

**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: 04.03.2016

**MINUTES OF MEETING OF THE PERMANENT TRADE FACILITATION
COMMITTEE MEETING FOR NS-I, III & V HELD ON 25.02.2016**

The PTFC meeting held on 25.02.2016 was co-chaired by Shri D.K.Srinivas, Commissioner of Customs, NS-I & III and Shri Subhash Agarwal, Commissioner of Customs, NS-IV & V and attended by the following Members/Participants of trade -

Sr. No.	Names (S/Shri)	Organization/Association/Designation
1	R. Rajasekhar`	United Phosphorous Ltd.
2	Mohan NIhalani	President, AIIEA
3	Neelesh D	AIIEA
4	R.K. Rubin	AMTOI
5	Raghav Uchil	AMTOI
6	Norman Fernandes	CSLA
7	Nimesh Desai	WISA
8	Ramesh P. Kalath	FIEO
9	Paresh Shah	BCHAA
10	DL. Thakker	BCHAA
11	Suresh Dalvi	BCHAA
12	Ganpat Karade	BCHAA
13	Manish Kumar	MANSA
14	Nimesh Desai	WISA
15	Kamlesh A. Agnilal	MSWC

Following officers from Department attended the meeting -

	Name (S/Shri)	Designation
01	Aseem Kumar	Addl. Commissioner of Customs, JNCH
02	Asir Tyagi	Addl. Commissioner of Customs, JNCH
03	Dilip Goyal	Addl. Commissioner of Customs, JNCH
04	Nilkanth Shelke	Addl. Commissioner of Customs, JNCH
05	S.K. Vatsa	Jt. Commissioner of Customs, JNCH
06	Dilip Bhilegaonkar	Jt. Commissioner of Customs, JNCH
07	Raghuram	Dy. Commissioner of Customs, JNCH
08	Smt. Arpita Naharya	Dy. Commissioner of Customs, JNCH
09	Vipul Gupta	Dy. Commissioner of Customs, JNCH
10	Smt.Anushree Hardikar	Dy. Commissioner of Customs, JNCH
11	Shri Sachin Sankpal	Dy. Commissioner of Customs, JNCH
12	Shri B.L. Reddy	Asst. Commissioner of Customs, JNCH
13	Shri Sanjay Vaidya	NIC

2. At the outset, the Chairpersons welcomed all the members. Thereafter, the Chairperson informed that there was a discussion in the last PTFC Meeting on availability of officers at Docks in the early office hours and very few

clearances/out of charges are granted before 2 PM. The Chairpersons informed that a surprise visit at 10 AM on 22.2.2016 was made at to All Cargo Logistics Park and it was found that the staff posted were present and there were only 7 registrations entered at 10.00 am, 15 more at 10.30 am and another 18 at 11.00 am. Similarly on the next day i.e. on 23.2.2016, at Transindia (new) it was found that at 10 am there were only 4 registrations, 13 more at 10.30, and another 11 at 11.00.

3. The Chairperson further informed that a study of out of charge given at docks were conducted for the last 20 days and found the percentage details of out of charge given is as under:

From 10 am to 12.00 PM	-	2% (900 Bills of Entry on an average)
From 12 PM to 2.00 PM	-	20%
From 2 PM to 4 PM	-	24%
From 4 PM to 6 PM	-	23%
From 6 PM to 8 PM	-	25%

4. The data shows that number of clearances in the first 4 hours of examination is not encouraging. He requested the trade & industry to plan their programme schedule in such a manner that the work is divided evenly and the morning hours are optimally utilized, without wasting the manpower and infrastructure available. The trade members appreciated the study conducted by the Department and agreed to cooperate and utilize the morning session to the maximum.

5. The Chairpersons further remarked that all stakeholders had requested for 24 x 7 operations at various forums. However, the study conducted in this regard is not very encouraging. The details of percentage of clearance during 1st shift and 2nd shifts are as under:

	% of RMS Bs/E	% of Non RMS Bs/E
8 AM to 8 PM	50%	44-48%
8 PM to 8 AM	1.34%	5%

6. The data indicated that RMS Bills of Entry are cleared on priority and thus, the percentage is more between 8 AM to 8 PM and after 8 PM, priority is given to the non-facilitated Bills of Entry. The percentage of clearance between 8 PM to 8 AM is not encouraging and not found to be commercially unviable. He urged the trade to popularize the facility among the importers and exporters for adequate utilization of the resources meant for 24 x 7 operations.

