

ABOUT IEC (IMPORT EXPORT CODE)

In this age of cut-throat competition, everyone wants to grow their business beyond the limits of the domestic market. However, doing business globally isn't just a cup of tea for everyone. Before going global, you need to follow several procedures and laws in place and get different registration and license. IEC (Import Export Code) license is one of such prerequisite when you're thinking of importing or exporting from India.

When is IEC Required

IEC (Import Export Code) is required by anyone who is looking to kick-start his/her import/export business in the country. It is issued by the DGFT (Director General of Foreign Trade). IEC is a 10-digit code which has a lifetime validity. Predominantly importers merchant cannot import goods without the Import Export Code and similarly, the exporter merchant cannot avail benefits from DGFT for the export scheme, etc. without IEC.

IEC is required in the following situations

1. When an importer has to clear his shipments from the customs then it's needed by the customs authorities.
2. When an importer sends money abroad through banks then it's needed by the bank.
3. When an exporter has to send his shipments then its needed by the customs port.
4. When an exporter receives money in foreign currency directly into his bank account then its required by the bank.

Benefits of IEC Registration

- 1. Expansion of Business:** IEC assists you in taking your services or product to the global market and grow your businesses.
- 2. Availing Several Benefits:** The Companies could avail several benefits of their imports/ exports from the DGFT, Export Promotion Council, Customs, etc., on the basis of their IEC registration.
- 3. No Filing of returns:** IEC does not require the filing of any returns. Once allotted, there isn't any requirement to follow any sort of processes for sustaining its validity. Even for export transactions, there isn't any requirement for filing any returns with DGFT.
- 4. Easy Processing:** It is fairly easy to obtain IEC code from the DGFT within a period of 10 to 15 days after submitting the application. There isn't any need to provide proof of any export or import for getting IEC code.
- 5. No need for renewal:** IEC code is effective for the lifetime of an entity and requires no renewal. After it is obtained, it could be used by an entity against all export and import transactions.

Cases where Export Import Code (IEC) is not mandatory

- According to the latest circular issued by the government, IEC is not mandatory for all traders who are registered under GST. In all such cases, the PAN of the trader shall be construed as new IEC code for the purpose of import and export.
- Import Export Code (IEC) isn't required to be taken in case the goods exported or imported is for personal purposes and isn't used for any commercial purpose.
- Export/ Import done by the Government of India Departments and Ministries, Notified Charitable institutions need not require getting Import Export Code.

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