



**A General Presentation
on
Customs Clearance Procedure in India**



**CENTRAL BOARD OF EXCISE & CUSTOMS
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
GOVERNMENT OF INDIA**

Clearance Procedure



1. **Import Clearance Procedure**
2. **Export Clearance Procedure**



Import Clearance Procedure

04 Categories of Import

Freely Importable Items

As the name suggests the items under this category are free to be imported and do not require any License.

Canalised Imports

Items under this category can be imported only through specified channels or Government agencies.



Restricted / Licensed Imports

Items under this category are restricted and require License for importation.

Prohibited items

As the name suggests the items under this category are NOT permitted to be imported at all.

Note: List of items under above categories are published in the Foreign Trade Policy. Importer / Exporter must have IEC (Importer Exporter Code) issued by DGFT (Director General Of Foreign Trade, Government of India).

Import Clearance Procedure

Upon Cargo Arrival, the Importer has two options:

- To Clear immediately, or
- To Store under Bond and clear later



BONDED WAREHOUSING

Cargo is put in Bonded Warehouse and cleared later upon payment of applicable duties.

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

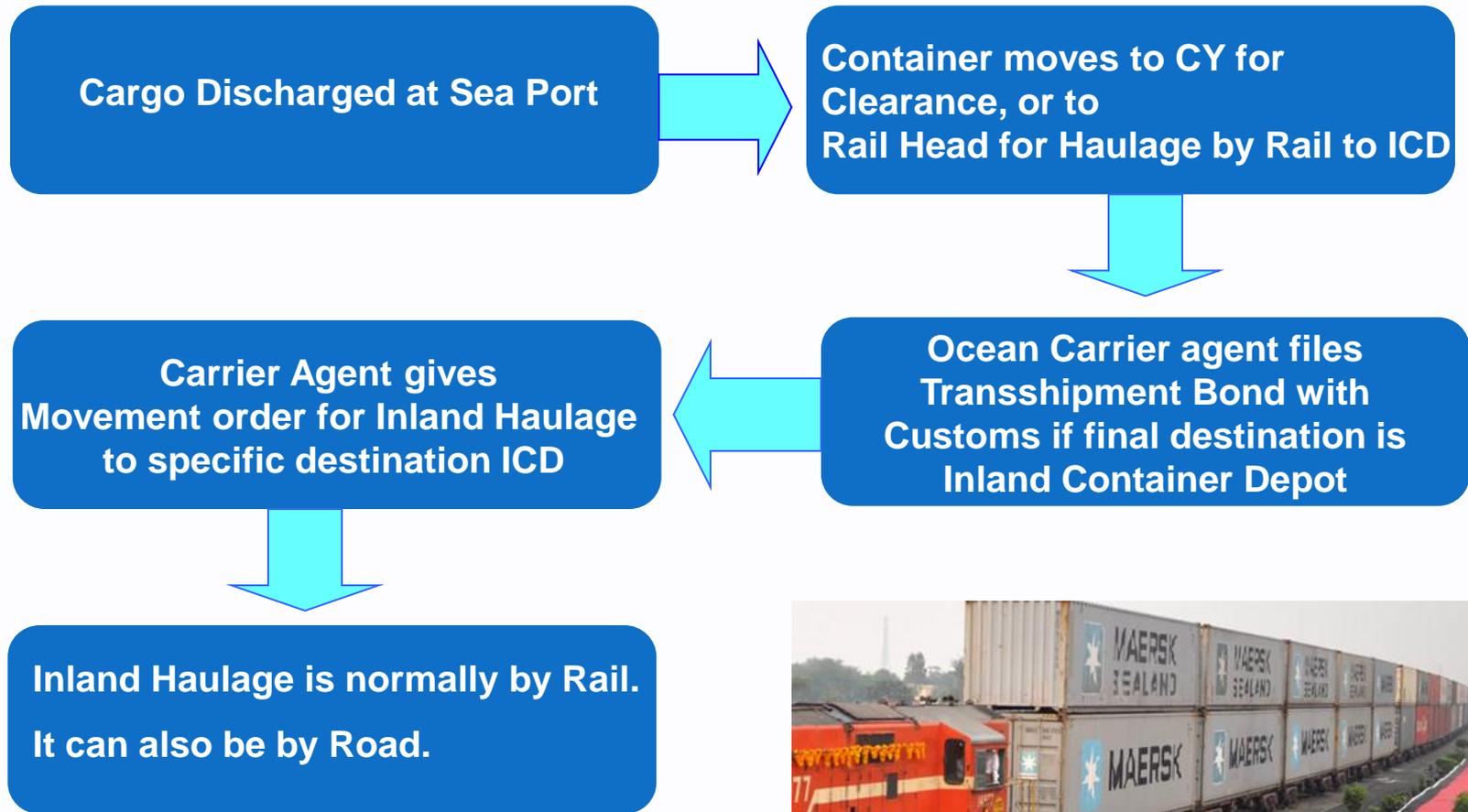
CLEARANCE FOR HOME CONSUMPTION

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.

