**Guidance Note on Special Trade Transactions & Customs Representation**

**Merchant Export**

* **Meaning:** Exports carried out by traders who buy from manufacturers and export under their own IEC.
* **Key Points:**
  + Lower GST rate (0.1%) if supplied to merchant exporter against bond.
  + Merchant exporter handles all DGFT licensing, shipping bills, and bank realisation.
  + Manufacturer may support in certification (e.g., technical or quality docs).

**✅ Do’s & Don’ts Summary**

**Do’s**

* Verify product eligibility under FTP.
* Keep all customs documents handy (5-year record).
* Ensure timely filing of appeals in case of disputes.
* Use digital tools like ICEGATE for status tracking.

**Don’ts**

* Don’t undervalue goods or misdeclare HSN.
* Don’t import second-hand machinery without clearance.
* Don’t ignore customs notices (can lead to penalties).
* Don’t assume baggage rules cover commercial goods.

**Documentation, Fee Structure & Timelines:**

**Merchant Export -**

**Documents:**

* Purchase Order & Invoice from manufacturer
* GST Invoice @ 0.1% (with LUT/Bond)
* Export documents (same as physical export)
* GST Bond copy (if applicable)

**Fee:**

* GST bond registration fee: ₹500–₹2,000.
* Export clearance fee as per CHA.

**Timeline:**

* 1–2 days clearance, incentive claim: 2–6 months.