

OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS (IMPORT),
AIR CARGO COMPLEX, SAHAR, ANDHERI (EAST), MUMBAI - 99
Phone: 022-26826696 / Fax: 022-26828187

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

Date: .04.2017

MINUTES OF THE PERMANENT TRADE FACILITATION COMMITTEE MEETING
HELD ON 07.04.2017

The monthly meeting of the Permanent Trade Facilitation Committee was held on 07.04.2017 at 11.00 A.M. and was presided over by the Chairman, Shri Anil Kumar Gupta, 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 Atul Saxena, ADC(Gen.& Export)	Customs, ACC
Shri A. K. Goel, ADC(Import)	Customs, ACC
Dr. Deepak Sharma, DC(Import)	Customs, ACC
Shri Jitendra Patel, DC(Import)	Customs, ACC
Shri Shashank Dwivedi, DC(General)	Customs, ACC
Shri M. R. Negi, AC(Import)	Customs, ACC
Shri Govind Chauhan, AC(General)	Customs, ACC

Name of attendees from stakeholder organizations (Sh./ Ms.)	Organization
Shashi Paul, V.A.Shinde	ADC
Ajit Sakhare	Controller of Stamps
B.S. Khatri	WCCB
Manoj Singh, Cdr. Lokesh (Retd.), Mohamed Nasir, , Mayilvanan T.	MIAL (Custodian)
S.V.Menzes, K.D.Dhule, Kanchan N. Jalpur,	Air India (Custodian)
Dushyant Mulani, Sanjeev Harale, Ketan Desai, Kaushal Thakker, Paresh R. Sangani,	BCHAA
Loknath Rai, Bala Ayer	ACAAI
Nimish Desai	WISA
Agustinho G. Fernandes	Customs Watchdog Committee (JMIE)
Vaishali Kulkarni	COSIA
Vishwanathan Nair, Sanjay Patankar, Jyotsna Patil. Sanjeev Melinanmani	Airlines
Laxmichand Nagda	Liladhar Pasoo

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

A. Internet Connectivity and Wi-Fi Facility

In the previous PTFC meeting, the Chairman had intimated that internet is the need of the hour and all the officers require connectivity for smooth discharge of their duties. He had stated that the time-frame given by MIAL for completion of their project to provide wired internet connectivity is too long. He had directed MIAL to complete the said project as soon as possible and in the meantime upgrade their existing Wi-Fi facility to remove the problem of non-functioning and speed slowness. He had also

that
directed MIAL to start planning for the subsequent phases of their said project beforehand and by 10th March, 2017 intimate a timeframe regarding their completion date. Further, he had added that nature of work of many officers, especially those posted in sheds, is such that they are constantly on move. Such officers require Wi-Fi facility to access internet. Therefore, he had directed MIAL that even after completion of the project to provide wired internet connectivity, the Wi-Fi facility should not be stopped and should be kept working.

In the instant meeting, the Chairman reiterated and reminded the MIAL of the above position.

The representative of MIAL informed that their IT Team is working on the project to provide wired internet connectivity. The project is slightly delayed but the work is under process. He informed that in view of the size of Air Cargo Complex, the wired connectivity will work better and faster than the Wi-Fi network. However, he agreed to provide Wi-Fi facility in Sheds where the officers are constantly on move.

The Chairman directed MIAL to provide in writing their action plan on the time-line for the completion of their wired internet connectivity project and Wi-Fi network.

[ACTION : MIAL]

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

In the previous meeting, the Chairman had expressed concern about long time being taken by M/s Air India for the procurement of battery operated forklifts and had directed them to expedite the process.

In the instant meeting, the representative of BCHAA informed that the issue still persists and there is no improvement in situation. Further, even the basic amenities like fan and proper lighting are not available in shed. He requested that the matter may be escalated to higher levels.

The representatives of M/s Air India stated that the said procurement through proper channel is a time consuming process and the exact time line for the same cannot be given with certainty. DC/P(G) informed that he had a word with General Manager of M/s Air India and even he had no idea by when this procurement process will get completed.

The Chairman expressed concern over the inordinate delay and lack of amenities. He directed the representatives of BCHAA to submit a comprehensive list of all their requirements, so that the same can be taken up with the CMD of M/s Air India.

[ACTION: BCHAA & DC/P(G)]

C. EGM Errors

In the last PTFC meeting, the Chairman had directed M/s Emirates Sky Cargo to clear all the pending EGM errors on priority and M/s Federal Express to clear the pending EGM errors positively by 06/03/2017. He had also directed the Appraising Officer/EGM Coordination Cell to take necessary steps towards clearing the pending errors of other Airlines.

