

OFFICE OF THE COMMISSIONER OF CUSTOMS (NS-IV)
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Date: 08.03.2016

MINUTES OF PERMANENT TRADE FACILITATION COMMITTEE MEETING (EXPORT)
HELD ON 25.02.2016

The monthly meeting of Permanent Trade Facilitation Committee (PTFC, Export) was held on 25-02-2016 at 11.30 AM in the Conference Hall at 5th Floor of the Jawaharlal Nehru Custom House. The meeting was chaired by Shri D.K. Srinivas, Commissioner of Customs, NS-I & III and Shri Subhash Agrawal, Commissioner of Customs, NS-IV & V.

2. The following members of trade attended the meeting:

Sr. No.	Name (S/Shri)	Organization/ Association
1	R. Rajasekhar	United Phosphorous Ltd.
2.	Mohan Nihalani	President, AIEEA
3.	Neelesh D.	AILBIEA
4.	R.K. Rubin	AMTOI
5.	Nimesh Desai	WISA
6.	Manish Kumar	MANSA
7.	Raghav Uchil	AMTOI
8.	Norman Fernandes	CSLA
9.	Ganpat Korade	BCHAA
10.	Suresh Dalvi	BCHAA
11.	Paresh Shah	BCHAA
12	D L. Thakker	BCHAA
13.	K.S. Shetty	BCHAA
14.	Ramesh P. Kalath	FIEO
15.	R.S. Negi	

3. The following officers of the Department attended the meeting:-

Sr. No.	Name (S/Shri)	Designation
1.	Aseem Kumar	Additional Commissioner of Customs
1.	Ashir Tyagi	Additional Commissioner of Customs
1.	Rajesh Kumar Agarwal	Additional Commissioner of Customs
1.	Dilip Goyal	Additional Commissioner of Customs
2.	Nilkanth Shelke	Additional Commissioner of Customs
3.	S.K. Vatsa	Joint Commissioner of Customs
4.	Sateesh J. Chandar	Dy. Commissioner of Customs
5.	B.L. Reddy	Dy. Commissioner of Customs
6.	A.K. Thakkar	Assistant Commissioner of Customs

The Chairman welcomed all the members. The Minutes of the PTFC meeting held on 29.01.2016 were confirmed and agenda points were circulated among the members.

4. Following old points were discussed in the meeting:

(a). Review of Facility Notice No. 73/2015:

Background: The representative of BCHAA had informed about the difficulties faced by trade and industry in following Facility Notice No. 73/2015 dated 01.10.2015 and suggested certain amendments/modifications in the said FN which will ease the process of IGM Amendment. The request of BCHAA to review the FN was accepted and it was assured that necessary modifications, if any, will be done.

Discussion in Last Meeting: The Commissioner had informed the members that the process of necessary modification in the said facility notice was underway in consultation with BCHAA and other stakeholders. He had assured that necessary modified notice will be issued shortly.

Present Status: AC/ Import Noting informed that the draft of Public Notice is ready and will be issued soon. The Commissioner directed that the content of draft should be shared with BCHAA and final Public Notice should be issued without any further delay.

(Action: ADC, Import Noting, NS-Gen)

(b). Non observance of Facility Notice No. 50/2015 by CFSs at JNPT.

Background: The representative of BCHAA had informed that instructions issued by JNCH vide Facility Notice No. 50/2015 dated 29-06-2015 wherein it was directed to the CFSs to start online payment and billing, were not being followed by CFSs. Also, there was considerable delay, lack of transparency, lack of uniformity in the tariff laid by the CFSs.

Discussion in Last Meeting: It was assured that all possible steps will be taken to ensure the implementation of e-payment / e-invoicing and a meeting will be convened shortly to discuss the matter with the CFSs.

Discussion: One of the members informed that though CFSs were called by Customs for meeting to resolve the issue but the matter is still pending. He elaborated that CFSs are not willing to operationalize e-invoicing/ e-payment, as they have different billing pattern for different customers.

