



# MAHARASHTRA STATE AGRICULTURAL MARKETING BOARD

## ***Export Import Management***

### **3. EXPORT PROCEDURE**

**&**

### **DOCUMENTATION**



एमएसएमई प्रौद्योगिकी केंद्र, भोपाल  
सूक्ष्म लघु एवं मध्यम उधम मंत्रालय, भारत सरकार  
MSME TECHNOLOGY CENTRE BHOPAL

MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES Govt. of India



सत्यमेव जयते  
MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES  
GOVERNMENT OF INDIA



MAHARASHTRA STATE  
AGRICULTURAL MARKETING BOARD

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***Export Import Management***

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# EXPORT PROCEDURE & DOCUMENTATION

## ▶ PROCESSING OF EXPORT ORDER :

- ▶ Export procedure is a system by which entire transaction of export trade is completed. It involves thorough following of various stages logically which the exporter has to undertake in this process.
- ▶ It involves various stages right from receipt of an order till its completion with realization of export proceeds.
  - ▶ **Searching for an Overseas Buyer :**
- ▶ Conduct Market Research
- ▶ Participate in an International Exhibition
- ▶ The Internet
- ▶ Export Promotion Councils and Commodity Boards

# EXPORT PROCEDURE & DOCUMENTATION

## II PRE-SHIPMENT STAGE -

**1. Enquiry** : The initial point for any export transaction is enquiry received from a foreign prospective buyer. Sometimes it is a response to introduction letter sent by an exporter.

1.Full description of merchandise.

2.Sample, if required.

3. Quantity required.

4. Delivery schedule – Last date of shipment.

5. Terms of shipment – Full or Partial. Direct or Transshipment.

6. Mode of shipment- Sea/ Air or road or multimodal.

7.Requirement of pre-shipment inspection

9. Type of packing

10. Certificate of origin

11.Commercial/ INCO Terms

12. Terms of Payment

# EXPORT PROCEDURE & DOCUMENTATION

## Export Specifications

Variety	Middle East	Holland/Germany	U.K.
Thompson Seedless	Berry Size: 15mm Colour: amber	Berry Size: 16mm Colour: white/amber	Berry Size: 18mm white
Sharad Seedless	Berry Size: 15mm black	Berry Size: 16mm black	Berry Size: 18mm black
Flame Seedless	-	Berry Size: 16mm pink	Berry Size: 18mm pink
Packing	1 Kg	4.5 Kg /9 kg	4.5 Kg /9kg
Storage Temp.	0-1 °C	0-1 °C	0-1 °C

## International Standards of Pesticide Residue Levels

Insecticide/Pesticide	Max. Permissible Limits(mgm/kg)- Europe
Organochlorine Pesticides	
Aldrin	ND
Chlordane (cis & trans)	ND
Chlorothalonil	1
DDT (all isomers)	ND
Dichlofluanid	10
Dicofo	2
Dieldrin	ND
Endosulfan (all isomers)	0.5
Endrin	0.01
Lindane	0.5
HCH (alpha & beta)	ND
Heptachlor	0.01

# EXPORT PROCEDURE & DOCUMENTATION

## Sending Sample to prospective buyer :

- ▶ The foreign customer may ask for product samples before placing a confirmed order.
- ▶ It is essential that the samples are made from good quality raw materials and after getting an order, goods are made with the same quality product.
- ▶ Extra care should be taken in order to avoid the risk associated in sending a costly product sample for export.
- ▶ Secrecy is also an important factor while sending a sample, especially if there is a risk of copying the original product during export.
- ▶ While sending a product sample to an importer, it is always advised to send samples by air mail to avoid undue delay.

