

OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS (IMPORT)

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

Date: .01.2017

MINUTES OF PERMANENT TRADE FACILITATION COMMITTEE MEETING HELD ON
06.01.2017

The monthly meeting of the **Permanent Trade Facilitation Committee** was held on **06.01.2017 at 11.00 A.M.** and was presided over by Shri Anil Kumar Gupta, Commissioner of Customs (Export). 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 Sugriva Meena, ADC (Export)	Customs, ACC
Dr. Satish Dhavale, ADC (Import)	Customs, ACC
Shri A. K. Goel, ADC (Import)	Customs, ACC
Dr. Deepak Sharma, DC (Import)	Customs, ACC
Shri Sachin Gusia, DC (Import)	Customs, ACC
Shri Jitendra Patel, DC (Import)	Customs, ACC
Shri Shashank Dwivedi, DC (Gen)	Customs, ACC
Shri M. R. Negi, AC (Import)	Customs, ACC

Name of Attendees from other stakeholder organizations (Sh./ Ms.)	Organization
Cdr. Lokesh(Retd.), Mohamed Nasir, Nandan Kanchan, Ashok Satavase, Nayilvanan T.	MIAL (Custodian)
S. Pandit, K.D. Dhule, Ravi Bodade, M. S. Ansari	Air India (Custodian)
Rajeev Desai, Sanjeev Harale, Karunakar Shetty, Ketan Desai	BCHAA
Loknath Raj, Bala Ayer	ACAAI
D.A. Kadam	BMC
Shashi Paul	ADC
Vaishali Kulkarni	COSIA
Paresh Shas	WISA
Raghav Uchil	AMTOI

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

1. Operation of MIAL Export Heavy & Bonded Cargo Terminal.

a. Regarding Operationalization of Terminal Export Heavy & Bonded Cargo

On this point, the representative of MIAL informed the house that Export Heavy Cargo and Bonded Terminal was inaugurated on 6th Dec., 2017 and after consultation with trade, the same has been made operational from 3rd Jan 2017.

Efforts made by MIAL in completing the said facilities have been appreciated by all stakeholders.

[ACTION: Treated as Closed]

b. Regarding Internet Connectivity and Wi-Fi Facility

In the previous PTFC Meeting, the representative of BCHAA had informed the house that the Open Wi-Fi facility for the EXIM trade to access all customs-work related websites would become functional within a week. Commissioner of Customs (Export) directed MIAL to finish all the cabling work and provide the internet connectivity by the end of February, 2017.

After deliberation, the MIAL representative informed the house that the aforesaid facility will be completed by the end of March 2017, as laying of cables will take time due to vast coverage of areas scattered in different locations at ACC. Once this facility is implemented, the current Wi-Fi connection will be discontinued.

Commissioner of Customs (Export) expressed concern on the inordinate delay in the completion of the said facilities. He directed MIAL to expedite the process and directed Deputy Commissioner of Customs (EDI) to discuss and deliberate with MIAL an interim solution for making required internet facility available to the Customs Officers. As the open Wi-Fi facility for the Exim trade is still not functional, he directed BCHAA to provide the said facility at the earliest.

[ACTION: MIAL & BCHAA]

Agenda Points from ACAAI for PTFC Meeting held on 02.09.2016

1. MOT still being charged by MIAL on holidays even though customs working 24x7.

In the previous PTFC Meeting, Commissioner of Customs (Export) had directed Dy. Commissioner of Customs (Gen) to communicate with ACCs of Bengaluru, Hyderabad

and Kolkata regarding this issue and ascertain the practice followed at their locations, and take necessary steps so that it can be resolved in time bound manner.

