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TIME RELEASE STUDY 2017

JAWAHARLAL NEHRU CUSTOM HOUSE

Based on the World Customs Organization guidelines for carrying out Time Release Study

TIME RELEASE STUDY 2017

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It gives me great pleasure to present the Ninth Time Release Study for Jawaharlal Nehru Custom House, the largest Custom House in the country. This TRS has been conducted on the lines of the recommendations of the World Customs Organization and marks an improvement in terms of scope, methodology and presentation vis-vis earlier studies.

TRS is designed as tool to assess the efficiency of the customs processes and measures the release time for various categories of cargo cleared through a customs formation. It seeks to capture the total time taken in the entire processes of customs clearance by various stakeholders involved in the process.

This TRS is being presented to cover two periods of study, i.e. January 2017 and July 2017 and makes a comparative study to highlight the impact of certain statutory and procedural changes brought about at JNCH during the period.

Team JNCH is committed to draw upon this study to work towards further improvement in release time so as to achieve the commitments made in the National Action Plan under the Trade Facilitation Agreement.

I wish to place on record my appreciation for Shri. Vijay Singh Chauhan, Commissioner and Shri. Aditya Fotedar, Deputy Commissioner and their team for bringing out this excellent TRS.

VIVEK JOHRI

Chief Commissioner, JNCH
Mumbai Customs Zone II

- This study reports the findings of the Ninth Time Release Study (TRS) 2017 conducted at JNCH, Navi Mumbai and covers the periods of January and July, 2017. Previously, eight (8) bi-annual time release studies have been conducted commencing from January 2013.
- These studies have shown that the average time taken from filing of bills of entry to giving out of charge has reduced progressively for different categories of cargo.
- The periodicity of study has been continued despite recognition of the fact that the data for both the periods may be impacted by minor disruptions on account of emphasis on filing advance bills of entry and DPD during January, 2017 and roll out of GST during July, 2017.
- The scope of study has been expanded in this TRS through inclusion of advance bills of entry and presenting the time release in respect of advance bills of entry and those covered by Direct Port Delivery (DPD) scheme.
- Further, the Finance Act, 2017 has made two significant changes in the provisions of the Customs Act, 1962 that are expected to directly impinge on the time release. These relate to prescription of late fine for not filing the bill of entry within the prescribed time and reduction in the interest free period for payment of duty after assessment of bill of entry.
- This TRS, therefore, presents the outcome of two periods as a comparative analysis to highlight the impact of the aforesaid administrative and statutory changes.
- The results show that importers who have taken up the DPD scheme have far better release time as compared to non-DPD consignments.
- On average, DPD bills of entry have 28% lower release time as compared to others in January, 2017. With relative stabilization of the DPD scheme in subsequent months, in July, 2017, DPD clients had 33.3% lower release time as compared to others.
- The analysis of various categories of bills of entry bring out one inescapable fact - that filing of advance bill of entry has a significant impact in lowering release time for cargo.
- The release time for advance DPD bills of entry is about 76 hours, which is broadly in line with the commitment for overall release time under National Action Plan under Trade Facilitation Agreement.
- The Finance Act, 2017 made two statutory changes in the provisions of the Customs Act, 1962 to reduce the time taken in filing normal bills of entry and in payment of duty after assessment. However, these changes have resulted in only minimal reduction in the time taken in these processes.
- As regards prompt filing of normal bills of entry, the percentage of normal bills of entry filed more than 48 after import manifest has declined from 51% in January to 43% in July, 2017.
- However, the bills of entry filed within specified 24 hours declined from 29% in January to 23% in July, 2017, even as those filed between 24 hours to 48 hours increased from 19% to 34% during the same period.
- The interest free period for payment of duty after assessment has been reduced from 48 hours to 24 hours. In January, 2017, in respect of 42% of bills of entry, duty was paid within 48 hours.
- However, in July, 2017, only in respect of 33% of bills of entry, customs duty payment was made within 24 hours of the assessment, which is an increase from 22% in January, 2017.
- The Indian TRS quantifies the time release as the time taken from arrival of the goods (represented by entry inwards) to release of cargo by customs (represented by grant of out of charge).
- However, a small sample study has been conducted in respect of four selected Customs Freight Stations (CFS) to calculate the time taken by the trade from grant of out of charge to gate out from CFS.
- The limited sample study shows that time taken from out of charge to gate out is 54.3 hours during July, 2017. Anecdotal evidences suggest that trade prefers to take physical custody of the cargo based on their inventory management priorities.
- JNCH needs to work together with all other stakeholders to further reduce the time release and achieve the national commitment of 3 days' time release for sea ports.
- The next TRS will cover the period of January, 2018 and will be released before March 31, 2018.

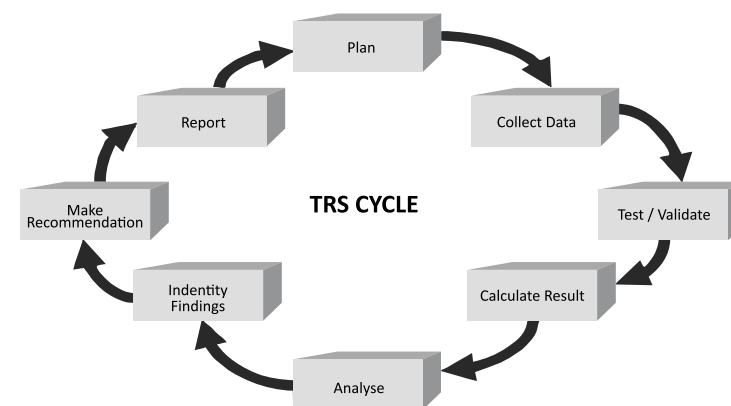
This study has been preceded by eight biannual Time Release Studies (TRS) conducted at JNCH, beginning with January, 2013. These studies can be accessed at <http://www.jawaharcustoms.gov.in/index1.php>. The present study involves a refinement from the previous reports in its scope, methodology and presentation, benefiting from the experience gained from preparation of the earlier reports. The details of the changes in the scope and methodology are discussed in the next section.

