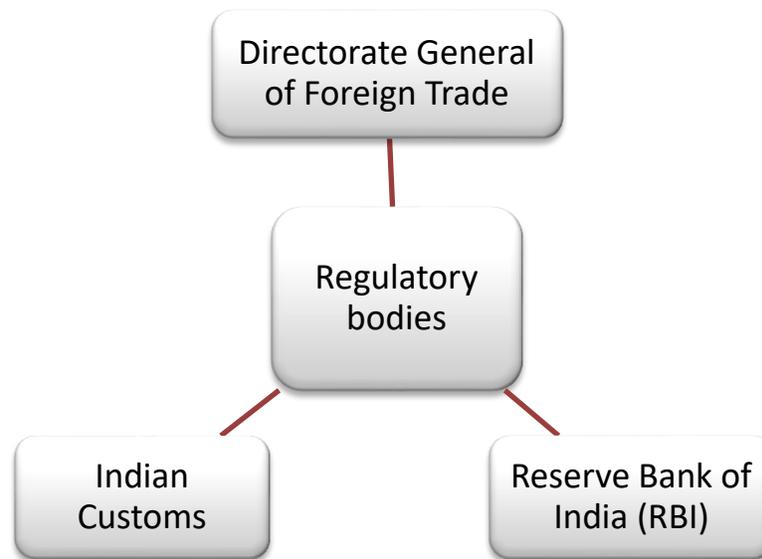


Trade Governing Institutions and Regulatory Bodies



Role of Regulatory Bodies

Director General of Foreign Trade (DGFT)

This Directorate is a body under the Union Ministry of Commerce and Industry of the Government of India led by the Director General of Foreign Trade.

Until 1991 this office was known as Chief Controller of Imports & Exports. However, after liberalization and globalization, CCI&E was replaced by DGFT and the role of this office changed from Controller of Exports and Imports to Facilitator, Promotor and Regulator of Exports and Imports. In view of India's objective of increasing exports, DGFT implements necessary laws, issues export licenses, introduces trade incentives and develops trade relations with other nations.

Role of DGFT

The DGFT formulates the Export Import policy (Foreign Trade Policy) and its procedures after taking necessary inputs from the trade and stakeholders who looks after the implementation of export and import policy and procedures with an objective to facilitate Indian goods and services in the globally. They issue scrips

and licences to exporters and monitor and facilitate their activities and export obligations through their regional offices spread across the country. They also facilitate exporters in line with the rapid changes in international trade, i.e World Trade Organization clauses and agreements, Classifications, Trade-remedial issues etc.

The DGFT issues a one-time IEC (Importer Export Code), which is an identification code and is compulsory for exports and imports from India. The DGFT under the FTDR Act notifies quota, restrictions, conditions on certain products and services of exports from India. These restrictions may require a license or registration prior to export or import.

The DGFT provides exporters with schemes such as MEIS, SEIS to promote manufacturing of goods for export and also to compensate the infrastructural deficiencies and transactional costs. It also provides exporters with transport and marketing assistance through its schemes such as TMA, MAI etc.

With an objective to resolve quality compliance issues, grievances and trade disagreements, the DGFT has a mechanism to address such issues amicably.

Indian Custom

Central Board of Indirect Taxes and Customs is an essential arm of the Department of Revenue under the Union Ministry of Finance, Government of India. It is responsible for framing policies involving imposition and collection of Customs, Central Excise duties, GST and IGST, remedial measures against smuggling, usage of Narcotics and administration matters.

Role of Indian Customs

The Customs authority is responsible for ensuring that goods leave and enter the country in compliance with the laws of the land by stipulating and enforcing appropriate prohibitions. This ensures that the goods of a country do not move out clandestinely and that movement across borders of both imports and exports is monitored effectively.

The Customs authorities also ensure authenticity of the valuation of the outbound cargo according to the Valuation rules to monitor over/under

invoicing. Assessment and valuation of trade-able goods are the major objective of Customs.

Another objective of Customs is to assess and realize duties, cess and levies according to the Customs Tariff Act. Prior to granting permission, Customs ensures that the goods exported are as per classification and valuation as declared by the exporter and the duties thereon are correctly assessed, determined and collected.

Another important role of the Customs department is to collect and provide export and import data through the Customs returns.

Reserve Bank of India (RBI)

RBI is responsible for regulation of foreign exchange in terms of the FEMA Act. It also prescribes rules and guidelines for appropriate and timely realization of export proceeds through the authorized dealers and Banks.

Role of RBI

RBI is the Monetary Authority and manages the nation's Foreign Exchange. In this role it maintains price-stability and adequate flow of credit to the deserving and thrust sectors. Seamless facilitation of external trade, payment and monitoring of foreign exchange is a prime function, since exports play a fundamental role in the economic growth of the nation.

Prime initiatives undertaken by RBI include providing for:

- Export Credit -timely availability
- Export finance in rupees and foreign currency
- Rationalization and constant liberalization of export Credit Interest rates
- Flexibility in pre-shipment credit
- Financial package for accredited exporters
- Export finance for agricultural exports
- Gold Card Scheme for exporters