

How to Export - Documents Required for Customs Clearance for the Goods.

XIII Documents required for Customs Clearance of goods for export

Shipping Bill/Bill of Export-This is the main document required by the Customs Authority for allowing shipment, Basically, shipping bills are of four types. The major distinction between one type and another Shipping Bill lies with regard to the goods being subject to certain conditions: export duty/cess, free of duty/cess, entitlement of duty drawback, entitlement of credit of duty under DEPB Scheme and re-export of imported goods.

The documents required for processing of Shipping Bill are as follows:

- GR forms in duplicate for shipment to all countries
- 4 copies of packing list giving contents, quantity, gross and net weight of each package.
- 4 copies of invoices indicating all relevant particulars such as No. of packages, quantity, unit rate, total f.o.b./c.i.f. value, correct and full description of goods etc.
- Contract, L/C, Purchase Order of the overseas buyer
- AR4(Original and duplicate) and invoice
- Inspection/Examination Certificate

The formats presented for the shipping bill are as under:

White shipping bill for export of duty free of goods prepared in triplicate

Green shipping bill for export of goods under claim for duty drawback prepared in quadruplicate

Yellow shipping bill for export of dutiable goods prepared in triplicate.

Blue shipping bill for exports under the DEPB scheme prepared in 7 copies.

For goods cleared by Land Customs, Bill of Export (also of 4 types White, Green, yellow and Pink is required instead of Shipping Bill.)

Shipping and Customs clearance of the goods:

The Customs appraiser examines---

That the value & quantity declared in the shipping bill is the same as in the export order/L/C.

That all formalities regarding exchange control, pre-

Shipment quality control inspection have been completed.

Following verification all the documents, except GR (original) Form, the original shipping bill and a copy of the commercial invoice are returned to the forwarding agent to be presented to the dock appraiser.

It is the dock appraiser who finally makes "Let Export" endorsement on the duplicate copy of the shipping bill and hands it over to the forwarding agent. The agent then presents the documents to the preventive officer, of the Customs department, who makes an endorsement "Let Ship" on the duplicate copy of the Shipping Bill. The duplicate copy of the Shipping bill is then handed over to the agent of the Shipping Co. Following this the captain of the ship aboard which the goods are loaded issues a "Mate Receipt" to the Shed Superintendent of the port (source). The forwarding agent then makes a payment of the port charges and takes delivery of the Mate Receipt to be presented to the Preventive Officer who records the Certificate of Shipment on all the copies of shipping bill, original and duplicate copies of AR-4 to the forwarding agent. Following this the agent again presents the Mate Receipt to the Shipping Co. to procure the Bill of Lading. Export of goods by land and river, applicable only to Bangladesh, Nepal and Pakistan, are required to pass through the specified border (Customs) check posts.

After the goods have been shipped the exporters should send 'Shipment Advice' to the importers enclosing copies of all basic documents viz. Copy of Bill of Lading (Non-negotiable Copy), Invoice, Packing Specification etc. When the goods are exported by Air the Shipment/despatch advice should be Faxed to the importer.

Customs Clearance of Exports by Air

The export of Cargo by Air is more or less as that of export by Steamer or by land.

Some of the procedural matter are detailed below:-

- i. Actual booking by the flight concerned is done in advance. Even Airway Bill is obtained before arrival of the flight.
- ii. All the documents require customs clearance i.e. the Shipping Bill, the appropriate type, and all the supporting documents as required in connection with the shipment by a vessel are to be brought along with the cargo for which booking has already been done. The documents are first submitted to the section meant for checking them at the Air Cargo complex. After the documents have been checked and physical examination order has been given, physical examination is conducted in quick succession.
- iii. Physical examination is conducted on a much larger scale in respect of export by air, as compared to export by vessel i.e. 50 to 25 percent of the total in respect of air cargo, as against 1 to 2 per cent of the total in respect of cargo moving by vessel. Each packet is to be passed for shipment--- whether examined and passed for shipment or passed for shipment.
- iv. The export cargo examined and passed for shipment is kept under the charge of Customs in the control of GROUND HANDLING AUTHORITIES.

Usually some cooling period is observed, 24 to 48 hrs. before the cargo is to be loaded on board the aircraft.

- v. Before arrival of the flight Export General Manifest (EGM) whether provisional or final, is to be prepared by the airline concerned and is to be handed over to the Customs Authority.
- vi. With the help of EGM, goods are to be moved from the storage under Customs charge to the place where from they are to be moved alongside the aircraft for being loaded on board.
- vii. In case of air flights, no entry inward permit is required for each flight. There is standing facility granted to the airline concerned for landing and taking off specified flight. Hence, no rotation number is allotted in advance. This number is allotted by the station-officer on duty when the flight has landed.
- viii. The Customs Officer who has to supervise the loading operation with reference to the EGM has to write Rotation Number on the Shipping Bill-the copies available at the stage and the EGM.
- ix. Unlike the practice followed in the case of ship, there is no arrangement for associating a Preventive Officer right from the stage when entry inward permit is granted. The Customs Officer in-charge of the duty routine for the period when the flights are scheduled to land, assigns the task of supervision unloading and loading operation to customs official on duty.
- x. After the loading of the cargo on board the aircraft, the captain does not issue Mate's Receipt. He signs the Duplicate and Triplicate copy of the Shipping Bill against contents received. He may initial the copy of the Shipping Bill.