Changes in the scope have also been warranted in view of government decision to publicly disseminate monthly dwell time data for major customs formations, including JNCH regularly, which can be accessed at http://www.cbec.gov.in/htdocs-cbec/dwell_time. The methodology of the dwell time analysis is consistent with the present TRS, even as the categorization of the bills of entry is different. However, this TRS is more detailed in its presentation and seeks to put the data in the context of administrative and policy changes in a comparative framework.

The present study combines the report for two time periods, i.e. January, 2017 (covering January 1-7) and July, 2017 (covering July 1-7) with the specific intent of presenting the report as a comparative study to assess the impact of certain statutory and administrative measures that are expected to significantly impact time release.

The WCO guidelines for TRS suggest selection of time periods which can be considered as normal. Accordingly, first week of January and July of calendar years have been chosen as the sample period in the earlier studies. During the current year, both these periods have witnessed minor disruptions on account of emphasis on filing advance bills of entry and adoption of DPD (in January) and roll out of GST (in July). Notwithstanding the same, this study has opted to retain the said two sample periods for the reasons of continuity and because during the current year there are no other periods which can be identified to represent “normal” periods, with the caveat that the data is adversely impacted due to such disruptions.

The Time Release Study can be categorized into the following stages.



The planning for this TRS has taken into account the above cycle and after assessing the methodology and results of the previous TRS made significant changes in the study. The previous TRS were based on study of stratified sample of cargo categorised on the basis of bills of entry, wherein a single bill of entry may cover more than one container or goods covered by more than one bill of entry may be stuffed in one container (LCL cargo). The bills of entry filed between from 1st to 7th of the month constituted the sample for the concerned month, the first seven days of the month are gen-

erally considered as a normal period for various activities at JNCH. However, there were certain exclusions such as the bills of entry which were not given out of charge (OOC) at the time of data collection, and prior/advance bills of entry, wherein the bills of entry were filed in advance of the grant of entry inwards. The study calculated the time taken from the entry inwards to filing of the normal bill of entry and the cargo being given out of charge. It may be reiterated that the earlier TRS excluded the advance bills of entry from its purview, wherein the bills of entry were filed prior to entry inwards. The average

time release was calculated for three separate categories of bills of entry, namely (a) RMS facilitated bills of entry, (b) First Check, and (c) Second Check, the last two categories representing the bills of entry which are assessed by the group officers. The group assessed bills of entry are divided into first check bill of entry and second check bill of entry. The detailed methodology was included in the previous TRS and the same is referred to here only with the intention to highlight the differences.

Though the WCO guidelines advise bi-annual TRS, JNCH has been presenting the time release for each month in its previous TRS. Monthly dwell time data is also released by Central Board of Excise and Customs (CBEC) on its website at regular intervals. In order to avoid duplication and adhere to the WCO guidelines, in the present TRS, the study has been limited to only two months, viz. January, 2017 and July, 2017 and the sample data cover the bills of entries filed during the first seven days of

the concerned month.

Despite the fact that monthly release time data have been presented in previous TRS, the primary focus has been on January and July of every year. This year presents a difficult problem regarding the selection of period for study. The month of January, 2017 was in the midst of a period marked by various administrative efforts by JNCH to increase the percentage of trade opting for advance filing of bills of entry and those availing the DPD facility. Therefore, there was inevitable dislocation of established procedures, with likely adverse impact on the release time.

India has embarked on the momentous indirect tax reforms with introduction of Goods and Service Tax (GST) with effect from July 1, 2017. Though the new regime has essentially replaced a number of domestic indirect taxes with a single GST, it has impact on customs duties and procedures, inasmuch as these are required to be countervailed in respect of all imports. Therefore, there are reasons to believe that the first

week after the roll out of GST, i.e. July 1-7, 2017 would not be a period of "normal traffic" as recommended for selection by WCO guidelines.

However, upon consideration of entire gamut of issues, including the fact that the efforts to increase adoption of advance bills of entry and DPD have been on-going and even the full impact of GST rollout may take some more time, it was felt that it would be appropriate to continue with the previous practice of six monthly study, with the caveat that the data for both January and July, 2017 may be impacted by these issues. The decision to continue with the six-monthly comparison was also guided by the consideration that it would give us the first set of data reflecting the post GST scenario and provide benchmark for comparison for subsequent TRS. **Therefore, the January and July, 2017 TRS are based on the sample of bills of entry filed, including the advance bills of entry, during July 1-7, 2017.**

As part of proactive approach to reduce the time re-

lease at JNCH, Customs has taken various steps. One of the major steps has been to encourage importers to file advance bills of entry. This decision was taken during the July-December, 2016. As a result of this initiative, the percentage of advance bills of entry, out of the total number of bills of entry filed during January, 2017 had increased to 51.6% from 16.9% in July, 2016. However, the impact of this significant improvement in filing advance bills of entry would have escaped notice in the previous TRS since all such advance bills of entry were excluded from the scope of study. **Therefore, in the present TRS, the advance bills of entry have been included as a separate category for calculation of time release.** It has been taken as a separate category to emphasize the point that in such cases certain sub-processes required for customs clearance are undertaken and completed even before the grant of entry inwards, i.e. arrival of cargo at JNPT.

