

MINUTES OF PTFC MEETING (EXPORT) HELD ON 29.10.2015

OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS (NS-GEN & II)
JAWAHARLAL NEHRU CUSTOM HOUSE, NHAVA SHEVA
TAL: URAN, DIST-RAIGAD, MAHARASTRA-400707.

F. No. S/12-Gen-40/2014-15 AM(X) Part-I

Date: 09.11.2015

MINUTES OF PTFC MEETING (EXPORT) HELD ON 29.10.2015

The monthly meeting of Permanent Trade Facilitation Committee (PTFC) (Export) was held on 29.10.2015 at 11.30 AM in the Conference Hall at the 7th floor of the Custom House. The meeting was co-chaired by Shri Rajeev Tandon, Principal Commissioner of Customs (NS-Gen & II) and Shri D. K. Srinivas, Commissioner of Customs (NS-I & III).

The following members of trade attended the meeting:

Sr. No.	Name and Designation	Sr. No.	Name and Designation
01	Shri Mohan Nihlani, AIIEA	10	Shri S.Kumar, MSC
02	Shri Milan Desai	11	Shri Vinayak B. Aparaj
03	Shri Suresh Dalvi, BCHAA	12	Shri Paresch Shah
04	Shri Subhash Rajkumar, MANSA.	13	Shri Dinesh L. Thakkar, BCHAA
05	Shri V.K. Agarwal GM (Onida)	14	Shri Ganpat P. Korade, BCHAA
06.	Shri Manish Kumar, MANSA	15	Shri Nimish Desai, WISA
07.	Shri Shankar Shinde, R.C.C.I.	16	Shri K.S. Shetty
08	Shri Yash Vardhan	17	Shri R.Rajasekhar
09	Shri Raghav Uchil		

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

Sr. No.	Name and Designation
01	Shri Rakesh Goyal, Additional Commissioner of Customs
02	Shri Ashir Tyagi, Additional Commissioner of Customs
03	Shri A.K. Pandey, Additional Commissioner of Customs
04	Shri Aseem Kumar, Additional Commissioner of Customs
05	Shri Neelkanth Shelke, Additional Commissioner of Customs
06	Shri Rajesh Kumar Agarwal, Additional Commissioner of Customs
07	Shri Dilip Goyal, Additional Commissioner of Customs
08	Dr. Subhash Yadav, Deputy Commissioner of Customs
09	Shri Vipul Gupta, Deputy Commissioner of Customs
10	Shri R.P. Singh, Deputy Commissioner of Customs
11	Shri Palash Bhoyar, Asstt. Commissioner of Customs
12	Shri N.J. Sable, Asstt. Commissioner of Customs

3. The Principal Commissioner welcomed all the members. The Minutes of the PTFC meeting held on 24.09.2015 were confirmed. Agenda points were circulated among the members.

4.1 The following points from the last PTFC meeting held on 24.09.2015 were taken up for discussion :

Point No. I : Installation of GPS on the Trailers of the CFSs-

Some of the representatives of the trade had requested for the installation of the GPS tracking devices on the trailers of the CFSs which are being used for transportation of the containers between the CFSs and Port as it will stop the pilferage of the cargo during the transit period. In the PTFC meeting held by Appraising Main (Import) on 27.08.2015, the Chairperson directed the representatives of the CFSs to send reminders to those CFSs which are not part of their association for installation of GPS tracking devices on their trailers.

Reply: In this regard, it has been intimated by the CFS Management Cell that e-mail has been forwarded to all the CFSs to do the needful in this matter.

The Chairperson agreed with the submission of the trade. He further directed the CFS Management Cell to monitor the progress made on installation of GPS system in trailers.

The trade further suggested that a Public Notice/Standing Order may be issued stating that the trailers without GPS fittings will not be allowed entry in the port, giving 6 months time for preparation and compliance.

It was informed that a [Public Notice No 84/2015](#) dated 28.10.2015 has been issued by the CFS Management Cell in this regard.

(Action by : CFS Management Cell)
(Point closed)

Point No. 2: Increase in facilitation in RMS in respect of Bills of Entry:

The Chairperson had informed that poor data quality particularly “description column” while filing electronic Bills of Entry, is one of the reasons hindering increasing facilitation level. He further stated that there are certain details like, Invoice Number, SVB Order No., LC No., Exhibition Goods, COO, C.Ex. Registration No., Brand Name etc are found mentioned in the “description column” of the Bills of Entry, instead of proper description of goods. The incorrect/improper/insufficient description often leads to increased queries resulting in increased dwell time.

Therefore, it was emphasised that proper and appropriate description of goods in the Bill of Entry is essential requirement.

In response to the above the trade replied that there are certain reasons for mentioning these unwanted details in the description column.

- (i) Sometimes these details are not available on Assessing Officer’s Screen. For ease of verification of assessment, these details are entered in the description column.
- (ii) Some Importers insist on the same as the final print of Bill of Entry does not contain these

details, however, the importer need these details at various levels like before VAT authorities, C.Ex. etc.

