© June 2024| IJIRT | Volume 11 Issue 1 | ISSN: 2349-6002

Process of Importing Goods in an International Trade Agreement

Ramyashree Kolla
Student

Abstract: India is a country popular for its trade practices from centuries ago whether the trade is of regarding the delicious spices produced in Madhya Pradesh or regarding the beautiful, comfortable and at the same time fashionable warm wears woven in Kashmir.
Ministry of Commerce and Industries data reflects that during February 2024, a total import of USD 75.50(including both merchandise and services) took place.
This document provides assistance to those who are interested in making a place in the import of goods and services from the countries situated overseas by explain about the basic procedure needed to be followed in an International trade agreement. This document also explains the basic terms mentioned for following the procedure for import activity.

This document outlines the process of importing goods in an international trade agreement. The two parties involved are the buyer (importer) and the seller (exporter).
An overview of steps given ahead in the document:

1. Purchase Order: The importer sends a purchase order to the exporter, specifying details like quantity, price, and Incoterms (which define responsibilities for transport and costs).
2. Letter of Credit (LC): The importer establishes an LC with their bank, guaranteeing payment to the exporter upon fulfilling specific conditions (usually presenting documents).
3. Documents for Import: The exporter prepares documents like a commercial invoice, bill of lading (receipt for shipped goods), and packing list.
4. Payment: The importer pays any necessary taxes and duties on the goods.
5. Shipment: The exporter ships the goods based on the agreed-upon Incoterms.
6. Document Arrival Notice: The carrier notifies the importer that the goods have arrived at the destination port.
7. Payment to Exporter: The importer's bank reviews the documents from the exporter and, if compliant with the LC, releases payment to the exporter.
8. Customs Clearance: The importer completes customs clearance procedures to formally import the goods.

Key Documents:

- Purchase Order: Details the agreement between buyer and seller.
- Letter of Credit: Guarantees payment to the exporter upon meeting specific conditions.
- Bill of Lading: Receipt for shipped goods.
- Incoterms: Define responsibilities for transport and costs between buyer and seller.
- Document Arrival Notice: Informs the importer of the goods' arrival.

This process ensures a secure transaction for both the importer and exporter by involving banks and clear documentation.
Import commerce is governed by the Directorate General of Foreign commerce (DGFT) of the Ministry of Commerce & Industry, Department of Commerce, Government of India. Except for commodities on the negative list that require a license under the current Foreign Trade Policy, AD Category - I banks are free to create letters of credit and accept remittances for import.

Steps to get goods from the exporter to the importer:

1. There are two parties which agree upon a trade. Let’s assume party X is the buyer and party Y is the seller of goods in an international trade agreement.
2. To initiate the trade, party X needs to send a Purchase Order to party Y.
3. Party Y needs to approve those documents with authorized signatures.

4. Then party Y sends those documents back to party X.
5. A proposal for credit period is made for the import.
6. Party X convinces the applicant bank to send a Letter of Credit (LC) to the beneficiary bank. This is the step where the LC for the supply of goods is established.
7. Then the application for opening the LC is submitted. The LC application is made on Rs.100 Stamp paper. This application is given to the issuing bank by the importer's side. The documents sent to bank with this are:
   a. Open Policy Declaration
   b. Declaration-cum-Undertaking
   c. Description of Goods
   d. Purchase Order Copy
   e. FEMA Declaration
   f. LC Application Form
8. The applicant bank then drafts a SWIFT Message of LC to the beneficiary bank.
9. Then the issuing bank notifies the importer that LC has been opened from their side.
10. When the beneficiary bank receives this message from the applicant bank, it notifies party Y that an LC has been opened.
11. Party Y sends the Bill of Lading to the importer i.e. party X.
12. The other documents which are included are commercial invoice, Check lists, etc.
13. Where foreign exchange has been used to import goods into India, the AD Category - I bank must ensure that the importer provides evidence of import, such as Postal Appraisal Form or Customs Assessment Certificate, and satisfy himself that goods equivalent to the value of the remittance have been imported to the government. Then party X pays the taxes based on the following bills:
   a. Bill of Stamp Duty
   b. Bill of Custom Duty
   c. Bill of Stevedoring after TDS
   d. Bill of Wharfage after TDS, etc.
14. Then the party Y sends the goods to party X on the basis of Incoterms.
15. Then the beneficiary bank sends the Document Arrival Notice (DAN) with the required documents to the applicant bank.
16. The applicant bank then notifies the party X regarding the arrival of DAN and asks the party X to make the payment for the goods.
17. The party X then makes the payment to the party Y through the bank.

