

OFFICE OF THE COMMISSIONER OF CUSTOMS (NS I, III & V)
JAWAHARLAL NEHRU CUSTOM HOUSE, NHAVA SHEVA
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F. No. S/22-Gen-01/2014-15 AM (I) NS-III

Date:28.09.2016

MINUTES OF MEETING OF THE PERMANENT TRADE FACILITATION
COMMITTEE FOR NS-I, III & V HELD ON 23.09.2016.

The PTFC meeting held on 23.09.2016 was chaired by Shri Shrawan Kumar, Commissioner of Customs, NS-III, Shri Vijay Singh Chauhan, Commissioner of Customs, NS-V, Shri Subhash Agrawal, Commissioner of Customs, NS-IV and Shri M R Mohanty, Commissioner of Customs, NS-II. The meeting was attended by the following Members/Participants of trade:-

Sr. No.	Names (Smt./Shri/Ms.)	Organization/Association/Designation
1	R R Rubin	AMTOI
2	V K Agarwal	ONIDA
3	Roshan Irani	WCBFF
4	Mrs. Ganguly	WCBFF
5	Vinayak B Aparaj	BCHAA
6	Chetna M Bhadeka	WCBFF
7	Paresh Shah	BCHAA
8	Omprakash Agrawal	MSWA
9	Ashish Pednekar	BCHAA
10	Ganpat P. Korade	BCHAA
11	Raghav Uchil	AMTOI
12	Norman Fernandez	CSLA

Following Officers from Department attended the meeting:-

Sr. No.	Names (Smt./Shri./Ms.)	Designation
1	Akhilesh Pandey	Addl. Commissioner of Customs, JNCH
2	S C Gangar	Addl. Commissioner of Customs, JNCH
3	Jagdish Sharan	Addl. Commissioner of Customs, JNCH
4	Pritee Choudhary	Joint Commissioner of Customs, JNCH
5	B.S. Mangat	Dy. Commissioner of Customs, JNCH
6	S D Jambotkar	Dy. Commissioner of Customs, JNCH
7	Tapan Kumar	Dy. Commissioner of Customs, JNCH
8	Vivekanand Rai	Dy. Commissioner of Customs, JNCH
9	D N Paunikar	Asstt. Commissioner of Customs, JNCH
10	Kamleshwar Singh	Asstt. Commissioner of Customs, JNCH
11	Babulal Meena	Asstt. Commissioner of Customs, JNCH

2) At the outset, the Chairman welcomed all the members. The Chairman thereafter, informed about various measures undertaken by the department for facilitation of Trade. He informed that DPD permissions have been granted to 74 Importers till date and their nos. are increasing continuously. It was further informed that the procedure for grant of DPD permission has also been simplified and it has now been ensured that DPD permission will be granted within three (03) days of receipt of the application.

The Chairman also informed about the introduction of Risk based selectivity criteria i.e. Risk Management System (RMS), whereby consignments will be referred to Participating Government Agencies (PGAs) for NOC based on risk. Accordingly, for low-risk consignments, the required NOC by the PGA will be waived which will eventually reduce the dwell time of such consignments.

It was also stated that reduction of dwell time is an area of concern and department is taking all necessary efforts in this regard. The Chairman sought the cooperation of the Trade and requested all members to take suitable measures viz., filing of Advance Bill of Entry, timely payment of duty upon assessment, etc. which will eventually result in reduction of dwell time. It was also informed that few systemic changes are also being planned and will be implemented in this regard for reducing the dwell time. Further the Commissioner of Customs, NS-V reiterated the commitment of this Office towards the Direct Port Delivery facilitation measure.

3) The Joint Commissioner of Customs, Appg. (Main) (Import), thereafter, announced the following facilitation measures for Ease of Doing Business carried out by the Department since the last PTFC meeting held on 25.08.2016.

i) Public Notice No.113/2016 dated 24.08.2016 regarding Revised Guidelines for Review of entity based facilitation programmes viz. Accredited Client Programme (ACP) and Authorized Economic Operator (AEO) programme.

ii) Public Notice NO.114/2016 dated 25.08.2016 regarding non levy of Anti-Dumping Duty while filing online Bills of Entry.

iii) Public Notice No.115/2016 dated 29.08.2016 regarding Extension of benefit of Notification No.24/2005 dated 01.03.2005 (Sr.No.3) {as amended by notification No. 132/2006-Customs dated 30.12.2006 (Sr. No. 15)} to Micro/Mini SD Cards.

iv) Public Notice No.119/2016 dated 06.09.2016 regarding Guidelines for Provisional Assessment under Section 18 of the Customs Act, 1962.

