

MINUTES OF CUSTOMS CLEARANCE FACILITATION COMMITTEE MEETING
HELD ON 15.09.2016 AT JNCH

The 12th Meeting of Customs Clearance Facilitation Committee (CCFC) was held on 15.09.2016 at 11.30AM in the Conference Room at 6th floor of Jawaharlal Nehru Custom House under the Chairmanship of Dr. John Joseph, Chief Commissioner of Customs, Mumbai Zone-II.

2. Following persons from Regulatory Agencies and various stakeholders attended the meeting:

Sr. No.	Name of the Organization	Name of the Representative & Designation (S/Shri)
1.	RPQS, Mumbai	Dr.C. Patni, Asstt. Director (PP)
2.	Textile Committee	Smt. Vimal Oval, Asstt. Director (Lab.)
3.	FSSAI	V K Pancham, Dy. Director
4.	FSSAI	Shailesh Nimbalkar
5.	Drug Controller, JNPT	GulshanTaneja, ADC
6.	Drug Controller, JNPT	Arvind Hiwale, Drug Inspector
7.	Animal Quarantine	Vijay Pokar, Technician
8.	Wildlife Crime Control Bureau	D. Adimallaiah, Inspector
9.	CIDCO	ApurvaBarlewar, Dy. Planner
10.	CIDCO	K. O Chaudhari
11.	JNPT	AvinashBuge
12.	GTI	Capt. M. Dhawal, Head Operation
13.	GTI	Prashant S Mhatre,
14.	NSICT (DPW)	Capt. B. Fernandes
15.	CSLA	Norman Fernandez, Secretary

16.	CFSAI	Capt. Akhil Khanna
17.	CFSAI	Umesh Grover, Secy. General
18.	CFSAI	YashVardhan
19.	CFSAI	Venkat Narayanan E.A.
20.	CFSAI	LakhsaTadaikar
21.	MANSA	SubhashRajkumar
22.	BCHAA	Paresh Shah, Jt. Secretary
23.	APMT CFS	Adhendru Jain, Business Head
24.	APMT CFS	Salim Shikalgar, Operation Head
25.	AMTOI	RaghavUchil, Sr. Coordinator

The Department was represented by the following officers:

Sr. No.	Name of the Organization	Name of the Representative & Designation (S/Shri)
1.	Customs	Sh. Vijay Singh Chauhan, Commissioner of Customs, NS-V
2.	Customs	Sh. M. R Mohanty, Commissioner of Customs, NS-II
3.	Customs	Sh. Shrawan Kumar, Commissioner of Customs, NS-III
4.	Customs	Dr.AshirTyagi, Addl. Commissioner of Customs, CCO
5.	Customs	Sh. Vijay Risi, Addl. Commissioner of Customs
6.	Customs	Sh. Akhilesh Pandey, Addl. Commissioner of Customs
7.	Customs	Sh. Dharendra Lal, Addl. Commissioner of Customs
8.	Customs	Sh. MohitAgrawal, Dy. Commissioner, CCO
9.	Customs	Sh. Rajiv Magoo, Dy. Commissioner, CCO

3. The Chair welcomed all the members and Meeting started with introduction of all present for further discussions.

Sh.Mohit Agrawal, DC/CCO made a power point presentation on time Release Study/Dwell Time study for the month of August, 2016. Study was made on the basis of EDI data of August, 2016 with comparison to data of July, 2016 and August, 2015 for Facilitated and Non-facilitated Bills of Entry in respect of time taken by Customs and Trade & comparison of dwell time of PGAs. **(Participating Government Agencies)**

(i) In case of RMS facilitated Bills of Entry for the month of August, 2016, it was noticed that the average time taken by Customs for clearance was 6.98 hrs while Importer/CHA took around 87.44 hrs which indicates that out of total time of 94.42 hrs the Customs was taking only 7.39 % time for assessment & for registration to Out of charge and Importer/Trade was taking 92.61% time toward paying duty & registration after payment.

The Chair informed representative of BCHAA that in the process of clearance they are consuming large part of time just for paying duty & registration which defeats the purpose of measures being taken for reducing dwell time. BCHAA informed that they are facing problem to get duty payment in time from importers and sometimes they receive the required documents late from party. Further mostly big importers have their office closed on Saturday & Sunday so if any B/E is processed on Friday, the duty for the same would be received on Monday which results in delay in payment of duty and increase of dwell time on part of Trade. Further if B/E is assessed in the afternoon, the duty is being paid next day. BCHAA representative further stated that they had to sensitize the Trade/Importers to make them aware about Dwell time & 24X7 Customs Clearance Facility being extended by Customs.