The previous TRS, besides excluding the advance bills of

entry, also excluded all bills of entry wherein out of charge was not given within 30 days. This exclusion was necessitated by the fact that the study covered time release for each month and therefore, given the monthly periodicity it was appropriate to exclude all bills of entry for which out of charge was not given within 30 days of their being filed. However, the more pertinent reason for exclusion of very small percentage of such bill of entry was that in these cases, as per our analysis, there were alleged infringements of the provisions of the Customs Act or other related laws. Given the nature of infringements, much longer time was taken in such cases and despite being a small percentage of the total number of bills of entry, they tend to have disproportionately large impact on the release time, calculated as arithmetic mean in respect of all bills of entry. **This is a continuation of the methodology adopted in previous TRS as also in the Dwell Time study by CBEC.**

This study takes the time release to be the time taken from

the grant of entry inwards, approximating the time for arrival of the goods, to grant of out of charge by customs, approximating the time when the importer or his agent is at liberty to take the goods to his desired destination. **This is a continuation of the methodology adopted in the previous TRS insofar as they relate to normal bills of entry.**

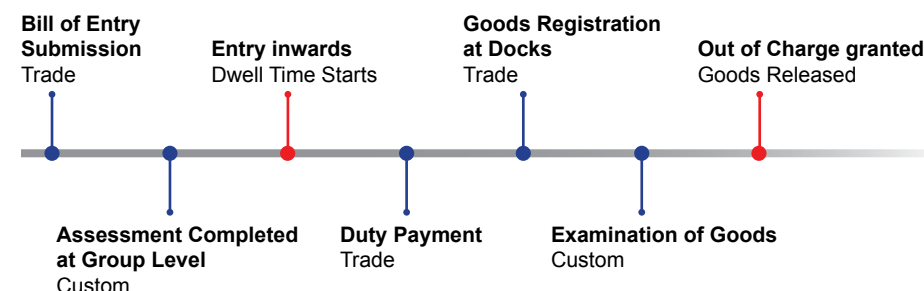
In the case of advance bills of entry, there is a question about the treatment of time between filing of bill of entry and subsequent processes, including assessment and payment of duty that may take place before the grant of entry inwards. This issue was sidestepped in the earlier TRS by excluding such advance bills of entry, given that the percentage of such advance bills of entry was very low in the earlier periods. **In this TRS, the methodology adopted has been to ignore the time taken between filing of advance bill of entry and grant of entry inwards, by setting the same to zero in respect of each such bill of entry.** Similarly, the time taken in the sub-processes that

are fully completed before grant of entry inwards is assumed as zero; and where the process begins before the grant of entry inwards but is completed after the same, only the time taken from grant of entry inwards to the completion of the sub-process is taken into account. The reason

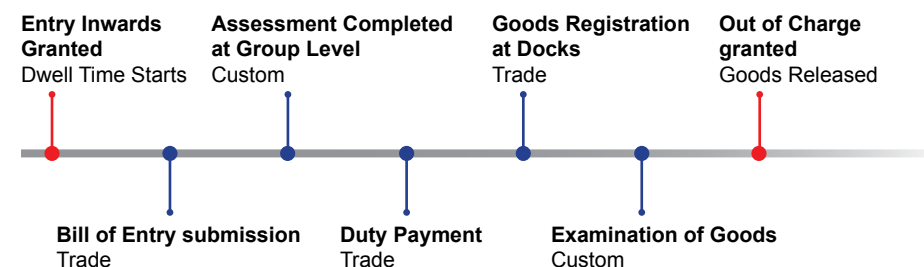
for ignoring the time taken in the processes prior of grant of entry inwards is that time release is essentially meant to quantify the time taken in customs clearance after the arrival of the cargo in the customs area, which is best approximately by grant of entry inwards.

This is explained by using a timeline as below:

For an Advance BE



For a Normal BE



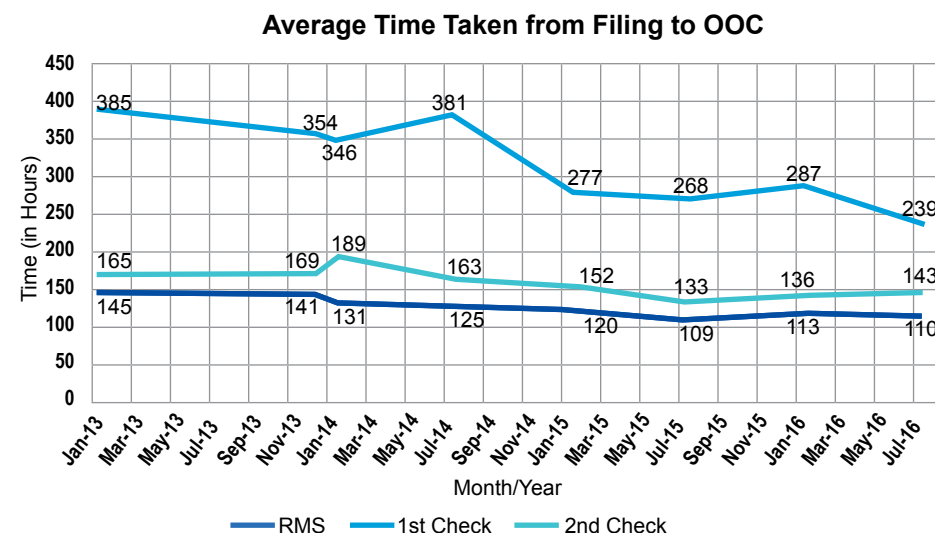
It is understood that in many countries, the time release period is extended beyond the out of charge to “gate out” from customs controlled premises. This TRS has considered adopting the longer time release period by calculating the time from grant of entry inwards to gate out. However, in view of the fact that the customs procedure in the departmental IT system, i.e. ICEGATE ends with out of charge and the data relating to gate out is not available in this system, there is also an administrative difficulty in adopting “gate out” as the release time. **However, this study includes a brief analysis of smaller sample data pertaining to four selected CFSs to indicate the additional time taken from out of charge by Customs to gate out by the importer.**