It was informed by Dy. Commissioner of Customs (Gen) that regarding charging of MOT by custodian on holidays, letters had been sent and faxed to Air Cargo Complex, New Delhi, Chennai, Hyderabad, Kolkata and Bengaluru. In reply to the said letters, communications were received from Air Cargo Complex RGIA Shamshabad, Hyderabad and New Delhi, wherein, it has been informed that M/s. Hyderabad Menzies Air Cargo Pvt. Ltd. (Custodian) is not levying any MOT on Export after moving to 24*7 operations. But they are levying MOT on imports as only selective bills which have prior permission (SEZ) are getting cleared during night time and holidays. While IGI Delhi, has informed that no MOT is being levied after moving to 24x7 Cargo Operations at IGIA.

The representative of MIAL informed the house that the overall charges levied by MIAL under various heads are lowest among the charges levied by any Custodian across all ACCs in the country. He informed that it is a commercial decision for MIAL involving tariff rates, and reduction in the tariffs is not possible. Further, the charges levied by MIAL have been approved by Ministry of Civil Aviation (MoCA).

Commissioner of Customs (Export) informed the house that levying of MOT charges is not a local issue pertaining to ACC, Sahar Mumbai only. The CBEC is concerned about the validity of any such charges being levied anywhere under MOT head after moving to 24x7 operations. He directed Dy. Commissioner of Customs (Gen) to share the communications, emails/letters, received from ACCs Hyderabad and New Delhi with MIAL. He assured the house that as this is a financial matter it will be taken up at the level of CCFC, National CCFC and with the concerned administrative ministry.

[ACTION: Customs]

Agenda Points from BCHAA for PTFC Meeting held on 14.10.2016

- 1. Licenses like EPCG, DEEC, MEIS, FPS, FMS are being debited online during assessment and record of debit is already available in the EDI system. At ACC the manual debit is also being carried out after assessment of B/E. The practice of debiting manual B/E has been dispensed with at JNPT and therefore we request you to adopt similar practice at ACC.**

In the PTFC Meeting held in Oct, 2016, Commissioner of Customs (Export) had informed the house that with regard to EPCG and other schemes, the matter had been taken up with Joint Secretary (Drawback). The Joint Secretary (Drawback) would be conducting an all India survey to ascertain whether there is no adverse impact of discontinuing the practice of manual debit. However, Commissioner of Customs (Export) had directed BCHAA to give their justification note for discontinuation of manual debit within a week.

As the justification note from BCHAA has not been received in the last two months, after deliberation this matter has been decided to be treated as closed.

[ACTION: Treated as closed]

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

After long discussion and deliberation on the need of replacement of diesel forklifts with the battery operated forklifts, replies have been sought from MIAL and Air India.

The representative of MIAL informed the house that they had instructed handling agency to provide 10 additional battery operated forklifts by the end of January, 2017.

The representative of Air India informed the house that they have informed to their Ground Service Division to allocate skilled operator and good condition forklifts for sheds. They have further issued tenders for buying battery operated forklifts. However, the procurement through proper channel is a time consuming process and the exact time line for the same cannot be given with certainty.

Commissioner of Customs (Export) directed BCHAA & Air India to deliver on the promises made by them within a stipulated time-frame.

[ACTION: MIAL & Air India]

Agenda Points from Customs for PTFC Meeting held on 14.10.2016

1. The trade is taking too much time in following processes:

a. Filing of Bill of Entries (BEs)

On this point, the representative of ACAAI informed the house that the said delay in filing of BEs occurs on account of following points:

- a) During weekends the documents and instructions do not reach in time from importers, as some work only five days week.
- b) They have to wait for the segregation report to file bill of entry to avoid amendments on part shipments and short landings.

However, they assured the house that they will sensitize their members on the issue and take necessary steps to reduce the time in filing of BEs.

The representative of BCHAA informed the house that to improve the dwell time they have asked their members to pay duty in advance. They further informed that they will submit the report (study papers) on the above issue at the earliest.

Additional Commissioner of Customs (Import) informed the house that in a recently organized Authorized Economic Operator (AEO) conference, the representatives of M/s Ingram Micro India Pvt. Ltd. and M/s Siemens Ltd. had shared their experience regarding benefits they have got due to advance filing of their import documents, in the form of faster clearances, better inventory management and reduced costs. So the above reasons given by trade representatives for delay in filing of BE reflects insincere efforts in availing the benefits of the programs initiated by Customs. He further informed the house that if trade shifts towards advance filing of BEs, Customs is ready to even start an additional shift for the clearance of goods.