Purchase Order:

A purchase order is a legal document form used by a buyer and sent to a supplier for an order. A purchase order specifies items, quantities, prices, and credit terms for a purchase from the vendor. A PO becomes a legally binding contract when a vendor accepts the purchase order.

After the purchase order has been approved, the seller is responsible for providing the product or service as agreed upon. During this stage, it can also generate and send an invoice to the buyer for the amount indicated on the purchase order.

All the possible details regarding the trade to take place is clearly mentioned in the Purchase Order. There are terms and conditions mentioned in the Purchase Order regarding the product to be imported. Some of the details are:

1. Quantity:

Total quantity of the product is mentioned.

2. Product:

Requirement of the product is mentioned.

3. Specifications of the product:

All the technical specifications of the product are mentioned here. Also, actions that are needed to be taken if there is any damage to the goods are mentioned here.

4. Shipment Quantity, Price and Shipment period:

The Quantity and Price of the goods are mentioned along with the time taken for the shipment to be completed.

5. Country of origin:

The country from where the goods are shipped is mentioned in this document.

6. Load Port/ Load Rate:

At the load port, the loading charges incurred by the seller are mentioned in this document.

7. Discharge Port/ Discharge Rate:

At the discharge port, the unloading charges incurred by the seller are mentioned in this document.

8. Insurance:

The document of insurance which is covered by the parties is attached.

9. Inspection for quality and quantity:
The certificate provided by the third party who was hired for the inspection of quality and quantity is attached.
10. Demurrage/ Despatch:
The demurrage and dispatch bills are also attached with the other documents.
11. Purchase Order Value
The total value of the entire purchase order is clearly specified in this document.
12. Security Deposit/ Performance Guarantee Bond:
The amount given as security deposit is mentioned here.
13. Operation of Contract
14. Mutually Agreed Damages:
The document which mentions that which party is liable to the payment for what kind of damages and to what extent is mentioned clearly in this document.

Letter of Credit:
'Letters of Credit' also known as 'Documentary Credits' is the most commonly accepted instrument of settling international trade payments. A Letter of Credit is an arrangement whereby Bank acting at the request of a customer (Importer / Buyer), undertakes to pay for the goods / services, to a third party (Exporter / Beneficiary) by a given date, on documents being presented in compliance with the conditions laid down.

Parties to a Letter of Credit (LC):
A letter of credit transaction normally involves the following parties:
i) Applicant:
The buyer of the goods / services (Importer) on whose behalf the credit is issued.
ii) Issuing Bank:
The Bank which issues the credit and undertakes to make the payment on behalf of the applicant as per terms of the L/C.
iii) Beneficiary:
The seller of the goods / services (exporter) in whose favor the credit is issued and who obtains payment on presentation of documents complying with the terms and conditions of the LC.
iv) Advising Bank:
Bank which advises the LC, certifying its authenticity to beneficiary and is generally a bank operating in the country of the beneficiary.
v) Confirming Bank:
A bank that adds its guarantee to an LC opened by another bank, taking responsibility for payment, acceptance, negotiation, and deferred payment under the credit in addition to the issuing bank. The guarantee of a bank operating in the beneficiary's country increases the acceptability of the LC for them. This is at the request and authorization of the issuing bank.
vi) Nominated Bank:
A bank in the exporter's nation authorized by the issuing bank to receive, negotiate, and pay the exporter's LC.
vii) Reimbursing Bank:
Authorized to honor reimbursement claims made by paying, accepting, or negotiating banks. Payments are often made to the nominated bank from the issuing bank's Nostro account.
viii) Transferring Bank:
A transferable LC allows the first beneficiary to request that the nominated bank transfer the LC to one or more second beneficiaries. This type of bank is known as a transferring bank. For freely negotiable credits, the Transferring Bank designated in the LC can transfer the LC.