- v) Public Notice No.120/2016 dated 06.09.2016 regarding Action Plan to reduce Litigations.
- vi) Public Notice No.122/2016 dated 14.09.2016 regarding Facility of 'Direct Port Delivery' to Authorised Economic Operator (AEO).
- vii) Public Notice No.123/2016 dated 12.09.2016 regarding empanelment of Chartered Engineers/Inspection and Certification Agencies for valuation/examination of the second hand (old and used) machinery imported at JNCH.
- viii) Public Notice No.124/2016 dated 15.09.2016 regarding Single Window Project - Implementation of Risk based selectivity criteria for clearance of consignments related to Participating Government Agencies (PGAs).
- ix) Public Notice No.127/2016 dated 16.09.2016 regarding Ease of doing business- DPD related matter.
- x) Standing Order No.48/2016 dated 29.08.2016 regarding Extension of benefit of Notification No. 24/2005 dated 01.03.2005 (Sr.No.3) {as amended by notification No.132/2006-Customs dated 30.12.2006 (Sr.No. 15)} to Micro/Mini SD Cards.
- xi) Standing Order No.50/2016 dated 06.09.2016 regarding Guidelines for Provisional Assessment under Section 18 of the Customs Act, 1962.

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

Old Points:

Point No.5:- Non pasting of DMS Coupons.

In several cases, DMS coupons are not pasted on documents by CHA. This becomes a violation of the Customs law.

The CFS Management Cell had informed that the issue was discussed in the meeting held with M/s BCHAA and M/s CFSAI members. M/s BCHAA have requested that they should be provided with the list of the dockets with the name of the Customs Brokers wherein DMS coupons were not pasted. In this regard, it was informed that M/s Newgen Software Technologies Ltd. is in the process of making the list of dockets where the DMS coupons were not pasted. M/s BCHAA has also stated that their members have been instructed to paste the DMS coupons on the dockets prior to registration and that they will initiate necessary measures for pasting the DMS coupons on the dockets where these coupons are not posted.

In this regard, the Chairman directed the ADC/CFS Management Cell and ADC/MCD to jointly look into the matter and to initiate necessary measures to

obtain the list of such pending dockets from M/s Newgen Software Technologies Ltd. to sort out the issue.

Action taken:-

The MCD section informed that the list of Shipping Bills and Bills of Entry alongwith details of CFS code which have not been pasted with requisite DMS Coupons has been obtained from M/s. Newgen Software Technologies Ltd. It was further stated that there are more than 15 lakh such Shipping Bills and more than 1.5 lakh such Bills of Entry.

For the redressal of the said infirmity in the dockets, the list mentioned above needs to be shared with concerned CHA's, M/s BCHAA, etc., so that corrective measures can be taken at the end of concerned entities.

In this regard, the Chairman directed M/s BCHAA and other CHA Associations to collect the soft copy of the abovementioned list from the MCD section and distribute it amongst their members with instructions to identify their Bills of Entry/ Shipping Bills and take corrective action in this regard.

(Action: ADC/MCD)

Point No.6:- Contract Registration within 7 days.

We request to accept registration of Sales/Purchase contract within 7 working days by the Customs and the same price shall stand valid till the time of customs clearance of goods, irrespective of whatever price prevailing on the Bill of Lading/Shipment date. Please note that the practice of accepting contract registration within 7 days was prevalent earlier.

In this regard, Group-IIIG stated that any contract not backed by Letter of Credit is registered within seven days as per Standing Order No.7493/99 dated 03.12.1999 and the value of plastic items for assessment of custom duty is taken on the basis of PLATT price on the date of contract subject to the condition that the first shipment is made within 21 days of the date of the contract.

In this regard, the Chairman raised the issue of validity of any contract not backed by Letter of Credit (LoC). The Chairman also informed that the matter regarding the registration of contract not backed by LoC will be re-examined.

Action taken:-

Group-IV stated that presently there are no provisions for registration of contracts in the Group as the contracts submitted by Importers are only on consignment basis and there are no long term contracts. Moreover, the Group primarily deals in Raw/Primary forms or basic articles and valuation of such goods fluctuates on daily basis and is, therefore, based on the LME prices. It was further stated that date of Importation is the date of acceptance of transaction value. Accordingly, it was felt that there was no need of contract registration in the Group.

Further, Group-IIG stated that the matter regarding re-examination of Registration of Contract not backed by LoC is under consideration.

In this regard, the Chairman directed to keep the Point in abeyance since no representative from M/s Bombay Metal Exchange Ltd. was present for discussion in the meeting. The point will be taken up when M/s Bombay Metal Exchange Ltd. takes up this point again.

Action: ADC/Group-IIG & ADC/Group-IV

Point No.7:- Manual Order not to be insisted for PGA release.

Once Bill of Entry is recalled for any reason, Appraiser has prerogative to change the assessment as deem fit. As regards to addition in examination order, we have already raised the issue of manual order for ADC/PGA NOC if under Single Window item/ CTH is not mapped.