[ACTION: ACAAI & BCHAA]

b. Document submission in cases of 1st Time Imports

On this point, the ACAAI representative informed the house that the reason of the said delay is generally the non-availability of some of the documents with Importers. However, they will speed up the submission process on receipt of all documents from importer.

The representative of BCHAA informed the house that they had held discussion with their members and they requested a facility of filing of documents for 1st time imports along with KYC in advance.

Additional Commissioner of Customs (Import) informed the house that the Customs has formulated a draft for a procedure under which anyone who hasn't filed the BE can file 1st time import documents at Import Noting Cell, and the filing can even be done after BE has been assessed and until it has been given out of charge. The said facility will soon be made available to the trade.

[ACTION: ACAAI, BCHAA & Customs]

c. From registration to submission for Examination in cases of 1st Check Re-Imports

On this point, the representative from ACAAI informed the house that the time taken by trade representatives between registration and submission of examination is more due to delayed receipt of earlier export documents from importer in the cases of Re-Import. Further, the identity establishment of goods takes longer time w.r.t export documents. They will inform on specific cases on receipt of information from members. However, their members have agreed to speed up process wherever possible.

Addl. Commissioner of Customs (Import) asked both ACAAI & BCHAA to sensitize their members regarding above issues and avoid unnecessary delays in overall clearance process. He further asked them to submit a comprehensive report on reasons of the delay by the end of this month so that, if needed, necessary actions can be taken at Customs end also for the improvement of the said time lines.

[ACTION:ACAAI & BCHAA]

2. EGM Errors

On this point, Appraising Officer (EGM) informed the house that 362 EGM errors are still pending. The documents pertaining to EGM are of from the year 2003 and onwards. Therefore, Airlines are being contacted to submit the old records, which they have assured to submit in due course. He informed the house that 15 EGM errors have been cleared up to 20.12.2016. He further informed the house that in many cases the information in the documents submitted by Airlines have not been tallying with the information available in the EDI system.

The representative of Emirates Airlines informed the house that out of 35 EGM errors relating to them they have submitted documents for 15 errors.

The representative of Cathay Airlines informed the house that they have submitted documents for certain EGM errors and closed them, but they are reflecting as errors again.

Dy. Commissioner of Customs (EDI) informed the house that there is no error with the system.

Addl. Commissioner of Customs (Export) informed the house that SCNs and Penalty Notices will be issued to the defaulting Airlines which are not submitting the documents for closing the errors.

Commissioner of Customs (Export) expressed concern regarding the inaction on the above issue and directed Appraising Officer (EGM) to call major defaulting Airlines, discuss and deliberate the issues with Addl. Commissioner of Customs (Export) and resolve them at the earliest.

[ACTION: Airlines & Customs]

Agenda Points from BCHAA for PTFC Meeting held on 04.11.2016

- 1. There is an acute shortage of loaders in Air India import warehouse which is causing delay in forwarding and delivery of the packages to the trade.**

On this point, the representative of Air India informed the house that the manpower in both Import and Export sheds has been restructured and both the sheds are functioning smoothly.

The representative of BCHAA informed the house there is a huge problem of corruption and nexus among the forklift operators and loaders in Air India Shed, thus refuting the above claims made by Air India representatives. They informed that the situation is only getting worse and many members of the trade have shown inclination towards shifting operations all together from ACC Mumbai. They further informed the house that they have filed complaint in the Vigilance Department also regarding the same.

The representatives of Air India requested BCHAA to report specific cases to them. They further informed the house that they will follow up the cases with Vigilance Department also.

Commissioner of Customs (Export) directed BCHAA & ACAAI to share specific cases of the said matter with Air India so that such wrong doings can be properly punished and stopped.

