

F. No. S/3-MISC-PRO-516/2013 ACC(I) Part III

Date: .07.2017

**MINUTES OF THE PERMANENT TRADE FACILITATION COMMITTEE MEETING
HELD ON 11.07.2017**

The monthly meeting of the Permanent Trade Facilitation Committee (PTFC) was held on 11.07.2017 at 11.30 A.M. and was presided over by the Chairman, Shri S. Anantha Krishnan, Commissioner of Customs (Export), ACC, Sahar. The following officers and representatives from the stakeholder organizations participated in the meeting:

Name & designation of departmental attendees	Organization
Shri A. K. Goel, Addl. Commissioner (Import)	Customs, ACC
Shri Raju SakhtiVel, Addl. Commissioner (Export)	Customs, ACC
Shri P. K. Agrawal, Addl. Commissioner (Export)	Customs, ACC
Shri Pawan Khetan, Jt. Commissioner (Import)	Customs, ACC
Shri Sachin Gusia, Jt. Commissioner (Import)	Customs, ACC
Shri Tapan Kumar, Jt. Commissioner (Export)	Customs, ACC
Shri Jitendra Patel, DC(Import)	Customs, ACC
Shri Shashank Dwivedi, AC(Import)	Customs, ACC

Name of attendees from stakeholder organizations (Sh./ Ms.)	Organization
K. C. Meena	ADC
B. S. Khali	WCCB
Cdr. Lokesh (Retd.), Mayilvanan T., Mohamed Nasir	MIAL (Custodian)
K. D Dhule, G.K.Kumar, Asha Kale	Air India (Custodian)
S. K. Singh	State Bank of India
Sanjeev Harale, Kaushal Thakker, C.A.Veeramani, L. V. Shah, Paresh R. Sangani, Ketan Desai, Dushyant Mulani	BCBA (formerly known as BCHAA)
Agustinho G. Fernandes	Founder Member Customs Watchdog Committee (JMIE)
Vaishali Kulkarni	COSIA
Deepak S. Kadam, Shantanu Choudhari	Newgen Software
Raghav Uchil	AMTOI
Bala Ayer, Mohnish G. Charania	ACAAI
Ajit Sakhare	General Stamp Duty
Mamta Jaganmohan, Avinash Samant	Jet Airways
Harish Zade	Lufthansa Cargo AG

1. Points from the previous PTFC meetings which were taken up for discussion:

A. Internet Connectivity and Wi-Fi Facility

In the previous meeting, the representatives of MIAL reiterated the position as intimated in the last meeting that the cabling work is in process and installation of hardware will be completed by the end of June, 2017. Further, DC/EDI informed that the issue of an early comprehensive system audit at Air Cargo Complex is being pursued with DG (System).

In the instant meeting, the representative of MIAL informed the Chairman that the infrastructure has been developed, cabling work has already been done and testing of wires is progressed and internet connectivity with wi-fi facility will be live from 15th July, 2017.

The Chairman appreciated the efforts of MIAL and hoped for live connectivity of Internet and Wi-Fi within four days.

[Point: Closed]

B. Use of diesel forklifts towards late evening is causing increase of pollution levels in Import Shed.

In the previous meeting, ADC(Import) informed the house that as an initiative to promote green customs, both the custodians were requested to replace the existing diesel operated forklifts with battery operated forklifts. He informed that MIAL has shown noteworthy enhancement by bring in 58 battery operated forklifts. However, Air India is yet to bring about the much required change in the working conditions.

In the instant meeting, the representative of Air India informed the house that the Tender procedure has been initiated for battery operated forklifts and the existing diesel operated forklifts will be replaced with battery operated forklifts within couple of months.

The Chairman directed Air India to expedite the process of procurement of the much required battery operated forklifts.

[Action: Point dropped for 4 months]

C. Clarification on non-printing of Exchange Control copy vide CBEC Circular 55/2016 dtd. 23.11.2016:

In the previous meeting, the representative of MIAL informed that the matter was discussed in the trade facilitation meeting conducted by MIAL. Airlines have given their suggestions, however confirmation from the BCHAA and ACAA is awaited. MIAL assured that a formal SOP will be issued within 15 days.

In the instant meeting, the stakeholders narrated the lengthy and exhaustive procedure followed by the custodian after obtaining the LEO And requested for simplification of procedure.