Direct Port Delivery (DPD) has been a major initiative of JNCH. Under DPD, consignments which are facilitated, i.e., they do not require either assessment by the group officers or examination by the docks officers, by the Risk Management System, are given out of charge

from the port terminal premises itself. They are no longer required to be shipped to the CFS premises for being given out of charge, consequently resulting in a significantly lower time release for such DPD consignments. **Therefore, this study has calculated the time release for DPD consignments as a separate sub-category within the RMS bills of entry.**

The relevant provisions of the Customs Act, 1962 have been amended vide the Finance Act, 2017 to prescribe a time limit for filing bill of entry after the arrival of the cargo and provide for imposition of late filing fine for unexplained delay. In addition, the provision relating to prompt payment of applicable duty has been tightened to encourage importers to make the duty payment promptly, failing which they are liable for interest on delayed payment of duty. In order to assess the impact of the said two statutory provisions, time taken in the sub-processes have been undertaken as part of this TRS.

The previous TRS had adopted the same methodology and, therefore, their results are strictly comparable. A brief snapshot of the same is tabulated below.



*Advance Bills of Entry have not been included in the TRS conducted in the past at JNCH

The above comparisons show a general declining trend in the release time since the introduction of TRS in 2013. The statistical results are consistent with the anecdotal evidence of gradual reduction in the time release in respect of each of the three categories of bills of entry. As alluded to earlier, exclusion of advance bills of entry appears to have resulted in dampening the trend in improvement, since an increasing percentage of bills of entry, viz. advance bills of entry

with relatively lower time release were excluded from the scope of study. In view of the changes in methodology, it is emphasized that the results of the earlier TRS are not strictly comparable with the present study. While making inter-temporal comparison, it should also be borne in mind that there were inherent disruptions in the trade during both the sample periods, on account of emphasis on advance bills of entry and DPD during January and roll out of GST during July, 2017.

Jawaharlal Nehru Port was constructed during the mid-1980's and commissioned on 26th May, 1989. Since then it has come a long way from single Government owned terminal to becoming a world-class international container handling port, with three separate terminals, owned and operated by three different entities. It is the largest con-

tainerized cargo port of India, inasmuch as container handling at JNPT constitute about 53.28% of total container traffic handled by all the Indian major ports. The port handled a traffic of 64.03 MT during 2015-16 (Source: Ministry of Shipping, Annual Report 2016-17), whereas the volume of containerized cargo handled at JNPT is tabulated below:

	2015-16					2016-17				
	JNPCT	NSICT	APMT	NSIGT	JNPT port Total	JNPCT	NSICT	APMT	NSIGT	JNPT port Total
Vessel Discharge	7,06,601	4,49,627	10,00,550	1,14,429	22,71,207	7,63,521	316,846	942,634	227,485	22,50,486
Vessel Load	6,98,106	5,32,482	8,52,663	85,818	21,69,069	7,43,490	403,567	842,579	215,553	22,05,189
Transshipment	24,570	17,571	7,070	2,081	51,292	26,964	8,147	7,290	2,073	44,414
Total of Terminal	14,29,277	9,99,680	18,60,283	202,328	4,491,568	15,33,975	728,560	1,792,503	44,511	45,00,149

*(Source: http://www.jnport.gov.in/performance_profile.aspx)

The cargo discharged at JNPT are partly cleared by customs at JNCH, with the balance cargo being transshipped to various Inland Container Depots (ICDs) for customs clearance in the designated hinterland ICDs. For the cargo that is customs cleared at JNCH, JNPT is serviced by 33 Container Freight

Stations (CFS). Earlier the cargo discharged at JNCH were compulsorily taken to one of the CFSs for completion of the customs process and subsequent out of charge.

The paradigm shift under the DPD is that the facility enables direct clearance of cargo belonging to accredited import-

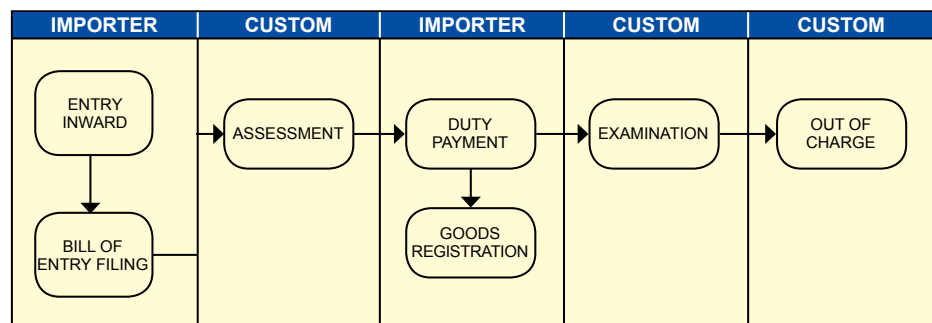
ers, which have been facilitated by RMS. The DPD instructions provide for completion of out of charge within 48 hours of grant of entry inwards directly from the terminal premises. For the small percentage of consignments where the importer is unable to take out of charge within the prescribed 48 hours,

the cargo is shifted to designated CFS in order to ensure that the terminal premises continue to remain unclogged. The DPD allows the eligible importers to move the cargo after out of charge to a CFS of his choice, to be stored in a separate designated warehouse area, within the CFS premises.

The standard import clearance process can be largely categorized into following stages commencing with filing of the Import General Manifest (IGM) by the shipping lines. This is followed by submission of bill of entry elec-

tronically by the importer or an authorized Custom Broker (CB) on his/her behalf based on self-assessment. The bills of entry which are filed after grant of entry inwards are known as **normal bills of entry**, which was the norm earlier.

