

**OFFICE OF THE COMMISSIONER OF CUSTOMS (NS I & III)
JAWAHARLAL NEHRU CUSTOM HOUSE, NHAVA SHEVA
DIST. -RAIGAD, MAHARASHTRA - 400 707**

F. No. S/22-Gen-01/2014-15 AM (I) NS-III

Date:03.06.2016

**MINUTES OF MEETING OF THE PERMANENT TRADE FACILITATION
COMMITTEE MEETNG FOR NS-I, III & V HELD ON 26.05.2016**

The PTFC meeting held on 26.05.2016 was chaired by Shri D.K.Srinivas, Commissioner of Customs, NS-I & III and Shri Subhash Agrawal, Commissioner of Customs, NS-IV. The meeting was attended by the following Members/Participants of trade -

Sr. No.	Names (S/Shri)	Organization/Association/Designation
1	Mark Fernandez	IMC
2	Mohan Nihalani	AIIEA
3	R. Rajasekhar	Crop Care
4	Nimesh Desai	WISA
5	Norman Fernandez	CSLA
6	Raghav Uchil	ATMOI
7	Ganpat R. Karade	BCHAA
8	Subhash Rajkumar	MANSA
9	D.L.Thakker	BCHAA
10	Paresh Shah	BCHAA
11	V.K. Agarwal	ONIDA
12	C.J. Thakkar	BCHAA
13	Vinayak Aparaj	BCHAA
14	Milan Desai	BCHAA
15	L.V. Shah	LPF Pvt. Ltd.
16	Amit Gokhale	Asian Paints
17	Suresh Dalvi	BCHAA
18	Hiren Ruparel	BCHAA
18	Jacob Thomas	GDL CFS

Following officers from Department attended the meeting -

	Name (S/Shri)	Designation
01	AsirTyagi	Addl. Commissioner of Customs, JNCH
02	Aseem Kumar	Addl. Commissioner of Customs, JNCH
03	NilkanthShelke,	Addl. Commissioner of Customs, JNCH
04	Akhilesh Pandey	Addl. Commissioner of Customs, JNCH
05	Dilip Goyal	Addl. Commissioner of Customs, JNCH
06	Shri A.K. Goel	Addl. Commissioner of Customs, JNCH
07	Shri Rajesh Agarwal	Addl. Commissioner of Customs, JNCH
08	Dilip Bhilegaonkar	Jt. Commissioner of Customs, JNCH
09	Vivek Gupta	Dy. Commissioner of Customs, JNCH
10	Amit Bhaskar	Dy. Commissioner of Customs, JNCH
11	Anushree Hardikar	Dy. Commissioner of Customs, JNCH
12	B.L. Reddy	Asst. Commissioner of Customs, JNCH

2) At the outset, the Chairpersons welcomed all the members. Thereafter the AC, Appg. Main (I) informed that for the purpose of re-constitution of the PTFC, till date, only the following members have submitted their willingness:

- 1) CSLA (Norman Fernandes) (Already a member of PTFC)
- 2) M/s Bombay Metal Exchange Ltd. (Mr.Hermant K. Parekh, President)
- 3) Women Custom Brokers & Freight Forwarders (Ms.Philomena Pereira of M/s PV Agencies and Ms.Janet D'Souza of M/s Excel Exim Services)
- 4) All India Fresh Fruits Importers Association, Mumbai (Mr.AmbrishKarvat, Director)
- 5) Metal Recycling Association of India, Mumbai (Mr.Amar Singh, Secretary General).
- 6) Raigad Chamber of Commerce
- 7) Maharashtra Chamber of Commerce, Industry & Agriculture
- 8) Brihanmumbai Custom House Agents Association (MR.Paresh Shah, Hon. Jt. Secretary).
- 9) MANSA Association (C.S. Murthy, Secretary General, Mumbai and NhavaSheva Ship Agents Association)
- 10)AMTOI (Association of Multimodal Transport Operators of India) (Shri Vivek Kele, President).
- 11) All India Importers & Exporters Association
- 12) Crop Care Federation of India.

3) The following are the names of the Governmental and non-governmental Organizations, who were members of the present PTFC and have not applied for membership for the PTFC to be reconstituted and informed that the Chairperson has extended the time limit upto 31.5.2016 and urged them to apply for the same.

Government Agencies

- a) JNPT
- b) Drugs Controller

Non-Government Agencies

- a) GTI
- b) NSICT
- c) CONCOR
- d) ASSOCHAM
- e) Chamber of Small Industries Association
- f) Indian Merchant Chambers
- g) Chamber of Small Industries Association (COSIA)

4) The Asst. Commissioner, Appg. (Main) (Import) also announced the following facilitation measures for Ease of Doing Business carried out by the Department since the last PTFC meeting i.e. 28.04.16.

