

Finalizing Terms of Import.

Once an importer is satisfied with the product sample and creditworthiness of the supplier or exporter, the he can proceed to finalise the terms of the import contract. At this stage importer need to draft the contract terms and conditions very carefully and comprehensively. There should not be any ambiguity regarding the exact specifications of the goods and terms of the purchase including import price, mode of payment, type of packaging, port of shipment, delivery schedule, replacement of defective goods supplied, after sale services/warranty coverage etc.

The different aspect of an import contract is enumerated as under some of which may be relevant and other may not be:

Product Specifications: An importer should clearly mention every minute detail about the product. This factor sometimes became quite important while importing a special order product or item.

Product Standards: Importer should check weather the imported product meets the product standards like ISO certification and Agmark Certifications.

Quantity: Before making an import order, an importer should evaluate the domestic market. This will help the importer to judge the actual quantity of product to be imported.

Inspection: Importer should make clear weather the inspection of imported product will be done by the importer side or exporter side or by a third party agency. In case of inspection done by a third party, importer should also make clear that who will bear the inspection charges.

Terms of Delivery: Delivery terms define the obligations and the responsibilities of the buyer and seller during the delivery of goods. Importer should check all the terms of delivery as mentioned in the Incoterms to avoid any feature doubts.

Terms of Payments: The method of payment is an essential part of an import contract. The credit standing of the importer, previous history of payments, regulations on foreign exchange and licenses in different countries, as well as vested business practices all have an influence on selecting the method of payment.

Import License and Import Permits: Importer should check whether the goods to be imported need any license or not. Importer must also check whether the imported goods are prohibited or restricted.

Duties and Charges: It is better for an importer to have knowledge of all duties and charges imposed on the imported goods.

Periods of Delivery /Shipment: Importer must fix a particular date for the delivery of product, which is also acceptable to the exporter exporting the goods. Importer should also mention the charges that importer will impose on the exporter in case of late delivery.

Packing, Labeling and Marketing: Proper packaging and labelling not only makes the final product look attractive but also save a huge amount of money by saving the product from wrong handling the export process. So, importer should mention his entire requirement in detail and with preference on labeling of products.

Insurance: Importer can ask the exporter to insure the goods and bear the cost of import insurance. Insurance can also be done from the importer side but it must be made clear on the document.