The representative of Luftansa invited attention to Trade Notice-2 issued vide F. No. 02/39/04/16-17 A&ACC dated 23.03.2017 by the Joint Commissioner of Customs, Bengaluru, Wherein no need to print or retain any copy of shipping bill is required, can this be considered accordingly and have similar notification done for ACC.

The Chairman expressed concern over the issue and directed the custodians MIAL and ACAA to develop a digital mechanism in collaboration of each other to resolve the issue in the spirit of DIGITAL INDIA and paper less work culture.

[Action: Point Closed]

D. Import on personal IEC allowed only upto 50,000/-

In the previous meeting, ADC (Import) informed that a draft Public Notice on the issue has been forwarded to the Chief Commissioner's Office for approval. Final decision on the issue will be taken shortly.

In the instant meeting, the Jt. Commr.(Import) informed that the issue is under consideration with consultation of DGFT and the final decision will be taken in due course.

[ACTION: ADC/CCO]

E. Printing of TR Memo

In the previous meeting, DC/EDI informed that the necessary specifications of the printer to be installed at Import Shed will be provided to MIAL. The representative of MIAL assured to install the requisite printer at the earliest.

In the instant meeting, the representative of MIAL informed that the installation will be done within one month's time.

The Chairman directed MIAL to install the printer as soon as possible.

[ACTION: MIAL]

F. Temperature controlled facility for Meat, Fish, Frozen foods:

In the previous meeting, the representative of MIAL intimated that the process of modifying an additional temperature control unit to -25°C is in progress. As the technical parts for this conversion needs to be imported, the whole process will take about 6-7 months time.

In the instant meeting, the representative of MIAL reiterated that the conversion needs to be imported and whole process will take 6-7 months time.

The Chairman took note of the development and directed that the facility may be made operational at the earliest and directed that the matter will again be discussed after two months

[ACTION: MIAL (Review after two months)]

G. Augmentation of import infrastructure:

In the previous meeting, the representative of MIAL informed that they are in the process of enhancement of import infrastructure in a phased manner. As for Block-C, the development plan is under process and the same will be shared within couple of months. Further, MIAL informed that as a part of Swachhta Action Plan (SAP) they had given contract to an outside agency to clear Air Cargo Complex of the stray animals and now there is marked improvement in the situation.

In the instant meeting, the DC/P(G) informed that the plans are submitted to department. However, no progress has been noticed so far in the matter.

The Chairman felt that the action and output-result in the matter is time taking in nature. Hence, the matter may be dropped for 6 months time. Also directed to conduct a quarterly meeting with Customs and other stakeholders.

[ACTION: Dropped for 6 months]

H. Online payment of Amendment fees:

In the previous meeting, DC/EDI intimated that the option of generating challan for payment of fine and penalty is available on the Group AC and Appraiser's screen. The challan for the same can be generated by the concerned Group Appraiser and payment can be made. However, for payment of the amendment fees, no option is available in System. The matter will have to be referred to DG(System), for making provision for the same.

In this instant meeting, the DC/EDI reiterated that they already have written to the DG/System and nothing can be done at their part.

The chairman felt that the matter has the gravity of all India level and informed the house that he will take up issue with the DG(System) to resolve at the earliest in wider public interest.

[Treated as closed]

I. Additional staff be deployed at Export Shed, to expedite the clearance:

In the Previous meeting, the representative of MIAL informed that the required manpower has been deployed to Export Shed. Further, the work of temporary access from ACC to the new export heavy shed will be completed within ten days.

The representative of BCHAA informed that there are only 2 terminals installed in the Export Shed. The process of registration of Shipping Bills and entering the examination report are both carried out on the same terminal. It was requested that additional 2 terminal be installed in the Shed.

In the instant meeting, the representative of MIAL informed that required manpower has been deployed and any short comings may be brought to the notice of Shift Duty Managers or can be escalated to the Shed In-charge. As required, 02 terminals had been installed in the existing Export-Shed for registration process and examination report. Temporary access from ACC to the new export shed is completed and ready for usage.

[Treated as closed]

J. DMS Coupons not pasted on SB and B/E files:

In the previous meeting, the representative of M/s Newgen Software Technologies Ltd. intimated that most often the importers/CHAs do not paste the mandatory DMS coupons on the Shipping Bill and Bills of Entry files. The DC(CHS) and BCHAA were updated about the issue. With the efforts of DC(CHS) approx. 8000 coupons were submitted. However, 50,000 documents are still pending for want of DMS coupons. It has been requested that the importers/CHAs may be directed to submit the pending DMS coupons at the earliest

In the instant meeting, the representative of BCBA intimated that many a time coupons are not available at the service center of Newgen and suggested that DMS coupons should be made available in advance so that the same could be pasted on each and every document. Alternatively booklets containing the coupons may be sold or digital payment system may be made available.

