

## **Guidelines for Importing Commercial Merchandise into India :**

The customs procedures for clearance of Imports into India have been simplified over the years however there are still several requirements and unless procedures are followed clearances can get delayed. We list below the key features of the Import regulations

### **Importer's – Registration, KYC requirements& responsibility.**

- Imports clearances are permitted only for a Indian importer, who holds a valid IEC (Import Export Code). IEC is a onetime registration with the DGFT (Directorate General of Foreign Trade) Government of India.
- Clearance of Import with the importer not holding valid IEC is restricted, cause delays and may be subject to penalties. It is important to check that the importer on record holds a valid IEC before shipping any commercial consignment to India.
- Since the import application is filed on behalf of the importer, an authorization from importer in favour of the customs broker is needed to process the clearance with customs. The importer also needs to produce KYC documents to the Customs broker as per the customs laws, to establish the identity and address of the importer. Please inform your customer, these requirements & the need for importer in India to cooperate with us on the documentation requirements.
- Importer is primarily responsible to provide correct and complete documents needed for clearance by the customs, as per the customs laws. It is also their responsibility to ensure the cargoes arrive only as per the documents and declaration without mismatches.

### **Documents required for customs clearance of Imports in to India.**

- Invoice &Packing List (bearing the Signature of the supplier/ seller)
- Bill of lading / Airway bill
- Product relevant docs that describes the imported cargo may be needed - Technical Write-up / catalogue / analysis certificate / mill certificated.
- Certificate of Origin / licences may be needed in case of claim of duty benefits while import.
- Additional documents may be needed depending on nature of goods imported.  
For example Second Hand Machinery imports need a Chartered Engineer Certificate; phyto sanitary certificate in approved formats from appropriate agencies is required for food/plant products etc.  
Please check with us with the exact description of cargo along with HS Code & we will let you know about applicable documentation.

### **Import clearance process:**

- Scanned copies of original documents have to be presented online into customs EDI with appropriate declarations.
- Import Bill of Entry (BE)has to be filed with Indian customs in the name of the registered importer, with in 24 hrs of cargo landing in Indian destination customs area. If BE is not filed within 24 hours penalties will apply as detailed in next section on penalties. The importer on record is responsible for filing this BE, directly or through the customs broker.

It contains details of items imported, appropriate HS code, cargo value, estimated duty based workings and declarations by the importer for correctness and completeness of information.

- The BE is then assessed by the customs department and final duty payable is finalized. The customs officer may seek more information or documents at any time during the clearance process.
- The customs duty has to be paid on same day failing which interest is levied on Customs duties due.
- The delivery order from appropriate airline / shipping line to be obtained and presented to the CFS customs along with original import documents.
- The cargo is physically checked at random by the customs officers and cleared out of customs charge upon their satisfaction.
- After payment of CFS handling and storage fees the cargo may be taken delivery from CFS/Airport.

#### **Timelines and penalties:**

- Indian customs encourage that Bill of Entry be filed in advance before cargo arrival into India. Penalties are automatically levied if BE is filed later than 24 hours of arrival into Indian customs station.  
The late filing charges are INR 5000/- FOR EACH DAY of delay for first 3 days and INR 10,000/- FOR EACH DAY thereafter.
- Customs duties must be paid on same day of assessment. Interests are added automatically for delay in payment of duties.
- Customs may levy penalties and fines for import of restricted / prohibited items and for non-declaration / mis-declarations or for improper documentation.

#### **Authorized Economic Operator & Direct port delivery benefits:**

Importers of good track record are encouraged with lesser scrutiny and faster clearances. Hence the importers of good standing are encouraged to register for the above said schemes

#### **Legal provisions relating to certain specific imports into India:**

Customs duties are liveable on all items of export including free supplies and personal supplies, unless specifically exempt.

Free samples imported into India – Customs duty is liveable on the basis of fair value fixed by the customs. The supplier may mention the fair value of supply in the Non-commercial invoice. The Indian customs may physically examine the cargo and fix a value on which the duties will be levied.

Import of Warranty / Replacement goods – Duty is liveable on such goods on the fair value of such goods. The normal product price may be used for arriving at the value for duty assessment and the same procedure as free samples will be followed.

Repair & Return goods – When goods exported out of India for repairs/calibration are brought back the duties are liveable on the value of repairs plus the freight & insurance both ways. Identity of the goods has to be established to the satisfaction of the customs officer to avail this benefit.

If goods are imported into India for repairs / calibration and to be re-exported within agreed time lines, the goods are permitted duty free entry only if all the conditions of the Customs notifications are followed including the execution of bonds & undertaking by the importer with required surety.

ATA CARNET – clearance of exhibition imports are facilitated via CARNET procedures.

Personal cargo – customs duties are liveable on the basis of value fixed by customs. The baggage rules give relaxation of duty waiver in case of benefited travellers subject to fulfilment of conditions and limits prescribed therein.

Second hand / used items – Used items are not permitted for import into India.

Some specific items may require release from other legal departments / involve additional procedures for clearances. For example:

- Items requiring clearance from Drug Control boards.
- Items requiring Plant Quarantine clearance.
- Items requiring animal quarantine clearance.
- Items requiring wild life clearance.
- Items requiring registration by manufacturers with Bureau of Indian Standards.
- Items requiring FSSAI clearance

Consumer goods that are intended for retain sale, need to comply with the requirements of Legal metrology act. The fairness of the valuation of import goods may be verified by the customs and the customs officer has powers to refix a value he deems fit based on his data.