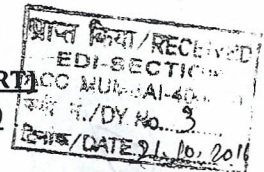


OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS (IMPORT)

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: 21.10.2016

MINUTES OF PERMANENT TRADE FACILITATION COMMITTEE MEETING
HELD ON 14.10.2016

The fortnightly meeting of the Permanent Trade Facilitation Committee was held on 14.10.2016 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 Atul Saxena, ADC(Export)	Customs, ACC
Shri A. K. Goel, ADC(Import)	Customs, ACC
Dr. Deepak Sharma, DC(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 Govind Chauhan (Export)	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	MIAL (Custodian)
S.V. Menezes, S Pandit, Dr. Y.V. Rathod	Air India (Custodian)
Rajeev Desai, Sanjeev Harale	BCHAA
Loknath Raj	ACAAI
P.G. Gaikwad, V.K. Pancham	FSSAI
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, Commissioner of Customs (Export) directed MIAL to properly follow-up with BCAS for early approval, as the matter is already inordinately delayed.

The representative of MIAL has informed the house that the BCAS approval is under process and MIAL is in constant touch with the authorities and final round of inspections has been carried out on 19.09.2016. Approval for Customs 1.5 connectivity is also under process. Required IT infrastructure had been installed and verified by Customs Dept.

Commissioner of Customs (Export) informed the house that he will speak with ADG, BCAS for expediting the approval process.

b. Regarding Internet Connectivity and WiFi Facility

In the previous PTFC Meeting, Commissioner of Customs (Export) directed MIAL and Dy. Commissioner of Customs (EDI) to discuss and work out the modalities for upgrading the internet connectivity and Wi-Fi facility for Officers and Staff members of Customs. He further directed MIAL to examine voluntary offer for installation of Wi-Fi by BCHAA and take necessary action.

The representative of MIAL informed the house that the up-gradation of current Wi-Fi speed/internet facility is under process and will be completed very shortly. Connections for Customs Attendance machine is already restored and is in working condition. As per Customs requirement MIAL will be providing additional Wi-Fi connection for the section which is not having the internet connection. He further said that the MIAL cannot provide Open Wi-Fi at ACC due to security and misuse of the internet facility as the number of users at ACC is too high and different type of users will be operating the same. The Airport module for passenger cannot be implemented at ACC.

Commissioner of Customs (Export) expressed his objection to the security reason cited by MIAL.

Dy. Commissioner of Customs (EDI) asked MIAL to share such security concerns with the department. He informed the house that there is an approximate strength of 650 Customs Officers for which speed of internet should be 200Mbps. He further informed that he has held discussions with Shri Mark Fernandis (BCHAA) and Shri Mayur (MIAL) regarding the voluntary offer by BCHAA for installing the Wi-Fi Facility. BCHAA is finalising the modalities for the said installation and will accordingly send the proposal to MIAL, to which MIAL has shown its willingness to respond positively.

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.

[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, Dy. Commissioner of Customs (EDI) informed the house that regarding the back-up option and its availability a detailed discussion will be held with MIAL and accordingly appropriate decision will be taken.

Dy. Commissioner of Customs (EDI) informed the house that as per "Handling of Cargo in Customs Area Regulation, 2009", the onus of providing the said back-up option lies with MIAL. Accordingly, after due deliberation, he has sent a letter to MIAL on 23.09.2016 communicating their responsibility as per provisions in the aforementioned regulation.

The representative of MIAL informed the house that the network connectivity for Customs system is being provided by M/s HP directly under the guidance and supervision

of Customs EDI section and any up-gradation or back-up plan option needs to be taken with them directly. MIAL only provides the cabling part of the switches to the user point.

Dy. Commissioner of Customs informed the house that the connectivity from DG Systems to EDI location already has two connecting lines, one provided by BSNL and the other by TATA. This is maintained by HP. The back-up option which is being discussed here is for the connectivity from EDI location to Import Shed. The responsibility of providing back-up connecting line in this location is on MIAL.

The representative of MIAL informed the house that the work of replacing the entire stretch of damaged connecting lines is in progress in Light Import Shed. The connecting lines will be concealed to prevent the damage from rodents. The connecting lines are 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.

[ACTION: MIAL]

2. Request to upload the status of refund claims applications on the ACC website.

In the previous PTFC Meeting, Dy. Commissioner of Customs (CRC) informed the house that the refund claims were being arranged in chronological order. Once it was completed they will be uploaded on the website.

Addl. Commissioner of Customs (Import) informed the house that the refund claims have been arranged in chronological order. Uploading on the ACC website is under progress.

[Treated as Closed]

Agenda Points from ACAAI for PTFC Meeting held on 02.09.2016

1. WLRO officials not available in their office on 20, 21, 22 August and not available at their office in CBD Belapur office as well due to which air shipment was held for four days.

In the previous PTFC Meeting, Addl. Commissioner of Customs (Import) assured the representatives of ACAAI that an official communication will be sent to the appropriate WLRO Authority to resolve this issue.

Accordingly, a letter has been sent to the Regional Dy. Director, WLRO on 14.09.2016 communicating the due concern. In their reply, WLRO expressed their willingness to give priority to works related to import and export.