Types of Letters of Credit:
i) Revocable Letter of Credit:
A revocable letter of credit can be cancelled or altered by the issuing bank at any moment without previous notice or approval from the beneficiary. According to the exporter, such LCs is unsafe. Additionally, exporters are unable to obtain confirmation for revocable LCs from banks.
ii) Irrevocable Letter of Credit:
An Irrevocable Letter of Credit is one which cannot be cancelled or amended without the consent of all parties concerned.
iii) Revolving Letter of Credit:
A Revolving Letter of Credit allows for the renewal or reinstatement of an amount without requiring particular revisions to the terms and conditions. It can revolve around time and value. This credit is typically utilized for local trade, but can also be used for import. Credits are opened for a specific amount, and drawings under the LC are reinstated after documents are paid. The LC can limit the number of drawings at once or over time. To reinstate the money in the LC, the issuing bank must confirm acceptance and payment of

the paperwork with the negotiating bank. In revolving LC for import, the maximum drawings and the validity would be to the extent permitted by the import license, if such imports are backed by Import License.

iv) Transferrable Letter of Credit:

A Transferable Credit is one that can be transferred from the original beneficiary to one or more secondary beneficiaries. Credits can be opened by dealers/middlemen who are not the genuine suppliers or manufacturers. This allows the sellers to advise the advising bank to make the credit available to one or more second beneficiaries. The LC can be transferred to many beneficiaries as long as it allows for partial shipping and the total amount transferred does not exceed the initial LC's value. The LC is only considered transferable if it explicitly states 'Transferable'. The second beneficiary has no right to transfer to the third beneficiary. However, he has the option of retransferring to the initial recipient.

v) Back-to-Back Letter of Credit:

If an LC is transferable, the recipient can request that the credit be transferred to their suppliers through the selected bank. Back to Back credits are used when a middleman enters into a contract to supply goods from other suppliers but refuses to disclose the buyer's identity and the buyer refuses to open a transferable letter of credit. The buyer obtains an irrevocable letter of credit, which the beneficiary uses as security with their bank to open an LC in favor of the supplier or manufacturer. The beneficiary of the initial L/C will apply for the second set of L/C (back-to-back).

vi) Red Clause Letter of Credit:

Letters of credit include a clause allowing the beneficiary to get an advance prior to shipping up to the specified amount. The clause was previously printed in red, resulting in the name "Red Clause LC." The nominated bank offers pre-shipment credit to the recipient as authorized by the issuing bank.

vii) Payment Letter of Credit:

Payment credit is a sight credit which is available for payment at sight basis against presentation of requisite documents to the issuing bank or the nominated bank. In a payment credit, beneficiary may or may not be called upon to draw a bill of exchange.

viii) Deferred Payment Letter of Credit:

Deferred Payment Credit is a usance credit where, payment will be made by Issuing bank, on respective due dates, determined in accordance with the stipulations of the credit, without the drawing of bill of exchange. In a way, it is an extended payment credit. Under deferred payment credit, no Bill of Exchange will be called upon to be drawn, but it must specify the maturity at which payment is to be made and how such maturity is to be determined.

ix) Credit Acceptance Letter of credit:

Acceptance Credit and deferred payment credit are comparable; with the exception that acceptance of a bill of exchange is required for this type of credit. The chosen bank will accept and honor the bill of exchange by making payment on the due dates under this credit, provided that it is drawn on it for the stipulated tenor.

x) Negotiation Credit:

Negotiation Credit can be a sight credit or a usance credit. A bill of exchange is usually drawn in negotiation credit. The draft can be drawn as per credit terms. In a negotiation credit, the negotiation can be restricted to a specific bank or it may allow free negotiation, in which case it is called as 'Freely Negotiable Credit' whereby any bank who is willing to negotiate can do so.

xi) Certified Credit letter:

A letter of credit that has had confirmation added by a different bank—one other than the issuing bank—is referred to as a confirmed letter of credit. This means that with a Confirmed Letter of Credit, the beneficiary will have a company that will act as both the bank that issues the credit and the bank that verifies the credit. A confirming bank is a bank that adds its confirmation and joins the LC contract as a party.

xii) Standby Credit Letter:

The standby credit is a documentary credit or comparable arrangement, regardless of how it is named or described, that signifies an obligation on the part of the issuing bank to the beneficiary to pay for any debt the applicant has incurred, money they have borrowed, or for any default on an obligation.

Benefits of Letter of Credit:

1. Gives vendors protection in transactions so they can be reimbursed without difficulty if a buyer is unable to pay.
2. Increases security and trust in transactions, particularly in international commerce agreements and frequently when parties haven't collaborated before.
3. Can offer written, comprehensive instructions on when a buyer must deliver money during a transaction.

4. When third parties are involved, the exchange of money can frequently occur more quickly than when buyer and seller engage directly, particularly in international trade agreements where regulations may be complex.
5. Incredibly flexible and able to be tailored to meet the specific requirements of each transaction.