When the Commissioner desired to solicit the views of CFSs, it was noticed that none of the representative from CFS Association was present in the meeting.

The Commissioner informed that meetings were conducted with all the CFSs on 28.01.2016 when non-complying CFSs were instructed to expedite the process and assured that necessary action will be taken to resolve the matter.

(Action: ADC, CFS Management Cell, NS-Gen)

5. Following new points were taken for discussion in the meeting:

(Agenda Points Sponsored by BCHAA)

(I). Drawback of Service Tax.

Background: The representative of BCHAA informed that Drawback of Service Tax rate has not been updated to 0.14% from 0.12% and all shipping bills are being processed at a lesser rate of drawback.

Discussion: The Commissioner informed that the matter has been taken up with the DG, Systems to undertake necessary updation in ICES Systems directory.

The Commissioner directed that a suitable communication may be referred to DG, Systems highlighting the fact that the trade is protesting against the processing of Shipping Bills at lower rates of DBK due to systems anomaly. It should also be added that this anomaly in Systems may lead to large number of supplementary claims of drawback which will further increase the work load of Department.

(Action: ADC, EDI, NS-I)

(II). Examination of Import & Export Cargo:

Background: The representative of BCHAA expressed their complements to the Department for taking a number of measures for promoting 'Ease of Doing Business' initiative of the Government. He expressed that the recent initiatives taken by this Custom House will help the Trade and Industry in a long run. He assured that BCHAA will take all steps to popularize the facilities provided to Exporters/Customs Broker.

He further requested that a minimum of two rounds a day of examination should be conducted and use of technology for speedy OOC and LEO may be explored. The possibility of use of Hand Held devise to give OOC and LEO may also be explored.

Discussion: The Commissioner informed that instructions have already been issued to all Docks staff to take as many rounds of examination / LEO as possible, and at least two rounds in a day and a Public Notice No. 23/2016 dated 12.02.2016 has been issued in this regard.

As far as use of handheld devices for granting LEO/OOC or feeding examination reports is concerned, the Commissioner informed the members that technological upgradation is a continuous process and the Department is continuously striving towards that. However, the use of any hand held device need to be considered vis-à-vis the security of connectivity and possible breach of such security. BCHAA were asked to raise the issue at appropriate level.

(Point Closed)

(III). Allied Act Agency NOC's:

Background: The representative of BCHAA stated that with the introduction of new module in EDI, all the documents screens will be going through various allied agencies for release in system as well as manual. These need deliberations to streamline the procedure.

Discussion: The BCHAA further elaborated that the ICES Systems instructs for NOC from various agencies, such as Animal Quarantine, Drug Controller, etc., in respect of goods which does not actually requires such NOCs. He further added that obtaining unnecessary NOCs adds to the cost and time of import/export cargos.

One of the members of Committee opined that the real single window will become operational on the day when all the allied agencies will be housed in the same premises. He informed that since various allied agencies are housed at different places, the Trade and Customs Brokers have to run one place to another for obtaining NOCs of these agencies.

The Commissioner informed the committee that the ICES System identifies the Customs Tariff Heading of the product and gives instructions based on the statutory requirements of these headings. However, a large number of entries have been removed from ICES System from the requirement of obtaining various NOCs and this process is still going on. He requested the Trade and Customs Brokers to submit the Customs Tariff Headings for which the System instructs obtaining NOCs from allied agencies while the same is not required and assured that necessary action will be taken accordingly.

(Point Closed)

(IV). Facilities at JWR CFS:

Background: The representative of BCHAA informed that due to closure of one of the CFS in the vicinity, there is sudden increase in volume of Export Shipments at JWR, which was already handling high volumes of Export Shipments. He requested that the following aspects of CFS require urgent improvement:

- a. More working space for customs brokers employee;
- b. Proper sitting arrangements for custom officials;
- c. Deployment of administrative set up from Dronagiri and technical staff be made available at JWR for at least 3 hours;
- d. Availability of customs officials and CFS staff for 2nd shift to cover volumes;
- e. CFS may extend transport facilities to custom broker till the matter eases;
- f. Basic amenities for custom broker staff, like canteen facility etc. may be improved.
- g. Posting of TA for collection of Samples at JWR.

