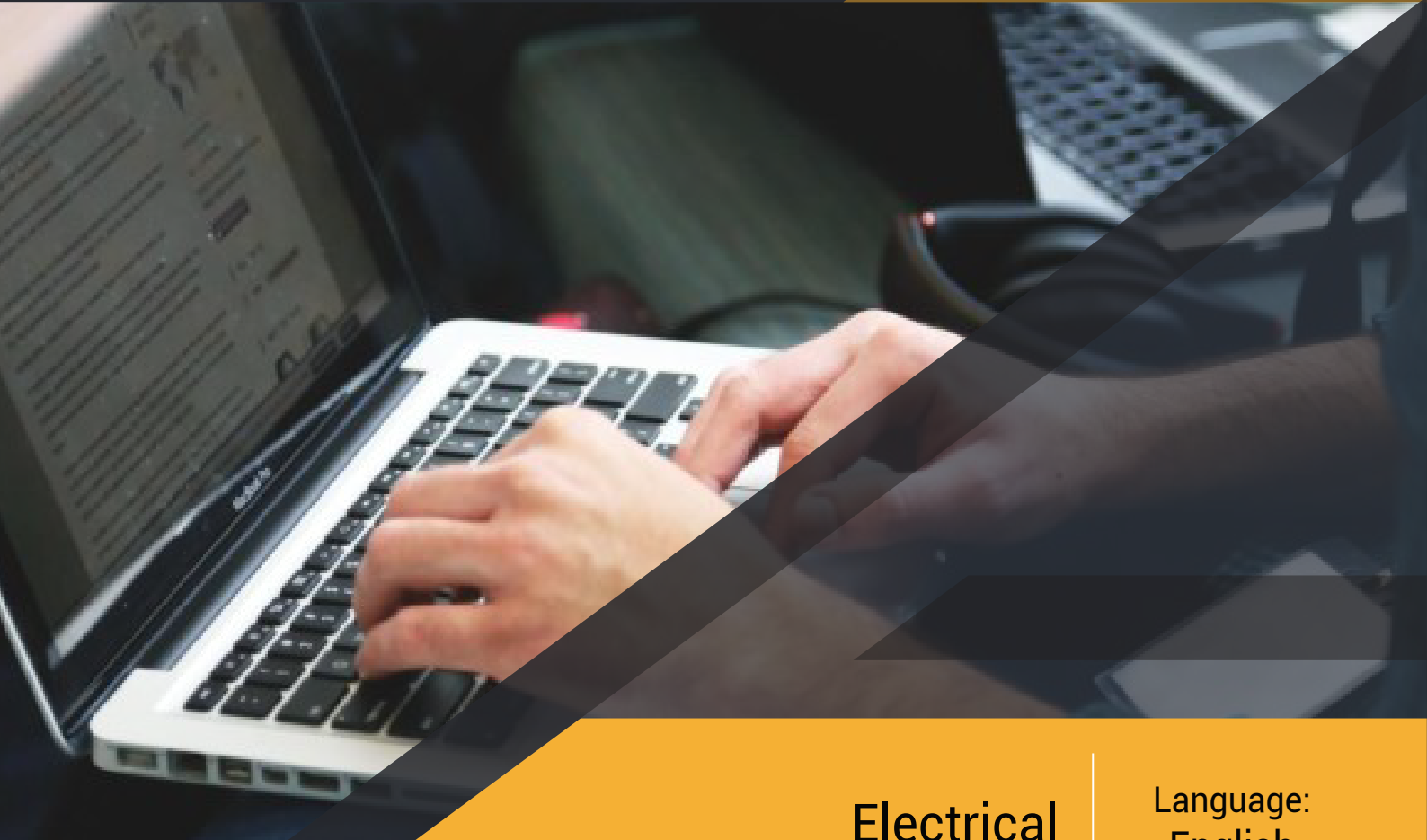




PARTICIPANT HANDBOOK



Electrical

Language:
English

Junior Clerk

JUNIOR CLERK



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Welcome Note

Dear Participant,

Welcome to the "Junior Clerk" training programme. After completion of the training, Participants would be able to:

- ✓ Walk, ride bicycles, drive vehicles, or use public conveyances in order to reach destinations to deliver messages or materials.
- ✓ Load vehicles with listed goods, ensuring goods are loaded correctly and taking precautions with hazardous goods.
- ✓ Unload and sort items collected along delivery routes.
- ✓ Receive messages or materials to be delivered, and information on recipients, such as names, addresses, telephone numbers, and delivery instructions, communicated via telephone, two-way radio, or in person.
- ✓ Plan and follow the most efficient routes for delivering goods.
- ✓ Deliver messages and items, such as newspapers, documents, and packages, between establishment departments, and to other establishments and private homes.
- ✓ Sort items to be delivered according to the delivery route
- ✓ Obtain signatures and payments, or arrange for recipients to make payments.
- ✓ Record information, such as items received and delivered and recipients' responses to messages.

