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10.11.2016

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: 04.11.2016

MINUTES OF PERMANENT TRADE FACILITATION COMMITTEE MEETING
HELD ON 04.11.2016

The fortnightly meeting of the **Permanent Trade Facilitation Committee** was held on **04.11.2016 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, Manoj Singh	MIAL (Custodian)
S. Pandit, K.D. Dhule	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

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, the representative of MIAL had informed the house that the BCAS approval has been under process. Approval for Customs 1.5 connectivity had also been under process. Required IT infrastructure had been installed and verified by Customs Dept.

The 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.

Matter has been taken up by customs with DG systems and will be sorted out shortly.

[ACTION: MIAL & Customs]

b. Regarding Internet Connectivity and WiFi Facility

In the previous PTFC Meeting, the representative of MIAL informed the house that the up-gradation of current WiFi speed/internet facility has been under process. Dy. Commissioner of Customs (EDI) informed the house that there was an approximate strength of 650 Customs Officers for which speed of internet should be 200 Mbps. He further informed the house that BCHAA has been finalising the modalities for the said installation and will accordingly send the proposal to MIAL. Commissioner of Customs (Export) directed BCHAA to submit the aforementioned proposal within a week, and MIAL to provide the internet facility and speed as per the requirement before 25.10.2016.

The representative of MIAL informed the house that the up-gradation of the current WiFi speed/internet facility for Customs is still under process as earlier they had planned for providing internet facility to each section, whereas now the requirement is to provide the internet facility to every officer. With regard to the provision of open WiFi for EXIM Trade, they are still awaiting proposal from the member of BCHAA team for further necessary action. However, MIAL is in the process of feasibility study for providing free Wi-Fi connection for EXIM Trade in the ACC for accessing the cargo operational site of custodian and customs.

The representative of BCHAA informed the house that they are addressing this matter with their service provider and looking for a solution to provide the internet facility for accessing the relevant websites only.

Dy. Commissioner of Customs (EDI) informed the house that the list of sections, officers and locations for which internet facility is required has been sent to MIAL on 03.11.2016. He further informed the house that in the discussions held with Shri Mayur from MIAL, he said that MIAL could not provide 200 Mbps internet speed. Dy. Commissioner of Customs (EDI) expressed his concern on the issue stating that current internet speed provided is so slow that the officers find it difficult to even open email accounts. The internet speed must be fast enough so that all the relevant websites can be easily accessed by officers.

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

[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 the work of replacing the entire stretch of damaged connecting lines had been in progress in Light Import Shed. The connecting lines would be concealed to prevent the damage from rodents. The connecting lines were also being examined in Air India Shed. He further informed that MIAL had undertaken the renovation of Import Light Shed Customs Office and Printer Room. He also agreed to conceal the connecting lines from EDI Location to Import Shed. Commissioner of Customs (Export) directed MIAL to complete the cabling work for connecting lines within 20 days.

The representative from MIAL informed the house that Import Light Shed Customs Office is 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.

Dy. Commissioner of Customs (EDI) informed the house that in the discussions held with Shri Mayur from MIAL, he said that MIAL could not provide the back-up line. However, they would be laying down new lines from EDI Server to Import Shed and they will be concealed to secure them from rodents.

The representative of MIAL informed the house that each part of the shed will be covered in respect of connecting lines. They requested Air India to make the truck drivers aware of the network of the connecting lines so that the accidental damages to the connecting lines can be avoided in Air India Shed.

Commissioner of Customs (Export) directed MIAL to complete the work by end of November. He further directed Dy. Commissioner of Customs (EDI) to review the progress of work regularly.

[ACTION: MIAL & Customs]

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 provide the latest rates of MOT levied at Air Cargo Complexes. He also directed Addl. Commissioner of Customs (Import) to write letters to ACCs of Delhi, Bangalore and Hyderabad Customs and verify whether or not MOT is being charged there so that necessary actions can be taken in this matter.

Addl. Commissioner of Customs (Import) informed the house that letters have been written to ACC's of Kolkata, Bangalore, New Delhi, Hyderabad & Chennai requesting information regarding provisions and rates of MOT charges, if levied after moving to 24x7 operations. He further informed the house that in their replies, authorities at each of the Air Cargo Complexes namely, Hyderabad, Kolkata & Bengaluru have clearly stated that MOT charges are not being levied after moving to 24x7 operations at their respective Air Cargo Complexes. He further informed the house that he has spoken to Addl. Commissioner of Customs, Delhi over telephone and he too replied that no MOT is being charged after moving to 24x7.

