

Import License and IEC Code Number

Introduction

While the majority of the goods are freely importable, the Exim Policy (2007) of India prohibits import of certain categories of products as well as conditional import of certain items. In such a situation it becomes important for the importer to have an import license issued by the issuing authorities of the Government of India.

Import License Issuing Authority

In India, Import License is issued by the Director General of Foreign Trade. DGFT Delhi office is situated in Udyog Bhawan, New Delhi 110011.

Validity of Import License

Import Licenses are valid for 24 months for capital goods and 18 months for raw materials components, consumable and spares, with the license term renewable.

Sample of Import License

A typical sample of import license consists of two copies-

ForeignExchange Control Copy: To be utilised for effecting remittance to foreign seller or for opening letter of credit

Customs Copy: To be utilised for presenting to Customs authority enabling them to clear the goods. In the absence of custom copy, import will be declared as an unauthorised import, liable for confiscation and or penalty.

Categories of Import

All types of imported goods come under the following four categories:

- **Freely importable items:** Most capital goods fall into this category. Any product declared as Freely Importable Item does not require import licenses.
- **Licensed Imports:** There are number of goods, which can only be importer under an import license. This category includes several broad product groups that are classified as consumer goods; precious and semi-precious stones; products related to safety and

security; seeds, plants and animals; some insecticides, pharmaceuticals and chemicals; some electronically items; several items reserved for production by the small-scale sector; and 17 miscellaneous or special-category items.

- **Canalised Items:** There are certain canalised items that can only be imported in India through specified channels or government agencies. These include petroleum products (to be imported only by the Indian Oil Corporation); nitrogenous phosphatic, potassic and complex chemical fertilizers (by the Minerals and Metals Trading Corporation) vitamin-A drugs (by the State Trading Corporation); oils and seeds (by the State Trading Corporation and Hindustan Vegetable Oils); and cereals (by the Food Corporation of India).
- **Prohibited items:** Only four items-tallow fat, animal rennet, wild animals and unprocessed ivory-are completely banned from importation.

Category of Importer

On the basis of product to be imported and its target buyer, importers categories are divided into three groups for the purpose of obtaining import licensing:

1. **Actual Users-** An actual user applies for and receives a license to import of any item for personal use rather than for business or trade purpose.
2. **Registered exporters;** defined as those who have a valid registration certificate issued by an export promotion council, commodity board or other registered authority designated by the Government for purposes of export-promotion.
3. **Others.**

The two types of actual user license are:

1. **General Licenses :** This license can be used for the imports of goods from all countries, except those countries from which imports are prohibited;
2. **Specific Licenses:** This license can only be used for imports from a specific country.

Custom Inspection

Any violation in the import license is usually scanned by the custom officials of the custom department. Customer inspector and other custom officials have authority to inspect and evaluate the goods to be imported. It's a part of their job to determine whether imports conform to the description in the import License or not. Custom official even have right to charge fines and penalties if any violation in the import license is found to be done by the importer.