

Dos and Don't Dos in Imports.

Do's

1. Open LC or import transactions only for customers and open only if the party has got sanction limit.
2. Allow import of restricted items as per procedure laid down in the Exim Policy.
3. Handover import documents only to drawee or his PA holder against property acknowledgement.
4. Allow payment for import by debit to customer's account.
5. Allow payment for the bills beyond six months and also allow payment of overdue interest on sight bills for a period not exceeding six months.
6. Allow payment to local agents on commission basis. In case of overseas agent, allow commission as per FEMA guidelines.
7. Verify the imported items under the LC.
8. Issue amendments to LC only on the basis of written request.
9. Verify whether the payment method in Letter of Credit is done as per FEMA guidelines or not.
10. In case of default payment, crystallise the bill on 10th day of the month.
11. Allow import provided goods are consigned to bank account opener.
12. Insist for insurance cover at the time of opening the LC.
13. Allow opening of LC on DA basis provided the Usance does not exceed more than 180 days.
14. Allow opening of Transferable LCs provided transfer is restricted to specified second beneficiaries whose credit report is satisfactory.
15. Verify the Letter of Credit application form to ensure whether they are properly filled and stamped.
15. Report to the RBI (Reserve Bank of India) if the bill of entry is not received.
16. Sell the imported goods, only after getting permission from ITC authorities.
17. Keep one copy of shipping documents, invoice and other papers for future inspection by the custom inspector or the Reserve Bank of India.

Don'ts

1. Issue the Letter of Credit if the customer doesn't have IEC number.
2. Open LC without proper transport documents.
3. Allow advance payment without proper documentation.
4. Forward the documents to third party without permission from the importer.
5. Import prohibited or restricted items without import license.
6. Allow direct remittance of import bills beyond the limit and without EC copy of bill of entry.
7. Open revolving LC without safety clause.
8. Amendments to the Letter of Credit for import of those items which is either restricted or prohibited.
9. Allow import documents received under collection paid without verifying importers line of business and financial standing.