seller	Seller	
Freight Forwarder Fee at Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	
Destination Terminal Handling Charges (THC)	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	
Distination Customs Formalities / Clearances	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	
Import Customs Duty, Taxes, Fees	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	
Delivery to Destination Unloading at Delivery Point	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Buyer	



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