Read each module, log your key learning, and attempt the worksheet questions in the end.

General Instructions to Trainee

1. Greet your instructor and the other participants when you enter the class.
2. Always be punctual for every class.
3. Be regular. Candidates who fall short of the required attendance will not be certified.
4. Inform your instructor if, for any reason, you need to miss class.
5. Pay attention to what your instructor is saying or showing.
6. If you do not understand something, put up your hand and seek clarification.
7. Make sure you do all the exercises at the end of each module in this book. It will help you understand the concepts better.
8. Practice any new skills you have learnt as many times as possible. Seek the help of your Trainer or co-participant for practice.
9. Take all necessary precautions, as instructed by your Trainer, while working with electricity and with tools.
10. Make sure you are neatly attired and presentable at all times.
11. Participate actively in all the activities, discussions and games during training.
12. Always take bath, wear clean clothes and comb your hair before you come to class.

The three most important words you must always remember and use in your daily conversation are PLEASE, THANK YOU and SORRY.

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CHAPTER - 1

EXPORTS

LEARNING OUTCOMES:



- Gaining knowledge about the concept of Export and Import
- Learning about the trade system

PRE-SESSION ACTIVITY

- The Trainer will show a video on how export takes place in India.

1.1 Export and Import

What is Export?

Exports are goods that are produced in your own country and shipped to another country for sale. In International trade, Exports are often referred the exchange of goods and services with other countries.



What is Import?

Imports are goods and services that are brought into a country. The difference in the total value of exports and the total value of imports is referred to as a country's **balance of trade**.



What is Customs?

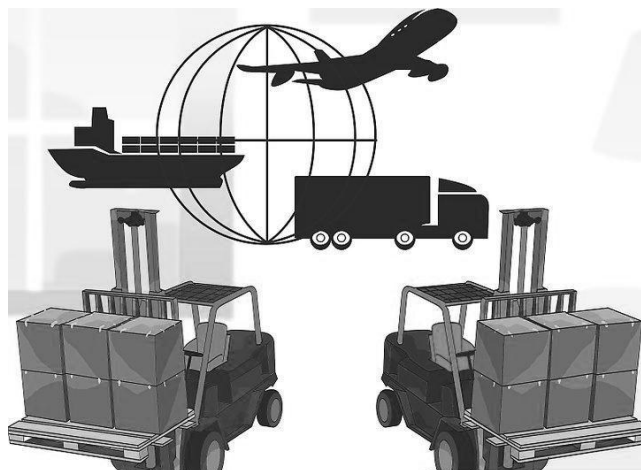
Companies shipping huge quantities of products often use air and ocean freight to ship goods. In these cases, it is often necessary to work with **customs authorities** in the country shipping and the country receiving the good. Customs officials help protect their home country by working to ensure that no illegal or unsafe goods are shipped into the country. They also play a vital role in stopping pirated and fake goods, such as smart phones, computers, prescription drugs and shoes.



1.2 Process of export



How to start Export?



An exporter requires making systematic preparations before starting an export business. To start export business, the following steps are to be followed:

1) Establishing an Organization

To start the export business, first a sole Proprietary concern/ Partnership firm/Company has to be set up with an attractive name and logo.

2) Opening a Bank Account

A current account with a Bank authorized to deal in Foreign Exchange should be opened.

3) Obtaining Permanent Account Number (PAN)

It is necessary for every exporter and importer to obtain a PAN from the Income Tax Department.



4) Obtaining Importer-Exporter Code (IEC) Number

An IEC is a 10-digit number, which is mandatory for undertaking export/ import. Application for obtaining IEC Number can be submitted to Regional authority of DGFT in form ANF 2A along with the documents listed therein.

Applicants can also apply for e-IEC on the DGFT website (<http://dgft.gov.in/>). Only one IEC can be obtained against a single PAN.

5) Registration cum membership certificate (RCMC)

For availing authorization to import/ export or any other benefit or concession under FTP 2015-20, exporters are required to obtain RCMC granted by the concerned Export Promotion Councils/ FIEO/Commodity Boards/ Authorities.

6) Selection of product

All items are freely exportable except few items appearing in prohibited/ restricted list.

After studying, the trends of export of different products from India proper selection of the product(s) to be exported may be made.