[ACTION: M/S NEWGEN, BCBA & DC/CHS]

K. Weeding out old Dockets

The representative of M/s Newgen intimated that after scanning, the files/dockets are stored in the boxes and placed at the Pipeline Warehouse. However as the storage space at the warehouse is fully occupied, these dockets are lying in the Shed. The documents of 2011 are already available in soft copy, they may be permitted to weed out the documents of 2011, thus creating storage space for the documents of the current year.

The Chairman took cognizance and expressed his displeasure over the issue as no further progress have been informed to the house and directed the MCD sections of the Import and Export Commissionerate to coordinate with DC/P(G) and together take up the matter of weeding out of dockets of 2011 and the same should be informed the house positively.

[ACTION:DC/P(G), DC/MCD(I) & DC/MCD(X)]

L. Elimination of signature in final printout on SBs in line as per PN No. 14/2017-18 dated 12.05.2017 for import.

In the previous meeting, the representative of BCHAA requested that, as the requirements of signatures by the shed officers on final print out of the Bills of Entry has

been eliminated vide PN No. 14/2017-18 dated 12.05.2017, accordingly, the same be made applicable for the S/Bs.

In the instant meeting, the representative of BCBA intimated that some of the Banks do not accept the Shipping Bills without sign of the Customs official on final printout.

The Chairman directed the representative of BCBA to submit the list of the Banks, not accepting the final print-out without signature. Then the Customs will directly take up the matter with the respective Banks.

[ACTION: BCBA]

M. Due to system issue, handing over of cargo in stipulated free period is not possible. Hence, demurrage waiver to be given *suo motto* by both the Custodian

In the previous meeting, the representative of BCHAA requested that demurrage waiver be given *suo motto* by both the Custodian due to the system being erratic.

The representative of MIAL informed that the request made by BCHAA is not practical and the reason of system breakdown or the system being erratic cannot always be quantified. Further, there can be multiple reasons for the CHA/Importer not filing B/E or not clearing the goods. Hence, case to case waiver can be provided, however a *suo motto* demurrage waiver cannot be given.

The ADC(Import) suggested that the issue may first be taken up at the CAFAC level as the matter is between Stakeholders and Custodian. Further, DC/EDI informed that the problem of the system being erratic is a temporary issue arising on account of new patches being added. The issue will get resolved with the implementation of GST.

In the instant meeting, the representative of MIAL informed that the point was discussed jointly with trade and MIAL had assured for granting waiver on case to case basis and by the merits of the case.

The chairman appreciated that efforts of MIAL and suggested that some mechanism should be developed jointly to resolve the issue.

[Treated as closed]

N. Timely flight checking and segregation of Cargo by Air India:

In the previous meeting, the representative of BCHAA informed that with the free period being reduced from 72 to 48 hrs, it is imperative that the binning of cargo in respective location is completed at the Import warehouse within 6 hrs of landing.

The representative of Air India informed that the matter is under consideration and suitable procedure will be introduced in a very short notice.

The chairman took cognizance over the issue and directed the representative of Air India to take necessary action in the spirit of 'Ease of doing Business'.

[ACTION : M/s AIR INDIA]

O. Point from MACCAI, Agricultural Committee for discussion in PTFC meeting

In the previous meeting the representative of MACCIA informed about instances when their consignment of perishable cargo was offloaded due to non availability of trolleys and insufficient man power (loader) at Air India, custodian for APEDA. This

inadequacy has caused them loss of revenue, business and goodwill. It was requested that necessary action be initiated to avoid such losses in future.

The representative of Air India informed that he has just taken over the charge and is looking into the difficulties being faced by Trade. He assured the house that all the issues being faced by Trade will be addressed in a time bound manner.

The representative of Air India informed the house that they are working over the issue and the same will be resolved shortly.

[ACTION: M/s AIR INDIA]

New Point for discussion in this PTFC Meeting

2. Points raised by Air Cargo Agents Association of India, Western Region

(i) No Storage and Testing Facility for Fresh Chilled Fish /Frozen Meat

For Perishable Cargo, when the drawback is more than Rs. 10,000/- sample is drawn for TEST purpose for items like FRESH CHILLED FISH /FROZEN MEAT. Customs Broker and shipper have no objection. But there is no chill facility to store at ACC to keep sample till it is sent for testing. Also the examiner insists that the drawback shipping bill be converted to Free shipping bill because there is no test facility available for such items.