In the instant PTFC meeting, Appraising Officer/EGM Coordination Cell informed that there were total 587 errors, out of which 176 errors have been cleared. The Chairman remarked that despite clearance of 176 errors the pendency is still very high.

Appraiser/EGM Coordination Cell intimated that about 200 errors have repeated and the matter has been taken up with EDI. The Chairman pointed out that despite setting aside repeated errors, the pendency is still high. He directed the EGM Coordination Unit to hold a meeting with the representatives of all the defaulting Airlines especially the Airlines having high number of errors and take steps to clear all the long pending errors.

[ACTION: DC/EGM Coordination Cell]

D. Requirement of proper lighting in Air India Shed.

Issue already discussed at point 'B' above.

E. Need for eliminating the original MAWB / HAWB required to be produced to Custodian

A Joint Committee with representatives from MIAL, BCHAA and Customs, was constituted to examine the issue

The Addl. Commissioner (Import) informed that the Joint Committee deliberated on the issue and as per the outcome of those deliberations, M/s MIAL has agreed to accept the printout (Coloured / Black & White) of the MAWB / HAWB sent online by the Console Agents to the CHAs after scanning and certifying of the same by the Console Agents under their seal and signature. M/s MIAL has agreed not to insist on the original copy of MAWB / HAWB and they will accept printout of the console certified scanned copy of MAWB / HAWB.

[Treated as closed]

F. SVB Registers Printout requests

In the last PTFC meeting, the Chairman had directed DC/EDI to examine the issue and seek clarification from SVB Cell on the possibility of providing printout of EDI report/screenshot of SVB Bond balance to the importers, till reply on the reference made by this office to the DG(Systems) is received.

Supdt./EDI informed that the EDI Section is in communication with the DG(Systems) regarding making the above facility available to trade.

Representative of BCHAA requested that trade may be provided printout of the screenshot of only the last page of bond report showing closing balance.

DC/Bond accepted the request of BCHAA and informed that screenshot of bond balance will be provided to the trade.

[Treated as closed]

G. Registration/Cancellation of Bonds/LGs required by PGAs.

A Joint Committee with representatives from Custom, Drug Controller, MIAL and BCHAA was constituted to examine the issue.

The Addl. Commissioner (Import) informed that the Joint Committee deliberated on the issue and as per the outcome of those deliberations, it has been decided that

Assessing Groups will continue to register the Bond/LGs and take a final call on them on the advice of PGAs.

[Treated as closed]

F. In view of CBEC Circular No.04/2017 dated 16.02.2017, MOT being charged by Custodians should be discontinued with immediate effect and recorded accordingly.

In the last PTFC meeting, the representatives of Airlines had requested for waiver of overtime charges, currently being paid by the Airlines, on a monthly basis in respect of services provided by the Customs officers at 24x7 Customs ports and airports.

In the instant meeting, the Chairman assured that a Circular will be issued on the above issue, withdrawing the MOT charges being paid by the Airlines for the services provided by the Customs officers, except the cases of Cost Recovery and other charges.

Further, as regards, MOT being charged by the Custodian, the Chairman informed that he will discuss the issue with M/s MIAL and a decision on the same will be taken soon.

[ACTION: DC/P(G)]

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

In the last PTFC meeting, the DC/EDI had informed that the ICES System does not have an option to print the 'Summary Copy'. He had also intimated that they are in communication with DG(Systems) to either amend the Circular or make available the necessary provision in the System for printing of 'Exchange Control Copy' or 'Summary Copy'. The Chairman had informed that since this is a national policy issue, the same has to be taken up with DG(Systems).

In the instant PTFC meeting, the representative of BCHAA informed that earlier the exporters were managing with the 'EP Copy' but at present the exporter is not left with any copy of Shipping Bill.

The representative of Airlines stated they are given 'Exporter's Copy' only as a proof of goods being given 'Let Export Order' and that they are prepared to forego accepting this 'Exporter's Copy', if they are provided with a gate pass duly signed by Customs officer confirming that the goods have been given LEO.

The Chairman informed that the issue needs further examination and if found feasible, gate pass duly signed by the proper officer will be made available for Airlines, else an alternative solution will be made available.

[ACTION: ADC/DC/P(G) & DC/Export Shed]

H. Delay in processing of N form

In the last PTFC meeting, the representative of BCHAA had informed that there is tremendous delay in processing of N form by BMC (Octroi), which is detrimental for timely clearance of import consignments. They had informed that they have already taken up the issue with the authorities of BMC, however, they requested for intervention of the house on the issue.