Commissioner of Customs (Export) expressed his concern at the contradiction in the reply provided by MIAL and as reported by Authorities at various Air Cargo Complexes across the country. He informed the house that the Board has expressed similar concerns over charging of MOT at ACC, Mumbai even after moving to 24x7 operations.

The representative of MIAL informed the house that the charging of MOT at ACC, Mumbai has been approved by Ministry of Civil Aviation (MoCA).

Commissioner of Customs (Export) informed the house that there is no justification of MOT charging after moving to 24x7. He further 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.

[ACTION: MIAL & 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 CBEC has issued a Circular on 28.09.2016 in this regard. Accordingly, a public notice will soon be issued.

Addl. Commissioner of Customs (Import) informed the house that a Public Notice, No. 39/2016-17 dated 18.10.2016, has been issued regarding the discontinuation of practice of making manual debits on physical copy of Advance Authorizations registered at EDI customs port. However, in regard to EPCG Scheme, the matter has been taken up with the Joint Secretary (Drawback).

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 that 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 to plan the movement of cargo so that battery operated forklifts could handle all cargo within Import Shed and use of diesel forklifts could be avoided. He further directed them to supplement the exhaust fans in Import Shed within 15 days.

The representative of MIAL informed the house that the appointed contractor had been briefed and requested to add 10 additional battery operated fork lift for Import Shed operations. The exhaust system installed in the shed were serviced and repaired for effective usage.

Addl. Commissioner of Customs (Import) informed the house that an independent inspection has been conducted by a team of officers on 03.11.2016, which found that only four exhaust systems were present in heavy import shed and they were not in proper working condition. No exhaust system was found in Air India Shed where only self-propelled chimneys were employed for ventilation. In Light Import Shed, the exhaust system was not found in proper condition and needed servicing. The overall air exhaust system in Import Shed has been in very poor condition and not functioning properly. Furthermore, the present numbers of exhaust units installed are inadequate to vent-out the polluting fumes, or even to provide proper ventilation in the Import

Shed. This has led to unhealthy and sometimes harmful levels of pollution in the Import Shed. Thus, refuting the claim by MIAL that the installed exhaust system are serviced and repaired.

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.

The representative of MIAL informed the house that the issue will be addressed within 48 to 72 hours.

The representative of Air India informed the house that they have written letter to their higher authority and are waiting for their reply.

Commissioner of Customs (Export) directed MIAL to take necessary steps and address the issue in time bound manner. He also directed Air India officials present in the meeting to ask their local head to be present in the next PTFC meeting.

[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.)

In the previous PTFC Meeting, Commissioner of Customs (Export) directed Addl. Commissioner of Customs (Export Shed) to examine this matter.

Commissioner of Customs (Export) informed the house that the matter has to be taken up with Chief Commissioner of Customs, New Delhi since Shipping Bill (Electronic Declaration) Regulations, 2011 makes signature of customs official mandatory on Export Promotion Copies. He further informed the house that unless Shipping Bill (Electronic Declaration) Regulations, 2011 is amended signature of customs official mandatory on Export Promotion Copies cannot be done away with.

[ACTION: Customs]

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. The response to Public Notice 38/2016-17 dated 20.09.2016 regarding enrolment for SMS service for drawback status updates is very poor.

In the previous PTFC Meeting, Commissioner of Customs (Export) directed BCHAA & ACAAI to disseminate information among its members regarding the SMS service, and further encourage them to enrol by 31.10.2016.

The representative from ACAAI informed the house that they have sent the message to all their members to advise their respective customers to send their contact details to customs. Their members have confirmed that they have sent the message accordingly.

The representative from BCHAA informed the house that they have circulated the contents of PN vide circular dated 19.10.2016.

Commissioner of Customs (Export) informed the house that the response is still very poor and only 25-30 people have enrolled. He directed ACAAI and BCHAA to ensure proper participation of trade so that the SMS service can be started.

