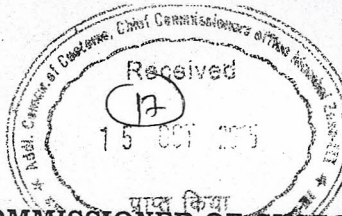


Please call for compliance from export committee.

cc. cco.



**OFFICE OF THE CHIEF COMMISSIONER OF CUSTOMS,
MUMBAI ZONE -I, NEW CUSTOM HOUSE, MUMBAI**

F. No.S/I-22(2)/2013-CCO I(Unit IV)

Date: 09.10.2015

Minutes of the Open House Meeting held on 21.09.2015

An Open House Meeting was held on 21.09.2015 under the Chairmanship of Shri R.P. Raheja, Chief Commissioner of Customs, Mumbai Zone I and III and Shri Sanjeev Behari, Chief Commissioner of Customs, Zone II, in the Conference Hall, 2nd Floor, New Custom House, Mumbai Zone I.

2. From the department side, the following officers attended the meeting.

Sr. No.	Name (S/Shri)	Designation
1.	Bani Bhattacharya	Pr. Commissioner of Customs (Gen), Mumbai Zone I
2.	Suvir Misra	Commissioner of Customs (Exp & Imp), Mumbai, Zone-I
3.	Devendra Singh	Pr. Commissioner of Customs, Mumbai Zone III
4.	A.K. Gupta	Commissioner of Customs, ACC
5.	J.P. Singh	Commissioner of Customs (Gen), ACC
6.	Subhash Agrawal	Commissioner of Customs, Zone II (NS IV & V)
7.	Satish Dawale	Addl. Commissioner of Customs, ACC
8.	Sharad Meshram	Addl. Commissioner, Export, NCH, Mumbai
9.	Dhirendra Lal	Addl. Commissioner, CCO, Mumbai Zone I
10.	Dilip Goyal	Addl. Commissioner, CCO, Mumbai Zone III
11.	C.P.S. Chauhan	Dy. Commissioner, CCO, Mumbai Zone I
12.	Clint D'Silva	Asstt. Commissioner, CCO, Mumbai Zone I

3. The following members attended the meeting from the trade side:

Sr. No.	Name (S/Shri)	Company
1	Mohan Nihalani	All India Importers & Exporters Association
2.	Bala Iyer	ACAAI
3.	Loknath Rai	ACAAI
4.	Mark Fernandes	BCHAA
5.	Kiran Rambhia	BCHAA
6.	Hiren Ruparel	BCHAA

7.	Paresh K. Thakkar	BCHAA
8.	Deepak Khabrani	Preethia Shipping Agency
9.	Pratik Khabrani	Preethia Shipping Agency
10.	R.S. Swamy	Sai shipping
11.	Ramakrishnan	MANSA (Samsara Shipping)
12.	Sorab P. Engineer	BCHAA (Advisor)
13.	Nimesh Desai	N.H. Desai & Co.
14.	Dushyant Mulani	BCHAA
15.	K.S. Shetty	BCHAA
16.	Sailesh Bhatia	BCHAA
17.	Rajiv Gupta	Individual Member of the Public

4. At the outset, the two Chief Commissioners welcomed all the members of the trade. Thereafter, Agenda points still open from the Minutes of the last meeting held on 08.05.2015, were taken up for discussion.

PART I OLD/OPEN AGENDA POINTS

4.1 Regulation 6 Examination under CBLR, 2013

(Please see para 4.2 of the minutes of the last meeting dated 08.05.2015)

The point raised by Shri Nimesh Desai pertains to furnishing of solvency certificate to the tune of Rs. 5 lakhs only at the time of issuance of licence instead of obtaining the same at the time of examination. The Chief Commissioners informed that as per Regulation 5(h) of the CBLR 2013, it is mandatory for a candidate to produce solvency certificate with respect to financial viability before getting the licence. Further, CBLR, 2013 have been framed by the CBEC and for implementing the request, amendment to CBLR is required. Both the Chief Commissioners agreed that the request is genuine and requested BCHAA to forward their representation, which will be examined and forwarded to the Board at the earliest. The trade informed that representation is being prepared and would be forwarded in due course.