The Chair directed BCHAA to make importers aware about 24X7 Customs operations and the process of advance filing of Bs/E & payment so that dwell time can be reduced to maximum 24 Hrs. Importers may be sensitised to keep their process and procedures in tandem with Customs operations so that valuable time may not be lost on account of Saturday, Sunday and another holiday. BCHAA was also directed to provide a list of such Importers who are not paying duty in time and also to call for a meeting of importers to urge upon them for early payment of duty.

(Action: BCHAA)

(ii) Similarly, as per time release study for 'non-facilitated' Bills of Entry which are assessed by Groups, for the month of August, 2016 indicated the portion of time taken by Customs is 39.43% while by Importers/CHAs are taking 60.57% of total time and in absolute term in the process of clearance average time taken by Customs is 45.93 hrs and by importers/Trade is 70.56 Hrs. The time taken by Customs was further analysed.

For August, 2016, from filing of Bill of Entry to Assessment time taken is 47.76 hrs and from Registration to Out of Charge is 16.8 hrs. Similarly time taken by trade was further categorised in two, one for payment of duty after assessment which is 50.4 hrs and other for registration after payment which stood at 35.52 hrs. The Chair sought reasons for this delay from the Customs Brokers. BCHAA informed that the reasons are the same as stated for RMS facilitated B/Es. BCHAA also stated that in FCL consignments, Advance Bs/E are being filed but in case of LCL shipments advance filing is not happening as in FCL cargo, process of unloading, segregation shifting to custodian is time consuming activity and result in increase of dwell time. BCHAA informed that many importers used to pay duty only after movement of their containers from port to CFS and earlier due to port congestion this problem was more but of late the things are improving as congestion at port is no more a problem.

The Chair informed the Customs Broker/BCHAA that importers are fully aware about the schedule of arrival of vessel, nature of goods, duty amount, hence they should be ready for advance filing of bill of entry & advance payment so that dwell time can be reduced and Chair expected from BCHAA to reduce time by trade at least 30-35 hours as Customs has already optimized their processes for reducing dwell time.

(Action: BCHAA)

Further, dwell time comparison of data for August 2015 and August 2016 from Entry Inward to Out of Charge reflected that there is an improvement of 2.64 hrs in August, 2016 as against August, 2015.

(iii) On the basis of random sampling of Bills of Entry for the month of August 2016, the average time taken by various PGAs was shown in the presentation and discussed in the house. From the comparison of dwell Time of PGAs, it was evident that time taken was FSSAI was maximum.

Regarding FSSAI NOC- The Chair asked reasons for delay by FSSAI. Representative from FSSAI submitted that in August 2016 it was quite high due to some internal problems and they assured to improve upon it. They also informed that to set up new lab some more time is required. Some food stuff items take more time for testing and their partner Laboratories would also be asked to reduce the time for testing.

The Chair directed them to make their lab equipped with latest equipment for improvement which will reduce the testing time.

(Action: FSSAI)

Regarding ADC NOC-It was noticed that ADC are releasing NOC in one day which was best performance as far as all PGAs are concerned. ADC was appreciated for their good contribution in reducing dwell time.

AQ NOC-It was noticed that on an average NOC time is 14 days while in best case scenario, the NOC time is 13 days. AQ representative informed that sample data reflects only Dog Food and testing of dog food is taking maximum time due to lack of testing facility in Mumbai and they need to send the sample to high security lab in Bhopal for testing. He further added that for other items they are generally issuing NOC on same day or in some cases in 4-5 days.

The Chair directed them to reduce the dwell time for testing by optimum utilization of their capacity and speed up their testing process.

(Action: AQ)

Regarding PQ NOC- It was noticed that PQ is releasing NOC in average time of 6-7 days. PQ representative informed that all cases being taken for analysis belong to import of seeds for sowing purpose. He further stated that for seeds 100% tests are done and they are releasing NOC of items imported for consumption purpose in 3 days and for sowing purpose in 5-6 days as this take more time due to test requirement parameters which vary country wise to detect any threat from virus and fungus. They assured to improve their performance. PQ informed that for fruits, NOC is given in one day and for pulses 2-3 days time is taken.

(Action: PQ)

Sh. Vijay Singh Chauhan, Commissioner of Customs, NS-V enquired with PQ representative that how they come to know that seeds imported are for sowing or consumption purpose. Then PQ representative informed that there is a declaration in Bill of Entry in this regard. Accordingly, Commissioner of Customs-NS V desired that

next time data of PQ NOC should be analyzed separately for sowing and consumption purpose.

