

carriage/freight, cargo insurance, and other costs and risks. In the export quotation, indicate the port of origin (loading) after the acronym FAS, for example FAS New York and FAS Bremen. The FAS term is popular in the break-bulk shipments and with the importing countries using their own vessels.

FOB {+the named port of origin}

Free on Board: The delivery of goods on the board the vessel at the named port of origin (Loading) at seller's expense. Buyer is responsible for the main carriage/freight, cargo insurance and other costs and risks. In the export quotation, indicate the port of origin (loading) after the acronym FOB, for example FOB Vancouver and FOB Shanghai.

Under the rules of the INCOTERMS 1990, the term FOB is used for ocean freight only. However, in practice, many importers and exporters still use the term FOB in the air freight. In North America, the term FOB has other applications. Many buyers and sellers in Canada and the USA dealing on the open account and consignment basis are accustomed to using the shipping terms FOB Origin and FOB destination.

FOB Origin means the buyer is responsible for the freight and other costs and risks. FOB Destination means the seller is responsible for the freight and other costs and risks until the goods are delivered to the buyer's premises which may include the import custom clearance and payment of import customs duties and taxes at the buyer's country, depending on the agreement between the buyer and seller. In international trade, avoid using the shipping terms FOB Origin and FOB Destination, which are not part of the INCOTERMS (International Commercial Terms).

CFR {+the named port of destination}

Cost and Freight: The delivery of goods to the named port of destination (discharge) at the seller's expenses. Buyer is responsible for the cargo insurance and other costs and risks. The term CFR was formerly written as C&F. Many importers and exporters worldwide still use the term C&F.

In the export quotation, indicate the port of destination (discharge) after the acronym CFR, for example CFR Karachi and CFR Alexandria. Under the rules of the INCOTERMS 1990, the term Cost and Freight is used for ocean freight only. However, in practice, the term Cost and Freight (C&F) is still commonly used in the air freight.

(d) Certificate for availing Concessions under other Systems of Preference:- Certificate of origin is also required for tariff concessions. under the Global System of Trade Preferences (GSTP), Bangkok Agreement(BA) and SAARC Preferential Trading Arrangement (SAPTA) under which India grants and receives tariff concessions On imports and exports. Export Inspection Council (EIC) is the sole authority to print blank Certificates of Origin under BA, SAARC and SAPTA which can be issued by such agencies as EPCs, DCs of EPZs, EIC, APEDA, MPEDA, FIEO, etc...

Contents of Certificate of Origin

- Name and logo of chamber of commerce.
- Name and address of the exporter.
- Name and address of the consignee.
- Name and the number of Vessel of Flight
- Name of the port of loading.
- Name of the port of discharge and place of delivery.
- Marks and container number.
- Packing and container description.
- Total number of containers and packages.
- Description of goods in terms of quantity.
- Signature and initials of the concerned officer of the issuing authority.
- Seal of the issuing authority.

Significance of the Certificate of Origin

- Certificate of origin is required for availing of concessions under Generalised System of Preference (GSP) as well as under Commonwealth Preferences (CWP).
- It is to be submitted to the customs for the assessment of duty clearance of goods with concessional duty.
- It is required when the goods produced in a particular country are banned for import in the foreign market.
- It helps the buyer in adhering to the import regulations of the country.
- Sometimes, in order to ensure that goods bought from some other country have not been reshipped by a seller, a certificate of origin is required.

6. Bill of Lading: The bill of lading is a document issued by the shipping company or its agent acknowledging the receipt of goods on board the vessel, and undertaking to deliver the goods in the like order and condition as received, to the consignee or his order, provided the freight and other charges as specified in the bill have been duly paid. It is also a document of title to the goods and as such, is freely transferable by endorsement and delivery.

- **Qualified Mate's Receipt:** - The Commanding Officer of the ship issues qualified mate's receipt, when the goods are not packed properly and the shipping company does not take any responsibility of damage. to the goods during transit.