# EXPORT PROCEDURE & DOCUMENTATION

- ▶ Samples having permanent marking as “*sample not for sale*” are allowed freely for export without any limit. However, in cases where marking is not available, samples may be allowed for a value upto US \$10,000.
- ▶ Export of samples to be sent by post parcel or air freight is further divided into following 3 categories, and under each category an exporter is required to fulfill certain formalities which are mentioned below :
  - ▶ Samples of value up to Rs.10, 000- It is necessary for the exporter to file a simple declaration that the sample does not involve foreign exchange.
  - ▶ Samples of value less than Rs. 25,000- It is necessary for the exporter to obtain a value certificate from the authorised dealer in foreign exchange (i.e. your bank). For this purpose, an exporter should submit a commercial invoice
  - ▶ Samples of value more than Rs. 25,000- It becomes necessary for the exporter to obtain waiver of shipping bill from the Reserve Bank of India / AD.

# EXPORT PROCEDURE & DOCUMENTATION

## Multimodal Transport

- ▶ Multimodal transport (also known as combined transport) is the transportation of goods under a single contract, but performed with at least two different means of transport; the carrier is liable for the entire carriage, even though it is performed by different modes of transport
- ▶ Multimodal transport is that in which it is necessary to use more than one type of vehicle to transport the goods from his place of origin to their final destination but mediating a single contract of carriage.
- ▶ Multimodal transport is effected by a multimodal transport operator who holds a multimodal transportation contract and assumes responsibility for compliance as a carrier. Example – ***MERSK Ltd.***
- ▶ Combined freight transport can be organized in different ways. In general, trucks cover short distances between the loading area and the transshipment point respectively between the place of arrival and the recipient. Long-distance haulage is conducted by other means of transport such as trains, ships or even planes.

# EXPORT PROCEDURE & DOCUMENTATION



## ▶ Application for Issue of an Export Permit for Pharma Products :

An application accompanied by a prescribed fee for issue of an export permit shall be made on the prescribed form

Generic name or International Non-proprietary Name (INN)

1. Strength and dosage form
2. Name and strength of each ingredient; in case containing more than one ingredient
3. Trade name or proprietary name
4. Pharmacopoeia specification of the medicine,if applicable
5. Total quantity to be exported
6. Name and address of the exporter
7. Name and address of the manufacturer
8. Name and address of consignee
9. Country of consignee
10. Route of dispatch
11. Licence/registration number
12. Cost, insurance, freight (CIF) value
13. Expected date of dispatch



## Container Specifications

Container Type	Interior Dimensions	Cubic Capacity	Max. Pay Load	Images
20 Foot (Dry Cargo)	L: 5.932m W: 2.350m H: 2.410m	33.6 CBM 1166 Cu Ft	18600Kg	
40 Foot (Dry Cargo)	L: 12.043m W: 2.336m H: 2.379m	67 CBM 2366 Cu Ft	27340Kg	



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Spanning the entire world to cater the needs of our universal clients




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### Ocean Freight

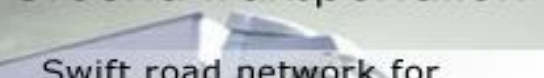
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### Ground Transportation

Swift road network for



# INCOTERMS 2020 RULES

## CHART OF RESPONSIBILITIES AND TRANSFER OF RISK

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	Any Transit Mode		Sea/Inland Waterway Transport				Any Transport Mode				
	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	Delivered at Place	Delivered at Place Unloaded	Delivered Duty Paid
Transfer of Risk	At Buyer's Disposal	On Buyer's Transport	Alongside Ship	On Board Vessel	On Board Vessel	On Board Vessel	At Carrier	At Carrier	At Named Place	At Named Place Unloaded	At Named Place
Charges/Fees											
Packaging	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading Charges	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Delivery to Port/Place	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Export Duty, Taxes & Security Clearance	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Origin Terminal Charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading on Carriage	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Carriage Charges	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Insurance						Seller		Seller			

# EXPORT PROCEDURE & DOCUMENTATION

## Types of Export Packaging :

- ▶ Poly **Bags (Plastic)** ...
- ▶ **Paperboard** Boxes. ...
- ▶ Paper Bag. ...
- ▶ Bottle & Cap Packaging. ...
- ▶ Corrugated Boxes. ...
- ▶ **Plastic** Boxes. ...
- ▶ Side Gusset **Bags**. ...
- ▶ Rigid (Luxury) Boxes.