(Action: Group 1, JNCH)

TC NOC- It was noticed that the textile committee takes on an average 06 days time and in best case scenario, the time was 04 days. TC informed that many of the importers are not paying testing fees on time which results in delay in issuance of Report. TC informed that they have facility of online payment and they can post report online also. TC further added that in case of carpets which require testing of various aspects, need minimum of 4 days to test, which ultimately take more time to grant the NOC. BCHAA informed that testing Charges of TC are high and they are charging market price for testing of samples.

The Chair directed BCHAA and TC to provide a list of defaulter importers who are not paying testing charges in time and also insisted upon them to improve their performance.

(Action: BCHAA &TC)

During the discussion, the Chair informed the members that customs is planning to introduce a system wherein in every CCFC, the best & sub-optimal performer regarding dwell time in respect of Party/Importer, CHA, all PGAs & other stakeholders involved in Customs Clearance Process would be discussed in the meeting. This would be an exercise to sensitize the agencies/stakeholders.

4. Thereafter, pending issues from earlier CCFCs were taken for discussion and update thereon:

(i) Updates on 24x7 staff deployment by PGAs):

BCHAA informed that Customs & CFSs are available 24X7 but other PGAs and Shipping lines are not available on Sunday.

The Shipping line representative accepted that they are not working on Sunday but informed that their closing on Sunday doesn't make much impact in their operation chain as they can issue advance delivery order on Saturday, however they are in

process to make their office open on Sunday and they assured Chair to issue a Circular in few days in this regard.

(Action: MANSA, CSLA)

The ADC representative informed that they are now available for 24x7 working.

The PQ representative informed that they are facing shortage of staff. There is no increase in the staff strength and that the position of shortage of staff still remained; that they have requested their Headquarters for additional staff which is pending.

(Action: PQ)

The FSSAI, Textile Committee, WLRO and AQ representative informed that they too are facing shortage of staff.

(Action: FSSAI, TC, WLRO, AQ)

The Chair informed all the participants that implementation of 24x7 clearances is going to be made mandatory for all the stake holders and the Orders for the same could be expected shortly. Hence all the PGAs may improve and upgrade themselves to 24X7 facilitation. Chair directed that at least one person from each PGA may be posted on holiday so that process of speedy clearance of import cargo is not hampered.

(Action: All PGAs)

(ii) Land allotment:-

All PGAs informed that lands have been allotted and further progress for development is going on. The ADC representative reiterated the problem of wet land allotted to them and intimated that they are in process to shifting the office to JWR CFS. Meanwhile, FSSAI representative also raised the same problem of having wet land. BCHAA suggested that a Nodal Agency such as JNPT may construct a complex like PUB near to JNCH customs house in which all PGAs & other stakeholder can be provided the office space for their operation. He further stated that this move would also be helpful to trade to access all agencies for their work under one roof which ultimately would result in reduction of dwell time in large extent.

The idea was welcomed by all Members and Chair directed the JNPT representative to offer their Comments on this idea suggested. The JNPT representative informed that that he would take up and discuss the matter with JNPT Management/ Estate Department and can take up the matter in their Board Meeting. Any update about progress made would be intimated in next CCFC meeting.

(Action: - JNPT & all PGAs)

(iii) Gate Automation:

JNPT informed that the process is completed and it is expected to be functional by end of October, 2016. GTI informed that they have started that same. NSICT informed that they have already implemented the same.

(Action: - JNPT)

(iv) E-do- The Customs Brokers Association informed that they had a meeting with stakeholders and most of shipping line have started this facility except some. AMTOI assured that they would conduct meeting of all concerned and facility will be fully operational by end of October 2016.

The Chair directed BCHAA to give a report in this regard by 30th September, 2016.

(Action: - BCHAA, AMTOI & MANSA, Timeline: 30.09.2016)

(v) Status of implementing of e-invoicing, e-billing, e-payment by CFSs, Shipping

Lines: - CFS Association Representative informed that they have already informed in last meeting that most CFSs have this facility except 7 members who are also in their control and they are in discussion with them to start this facility in next couple of weeks. CFSAI informed that they had two meetings with BCHAA in this regard. The Chair expressed expectation of good response in this regard.

(Action: - CFSAI & Shipping Lines, Timeline: 30.09.2016)

(vi) Delay in shifting of containers from Port Terminal to CFS:

The point was discussed and Chair asked for update. It was informed by BCHAA and Port Authorities that the issue now has majorly been resolved and there is no delay in shifting of containers from Port Terminal to CFSs. Chair also informed the House that

a Public Notice No 121/2016 dated 08.09.2016 dealing with the issue of "Compliance of "Handling of Cargo in Customs Areas Regulations, 2009" by Port Terminals, CFSs, Shipping Lines and Transporters to reduce the dwell time for clearance of imported / export goods", has already been issued by Customs.