7. Thereafter, the Agenda Points were taken up for discussion:

8. Old Points:

8.1. Reducing/eliminating hardcopies/printouts in Customs Clearance:

It was informed that Letter to Board dated 22.02.2016 has already been sent recommending the views of BCHAA.

(Point closed)

8.2. Physical Endorsement of SMTP:

One of the Trade member informed that Mundra Customs has issued a Public Notice in this regard. The Chairpersons requested to submit a copy of the same and directed the concerned Officers to study the Public Notice and issue a similar one after making necessary change, if required.

Action: BCHAA / ADC Import Noting

8.3. Acceptance of IGM/EGM on Holidays:

The Chairpersons informed that the Department has started accepting filing of IGMs & EGMs on all Saturdays & Sundays and in the last 3 weeks the Officers were posted for acceptance of IGM/EGM. It was informed that the requisite Public Notice has already been drafted and will be issued within 3 days.

Action: ADC/Import Noting.

8.4. Manual debiting procedure of SVB:

It was stated that Public Notice No.32/2016 dated 24.2.2016 has been issued stating that apart from group Appraisers, Appraisers of SVB & EDI are entrusted with the role of generating challans for EDD payment. All the members from the Trade welcomed the steps taken by the Department and thanked the Chair for the positive gesture.

(Point Closed)

8.5 Manual debit of Bond details in SVB Section: It was stated that the Importers/ Customs Brokers have to give a complete set of copies of invoice, packing list, B/E to the SVB cell at the time of manual debit, which could be avoided as all these details are available when the documents are scanned.

Further, it was mentioned that the entire SVB procedure has been reviewed and revised by issue of Board's Circular No.4 & 5 / 2016 dated 9.2.2016 and the Member (Cus) during his recent visit to Mumbai on 17.2.2016 stated that any useful suggestions/changes in this regard are welcomed and accordingly asked the trade to submit their suggestions, if any so that the Department can forward it to the Board for consideration.

It was stated that Facility Notice No.29/2016 dated 24.2.2016 has also been issued discontinuing the manual debit.

(Point closed)

8.6. Permission for bonding u/s 59 pending test reports:

Bonding under Section 59 may be allowed pending Test Reports, FSSAI NOC, Textile Committee report etc at the time of assessment of Into-Bond Bills of Entry and the same could be verified at the time of ex-bonding the goods to reduce the transaction cost/mounting demurrage/detention charges.

During the discussions, one of the Trade members requested that at least Bonding in case of those re-import wherein no payment of duty is involved, may be allowed pending submission of procedural NOCs.

The Chairpersons informed that the issue is under consideration.

Action: JC/Appg. Main (Import)

8.7. Examination and OCC for timely clearance:

It was informed that Standing Order No.15/2016 dated 28.1.2016 has been issued in this regard and the point was accordingly closed.

(Point Closed)

8.8. Rejection of Transaction Value:

As assured in the last PTFC, Standing Order no.17/2016 dated 16.2.2016 has been issued giving instructions to the Group Appraisers to be more specific in raising the query w.r.to enhancement of value. The Chairpersons informed that in case any specific problem, the same may be brought to his knowledge and will be addressed appropriately.

(Point closed)

8.9. Bill of Lading / Invoice attestation:

The Group Appraisers have been given necessary instructions vide Standing Order No.17/2016 dated 16.2.2016 not to give any orders for "verification of invoice/packing list attestation by Group". Also the Docks staff have been instructed not to insist for "attestation of invoice/packing list by Group". Thus, the issue stands settled.

(Point closed)

NEW POINTS:

POINT SPONSORED BY ALL INDIA LIQUID BULK IMPORTERS & EXPORTERS ASSOCIATION:

9. Delays in assessment due to increase in pendency of assessments.

Issue: To introduce systems and checks to ensure that there is no pendency at all, particularly in view of RMS and in the era of ease of doing business and paramount importance being given to Trade facilitation.

The Chairpersons informed that since this point has already been taken care and therefore may be closed.