[ACTION: BCHAA, ACAAI & Air India]

- 2. Required proper lighting for all stakeholders in Import Shed.**

On this point, the representative of Air India informed the house that they have replaced several old electrical fitting /bulbs in Import Shed and procurement of LED lights has been initiated.

Commissioner of Customs (Export) directed BCHAA & Air India to properly install lighting in the all areas of the Shed to ensure smoother working.

[ACTION: Air India & MIAL]

Agenda Points from BCHAA for PTFC Meeting held on 02.12.2016

- 1. Out of Charge for RMS Facilitated Bill of Entry**

Addl. Commissioner of Customs (Import) informed the house that as per the instruction/orders issued by CBEC, 3% of all facilitated bill of entries are required to be

examined. Further, considering the huge number of BEs being filed every day at ACC, the authority of marking a RMS BE for examination has been delegated to ACs/DCs and there is no need of change in the practice.

All stakeholders agreed to the decision and accordingly the matter has been closed.

[ACTION: Treated as Closed]

2. Compliance of ACC Facility Notice 15/2016 dated 15.11.2016 & 16/2016 dated 18.11.2016

On this point, the representative of Cathay Airlines that they have started accepting the payments in all modes viz. Cash, DD, Cheques, NEFT and RTGS starting from this month.

Commissioner of Customs (Export) informed the house that after demonetization, for the ease of doing business and to facilitate the trade, Customs has issued above facility notices. All stakeholders must sincerely participate in the effort and take necessary steps so that trade operations can be smoothly carried-out.

[ACTION: Treated as Closed]

3. Drawing of pharmaceutical samples from the airport consignments to be done from cold storage warehouse.

On this point, Additional Drug Controller informed the house that even though MIAL has provided a separate space in the cold storage area for drawing the samples, as per the Drugs and Cosmetic Act, 1995 this facility needs many up gradations. Until these up-gradations are done it is better that the sampling of drugs would be done in the cold zone area itself.

Commissioner of Customs (export) directed MIAL to upgrade the said facilities by the end of this month.

[ACTION: MIAL]

4. Need for eliminating the original HAWB/MAWB required to be produced to custodian.

After due deliberation, the representative of BCHAA informed the house that will discuss the matter with MIAL and Airlines and resolve it at their end.

[ACTION: Treated as Closed]

5. **The import delivery is taking 4-5 hours and there are multiple instances of queue breaking.**

After deliberation, the representative of MIAL informed the house that necessary instructions for curbing queue breaking have been given to the vehicle management team. On an average MIAL delivers 700 MT having 600 import vehicles handled between 1600 hrs till 2300 hrs completing all the gate passes, whereas only 5% of movement happens during morning hours till 1600 hrs. This is evident that around 80 vehicles are handled per hour during peak. There may be some incidental cases reported which is sorted out when brought to the notices.

[ACTION: Treated as Closed]

Agenda Points from ACAAI for PTFC Meeting held on 02.12.2016

1. **Payment of Customs fines and penalty may be made online to facilitate ease of payments.**

Commissioner of Customs (Export) informed the house that matter is still being discussed and deliberated under the guidance of Addl. Commissioner of Customs (Gen) and a viable solution will soon be reached at.

[ACTION: Customs]

2. **Assessing Officer should release Shipping Bills without the intervention of the CB and should be done within 15 minutes.**

Addl. Commissioner of Customs (Export) informed the house that the issue is already being examined and a pragmatic solution will be reached soon. He further asked the representatives of trade to directly reach-out to Asstt. Commissioner of Customs (Export) or himself, in case they face any urgent problem.

[ACTION: Treated as Closed]

Agenda Points from BCHAA for PTFC Meeting held on 06.01.2017

1. **Need for Review of Manual Noting Procedures of SEZ Bill of Entries- TP-FTWZ goods.**

The representative of BCHAA explained the matter to the house.

After deliberation, Addl. Commissioner of Customs (Import) informed the house that as the whole procedure is now online and running smoothly, the aforementioned practice of manual noting procedure has been discontinued, so this matter may be treated as closed.

