

**OFFICE OF THE COMMISSIONER OF CUSTOMS, NS-G
MUMBAI CUSTOMS ZONE-II
JAWAHARLAL NEHRU CUSTOM HOUSE, NHAVA SHEVA,
TAL:- URAN, DIST : RAIGAD. PIN – 400 707.**

PUBLIC NOTICE NO. 158/2016

Sub: Compliance of "Handling of Cargo in Customs Areas Regulations, 2009" by, Shipping Lines etc in regard to Electronic Delivery Order, payment options and transparency in charges levied to reduce the dwell time for clearance of imported / export goods: **reg.**

Attention of the Members of Trade and Industry, including all persons responsible for receipt, storage, delivery, dispatch or otherwise handling of imported goods and export goods in any capacity in a Customs area is invited to the Handling of Cargo in Customs Areas Regulations, 2009 as amended by Notification No. 96/2010 dated 12.11.2010. Attention is also invited to Public Notice No 08/2011, 59/2011, 36/2011, 21/2011, 18/2011, 43/2014 and other communications / minutes issued by JNCH.

REGISTRATION REQUIREMENT

2. According to **Regulation 2(b)** of said Handling of Cargo in Customs Areas Regulations, 2009 "Customs Cargo Services provider" means any person responsible for receipt, storage, delivery, dispatch or otherwise handling of imported goods and export goods and includes a custodian as referred to in section 45 of the Act and persons as referred to in sub-section (2) of section 141 of the said Act;

3. CBEC vide **Circular No. 13/2009-Cus., dated 23-3-2009** [F.No. 450/55/2008-Cus.IV] has already clarified that "*Handling of Cargo in Customs Areas Regulations, 2009*" provide for the manner in which the imported goods/export goods shall be received, stored, delivered or otherwise handled in a customs area. The regulations also prescribe the responsibilities of persons engaged in the aforesaid activities. The regulations shall be applicable to all 'Customs Cargo Service Providers' (CCSPs) that is to say all persons operating in a customs area and engaged in the handling of import/export goods. These include the Custodians holding custody of import/export goods and handling such goods and all persons working on behalf of such custodians such as fork lift or material handling equipment operators, etc. The regulations would also cover consolidators/break bulk agents and other persons handling imported/export goods in any capacity in a customs area. The regulations provide for various responsibilities and conditions for different kinds of CCSPs."

4. All participants of the Logistic Supply chain such as Shipping Lines, Freight Forwarders and Non vessel operating common carrier (NVOCC) are responsible for receipt, storage, delivery, dispatch or otherwise handling of imported goods and export goods in a customs area and therefore required to comply with provisions of Handling of Cargo in Customs Areas Regulations, 2009. Imported goods and export goods remains in the exclusive possession of such Shipping Lines, Freight Forwarders and Non vessel operating common carrier (NVOCC) and adoption of best

and efficient practices by each stakeholder in the EXIM trade contributes to overall speed of clearance process.

5. Accordingly, all participants of the Logistic Supply chain such as Shipping Lines, Freight Forwarders and Non vessel operating common carrier (NVOCC) fall under the aforementioned definition and are hereby required to get themselves registered as Customs Cargo Services Provider under Handling of Cargo in Customs Area Regulations, 2009. They shall apply for the same within 15 days of the issuance of this Public Notice. CFSs are also directed to take services of Shipping Lines, Freight Forwarders and Non vessel operating common carrier (NVOCC), which are registered with Customs as CCSP. Any violation in this regard will invite action under Handling of Cargo in Customs Areas Regulations, 2009.

6. Attention of Shipping Lines, Freight Forwarders and Non vessel operating common carrier (NVOCC) are also invited to **Regulation 5**, which provides that any person a Customs Cargo Service provider shall provide Infrastructure, equipment and adequate manpower for loading, unloading, stacking, handling stuffing and de-stuffing of containers, storage, dispatch and delivery of containers and cargo etc. to the satisfaction of the Commissioner of Customs.