(Point closed)

10. Review of assessment by Appraiser in Docks at the time of examination

Issue: To Stop Review of assessment by Appraiser in Docks at the time of examination. This is bad in law, especially when the B/E is assessed and passed by the Group. It is wrong for a Dock Appraiser to re-check value after the same has been accepted by the Group Appraiser and Group Dy. Commissioner.

In this regard, the Chairpersons also informed that this point has already been taken care in the Standing Order No.17/2016 dated 16.2.16 and therefore, the point is closed.

(Point closed)

11. Loading of Value:

Issue: At Group's assessment stage, arbitrariness in loading values should be stopped. Following NIDB data and International Price Lists for chemicals without understanding the formula of pricing and the market conditions is unjustified, wrong and against the Valuation Rules and WTO guidelines besides, also against number of well settled judgements of CESTAT, High Court and Supreme Court. It is just defying the law and against the Valuation Rules. This defies the basic tenets of Self Assessments and also totally against the spirit of Ease of doing Business.

In this regard, the Chairpersons also informed that this issue has also been taken care in the S.O.17/2016 dated 26.2.2016.

(Point closed)

12. Payment of Single Merchant Over Time in view of latest changes in the Customs Manual on MOT.

Issue: In accordance with the para 3.2 of Chapter 12 of the Customs Manual, in case a Customs Broker handles more than one Bill of Entry/Shipping Bill of an importer/exporter, he need not pay separate set of fee for each such document. Similarly, if an exporter or importer has more than one activity to be supervised by Customs during the same block, he need not pay overtime fee for each activity separately. Hence, in view of the above, Custom Broker has to pay only a single MOT for multiple jobs even though there may be more Bs/E and Shipping Bills.

In this regard the Chairpersons read and reiterated the wordings given in the Manual and the overriding clause of the wordings "**of an importer/exporter**". Further, the Chairpersons wanted to know is there any Public Notice issued by Mumbai or any other Customs in this regard and asked

the AC/Appraising (Main)(Import) to examine the issue and if required issue a Facility Notice in line with the Customs Manual.

Action: ADC/Prev.(Gen.)

POINT SPONSORED BY BRIHANMUMBAI CUSTOM HOUSE AGENTS' ASSOCIATION (BCHAA).

13) Bond/EOU/Gr.VII Digitization: Request for removal of manual registers

Issue: From the BCHAA side, it was explained that in Bond Section, EOU and Gr.7, a lot of manual entries in the registers are being carried out and if that can be digitized, the time and paper work involved could be minimized.

It was stated that in the last meeting the digitization of Bond was discussed and was stated that it is an all India issue. The issue needs to be taken up at the Board's level. Gr.7 and EOU Sections were directed to co-ordinate with the Addl. Commissioner Shri Aseem Kumar and study the issue and come out with a proposal.

Action: ADCs/ Gr.7 U, 7G, 7I, 7D

14) Bonding of goods: Delivery formality to be reviewed for the bonding within vicinity.

It was mentioned by the Chairpersons that this point was earlier raised and closed. There are sufficient POs available for overtime purposes. It was explained that all Customs Stations are defined under Section 9 of the Customs Act, 1962 and if any movement of cargo is to be carried out outside the Customs area, the same has to be done with Preventive escort, for which an overtime charges have to be paid. Therefore, change of any procedure requires a policy decision and requires examination at the Board level.

(Point closed)

15) Examination of Import & Export cargo: Minimum two rounds a day and use of technology for speedy OCC & LEO. Requested to use hand held devise to give OCC and LEO.

The first issue of 2 rounds is already discussed in detail at the beginning of the meeting. With regard to hand held devices, it was agreed that in view of security reasons involved, the trade was advised to take up the matter at appropriate level.

(Point closed)

16) Shifting of material to local containers;

Issue: To formalize the procedure for shifting to local containers, so that, all concerned will be able to take decision in this regard without problem.

It was explained from the trade side that though there exists Public Notice/Standing Order for providing local containers by the

Custodians/Shipping Lines, no procedures have been framed for shifting of the cargo from import containers to domestic containers.

It was explained that for those cargoes for which an out of charge is not given and are to be shifted to local containers, shifting can be carried out under the supervision of Customs and if needed Standing Order can be issued. However, if the cargo is given out of charge, then the Customs has no role to play.