# EXPORT PROCEDURE & DOCUMENTATION

EXPORT PACKAGING : There are three distinct levels of product packaging .

## Primary Packaging

- ▶ Primary packaging refers to the materials that make direct physical contact with your product. This level of packaging is often called the retail or consumer packaging of an item. Primary packaging serves two important purposes. The first is to provide ample protection for your product, whether that means keeping out moisture with barrier protection or cushioning against impact. The second purpose of primary packaging is usually to inform the customer and provide details about that product's uses and features. This second purpose often allows us to classify product labels as primary packaging, such as the nutrition facts label often attached to food containers.
- ▶ There are many examples of primary packaging you can explore, but the most common would have to be cans for beverages. This packaging items represent primary packaging as they are the direct materials containing the product. Cans are often put into other boxes or cartons to create bundles of products, which leads us to the next level of packaging below.

# EXPORT PROCEDURE & DOCUMENTATION



# EXPORT PROCEDURE & DOCUMENTATION

## Secondary Packaging

- ▶ Secondary packaging is another level of protection that is commonly used for protection, bundling, and marketing purposes. The secondary packaging of a product often combines multiple items together, such as the box that holds multiple cans of soda together in one convenient pack. The soda cans would be your primary packaging and the box that keeps them together is considered the secondary level of packaging. (SKU)
- ▶ Secondary packaging is visually to attract customers to your product. This level of packaging will typically be printed with high quality images, logos, and other branding material. The secondary packaging is what your customers see first when shopping in store, so it can make a huge difference in your sales numbers. The more attractive your secondary packaging, the more likely a customer is to buy your product. When a company decides to rebrand their packaging, it's often the secondary packaging that gets the most attention.

# EXPORT PROCEDURE & DOCUMENTATION



# EXPORT PROCEDURE & DOCUMENTATION



# EXPORT PROCEDURE & DOCUMENTATION

## Tertiary Packaging

- ▶ Tertiary packaging is different from both primary and secondary packaging because it's not usually seen by the end user. There is no need for visual appeal with tertiary packaging because its main goal is to provide protection during shipping and storage, although, some companies choose to use minimal marketing at this level. Tertiary packaging also provides a convenient way to move inventory quickly with easy handling.
- ▶ Tertiary packaging could be anything from a large box that combines smaller containers holding your products to a full pallet setup with corner board and stretch wrap keeping multiple products bundled together. This level of packaging should be optimized to combine products as tightly as possible and to provide all the protection the products will need during travel. Shipping and storage environments can present harsh conditions, so tertiary packaging is where you beef up your protection to make sure products make it to their final destination without a scratch.

# EXPORT PROCEDURE & DOCUMENTATION



# EXPORT PROCEDURE & DOCUMENTATION



# EXPORT PROCEDURE & DOCUMENTATION

## Floor Loading :

- ▶ A floor loaded container is a shipping container stacked with freight that has been loaded from the floor up without utilizing a shipping pallet.
- ▶ In other words, a floor loaded container is a shipping container wherein all of the freight has been stacked onto the floor, instead of on to a wooden pallet.
- ▶ Just about every article of freight larger than an Amazon package is loaded utilizing a shipping pallet. Shipping pallets enable loading and unloading crews to utilize forklifts and pallet jacks to easily move, load, and organize freight.
- ▶ However, shipping pallets are heavy. They add weight and volume to the freight which in turn costs more money to ship.