7) Selection of Markets

An overseas market should be selected after research covering market size, competition, quality requirements, payment terms etc. Exporters can also evaluate the markets based on the export benefits available for few countries under the FTP. Export promotion agencies, Indian Missions abroad, colleagues, friends, and relatives might be helpful in gathering information.

8) Finding Buyers

Participation in trade fairs, buyer seller meets, exhibitions, B2B portals, web browsing are an effective tool to find buyers. EPC's, Indian Missions abroad, overseas chambers of commerce can also be helpful. Creating multilingual Website with product catalogue, price, payment terms and other related information would also help.

9) Sampling

Providing customized samples as per the demands of foreign buyers help in getting export orders. As per FTP 2015-2020, exports of bonafide trade and technical samples of freely exportable items shall be allowed without any limit.

10) Pricing/Costing

Product pricing is important in getting buyers' attention and promoting sales in view of international competition. The price should be worked out taking into consideration all expenses from sampling to realization of export proceeds based on terms of sale i.e. Free on Board (FOB), Cost, Insurance & Freight (CIF), Cost & Freight(C&F), etc. Goal of establishing export costing should be to sell maximum quantity at competitive price with maximum profit margin. Preparing an export-costing sheet for every export product is desirable.

11) Negotiation with Buyers

After determining the buyer's interest in the product, future prospects and continuity in business, demand for giving reasonable allowance/discount in price may be considered.

12) Covering Risks through ECGC

International trade involves payment risks due to buyer/ Country insolvency. These risks can be covered by an appropriate Policy from Export Credit Guarantee Corporation Ltd (ECGC). Where the buyer is placing order without making advance payment or opening letter of Credit, it is advisable to procure credit limit on the foreign buyer from ECGC to protect against risk of non-payment.

i. Confirmation of order

On receiving an export order, it should be examined carefully in respect of items, specification, payment conditions, packaging, delivery schedule, etc. and then the order should be confirmed. Accordingly, the exporter may enter into a formal contract with the overseas buyer.

ii. Procurement of Goods

After confirmation of the export order, immediate steps may be taken for procurement/manufacture of the goods meant for export. It should be remembered that the order has been obtained with much efforts and competition so the procurement should also be strictly as per buyer's requirement.

iii. Quality Control

It is important to be strict and quality conscious about the export goods. Some products like food and agriculture, fishery, certain chemicals, etc. are subject to compulsory pre-shipment inspection. Foreign buyers may also lay down their own standards/specifications and insist upon inspection by their own nominated agencies. Maintaining high quality is necessary to sustain in export business.



iv. Finance

Exporters are eligible to obtain pre-shipment and post-shipment finance from Commercial Banks at concessional interest rates to complete the export transaction. Packing Credit advance in pre-shipment stage is granted to new exporters against lodgement of L/C or confirmed order for 180 days to meet working capital requirements for purchase of raw material/finished goods, labour expenses, packing, transporting, etc. Normally Banks give 75% to 90% advances of the value of the order keeping the balance as margin. Banks adjust the packing credit advance from the proceeds of export bills negotiated, purchased or discounted.

Post Shipment finance is given to exporters normally upon 90% of the Invoice value for normal transit period. The maximum period for post-shipment advances is 180 days from the date of shipment. Advances granted by Banks are adjusted by realization of the sale proceeds of the export bills. In case export bill becomes overdue, Banks will charge commercial lending rate of interest.

v. Labelling, Packaging, Packing and Marking

The export goods should be labelled, packaged and packed strictly as per the buyer's specific instructions. Good packaging delivers and presents the goods in top condition and in attractive way. Similarly, good packing helps easy handling, maximum loading, reducing shipping costs and to ensuring safety and standard of the cargo. Marking such as address, package number, port and place of destination, weight, handling instructions, etc. provides identification and information of cargo packed.

vi. Insurance

Marine insurance policies covers risks of loss or damage to the goods during the while the goods are in transit. Generally, in CIF contract the exporters arrange the insurance whereas for C&F and FOB contract the buyers obtain insurance policy.

vii. Delivery

It is important feature of export and the exporter must adhere to the delivery schedule. Planning should be there to let nothing stand in the way of fast and efficient delivery.

viii. Customs Procedures

It is necessary to obtain PAN based Business Identification Number (BIN) from the Customs prior to filing of shipping bill for clearance of export good and open a current account in the designated bank for crediting of any drawback amount and the same has to be registered on the system.

In case of Non-EDI, the shipping bills or bills of export are required to be filled in the format as prescribed in the Shipping Bill and Bill of Export (Form) regulations, 1991. An exporter need to apply different forms of shipping bill/ bill of export for export of duty free goods, export of dutiable goods and export under drawback etc.