Haulage to ICD

Haulage / Drayage to Inland Container Depot (ICD) from port of discharge



Customs Clearance procedure is same at ICD's.



Import Clearance Procedure

Clearance for Home Consumption

Import Clearance can be under any one of the various promotional schemes in which an Industry is categorized, example; EOU, SEZ etc.

Major Documents:

Commercial Invoice
Packing List
Bill of Lading/AWB
Delivery Order
Cert. of Origin
Cargo catalogue
Import/Industrial license

**Filing 'Bill of Entry' (BE)
via EDI (Electronic Data Interface)
or Manually with all documents**

EDI Filing:

Electronic input
Generation of Checklist
Generation of BE no.
Noting vis-à-vis IGM
Submit documents under
checklist and BE no.

Appraisal:

Import Permissibility
as per EXIM Policy.
Correctness of docs
and declarations.
Correctness of value.
Fraud Prevention.

**Processing of 'Bill of Entry'
by Customs officials
Appraisal & Assessment**

Assessment:

Calculation of duties as
per cargo classification.
Advance cargo exam if
necessary to determine
classification and
calculate duties.

Import Clearance Procedure

Clearance for Home Consumption

Mode of payment:

Online under registration
Customs Nominated
banks.
Demand Draft.

**Payment of Duties
as assessed as per tariff**

Advance Examination:

Upon receipt of Exam
report, cargo classification
is determined and duty
Calculation Is made.

Examination:

Partial as percentage at
random.
Full 100% cargo
examination.

**Cargo Examination
in line with appraised documents**

Customs 'Out of Charge'

**Cargo Customs Cleared
& ready for delivery**





Export Clearance Procedure

03 Categories of Export

Freely Exportable Items

As the name suggests the items under this category are free to be exported and do not require any License.

Negative List of Exports

As the name suggests the items under this category are NOT permitted to be exported at all.



Restricted / Licensed Exports

Items under this category are restricted and require License for exportation.

Note: List of items under above categories are published in the Foreign Trade Policy.

Export Clearance Procedure

Facility of Export

Factory Stuffing of Containers

The Exporter has permission for stuffing the container (FCL) at his factory premise under supervision from Central Excise Official. Permission is given by Central Excise & Customs.



Dock / CFS stuffing

The Exporter does not have permission for stuffing container (FCL) at his factory premise.

LCL cargo also fall under this category.

Air Cargo Carting

The export cargo is carted at the airport nominated warehouse of the airline.



Export can be done under any one of the Promotional schemes applicable using the requisite Application and Declaration for export.

Export Clearance Procedure

Factory Stuffing of Containers

Excise/Customs official intimated for export of cargo from factory.

Empty Container picked up from CY and transported to factory .

Container stuffing under Excise official's supervision.

Export documentation made ready at factory.

Official checks documentation.
Random open check of cargo.
Loading cargo into container.
Closing & Sealing by official.
Endorsement of export docs.
Sealed envelope of docs to gateway port customs.
Trucking permission given.

Commercial Invoice
Packing List
Shipper Declaration
Purchase Order
SDF(Statutory Declaration Form)
ADC(Authorized Dealer Code)
AR-4 (excisable goods)
Shipping Bill (Export Application)
Importer Exporter Code (IEC)

Loaded and Sealed container moves to port of Loading .

All docs filed for Customs Clearance at Gateway port / CFS.

Container moves to designated Terminal for loading on vessel.

Documents cleared.
Container seals inspected.
'Let Export' Order given.

Export Clearance Procedure

Dock / CFS Stuffing of Containers



Export Documentation made and filed at Customs at Dock / CFS

Commercial Invoice
Packing List
Shipper Declaration
Purchase Order
SDF(Statutory Declaration Form)
ADC(Authorized Dealer Code)
AR-4 (excisable goods)
Shipping Bill (Export Application)
Importer Exporter Code (IEC)

Export Cargo moved from Factory to Dock /CFS

Customs clearance process for export of goods.

Appraisal of Shipping Bill with all export documents.
Permissibility of export.
Cargo Valuation.
Calculation of duty, if applicable.
Verification of incentive claimed.
Stuffing / Consolidation permission.

Cargo Stuffing into Container

Cargo Examination
Stuffing under Official's supervision.
Container sealed with seals.
Container ready for export.
Documents released and 'Let Export' order given.

Container moves to designated Terminal for loading on vessel.

Export Clearance Procedure

Air Cargo Export



Export Documentation made and filed at Customs at Airport

Commercial Invoice
Packing List
Shipper Declaration
Purchase Order
SDF(Statutory Declaration Form)
ADC(Authorized Dealer Code)
AR-4 (excisable goods)
Shipping Bill (Export Application)
Importer Exporter Code (IEC)



Export Cargo moved from Factory to Airport Warehouse



Customs clearance process for export of goods.