# EXPORT PROCEDURE & DOCUMENTATION

## Floor Load vs. Palletized

- ▶ Most shippers are restricted to either floor loading or pallet loading due to the specific shipping restrictions placed on their freight.
- ▶ A more durable freight class such as used tires, however, requires no such precaution and can be floor loaded from floor to ceiling in nearly any shipping container.
- ▶ Floor loading is less common, and more difficult than other loading methods. Freight that is floor loaded must be carefully sorted and loaded on to the container by hand.
- ▶ Shippers are advised to consult the [National Motor Freight Classification](#) to confirm their shipments class and to determine whether floor loading is an option for shipment.
- ▶ Otherwise, a shipper runs the risk of securing a carrier that is not adequately equipped to carry a floor loaded shipment.
- ▶ In fact, most shippers, and many carriers refuse to ship, carry or load floor loaded freight due to the added layer of liability that comes with a shipment that consists of multiple floor loaded items and components

# EXPORT PROCEDURE & DOCUMENTATION

## Floor Load – Examples

- ▶ Tires
- ▶ Parcels
- ▶ Rolled Carpets
- ▶ Metal Coils
- ▶ Industrial Rolls of Paper
- ▶ Logs
- ▶ Concrete Pipe Section



# EXPORT PROCEDURE & DOCUMENTATION

2. Receipt & Acceptance of export order : If the offer is acceptable to the buyer with terms & conditions regarding price, delivery and payment, he will place a formal order on the exporter & convey the same by e-mail or a scanned copy. It needs to be converted to a confirmed order or a contract by putting signatures/ acceptance by both the parties.

Receiving an export order is half process. In order to achieve goal of successful execution, following things to be carefully noted for action :

- ▶ Upon receipt of export order, it is necessary to send an acknowledgement and confirmation to the buyer.
- ▶ Scrutinize the details given in export order. Compare carefully and confirm that details mentioned therein is same what both the parties have discussed and agreed upon.
- ▶ Nothing should be omitted in export order. In case any point is not covered in export order, please communicate it to the importer and get it incorporated.
- ▶ All documents & confirmations to be in writing or in legally acceptable media.
- ▶ Before confirmation, the exporter should also know restrictions on import in importer's country.

# EXPORT PROCEDURE & DOCUMENTATION

3. Obtaining authorisations & Export Licenses : Advance authorisations are required to be obtained from DGFT for duty free clearance of imported inputs, if required for export production. Such authorization need to be applied prior to exports. If the items to be exported is subject to restriction, export license must be obtained.

## 4. Obtaining Letter of Credit :

If the payment terms are on L/C basis, exporter requests the importer to establish/open a letter of credit in his favour. Since the purchase is in foreign country and both the parties are unknown to each other, this letter is issued by importer's bank favouring exporter through exporter's bank. In this transaction, there is assurance of payment to exporter against export consignment within a specific time limit, subject to fulfillment of all the terms of L/C.

5. Completing foreign exchange formalities : In this stage, the exporter has to undergo certain foreign exchange formalities as laid down under FEMA regulations. As per this act, the exporter has to furnish a declaration/ undertaking in the prescribed form for this purpose.

1. Negotiation of shipping documents through AD only.
2. Payment for the goods to be collected through approved method & within specified time

# EXPORT PROCEDURE & DOCUMENTATION

6. Obtaining pre-shipment finance : The exporter can obtain pre-shipment finance to meet his working capital requirements for execution of order. This is needed for procurement of raw material, other manufacturing expenses before shipment of goods. This finance can be granted only if exporter produces confirmed export order and/or a letter of credit received against export contract.

7. Production of goods : Once you receive an export order and pre-shipment finance is sanctioned by Bank, you have to arrange for timely production of goods and ship them in time. Sufficient care should be taken in manufacturing/ procuring goods meant for export, quality, specifications, type of packaging, branding, etc.

8. Packing & marking of goods : Once goods are ready, they must be packed in export worthy cases/cartons/drums. If the number of packages are more than one, packing list is must.

- ▶ Protection of goods in transit
- ▶ Preservation of quality
- ▶ Promotion of goods

For liquid cargoes, ISO tankers are recommended.

# EXPORT PROCEDURE & DOCUMENTATION

9. Pre-shipment Inspection : When the goods are ready for shipment, exporter should make necessary arrangement for its pre-shipment inspection by Export Inspection Agency & get inspection certificate from them, provided the commodities are covered by Quality Control & Pre-shipment Inspection Rules. In all other cases, pre-shipment inspection is carried out in pursuance of foreign buyer's request through any agency nominated and acceptable to both. It is mandatory in case of hazardous material/ chemicals.