Limitations of Letter of Credit:
1. Requires payment from the buyer and is occasionally unavailable if the buyer want to work with a specific seller.
2. Does not address every facet of the transaction, including the speed and quality of the goods' arrival, among others.
3. Does not take into consideration transaction-specific mitigating conditions, such as inflation's impact on foreign exchange rates, political turmoil, problems with the supply chain, evolving international trade laws, etc.
4. Usually takes a lot of time for both parties to complete.

SWIFT Message:
SWIFT (Society for Worldwide Interbank Financial Telecommunications) is a global member-owned cooperative that functions as a huge messaging system. SWIFT is headquartered in Belgium and has offices worldwide, including Australia, Austria, Brazil, China, France, Germany, Ghana, Hong Kong, India, Indonesia, Italy, Japan, Kenya, South Korea, Malaysia, Mexico, Russia, Singapore, South Africa, Spain, Sweden, Switzerland, UAE, and the United Kingdom. The SWIFT network is a messaging infrastructure, not a payments system. The network doesn't actually transfer the money - it communicates transaction orders between institutions using SWIFT codes.
Members (banks and other financial institutions) use it to quickly, accurately, and securely send and receive information, primarily money transfer instructions. Cross-border payments that involve sending large amounts of money can be complex, so the process needs to be secure and foolproof, and the same applies when receiving international payments. A bank needs to be a SWIFT member to receive the SWIFT code and be part of the network. Then, for any transaction made by banks or financial institutions on an international level, they will use their unique SWIFT code, which acts as an international digital language.

Mandatory Sequence A General Information

Field Tag	Field Name	Format	Mandatory/Optional
20	File Reference	16x	M
23	Bank Operation Code	16x	M
51A	Sending Institution	[/1!a][/34x] 4!a2!a2!c[3!c]	O
50a	Ordering Customer	A, F, or K	O
52a	Ordering Institution	A, B, or C	O
26T	Transaction Type Code	3!c	O
77B	Regulatory Reporting	3*35x	O
71A	Details of Charges	3!a	O
36	Exchange Rate	12d	O

Bill of Lading:
A bill of lading is a legal document issued by a carrier to a shipper that specifies the kind, amount, and final destination of the goods being transported. A bill of lading is a document of title, a receipt for shipping goods, and an agreement between a carrier and a shipper. A bill of lading is a legal document issued by the carrier to the shipper. It includes information on the products being shipped, where they are coming from and going, as well as the shipper, carrier, and consignee.
The bill of lading serves three primary functions:
1. Evidence of a contract for carriage.
2. Receipt of goods is a confirmation that the carrier has received the freight.
3. Document of Legal Title to Goods.

After placing a booking with a carrier, the shipper must submit Shipping Instructions with proper cargo information, which the carrier will use to construct a bill of lading.

The bill of lading may comprise, for example:
1. Party information: shipper, consignee, and/or notify party
2. Cargo description includes weight, package count, and volume.
3. Terms of Payment
4. Port for loading
5. Port for discharge
6. Bill type

A bill of lading is crucial because it serves as a legal instrument of title, allowing the holder to claim ownership of the cargo.
The bill of lading also serves as documentation of a carriage contract, outlining the carrier's responsibilities to the parties engaged in the cargo's transit.

Incoterms:
The Incoterms are a set of 11 individual rules issued by the International Chamber of Commerce (ICC) which define the responsibilities of sellers and buyers for the sale of goods in international transactions. Of primary importance is that each Incoterms rule clarifies the tasks, costs, and risks to be borne by buyers and sellers in these transactions.
To facilitate commerce around the world, the International Chamber of Commerce (ICC) publishes a set of Incoterms, officially known as international commercial terms. Globally recognized, Incoterms prevent confusion in foreign trade contracts by clarifying the obligations of buyers and sellers.
Buyers and sellers can use Incoterms in a variety of activities necessary to conduct business. Typical activities that call for the use of Incoterms include filling out a purchase order, labeling a shipment for transport, completing a certificate of origin, or documenting a free carrier agreement (FCA).

The seven Incoterms for any mode of transport are:
1. EXW: Ex Works:
Ex-works describes the seller's and buyer's obligations for shipping and selling products. This Incoterm requires the seller to deliver the items to the agreed-upon location, but the buyer is responsible for all shipping charges. Under EWX, the buyer is also responsible for any risks such as loading and transferring the package and meeting customs laws.