This flexibility is provided in keeping with requirement of air-cargo's expeditious movement.

Customs Clearance of Post parcel

Post parcels can be sent from any part of the country even without completing customs clearance before the booking of the parcel. As such, employment of customs house agent can be easily dispensed with. However, it should not be construed that the post parcel can be despatched to foreign destinations without customs check. In fact the booking post office cannot prepare the final bag for destination. The parcel has to be routed through the foreign post office having the destination within its jurisdiction, where customs check and clearance are arranged. At each foreign post office there are two wings-----Customs Wing and Postal Wing. The latter has to get customs examined parcels received from different post offices of the country for despatch to foreign destinations.

In the case of post parcel there is no Shipping Bill required. Instead a Customs Declaration Form, prescribed by the Universal Postal Union (UPU)----- and international apex body coordinating activities of national postal administration to facilitate movement of postal articles among different countries of the world is required. This document, popularly known by its code number CP2/CP3 has to be prepared in quadruplicate duly signed by the sender. One copy is to be pasted on the parcel and two copies are to be placed inside the parcel along with two copies of Invoice. One copy is to be retained by the sender for record and future reference.

Another document prescribed by the Universal Postal Union (UPU) is the Despatch Note, popularly known by its code number, CP2. It has to be filled in by the sender to specify the action to be taken by the postal authority at destination if the address is not traceable or refuses to accept the parcel. It has to be safely tagged to the parcel.

The other prescriptions of the UPU are regarding the minimum and maximum sizes of the parcel and its maximum weight.

Minimum size: Total surface area not to be less than 140 mm X 90 mm.

Maximum size: Lengthwise not more than 1.05 M. Measurement of any other side of circumference 0.9 M./2.00 M.

The two taken together

Maximum Weight: 10 kg for most destinations, 20 kg for some destinations.

Also needed are:

Commercial invoice---This key document is issued by the seller in the standardised format. It is usually made out for the full realisable amount of goods as per trade term. However, the undrawn balance is shown as a deduction from the full amount.

Consular Invoice----This is required mainly by the countries like Kenya, Uganda, Tanzania, Mauritius, New Zealand, Burma, Iraq, Australia, Fiji, Cyprus, Nigeria, Ghana, Zanzibar etc. To be prepared in prescribed format and signed/certified by the consul of the importing country located in the country of export.

Customs Invoice---Required for countries like USA, Canada etc. To be prepared on a special form presented by the Customs authorities of the importing country to facilitate entry of goods in the importing country at preferential tariff rate.

Legalised/Visaed Invoice-----These are meant for showing the seller's genuineness before the appropriate consulate/chamber of commerce/ embassy. No prescribed form is available for this.

Certified Invoice-----Required when exporters are needed to certify on the invoice that the goods are of particular origin or manufactured/packed at a particular place and in accordance with specific contract. Two types of draft are available-Sight Draft and Usance Draft. The former is required when the drawer (exporter) expects immediate payment from the drawee (importer). Usance Draft is needed for credit delivery.

Packing List----Shows the item wise details of goods contained in each parcel/shipment.

Certificate of Inspection---Issued in aligned document form it indicates that goods have been inspected before shipment.

Black List Certificate---Needed for countries having strained political relation, it certifies that the ship/aircraft carrying the goods has not touched that particular country(s).

Weight Note-----This document is used to confirm that the packets/bales etc. are of a stipulated weight.

Manufacturer's/Supplier's Quality/Inspection Certificate

Language Certificate----Issued by the Textile Committee in quadruplicate, this is needed for importers in European Economic Community countries.

Manufacturer's Certificate---This is required in addition to the Certificate of Origin for some countries to indicate that goods shipped have actually been manufactured and are available.

Certificate of Chemical Analysis---Needed to ensure quality and grade of certain items like metallic ores, pigments, etc.

Certificate of Shipment---Signifies that a certain lot of goods have been shipped.

Health/Veterinary/Sanitary Certification---Needed for export of foodstuffs, marine products, hides, livestock etc.

Certificate of Conditioning----Issued by a competent office to certify compliance of humidity factor, dry weight etc.

Antiquity Measurement----This is issued by the Archaeological Survey of India in case of antiques.

Transshipment Bill----Used for goods imported into a customs port/airport intended for transshipment.

Transshipment Permit----It gives permission for transshipment of goods from the vessel on which the same are booked originally to another for export.

Shipping Order---It is issued by the Shipping (Conference) Line intimating the exporter about the reservation of space of shipment of cargo through a particular vessel from a specified port and on a specified date.

Cart/Lorry Ticket---This is prepared for admittance of cargo through the port gate and includes shipper's name, cart/lorry number, marks on packages, quantity etc.

Shut Out Advice----It is a statement of packages shut out by a ship and is prepared by the shed concerned and sent to exporter.

Short Shipment Form-----An application to the customs authorities at port advising short shipment of goods and for claiming the return.

Shipping Advice----Prepared in aligned document it is used to inform the overseas customer about the shipment of goods.