Contents of Mate's Receipt

- Name and logo of the shipping line.
- Name and address of the shipper.
- Name and the number of vessel.
- Name of the port of loading.
- Name of the port of discharge and place of delivery.
- Marks and container number.
- Packing and container description.
- Total number of containers and packages.
- Description of goods in terms of quantity.
- Container status and seal number.
- Gross weight in kg. and volume in terms of cubic meters.
- Shipping bill number and date.
- Signature and initials of the Chief Officer.

Significance of Mate's Receipt

- It is an acknowledgement of goods received for export on board the ship.
- It is a transferable document. It must be handed over to the shipping company in order to get the bill of lading.
- Bill of lading, which is the title of goods, is prepared on the basis of the mate's receipt.
- It enables the exporter to clear port trust dues to the Port Trust Authorities.

Obtaining Mate's Receipt

The goods are then loaded on board the ship for which the Mate or the Captain of the ship issues Mate's Receipt to the Port Superintendent.

6. **Shipping order:** it is issued by the Shipping/Conference Line intimating the exporter about the reservation of space for shipment of cargo which the exporter intends to ship. Details of the vessel, port of the shipment, and the date on which the goods are to be shipped are mentioned. This order enables the exporter to make necessary arrangements for customs clearance and loading of the goods.

7. **Shipping Instructions:** at the pre-shipment stage, when the documents are to be sent to the CHA for customs clearance, necessary instructions are to be given with relevance to

- The export promotion scheme under which goods are to be exported.
- Name of the specific vessel on which the goods are to be loaded.
- If goods are to be FCL or LCL.

Significance of Shipping Bill

- a) Shipping bill is the main customs document, required by the customs authorities for granting permission for the shipment of goods.
- b) The cargo is moved inside the dock area only after the shipping bill is duly stamped, i.e. certified by the customs.
- c) Duly endorsed shipping bill is also necessary for the collection of export incentives offered by the government.
- d) It is useful to the Customs Appraiser while determining the actual value of goods exported.

2. A.R.E. 1 form (Central excise): this form ARE-1 is prescribed under Central Excise rules for export of goods. In case goods meant for export are cleared directly from the premises of a manufacturer, the exporter can avail the facility of exemption from payment of terminal excise duty. The goods may be cleared for export either under claim for rebate of duty paid or under bond without payment of duty. In both the events the goods are to be cleared under form A.R.E. 1 which will show the details of the goods being exported, the relevant duty involved and if the duty is paid or goods being cleared under bond, details of bond being sealed either by the exporter or Central Excise officials etc.

3. Exchange Control Declaration Form (GR/PP/SOFTEX): under the exchange control regulations all exporters must declare the details of shipment for monitoring by the Reserve Bank of India. For this purpose, RBI has prescribed different forms for different types of shipments like GRI, PP forms etc. These declaration forms must be presented to the customs officials at the time of passing of export documentation. Under the EDI processing of shipping bill in the customs, these forms have been dispensed with and a new form SDF has to be submitted to the customs in the place of above forms.

4. Export Application: this is the application to be made to the customs officials before shipment of goods. The prescribed form of the application is the Shipping Bill/Bill of Export. Different types are required for shipment like ex-bond, duty free goods, and dutiable goods and for export under different export promotion schemes such as claims for duty drawback etc.

5. Vehicle Ticket/Cart Ticket/Gate Pass etc.: before the goods are being taken inside the port for loading, necessary permission has to be obtained for moving the vehicle into the customs area. This permission is granted by the Port Trust Authority. This document will contain the detail of the export cargo, name and address of the shippers, lorry number, marks and number of the packages, driver's licence details etc.

These forms are available for sale in Reserve Bank of India

Export declaration forms have utmost importance and are binding on the exporters. It is, therefore, necessary that enough care is taken while declaring exports on these forms, with special reference on the following points.

- Name and address of the authorised dealer through whom proceeds of exports have been or will be realized should be specified in the relevant column of the form.
- Details of commission and discount due to foreign agent or buyer should be correctly declared otherwise difficulties may arise at the time of remittance of such commission.
- It should be clearly indicated in the form whether the export is on 'outright sale basis' or 'on consignment basis' and irrelevant clauses must be struck out
- Under the term 'analysis of full export value' a break up of full export value of goods under F.O.B value, freight and insurance should be furnished in all cases, irrespective of the terms of contract.
- All documents relating to the export of goods from India must pass through the medium of an authorised dealer in foreign exchange in India within 21 days of shipment.

