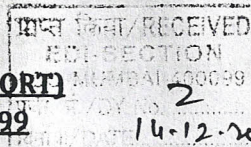


OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS (IMPORT)

AIR CARGO COMPLEX, SAHAR, ANDHERI (EAST), MUMBAI - 99

Phone: 022-26828898 / Fax: 022-26828187



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

Date: 14.12.2016

**MINUTES OF PERMANENT TRADE FACILITATION COMMITTEE MEETING
HELD ON 02.12.2016**

The monthly meeting of the **Permanent Trade Facilitation Committee** was held on **02.12.2016 at 11.30 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 Sugriva Meena, ADC(Export)	Customs, ACC
Shri A. K. Goel, ADC(Import)	Customs, ACC
Shri Sachin Gusia, DC(Import)	Customs, ACC
Dr. Subhash Yadav, DC(Import)	Customs, ACC
Shri Jitendra Patel, DC (Import)	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

In the previous PTFC Meeting, representative of MIAL informed the house that the BCAS clearance and approval has been accorded on 21.10.2016 and they intend to start the operations with effect from 14.11.2016. He requested Customs to grant approval for EDI 1.5 connectivity and integration. The matter has been taken up by customs with DG systems.

The Dy. Commissioner of Customs (EDI) informed the house that the approval has been obtained from DG systems. The custodians are in the process of connecting the new warehouse server room to EDI server room.

The representative of MIAL informed the house that the DG systems had sanctioned 16 LAN nodes and configuration of the switch is under process by Customs EDI network engineer team. MIAL intend to inaugurate the facility on 6th December 2016.

Commissioner of Customs (Export) directed MIAL to finish the remaining work by the end of the day i.e. 02.12.2016. He further directed MIAL, BCHAA and Dy. Commissioner of Customs (Gen) to inspect the said premises along with ground handlers and address any issue, if noticed. He directed Dy. Commissioner of Customs (Gen) to also issue a Public Notice when the said facilities are available for operations.

[ACTION: MIAL & Customs]

b. Regarding Internet Connectivity and Wi-Fi Facility

In the previous PTFC Meeting, Commissioner of Customs (Export) directed MIAL to provide desired Wi-Fi Facility/ Internet Speed for the Custom Officers. He further directed them and BCHAA to deliberate and work-out the modalities for free Wi-Fi Internet Facility for the trade, and report within a week.

The representative of MIAL informed the house that upgradation of current Customs Wi-Fi Internet facility for customs has been under process, meanwhile MIAL had received a list of sections and officers vide letter no. EDI/37/2016-17 ACC dated 03.11.2016 for internet connectivity for smooth cargo operations. MIAL had done the site survey and had proposed to lay cable for speedy and safe internet connection for maximum 100 users with social site restrictions. Once implemented the current Wi-Fi connection will be discontinued.

The representative of BCHAA informed the house that the Open Wi-Fi facility for the EXIM trade to access all customs-work related websites will be functional from next week.

Commissioner of Customs (Export) directed MIAL to finish all the cabling work and provide the internet connectivity by the end of February, 2017.

[ACTION: MIAL & BCHAA]

Agenda Points from BCHAA for PTFC Meeting held on 09.08.2016

1. Frequent breakdown of connectivity in Import shed. Require a backup option to avoid delays in clearance.

In the previous PTFC Meeting, the representative of MIAL informed the house that Import Light Shed Customs Office was being renovated with new network cabling to ensure proper customs EDI 1.5 connectivity at Light Import Shed. Air India Import Heavy Shed Customs network cable has been scheduled for re-routing/realignment for the existing location. Further, each part of the shed will be covered in respect of connecting lines. Dy. Commissioner of Customs (EDI) informed the house that as per the discussions with Shri Mayur from MIAL, they would be laying down new lines from EDI Server to Import Shed and they will be concealed to secure them from rodents. Commissioner of Customs (Export) directed MIAL to complete the work by end of November.

