

Procedure for Software Export Certification

The valuation of Software Export declared on SOFTEX Form & Physical Export will be done by the designated official of DoE at the Software Technology Parks of India (STPI) as per clause 6.5.1 of the Foreign Trade Policy – hand Book of Procedures 2006-0.

Time limit for realization of Export Value & Invoicing

In respect of long duration contracts involving series of transmissions the exporter should bill their overseas clients periodically i.e., at least once a month or on reach the milestone as provided in the contract entered into with the overseas client and last invoice/bill should be raised not later than 15 days from the date of completion of the contract.

In respect of contract involving only 'One shot operation' the invoice/bill should be raised within 15 days from the date of transmission.

The exporter should submit SOFTEX form to the concerned official of the Govt. of India at STPI for valuation/certification not later than 30 days from the date of invoice/the date of last invoice in a month as indicated above.

The full value of the software exported as declared on the SOFTEX form or as certified by the officials concerned of Government of India, whichever higher should be realized on due date of payment or within 360 days from the date of invoice which ever is earlier.

Procedures for:

- Off-Shore Services
- Disposal of SOFTEX Form (Refer Annx 25 for Softex fom format)
- Check List for Export Declaration
 - Checklist for the Invoice enclosed with Softex forms(Refer Annx 25A for Export Invoice format)
- Exports through Physical Media
- Check list for Export Declaration (Physical)

Off-Shore Services - Non Physical Exports

Export of computer software in non-physical i.e., Export through Datacom. /Satellite links form should be declared on SOFTEX form. Each set of SOFTEX forms comprises three copies marked, Original, Duplicate and Triplicate, which carry a identical pre-printed number. All the three forms in each set should be completed and the entire set submitted for the purpose of certification together with relevant documents. Each exporter will have to designate a single branch of an authorized dealer, i.e., Banker's, to whom export documents in respect of all software exports made via dedicated earth stations / satellite links will be submitted by him together with the relative SOFTEX forms for negotiation / collection.

RBI has now allowed to download the softex form format from the RBI website www.rbi.org.in, (Refer Annx 25 for Softex fom format) hence the forms does not contain pre-printed Numbers. To obtain softex form Nos, the request is required to be made with STPI in the specified format.

Disposal of SOFTEX Form

(i) After certifying all three copies of SOFTEX Forms the designated DoE / STPI Official will forward the original directly to the nearest office of the Exchange Control Department of Reserve Bank. The duplicate will be returned to the exporter and the triplicate will be retained by the DoE/STPI for their record.

(ii) Within 21 days, from the date of certification of SOFTEX Form by DoE/STPI the exporter should submit the duplicate copy together with a copy each of the supporting documents to the authorized dealer. The duplicate copy of the form together with documents will be retained by the authorized dealer till full export proceeds have been realized and repatriated and thereafter will be submitted to Reserve Bank, duly certified under cover of an appropriate R return along with the copy of invoice/s.

Check List for Export Declaration

STP Unit are required to file a copy of Purchase Order / Agreement / Contract with STPI as soon as the STP unit enter into purchase agreement with their client. This can be done one time before raising the first invoice or along with the softex form when being filed with STPI.

Following check is required to be made while filing the softex form for certification:

- Validity of STP status
 - Validity of LuT
 - Validity of PBWHL.
Softex Form Nos allotted are valid and no duplicates within the unit. In case of units
 - having multiple license, please check that the numbers obtained for one license is not mixed up with the other license.
 - Softex forms are neatly typed and are filed in triplicate along with the invoice
 - Address of the Exporter is valid
 - STPI Center Address is right.
 - Importer and Exporter Code number is correct.
 - Buyer's name and address is correct.
 - Date and Number of Invoice is correct.
 - Check the Purchase Order is submitted to STP authorities.
 - Confirm is there any Royalty i) Check the Data Comm. Service Provider (STPI / VSNL / DOT / Internet / Others)
 - The Software Category is defined (906, 907, 908, 909, 910 & 911).
 - The Export Value Currency and Amount as per the Export Invoice and Agreement / Contract / Purchase Order.
 - The Authorised Dealer and Code No. & Address
 - Check if any Royalty on Software Packages / Products Exported.
 - Check for Section "C" for Signature, Date, Name Designation, and Official Rubber Stamp of the Exporter.
- Invoices filed are pertaining to current financial year only and are within the limit of one month from the date of invoice.
- Summary of the softex form and invoices in case of multiple softex and invoices or single softex and multiple invoices are filed.

Checklist for the Invoice enclosed with Softex forms in respect to

- Invoice is in the specified format (Refer Annx 25A for Export Invoice format)
- Buyers name and address should be cross verified with export order
- Invoice No. & Date.
- Importer's and Exporter's Code Number.
- Data Comm. Services (STPI / VSNL / DOT / Internet / Others).
Man month and Man hour details
- Export Destination
Export / Agreement / Contract / Purchase Order No. & Date are correct and the copy of the same is enclosed.
- Currency and Amount
- Banker's Name and Address
- Authorised Dealer's Code No.
- Authorised Signature

In case of STP units following Transfer Pricing billing mechanism, the Transfer Pricing Study made with the report from the IT dept is required to be filed. Also, annexure showing the billing details and the methodology arrived at the billing rate is required to be filed.

A request letter with relevant forms and corresponding invoices based on media of Exports should be submitted to STPI for certification. The same will be certified and filed to RBI and customs.

Exports through Physical Media

If Export of computer software is undertaken in physical form i.e., software prepared on magnetic tapes and paper media the same needs to be declared in EDI with two copies of invoice/bill for certification

Check list for Export Declaration (Physical)

- 1) STP unit are required to file a copy of Purchase Order / Purchase Agreement /Contract with STPI as soon as the STP unit enter into Purchase Agreement with their client. This can be done one time before raising the first invoice.
- 2) The Floppy / CD / Cartridge any other mode of Software has to be submitted to STPI for Examination and verification for the Certification of Physical Exports.
- 3) The Invoice should be submitted in Duplicate (the invoice should be as per the Customs guidelines).

A request letter with relevant forms & corresponding Invoices based on media of Exports should be submitted to STPI for certification, NOC for physical exports is issued by STPI and the same is required to be filed with RBI and customs.