- i) Public Notice No.73/2016 dated 17.5.2016 issued highlighting the various measures taken to simplify tax administration by CBEC.
- ii). Public Notice No.71/2016 dated 17.5.2016 issued regarding Amendment to Chapter IX of the Customs Act, 1962 - Bond required to be filed under Section 59 (triple duty bond).
- iii) Standing Order No.34/2016 dated 17.5.2016 on Point No.2 above issued.
- iv). Public Notice No.70/2016 dated 17.5.2016 issued regarding removal of goods from a Customs Station - Instructions regarding affixation of one-time-lock (serially numbered bottle seal).
- v). Standing Order No.33/2016 dated 17.5.2016 on Point No.4 above issued.
- vi) Standing Order No.35/2016 dated 17.5.2016 issued regarding non-insistence on documents from importers on products which do not fall under the purview of the Legal Metrology Act, 2009.
- vii) Public Notice No.76/2016 dated 24.5.2016 issued regarding Amendment to Ch.IX of Customs Act, 1962 - Insertion of Section 58A - Clarification regarding transitional provisions relating to Duty Free Shops/Ship stores/Airline Stores/Diplomatic Stores
- viii) Standing Order No.39/2016 dated 24.5.2016 regarding Amendment to Ch.IX of Customs Act, 1962 - Insertion of Section 58A - Clarification regarding transitional provisions relating to Duty Free Shops/Ship stores/Airline Stores/Diplomatic Stores
- ix) Public Notice No.75/2016 dated 24.5.2016 regarding Allotment of Warehouse Code for Customs Bonded Warehouse.
- x) Standing Order No.38 /2016 dated 24.5.2016 regarding Allotment of Warehouse Code for Customs Bonded Warehouse.

5) Thereafter, the Agenda points were taken up for discussion.

Old Points:

6) Shifting of imported goods to local containers:

It was informed that the issue was discussed in the last PTFC Meeting and the CFS Management Cell was asked to convene a meeting of all the CFS and the Trade/Customs Brokers and recommend the course of action. The ADC, CFS Management Cell informed that a meeting has been fixed on 26.05.2016 to discuss the issue and he will intimate the outcome of the meeting in due course.

(Action: ADC, CFS Management Cell)

7) Single Window Clearance out of scope items for various allied Act Agencies:

It was stated that in the last PTFC meeting the point was discussed and the BCHAA was asked to send a list of out of scope items to Commissioner (Single Window). Accordingly, the BCHAA has now sent a list of out of scope items as per Drugs & Cosmetics Act, to Commissioner (Single Window), New Delhi. At this juncture, the Chairperson wanted to know the action taken on the part of the Department.

The ADC, EDI informed that EDI also has sent the list of out of scope items and now, it is for the PGA to take a final call as to which items/CTH should go out of purview and which should not go and the Department is in constant touch with the DG (System) and trying to sort out the problems as early as possible. The ADC, EDI also informed that in the last fifteen days, the different kinds of problems connected with the implementation of Single Window Clearance have come down. The Chairperson informed that since the issue is not at local level and is at national level, the Department is having regular meetings with the DG (Systems) and the PGAs and is trying to solve the problems and reduce the difficulties being faced.

From the BCHAA side it was informed that the remarks of PGA of out of scope items (specific code) is not visible in the Bills of Entry in EDI system and requested to make available in the system itself. The Chairperson informed that the point will be taken up with the DG (System)/PGA.

(Point closed)

8) Simplification of the EDD refunds arising after SVB finalization:

In the last PTFC Meeting from BCHAA side, it was informed that at Air Cargo Complex, the refund of EDD amounts are processed without following the procedures under Section 27 of the Customs Act, 1962 on the basis of a Public Notice issued in this regard and requested for the same practice at JNCH also. The Chairperson asked the JC/Refund to find out the factual position and obtain a copy of the Public Notice and examine the issue before the next PTFC.

It was stated by the DC (Refund Cell-CRC-1) vide his letter dated 20.5.2016 that the officers in the refund department of the Air Cargo Complex, Mumbai, Zone-II were contacted and it is ascertained that there is no such Public Notice issued, as being claimed by the BCHAA and the EDD refund claims are being handled by the respective Groups and in all such refund are considered under Section 27 after discussing the unjust enrichment issue.

The Chairperson informed that it is a legal issue and any refund of deposit relating to duty payment is to be dealt with under Section 27 of the Customs Act, 1962 only. However, he informed that there is no uniform procedure being followed at all the three Zones of Mumbai Customs in respect of processing of EDD refunds and the matter has already been taken up with the Chief Commissioners for uniform practice in this regard in all the three Mumbai Zones.