Under EDI System, declarations in prescribed format are to be filed through the Service Centers of Customs. A checklist is generated for verification of data by the exporter/CHA. After verification, the Service Center operator submits the data to the System and the System generates a Shipping Bill Number, which is endorsed on the printed checklist and returned to the exporter/CHA. In most of the cases, a Shipping Bill is processed by the system based on declarations made by the exporters without any human intervention. Where the Appraiser Dock (export) orders for samples to be drawn and tested, the Customs Officer may proceed to draw two samples from the consignment and enter the particulars thereof along with details of the testing agency in the ICES/E system.

Any correction/amendments in the checklist generated after filing of declaration can be made at the service center, if the documents have not yet been submitted in the system and the shipping bill number has not been generated. In situations, where corrections are required to be made after the generation of the shipping bill number or after the goods have been brought into the Export Dock, amendments is carried out in the following manners.

1. The goods have not yet been allowed "let export" amendments may be permitted by the Assistant Commissioner (Exports).
2. Where the "Let Export" order has already been given, amendments may be permitted only by the Additional/Joint Commissioner, Custom House, in charge of export section.

In both the cases, after the permission for amendments has been granted, the Assistant Commissioner / Deputy Commissioner (Export) may approve the amendments on the system on behalf of the Additional /Joint Commissioner. Where the print out of the Shipping Bill has already been generated, the exporter may first surrender all copies of the shipping bill to the Dock Appraiser for cancellation before amendment is approved on the system.

ix. Customs House Agents

Exporters may avail services of Customs House Agents licensed by the Commissioner of Customs. They are professionals and facilitate work connected with clearance of cargo from Customs.

x. Documentation

FTP 2015-2020 describes the following mandatory documents for import and export.

- Bill of Lading/ Airway bill
- Commercial invoice cum packing list
- shipping bill/ bill of export/ bill of entry (for imports)

(Other documents like certificate of origin, inspection certificate etc. may be required as per the case.)

**xi. Submission of documents to Bank**

After shipment, it is obligatory to present the documents to the Bank within 21 days for onward dispatch to the foreign Bank for arranging payment. Documents should be drawn under Collection/Purchase/Negotiation under L/C as the case may be, along with the following documents

- ✓ Bill of Exchange
- ✓ Letter of Credit (if shipment is under L/C)
- ✓ Invoice
- ✓ Packing List
- ✓ Airway Bill/Bill of Lading
- ✓ Declaration under Foreign Exchange
- ✓ Certificate of Origin/GSP
- ✓ Inspection Certificate, wherever necessary
- ✓ Any other document as required in the L/C or by the buyer or statutorily.

xii. Realization of Export Proceeds

As per FTP 2015-2020, all export contracts and invoices shall be denominated either in freely convertible currency of Indian rupees, but export proceeds should be realized in freely convertible currency except for export to Iran.

Export proceeds should be realized in 9 months.

POST-SESSION ACTIVITY

- The Trainer will ask the Trainees one at a time to discuss the steps how export happens in India.

TAKE-AWAY

- Exports are goods that are produced in your own country and shipped to another country for sale.
- Imports are goods and services that are brought into a country.
- Customs officials help protect their home country by working to ensure that no illegal or unsafe goods are shipped into the country.



Test yourself

1. An exporter requires making systematic preparations before starting an export business.

Here are the steps to be initiated, but they are not in order. Mark the steps as per order of preparation:

| Steps | Order of Appearance |
|--|---------------------|
| 1. Registration cum membership certificate | Step _____ |
| 2. Negotiating with buyers | Step _____ |
| 3. Establishing an Organization | Step _____ |
| 4. Obtaining Importer-Exporter Code (IEC) Number | Step _____ |
| 5. Obtaining Permanent Account Number (PAN) | Step _____ |
| 6. Selection of product & markets | Step _____ |
| 7. Opening a Bank Account | Step _____ |
| 8. Finding buyers | Step _____ |
| 9. Covering Risks through ECGC | Step _____ |

2. Tick from the list below the correct documents that the exporter needs to submit to the bank after shipment

- a) Bill of Exchange []
- b) Cheque in self-name []
- c) Letter of Credit []
- d) Invoice []
- e) Exporter's List []
- f) Packing List []
- g) Money Order Receipt []
- h) Airway Bill []
- i) Lodging Receipt []
- j) Inspection Certificate []

CHAPTER - 2

EVOLUTION AND THE CONTRIBUTION OF THE WCO

LEARNING OUTCOMES:



- Gaining knowledge about WCO
- Learning about border regulations

PRE-SESSION ACTIVITY

- The Trainer will take the Trainees for a web tour to an export company.