2. FCA: Free Carrier
The buyer benefits more from Free Carrier in terms of transportation duties and risk of loss. It states that the seller is responsible for the entire shipment until it arrives at the agreed-upon site or destination port, which could be an ocean dock, air cargo terminal, warehouse, or any specified facility.

3. CPT: Carriage Paid to:
CPT is similar to FCA in that the seller is liable for the full delivery process, from the point of origin to the customer's front door. They bear all expenses, risks, and potential losses until the items are in the customer's possession.

4. CIP: Carriage and Insurance Paid to:
CIP requires the seller to pay freight rates and cargo insurance to ensure that the inventory arrives safely and securely at the contractually specified destination. When the cargo is delivered to the customer or a designated third party, such as a 3PL, the liability and risk of the products pass to them.

5. DAP: Delivered at Place:
The DAP Incoterm shifts the majority of risk and cost on the seller. They must pay for all shipping charges, export formalities, loading expenses, and the final delivery fee. They are also responsible for any damages or losses that occur while the items are in transit.

6. DPU: Delivered at Place Unloaded:
The ICC implemented DPU with the release of the 2020 Incoterms. However, it is essentially a name change for a previous rule known as Delivered at Terminal, or DAT (Incoterms 2010). DAT is the only Incoterm that requires the seller to discharge the inventory at the port of arrival.
Under DAT, the seller is also held liable for carriage and delivery of goods. Once the things are unloaded, the buyer assumes the liability. The buyer is responsible for paying import duties and local taxes, as well as managing the import clearance process.

7. DDP: Delivered Duty Paid:
DDP Incoterms are among the most buyer-friendly agreements. The seller bears all risks and covers the complete cost of transportation from the point of origin to the destination. These risks include export and import duties, insurance, and any additional expenditure incurred while in transit to the agreed-upon location. If a package is delayed or damaged, the seller is responsible.
The Incoterms for sea and inland waterway transport are:
1. FAS: Free Alongside Ship:
According to FAS, the seller is still responsible for managing the delivery until it gets at a specified port

of shipment. As part of the arrangement, the seller must dock near to the designated vessel where the cargo will be transferred. The vendor handles export clearance, while the buyer is responsible for unloading and ocean freight fees, as well as cargo insurance.

2. FOB: Free on Board:
The FOB Incoterm specifies that the seller is only liable for the goods until they are loaded onto a specified vessel at an assigned loading port. The buyer handles the export clearance process. When the goods are safely on board, responsibility shifts to the buyer.
The seller is exclusively responsible for conveying the products from the origin location to the loading port, and is liable for any losses incurred during that period. This means that the buyer has the main obligation, including accountability for any damage caused after the items are carried onto the transportation vessel. The buyer pays for ocean freight and handles import processes.

3. CFR: Cost and Freight:
According to the CFR trading rules, the seller must coordinate the ocean transfer of products via sea freight, pay the freight charges, and complete all paperwork duties. However, the seller is not obligated to purchase marine insurance to protect against potential damages while the items are in transit. The buyer has the option of insuring the items against damages sustained on the ocean liner.

4. CIF: Cost, Insurance, and Freight:
As with CFR, the seller is responsible for all aspects of the shipment from the moment it leaves the storage facility until it reaches at the destination port.
However, the seller must pay a minimum amount of maritime insurance to cover probable losses or damages. The insurance coverage is agreed upon by the buyer and seller and documented in the contract of sale.
Risk transfer happens when the inventory is transferred from the vessel. At this stage, the buyer accepts responsibility for the products and must pay additional expenses such as product inspection, customs charges, license fees, taxes, and additional transportation costs.
Incoterms are helpful terms used to facilitate international trade. They are separated by modes of transport between any mode, and that specifically involving water transport. The terms categorize responsibility between the buyer and seller, but there are some aspects of trade that the terms do not cover, such as the goods being sold or future liability responsibilities. For this reason, Incoterms should be used to help clarify agreements, but they should not be the entirety of the agreement.

Payment:
A resident of India may pay for the import of goods in foreign currency using an international card that he owns or in rupees from an international credit card or debit card through a credit/debit card servicing bank in India, notwithstanding anything in the Manner of Payment in Foreign Exchange (FEMA 14R/2016-RB dated May 02, 2016). This payment must be made in accordance with the charge slip that the importer has signed or as may occasionally be prescribed by the Reserve Bank, as long as the transaction complies with current regulations and the import is compliant with the Foreign Trade Policy in effect.