(iii) Sometimes UQC mentioned in import invoice are not similar as per the Indian Customs Tariff. Since system accepts the Bill of Entry when the UQC is mentioned as per Tariff, for correlation between quantity mentioned in import invoice and final Print of Bill of Entry, details of quantity mentioned in import invoice is being mentioned in the description column, while filing Bill of Entry.

Looking into the aforesaid requirement, it was directed by the Chairperson that EDI section will examine the feasibility for a specific place, may be in a window on last page of Bill of Entry where these details should be reflected on final printout of the Bill of Entry or in a separate "Remark" column.

Reply: As the matter related to making changes in the EDI system for examining the feasibility for a specific place where details may reflect on final printout of the Bill of Entry or in a separate "Remark" column, the matter has been referred to DG (Systems), New Delhi for examining the matter.

Shri Akhilesh Pandey, Additional Commissioner informed that a committee for Change in of format of Bill of Entry has been set up by the Board and is headed by Shri Pradeep Kumar. The problem being faced will be communicated to the Committee. He further said that the trade may like to also make a representation there so that the issue can be resolved more effectively. Also it was impressed upon the trade that all due care be taken to fill the requisite information in the Bill of Entry at proper places.

(Action by : EDI Cell and Trade Associations)

(Point closed).

Point No. 3: Reply of query raised by Assessment Group:

It was pointed out by the trade that EDI section doesn't receive reply to the query raised by Groups in the process of assessment, without initials of Group AO and Group DC/AC, for updation in the system. Though it is done for submission of adequate reply to the query raised, it amounts to undue delay in assessment of live Bills of Entry.

The Chairperson directed EDI section to receive reply of query raised in the process of assessment from the Importer/CB of the Importer for updation in the system without insisting upon signature of Group AO and Group DC/AC. In case the reply is not adequate/query not satisfied, the Group may raise further queries.

Reply: Feeding of query reply in EDI system is done by M/s XEAM Venture. Therefore, action on the above point is to be taken by M/s XEAM Venture. Accordingly, the matter has been referred to Manager, M/s XEAM Venture for following the directions, as mentioned in the subject minutes of the meeting.

Further, online query reply has been enabled in EDI system and the trade is aware of the same.

(Action by : EDI Cell)

(Point closed)

Point No. 4: Simplification of Customs procedures for shipping / Port Clearance as per Standing Order No. 11/2015:

This issue raised by Shipping Companies/Agents operating at JNPT regarding instructions on port clearance as per Standing Order No 11/2015, which read as under :

“The port clearance requires submission of numerous documents on behalf of other agencies – Lighthouse Dues Certificate, NOC for Immigration, Port Health Certificate etc. At present, the port clearance is given on the strength of a bond and a guarantee which are given each time a vessel enters. As a measure of simplification, Board has decided to give an option to the steamer agent to (a) give a continuity bond and (b) merge the guarantee with the continuity bond. This would reduce the number of required documents from 2 (two) to 1 (one) and periodicity (of submission) would also get reduced drastically.”

It was informed that the above directions are not being followed.

In his reply the Chairperson said that, the format of Continuity Bond is being finalised. Once the format of Continuity Bond is finalised, a Facility Notice/ Public Notice in this regard will be issued.

Reply: It is informed that the format of Continuity Bond is being finalized and decision on Bond amount is being taken. Once the format of Continuity Bond is finalized, a Facility Notice/Public Notice in this regard will be issued.

It was directed by the Pr. Commissioner that a delegation of 4-5 people from Trade Associations and Shipping Line Associations may have a meeting with the Addl. Commissioner of Customs (P/G) to discuss various issues involved in the matter and get it finalised by Monday (i.e. 02.11.2015).

(Action by : ADC/Preventive General, Port and Shipping Lines)

Point No. 5: BCHAA vide letter dated 19.10.2015 have raised an issue regarding Reconsideration of Standing Order No. 39/2015 and Facility Notice No. 73/2015-Simplified procedure for amendment in IGM. The following aspects were highlighted which can result in timely completion of the amendment without causing delay and detention to the imported cargo in consultation with trade:

1. The provisions of CBEC Circular No.44/2005 dtd. 24.11.2005 may kindly be incorporated since the said circular was issued after detailed deliberation with the entire trade and all stake holders.
2. The said CBEC Circular clearly conveys that adjudication/penal action should only be carried out in the cases involving fraudulent intention or substantial revenue implication.
3. The para no. 3 of the said CBEC Circular No. 44/2005 dated 24.11.2005 clearly provides that penal action should not be initiated mechanically, whereas at present, practically in all cases,

trade has to undergo the process of adjudication and thus delay of atleast 3-6 working days for completing the process of IGM Amendment.

4. Effective use of Customs EDI system as an IT tool will provide a major relief instead of carrying out several manual procedures enlisted in the SO/PN such as:

- a. Manual checkup of the alerts.
- b. Verification of manual IGM by ACAO.
- c. Scrutiny by Supdt.
- d. Various levels to attend the minor/major amendment in manual form.
- e. Scrutiny by EA for finalization of amendment and submitting the same to AC/DC for adjudication.
- f. Issuance of order-in-original and forward the same to review section by TA/EA.