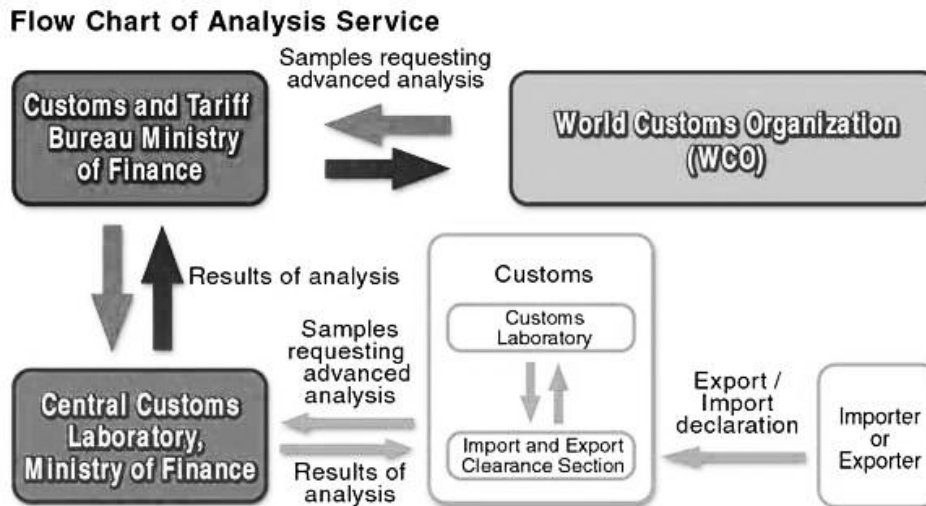
2.1 What is WCO?



The World Customs Organization is an independent intergovernmental body whose mission is to enhance the effectiveness and efficiency of customs administrations. Today, the WCO represents 182 Customs administrations across the globe that collectively process approximately 98% of world trade. As the global centre of Customs expertise, the WCO is the only international organization with competence in Customs matters and can rightly call itself the voice of the international Customs community.

The WCO offers its Members a range of Conventions and other international instruments, as well as technical assistance and training services provided either directly by the Secretariat, or with its participation. Besides the vital role played by the WCO in stimulating the growth of legitimate international trade, its efforts to combat fraudulent activities are also recognized internationally. The partnership approach championed by the WCO is one of the keys to building bridges between Customs administrations and their partners.

2.2 Function of WCO



The main mission of the WCO is to secure the standardization of Customs procedures and the development of Customs techniques in order to facilitate and secure international trade. The WCO is the only organization focused on Customs issues. It is particularly noted for its work in areas covering the development of global standards. It covers topics, such as commodity classification, valuation and rules of origin, compliance, cross-border enforcement to combat illicit trade, trade facilitation, the simplification and harmonization of Customs procedures, the security of the trade supply chain, and the promotion of integrity. To support its activities, the WCO undertakes extensive Customs capacity building initiatives and empirically based research into topical Customs and trade issues.

To support its activities, the WCO undertakes extensive Customs capacity building initiatives and empirically based research into topical Customs and trade issues.

2.3 Customs regulation in India

In India, the import and export of goods is governed by the Foreign Trade (Development & Regulation) Act, 1992 and India's Export Import (EXIM) Policy.

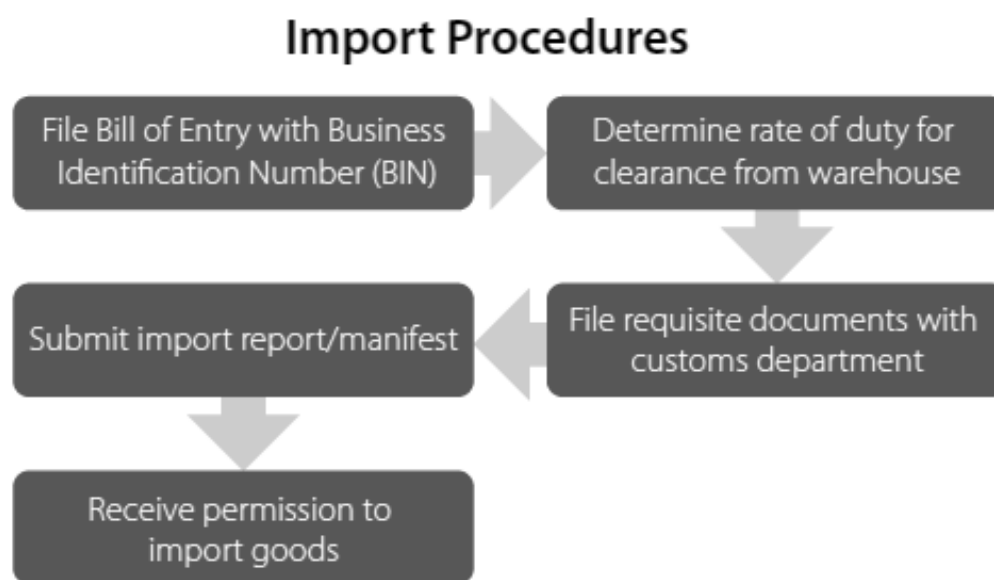
Importers are required to register with the DGFT to obtain an Importer Exporter Code Number (IEC) issued against their Permanent Account Number (PAN), before engaging in EXIM activities. After an IEC has been obtained, the source of items for import must be identified and declared. The Indian Trade Classification – Harmonized System (ITC-HS) allows for the free import of most goods without a special import license. Certain goods that fall under the following categories require special permission or licensing, however:

1. **Licensed (Restricted) Items:** Licensed items can only be imported after obtaining an import license from the DGFT. These include some consumer goods such as precious and semi-precious stones, products related to safety and security, seeds, plants, animals, insecticides, pharmaceuticals and chemicals, and some electronic items.

2. **Canalized Items:** Canalized items can only be imported via specified transportation channels and methods, or through government agencies such as the State Trading Corporation (STC). These include petroleum products, bulk agricultural products such as grains and vegetable oils, and some pharmaceutical products.
3. **Prohibited Items:** Prohibited goods are strictly forbidden from import. The list includes tallow fat, animal rennet, wild animals, and unprocessed ivory.

2.4 Import Procedures

All importers must follow detailed customs clearance formalities when importing goods into India. A comprehensive overview of EXIM procedures can be found on the Indian Directorate of General Valuation's website.



Bill of Entry

Every importer is required to begin by submitting a Bill of Entry under Section 46. This document certifies the description and value of goods entering the country. The Bill of Entry should be submitted as follows:

1. The original and duplicate for customs
2. A copy for the importer
3. A copy for the bank
4. A copy for making remittances.

Under the Electronic Data Interchange (EDI), no formal Bill of Entry is required (as it is recorded electronically) but the importer is required to file a cargo declaration after prescribing particulars required for processing of the entry for customs clearance. Bills of Entry can be one of three types:

1. **Bill of Entry for Home Consumption**– This form is used when the imported goods are to be cleared on payment of full duty. Home consumption means use within India. It is white coloured and hence often called the 'white bill of entry'.

2. **Bill of Entry for Housing** – If the imported goods are not required immediately, importers may store the goods in a warehouse without the payment of duty under a bond and then clear them from the warehouse when required on payment of duty. This will enable the deferment of payment of the customs duty until goods are actually required. This Bill of Entry is printed on yellow paper and is thus often called the ‘yellow bill of entry’. It is also called the ‘into bond bill of entry’ as the bond is executed for the transfer of goods in a warehouse without paying duty.
3. **Bill of Entry for Ex-Bond Clearance** – The third type is for ex-bond clearance. This is used for clearance from the warehouse on payment of duty and is printed on green paper.

It is important to note that the rate of duty applicable is, as it exists on the date a good is removed from a warehouse. Therefore, if the rate changes after goods have been cleared from a customs port, the customs duty as assessed on a yellow bill of entry (Bill of Entry for Housing) and paid on the value listed on the green bill of entry (Bill of Entry for Ex-Bond Clearance) will not be the same.

Other non-EDI Documents

If a Bill of Entry is filed without using the Electronic Data Interchange system, the following documents are also generally required:

- Signed invoice
- Packing list
- Bill of lading or delivery order/air waybill
- GATT declaration form
- Importer/CHA declaration
- Import license wherever necessary
- Letter of credit/bank draft
- Insurance document
- Industrial license, if required
- Test report in case of chemicals
- Adhoc exemption order
- DEEC Book/DEPB in original, where applicable
- Catalogue, technical write up, literature in case of machineries, spares or chemicals as may be applicable
- Separately split up value of spares, components, and machinery
- Certificate of Origin, if preferential rate of duty is claimed

Import Duties

The Indian government levies several types of import duties on goods. These include:

Basic Customs Duty

Basic Customs Duty (BCD) is the standard tax rate applied to goods, or the standard preferential rate in the case of goods imported from specified countries. The rates of customs duties are outlined in the First and Second Schedules of the Customs Tariff Act, 1975. The First Schedule specifies rates of import duty and the Second specifies rates of export duty. BCD is divided into standard and preferential rates, with goods imported from countries holding trade agreements with the Indian central government eligible for lower preferential rates.