[ACTION: Treated as Closed]

2. Need for a Dedicated Superintendent for Out Of Charge of SEZ TP Bill of Entries.

The representative of BCHAA explained the matter to the house by stating that a single Superintendent of Customs is handling OOC of SEZ Bill of Entries. Thus causing delay in the clearance of such SEZ Bill of Entries and the importer has to incur demurrage charges because of this delay. He also requested to post additional Superintendent to handle OOC of SEZ Bill of Entries so that the clearance can be done on the same day.

Commissioner of Customs (Export) informed the house that OOC is given by Preventive Officers (POs). The section is adequately staffed with four POs being posted there, two for each shift.

[ACTION: Treated as Closed]

3. One Time Lock & Insurance Rules for consignments under New Bonded Warehouse Procedures

The representative of BCHAA explained the matter to the house stating that as per CBEC Circular No. 21/2016, the goods are to be moved to the Bonded Warehouse after being sealed with One-Time Lock and without any Customs Escort. Further, as the Warehouse Insurance of consignments already includes transit insurance, additional insurance policy for transit should not be required. However, the Customs Officials are still insisting on the aforementioned insurance policy. The One-Time Locks are also not readily available, which causes unnecessary delay in the movement of goods.

Commissioner of Customs (Export) took cognizance of the issues and assured the house that the officers would be sensitized with the updated regulations and both issues will be resolved in time bound manner.

[ACTION: Customs]

Agenda Points from ACAAI for PTFC Meeting held on 06.01.2017

1. If drawback is Rs. 50,000/- or more then we have to open the shipment for examination.

The representative of ACAAI explained the matter to the house stating that in the Export Shed, all the consignment availing drawback benefit of Rs. 50,000/- or more, is being opened and subjected to examination procedure, irrespective of it being assessed under RMS.

After deliberation, Addl. Commissioner of Customs (Export) informed the house that the examination of shipments is being done within the frames of rules. However, if any instance of discrepancy arises, he asked trade to directly report to Asstt. Commissioner of Customs (Export) or ADC (Export).

Commissioner of Customs (Export) directed the representatives of trade to sensitize and make their members aware of the rules and regulations under which any RMS consignment, in Import or Export Shed, is being examined. He further asked them to directly report cases to the appropriate higher authority, if the said issue arises.

[Action: Treated as Closed]

2. **Pharma Exports sealed in special climatic conditions are asked to be opened at time of examination even though these are exports from Star Houses.**

The representative of ACAAI explained the matter to the house stating that in the Export Shed, many of the pharma consignments are opened for examination which results in the damage of the consignment due to their sensitivity to temperature, air and moisture.

After deliberation, Addl. Commissioner of Customs (Export) informed the house that the examination of shipments is being done within the frames of rules. However, if any instance of discrepancy arises, he asked trade to directly report to Asstt. Commissioner of Customs (Export) or ADC (Export).

[Action: Treated as Closed]

3. **Why signature is required on EP copies when other Commissionerates are not following this procedure.**

The representative of ACAAI explained the matter to the house.

After deliberation, Addl. Commissioner of Customs (Export) informed the house that since the EP copies are discontinued in this Commissionerate also, such issues should not arise. However, if such issue arises, he asked trade to directly report to Asstt. Commissioner of Customs (Export) or ADC (Export).

[Action: Treated as Closed]

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

s/d

(Dr. Satish S Dhavale)

**Addl. Commissioner of Customs,
Air Cargo Complex, Mumbai**

Copy to:

1. Chief Commissioner of Customs, Zone-III, Mumbai.
2. Principal Commissioner of Customs (Import), ACC, Mumbai.
3. Commissioner of Customs (Import) & (Export), ACC, Mumbai
4. All Addl./Jt. Commissioner of Customs, (Import), (Export), (General), ACC, Mumbai
5. All Members of PTFC Meeting (via Email)
6. EDI Section- For uploading on ACC Website.