Commissioner of Customs (Export) asked trade to bring to the notice of this house if such instances occur in future.

[Treated as Closed]

2. 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 examine this matter and practices followed in other ACCs, and further take necessary steps so that there is uniformity in the operations across ACCs.

The representative of MIAL informed the house that the 24x7 operation is not optimized at ACC, CSIA. They are still continuing with peak hour performance. Further, the MOT is being charged across all airports.

The representative of BCHAA reiterated that MOT is not being charged in ACC, Delhi.

Commissioner of Customs (Export) informed the house that Board has also expressed concerns regarding levying of MOT charges even after moving to 24x7 operation.

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.

[ACTION: MIAL & Customs]

Agenda Points from BCHAA for PTFC Meeting held on 02.09.2016

- 1. Vide ACC F.No.18/2012 dated 22.05.2012 it was decided that High Sea Sales (HSS) Contract would require execution on stamp paper of Rs.100/-. As per current practice the section is insisting on Rs.500/- Stamp paper, whereas JNCH is accepting HSS agreements on Rs.100/- Stamp paper.**

In the previous PTFC Meeting, Addl. Commissioner of Customs (Import) informed the house that the said matter will be examined and necessary action will be taken accordingly.

In this regard, Addl. Commissioner of Customs (Import) informed the house that after due deliberation it has been decided that, going forward, the HSS Agreements will be accepted on Rs.100 Stamp Paper. A Facility Notice No. 11/2016-17 effecting the change has been issued on 14.09.2016

[Treated as Closed]

- 2. Accurate Service Tax details of address and Registration No. need to be reflected correctly on the invoices of both the custodians MIAL & Air India.**

In the previous PTFC Meeting, Commissioner of Customs (General) directed MIAL and Air India to examine and resolve the above issue in timely manner.

The representative of MIAL informed the house that the necessary changes in the system have been done and are now being reflected in the receipts.

[Treated as Closed]

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.

The representative of BCHAA explained the above issue to the house.

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.

[ACTION: Customs]

2. The triple duty bonds that the importer submits to the Customs Bond Section are not being returned even after the goods are being ex-bonded by the importer.

The representative of BCHAA explained the above issue to the house.

Asstt. Commissioner of Customs (Bond) informed the house that whenever papers like RWC or Ex-Bond B/E are being submitted, the bonds are being cancelled & returned. A total of 355 Bonds have been cancelled and returned from June, 2016 to September, 2016.

Commissioner of Customs (Export) asked the representative of the trade to reach out to Asstt. Commissioner of Customs (Bond) in case they face any issue regarding this matter.

[Treated as Closed]

3. Online Connectivity for 'N' form is required between Customs and Octroi. Present system is causing duplication of data entry and delaying the process of clearance.

The representative of BCHAA explained the above issue to the house.

The representative of BMC informed the house that any technical changes in the system are on hold in view of the complete revamping of systems for implementing GST by April, 2017. However, BMC will hold a meeting with BCHAA to resolve this issue.

[Treated as Closed]

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

The representative of BCHAA informed the house that there is unbearable pollution level due to the use of diesel forklifts in Import Shed.

The representative of MIAL informed the house that the diesel forklifts are used only in peak hours. At all other times, the 30 battery operated forklifts move the cargo.

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.

[ACTION: MIAL]

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.)

The representative of ACAAI explained above issue to the house.

Commissioner of Customs (Export) directed Addl. Commissioner of Customs (Export Shed) to examine this matter.

[ACTION: Customs]

2. BMC - Exports and Importers are facing harassment from BMC because they are asking for NOC in respect of Octroi.

The representative of ACAAI explained the issue to the house saying that the BMC officials insist on NOC in respect of Octroi. Further, earlier BMC used to issue NOC for a period of 6 months but from 1st Oct, 2016 they have started issuing the NOC for a period of only 1 month. A week ago, ACAAI has also communicated their concern to the Commissioner of BMC as well.

Commissioner of Customs (Export) directed BMC and ACAAI to first try and resolve this issue directly between their two agencies. In case, the issue could not be resolved then take it to CCFC.

[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**

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**

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, which could be because of lack of knowledge sharing among the trade members. He asked the representatives of trade to sensitise all members of trade associations and trade in general to the requirements and procedures involved in exporting and importing.

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

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.

The representative of BCHAA informed the house that most of the 1st Check Re-Imports are Pharmaceutical products and they need to be tested in laboratory before examination.

Commissioner of Customs (Export) 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.

[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.**

Commissioner of Customs (Export) informed the house that even after almost a month only 10-12 people have enrolled for SMS Service for Drawback Status updates. The poor response reflects that either the service is not required or there is lack of information sharing. He further informed the house that the enrolment will close on 31.10.2016, and depending on the number of enrolments the requirement of the service will be evaluated. He directed BCHAA & ACAAI to disseminate information among its members, and further encourage them to enrol by 31.10.2016.

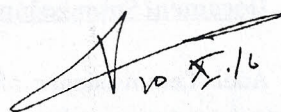
[ACTION: ACAAI & BCHAA]

3. **EGM Errors**

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.

[ACTION: Airlines & 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.