(Action: Issue closed)

(vii) All PGAs to provide NOC without seeking hard copy of Bill of Entry:-

The chair directed to all PGAs not to insist upon hard copy of Bill of Entry for providing NOC as this practice defeats the spirit of Single Window clearance. It was also informed in the meeting that very few cases (about 1% Bills of Entry), which are not tagged due to System problem, the hard copy of B/E is insisted upon for NOC.

The direction of Chair was accepted by PGAs unanimously.

(Action: - All PGAs)

(viii) Out of scope Items:

All PGAs were requested to release the out of scope of items every hour.

(Action: - All PGAs)

5. Thereafter, the fresh issues were taken up for discussion in meeting:

(i) Point no.1:(Issue sponsored by customs)

The team comprising of Joint Secretary (Customs), CBEC and Managing Director, Indian Ports Association assisted by M/s BCG consultants was constituted to study the processes and procedures to suggest measures to significantly reduce the time and cost for Cargo Clearance in ports with specific reference to JNPT port. The team has given its recommendations and actions are required to be taken by various stake holders to implement the same.

Board has directed that the implementation of recommendations of study team in Customs domain may be taken up on priority keeping in view the timeline given. The snapshots of Recommendations were displayed on screen to invite views/suggestions

by members and to make them aware about the deadline. The Chair directed all stakeholder to take necessary actions keeping in mind the deadline given as first ATN report is required to submitted to chairman, CBEC by 31.10.2016

(Action: concerned stakeholder in Customs Clearance process, Time line: 31.10.2016)

(ii) Point no.2: (Issue sponsored by BCHAA)

BCHAA vide their letter CBHAA/PS/610/2016 dated 06.09.2016 requested that better transparency and ease of Doing Business, JNCH Website should have a comprehensive Directory giving the contact details, email IDs, timings and names of the nodal officers of all the stakeholder namely Custodians i.e. Terminals and CFS Shipping Lines, Trade Bodies, Allied Agencies such as ADC, FSSAI etc.

CFSs representative informed that JNCH websites already has the required details. BCHAA stated that they want details of the dealing/concerned officer. The Chair directed all members & stakeholders to provide these details so that JNCH update the website in this regard.

(Action: All Stakeholders & Customs {EDI & CCO})

(iii) Point no. 3: (Issue sponsored by BCHAA)

Point raised by BCHAA vide their letter BCHAA/KS/597/2016 dated 31.08.2016 that Assistant Drug Controller office is presently at PUB, Nhava Sheva and there is a proposal to shift this office to JWR CFS. BCHAA represented that shifting this ADC office to far away distance from Customs House will inconvenience Customs Brokers/Importers as they will have to spend considerable time for travelling which will increase the transaction cost as well as dwell time.

The Chair checked up the status from ADC representative and it was informed that they are in process of shifting the same due to wet land allotted to them near JNCH building and at JWL CFS they would be having their Lab and Office in the same vicinity, They further added if the proposal that JNPT would construct a complex where all PGAs

would be housed together, get through, the issue would be resolved. BCHAA and Chair suggested that Administrative set up of ADC can be in existing PUB Building and only Lab can be shifted to JWL CFS.

(Action: JNPT & ADC)

6. Other issues:

CFS representative raised an issue that few Officers/Supdts posted at CFSs are insisting upon the payment of Merchant Over Time fee first if cargo is stuffed after office hours. They requested to waive off the same.

The Chair informed that the issue of payment of MOT is pending with Board however the officers will be informed to allow the stuffing beyond office hours if needed subject to payment of MOT fee in next working day. The Chair assured to issue necessary instructions in this regard after examining the issue in totality.

(Action: Commissioner-Gen, JNCH)

This issues with the approval of the Chief Commissioner of Custom, Mumbai-II.

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31/1/2016.
(RAJIV MAGOO)

Deputy Commissioner of Customs,
CCO, JNCH, Nhava Sheva

Copy to:

1. Member (Customs), Member (Zone), CBEC, New Delhi
2. All Pr. Commissioner/Commissioner of Customs, JNCH, Mumbai Zone-II
3. DC/EDI, JNCH (with a request to upload the minutes on website)
4. All members of CCFC Meeting (via e-mail)
5. Officers concerned
6. Office Copy