The representative of MIAL informed the house that the renovation of Import Light Shed Customs Office along with new network cabling for Customs 1.5 System connectivity has almost been completed.

[ACTION: Treated as Closed]

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) directed MIAL to send the copy of the application made to MoCA for approval of various charges including MOT charges and the subsequent approval given by MoCA. He informed the house that the matter will be taken up with MoCA if required, but also observed that in any case levying of MOT charge is not in consonance with 24x7 operations by Government of India.

The representative of MIAL informed the house that All airports tariff and AERA approved tariff of CSIA has already been forwarded vide Letter No. MIAL/Cargo/115/2016-17/5331 dated 21.10.2016. Subsequently, detailed discussion has been held with CHS Admin Section for the clarification and accordingly a report has been put-up to the section.

Commissioner of Customs (Export) informed the house that replies have been received from ACCs of Bengaluru, Hyderabad and Kolkata, however, further clarifications are required to properly address the issue. He directed Dy. Commissioner of Customs (Gen) to communicate with aforementioned ACCs and take necessary steps so that the issue can be resolved in time bound manner.

[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 previous PTFC Meeting, Commissioner of Customs (Export) informed the house that with regard to EPCG and other schemes, the matter has 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) asked BCHAA to give their justification note for discontinuation of manual debit within a week.

[ACTION: BCHAA]

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

In the previous PTFC Meeting, Commissioner of Customs (Export) directed MIAL, Air India, BCHAA and Custom Officers to form a joint inspection team and survey the Import Shed, as constant high pollution levels can have serious health consequences.

Asstt. Commissioner of Customs (Import Shed) informed the house that a joint inspection has been conducted on 25.11.2016. The pollution level was not found very high at the time of inspection in both Light and Heavy Cargo, which was surprising as level of pollution has generally been reported as very high by workforce of all stakeholders. Nevertheless, the working environment in both the Light and Heavy Import Shed cannot be

categorized as healthy. In case of Air India Shed, working environment has been found hazardous and dangerous, and need immediate attention.

The representative of MIAL informed the house that they had instructed the handling agency to provide ten additional battery operated forklift for effective cargo movement by the end of January 2017.

The representative of Air India informed the house that they have put up the request to the appropriate authority for the replacement of all the diesel forklifts with battery operated forklifts, installation of ventilation system and improvement of lighting in the shed area.

Commissioner of Customs (Export) informed the house that an independent third party agency has been contacted for conducting pollution level checks over a period of one month. Further necessary actions will be taken accordingly.

Asstt. Commissioner of Customs (Import Shed) raised the concern of **careless operation of forklifts in Air India Shed**. He informed the house that he has received multiple complaints, both from the trade and Custom staff, of the forklifts being operated without following standard norms. The forklifts are not being maintained properly, especially the braking in them is to the level of non-existent. He further informed the house of an unfortunate accident happened with one of the Custom Officers in the Air India Shed. Addl. Commissioner of Customs (Export) expressed grave concerns regarding this matter and censured Air India for such a careless attitude towards the safety of workforce.

Commissioner of Customs (Export) informed that the safety of workforce is of prime importance and directed Air India to take immediate steps to eliminate such unacceptable incidents and if needed, take stringent actions against the operators of forklifts in Air India Shed.

[ACTION: MIAL, Air India & Customs]

Agenda Points from ACAAI for PTFC Meeting held on 14.10.2016

1. Customs signature should not mandatory on Export Promotion copies as they are generated by EDI System after LEO is given by Officer of Customs. (PN issued at ACC, New Delhi attached.)

Addl. Commissioner of Customs (Export) informed the house that Board has issued circular 55/2016 dated 23.11.2016 clarifying customs stance on the above issue.

[ACTION: Treated as Closed]

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**

In the previous PTFC Meeting, Addl. Commissioner of Customs (Import) informed the house that trade agents are taking on an average 2 days' time in filing bill of entries, which should be reduced.

b. Document Submission in cases of 1st Time Imports

In the previous PTFC Meeting, Addl. Commissioner of Customs (Import) informed the house that for 1st time imports, the time taken for document submission is invariably more than 10 days.