Any Indian citizen may also pay using the methods listed below:
1. In rupees used to cover travel costs for an individual residing outside of India who is visiting the country, including fees for boarding, accommodation, and services associated thereto;
2. In exchange for the purchase of gold or silver in any form imported by that person in compliance with the terms and conditions imposed under any order issued by the Central Government under the Foreign Trade (Development and Regulations) Act, 1992, or under any other law, rules, or regulations currently in effect, by means of a crossed check or a draft;
3. In accordance with the provisions contained in the company's Memorandum of Association or Articles of Association, or in any agreement entered into by the company, or in any resolution passed by the company in general meeting or by its Board of Directors, a company or resident in India may pay its non-whole-time director who is a resident outside of India and is visiting India for the company's business. The non-whole-time director is entitled to payment of sitting fees, commission, or remuneration, as well as travel expenses to and from within India.

Third Party Payment for Import Transactions:
AD category I banks are permitted to pay a third party for the import of products, provided that the following requirements are met:

a. There should be a tripartite agreement or firm irrevocable purchase order in place. This condition, however, might not be applied if there is documentary proof of the events that led to third party payments or if the third party's name appears in the irrevocable order or invoice.
b. Prior to completing the transactions, AD bank shall verify that the transactions are legitimate and take into account the Financial Action Task Force (FATF) Statement;
c. An explanation that the relevant payment must be made to the (specified) third party should be included in the invoice;
d. The shipper's name and the statement that the relevant payment must be given to the (specified) third party should both be mentioned in the Bill of Entry;
e. The importer must abide by all applicable current import regulations, including those requiring upfront payment for goods imports.

Document Arrival Notice:
An Arrival Notice is a shipping document that is issued by a carrier, indicating that a shipment has arrived or is going to arrive at a specified location. Its main function is to serve as a notice to relevant parties such as customs brokers, truckers and consignees to prepare for the destination activities in advance.
When an exporter loads the cargo, a shipping company notifies the importer designated in the Notify Party section of the bill of lading that it has arrived at the port of import. This notification is referred to as a "Arrival Notice" or "Notify Address." This is distinct from a "Shipping Notice," which is a statement from the bank to the importer that the shipping paperwork have been received.
The shipping company's arrival notice comprises the bill of lading number, cargo description, weight, and projected arrival date of the primary vessel carrying the cargo. Once the importer receives the arrival notice, they must complete the import customs clearance process before taking delivery of the goods. Customs clearance requires a copy of the bill of lading provided by the exporter at the time of shipment, and in order to take possession of the goods from the shipping company, the importer must pay the import price to the bank that opened the import credit and receive the original shipping documents, which they must then present to the shipping company or its agent to receive a delivery order (D/O).
If the importer receives an arrival notice from the shipping company but the original shipping documents have yet to arrive at the bank, they can obtain a letter of guarantee (L/G) for the imported goods from the opening bank. To accomplish this, the importer must attach the arrival notification, which is confirmed by the shipping company on a copy of the bill of lading, to the L/G application to confirm that the shipment has arrived at the bank.

Limitations:
This document strictly focuses only on the import activity. No details regarding any other activity related to it or similar to it is mentioned here.
This activity starts from the submission of purchase order to the exporter party and ends on the payment of goods received.
This document on provides an overview of the entire procedure of import and does not discuss every step in detail.
The scope of the document extends only till the country India.
This is a research document written so that it can be used as a reference for gaining the basic understanding of the import procedure only.
There may be certain points regarding the import procedure which may not be mentioned in this paper. Those certain points are considered to be out of scope for the paper.
The document strictly does not claim that the procedure mentioned above has to be followed by all the goods and services in the country, but is applicable to most of the goods.
The document strictly talks only about the goods coming through ship freight and not any other mode of import.

REFERENCE

[1] https://www.unionbankofindia.co.in/pdf/hkb_20_auditpolicylettersofcredit.pdf
[2] https://www.firstrepublic.com/insights-education/what-is-a-letter-of-credit-and-how-does-it-work
[3] https://www.ir.com/guides/swift-message-format

[4] https://www.investopedia.com/terms/i/incoterms.asp
[5] https://www.asianausa.com/incoterms-definition-explanation-and-complete-list-of-all-incoterms/
[6] https://www.maersk.com/logistics-explained/shipping-documentation/2023/10/02/what-is-bill-of-lading