In the instant meeting no representative from BMC (Octroi) turned up. Chairman observed that the subject issue will get resolved with the onset of GST. The representatives also agreed with the observation of the Chairman.

[Treated as closed]

I. Custody and monitoring of Bonds and Bank Guarantees:

In the last PTFC meeting, the Chairman had requested the representatives of BCHAA & ACAAI to offer their comments on the draft Public Notice and Standing Order regarding custody and monitoring of Bonds and Bank Guarantees, so as to enable finalization of the said PN & SO.

In the instant meeting, the representative of BCHAA submitted that they are content with the existing system, wherein monitoring of Bond and Bank Guarantee is being carried out by the centralized BBG Cell.

The Chairman informed that the suggestions given by BCHAA will be duly considered at the time of taking a final call on the above issue.

[Treated as closed]

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

In the last PTFC meeting, the representatives of CHA M/s Liladhar Pasoo Forwarders Pvt. Ltd. had raised the issue of imports under personal IEC. He had informed that vide DGFT Notification, an individual is allowed to import goods under personal IEC number upto any value, except certain items for which import is allowed only upto Rs.50,000/-. However, Customs allows imports under personal IEC only upto Rs.50,000/- and for imports above that amount, the matter is adjudicated and fine and penalty is imposed. He had requested that when the goods, irrespective of their amount, are imported purely for personal use, no fine and penalty should be imposed.

In the instant PTFC meeting, the representative of BCHAA submitted a copy of their representation on the subject issue.

The Chairman assured that the issue will be duly examined and thereafter suitable decision, keeping in view the concerns of trade, will be taken.

[ACTION: ADC (Import)]

H. Shortage of staff in Wildlife Crime Control Bureau (WCCB)

In the last PTFC meeting, the Chairman had directed the representative of WCCB to pursue the matter of increasing their staff strength with their higher authorities. Further, he had informed that the subject issue was discussed in the CCFC meeting and has been referred to Central CCFC.

In the instant PTFC meeting, the representative of WCCB informed that the proposal sent by them to increase their staff strength has been rejected by their higher authorities.

The Chairman informed the house that he has taken up this issue with the Commissioner Single Window team at New Delhi. Single Window team has further taken up the issue with the highest office of WCCB, that all the consignments of leather may not be referred to WCCB.

[Treated as closed]

2. New agenda points from BCHAA for discussion in PTFC meeting

A. Levy of late presentation charges:

The representative of BCHAA informed that recently changes have been made in Section 46 & 47 of the Customs Act, 1962 prescribing time limit for filing of B/E. However, the time specified for filing of B/E before the end of next day excluding holiday on which the aircraft or vessel arrives at Customs station in terms of Notification No. 26/2017-Cus(NT) is not being followed by ICES 1.5. Late presentation charges are being levied after 24 Hrs. and holidays are not being excluded, requiring re-assessment of B/Es. The above problem combined with reduction in free period from 72 to 48 hrs. and erratic functioning of ICES since last two weeks, is leading to imposition of penalty and demurrage, thus creating huge difficulties for trade. It was requested that the matter may be taken up with DG(Systems). Further, the issue of date validation of IGM in EDI System was raised and it was requested to have a proper system for date validation.

The Chairman informed that he had a word with ADG/RMD and DG(Systems) on the issue. In the last week of March, there was increased filing of documents which the RMS System was unable to handle, therefore, many documents remained pending in RMS queue and increased number of documents got diverted to Group Assessment. Further, as a part of upgradation of System for roll out of GST, new patches are being implemented in ICES on a daily basis which makes the System erratic for some time. This may go on for another one month and till such time he requested trade to bear with the problem.

The Chairman informed the representative of BCHAA that these are pan-India System related issues therefore, there might not be any local remedy. However, an appropriate decision has been taken in the issue of system levying penalty on Sunday's, and the same has been waived. Further, he assured that any issue at local level will be resolved to ease out the problem.

[Treated as closed]

B. Printing of TR Memo:

The representative of BCHAA informed that this issue pertains to Customs Brokers who are dealing with textile articles for which samples are required to be drawn for testing by Textile Committee. After drawing of samples, the TR memo is to be generated and the printing of TR Memo is done offline on a local printer. However, due to non-availability of printers in import shed, the printer at NIC or BBG cell is selected. However, it takes time to obtain the print in these sections because their own jobs are already in queue and there is a perennial shortage of stationary causing delay in forwarding of textile samples. It was requested to install a printer in Import shed itself.

The Chairman assured the house that a printer would be installed in the Import Shed on priority.

