

## **Procedures to be an Exporter**

**How to become an exporter:** Chief Controller of Imports & Exports Provides the Export Registration Certificate (ERC) to The potential Exporters The City Corporation/Municipal Corporation/Union Parishad are responsible for issuing Trade Licence (see figure-1 & 1a).

### ▪ **Required documents for Export Registration:**

- Filled - in Application Form;
- Partnership deed/memorandum, article of association and incorporation certificates;
- Copy of the valid trade licence;
- Membership of the Chamber;
- Treasury Chalan.

### ▪ **Steps in Exporting:**

- Selection of products;
- Collection and Analysis of data on export market;
- Collection of Buyers' List;
- Correspondence with Buyers;
- Making samples as per buyer's requirement;
- Price Negotiation;
- Conclusion of Deed;
- Export Finance;
- Manufacturing of Products;
- Shipment of Goods;
- Registration/Enrolment Requirement;
- Repatriation of sales proceeds.

### **Fundamentals of How to become Exporter:**

- A. What to sell;
- B. Where to sell;
- C. How to sell.

#### **A. What to Sell:**

- **Selection of Products**
- **Factors to be considered for Selection of Products**
- Availability of Raw-materials;
- Having local Expertise;
- Having good production base;
- Included in the list of products having financial Incentives;
- Included in the highest priority sector/special development sector;

- Having Back to Back L/C facility;
- Having demand in the Big Markets like EU, USA;
- Having Tariff Preference in different Developed and Developing Country.

- **Making samples as per Buyer's Requirement:**

Due care has to be given for making samples;

- There should be separate section for making samples ;
- Specially trained man-power should be assigned;
- Sample should be made giving importance to the current trend and fashion;
- Buyer's choice and preference Should be reflected;

## **B. Where to sell:**

- **Collection & Analysis of data on Market:**

- GDP;
- GDP Per Capita;
- Volume of trade:
  - a) Export;
  - b) Import.
- Main Trading partners;
- Main Export products;
- Main Import products;
- Market size of the product;
- Market trends;
- Consumer behavior;
- Analysis of the Market segments with Demand of the product;
- Present supplier;
- Quality requirement;
- Rate of traffic;
- Banned and Restricted Items;
- Economic or other Sanctions.

- **Correspondence with Buyers:**

- Description of goods;
- Source of Raw-materials;
- Unit price of the goods;
- Internal quality control;
- Government accredited Testing Lab facility;
- Supply Chain;
- Incoterms.

## C. How to Sell:

### ▪ **Documents related to Export Goods Transportation:**

- Sales Contact/Letter of Credit
- Commercial Invoice
- Packing list.
- Exp. Form from Commercial Bank.
- Certificate of Origin.
- GSP/SAPTA/APTA/KPT Certificate.
- Health / Sanitary & phyto Sanitary Certificate.
- Bill of Export/Shipping Bill.
- Airway Bill/Bill of Lading.
- Insurance Policy.
- Bill of Exchange.
- Others (If required).

### ▪ **Elements of a Sales contract:**

- Contract No;
- Contract Date;
- Page;
- Buyer;
- Seller;
- Item No;
- Description;
- Quality;
- Unit Price;
- Amount;
- Payment terms;
- Shipment;
- Packing;
- Guarantee;
- Arbitration;
- Product description;
- Quantity and quality;
- Packaging requirements;
- Sales terms;
- Unit Price;
- Total Price;
- Terms of payments;
- Delivery schedules.

### ▪ **Important clause of L.C:**

- Name and addresses of buyer & seller
- Description of goods

- Quantity
- Price
- Date of Shipment
- Required Documents
- Negotiation Date
- Name of the port of loading & unloading
- B/L clause
- Payment procedure
- Special instruction (if any)
  
- **Explanation of various Documents:**
  - *A commercial invoice* is prepared by the exporter giving description and price of the goods, quantity shipped, quality, marks number of packages, name of the buyer, L/C or contract numbers, grades, size, name of the vessel, the date of shipment, number of Bills of Lading etc.
  - *An export packing list* considerably more detailed and informative than a standard domestic packing list.
  - **Exp Form:** is issued by the authorized dealer Bank which certifies in favour of the concerned exporter stating that he exporter is a bonafied businessman and has made arrangement with Bank for realization of export proceeds of the goods declared on this form within four months from the date of shipment. In this regard the bank undertake to ensure the repatriation of the export proceeds against the shipment.
  
- **Elements of EXP Form:**
  - Commodity to be exported;
  - Country of destination;
  - Port of destination;
  - Quality;
  - Value;
  - Terms of sale (Firm Contract/LC or Consignment sale);
  - Name & address of importer/consignee;
  - Name of carrying vessel;
  - Bill of Loading/Railway Receipt/Airway Bill/Truck Receipt/Post Parcel Receipt;
  - Port of shipment/Post Office of dispatch;
  - Land of Custom Post;
  - Shipment date;
  - Name of the Exporter (in block letter) with address;
  - CCI & E's Registration Number of the exporter and date;
  - Sector (Public or Private) under which the Exporter falls
  
- **Certificate of Origin:** A Certificate provided by Competent authority inside the exporting country stating the origin of Exporting goods.  
There are two types of Certificate of Origin
  - Preferential
  - Non-preferential

▪ **Bill of Export/Shipping Bill:**

Bill of Export/Shipping Bill is a document issued by the customs authority which ensure the shipment of goods.

▪ **Elements of Bill of Export:**

- Bill of Export No;
- Consign/Exporter;
- Consign/Importer;
- Declarant/Agent;
- Country of export;
- Country of origin;
- Country of Destination;
- Name of Carrier;
- Currency;
- Place of loading;
- L/C New Invoice Number Exp No;
- Package and description of goods;
- Gross Weight;
- Net Weight;
- HS Code;

▪ **Bill of Lading:**

- *A bill of lading* is a document of title to goods evidencing despatch of goods from the exporting to the importing country. It is a contract between the owner of the goods and the carrier.
- *An insurance certificate* is used to assure the consignee that insurance will cover the loss of or damage to the cargo during transit.
- *Bill of Exchange* the bill of exchange is an order on the buyer to pay the stated amount at sight or after a certain period of usance.

▪ **Ministries/Departments Related to Export Trade:**

- Ministry of Commerce;
- Ministry of Foreign Affairs;
- Ministry of Finance;
- Ministry of Fisheries and Livestock;
- Export Promotion Bureau (EPB);
- Chief Controller of Export and Import (CCE&I);
- National Board of Revenue (NBR);
- Bangladesh Bank;
- Board of Investment (BOI);
- Bangladesh Standards & Testing Institution (BSTI);
- Department of Agricultural Extension (DAE);