{Action: JC, A.M (I)}

9) Shipping Lines demanding KYC from Importers and Customs Brokers on all imports as per PN No.17/2012:

Issue: Shipping Lines are demanding KYC from importers and Customs Brokers in terms of Public Notice No.17/2012 for issue of Delivery order with many supporting documents causing lot of hardship and delay.

In the last PTFC Meeting, after deliberations, it was informed that the KYC requirement cannot be ignored. However, the representative of the Shipping Lines/ADC (Prev.)(Gen) was directed to identify 3 vital documents which are essential for KYC and intimate the same. It was requested from the trade side that the Shipping Lines should not insist the KYC documents each and every time and a validity period may be fixed.

The ADC (Prev.)(Gen) informed that the matter has been discussed with Shipping lines and the following three vital documents are proposed for KYC compliance.

- a) Photo identity (PAN card)
- b) Telephone Bill or Electricity Bill (for address proof)
- c) IEC of Importers/Exporters

It was also informed that the validity of such KYC could be kept for 1 year and the KYC can be taken by the Forwarders and then send it to the Shipping Lines. In case of import also the same three documents can be taken from the person who surrenders the Original B/L and takes delivery orders.

The Chairperson differed with the suggestions of the ADC (Prev.)(Gen) in respect of taking the KYC by the Forwarders and stated that the responsibility cannot be delegated or shifted to the Forwarders which might defeat the basic purpose of taking KYC and asked the ADC(Prev.)(Gen) to re-examine the issue.

From the BCHAA side, it was stated that the Customs Brokers are already a KYC compliant and they are taking the KYC documents from the importers at the time of approaching and accepting the job of clearance and as such there is no need to submit again to the Shipping Lines, who themselves are not a KYC compliant and in case, if any individual importer approaches the Shipping Lines, the KYC can be insisted upon.

After lengthy discussions, it was suggested that if the Customs Brokers takes the responsibility of KYC the importer on behalf of whom they file the Bills of Entry and surrender the B/L, the insistence of KYC by Shipping Lines can be reconsidered. Further, the Chairperson asked the ADC (Prev.)(Gen) to examine the legal obligations and responsibilities between the Forwarders and the Shipping Lines under Carriage of Goods by Sea Act,1992 and any other relevant laws in this regard (2) the obligations and responsibilities of Customs Brokers under Customs Brokers Licence Regulations, before finalizing KYC norms.

{Action: ADC (Prev.)(Gen.)}

10) Request to review Standing Order on Plastic Valuation:

Issue:

- a) Almost all the Bills of Entry have to be referred to the Jt. Commissioner for approval of Valuation.
- b) RMS Bill of Entries have to be recalled for valuation, thus defeating its very purpose.
- c) Past practice of assessments needs to be reviewed and reinstated.
- d) Delay in clearances, due to this age old practice causing increase in transaction cost, due to levy of ground rent etc. on containers.

It was stated that the procedure of recalling and loading the value is due to market dynamics, volatile International PLATT's rates prevailing at the time of shipment of the Cargo and the future trading, etc. After lengthy discussions, the Chairperson observed that the issue needs in depth examination and therefore, asked the BCHAA to give their detailed Note/representations supported by data/statistics .

{Action: BCHAA & ADC (Prev.)(Gen.)}

11) The members of the meeting were informed that the next PTFC meeting shall be held on **23.06.16 at 11.30 am at Conference Hall, 5th Floor, JNCH.** The Chairpersons requested all the Association Members to forward their agenda points, if any, at least **03 working days in advance** on Fax No. 022-27243245 or by e-mail to Appraising Main (Imp) Section on appraisingmain.jnchimp@gmail.com for taking up the issue in the upcoming PTFC meeting.

12) The meeting ended with thanks to the Chair.

13) This issues with the approval of the Commissioner of Customs NS-I & III and Commissioners of Customs NS-IV & V.

--Sd--

(B.L. REDDY)

**ASST. COMMISSIONER OF CUSTOMS
CENTRALISED APPRAISING MAIN,
NS-I, III & V JNCH**

To

All the Members of PTFC .

Copy to:

1. The Chief Commissioner of Customs, Mumbai Zone-II, JNCH, Sheva.
2. The Principal Addl. Director General, Directorate General of Tax Payers Services, Mumbai Zonal Unit, Room No.138/139, New Custom House, Ballard Estate, Mumbai - 400 001 (mzu-dgtps@gov.in).
3. The Ombudsman, Indirect Taxes, Mumbai.
4. The Pr. Commissioner/All Commissioner of Customs, Zone-II, JNCH, Sheva.

5. All ADC/JC, DC/AC of Customs (I, III, V), JNCH, Sheva.
6. DC/EDI for uploading on JNCH website.
7. Office Copy.