Request: Manual order by Group Officer not to be insisted for PGA release.

After hearing the submissions of M/s BCHAA, the Chairman stated that in case any item is already mapped under Single Window and the concerned PGA's are making necessary observations in respect of the same in the system, there was no necessity of manual order by the Group Officer in that regard.

It was also informed by the Chairman that there are some items which otherwise require NOC from the PGA's but they have not yet been mapped under Single Window either due to variation in CTH or by virtue of omission. In all such cases, the department is in the process of mapping them under the Single Window. Accordingly in all such cases, the Assessing Officer is required to give orders for producing NOC from the concerned PGA's till the time the said item is mapped under the Single Window.

It was also reiterated that Docks Officers have been sensitised not to insist for manual NOC from the PGA's as the required permission/NOC, if any, from PGA's will be obtained online in the SWIFT. Further M/s BCHAA was also requested to provide the list of cases wherein the Compulsory Compliance Requirements (CCR's) provides for production of 'NOC' from the concerned PGA's inspite of the fact that there was no such requirement for the same in the Single Window. The list will be examined by the Group for forwarding to the RMD for necessary action.

Action taken:-

In this regard, Group-I/IA and Group-II(A-F) stated that above mentioned instructions are being complied scrupulously and due care is taken before giving Order for Manual NOC in respect of goods which are mapped under Single Window.

The Chairman stated that Groups are now following the aforesaid directions and, henceforth, there will be only few exceptional cases of manual order by the Groups for producing NOC from the concerned PGA's in respect of those items which otherwise require NOC from the PGA's but which have not yet been mapped under Single Window.

(Point Closed)

Point No.8:- Request to review Standing Order on Plastic Valuation.

We would like to highlight difficulties faced by the EXIM trade at J.N. Customs for clearance of Plastic - Prime having manufacturer's invoice availing 10% discounts as per group practice.

Matter was discussed in PTFC dated 21.07.2016 and it was informed that Standing Order No.44/2016 dated 08.07.2016 was issued in response to discussion on subject in previous PTFC meetings.

In this regard, it is humbly requested that Valuation procedure to be completed in docks will create lot of hardship to trade.

Request: Valuation in the docks will bring hardship to trade and the officers. Delays in clearance will be noticed. Availability of Officers in Group/Custom House is one point solution, whereas, Docks DC's are having multiple CFS's charge. Importers/Custom Broker will complete valuation procedure in Customs and Docks would release it on the basis of orders in file. This matter was represented by trade, as B/E's were being recalled by the Group for reassessment, even if

variation is within 10%. If required, a joint meeting with trade and Appraising group may be called if necessary and issue may be decided accordingly.

In this regard, the Chairman observed that the Standing Order No.44/2016 dated 08.07.2016 has been issued recently in consultation with the Trade. This needs to be kept in practice for some time. However, the matter will be examined in due course.

Action taken:-

The Group-IIIG stated that in cases of RMS facilitated Bills of Entry, verification w.r.t. correctness of classification, value, rate of duty, exemption notification or any other relevant particulars having bearing on correct assessment of duty on imported goods is done by the Out of Charge Officer (Docks Officer). The variation/discount upto 10% from the PLATT price involves verification of imports from manufacturer or imports from trader and 100% subsidiary of the manufacturer/sole selling agent on submission of manufacturer's invoice. Eligibility of the variation/discount from the PLATT may accordingly be decided by the concerned Docks officer only. Therefore, the Group was of the view that variation/discount upto 10% from PLATT price could be considered by the Group for group assessed Bills of Entry only.

The Chairman stated that Standing Order No.44/2016 dated 08.07.2016 had been issued recently in consultation with the Trade. Accordingly, it is desired that it may be kept in practice for some more time. It was also informed that it may be reviewed in future in case any difficulty is being faced by the Importers in this regard.

(Point Closed)

Point No.9:-Transmission of Advance Authorization License with convertible currency and INR.

M/s BCHAA had made a representation vide their letter No.BCHAA/PS/406/2016 dated 27.06.2016 regarding hardship being faced by Exporters for Transmission of Advance Authorization License with convertible currency and INR on Customs EDI System.

In this regard, M/s BCHAA had received a reply vide letter no.4(35)/47/2013 System/1070 dated 12.07.2016 from Mr R. Ananth, Deputy Director, Directorate General (Systems), stating that necessary changes have been incorporated on

28.06.2016 in the EDI System in consultation with DGFT. However, it is being experienced that the changes have still not being incorporated in the EDI system.