[ACTION: DC(EDI) , AC(Import Shed) & MIAL]

C. Extension of forwarding time:

The representative of BCHAA requested that in view of the reduction in free period of Air Cargo from 72 hours to 48 hours, the forwarding time for examination of goods should be extended by MIAL from 5.30 P.M. to 6.30 P.M., for facilitating maximum deliveries. They also requested that the time for registration of B/E by Customs Staff should also be extended till 06:30 P.M.

The representatives of MIAL stated that despite making available the provision of online forwarding slips since last 4 years, it is still underutilized. If the trade makes proper use of this provision, all the forwarding can be taken care of by 4.00 P.M. The representative of BCHAA agreed to and appreciated the suggestion made by MIAL.

The Chairman informed that the issue of extending time for registration of B/E will be examined and decision will be taken soon.

[ACTION: DC(EDI)]

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

The representative of BCHAA intimated that the storage of fresh Meat, Fish, Frozen foods etc. requires controlled temperature of -18° Celsius. However, it has been reported that in Import Shed the data loggers on packages are recording wide fluctuation of temperatures causing thawing of the contents and degrading the quality of these highly perishable products. It was requested that MIAL may assign a separate area at the cold storage for fresh Meat, Fish, Frozen foods at a steady temperature of -18° Celsius.

The representatives of MIAL informed that they have a dedicated facility of -18° but the examination / movement there should be restricted to maintain temperature. Further, they are in talks with their engineering team to enhance this dedicated facility to -25°. However, this upgradation is likely to materialize only in 3 to 4 months.

The Chairman expressed his concern over the delay. He directed MIAL to issue an advisory/SOP for importers and to expedite the issue of upgradation.

[Action: M/s MIAL]

E. Augmentation of import infrastructure:

The representative of BCHAA has requested that MIAL may augment infrastructure at ACC (Import), Mumbai, to handle higher growth of cargo. It has been suggested that a proper warehouse be created to handle import cargo, as on the export side, since handling of consignments at CLF area and Light Shed is very difficult. A proper infrastructure will enable Mumbai Air Cargo to handle higher volumes.

The representative of MIAL informed that they are in the process of enhancing the infrastructure of Block C of the Import Terminal and the project is likely to be operational in 2 years. However, he urged capitalization of the morning hours, which sees only 10% of deliveries.

The Chairman directed MIAL to start the work on Block C at the earliest, so that it is operational by July, 2019. Further, he suggested conducting a reinforcement workshop for capitalization of the morning time in Import. He suggested that M/s MIAL may use print and electronic media to publicise the discount being offered by them for taking deliveries in morning hours. In respect of Export, the Chairman called for an analysis of the percentage of Cargo that has moved in four 6 hour slots of the day in the last financial year (i.e. 6 a.m to 12 noon, 12 noon to 6 p.m., 6 p.m. to 12 midnight and 12 midnight to 6 a.m.)

[ACTION: M/s MIAL]

F. Display of segregation time.

The representative of BCHAA requested to display on Custodian website the actual completion time of flight segregation after landing as it has become very relevant for calculation of free period of 48 hours.

The representative of MIAL assured that the segregation time will be made available on different platforms.

The Chairman directed M/s MIAL and M/s Air India to ensure that actual completion time of flight segregation is made available to the trade.

[ACTION: M/s MIAL & M/s Air India]

G. Complaints with respect to Online DO release:

The representative of BCHAA informed that almost 60% of e-delivery messages are coming in only after 5.00 – 5.30 P.M. Therefore, despite receiving out of charge at 2.30 P.M., in view of late flow of e-delivery message, the delivery of cargo cannot be exercised till late evening. Therefore, it has been requested that the console agent and airlines be directed to release the online DO to the custodian, within one hour of receiving the payment.

The Chairman directed MIAL to identify the console agents who are delaying the release of online Delivery Orders and issue them instructions for timely release. As most of console agents are members of ACCAI, he also directed ACCAI to issue instruction to their members for timely release of online Delivery Orders.

[Treated as closed]

3. New agenda points from ACAAI for discussion in PTFC meeting

A. Negative Statements:

The representative of ACAAI referred to PN No.24/2016 dated 15.07.2016 issued by ACC, Mumbai regarding integration of RBI-BRC module, which states that after 01.04.2014 exporters need not submit negative statements. However, as per their exporter's banker, the integration between banks and RBI is not taking place. Further, PN No.29/2016 dated 01.12.2016 issued by Air Cargo, Chennai, is contrary to the PN issued by Mumbai. It was informed that recent attempts by their members to submit negative statement at XOS, ACC, Mumbai was not accepted. In view of the above, it was requested that till the integration is confirmed, negative statements may be accepted from the exporters to avoid 'Alert' or 'SCN'.