Disposal of Copies of Export Documentation Form

GR forms covering export of goods other than jewellery should be completed by the exporter in duplicate and both the copies should be submitted to customs at the port of Shipment. Customs will give their running serial number on both the copies of the GR forms after verifying the particulars and admitting the corresponding shipping bill. The value declared by the exporter will also be verified by the customs and they will also record the assessed value. Duplicate copy will be returned to the exporter and the original will be remained by the customs for onward submission to the Reserve Bank. Duplicate form of the GR form will again be presented to the customs at the time of actual shipment. After examination of goods and certifying the quantity passed for shipment the duplicate copy will again be returned to exporter for submission to an authorised dealer. However, an exception to submission of GR forms to the Customs authorities have been made in case of deep sea fishing.

- (a) PP forms are to be first presented to an authorised dealer for countersignature. The form will be countersigned by the authorised dealer only if the post parcel is addressed to his branch or correspondent bank in the country of import. The concerned overseas branch or correspondent is to be instructed to deliver the post parcel against payment or acceptance of relevant bill, as the case may be.

Chapter 10

SHIPPING AND CUSTOMS FORMALITIES

(As per the Prevailing Law i.e., ICA 62)

The shipment of export cargo has to be made with prior permission of, and under the close supervision of the custom authorities. The goods cannot be loaded on board the ship unless a formal permission is obtained from the custom authorities. The custom authorities grant this permission only when it is being satisfied that the goods being exported are of the same type and value as have been declared by the exporter or his C&F agent, and that the duty has been properly determined and paid, if any.

The custom procedure can be briefly explained as follows

- **Submission of Documents:** The exporter or his agent submits the necessary documents along with the shipping bill to the Custom House. The documents include:
 - AFE-1 (Original and duplicate)
 - Excise gate pass (Original and duplicate transporters' copy)
 - Proforma Invoice
 - Packing List
 - GRI form (Original and duplicate)
 - Customs Invoice (where required in the importing country)
 - Original letter of credit/contract
 - Declaration form in triplicate
 - Quality Certificate
 - Purchase memo
 - Labels
 - Licence (if any required) including advance licence copy
 - Railway receipt/lorry way bill
 - Inspection Certificate by Export Inspection Agency

The negotiable copies have title to goods; whereas non-negotiable copies do not have title to goods but are used for record purpose.

PROCEDURE OF EXCISE CLEARANCE:

The common procedure of excise clearance under “bond” and under “rebate” is discussed as follows:

- **Preparing of Invoice:** The export goods have to be cleared from the factory under invoice. The invoice contains details like name of the exporter, value of goods, excise duty chargeable, etc. The invoice is to be prepared in triplicate. In case of export under Bond, the invoice should be marked as “**For Export without payment of duty**”. In addition to the invoice, a prescribed form ARE 1 has to be filed in by exporter.

- **Filling up of ARE-1 form (Annexure-20):** The ARE-1 form needs to be filled in four copies. A fifth (Optional) may be filled in by the exporter, which can be used at the time of claiming other export incentives. The ARE-1 copies have distinct color for the purpose of verification and processing.

- **Application to Assistant Commissioner of Central Excise (ACCE):** The exporter has to make an application to ACCE regarding the removal of goods from the factory/warehouse for export purpose.

- **Information to Range Superintendent of Central Excise (RSCE):** The ACCE will inform the RSCE of the goods whose jurisdiction the goods are intended to be cleared for export.

- **Deputation of Inspector:** The RSCE will then depute an inspector to clear the goods, either at the factory or warehouse, and in certain cases at the port.

- **Processing of ARE-1 Form:** The Excise Officer/Inspector will make endorsement on all copies of ARE-1. The handling of ARE-1 Form is done as follows:

- The inspector returns the original and duplicate copies to the exporter
- The triplicate copy is sent to officer (ACCE or Maritime Commissioner (MCCE) to whom bond was executed or letter of undertaking (LUT) was given. This copy can also be handed over to the exporter in a tamper proof sealed cover to be submitted to ACCE/MCCE.