Appraisal of Shipping Bill with all export documents.
Permissibility of export.
Cargo Valuation.
Calculation of duty, if applicable.
Verification of incentive claimed.
Stuffing / Consolidation permission.



Cargo Examination

Cargo Examination by Official
DGR Check
Documents released and
'Let Export' order given.



Cargo Carted to Airline Shed & loaded after cooling period

FAQ

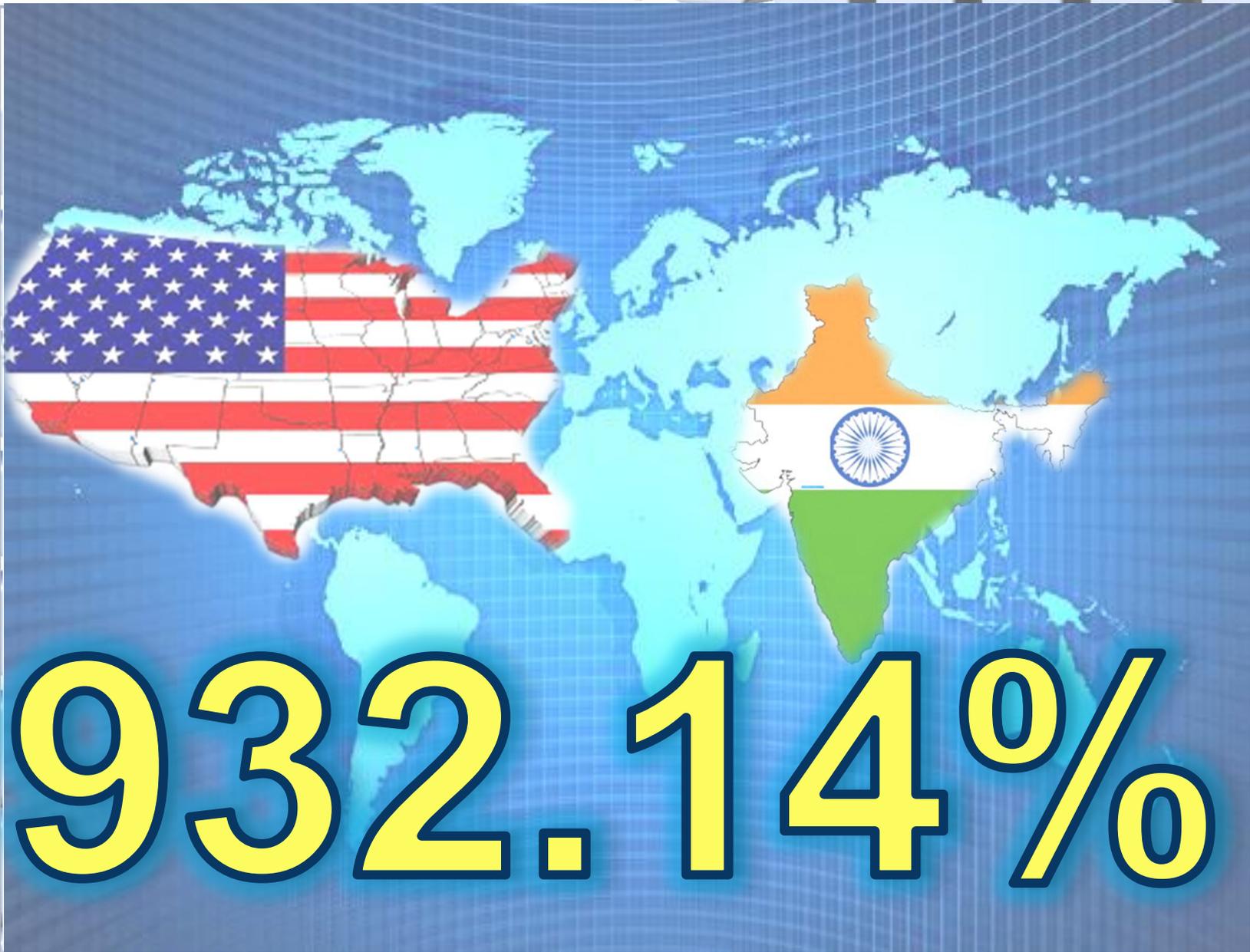
1. Import Clearance Application is commonly known as BILL OF ENTRY
2. Export Clearance Application is commonly known as SHIPPING BILL
3. Import /Export can fall under any of the various Schemes for which application would slightly differ along with Declaration. All other documents remain same.
4. Filing of documents and clearance is normally done by Licensed CHA (Customs House Agent) on behalf of the importer/exporter. Self clearance may be permitted under some circumstances.
5. Customs Duties is to be paid before the completion of clearance process.
6. Claims under promotional schemes are filed and processed separately .

Reference Websites:

Central Board of Excise & Customs : www.cbec.gov.in

Director General of Foreign Trade : www.dgft.gov.in







January 2011-March 2011: India's export to the U.S. grew by 19.88%

January 2011-March 2011: the U.S exports to India grew by 3.93%



*Thank
You*