Additional Customs Duty (Countervailing Duty)

Countervailing duty (CVD) is equal to central excise duty and is levied on imported articles produced in India. With CVD, the process of production amounts to 'manufacture' as it is defined in the Central Excise Act, 1944. CVD is based on the aggregate value of goods including landing charges and BCD. An additional CVD may be levied equivalent to sales tax or VAT, not exceeding four per cent. This duty can be refunded if the importer pays all customs duties, the sales invoice indicates the credit is not allowed, and the importer pays VAT/sales tax on the sale of the good.

2.5 Import and Export licensing Procedures in India



Import Policy

The Indian Trade Classification (ITC)-Harmonized System (HS) classifies goods into three categories:

1. Restricted
2. Canalized
3. Prohibited

Goods not specified in the above-mentioned categories can be freely imported without any restriction, if the importer has obtained a valid IEC. There is no need to obtain any import license or permission to import such goods. Most of the goods can be freely imported in India.

Licensed (Restricted) Items

Restricted items can be imported only after obtaining an import license from the relevant regional licensing authority. The goods covered by the license shall be disposed of in the manner specified by the license authority, which should be clearly indicated in the license itself. The list of restricted goods is provided in ITC (HS). An import license is valid for 24 months for capital goods, and 18 months for all other goods.

Canalized Items

Canalized goods are items, which may only be imported using specific procedures or methods of transport. The list of canalized goods can be found in the ITC (HS). Goods in this category can be imported only through canalizing agencies. The main canalized items are currently petroleum products, bulk agricultural products, such as grains and vegetable oils, and some pharmaceutical products.

Prohibited Items

These are the goods listed in ITC (HS), which are strictly prohibited on all import channels in India. These include wild animals, tallow fat and oils of animal origin, animal rennet, and unprocessed ivory.

Export Policy

Just like imports, goods can be exported freely if they are not mentioned in the classification of ITC (HS). Below follows the classification of goods for export:

- Restricted
- Prohibited
- State Trading Enterprise

Restricted Goods

Before exporting any restricted goods, the exporter must first obtain a license explicitly permitting the exporter to do so. The restricted goods must be exported through a set of procedures/conditions, which are detailed in the license.

Prohibited Goods

These are the items, which cannot be exported at all. The vast majority of these include wild animals, and animal articles that may carry a risk of infection.

State Trading Enterprise (STE)

Certain items can be exported only through designated STEs. The export of such items is subject to the conditions specified in the EXIM policy.

2.6 Types of Duties

Various types of duties that are levied in India on imports and exports. A list of these duties follows below:

Basic Duty

Basic duty is the typical tax rate that is applied to goods. The rates of custom duties are specified in the First and Second Schedules of the Customs Tariff Act of 1975. The First Schedule contains rates of import duty, and the second schedule contains rates of export duties. Most of the items in India are exempt from custom duty, which is generally levied on imports.

The first schedule contains two rates: Standard rate and preferential rate. The preferential rate is lower than the standard rate. When goods are imported from a place specified by the central government (CG) for lower rates, the preferential rate is applicable. In any other case, the standard rate will be applicable. If the CG has signed a trade agreement with the country of origin, then the CG may opt to charge a lower basic duty than indicated in the first schedule.

Countervailing Duty

In addition to the basic duty on imported goods, a countervailing duty (CVD) is also applicable to imported goods. The rate of duty is equal to the rate of excise applied to goods manufactured in India. If the article is not manufactured in India, then goods of a similar nature are used to determine the correct duty amount. If there are different rates of duty on similar goods, then the highest rates of the known products will be applied to the article in question. All products imported by Special Economic Zones (SEZ) enjoy zero per cent CVD.

Special Additional Countervailing Duty (known as Special CVD)

Special CVD tax is application on all items. It is levied at the rate of 4 per cent of the basic and the excise duty on all imports in order to countervail the VAT or sales tax on local goods in India. This duty can be refunded to traders who sell imported goods in India after charging VAT/Sales tax.

Anti-Dumping Duty

This is levied on specific goods imported from specified countries – including the US – to protect Indian industries. India can impose duties up to, but not exceeding, the margin of dumping, or the difference between the normal value and the export price.