- The 4th copy will be retained by the excise inspector.

- The 5th copy is also handed over to the exporter.

- At the time of export, original, duplicate and the 5th copy (optional) will be submitted to customs officer. The customs officer will examine these copies and then export will be allowed.

- The customs officer will then make endorsement of export on all copies of ARE-1. He will cite shipping bill number and date and other particulars of export on ARE-1.

- The original copy and quintuplicate (optional) will be returned to the exporter. The duplicate copy will be sent directly to the ACCE\MCCE i.e. excise officer with whom bond was executed will get 2 copies, one from RSCE (or excise inspector) when goods are cleared from factory and other Custom Officer after export. This will

- Copy of the Invoice , where goods are already purchased for export purchase.
- A copy of shipping bill duty certified by customs.

The exporter has to affix the prescribed court fee stamp on each of the Form 'H' issued. The STO then affixes the exporter's company stamp on the Form 'H'.

- ***Filling the details in Form 'H':*** After export of goods, the exporter fills the relevant details in 'Form H'. The Form 'H' needs to be prepared in triplicate.

The exporter retains one copy, and other two copies are sent to the seller from whom the exporter purchased the goods for export purpose. The seller then sends one copy of Form 'H' to STO along with the Return of Sales Tax. The other copy is retained by seller. The STO may issue refund order to the exporter.

Preview from Notesale.co.uk
Page 48 of 100

processing the export goods. Thus, the red LC enables the exporter to obtain packing credit facility for the purpose of processing the goods. It is called a red-cause LC because it is generally printed/ typed in red ink.

- **Green Clause LC:** The Green LC in addition to permitting packing credit advance also provides for the storing facilities at the port of shipment. Green LCs is extensively used in Australian wool creditors.

- **Back-to-Back LC:** Back-to Back LC is a domestic letter of credit. It is a ancillary credit created by a bank based on a confirmed export LC received by the direct exporters. The direct exporter keep the original LC (received from issuing bank) with the negotiating or some other bank in India, as a security, and obtains another LC in favour of domestic supplier. Through this route the domestic supplier gains direct access to a pre-shipment loan based on the receipt of domestic or back-to-back LC.

- **Documentary LC:** Most of the L\C is documentary L\C. Payment is being made by the bank against delivery of the full set of documents as laid down by the terms of credit. The important documents required to be submitted by the exporter under documentary LC includes the following:

- Bill of Lading /Airway Bill or any other transport document
- Commercial Invoice
- Insurance Policy
- Shipping Bill
- Certificate of Origin
- Combined Invoice and Certificate of Value and Origin
- OSP/CLWP certificate
- Packing List
- Certificate of Quality Inspection
- Bill of Exchange
- Any other document if required.

A letter of credit may call for some or most of the above documents and may also call for some other documents specific to the shipment.

- **Traveler's LC:** Traveler's LC is issued to the person who intends to make a journey abroad. The correspondent/ agent of the bank honors all the cheques drawn on this credit by its holder up to the amount mentioned in LC. Traveler's LC has more advantages as compared to traveler's cheques. In case of cheque, the holder can withdraw up to the amount of the cheque. Again, he has to carry a number of cheque. In case of traveler's LC, the holder can draw any amount up to the limit mentioned in the LC, and he need to carry only one paper of LC.

Types of Payments under a Documentary Credit.

2.4 Initially, data entry for Shipping Bills will be allowed to be made only at the Service centre. After the exporters/CHAs become conversant with the EDI procedures, the option of Remote EDI System would also be made available. In the Remote EDI system (RES) Exporters/CHAs can electronically file their shipping bills from their offices.

2.5 The schedule of charges to be levied for data entry at the Service Centre is as follows:

Charges for S/Bills having up to five items	...	Rs.60/-
Charges for additional block of five items	...	Rs.10/-
Amendment fees (for a block of five items)	...	Rs.10/-
Printing of a S/Bill for Remote EDI System	...	Rs.20/-

2.6 The Service Centre operators shall carefully enter the data on the basis of declarations made by the CHAs/Exporters. After completion of data entry, the checklist will be printed by the Data Entry Operator and shall be handed over to the Exporters/CHAs for confirmation of the correctness. Thereafter, the CHA/Exporters will make corrections, if any, in the checklist and return the same to the operator duly signed. The operator shall make the corresponding corrections in the data and shall submit the shipping bill. The operator shall not make any amendment after generation of the checklist and before submission in the system unless the corrections made by the CHAs/Exporters are clearly indicated on the checklist against the respective fields and duly authenticated by CHA/Exporters signature.