(Point is closed)

4.2 Non payment of Duty Drawback in respect of 10 shipping bills of M/s. Hildose, Mumbai.

(Para 4.6 of the minutes of the last meeting dated 08.05.2015)

The issue was raised by Shri Rajiv Gupta, Individual Member of the Public and during the Open House Meeting, he submitted that a Show Cause Notice has been issued to M/s. Hildose. However, the SCN was required to be issued

before the hearing, as a principle of natural justice. The Chief Commissioners informed the house that Show Cause Notice dated 08.09.2015 has been issued in the matter following the principles of natural justice and the issue would be examined by DC/Drawback and if drawback is permissible as per rules, it should be disbursed accordingly. Shri Rajiv Gupta, further requested that he should be allowed to inspect the RUD's in the matter. The Chief Commissioners informed the house that the forum of Open House Meeting should focus on broader aspects related to trade facilitation and the trade should raise such individual issues in the PTFC Meetings.

(Point is closed)

Para 4.3 Voluntary payment of duty along with interest in terms of Section 28(i) and Section 28(ii)

(Para 4.7 of the minutes of the last meeting dated 08.05.2015)

The issue is that the Customs authorities insist for amendment to the Bill of Entry under Section 149 of the Customs Act and allow payment of differential duty only after the amendment has been allowed by the Customs. It is pointed out that they should be allowed to make payment in Cash Department directly in the case of short levy etc. Members of BCHAA informed that payment of differential duty should be accepted and interest payment should be on the day the differential duty is paid and the amendment can be carried out later on.

The Chief Commissioners informed the house that there is no restriction in paying the duty amount voluntarily as the same is prescribed in the Act itself. However, Department is facing system related issues which restricts voluntary payment of Customs duty before the Bill of Entry is reassessed and exact duty amount quantified. In the instance, where the importer/CHA initially pays the differential duty, the B/E is forwarded to Bank Queue and unless the duty is paid the Bill of Entry remains alive in ICES 1.5 system and would be shown as pending in the Bank queue. The Chief Commissioners further desired that a Committee comprising of Commissioner of Customs (Imp), Zone I and II, Banking officials and Stakeholders be formed immediately and the Committee should come out with a suggestive measure to resolve the issue by the next meeting

(Action: Commissioner of Customs (Import), Zone I)

Part II FRESH POINTS
(POINTS SPONSORED BY MANSAS)

4.4(1) The Public Notice No. 20/2014-15 dated 1.4.2015 restricts submission of two hard copies of IGM's, however, the prevailing practice still continues and copies of IGMs are submitted to four different sections of the Customs. They requested for compliance of the Public Notice

Chief Commissioner of Customs, Zone I informed the house that a decision has been taken by the Board to restrict submission of hard of copies of IGM to two and Public Notice No. 20/2014-15 dated 1.04.2015 has been issued to that effect. Therefore, Department should stick to the Public Notice and henceforth, the Shipping Agents are required to submit only two hard copies of IGM. Chief Commissioner further directed Commissioner (Import) and Principal Commissioner (Gen) to ensure compliance of the Public Notice No. 20/2014-15 dated 1.4.2015.

(Point is closed)

4.4 (2) Format of Continuity Bond and its validity is required as per paragraph (ii) of the said Public Notice.

The representatives of Mansa Association requested that in terms of the Public Notice No. 20/2014-15 dated 01.04.2015, as a measure of simplification, an option was given to the steamer agent to (a) give a continuity bond and (b) merge the guarantee with the continuity bond which will reduce the number of required documents from 2(two) to 1(one) and periodicity would also get reduced drastically. They requested for issuance of format of such document. Chief Commissioner of Customs, Mumbai Zone I, informed the house that as desired by Mansa, specific format would be issued by the Department, in due course of time.

(Action to be taken: Commissioner (Export), Zone I)

4.4 (3) In Crew Sign on/off procedure, immigration and baggage examination is done at different places. They requested both at the gate itself to save time and fuel.

Chief Commissioner, Mumbai Zone I informed the house that the process of crew sign on/off and baggage examination involves, CISF, Customs and immigration. The Chief Commissioners directed the Pr. Commissioner (Gen) to explore the possibility of the request by consulting with immigration, CISF authorities and find out a solution.