Request: Your good office to look into this matter and represent with Directorate of system to effect the necessary changes.

a) Debit Foreign Currency only in the License, from overall value of license and stopping of INR debits as is stipulated in Handbook of Procedure 2015 -2020 in Para 9.01 (c).

b) Only quantity should be debited on individual item level instead of value in terms of Para 4.26(C), which states an Advance Authorization shall inter-alia specify aggregate CIF value of Imports.

The Chairman stated that in case M/s. BCHAA is still facing any difficulty in that regard, the matter will again be pursued with the DG (Systems) for resolving the issue.

Action: ADC/EDI

Action taken:-

The EDI Section informed that matter has been referred to the DG (Systems) vide their letter dated 30.08.2016 for resolving the issue. The members were requested to wait for some time so that it can be resolved by the DG(Systems).

(Point Closed)

New Point:(Sponsored by M/s Women Custom Brokers & Freight Forwarders)

Point No.10:- Public Notice No.70/2016 Amendment to Ch IX of the Customs Act 1962 - Removal of Goods from the Customs Station; Instructions regarding affixation of one time lock.

Issue: - We have been asked to pay Overtime as the Public Notice is not clear.

Action taken:-

In this regard, the Bond Section informed that Public Notice No.70/2016 dated 17.05.2016 issued in this regard had salient features as follows:-

(a) As per Board's Circular No.17/2016 dated 14.05.2016 for removal of goods from a Customs Station, the regulations requires that the goods arriving at the warehouse from a Customs Station shall be affixed with a one-time-lock (bottle seal) with its serial number endorsed upon the Bill of Entry for warehousing and the transport document. The warehouse keeper or bond officer, as the case may

be, is required to inspect the seal and when it is found intact, permit the goods to be unloaded at the warehouse.

(b) In case of removal of goods from a Customs Station for deposit into a warehouse, the container or means of transport (closed trucks) should be affixed with a one-time-lock (serially numbered bottle seal) by the Proper officer at the Customs Station. The OTL number along with the date/time of its affixation should be invariably endorsed on the Bill of Entry and the transport document. All Customs Stations are required to maintain records incorporating the number of the OTL, Bill of Entry, truck number, container number (if applicable), date and time of affixing the OTL and the name, designation & telephone number of the officer affixing the OTL.

(c) A similar procedure has been provided under the Warehoused Goods (Removal) Regulations 2016, which supersede the earlier Regulations of 1963, for removal of Warehoused goods from one warehouse to another and from a warehouse to customs station for export.

Accordingly, all the warehouse owners have been informed to purchase Customs Bottle Seal. As per Public Notice No.70/2016 dated 17.05.2016, all the existing warehouse owners were instructed to get the warehouse regularized. They were given unique warehouse codes for the same and three (03) months time i.e. till 13.08.2016 to regularize the same by giving;

- i) An all risk Insurance Policy covering riots, fire, theft, natural calamities, skillful pilferage and commercial crime in favour of the President of India, for a sum equivalent to the amount of duty involved on the dutiable goods proposed to be stored in the public warehouse at any point of time;
- ii) A solvency Certificate of Rs.Two crores from a Scheduled Bank recognized by the Reserve Bank of India;
- iii) An undertaking in terms of Regulations;
- iv) An Indemnity bond in terms of Regulations;
- v) Appointment of Warehouse keeper in terms of Regulations;

However, it was informed that most of the existing Public Bonded Warehouses have failed to comply with the Regulations and hence, they have not been regularized. Prior to the new Warehousing Regulations, the Public Bonded Warehouses were working under Preventive supervision and were supposed to pay Overtime charges/Cost Recovery basis for the officer working in Bond. As most of

the existing Public Bonded Warehouse has not yet been regularized, and physical monitoring is still in practice, they are required to pay the Cost Recovery and Overtime charges for the Officers working in the respective warehouses. It was also informed that once the warehouses will be regularized in terms of the new Regulations, they will not be required to pay on Cost Recovery basis for the Officer. However, they will have to pay the charges for the Officers whenever the Officer is expected to visit the warehouse for Bond to Bond transfer or for transfer from Warehouse to CFS for re-export of the goods, for affixing the one-time-lock as per the guidelines provided in the Board's Circular No.17/2016 dated 14.05.2016 and Public Notice No.70/2016 dated 17.05.2016.

Accordingly, the Chairman directed that all Warehouses should necessarily complete the formalities of submission of all the documents as per the new Warehousing Regulations and all the Warehouses are to comply with new procedures latest by 05.10.2016.

Action: ADC/Bond

11) The members of the meeting were informed that the next PTFC meeting shall be held on **28.10.2016 at 11.30 hrs at Conference Hall, 7th Floor, JNCH**. The Chairmen requested all the Association Members to forward their agenda points, if any, at least **07 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-III and the Commissioner of Customs, NS- V.

Sd/-

**(SANDEEP YADAV)
DEPUTY 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 Commissioners 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.