2.7 The system automatically generates the S/Bill Number. The operator shall endorse the same on the checklist in clear and bold figures. It should be noted that no copy of the S/Bill would be available at this stage.

2.8 The declarations would be accepted at the service centre from 10.00 hrs to 16.30 hrs. Declarations received up to 16.30 hrs will be entered in the computer system on the same day.

2.9 The validity of the S/Bill in EDI System is fifteen days only. After expiry of fifteen days from the date of filing of shipping bill, the exporter has to file the declaration afresh.

3 PROCEDURE FOR GR-1

3.1 Under the revised EDI procedure there would be no GR-1 Procedure. Exporters(including CHAs) would be required to file a declaration in the form SDF. It would be filed at the stage of “goods arrival” One copy of the declaration would be attached to the original copy of the S/Bill generated by the system and retained by the customs. The second copy would be attached to the duplicate S/B (the exchange control copy) and surrendered by the exporter to the authorized dealer for collection/negotiations.

3.2 The exporters are required to obtain a certificate from the bank through which they would be realizing the export proceeds. If the exporter wishes to operate through different banks for the purpose, a certificate would have to be obtained from each of the

2.3 If at any stage subsequent to the entry of goods in CFS it is noticed that the declaration has not been registered in the system, the exporters and CHAs will be responsible for the delay in shipment of goods and any damage, deterioration or pilferage, without prejudice to any other action that may be taken.

3. PROCESSING OF SHIPPING BILLS

3.1 The S/B shall be processed by the system on the basis of declaration made by the exporter. However, the following S/B shall require clearance of the Assistant Commissioner/Dy. Commissioner (AC/DC Exports):

- Duty free S/B for FOB value above Rs.10 lakh
- Free Trade Sample S/B for FOB value above Rs.25,000
- Drawback S/B where the drawback exceeds Rs. One lakh

3.2 Subject to the provisions of para 20.3 of this PN the following categories of S/Bills shall be processed by the Appraiser (Export Assessment) first and then by the Asstt/Dy. Commissioner:

- DEEC
- DEPB
- DFRC
- EOU
- EPCG

3.3 Apart from verifying the value and other particulars for assessment, the AO / AC / DC may call for the samples for confirming the declared value or the checking classification under the drawback schedule / DEEC / DEPB / DFRC / EOU etc., He may also give special instruction for examination of goods.

3.4 If the S/B falls in the categories indicted in para 6.1 above, the exporter should check up with the query counter at the Centre, whether the S/B has been cleared by Asstt. Commissioner /Dy. commissioner, before the goods are taken for examination. In case AC / DC raises any query, it should be replied through the Service Centre or, in case of EDI connectivity, through terminals of the Exporter / CHA. After all the queries have been satisfactorily replied to, AC / DC will pass the S/B

4. CUSTOMS EXAMINATION OF EXPORT CARGO

4.1 On receipt of the goods in the Export Shed in the CFS, the exporter will contact the system examining officer (SEO) and present the checklist with the endorsement of CONCOR on the declaration, along with all original documents such as Invoice, Packing List, ARE-1(AR-4)etc. He will also present additional particulars in the prescribed form.

4.2 SEO will verify the quantity of the goods actually received against that entered in the system. He will enter the particulars in the system. The system would identify the Examining Officer (if more than one are available) who would be carrying out physical examination of goods. The system would also indicate the packages (the quantity and the serial numbers) to be subjected to examination. SEO would write this information on the checklist and hand it over to the exporter. He would hand over the original documents to the Examining Officer. No examination order shall be given unless the goods have been

18.2 In respect of goods to be exported under claim for drawback, the exporters will file declaration in the form. The declaration in the form would also be required to be filed when the export goods are presented at the Export Shed for examination & “Let Export”

18.3 The exporters who intend to export the goods through CFS under claim for drawback are advised to open their account with the Bank of India branch situated at CFS-Mulund. This is required to be done to enable direct credit of the drawback amount to the exporters account, obviating the need for issue of separate cheque by post. The exporters are required to indicate their account number opened with the Bank of India branch at CFS-Mulund. It would not be possible to accept any shipment for export under claim for drawback in case the account number of the exporter in the bank is not indicated in the declaration form.