7. The **Clause (n) of said Regulation 5 (1)** also provides that Customs Cargo Service provider shall provide such other facilities as the Commissioner of Customs may specify having regard to the custody and handling of imported or export goods in a customs area;

8. Sub Regulation (4) of Regulation 5 provides that the "Customs Cargo Services provider" is bound to comply with the provisions and abide by all the provisions of the Act and the rules, regulations, notifications and orders issued thereunder.

9. Sub Regulation (2) of Regulation 7 empowers the Commissioner of Customs to regulate the entry of goods in a customs area for efficient handling of such goods.

DELIVERY ORDER, MORE PAYMENT OPTIONS, ACKNOWLEDGE PAYMENT BY 24X7, ISSUE ELECTRONIC DELIVERY ORDER

10.1 CBEC Vide **Circular No 24/2015-Cus., dated 14-10-2015**, [F.No. 450/226/2014- Cus IV] in regard to issuance of Electronic Delivery Orders has already prescribed / informed that:

- i. Shipping Lines, Freight Forwarders and Non vessel operating common carrier (NVOCC) to adopt a system of electronic invoicing of all charges along with the facility to conclude the payment process using e-Payment facilities.
- ii. In respect of some categories of imports, namely - unaccompanied baggage, Direct Delivery, and one-time individual importers, the Shipping Line/Airline may retain manual (i.e. paper copy) of the

Delivery Order, if desired. Further, if for technical reasons, in case of any failure of the system of electronic transfer of Delivery Order, the concerned Shipping Line/Airline or Consol Agent may issue manual Delivery Order, as a purely temporary measure, in order to avoid any difficulty or delay in clearance of imported goods.

- iii. Secure electronic transmission of Delivery Order would enhance the overall security and transparency of the cargo clearance process.
- iv. All Customs formations may take necessary steps to bring the stakeholders together in order to encourage the implementation of electronic transmission of Delivery Orders.

10.2. It has been noticed that:

- i. Some Shipping Lines, Freight Forwarders and Non vessel operating common carrier (NVOCC) are not complying with aforesaid Circulars and continue to issue number of manual Delivery Orders (DO) (other than the categories as prescribed in the aforesaid Circular)
- ii. Even, in case of Electronic Deliver Order, the options available to importers to make payment of shipping line charges are not adequate. Some Shipping Lines, Freight Forwarders and Non vessel operating common carrier (NVOCC) only accept payment through NEFT / RTGS and does not provide options to make payment through other convenient and commonly used modes being used by various service providers.
- iii. It has also been observed that Shipping Lines, Freight Forwarders and Non vessel operating common carrier (NVOCC) are not acknowledging the payment on real time basis and don't accept / acknowledge payment 24X7. It has been represented by trade that most of the time, if payment is made after 1500 hrs, Shipping Lines don't don't accept / acknowledge payment.
- iv. Because of these reasons, EXIM trade been raining the grievance in various trade facilitation meetings (CCFCs, PTFs, Open House etc) being conducted by this Customs House.
- v. Shipping Lines, Freight Forwarders and Non vessel operating common carrier (NVOCC) are aware that various payment portals are being used by various service providers (such as IRCTC, Passport Seva, various online shopping sites like Flipkart / Amazon etc), which provide various options / modes for payment of amount to a client / customers, which includes Bank transfer / Credit Cards / Debit cards, Mobile wallets etc. and payment is also acknowledged by recipient on real time basis on 24x7.

10.3 In order to make further efforts to provide ease of doing business, reduce dwell time and thereby reducing costs involved, following directions are issued to Shipping Lines, Freight Forwarders and Non vessel operating common carrier (NVOCC) in terms of Clause (n) of Regulation 5(1) and Sub Regulation (2) of Regulation 7 of Handling of Cargo in Customs Areas Regulations, 2009 :

- i. Discontinue the practice of Manual Delivery Order/manual Delivery Orders (DO) (other than the categories as prescribed in the aforesaid Circular No 24/2015-Cus., dated 14-10-2015). In case of any deviation, the same may please be informed by affected parties / stakeholders to this office so that

suitable action can be taken against the defaulter under Handling of Cargo in Customs Areas Regulations, 2009.