5. It is pertinent to note that even the present procedure to carry out amendment does not have the elaborate procedure as laid down in the subject SO/FN. Hence effective use of Customs EDI system should help in reduction of the number of steps in comparison to the laid down process.

6. Point No. 7A of Facility Notice No. 73/2015 may kindly be seen which conveys submission of a letter from the Shipping Lines indemnifying Cluster Authorities against any claim (in the name of 1st consignee) in case of consignee name change. In our opinion, no shipping line/shipping agent is even willing to give such an indemnity more over when they themselves have made an application for amendment for name change in the manifest alongwith manifest corrector issued by their overseas counterpart.

7. The procedure laid down for carrying out High Seas Sale amendment is also very cumbersome. We specifically refer to Para no. 5 of the said Facility Notice No. 73/2015, we would once again like to re-iterate that the procedure laid down is more cumbersome than the existing practice and procedure for noting of High Seas Sale consignments.

Further para no. 5(2) of the said Facility Notice No. 73/2015 which states as under:

‘Non-negotiable copy of Bill of Lading in original, if same is not available, then photocopy of such Bill of Lading duly authenticated by Shipping Line/Steamer Agent;’

May kindly be reconsidered for relaxation since in the existing procedure there is no requirement of authentication on the Bill of Lading by Shipping Lines/ Shipping Agents. In the recent past, the said matter was represented by the trade upon endorsement by HSS buyer and seller duly authenticated by Custom Broker is sufficient.

It has further been conveyed that BCHAA is in the process of Joint initiative with CBEC for increasing the percentage of advance noting of Bill of Entry and one of the most important aspects to increase the percentage of advance noting is by way of carrying out simplification in the procedure of IGM amendment of any manner.

Reply: Sr. No. 4 & 5: Using EDI system for Alert checking and IGM verification may be helpful to reduce dwell time for IGM amendment and section is already in process to do so, as

we are committed to smooth-out and speed-up the process for IGM amendment. It may take some time as infrastructure required for the same.

Sr. No. 6 & 7: It is under consideration that there is no requirement to submit indemnity letter from the Shipping Line, which was required as per para 7(a) of the Facility Notice No. 73/2015 and to accept copy of Bill of Lading attested by the Authorised Custom Broker for the purpose of Point 2 of para 5 of the Facility Notice No. 73/2015.

The Pr. Commissioner directed that the point by point examination of submission will be done and thereafter the decision will be made as to whether any amendment in the said Standing Order and Facility Notice is required or not.

(Action by: ADC/Import Noting)
(Point closed)

4.2 The following points came up for discussion in the present PTFC meeting:
Point No. 1: Transfer from Local to TP Bill of Entry

The trade submitted that for Local to TP Bill of Entry amendment Customs requires permission from Shipping Line. Shipping lines are charging heavy amount for these amendments. Since the Shipping lines have no role to play the amendment from Local to TP Bill of Entry may be allowed on the request of the Importer without permission from the Shipping Line. Due to subject approval from shipping line the dwell time is also increasing.

It was submitted by representatives of the shipping lines that change in place of destination leads to change in Bill of lading and IGM, hence, the permission of Shipping Line is needed before transfer of Bill of Entry from Local to TP. Further it was submitted that network for all the ICD ports were not available in Shipping Lines notifications. Now almost all the ICD ports are under Shipping line network and importers can have Bill of lading for final destination.

Further it was submitted by the representative of BCHAA that the transfer from Local to TP Bill of Entry should be done on the request of Importer in analogy to the High Seas Sales. Since in High Seas Sale is also there is change in name of importer is required and no permission of shipping line is being obtained.

Reply : The Pr. Commissioner of Customs stated that to find out a comprehensive solution of the problem, the whole issue needs to be relooked and further discussion on the issue will be done before taking any decision on the request of trade to Transfer Bill of Entry from Local to TP. Trade associations and Shipping Line are required to furnish their submissions on the issue in writing before next PTFC meeting.

(Action by : Shipping Line and Trade Associations)

5. The next PTFC Meeting is scheduled to be held on **Thursday, 26.11.2015 at 11.30 AM** in Conference Hall, 7th Floor, JNCH. The PTFC members/trade representatives are requested to forward their agenda points, if any, well in advance, latest by **Friday, 20.11.2015** on Fax No. 022-27243245 or by e-mail to Appraising Main (Export) Section on amx24082012nhavasheva@gmail.com for taking up the issue in the upcoming PTFC Meeting.

6. The meeting ended with thanks to the Chair.

7. This issues with approval of the Principal Commissioner of Customs (NS-Gen & NS – II), JNCH.

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(R.K. AGARWAL)

Addl. Commissioner of Customs
Appraising Main (Export), JNCH

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. AC/EDI for uploading on JNCH website.
7. Office Copy.