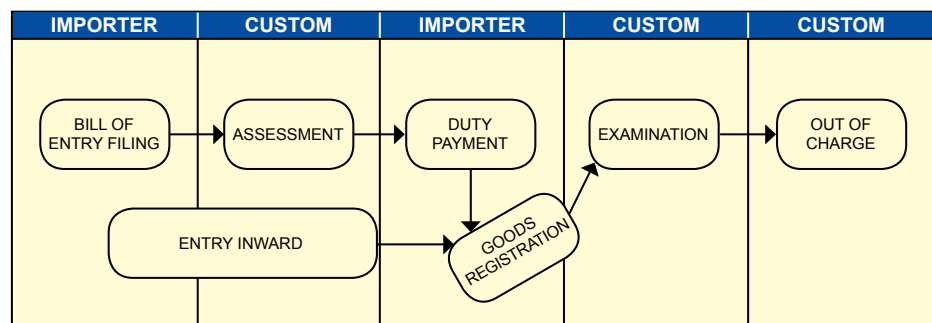
NORMAL BILL OF ENTRY PROCESS FLOW



The facility for filing bills of entry in advance of filing of IGM was inserted in the Customs Act (Section 46) in 2014. The provisions inserted by an amend-

ment provided that a bill of entry could be filed 30 days before the grant of entry inwards. These bills of entry are called **advance bills of entry**.

ADVANCE BILL OF ENTRY PROCESS FLOW



The provisions of the Customs Act (section 46) were amended vide Finance Act, 2017 to prescribe that the importer shall file a bill of entry before the end of the next day following the day (excluding holidays) on which the vessel carrying the goods arrive at Customs station at which such goods are to be cleared for home consumption or warehouse. The law also provides for imposition of penalty for late filing of bill of entry without sufficient cause for such delay. This TRS seeks to study the impact of the aforesaid amendment in the provisions relating to filing of bills of entry on the time taken by importers in filing such bills of entry by comparing the data between January and July, 2017.

The self-assessed bills of entry, whether advance or normal, are thereafter processed by the Risk Management System (RMS). It is the RMS which essentially decides whether a bill of entry will be facilitated, i.e. the self-assessment by the importer is accepted as such or it merits consideration by the group officer and examination by the docks officer. In cases where, the bills of

entry are facilitated by RMS, i.e. where the self-assessment by the importer is accepted as such, the importer proceeds to make the duty payment and thereafter register the goods for subsequent out of charge. These bills of entry are called **RMS bill of entry**.

The DPD facility has been extended to selected importers and it applies only to bills of entry which have been facilitated by RMS. **Therefore, DPD bills of entry constitute a subset of RMS bills of entry.** In case of DPD bills of entry, out of charge is given from the terminal premises itself and the goods are not required to be moved to CFS for registration and out of charge. It may be mentioned that certain RMS bills of entry may belong to importers who are not eligible for DPD and certain bills of entry of DPD importers may not be RMS bill of entry. In both these cases, the goods are required to move to CFS pending assessment and examination, before eventual out of charge.

Among the non-RMS bills of entry, which have been selected for scrutiny there are two categories: (a) that selected for assess-

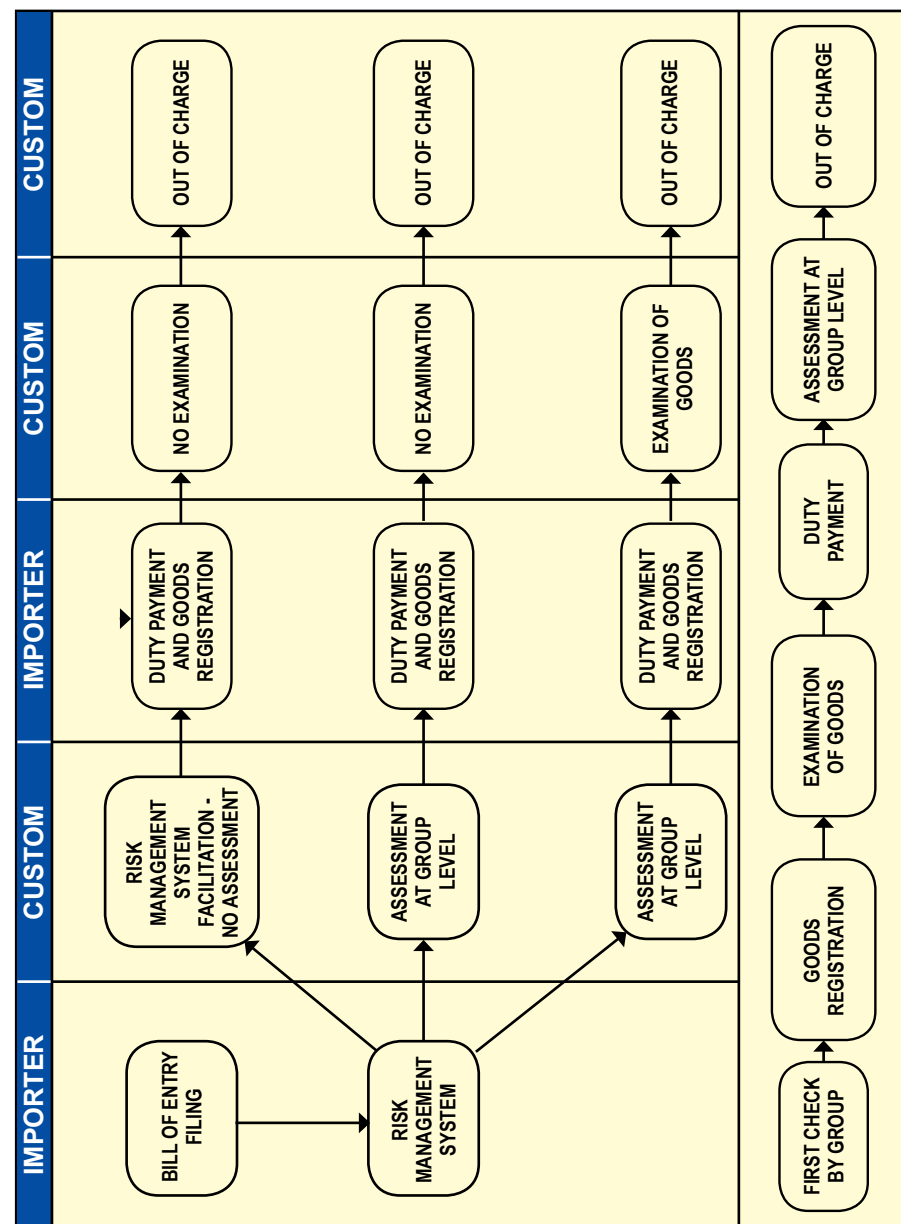
ment only. In this case, the import declaration is assessed by the respective group to which it belongs, and thereafter the goods are taken for registration after customs duty payment. After carrying out a final inspection of documents, the subject goods are given out of charge by the docks officer; (b) secondly, there may be a scenario where a bill of entry is selected for both assessment and examination. In this case after the assessment and duty payment is over at the group level, an examination of goods, based on an examination order, as deemed fit, by the group officer, is carried out. Thereafter, if the goods are found as per declaration by the docks officer, the subject consignment is given out of charge. **These bills of entry are covered under Second Check.**

