

EXIM COMPLIANCE IN INTERNATIONAL TRADE

Regulatory, Customs, Tax & Operational Compliance Framework



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Introduction to EXIM Compliance

EXIM Compliance refers to adherence to all laws, rules, and regulations governing the import and export of goods and services. It ensures that cross-border trade is conducted legally, transparently, and in accordance with national and international trade frameworks.

EXIM compliance broadly includes:

Regulatory compliance

Customs compliance

Tax and foreign exchange compliance

Documentation and procedural compliance

Why EXIM Compliance is **Important**

EXIM transactions are governed by multiple authorities and laws. Any deviation from prescribed procedures can result in penalties, shipment delays, or suspension of trade activities.

Importance of EXIM compliance:

Ensures smooth customs clearance

Prevents penalties and legal action

Protects exporter/importer credibility

Enables eligibility for trade benefits

Authorities Governing EXIM Compliance

EXIM activities are regulated by multiple government authorities, each responsible for specific aspects of trade.

Key authorities include:

- DGFT – Trade policy and authorisations
- Customs Department – Custom Clearance and Duty assessment
- GST Authorities – Tax compliance
- RBI (under FEMA) – Foreign Exchange Compliance
- Central / State Pollution Control Board (CPCB / SPCB)
 - Environmental compliance, EPR Compliance



Regulatory Compliance Under **DGFT**

DGFT regulates import-export activities through the Foreign Trade Policy. Compliance with DGFT provisions is mandatory to conduct legal trade operations.

DGFT compliance Involves:

-  **Adherence to Foreign Trade Policy**
-  **Compliance with import/export restrictions**
-  **Fulfilment of authorisation conditions**

Foreign Trade Policy (FTP) Compliance

The Foreign Trade Policy defines permitted, restricted, and prohibited goods and prescribes conditions for trade incentives.

FTP compliance ensures:

- Correct identification of restricted goods
- Lawful export/import operations
- Avoidance of policy violations



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 भारत सरकार
 Government Of India
 वाणिज्य और उद्योग मंत्रालय
 MINISTRY OF COMMERCE AND INDUSTRY
 O/o Additional Director General of Foreign Trade
 सयुक्त महानिदेशक विदेश व्यापार का कार्यालय
 133-136 Green Field, Pakhowal Road Ludhiana-141002
 आयातक-निर्यातक कोड (आईईसी) का प्रमाण पत्र
 CERTIFICATE OF IMPORTER-EXPORTER CODE (IEC)
(This is computer generated certificate. The authenticity of this document may be verified by clicking on "view Your IEC" link on the web site of DGFT i.e. <http://dgft.gov.in>)

1. नाम/User Name	SINGLA TRADERS
2. पता/Address	STREET NO.1 JAI MAA NAGAR NEAR BUS STAND FIROZEPUR CANTT FIROZEPUR FIROZEPUR PUNJAB-152001
3. उस धारक का नाम, पदनाम/Name and Designation of the signatory applicant	NIRMAL SINGLA PROPRIETOR
4. शाखा/इकाई का पता, हो तो/Address of the Branch/Div./Unit if any	Branches Nil
5. आईईसी संख्या/IEC Number	BCXPS3260A
6. जारी करने की तारीख/Date of Issue	10.02.2020
7. स्थाई खाता सं.(पैन)/PAN	BCXPS3260A

स्थान /Place: FIROZEPUR

तारीख /Date : 10.02.2020

System generated IEC certificate

(Issued From File No./[30/04/130/53322/AM20/] तारीख से जारी dated 10.02.2020)
 टिप्पणी/NOTE: IEC आईईसी पैन के आधार पर जारी हुआ है। / This IEC is issued on the basis of PAN.

Import Export Code (IEC) Compliance

IEC is a mandatory registration for all importers and exporters. Any trade activity without a valid IEC is considered non-compliant.

IEC compliance includes:

01

Valid IEC registration

02

Correct business details

03

Timely modification and updating of IEC data

Import Compliance Overview

Import compliance ensures that goods entering India meet all customs, regulatory, and fiscal requirements.

Import compliance covers:



Import policy compliance



**Customs clearance
procedures**



**Duty payment and
valuation**

Import Licensing & Restrictions

Certain goods require import licences or are subject to restrictions under FTP and allied laws.



Compliance requires:

- 1 Identification of restricted or prohibited items
- 2 Obtaining valid licences before import
- 3 Adherence to licence conditions

Customs Valuation & Classification

Compliance

Correct valuation and tariff classification are critical for accurate duty assessment.

Key compliance aspects:

1

**Correct HS code
declaration**

2

**Proper valuation as per
Customs rules**

3

**Disclosure of related-
party transactions**

EXPORT COMPLIANCE OVERVIEW

Some goods are subject to export restrictions due to national security, environmental, or strategic concerns.

Compliance involves:

- Checking export policy status
- Obtaining necessary permissions
- Fulfillment of post-export obligations

CUSTOMS COMPLIANCE FRAMEWORK

Customs compliance ensures correct declaration of goods, valuation, and duty payment.

Customs compliance covers:

- ☐ Cargo examination procedures
- ☐ HS classification and valuation
- ☐ Duty assessment and payment
- ☐ Filing of Bills of Entry and Shipping Bills
- ☐ Let Export Order Copy (LEO)



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GST COMPLIANCE IN EXIM

GST impacts both imports and exports and requires strict compliance.

GST compliance includes:

- IGST payment on imports
- Zero-rated exports
- GST refund compliance



FEMA & RBI COMPLIANCE

Foreign exchange transactions are governed by FEMA and RBI guidelines.

Key FEMA compliance areas:

- Receipt of export proceeds
- Timely import payments
- Use of authorized banking channels



DOCUMENTATION AND RECORD KEEPING

- Proper documentation and record maintenance are essential for audit and verification purposes.
- **Invoices and packing lists**
- **Bills of Entry and Shipping Bills**
- **Licenses, certificates and bank records**
- **Custom records retention: 7 years**

PENALTIES & CONSEQUENCES OF NON-COMPLIANCE

- Non-compliance with EXIM regulations can result in severe consequences.

Consequences include:

- Monetary penalties
- Suspension or cancellation of licenses
- Legal proceedings and investigations

Best Practices for EXIM Compliance

A structured compliance approach helps businesses mitigate risks and ensure smooth trade operations

- Regular compliance reviews
- Training of staff
- Timely documentation and reporting
- Professional advisory support



Conclusion

○ EXIM compliance is a continuous and comprehensive responsibility. A proactive approach ensures legal trade operations, risk mitigation, and long-term sustainability.

- Compliance as a business priority
- Integrated regulatory approach
- Sustainable international trade



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Legal Entity Identifier (LEI)



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eximpune@eximmanagementservices.com