ADC/CFS Management Cell

17) Cancellation of OCC and Joint Survey:

Issue: This point was discussed in the PTFC meeting held on 30.12.2015 where it was decided that the number of such cases are miniscule/very limited, the request for inclusion of Customs Officers in the joint survey can be considered on case to case basis instead of a decision in general. This point needs further discussion and decision from Customs in this regard.

From the AIIEA side, it was enquired as to whether any decision has been taken on the matter. It was explained by the Chairpersons that as decided and agreed in the last PTFC Meeting, the matter was referred to the Principal Chief Commissioner and the same is under consideration.

(Point Closed)

POINTS PUT FORTH FROM DEPARTMENTAL SIDE:

18.1) It was pointed out that during the Departmental Review Meeting held, it was observed that the time taken for the clearance of re-import cargo is ranging from 1 month to 3 months and adversely affecting the dwell time. In this connection, the Chairperson informed that a study regarding clearance of the re-import Bill of Entry was conducted. He informed that there was inordinate delay on the part of the importers/Customs Brokers in submitting the required documents. He requested the Customs Brokers to submit all the related documents at the time of filing the Bill of Entry itself. Shri Rajasekhar from M/s United Phosphorous Ltd. informed that there is delay in assessment, testing etc., despite correct documents have been filed. The Chairpersons requested all the stake holders to cooperate in reducing dwell time of re-import Bills of Entry and asked the members to bring it to the notice of the importers.

18.2) The Trade and Customs Brokers were requested to submit the details of common/frequent types of queries being raised by the Assessing Groups/Docks so that the repeated queries given can be examined for reduction of the same.

Others issues:

19.1 From the trade side it was stated that testing of edible oil cargoes are being sent to Pune Lab and it takes more time to get the test result. The Chairpersons informed that this procedure has already been withdrawn. The concerned Group AC/DC have been instructed to send the samples only to DyCC, CRCL lab and the DYCC officials have been instructed to carry out the test at their lab.

19.2 One of the trade member stated that in case of testing of samples, DYCC takes considerable time to inform that the facility to test such goods is not available with them and as a result the clearances are getting delayed and therefore requested that they be permitted to draw the sample on their own and send it to the Govt. approved Lab. for test. The Chairpersons informed that the same will be taken up with DyCC.

19.3 From the trade side, it was requested to provide them the ledger copy of bond details in SVB cases on fortnightly or monthly basis so that balance available in the bond can be verified easily. The Chairpersons directed Dy. Commissioner (SVB) to take a detailed representation from the Customs Brokers/Importers and study the issue and put up.

Action: BCHAA & DC (SVB).

20. The Chairpersons informed the members that as a Trade Facilitation measures JNCH has opened a new face book a/c and all the Public/Facility notices issued will be uploaded and will be readily available to the trade and urged all the members to make use of the facility.

21. Finally the Chairpersons informed that JNCH has so far achieved the revenue collection of about Rs.41,390 crores. All the Customs Brokers were requested to persuade the importers to pay the duty in case of bills of entry lying in the bank queue.

22. Further, the Chairpersons informed that the PTFC was earlier re-constituted vide Public Notice No.59/2010 dated 25.6.2010 and expressed his desire to further expand the committee by including more members/Associations and requested to popularize/convey this message to other associations/importers/exporters and send their willingness for inclusion in the PTFC committee, if interested.

23. The members of the meeting were informed that the next PTFC meeting shall be held on **23.03.2016 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.

25. The meeting ended with thanks to the Chair.

25. This issues with the approval of Commissioners of Customs NS-I, III & V.

--Sd--

(B.L. REDDY)

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

To

All the Members of PTFC

Copy to:

1. The Pr. Chief Commissioner of Customs, Mumbai Zone-II, JNCH, Sheva.
2. The Chief Commissioner, Directorate General of Taxpayer Services, New Delhi.
3. The Pr. Commissioner/All Commissioner of Customs, Zone-II, JNCH, Sheva.
4. All ADC/JC, DC/AC of Customs (I, III, V), JNCH, Sheva.
5. DC/EDI for uploading on JNCH website.
6. Office Copy