

Chapter 4 - Guidelines And Rules for Import

Introduction

The various rules and guidelines in respect of various commodities and category of importers are mentioned in the following publications issued by the Ministry of Commerce, Government of India and revised from time to time:

- Import - Export Policy, 1997-2002 as modified up to 31.03.1999
- Handbook of Procedure
- Standard Input - Output Norms, 1997-2002.
- ITC (HS) Classification of Import and Export Items.

Export- Import Policy (1997-2002)

Export Import Policy or better known as Exim Policy is a set of guidelines and instructions related to the import and export of goods. The Government of India notifies the Exim Policy for a period of five years (1997-2002) under Section 5 of the Foreign Trade (Development and Regulation Act), 1992. The current policy covers the period 2002-2007. The Export Import Policy is updated every year on the 31st of March and the modifications, improvements and new schemes became effective from 1st April of every year. All types of changes or modifications related to the Exim Policy is normally announced by the Union Minister of Commerce and Industry who co-ordinates with the Ministry of Finance, the Directorate General of Foreign Trade and its network of regional offices.

Canalization is an important feature of Exim Policy under which certain goods can be imported only by designated agencies. For an example, canalised import items like gold, in bulk, can be imported only by specified banks like SBI (State Bank of India) and some foreign banks or designated agencies.

Handbook of Procedure

Handbook of Procedure (Volume I and Volume II), which is issued by the Director General of Foreign Trade (DGFT), is a book that contains all the necessary information about the rules and regulation in the matter related to Foreign Trade Policy. Handbook of Procedure is issued at the gap of every five year with change in the Foreign Trade Policy. Between the five years terms, any further changes or modifications in the Handbook of Procedure are carried out by notifications and amendments.

SION

Standard Input Output Norms or SION in short is standard norms which define the amount of input/inputs required to manufacture a unit of output for export purpose. Input output norms are applicable for the products such as electronics, engineering, chemical, food products including fish and marine products, handicraft, plastic and leather products etc. An application for modification of existing Standard Input-Output norms may be filed by manufacturer exporter and merchant-exporter.

The Directorate General of Foreign Trade (DGFT) from time to time issue notifications for fixation or addition of SION for different export products. Fixation of Standard Input Output Norms facilitates issues of Advance Licence to the exporters of the items without any need for referring the same to the Headquarter office of DGFT on repeat basis.

ITC- HS Codes

ITC- HS codes or better known as Indian Trade Clarification based on Harmonised System of Coding was adopted in India for import-export business. Indian custom uses an eight digit ITC HS Codes to suit the international trade requirements.

Harmonised System codes are divided into two schedules. Schedule I describe the rules and guidelines related to import policies where as Schedule II describe the rules and regulation related to export policies.

Schedule I of the ITC-HS code is divided into 21 sections and each section is further divided into chapters. The total number of chapters in the schedule I is 98. The chapters are further divided into sub-heading under which different HS codes are mentioned. Schedule II of the ITC-HS code contain 97 chapters giving all the details about the guidelines related to the export policies.