Lastly, there are certain special categories of cargo, namely, second-hand machinery, certain chemicals, textiles, highly sensitive items (designated as those which are prone to mis-declaration and evasion) undergo a customs procedure called first check. As the name suggests, the goods are first examined by the

docks officer and based on his report and certain other parameters like test reports, certificates etc. the goods are assessed by the respective assessing group. After this customs duties are paid and the goods are given out of charge by the docks officer. **These bills of entry are called First Check bills of entry.**

In the case of advance bill of entry, the self-assessment particulars are processed by the RMS immediately upon such filing and before the grant of entry inwards. In case the bill of entry is facilitated, the importer can proceed to make payment of customs duty even before the entry inwards and be ready for registration of the goods immediately upon arrival of the cargo. The process of registration and out of charge are completed in the CFS in case of non- DPD cargo and at JNCH itself in the case of DPD cargo. As mentioned earlier, in the case of advance bill of entry, the time taken in the processes that are completed before entry inwards are assumed to be zero since they are completed even before the arrival of the cargo in the customs area.

IMPORT PROCESS



In this section, the results of the data analysis for the two periods, i.e. January, 2017 and July, 2017 have been presented. The release time for normal bill of entry and advance bills of entry are separately presented. Further, for both normal and advance bills of entry,

results in respect of RMS bills of entry, Assessment and Examination (A+E), Assessment only (A) and First Check (FC) are separately presented. Within the RMS bills of entry, the release time for DPD and non-DPD bills of entry are separately presented.

8.1 RMS BILLS OF ENTRY:

January, 2017:

During the period 1st to 7th January, 2017, a total of 12,816 bills of entry were filed. Out of these, at the time of collection of data, in respect of 385 bills of entry out of charge had either not been given owing to issues relating to infringement of statutory provisions or were given after 30 days after completion of mandatory customs procedures. These 385 bills of entry, accounting for very small percentage of the total bills of entry, have been excluded from the study. Thus, the sample size for January, 2017 is 12,431.

Out of the total 12,431 bills of entry, 6,620 bills of entry, accounting for 53.2% were filed

as advance bill of entry, while 5,811 bills of entry (46.7%) were filed as normal bill of entry. Viewed differently, out of the total 12,431 bills of entry, it is observed that 6,893 bills of entry (55.4%) were facilitated by RMS, i.e., the goods were cleared without assessment and examination. Interestingly, out of these RMS facilitated bills of entry, only 3,452 bills of entry (27.7%) were advance bills of entry and almost similar number of 3,441 (27.6%) were normal bill of entry. This break-up appears to suggest that the RMS facilitation is agnostic to the distinction between advance and normal bill of entry.

The cargo release time, calculated from grant of entry inwards to out of charge for RMS

facilitated bills of entry for January, 2017 is tabulated below:

(In hours)				
S. No.	Type of Bill of Entry	RMS Overall	RMS-DPD	RMS-Non DPD
	(1)	(2)	(3)	(4)
1	Normal	183.60	167.52	196.39
2	Advance	96.24	76.08	112.82
3	Total	139.85	121.04	155.04

Note: Column 2 represents the weighted average of column 3 and 4.
Row 3 represents the weighted average of row 1 and 2.

July, 2017:

During the period 1st to 7th July, 2017, a total of 14,629 bills of entry were filed. Out of these, there are 276 bills of entry where out of charge has either not been given due to contravention of the statutory provisions or given after 30 days, subsequent to the completion of mandatory procedures. These bills of entry have been excluded from the scope of the study. Thus, the representative sample size for July, 2017 is 14,353. Out of these 14,353 bills of entry filed, 5,339 (37.1%) were advance

bills of entry and remaining 9014 bills of entry (62.8%) normal bills of entry.

It is important to note that despite the roll out of GST with effect from 1st July, the total number of bills of entry filed during the sample period in July, 2017 was 14.1% higher than in January, 2017. In fact, part of the spurt could be on account of reluctance on the part of the importers to file advance bills of entry in the preceding week, given the uncertainties associated with GST roll out. The increase in the total bills of

entry ties up well with the expected decline in the number and percentage of advance bills of entry filed during July, 2017 vis-a-vis January, 2017.