[Treated as Closed]

3. EGM Errors

In the previous PTFC Meeting, Commissioner of Customs (Export) informed the house that there is lot of pendency with Airlines of approx. 300-400 EGM Errors. He directed Airlines to consult Asstt. Commissioner of Customs (EGM) and settle them before 31.10.2016.

It has been noticed that none of the errors are LEO errors, all are P related errors (Part Airway Bill Not Submitted Errors). Therefore, the issue has been taken up with the corresponding airlines and they are working on it.

Commissioner of Customs (Export) directed the representatives of airlines to correct the EGM errors. However it was 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 will examine the issue to rectify the same.

[ACTION: Airlines & Customs]

Agenda Points from BCHAA for PTFC Meeting held on 04.11.2016

1. Restructuring of CCR with introduction of Single Window Clearance.

The representative of BCHAA explained the issue to the house stating that in Single Window Scheme, many a number of times, Bill of Entries (BE) are not marked to any PGA in EDI system, but CCR still contains instructions to mark the BE to PGA. However, as per CBEC instructions vide F. No. 450/146/2015-Cus-I dated 31.08.2016 Para 3, CCR instructions should not insist on sending BE to PGAs in above cases.

Dy. Commissioner of Customs (EDI) informed the house that the DG Systems are waiting for the Single Window System to stabilise. However, if BE is marked for RMS facilitation then they are not supposed to be marked to PGAs.

The representative of BCHAA informed the house that RMS marking does not reflect on all BEs. He further informed that many items have been reported as out of scope items by PGAs, but such reports are not reflected in the RMS thus does not reflect on BEs. When such item goes to Appraising Officer in Shed, CCR instructs to mark them again to PGAs even though they are reported as out of scope earlier.

Dy. Commissioner of Customs (EDI) informed the house that once Single Window System becomes stable, the CCRs will be updated accordingly.

Commissioner of Customs (Export) informed the house that the officer has to follow the CCR instructions. However, he assured the house that the matter is already been taken up with Board and clarification will be issued on CCR instructions in due course of time.

[Treated as Closed]

2. Ledger printout for Balance Verification of Licenses needs to be provided to the trade.

BCHAA representatives have briefed the house that after manual debiting is done, they require to check the balance before filling Bill of Entry. Accordingly they requested to give ledger Print Out as and when required.

Commissioner of Customs directed BCHAA to take up the matter with DGFT authorities to provide licence holder with licence view facility.

[Treated as Closed]

3. 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.

The representative of BCHAA explained the issue to the house stating that it takes 1 to 2 hours to forward packages for examination. The volume of cargo has increased in the Air India Shed and current manpower of loaders is insufficient.

Commissioner of Customs (Export) directed Air India to take necessary steps and address the issue in time bound manner. He further assured the house that the matter may be taken-up with higher authority in Air India through proper official channel.

[ACTION: Air India]

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

The representative of BCHAA explained the issue to the house stating that both MIAL and Air India warehouse Import Sheds have inadequate lighting, which makes it difficult for examination of Import Cargo. In the storage locations only CFLs are being used and lighting is very poor.

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.

[ACTION: Air India & MIAL]

5. Demanding of facility letter by Octroi department even if importers/exporters name isn't appearing in the defaulters list.

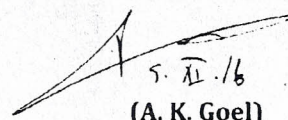
The representative of BCHAA explained the issue to the house stating that the Octroi Officers in BMC are demanding facility letter from every importer/exporter even though their names are not appearing in the defaulters list which results in higher transaction cost and increases dwell time. BCHAA has represented the matter to Dy. Municipal Commissioner (A&C) vide letter dated 18.10.2016. A meeting has been arranged on 08.11.2016 on this matter.

The representative of BCHAA requested to Chair of Meeting, Commissioner of Customs (Export) to nominate a Custom Officer to be present for the meeting. He further requested MIAL to send a representative for the meeting so that gravity of the matter can be ascertained.

Commissioner of Customs (Export) agreed to send a letter to Commissioner, BMC to resolve the issue. He further directed MIAL to appoint one of their officers to attend the meeting so the matter can be represented in right gravity and unnecessary hurdles can be avoided for ease of doing business.

[Treated as Closed]

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.