- ii. More payment options (like Bank transfer / Credit Cards / Debit cards, Mobile wallets etc) are to be made available to importers / their clients to make payment of shipping line charges similar to the payment facilities / options being provided by various other service providers. Further payment should be acknowledged by shipping lines on real time basis on 24x7.
- iii. Any non-compliance by any shipping lines should be brought to the knowledge of ADC (PG), who will ensure suitable action is initiated against the defaulter (unless the reason for default is due to factors beyond the control of shipping lines.)

SHIPPING LINE CHARGES: NEED TO BE TRANSPARENT, NOT EXCESSIVE

11.1 Attention I of Shipping Lines, Freight Forwarders and Non vessel operating common carrier (NVOCC) and their various Associations is invited to Circular No 1 of 2016, dated 07.09 2016 issued by Directorate General of Shipping vide (advisory issued with aim to bring transparency in transaction cost of EXIM Trade). Vide aforesaid circular, shipping lines were advised that the charges as listed in para 2 of the said Circular should not be levied by shipping lines/ carriers/ agents for the transportation of EXIM goods, as a good/best practice

11.2 Attention of all Shipping Lines, Freight Forwarders and Non vessel operating common carrier (NVOCC) are invited to Regulation 6 of said Handling of Cargo in Customs Areas Regulations, 2009 which provides for responsibilities of Customs Cargo Service provider. Sub-Regulation (2) & (3) of said Regulation 6 provides that:

(2) The Customs Cargo Service provider approved for custody of imported or export goods and for handling of such goods shall not lease, gift, sell or sublet or in any other manner transfer any of the premises in a customs area; or sub-contract or outsource functions permitted or required to be carried out by him in terms of these regulations to any other person, without the written permission of the Commissioner of Customs.

(3) The Customs Cargo Service provider shall publish and display at prominent places including website or webpage of the Customs Cargo Service provider the schedule of charges for the various services provided by him in relation to the imported goods or export goods in the customs area.

11.3 In the Importers / Exporters as well as Trade Associations in various Permanent Trade Facilitation Committee (PTFC) meetings and Customs Clearance Facilitation Committee (CCFC) Meetings have repeatedly raised their grievances / complaints about charges charged by Shipping Lines, Freight Forwarders and Non vessel operating common carrier (NVOCC) being non-transparent and excessive. Needless to say that all Shipping Lines, Freight Forwarders and Non vessel operating common carrier (NVOCC) are bound to comply with Sub-Regulation (3) of said Regulation 6 and Circulars / Instructions issued by Directorate General of Shipping vide with aim to bring transparency in transaction cost of EXIM Trade. In

case of any violation of said legal requirement, suitable action will be taken under Handling of Cargo in Customs Areas Regulations, 2009.

12. Any difficulties experienced in this regard may be brought to the notice of undersigned immediately.

13. This, issues with approval of the Chief Commissioner of Customs, Mumbai Zone-II.

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(SUBHASH AGRAWAL)
COMMISSIONER OF CUSTOMS-NS-G

F. No. S/5-Gen-32/2016-17 CFS M Cell

Dated: 25 .11.2016

To:

1. The Chief Commissioner of Customs, Mumbai Zone-II, JNCH for information.
2. The Pr. Commissioner of Customs, NS-1, JNCH
3. The Commissioner of Customs, NS-G/ NS-II / NS-III/ NS-IV / NS-V, JNCH
4. All Additional / Joint Commissioner of Customs, JNCH
5. All Deputy / Assistant Commissioner of Customs, JNCH
6. All Sections / Groups of NS-G, NS-I, NS-II / NS-III/ NS-IV / NS-V, JNCH
7. AC/DC, EDI for uploading on JNCH website