18.4 The exporters are also required to give their account number along with the details of the bank through which the export proceeds are to be realized.

18.5 Export declarations involving a drawback amount of more than rupees one lakh will be processed on screen by the AC/DC before the goods can be brought for examination and for allowing “Let Export”:

18.6 The drawback claims are sanctioned subject to the provisions of the Customs Act 1962, the Customs and Central Excise duties drawback rules 1995 and conditions prescribed under different sub-headings of the All Industry rates as per notification number 26/2003-Cus(NT) dated 1.4.2003 as amended by notification number 12/2004-Cus(NT) dated 29-01-04.

18.7 After actual export of the goods, the drawback claims will be processed through EDI system by the officers of drawback branch on first come first serve basis. There is no need for filing separate drawback claim. The claims will be processed, based on the Train Summary/Inward way bill, submitted by OOICOR. The status of the S/Bill and sanction of drawback claim can be ascertained from the “query counter” set up at the service centre. If any query has been raised or deficiency noticed, the same will be shown on the terminal and a printout of the query/deficiency may be obtained by the authorized person or the exporter from the service centre. The exporters are advised to reply to such queries expeditiously and such replies shall be got entered in the EDI system at the service centre. The claim comes in queue of the EDI system after reply to queries/deficiencies is entered by the service centre.

18.8 Shipping Bills in respect of goods under claim for drawback against brand rates would also be processed in the same manner, except that drawback would be sanctioned only after the original band rate letter is produced before the designated customs officer in the office of Asstt/Dy. Commissioner (Export) and is entered in the system. The exporter should specify the SS No. of drawback as 98.01 for provisional drawback.

18.9 All the claims sanctioned in a particular day will be enumerated in a scroll and transferred to the Bank through EDI. The bank will credit the drawback amount in the Account of the exporter on the next day and will handle accounts of the exporters as per their instructions. Bank will also send a fortnightly statement to the exporters about the payments of their drawback claims.

19. EXPORT OF GOODS UNDER DEPB

19.1 While filing information as per the format, exporters are required to ensure that correct Group Code No. of the goods being exported and the item No. of relevant Group

licence along with the attested copy of the licence and the signed printout of the particulars shall be presented to the Appraiser/Supt (EPCG Cell)The Appraiser/Supdt. (EPCG Cell) would verify the particulars entered in the computer with original licence and register the same in EDI system. The registration number of the EPCG Licence would be furnished to the exporters/CHA, who shall note the same carefully for future reference.

22 EXPORT OF GOODS UNDER THE DEEC SCHEME

22.1 Only shipping bills pertaining to DEEC books issued on or after 1.4.95 will be processed on the EDI system.

22.2 All the exporters intending to file s/bills under the DEEC scheme including those under the claim for drawback should first get their DEEC Book registered with the CFS Mulund. The registration can be done in the service centre.

The original DEEC book would need to be produced at the service centre for data entry. A print out of the relevant particulars entered will be given to the exporter/CHA. The DEEC Book would need to be presented to the Appraiser/Supdt., DEEC Cell, who would verify the particulars entered in the computer with the original DEEC and register the same in the EDI system. The registration No. of the DEEC Book would be furnished to the exporter/CHA, which would need to be mentioned on the declaration forms at the CFS for export of goods. It would not be necessary thereafter for the exporter/CHA to produce the original DEEC book for processing of the export declarations.