Viewed differently, out of the total 14,353 bills of entry filed during the period, 51.5% of the bills of entry, numbering 7,396 were facilitated by RMS. Out of

these RMS facilitated bills of entry, 3,093 bills of entry (21.5%) were advance and remaining 4,303 (29.9%) were normal bills of entry.

The cargo release time, calculated from grant of entry inwards to out of charge for RMS facilitated bills of entry for July, 2017 is tabulated below:

(In hours)				
S. No.	Type of Bill of Entry	RMS Overall	RMS-DPD	RMS-Non DPD
	(1)	(2)	(3)	(4)
1	Normal	164.88	140.4	185.52
2	Advance	98.88	75.36	129.36
3	Total	137.28	109.88	164.94

Note: Column 2 represents the weighted average of column 3 and 4.
Row 3 represents the weighted average of row 1 and 2.

A comparison of the overall release time for RMS bills of entry shows a marginal improvement from 139.85 hours to 137.28 hours from January to July, 2017. This improvement has been on account of reduction in the release time of normal bills of entry, which has improved significantly from 183.60 hours to 164.88 hours, with the release time of advance bills of

entry showing a slight increase from 96.24 hours to 98.88 hours.

It is felt that the decline in the share of advance bills of entry, with significantly lower release time vis-à-vis normal bill of entry, has resulted in an increase in the weighted average release time for overall RMS bills of entry in the month of July, 2017 over January, 2017. It is interesting to note that the release

time for advance DPD bills of entry, which represents the best category of bills of entry from the release time perspective, have stagnated at around 76 hours. Given the guidelines pertaining to DPD clearances within 48 hours, it is seen that there is significant scope for further reduction in the release time of DPD cargo.

In respect of RMS bills of entry, it is seen that 2092 bills of entry (January) and 2049 bills of entry (July) have been given out of charge within 72 hours, which is 16.8% and 14.2% of the sample size for the respective months. For DPD importers having RMS facilitated bills of

entry, 1261 (10.1%) and 1501 (10.4%) have been given out of charge within 72 hours in January and July of 2017 respectively. More importantly, out of the advance bills of entry filed by DPD importers and facilitated by the RMS, it is observed that 59.4% (927 bills of entry) and 61.7% (1074 bills of entry) have been released within 72 hours from customs control in January and July, respectively. **Thus, it is seen that the commitment made in National Action Plan under TFA to achieve average release time of 3 days for sea ports, is close to being achieved in respect of advance-DPD bills of entry.**

January and July 2017 –stage analysis

A comparison of the time taken at different stages of time release for normal and advance bills of entry for the two periods

bring out the basic difference between these two categories, highlighting the obvious advantage of advance bills of entry.

NORMAL RMS BILLS OF ENTRY					
		January, 2017		July, 2017	
STAGES	ROLE	Time (Hrs)	Percentage time taken	Time (Hrs)	Percentage time taken
INW-SUB	IMPORTER/CHA	98.3	53%	59.5	36%
SUB-ASS	CUSTOMS	0.14	0%	0.09	0%
ASS-PAY	IMPORTER/CHA	57.19	31%	67.44	41%
PAY-REG	IMPORTER/CHA	23.38	13%	35.53	22%
REG-OOC	CUSTOMS	7.13	4%	2.19	1%
Total Release Time			100%		100%

ADVANCE RMS BILLS OF ENTRY					
		January, 2017		July, 2017	
STAGES	ROLE	Time (Hrs)	Percentage time taken	Time (Hrs)	Percentage time taken
SUB-INW	IMPORTER/CHA	-44.52	-	-49.42	-
SUB-ASS	CUSTOMS	0.13	-	0.1	-
INW-ASS	CUSTOMS	-44.39	-	-49.32	-
ASS-PAY	IMPORTER/CHA	117.74	-	101.01	-
INW-PAY	IMPORTER/CHA	73.35	73%	51.69	50%
PAY-REG	IMPORTER/CHA	19.09	19%	49.78	48%
REG-OOC	CUSTOMS	8.51	8%	1.77	2%
Total Release Time			100%		100%

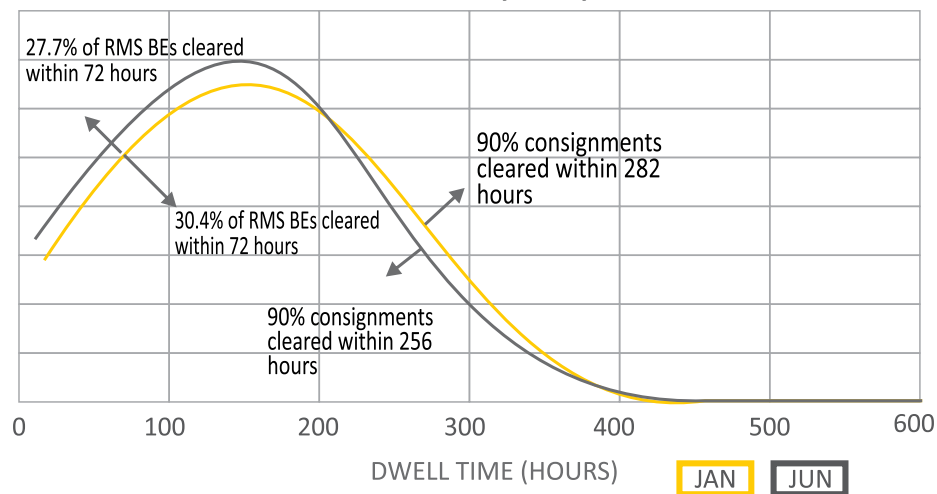
Note: Customs Duty payment is exempt for several commodities and therefore they have not been considered for calculating the average time from assessment to payment and from payment to registration. Secondly, there have been instances where due to re-assessment the duty payment in the system is reflected as being deposited prior to assessment. Such cases also distort the data and have not been considered for arriving at average release time **for RMS and all other types of bills of entry mentioned hereinafter**. As a result the summation of time taken at each stage, being an average of the process time, will not be equal to the overall release time of cargo from entry inwards to out of charge.

