

A joint knowledge initiative by **Vizag Industrial Scan & Vizag Customs**

Importer- Exporter Code (IEC)- first step in embarking on International Trade

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company.

"A journey of a thousand miles begins with a single step- Lao Tzu, the Chinese philosopher is perfectly right. Are you planning to go global? I am sure that it is a dream for most of the manufacturers, service providers and traders to begin or expand business by stepping towards International Trade. International Trade involves import and export of goods and services. The Customs Act, 1962 defines "import", as "bringing into India from a place outside India" and "importer" as "any owner or any person holding himself out to be the importer".

Similarly, **Export** means "taking out of India to a place outside India" and **exporter** is defined as "any owner or any person holding himself out to be the exporter". Any person/company intends to undertake the import/export trade is under obligation to apply and obtain a 10-digit number allotted by Directorate general of Foreign Trade (DGFT). This 10 digit number is known as **Importer Exporter Code (IEC)**.

The Foreign Trade Policy (FTP), 2015-2020, notified by the Ministry of Commerce, contains provisions relating to export and import of goods and services, specifies statutory requirement, procedure relating to Importer Exporter Code (IEC).

The parent Act for The Foreign Trade Policy (FTP), 2015-2020 is The Foreign Trade (Development and Regulation) Act, 1992 also defines **import** and **export** as *bringing into, or taking out of, India any goods by land, sea or air.*

Who needs Importer Exporter Code (IEC) and why? As per Section 7 of The Foreign Trade (Development and Regulation) Act, 1992, "No person shall make any import or export **except** under an **Importer - exporter Code Number (IEC)** granted by the DGFT in accordance with the procedure specified in this behalf by the Director General".

Further The Foreign Trade Policy (FTP) also defines **Importer and Exporter** as "person who imports/intends to import or a person who exports/intends to export and holds an IEC number, unless otherwise specifically exempted. Thus, possessing an IEC is a basic requirement for import or export by any person/

Any exempted categories?: Some of the categories of importers/exporters are exempted from obtaining the IEC. They include, Ministries /Departments of Central or State Government, Persons importing or exporting goods for personal use not connected with trade or

Obtain e-IEC now:

DGFT has recently introduced the facility of issuing Importer Exporter Code in electronic form (e-IEC). For issuance of e-IEC an application can be made online on DGFT website (<http://dgft.gov.in>). Exporters / Importers can file an application in ANF 2A format for grant of e-IEC. Those who have digital signatures can sign and submit the application online along with the requisite documents.

Others may take a printout of the application, sign the undertaking/declaration, upload the same with other requisite documents and thereafter submit the signed copy of the online application form to concerned jurisdictional Regional Authorities (RA) either through post or by hand. List of RAs,

✓ Application has to be filled and submitted online and digital photograph along with requisite documents in digital format (JPG/GIF) are required to be uploaded.

✓ **Procedure to file online:** The detailed procedure, step wise can be seen at http://dgft.gov.in/exim/2000/iec_anf/app1.pdf

✓ **Any documents to be submitted?:** Yes. Documents like details of the entity, PAN of the business entity in whose name Import/Export would be done (Applicant individual in case of Proprietorship firms, Address Proof of the applicant entity, LLPIN /CIN/ Registration Certification Number (whichever is applicable), Bank account details of the entity, details of the

commercial PSUs and categories of importers / exporters mentioned against them for import / export purposes (See table):

Validity of IEC: An IEC allotted to an applicant shall have permanent validity unless cancelled by the competent authority. The IEC will cover all branches / divisions / units / factories of the applicant.

No Import/export? Beware of mis-use by unscrupulous traders-Surrender the IEC: Those who had already possessed the IEC but not actively using need to take certain precautions.

If an IEC holder does not wish to operate allotted IEC, he may surrender the same to the issuing authority. On receipt, the

Sl. No.	Permanent IEC	Categories of Importer / Exporter
1	0100000011	All Ministries / Departments of Central Government and agencies wholly or partially owned by them.
2	0100000029	All Ministries / Departments of any State Government and agencies wholly or partially owned by them.
3	0100000037	Diplomatic personnel, Counsellor officers in India and officials of UNO and its specialised
4	0100000045	Indians returning from / going abroad and claiming benefit under Baggage Rules.
5	0100000053	Persons /Institutions /Hospitals importing or exporting goods for personal use, not connected with trade or manufacture or
6	0100000061	Persons importing/exporting goods from /to Nepal
7	0100000070	Persons importing / exporting goods from / to Myanmar through Indo-Myanmar border
8	0100000088	Ford Foundation.
9	0100000096	Importers importing goods for display or use in fairs/ exhibitions or similar events under provisions of ATA carnet. This IEC number can also be used by importers importing for exhibitions/fairs as per Paragraph 2.63 of Handbook of Procedures
10	0100000100	Director, National Blood Group
11	0100000126	Individuals /Charitable Institution /Registered NGOs importing goods, which have been exempted from Customs duty under Notification issued by Ministry of Finance for bonafide use by victims affected
12	0100000134	Persons importing/exporting permissible goods as notified from time to time, from /to China through

manufacture or agriculture, import goods for display/ exhibition covered under ATA Carnet, selected goods imported by post, Persons importing/exporting goods from/ to Nepal; Myanmar (with certain monetary limits)

How to obtain an Importer - exporter Code Number (IEC): Para 2.05 of The Foreign Trade Policy provides that an Application for IEC to be made to the office of Regional Authority (RA) of DGFT along with an application fee of Rs 500/-. The application proforma is available under ANF 2A at URL http://dgft.gov.in/exim/2000/iec_anf/ANF2A.pdf.

along with their jurisdiction is given in **Appendix 1A**. Readers can find their jurisdictional offices/authorities from the URL <http://dgft.gov.in/exim/2000/download/AppendixANF1A.pdf>.

Online filing for IEC - a few guidelines :

✓ For Proprietor-ship firms, IEC would be issued against the PAN of the proprietor. For others (firm/company) IEC would be issued against the PAN of the applicant entity.

✓ To view the format of Online application form (ANF 2A) and to see the fields/information that are required to be filled up, you may check http://dgft.gov.in/exim/2000/iec_anf/app3.pdf.

Proprietor/ Partners/ Directors/ Secretary or Chief Executive of the Society/ Managing Trustee of the entity, digital photograph etc.

Only one IEC against one Permanent Account Number (PAN): Only one IEC is permitted against on Permanent Account Number (PAN). If any PAN card holder has more than one IEC, the extra IECs shall be disabled.

Permanent Importer Exporter Code (IEC): Some of the categories are not required to obtain the IEC and the following permanent IEC numbers can be used by non -

issuing authority shall immediately cancel the IEC and electronically transmit it to DGFT and Customs authorities.

This is warranted because, after introduction of self-assessment, some of the cases where unscrupulous traders, who do not possess their own IEC were found to have used IEC of others for international trade. It is advised that importers/exporters who have IEC's may check the usage of their IEC periodically.

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