

PROCEDURE FOR OBTAINING IMPORT AND EXPORT CODE LICENSE
FOR COMMENCEMENT OF EXPORT-IMPORT BUSINESS

1) IMPORT AND EXPORT CODE

1.1 Import Export Code (also known as IEC) is a 10 digit identification number that is issued by the DGFT (Director General of Foreign Trade), Department of Commerce, Government of India.

1.2 It is mandatory for companies starting export and import business to obtain this code, without getting this code no company engaged in export and import business can commence/set up export and import business.

1.3 Import and Export Code is Valid for lifetime, unless cancelled by the competent authority.

2) ELIGIBLE PERSONS OR ENTITIES FOR IEC

- An Individual person
- A body Corporate

3) EXEMPTED PERSONS OR ENTITIES

- Importers **covered by Clause 3(1) and 3(2) of Foreign Trade (Exemption from application of Rules in certain cases) Order, 1993.** (Except Sub-clauses (e) and (i) and (j) and (k) of the same order)
- **Ministries/Departments** of Central or State Government
- Persons **importing or exporting goods for personal use** not connected with trade or manufacture or agriculture.
- Persons **importing/exporting goods from/to Nepal, Myanmar** through Indo-Myanmar border areas and **China** provided CIF values of a single consignment does not exceed Indian Rs. 25000/-. In case of Nathula Port, the applicable value ceiling will be Rs 1, 00,000/-.

4) CONDITIONS OR SITUATIONS IN WHICH IEC CODE IS MANDATORY

Import and Export Code is mandatory in following situations:

- If an importer needs to **clear his shipments from the traditions** at that time IEC is required by the traditions experts
- When an importer **sends cash to another country** through banks at that time IEC is required by the bank
- At the point when an exporter needs to **send his shipments** then its required by the traditions port
- When an exporter **receives foreign currency** in his bank account, IEC is required

5) CONDITIONS OR SITUATIONS IN WHICH IEC CODE IS NOT MANDATORY

- IEC is not required, if an individual or body corporate is planning to start import and export business is **registered himself or themselves under GST**. In such cases the PAN card will be used as new IEC code for importing and exporting goods
- IEC is not required until and unless you **import goods for commercial use**. In addition to this, charitable institutions do not require IEC.
- If you are looking to expand your market and go beyond country borders and export/import, reach out to our experts and know all formalities you need to get through. You can avail all services such as GST registration, business registration etc.

6) IEC CODE IS NEEDED TO AVAIL AVAILABLE FACILITIES

An individual or body corporate needs IEC for:

- Custom Clearance
- Export Subsidy
- Food Licensing and APEDA
- Sending and receiving money to foreign customers

7) SUSPENSION OR CANCELLATION OF IMPORT AND EXPORT LICENSE

The Office of DFFT may suspend or cancel Import and Export License in following situations:

- In case of **contravention of applicable provisions of Custom, Central Excise or Foreign Exchange laws and rules** made therein.
- If Export-Import Business is **conducting in manner gravely prejudicial to the trade relations of India with any foreign country.**

8) PROVISION OF APPEAL AGAINST THE ORDER OF CANCELLATION OR SUSPENSION TO IEC LICENCE

There is a provision of Appeal against the order of Suspension or Cancellation of IEC license passed by DGFT or its Subordinate officer exercising such power. An aggrieved person may file an appeal against such order **within 45 days** extendable up to **30 days** only on showing valid and reasonable ground for not filing the same in time.

9) PENALTY FOR NON-COMPLIANCE OF CONDITIONS PRESCRIBED FOR IEC LICENSE

Any person or body corporate conducting export-import business violating or in contravention of applicable rules and regulations, such person or entity shall be liable to penalty **not exceeding one thousand rupees or five times the value of the goods** in respect of which any contravention is made or attempted to be made, whichever is more.

10) NECESSARY DOCUMENTS REQUIRED FOR OBTAINING IEC

Sole Proprietorship

- Digital **Photograph (3x3cms)** of the Proprietor.
- Copy of **PAN card** of the Proprietor
- Copy of Passport (first & last page)/Voter's I-Card/ Driving Licence/UID (Aadhar card) (any one of these).
- **Sale deed** in case business premise is self-owned; or **Rental/Lease Agreement**, in the case the office is rented/ leased; or latest **electricity /telephone bill.**

Partnership Firm/LLP

- Digital **Photograph (3x3cms) of the Managing Partner.**
- Copy of **Passport** (first & last page)/**Voter's I-Card /UID (Aadhar Card) /Driving Licence/PAN** (any one of these) of the **Managing Partner** signing the application.
- Copy of **Partnership Deed.**
- **Sale deed** in case business premise is self-owned; or **Rental/Lease Agreement**, in case of office is rented/ leased; or latest **electricity /telephone bill.**
- **Bank Certificate** as per ANF 2A (I)/Cancelled Cheque bearing name of the applicant entity and A/C No.
- **Certificate of Incorporation** issued by ROC.

11) CHECK LIST OF DOCUMENTS REQUIRED WHILE APPLYING FOR IEC OFFLINE/ONLINE

- Covering Letter on your company's letterhead for the issue of new IEC Code Number.
- Two copies of the application in the prescribed format (Aayaat Niryaat Form ANF 2A) must be submitted to your regional Jt.DGFT Office.
- Each individual page of the application has to be signed by the applicant.
- Part 1 & Part 4 has to be filled in by all applicants. In case of applications submitted electronically.
- No hard copies of Part 1 may be submitted. However in cases where applications are submitted otherwise, hard copy of Part 1 has to be submitted.
- Only relevant portions of Part 2 need to be filled in.
- Certificate from the Banker of the applicant firm in the format given in Appendix 18A.
- Self-certified copy of PAN issuing letter or PAN (Permanent Account Number) Card issued by Income Tax Authority.
- Two copies of passport size photographs of the applicant duly attested by the Banker of the applicant.

- Digital Signature of the Applicant (In case of Online application for issuing IEC)
- The company or an individual should compulsorily mention their e-mail ID, phone and fax number etc. in their application.
- GST No. of the applicant.
- DIN required for Director of a body corporate.

12) REGISTRATION PROCEDURE FOR APPLYING FOR IEC LICENSE

The following procedure is complied with while processing an application for issuing Import and Export Code:

- To file an online application in ANF 2A format for grant of e-IEC with digital signatures along with requisite documents and paying the applicable fee through portal of DIPP.
- In case any correction or change to be made on the request office of DGFT the same should be done **within 15 days**.
- As soon as online submission of the application for granting IEC is made the Office of DGFT issue IEC and a soft copy of **E-IEC Licence** is sent to the registered mail of the applicant based on the same an Individual or body corporate can start or commence his/its Export and Import.