Action to be taken: Pr. Commissioner(Gen) , Zone I

4.5 POINTS SPONSORED BY SHRI RAJIV GUPTA

4.5(a) Payment of interest in respect of delayed settlement of Duty Drawback payments-

The issue is that as regards the payment of interest on delayed payment of drawback there is no provision in ICES 1.5 System for payment of interest for delay in processing of drawback claims. However, in terms of Section 75A (1) of the Customs Act, 1962, where any drawback payable to a claimant is not paid within a period of one month from the date of filing of a claim for payment of such drawback, interest shall be paid. During the meeting Shri Rajiv Gupta, stressed upon the point that exporters are liable to get their legitimate claim and Act specifies that Department should suo moto initiate necessary steps in paying interest if there is delay in processing drawback. Both the Chief Commissioners informed the house that the issue of payment of interest in respect of delayed settlement of drawback be taken up with DG/Systems and initiate necessary steps to institutionalize the procedure..

(Action-Commissioners Export, Zone I,II and III)

4.5(b).Compliance with the law in the matter of Duty Drawback disbursements. The procedure as per law and principles of natural justice are not followed in denying the claims. The good practice of sending e-mails should be continued.

The issue raised by Shri Rajiv Gupta is that Department is not complying with the law in the matter of duty drawback disbursements and the principles of natural justice are not followed in denying the claims. Commissioner (Import), Zone II, informed the house that the Department is already working on the software of SMS gateway and in due course of time, the exporters would be aware of the reasons for rejection of claim via SMS.

(Point is closed)

4.5(C) The issue raised is that classification of Azithromycin has already been settled as per ITC HS code. Still the issue is being raised. The Bill of Entry No. 2140694 dated 04.08.2015 at JNCH(Exp) cited by the Department under heading 29419090 and Exporter claims under heading 30042064 as Advance Authorization is also issued under the said ITC HS.

Chief Commissioner of Customs, Mumbai Zone II, informed the house that the issue relates to individual case and hence may be discussed in the PTFC meetings.

(Point is closed)

4.5(D) Option to change the MEIS claim upto 31.5.2015 in the S/B to reflect "YES". The said option should be allowed to be exercised in cases the S/Bills filed upto 31.5.2015 in the system to claim the entitlement.

The reason being that the declaration of intent to claim entitlement has become mandatory w.e.f 1.6.2015.

Chief Commissioner, Zone II informed the house that the admissibility of the scheme lies with DGFT. He further informed that it is learnt that DGFT would allow manual processing of S/B to DGFT in transition period

(Point is closed)

4.6. POINTS SPONSORED BY AIR CARGO AGENTS ASSOCIATION OF INDIA

4.6 (a) Guideline to manifest and direct transfer to MMTC/BKC

The issue is that fresh water pearls (artificial pearls) imported by air are to be cleared at BKC. But unless the Airlines manifest this cargo as "VAL", the same is not deposited in the MMTC warehouse. Chief Commissioner of Customs, Zone III informed the house that any consignment is treated as "VAL" if the value of the consignment is \$1000 per kg and the cargo is deposited in MMTC warehouse and directly goes to PCCCC for further Customs Clearance. Public Notice No. 14/2012 is followed in the matter in ACC and according to the said Public Notice Fresh Water Pearls are to be cleared at PCCCC itself. The Chief Commissioners opined that, inspite of the fact that the value of fresh water pearls are less than the prescribed value, the request of the stakeholders for terming them as "VAL" appears to be genuine. Therefore, the Chief Commissioner directed the Commissioners concerned to examine the issue and do the needful.

Action to be taken : Commissioner, Airport Special Cargo

4.6(b) The point raised is that High Seas sale cargo Buyers are insisting that the advance manifest is to be filed with consignee as high sea sales buyers name. Since the same is not approved by Customs, Import Department cannot manifest buyer name and suitable guidelines may be issued.

Chief Commissioner of Customs, Zone III, informed the house that the name of the buyer has to be intimated prior to filing of IGM and the feasibility of filing IGM in the name of the High Seas buyer needs to be ascertained from the Airlines and the console agents and the matter is purely between Airlines, Agent, Original consignee and High Seas Sale buyer and Customs does not, in any manner, have any role in it. Therefore, the Chief Commissioner requested that the concerned stakeholders should initiate necessary action at their end to take up the matter with the Airlines Authorities.

(Point is closed)

4.6(c) It is observed that heavy fine and penalty are levied for Import Manifest amendments. Most of these cases are typographical errors or delay in receiving messages for advance manifestations. Penalties should be imposed in cases of manipulations, revenue losses and deliberate attempts. Else, discretionary actions should be taken.