The chairman took cognizance over the issue and informed that the matter will be deliberated upon and the action will be taken accordingly.

[Action: AC/Export Shed]

(ii) Problem for LEO while system is down

When CUSTOMS system is down, the appraiser says he will give manual LEO for perishable items, only if we convert the scheme shipping to free shipping bill. The exporter stands to lose his benefit for no fault of his.

The chairman stated that manual LEO will be allowed without changing the bill to the condition that it should be regularised once the system is up.

[Action: AC/Export Shed]

3. Points raised by Brihanmumbai Custom Brokers Association (Erstwhile BCHAA)

I. The representative of BCBA requested that all stakeholders i.e. Custodians, Airlines, Console Agents etc. to follow the guidelines given in GST for raising of invoice which mandates service providers to issue invoice and credit under GSTN in name of Importer/Exporter, who is recipient of the service directly even when payment is made by a custom broker. Custom Brokers fall within the category of PURE AGENT in terms of Notification 10/2017 Central Tax dated 28.06.2017.

The chairman stated that all Stakeholders to issue GST compliant invoice so that ease of doing business 'sprit is upheld'.

[Action: All stake holders]

II. The representative of BCBA informed that suitable guidelines for Exporter Copy of the SB that is required to be handed over to the airlines after LEO along with the AWB Hand-over set.

[Point already discussed at 'C'. Hence, closed.]

III. The representative of BCBA informed that difficulties are being faced by their members in submission of letters/correspondences with MIAL and Air India. We require

immediate acknowledgment of letters and correspondences should be done immediately. The chairman stated that suitable guidelines may be issued by the custodians to their staff to avoid such situations.

[Action: MIAL/Air India]

IV. The representative of BCBA drawn the attention of house towards the pathetic working condition in Air India Shed and shown the photographs of various places of Air India Shed premises to the Chairman. There is lack of housekeeping leakage during monsoon, lighting is very poor. The shed is against the principle of 'Swachh Bharat' campaign by Hon'ble Prime Minister of India.

The Air India In-Charge stated that he has taken over recently and he is aware of the issue and the same will be sorted out soon.

[Action: Air India]

V. Custodian at ACC to provide demurrage waiver for the GST migration period since EDI system was not fully functional.

[Point: Discussed at 'M']

4. New Point for discussion in PTFC Meeting from Western India Shippers' Association

DGFT, vide circular 3(RE-2001)/1997-2002 had stipulated mandatory testing for presence of Azo Dyes for all textile articles and Customs was only implementing authority for the same. Thereafter, DGFT exempted certain categories of imports such as samples, import for the purpose of export after processing / manufacturing, small quantities etc. from testing requirements. Now vide notification 19/2015-2020 dt.04/09/2015 they have exempted textiles and textile articles originating from certain countries from such tests.

At ACC, however, officers still insist on importer making a request for waiver of testing of goods imported from such notified countries and group AO and DC permitting the same on said request.

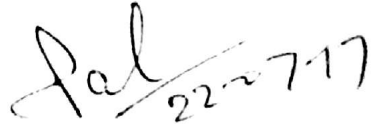
The point here is that Customs is only implementing authority for policy made of DGFT. So where DGFT itself is exempting certain categories, there is no need for customs to adopt a procedure, repeating the same. This procedure many a times is leading to delays and needs to be dispensed with immediately.

The Chairman assured that the issue will be examined and resolved on priority.

[Action: AC/Gr III]

5. The meeting ended with thanks to the Chairman.

This issues with the approval of the Chairman of the PTFC, Commissioner of Customs (Export), Mumbai Customs Zone-III.


(Pawan Khetan)

Jt. Commissioner of Customs,
Air Cargo Complex, Mumbai

COPY TO:

1. Chief Commissioner of Customs, Zone-III, Mumbai - For kind information, please.
2. Pr. Commissioner / Commissioner of Customs, Import / Export / General, ACC.
3. All Addl./Jt./DC/AC Commissioner of Customs, Import / Export / General, ACC.
4. All members of PTFC meeting (via E-mail)
5. EDI Section- For uploading on ACC Website.
6. Office copy.