22.3 Each book will be allotted a Registration No. should be indicated on the shipping bill in the relevant columns.

22.4 Exporters/CHAs that will be filling S/Bills for export of goods under the DEEC Scheme would be required to file additional declarations regarding availment/non-availment of MODVAT or regarding observance/non-observance of specified procedures prescribed in the Central Excise 1944 in the form. The declaration should be supported by necessary certificates (ARE-1 or for non-availment of MODVAT) issued by the jurisdiction Central Excise authorities. "Let Export" would be allowed only after verification of all these certificates at the time of examination of goods. The fact that the prescribed DEEC declaration is being made should be clearly stated at the appropriate place in the declaration being filled in the service centre or through RES-Mode.

22.5 All the export declarations for DEEC would be processed on screen by the Appraiser/Supdt., Export Department and the AC/DC Exports. The said processing would be akin to the processing of Bill of Entry on the EDI System with provisions for query/reply.

22.6 Further, exporters availing of DEEC benefits in terms of various notifications should file the relevant declarations.

22.7 It is further clarified as follows:

3. 5% reduction on total premium on lump sum payment
4. No declaration required
5. All buyers in open countries covered on conditions
6. Protection up to Aggregate Loss Limit and Individual buyer up to 10% of All.

8. CONSIGNMENT EXPORTS POLICY (STOCKHOLDING AGENT)

Economic liberalization and gradual removal of international barriers for trade and commerce are opening up various new avenues of exports opportunities to Indian exporters of quality goods. A method increasingly adopted by Indian exporters is consignment exports where goods are shipped and held in stock overseas ready for sale to overseas buyers, as and when orders are received. Thus separate Credit Insurance Policy is introduced to cover exclusively shipments on consignment basis taking into account their special features, providing adequate incentives and simplifying procedures considerably

Period of the Policy: 12 Months

Risks covered:

- Commercial Risks on stockholding agent and/or ultimate buyer
- Political Risks

Percentage of Cover: 90% for Standard Policy holders and 80% for others

Important obligations of Exporters:

- Advance deposit of premium in advance on quarterly or monthly basis
- Obtaining credit limit on ultimate buyers beyond the discretionary limit
- Quarterly/Monthly statement of actual exports
- Overdue declaration
- Filing of claim
- Sharing of recovery

Highlights:

- Covers only the consignments exports
- Rationalized premium for 360 days
- Automatic cover for ultimate buyers upto discretionary limit
- Commercial risks on agents covered
- Extended period for realization upto 360 days

9 **CONSIGNMENT EXPORTS POLICY (GLOBAL ENTITY)**

A method adopted by India exporters is consignment exports where goods are shipped to their own branch office overseas ready for sale to overseas buyers, as and when orders are received. Thus separate credit insurance policy is introduced to cover exclusively shipments by the exporters to their branches overseas on consignment basis taking into account their special features, providing adequate incentives and simplifying the procedures considerably.

Period of the Policy: 12 Months

Risks covered: Commercial Risks on overseas branch on conditions

Percentage of Cover: 90% for Standard Policy orders and 80% for others

Important obligations of Exporters:

- Advance deposit of premium in advance on quarterly or monthly basis
- Obtaining credit limit on ultimate buyers beyond the discretionary limit
- Quarterly/Monthly statement of actual exports
- Overdue declaration
- Filing of claim
- Sharing of recovery

Highlights:

- Covers only the consignments exports
- Rationalized premium for 360 days
- Automatic cover for ultimate buyers upto discretionary limit
- Commercial risks on agents covered
- Extended period for realization upto 360 days

10. **SERVICES POLICIES**

Services Policies offer protection to Indian firms against payments risks involved in rendering services to foreign parties. A wide range of services, hiring or leasing can be covered under these policies. The exporters can opt for whole Turnover Services Policy or for Specific Services Policy depending on the nature of services provided. The

chapter 19

CONCLUSION

The study was conducted to know the process involved in an apparel firm and to study about the various departmental functions which coordinates to complete the export cycle. The export procedure of the firm has been seen clearly and other related aspect has been known. Procedure for export ,we also study about document for export , incoterms , export sales and contract terms , financial risk and payment terms, pre-shipment , letter of credit , important of document what all methods of creating ecgc cover EDI method and how it is work ,helpful for client and shipping line. Net research growth of EDI and importance of custom house agent. Future development in shipping line and documentation process and how will be they will create short . That all about project report we get knowledge.