10. ECGC Cover : The exporter can obtain insurance cover from Export Credit Guarantee Corporation of India. This cover protects the exporter against credit risks. ECGC offers insurance against commercial risk and political risk. In the event of importer failing to make payment, exporter can cover the loss from ECGC max. to the tune of 80% of the value of consignment. This is required where goods are sold on credit basis and is in addition to marine insurance.

11. Marine Insurance Policy : In international trade, when the goods are in transit, they are exposed to marine risks (perils). Marine insurance is intended to protect the insured against the risk of loss or damage to goods in transit due to marine perils. The exporter has to arrange for marine insurance policy in case CIF contract (cost, insurance & freight). He should pay necessary premium & obtain insurance policy. Normally insurance is covered to the extent of 110% of CIF value.

# EXPORT PROCEDURE & DOCUMENTATION

12. Central Excise Clearance : According to excise law, all goods manufactured in India are subject payment of excise duty before the same are removed from the factory. However exportable goods are to be relieved of local taxes and duties as a principle of World Trade. However, certain procedures are set for clearance of excisable goods as under :

- a. Export under rebate : Where duty is initially paid and then refund is claimed subsequently as per rule 18 of Central Excise Rules.
- b. Export under Bond : Where duty is not paid, but exporter has to furnish a bond or letter of undertaking (Rule 19 of Central Excise Rules) subject to submission of proof of export , post shipment.

13. Appointing C & F Agent (Clearing & Forwarding): The procedure of customs clearance is specialized, since it involves assessment & valuation of goods, examination of goods, warehousing, payment of duty or cess, etc. Hence it is preferable to appoint CHA (Custom House Agent). However exporter can himself undertake self clearance. CHA is now called 'Customs Brokers'. (Budget 2013-14).

# EXPORT PROCEDURE & DOCUMENTATION

## ▶ III SHIPMENT STAGE -

**1. Submission of documents for clearance to C & F Agent / Self clearing**-The exporter is required to provide the following documents to C & F agent for submission to customs clearance for shipment of cargo, directly or through C &F agents :

1. Invoice for customs purpose
2. Packing list
3. Confirmed order
4. Letter of credit, if any.
5. Declaration- GR Form/ SDF/ PP/ SOFTEX
6. ARE I form - for excise purpose - Discont.
7. Certificate of inspection
8. Insurance declaration

Shipping bill is then prepared on the basis above documents. Shipping bill should contain declaration, if any, for export benefits/ incentives.

**2. Processing of Documents** - Documents presented to customs are processed by them for permitting physical export shipment abroad.

# EXPORT PROCEDURE & DOCUMENTATION

## ▶ III SHIPMENT STAGE - Cont.

3. Examination of goods / Customs clearance - After shipping documents are duly processed in Customs House, the export cargo is moved into the docks for loading on board of ship. The C&F agent obtains 'Carting order' from Port Trust authorities to bring/ cart the goods inside the docks. The goods are carted and stored in shed. Then the export cargo is examined by customs examiner.

4. Loading of Goods- After examination of goods, customs examiner issues 'Let Export Order' by signing on duplicate copy of shipping bill. Then the goods are loaded on the ship and captain of ship issues 'Mate's receipt. On the basis of Mate's Receipt, Bill of Lading (B/L) is prepared by shipping company, which is official receipt of goods to be transported to the port of destination.