The Chairman informed that the module integrating RBI and ICEGATE is operational and the negative statements are not being accepted since 01.04.2014, as per directions of the Board and Public Notice No. 24/2016-17 dated 15.07.2016 issued by ACC, Mumbai.

[Treated as closed]

B. Free Period: Import & Export

The representative of ACAAI drew attention to the Order F. No. AV-16011/3/2016-ER dated 31.03.2017 issued by Ministry of Civil Aviation, wherein it is stated that the Free Period in imports will begin after the 'Segregation Report' has been signed by the custodian, the airline and then the IFO. It was requested to ensure that in import the IFO will record the time he has signed the Segregation Report, and that the custodian should upload the segregation report in the custodian portal and in export, it should be recorded from the time CARR message exchange has taken place.

The representative of M/s MIAL informed that this issue has been much deliberated upon at the Ministry level and it is only after these deliberations, a policy decision was taken to calculate free period from segregation time for imports.

The Chairman agreed with the observation made by the representative of MIAL and informed that the free period time limit have been prescribed after due deliberations and the trade should adhere to them.

[Treated as closed]

4. New agenda points from WISA for discussion in PTFC meeting

A. Pre-approval of query reply submission be permitted:

The representative of WISA informed that many time queries are raised by Assessing Officer such as Put Up documents, Catalogue/Literature etc. The EDI Service Centre does not accept query memo unless it is signed by officer, thereby delaying clearance. As the air shipments are always on priority basis, it was requested to direct CMC centre to accept reply of query memo based on submission made by Importer without insisting on approval by Customs Officer, so as to avoid delay in submission of query reply.

The Chairman assured that issue will be examined and thereafter necessary action on the same will be taken.

[ACTION: DC/EDI]

B. No objection from PGA not to be insisted if Single window system has not picked up the documents for reference/NOC.

The representative of WISA informed that with introduction of Single Window, all the items requiring NOC from respective PGAs are mapped based on CTH. Selected Bills of Entry are automatically picked up by system and referred to respective PGA for further process. However, many a times where ever Bills of Entry are not referred to PGA's by Single Window, it is referred manually for NOC to respective PGAs, thus defeating the purpose of RMS for PGAs.

It was requested that Bills of Entry not referred to PGAs by Single Window System, may if necessary, be referred to PGAs only with the permission of Additional Commissioner.

The Chairman informed that instructions to the officers on the issue are already in place. However, as requested the concerned officers will be sensitized on the issue.

[Treated as closed]

C. Difficulty in SVB Bond release during Second Saturday and week end Holiday.

The representative of WISA informed that in the event of cargo arriving or B/E being filed on a Second Saturday under RMS, despite paying duty and availability of Shed officer, they are unable to clear the goods as SVB needs to be released in the system by the Group officer. Thus, delaying clearance till next working day (Monday). It was requested that an alternative arrangement be made for release of such Bond or menu be given to Shed officer, so as to complete the delivery. Bond executed are debited online by system automatically.

The Chairman assured the representatives of trade that the issue will be examined and thereafter necessary action on the same will be taken.

[ACTION: DC/PRO & AC/Import Shed]

D. Delay in Exports due to ongoing Traffic congestion at Cargo Terminals:

The representative of WISA informed that due to the traffic congestion on the approach roads to the cargo terminals, it takes hours for the trucks to reach export shed. This delay causes serious impact on Export and also increases the transaction cost. It was requested that some modalities be worked out in consultation with the local Traffic authority and all stake holders to ensure smooth movement of export vehicles so as to avoid the above inconveniences.

The Chairman stated that this issue is connected to utilization of morning hours for deliveries and has already been dealt with at Point 2E above.

[Treated as closed]

5. Other points raised in the PTFC meeting:

A. Airlines failing to file timely EGM online:

Vide letter No.PCN/CC/Aircargo/2017 dated 01.04.2017, Mr. P. C. Nambiar, Director (Group Exim), M/s Poonawala Group intimated his grievance that in Export even after the arrival of shipment, airlines are not timely filling the EGM online or wrongly filling the EGM. Due to this, the exporters are unable to claim the post shipment export incentives made available under various schemes of Government of India.

It was requested to enforce a system by which airlines are made accountable for non-filing EGM in time, thereby bringing transparency in the transaction, availability of information online and helping exporters avail benefits.

The representatives of Airlines intimated that they immediately file the EGM.

The Chairman noted that the letter is general in nature and does not specify any particular airline. He directed DC/PRO to obtain complete details of the issue from Mr. Nambiar, so as to take further necessary action.

[ACTION: DC/PRO]

6. 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.



(A. K. GOEL)

**Addl. 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. 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.