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

In the previous PTFC Meeting, Addl. Commissioner of Customs (Import) informed the house that trade agents are taking on an average 2 months' time in bringing goods for examination after registration, which is unacceptably more than needed.

Commissioner of Customs (Export), in the previous PTFC Meeting, directed BCHAA and ACAAI to send a reply detailing the reasons of such delays in above processes. He further directed them to take necessary actions at their ends to reduce the time taken in each of the above processes so that higher efficiency in the overall movement and clearance of consignments can be achieved.

The representative from ACAAI informed the house that they are waiting for advice from their members to report on the issue.

The representative from BCHAA informed the house that they have formed a study group and give a report on the issue by month end.

Addl. Commissioner of Customs (Import) asked both ACAAI & BCHAA to submit a report on the issues by the end of this month.

[ACTION: ACAAI & BCHAA]

2. EGM Errors

In the previous PTFC Meeting, Commissioner of Customs (Export) directed the representatives of airlines to correct the EGM errors. However, it had also been observed that there were EGM errors reflecting in the system despite submission of relevant documents by airlines. Deputy Commissioner of Customs (EDI) informed the house that he would examine the issue to rectify the same.

Dy. Commissioner of Customs (EDI) informed the house that there is no error with the system. EGM errors will be removed upon submission of relevant documents from airlines.

Appraising Officer (EGM) informed the house that 30 errors have been removed.

Commissioner of Customs (Export) expressed concern on the number of EGM errors still pending and directed Addl. Commissioner of Customs (Export) to sort out the matter with defaulting airlines.

[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.**

In the previous PTFC Meeting, Commissioner of Customs (Export) directed Air India to take necessary steps and address the issue in time bound manner.

The representative of Air India failed to provide any details of the steps taken by them to address the issue and rather expressed their helplessness in resolving the matter. He asked the stakeholders to directly take up the issue with higher authorities in Air India.

Commissioner of Customs (Export) expressed concern at the present state of affairs of operations in Air India Shed and directed Air India to find some interim solution to the benefit of trade and further invite Shri C. T. Urse of Air India in the next meeting.

[ACTION: Air India]

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

In the previous PTFC Meeting, Commissioner of Customs (Export) informed the house that even in Export Shed the lighting is poor. He directed MIAL & Air India to improve the lighting in all shed areas.

The representative of MIAL informed the house that they had installed all LED lights inside the shed area of Import and Export operations for better illumination at all MIAL handled area.

The representative of Air India informed the house that they have put up the request to the appropriate authority for the improvement of lighting in the shed area and they will make arrangements immediately.

[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

The representative of BCHAA explained the matter to the house stating that if RMS consignment is required to be examined, it needs to be done as per provisions of CBEC Circular No. 43/2005-Customs dated 24.11.2015 i.e. if any examination of RMS consignments is required, the same should be done with the approval of Addl. Commissioner of Customs. He further informed the house that in JNCH similar practice is being followed wherein, the RMS consignments are being examined only on the approval of Addl. Commissioner of Customs.

Commissioner of Customs (Export) directed Addl. Commissioner of Customs (Import) to further examine the matter in respect of the practice followed across various ports and cargo complex in the country.

[ACTION: Customs]

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

The representative of BCHAA explained the matter to the house stating that after the announcement of demonetization member is trade are facing difficulties for the payment of the scanning charges at the DMS counter in the Shed. Even though Air Cargo Customs has issue above mentioned Facility Notice for acceptance of Cheques for the payment for

DMS Charges, Service Charges to Console Agents & Airlines and Service Charges for documentation at Customs EDI Service Center, some of the Console Agents/Airlines are not accepting cheques. He also informed the house that Singapore Airlines, Emirates Airlines to name the few are not accepting the payments in cheques.

Commissioner of Customs (Export) directed Dy. Commissioner of Customs (Gen) to meet with representatives of Airlines and resolve the matter.