Discussion: The Commissioner informed the members that this is a temporary situation and the management of JWR CFS has been sensitized by CFS Management Cell to take necessary action for smooth clearance of Export/Import goods.

He further informed that a Sr. Tax Assistant has already been posted to JWR vide Establishment Office Order No. 238/2015 dated 04.02.2016 for collection of Samples.

(Point Closed)

(V). Third Country Re-Export Procedure:

Background: The representatives of BCHAA conveyed their thanks for issuance of necessary instructions for filing of EDI Shipping Bills instead of Manual Shipping Bills for Third Country Export procedure. They also requested following:

- a. To allow filing of EDI shipping bill for re-export of goods under Sec-69;
- b. To amend the PN 1/2011 in this regard;
- c. To hold a meeting with DC/ EDI, DC/Docks and DC/Appraising Main to reduce the procedure as much as possible. Also to explore better procedure to reduce double examination of the cargo

Discussion: The representative of BCHAA conveyed their thanks for the instructions for filing of EDI Shipping Bills instead of Manual Shipping Bills for Third Country Export procedure. They acknowledged that Public Notice No. 31/2016 dated 19.02.2016 has been issued by the Department allowing EDI Shipping bill for re-export under Sec-69, of the Customs Act, 1962.

The Commissioner asked the members of Committee to observe the effect of instructions/notices issued and inform about difficulty faced by them, if any.

(Point Closed)

(Additional points raised by AIEEA in the meeting)

- (VI).** The representative of AIEEA informed that the department has stated that a 'Drawback Facilitation Counter' is proposed to be opened, but no Facility Notice/Public Notice in this connection is issued till date.

The ADC, Drawback informed that the necessary Public Notice is being issued shortly.

- (VII).** The representative of AIEEA informed that they have raised this issue earlier also, but it has yet not been resolved. When an Exporter is paid a Drawback Amount which is less than what is applied for, there is no mention about the reasons or calculations for the same. This leads to a serious problem in accounting and Audit. They had been told that the matter is being addressed, but to no avail. Kindly revisit the matter once again and work out solutions.

During the discussion, it came out that unlike refund, where a speaking order is issued, there is no mechanism provided for conveying the calculation of drawback / reasons of reduction of drawback. The Commissioner directed the Drawback Section to examine the issue and suggest measures to resolve it.

(Action: ADC, Drawback Section)

6. The next Export PTFC meeting is scheduled on **23rd March, 2016** in Conference Hall, 5th Floor, Jawaharlal Nehru Custom House, Nhava-Sheva. The PTFC members/trade representatives and Custom Broker associations are requested to forward their agenda points well in advance and latest by 18.03.2016 on fax No. 022-27243245 or by email to apmainexp@jawaharcustoms.gov.in.

7. The meeting ended with thank to the Chair.

Sd/-08.03.2016
(R.K. AGARWAL)
Additional Commissioner of Customs
Appraising Main (Export)

To,

All the Members of PTFC by e-mail

Copy to:-

1. The Principal Chief Commissioner of Customs, Mumbai Customs Zone-II, JNCH, Nhava Sheva.
2. The Principal Commissioner of Customs (NS-Gen & II), JNCH, Nhava Sheva
3. The Chief Commissioner of Customs, Directorate General of Taxpayer Services, CR Building, IP Estate, New Delhi 110 109.
4. The Commissioner of Customs (NS-I/III, IV/V), JNCH, Nhava Sheva.
5. All ADC/JC, DC/AC of Customs (N.S.-Gen, II & IV), JNCH, Nhava Sheva.
6. DC/Appraising Main (Import), JNCH.
7. AC/EDI for uploading on JNCH website.
8. Office Copy.