

Indian Import Clearance Guide - Annexure

This is an overview about Indian Customs and Regulatory requirements for import of goods, which need to be met for smooth clearance. These guidelines will help to minimize the clearance delay if these will be followed by an importer.

“Customs” means the Government Service which is responsible for the administration of Customs law and the collection of duties and taxes and which also has the responsibility for the application of other laws and regulations relating to the importation, exportation, movement or storage of goods.

The Central Board of Indirect taxes and Customs (CBIC) is the nodal national agency responsible for administering Customs. Please refer following link for further information.

www.cbic.gov.in

Mandatory Documents

1) Know Your Customer

- 1.1.1 Authority letter
- 1.1.2 Business to Business- B2B or Company shipment
 - 1.1.2.1 Importer and Exporter Code (IEC)
 - 1.1.2.1.1 *The address of importer should be registered on the IEC document*
 - 1.1.2.2 Goods and Service Tax Identification Number (GSTIN) or Permanent Account number (PAN)
- 1.1.3 Business to Consumer (B2C) or Individual
 - 1.1.3.1 Individual identity proof issued by Govt. of India (GOI)
 - 1.1.3.1.1 Example: Passport, PAN, Voter ID or Adhaar
 - 1.1.4 Business to Govt. entities/ U.N. or W.H.O. Bodies / Embassies
 - 1.1.4.1 Unique Identification Number (UIN)

Customers should submit KYC information on the KYC microsite- <https://kyc.fedex.com>

2) Air Waybill (AWB) (A full clear legal name with address of Consignee and Shipper, contact details of the customer are mandatory – i.e. email id and consignee mobile or phone number);

3) Invoice

Commercial invoice is required for commercial dutiable goods
Proforma invoice for commercial shipments not acceptable
Commercial invoice should be duly signed and stamped by the shipper / authorized signatory
A clear description of the commodities. Part number or abbreviation should not be used.
Invoice with statement ‘Value for customs purpose only’ is not acceptable.

4) Packing list.

5) Importer Exporter Code.

6) License/No Objection Certificate from Regulatory Authority (Allied Law) on specific commodity, i.e. FSSAI, PPQS, etc.

License Requirements

Most of import items fall within the scope of India's EXIM Policy regulation of Open General License (OGL). This means that they are deemed to be freely importable without restrictions and without a license, except to the extent that they are regulated by the provisions of the Policy or any other law.

Imports of items not covered by OGL are regulated and fall into three categories:

1. Prohibited items;
2. Restricted items - requiring an import license for clearance;
Basic List of Restrictions
 - a. Animals and parts thereof, plants and parts thereof;
 - b. Perishables;
 - c. Publications containing maps depicting incorrect boundaries of India;
 - d. Precious and semi-precious stones, gold or silver in any form;
 - e. Baggage;
3. Canalized items - importable by government agencies, banks and selected EOU and SEZ units.

Duty / Taxes

5.1 Basic Customs Duty (BCD) - This is levied on imported items.

5.2 Social welfare Surcharges (SWS) – on Imported Goods to Provide for Social Welfare Schemes Of The Government.

5.3 Goods and Services Tax (GST) - GST will be levied on the import of goods and services into the country.

5.4 Anti-dumping Duty - This is levied if a particular good is being imported is below fair market price.

5.5 Safeguard Duty - This is levied if the customs authorities feel that the exports of a particular good can damage the economy of the country

Example of Duty Calculation:-

CIF Value (Value of the goods + Freight + Insurance)

$BCD \% = CIF \times \text{Applicable \% Rate}$

$SWS \% = BCD \times 10\%$

$IGST \% = (CIF + BCD + SWS) \times \text{Applicable \% Rate}$

Total Duty = BCD + SWS + IGST

Shipment Detentions

Value evidence is required to verify the value declared on the Invoice by the shipper/consignee. Customs detains packages if they feel the value declared is less/more than the value of the product sold in the domestic market.

Below mentioned are documents a customer can submit:

- Payment Proof
- Catalogue
- Online Product Link
- Manufacture's Price-list
- Bank Remittance Copy

Duty Exemption schemes enable duty free import of goods required for export production. An Advance License is issued as a duty exemption scheme.

Regulatory Agency Clearance - A certificate or registration with various agencies may be required for shipments that are detained based on the commodity.

Important links

1.1 For further information on restricted and controlled goods.

<https://dgft.gov.in/sites/default/files/restrctd%20items.doc>

1.2 For further information on Prohibited and controlled goods.

<https://dgft.gov.in/policies/prohibited-items>

1.3 For further information about Customs duty.

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

1.4 For further information about Customs.

<http://www.cbic.gov.in/>

1.5 For further information about Foreign Trade Policy and Procedure.

<https://dgft.gov.in/>