[ACTION: Customs & Airlines]

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

The representative of BCHAA explained the matter to the house that MIAL had agree to provide a separate space in the Cold Storage area for drawing the samples of bulk drug, formulation, laboratory reagent, diagnostic kit which require dust free environment under temperature controlled conditions to avoid breakage of cold chain and contamination. They requested MIAL to issue an Order regarding the operation of the said facility.

The representative of MIAL informed the house that they have provided the space in the Light Cargo Shed for the drawing of sample from cold storage and it will issue the said Order. He further informed the house that they will also provide a similar space in the Heavy Cargo Shed.

[ACTION: MIAL]

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

The representative of BCHAA explained the matter to the house stating that the requirement for producing the original HAWB/MAWB at the time of delivery is causing undue hardship and delay after E-DO has been transmitted to custodian. The Custom Broker has to approach the Airline/Console Agent for certified copy of AWB. The Airlines/Console Agents are not able to transmit soft copy of E-Airway Bill as provision is not available on the custodian portal. Worldwide carriers have migrated to E-Airway bill and copy is available with them. He requested custodians to enable aforementioned provision to transmit the soft copy of W-Airway Bill along with E-DO.

The representative of MIAL informed the house that as this is pecuniary matter, the HAWB/MAWB has to be verified and the matter is already being looked into by the Finance Department of MIAL for a possible solution.

Commissioner of Customs (Export) directed MIAL, BCHAA & Airlines to jointly discuss and deliberate on the viable solutions to resolve this issue.

[ACTION: MIAL, BCHAA & Airlines]

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

The representative of BCHAA explained the matter to the house stating that the import deliveries are taking 4-5 hours as the vehicles have to wait in the queue for 3 hours (on an avg.) to get the gate pass. Further, there are frequent instances of queue breaking and separate queue for union vehicles.

The representative of MIAL informed the house that most of the vehicles are lined up for delivery in the evening, which results in long queue. Further, there is no separate queue for any sort of union vehicles.

Commissioner of Customs (Export) directed MIAL to maintain uniformity in the process flow and do the time study to find ways of improving the delivery time.

[ACTION: MIAL]

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.**

The representative of ACAAI explained the matter to the house.

Dy. Commissioner of Customs (EDI) informed the house that for the ease of conducting business a payment method similar to Excise Duty and Service Tax payments may be suggested to the Board in the present scenario of demonetization.

Commissioner of Customs (Export) directed Addl. Commissioner of Customs (Gen) to examine the matter and communicate with the JNCH regarding the payments modes used in the present scenario.

[ACTION: CUSTOMS]

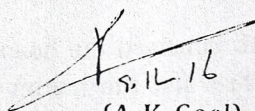
2. **Assessing Officer should release Shipping Bills without the intervention of the CB and should be done within 15 minutes.**

The representative of ACAAI explained the matter to the house.

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

[ACTION : CUSTOMS]

This issues with the approval of Commissioner of Customs (Export).


(A. K. Goel)

Addl. Commissioner of Customs (Import)
Air Cargo Complex, Mumbai

COPY TO:

1. Chief Commissioner of Customs, Mumbai Zone-III
2. Principal Commissioner of Custom (I), Air Cargo Complex, Mumbai
3. Commissioner of Custom (X), Air Cargo Complex, Mumbai
4. Commissioner of Custom (G), Air Cargo Complex, Mumbai
5. All Additional/Joint Commissioners, ACC, Mumbai
6. All Assistant/Deputy Commissioners of Customs, ACC, Mumbai
7. ASI/WLRO/ADC/PHO/PQ/AQ/BMC(Octroi)

8. Authorized Officer, FSSAI
9. Asst. Drug Controller
10. Air India/MIAL
11. State Bank of India
12. ACAAI/BCHAA/BAR
13. All members of TFC
14. DG (Taxpayer Service Centre), Mumbai Zonal Office, New Custom House, Mumbai.
15. EDI Section - For uploading on ACC website.