



Trading Overseas

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How to trade overseas?



Introduction

Statistics reveal an increase in both total exports and imports for the calendar year 2012. Exports refer to sales of goods and services produced in Mauritius to persons who are based outside Mauritius. Put it another way, once the goods cross the Mauritian borders, an export of goods takes place. On the other hand, imports refer to goods or services brought in from another country.

Analysis of exports figures shows that the United Kingdom was the main buyer in 2012 with 19.3% of total exports. Imports from the Asian continent represent 56.2% of total imports in 2012: the major suppliers being India and China.

Mauritius continues to place strong reliance on traditional markets while simultaneously focusing on other promising markets in line with its overall policy of diversification. In that respect several measures have been announced in the 2013 Budget.

Registration

Mauritius has moved from the 24th rank and entered the top twenty in the World Bank Doing Business report 2013. Globally, Mauritius stands at 15th in the ranking of 185 economies on the ease of trading across borders.

Any person wishing to import or export goods on a commercial basis must hold a Business Registration Card. Registration with the Mauritius Revenue Authority ("MRA") is compulsory for companies with an annual turnover exceeding Rs 4 million for VAT purposes.

All importers and exporters must be registered with the Customs Department of the MRA. The process of registration with Customs, MRA is usually done by a customs broker or a freight forwarder on behalf of the importer/exporter.

Documents

Various documents should be completed in any cross border transaction: the form and type of documentation differs from transaction to transaction. The main documents that are relevant to the importer and exporter are described below:

Documents for import	Description
Invoice	A commercial document issued by a seller to the buyer indicating the products, quantities, weight and agreed prices for products or services.
Packing list	It commonly includes all the details of the package contents, number of packages, carton numbers, net weight and gross weight.
Bill of lading/Airway bill	A document issued by a carrier acknowledging that specified goods have been received on board as cargo for conveyance to a named place for delivery to the consignee.
Bill of entry	An electronic declaration accepted and assigned with a number by the Customs Department. It is a proof that goods have been received for export and/or import.
Insurance certificate (if applicable)	A representation of the insurance policy taken out by the importer or the exporter for a shipment.
Certificate of inspection (if applicable)	This is issued by an independent third party confirming the buyer's specifications, quantity and value of goods prior to shipment
Certificate of origin (if applicable)	This indicates the country in which the goods are manufactured. Non-preferential certificate of origin attests the origin of the products and do not confer any tariff preferences. Preferential certificate of origin attests that the goods originate from a country with which a trade agreement has been signed and the goods are eligible for tariff preferences.
Other documents	As required by government agencies (e.g. health, agriculture or veterinary services).

Incoterms (International Commercial Terms)

Incoterms are standard trade definitions (such as FOB which stands for Free on Board) which are widely used in international contracts. The incoterms indicate the obligations and risks for both the buyer and the seller.

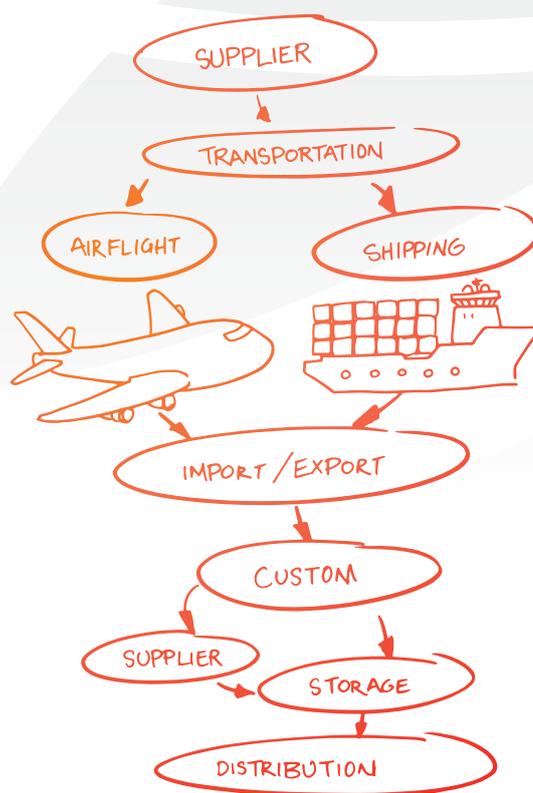


Imports

A limited number of products are subject to import control mainly for health and security reasons, environmental purposes and national interest. A person is liable to penalties and imprisonment if he imports prohibited goods. Restricted goods may be imported to Mauritius subject to a permit duly approved by competent authority.

An importer is required to submit a customs declaration electronically through the TradeNet system. An importer can file the customs declaration provided he is registered at Customs as a declarant and is owner of the Front End System of the TradeNet. However, due to the technicalities of the declaration, importers prefer to hire the services of a licensed customs house broker or a clearing and forwarding agent.

In addition, trade documents such as invoices, bills of lading, permits and other documents accompanying the import should also be submitted. The customs declaration is validated by Customs and a message is sent back to the declarant. Customs charges are then paid. After checking the documents, the compliance officer may either release the goods and require clarifications about documents submitted or send the declaration for verification.



Exports

Exports of almost all items can be conducted freely except for a few controlled items for which export permits are required prior to effecting exports.

All export entries must be lodged and a hard copy submitted to Customs prior to goods being authorised access to the export warehouse. Penalties exist for erroneous export entries under the Customs Act 1988. Certain goods are exempt from the requirement to lodge an export declaration/entry.

Customs declaration must be lodged prior to the goods being loaded for export. For export by seafreight, containers to be exported should reach the container terminal 48 hours before the expected date of departure of the vessel. For export by airfreight, goods should reach the export shed minimum 4 hours before take-off.

An exporter needs to be aware of the Harmonised System (“HS”) codes of the products he is exporting. The HS is an eight-digit code for classifying traded products.

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