Safeguard Duty

A safeguard duty is a tariff designed to provide protection to domestic goods, favouring them over imported items. If the government determines that increased imports of certain items are having a significantly detrimental effect on domestic competitors, it may opt to levy this duty on those imports to discourage their proliferation. However, the duty does not apply to articles imported from developing countries. The government may exempt imports of any article from this duty. The notification issued by the government in this regard is valid for four years, subject to further extension. However, the total period cannot exceed 10 years from the date of first imposition.

Education and Higher Education Cess

The education cess, simply put, is a tax designed to fund education and healthcare initiatives. An education cess at the rate of 2 per cent and higher education cess of 1 per cent are levied on the aggregate of duties of customs. However, the aggregate of customs duties does not include the safeguard duties, countervailing duty on subsidized articles, anti-dumping duty, or countervailing duty equivalent to VAT.

Valuation

Customs duty is payable as a percentage of 'Value' which is known as 'Assessable Value' or 'Customs Value.' The Value may be either:

- 'Value' as defined in Section 14 (1) of the Customs Act; or
- 'Tariff Value' described under Section 14 (2) of the Customs Act.

Tariff Value – the Central Board of Excise & Customs (CBEC) fixes the Tariff Value for any class of imported goods or export goods. Authorities will consider the trend of value of the goods in question while fixing tariff value. Once fixed, the duty is payable as a percentage of this value.

The value of imported goods for the assessment of duty is determined in accordance with the provisions of Section 14 of 1962 and the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. According to the rules, the assessable value equal the transaction value of goods as adjusted for freight and cost of insurance, loading, unloading and handling charges.

In the assessable value, the following criteria are included:

- Commission and brokerage;
- Cost of container, which are treated as being one with the goods for customs purposes;
- Cost of packing – labour or materials;
- Materials, components, tools, etc. supplied by buyer;
- Royalties and license fees;

- Value of proceeds of subsequent sales;
- Other payment as condition of sale of goods being valued;
- Cost of transport up to place of importation;
- Landing charges; and
- Cost of insurance

The following costs are excluded from the assessable value:

- Charges for construction, erection, assembly, maintenance or technical assistance undertaken after importation of plant, machinery or equipment;
- Cost of transport after importation;
- Duties and taxes in India; and
- Types of duties on exports and imports in India are covered in the Customs Tariff Act 1975. The Act provides all the laws and regulations related to customs in India.

Customs Handling Fee

The Indian government assesses a one per cent customs-handling fee on all imports in addition to the applied customs duty.

POST-SESSION ACTIVITY

- The Trainer will take the Trainees to some export industry to show the process of exports.

TAKE-AWAY

- WCO offers its Members a range of Conventions and other international instruments, as well as technical assistance and training services provided either directly by the Secretariat, or with its participation.
- The main mission of the WCO is to secure the standardization of Customs procedures and the development of Customs techniques in order to facilitate and secure international trade
- In India, the import and export of goods is governed by the Foreign Trade (Development & Regulation) Act, 1992 and India's Export Import Policy.
- Every importer is required to begin by submitting a Bill of Entry under Section 46. This document certifies the description and value of goods entering the country.
- Basic Customs Duty is the standard tax rate applied to goods, or the standard preferential rate in the case of goods imported from specified countries.
- Just like imports, goods can be exported freely if they are not mentioned in the classification of ITC (HS).
- A safeguard duty is a tariff designed to provide protection to domestic goods, favouring them over imported items.
- The education cess, simply put, is a tax designed to fund education and healthcare initiatives.
- The Indian government assesses a one per cent customs-handling fee on all imports in addition to the applied customs duty.



Test yourself

1. Match the following

| Match A | Match B | |
|----------------------------------|----------------|-----|
| a. World Customs Organization | A. BCD | [] |
| b. Importer Exporter Code Number | B. WCO | [] |
| c. Permanent Account Number | C. STC | [] |
| d. State Trading Corporation | D. IEC | [] |
| e. Basic Customs Duty | E. EDI | [] |
| f. Electronic Data Interchange | F. EXIM BANK | [] |
| g. Export–Import Bank of India | G. PAN | [] |

2. Fill in the blanks:

- a) Basic duty is the _____ that is applied to goods.
- b) The rate of _____ duty is equal to the rate of excise applied to goods manufactured in India.
- c) _____ Duty is levied at the rate of 4 per cent of the basic and the excise duty on all imports in order to countervail the VAT or sales tax on local goods in India.
- d) _____ Duty is levied on specific goods imported from specified countries - including the US - to protect Indian industries.
- e) A _____ duty is a tariff designed to provide protection to domestic goods, favouring them over imported items.

(Hints: Countervailing, typical tax rate, Safeguard, Special Additional Countervailing, Anti-Dumping)