5. Documents Forwarding- After completing shipment formalities, the C&F agent forwards the documents to exporter.

# EXPORT PROCEDURE & DOCUMENTATION

## ▶ III SHIPMENT STAGE - Cont.

### 6. Documents sent to exporter-

1. Export invoice (Customs signed)
2. Packing list (Customs signed)
3. Duplicate copy of SDF
4. Shipping Bill (Exchange control copy)
5. **ARE I- Discontinued**
6. **Bill of Lading or Airway Bill.**

- ▶ Shipment by Air- The procedure for clearance by air cargo is almost same (Document wise), except that cargo is examined and loaded in aircraft at Air Cargo complex against the document called 'Airway Bill'. (AWB)

# EXPORT PROCEDURE & DOCUMENTATION

## ▶ IV POST SHIPMENT STAGE -

1.Shipment advice to importer - The exporter sends shipment advice to the importer informing him about dispatch of goods. He also sends a copy of packing list, commercial invoice and a non-negotiable copy of Bill of lading, along with the advice.

2.Preparing Commercial Invoice : After obtaining different documents from forwarding agent, the exporter prepares a commercial invoice according to the contents of the indent. Commercial invoice is a document which is used as a customs declaration provided by the person or corporation which is exporting an item across international borders. It is designed to provide customs officials with enough information to determine appropriate import duties and to determine eligibility of the merchandise to be shipped into the country.

# EXPORT PROCEDURE & DOCUMENTATION

## ▶ IV POST SHIPMENT STAGE - cont.

**3. Consular Invoice** - Exporter at this stage is required to send invoice in the prescribed form & get it certified by consulate of the importing country stationed in exporting country, stating the fact that goods of particular value are imported from a particular country by particular individual. Consular invoice is a document required by some foreign countries as a pre-requisite at the time of clearance of goods from the customs & payment of import duty is not compulsory for all countries.

**4. Certificate of Origin** - In case the exporter is exporting goods to member country of Free Trade Agreements (FTA) or Preferential Trade Agreements (PTA) or Comprehensive Economic Partnership Agreement (CEPA) or Comprehensive Economic Cooperation Agreement (CECA), exporter need to obtain Certificate of Origin from designated authority, generally Export Promotion Council (EPC). This is important document to determine the origin of goods. Based on this document, the importer in a member country can avail concession or exemption from payment of base rate of import duty. In some cases, even when importer may not be eligible for such exemption or concession, still he insists for certificate of origin due to customs regulations in his country.

# EXPORT PROCEDURE & DOCUMENTATION

## ▶ IV POST SHIPMENT STAGE - cont.

5. Presentation of documents to Bank- The exporter checks up that he has secured complete set of shipping documents namely, Bill of lading, marine insurance policy, certificate of origin, consular invoice & commercial invoice etc. he then draws Bill of Exchange on the basis of commercial invoice. The documents should be submitted within 21 days from the date of shipment. In case the documents are to be presented against Letter of Credit, documents have to be prepared and submitted, exactly as stipulated in L/C terms. All documents along with original letter of credit are then presented by the exporter to his bank for further action/negotiation.

6. Realisation of export proceeds- Exporter's bank forwards all the documents to importer's bank & importer's bank hands over the documents to the importer for clearing the goods, post receipt of payment or acceptance as per instructions of exporter. On receipt of payment from the importer, importer's bank transfers the money to exporter's bank. On realization of export proceeds, the exporter's bank credits the exporter's account post conversion in HC.

# EXPORT PROCEDURE & DOCUMENTATION

## ▶ IV POST SHIPMENT STAGE - cont.

**7. Receipt of BRC-** Once the export proceeds are realized and exporter's account is credited, the bank posts e\_BRC on DGFT site. This certificate is very essential for claiming benefits and incentives, if any. Only with posting of e\_BRC, export transaction is completed.

**8. Realisation of export incentives-** On the basis of shipping bill & e\_BRC, exporter makes arrangements to obtain export incentives/ benefits from concerned authorities.

**9. Proof of exports to discharge obligation undertaken-** Exporters are also expected to provide proof of export to Central Excise authorities, on the basis of customs endorsements made on the reverse of ARE-I and get their obligation discharged. Similarly, proof of exports is required to discharge the export obligation against duty free authorizations.

**10. Follow up-** Exporter should always have a follow up system, to find out buyer's reactions towards the goods. If there are any complaints from the buyer, they must be immediately sorted out. Such follow up builds goodwill and exporter can get more and more export orders in future.