Chief Commissioner of Customs, Mumbai Zone III informed that the issue raised by the stakeholders pertain to minor amendments. Chief Commissioner, Mumbai Zone II pointed out that a Standing Order No. 9/2015 has been issued in JNCH. Chief Commissioner of Customs, Mumbai Zone III informed the house that similar procedure should be adopted in Mumbai Zone III.

Action to be taken: Commissioner (ACC)

4.6(d) The issue raised is that NIC may be suggested to integrate the full name of consignee while filing the Bill of Entry. EDI should not accept B/E. if consignee name differs

Chief Commissioner of Customs, Mumbai Zone III, informed that as per the procedure it is the duty of the Airlines to file proper details (IGM, Master Airway Bill and House Airway Bill) in the ICEGATE after which the importer or his representative (CHA) files Bill of Entry through ICEGATE. It is a fact that if the details of the House Airway Bill are not available with Airlines, the IGM is filed for those packages referring the forwarder (Console Agent) as consignee leading to mismatch in the Bill of Entry and the IGM which eventually needs to be amended. The Chief Commissioner informed the house that the Importers, Airlines and Console Agents need to sort out the issue among themselves.

(Point is closed)

4.6(e) Airport Courier companies (Express Cargo) are not following weight and value restrictions. Also the clearance is very fast whereas at Air Cargo, clearance takes time. Same facilities may be accepted at ACC for small packages.

Chief Commissioner of Customs, Mumbai Zone III informed the house that the consignments which are manifested as Air Cargo Consignments are cleared by following the proper procedure without any restriction of value. The restriction of 70 kgs is strictly adhered to in Courier Cell, however, there is no value limit for Express Cargo in Courier Cell. The Chief Commissioner also informed the house that action is being taken in Courier to check the malpractices/mis-use, if any.

(Action to be taken: Commissioner Special Cargo, Zone III)

4.7 Issue raised by Shri Mohan Nihalani, President – All India Importers & Exporters Association.

The point raised is that pro-active approach in interfacing with the citizens in the matter of grievance redressal and analysis of serious issues faced by the trade is lacking at the cutting edge level and requested that this aspect needs to be duly inculcated by a series of well structured training programmes and motivational seminars.

The Chief Commissioners, informed the house that Department is already working on these lines. Board has already initiated steps on this aspect by availing the services of Shri Chandrasekhar, IIM to deliver the lectures at NACEN, especially focusing on soft skills. Chief Commissioner, Zone I & III informed that ACC, Mumbai is also planning to conduct a workshop on soft skills for Gr 'D' to Gr. 'B' officers and training would be imparted to the officers from all zones in Mumbai.

(Point is closed)

4.8. Point raised by BCHAA

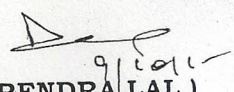
The issue is that in terms of Section 129E of the Customs Act, 1962, to file an appeal, against an order issued, there is a requirement to make a Pre-Deposit to the jurisdictional Custom House. At present there is no such prescribed instructions at New Custom House and at ACC, Mumbai to recover the pre deposit amount.

The Chief Commissioners, informed the house that the request is genuine and a suitable Standing Order would be issued in due course of time.

Action: All Commissioners, Mumbai I and III

Both the Chief Commissioners thanked the trade members for attending the meeting and raising issues relating to the genuine problems of the trade.

5. The date of next Open House Meeting would be intimated in due course of time.


(DHIRENDRA LAL)

**Addl. Commissioner of Customs (CCO)
Mumbai Zone I**

Copy to:

1. Chief Commissioner, Directorate of Tax Payer Service, New Delhi. w.r.t. to their letter F. No. DTPS/5/2015/3059 dated 10.09.2015.
2. The Chief Commissioner of Customs, Mumbai Zone I
3. The Chief Commissioner of Customs, Mumbai Zone II
- ✓ 4. The Chief Commissioner of Customs, Mumbai Zone III

- (651)
5. All Commissioners of Customs, Mumbai Zone I,II& III
 6. PS to Member (Budget), CBEC, New Delhi for information.
 7. The Addl./Joint Commissioners (EDI), NCH/JNCH/ACC (for uploading Minutes on websites ~~and action on Para 4.14.~~
 8. Copy for information and wide circulation to: All Associations with a request to inform their members to view the minutes of the meeting on the website www.mumbaicustomszone1.gov.in
 9. Copy to all the members of the trade through e-mail.
 10. Office Copy.