The above analysis shows that in respect of RMS bills of entry, whether advance or normal, the time taken by customs is minimal and has declined further to account for minimal 1-2% of the total release time during July, 2017.

The decline in the time taken by the importer in filing normal bill of entry after entry inwards has been significant from 98.3 hours in January, 2017 to 59.5 hours in July, 2017. This appears to be attributable to amendment in the provisions of the Customs Act (Section 46) to prescribe for a late filing fine in case the bill of entry is not filed within the next day after granting of entry inwards to the vessel. Understandably, holidays are excluded from calculating this time period. The release time comparison for RMS bills of entry

for the months of January 2017 and July 2017 is shown below. As mentioned earlier, for the overall RMS facilitated cargo the time release decreased from 139.85 hours to 137.28 hours. It is also seen that in January, 2017, 30.4% of bills of entry were cleared within 72 hours, which is the TFA commitment for time clearances of cargo as seaports. However, in July, 2017 the percentage of bills of entry cleared within 72 hours has dropped to 27.7%. But in absolute terms, a larger number of bills of entry were cleared within 72 hours when compared with January, 2017. Moreover, an important fact emerging from the distribution curve depicted below is that 90% of RMS facilitated cargo is being cleared in time that is 9% faster in July 2017 as compared to January, 2017.

Dwell Time in January/July 2017 - RMS



8.1.1 DPD BILLS OF ENTRY:

JNCH has continued to push for more clients to opt for and avail DPD. The number of importers eligible for DPD has increased from around 600 in January, 2017 to around 1200 in July, 2017. Accordingly, the number of DPD bills of entry have increased from 3067 during January, 2017 to 3721 during July, 2017, showing a growth of 20.4 percent. In view of the special dispensation provided to DPD

clients, during January, 2017 the release time for DPD bills of entry, within the RMS bills of entry was significantly lower at 121.04 hours, as against 155.04 hours for non-DPD bills of entry, showing that the release time for DPD bills of entry was 34 hours lower than non-DPD bills of entry. Therefore, it shows that the release time for importer improves by more than 1 day by opting for DPD.

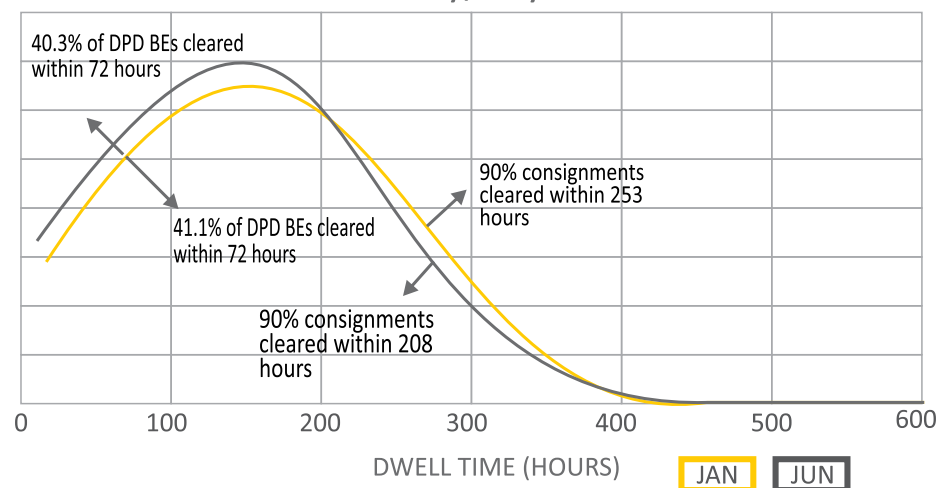
For DPD bills of entry, during January, 2017, the release time for those who filed advance bills of entry was 76.08 hours, whereas it was more than double at 167.52 hours for normal bills of entry. Clearly, it shows that for reaping the full benefits of DPD in terms of reduction in the release time, it is incumbent on the importers to file advance bills of entry.

The release time for DPD bills of entry improved from 121.04 hours in January, 2017 to 109.88 hours in July, 2017, showing an improvement by 9.22 percent. While the average release time for DPD advance bills of entry remained unchanged at around 76 hours, it improved significantly from 167.52 hours in January, 2017 to 140.44 hours for DPD normal bills of entry. This reduction in the release time for DPD normal bills of entry is attributable to two factors: (a) reduction in the time taken from entry inwards to submission of bill of entry from 86.45 hours in January, 2017 to 55.95 hours in July, 2017, which is influenced by the change in the law to prescribe

imposition of fine in case of late filing of bill of entry; and (b) reduction in the time taken by customs in according out of charge after registration of goods from 7.74 hours in January, 2017 to 1.89 hours in July, 2017. This reduction is attributable to DPD wherein out of charge is given promptly upon verification of minimal details. The release time comparison for DPD clients having RMS facilitated bills of entry is shown below.

The time release for DPD clients under RMS facilitated category has remained more or less around 76 hours. However, in January, 2017, in respect of 41.1% of DPD bills of entry release time was less than 72 hours. In July-2017, this percentage declined slightly to 40.3%. However, considering that the number of bills of entry filed have increased in July as compared to January, a greater number of bills of entry were cleared within 72 hours in July as compared to January. It is further observed that in July, 90% of such cargo was cleared in 18.4% faster time as compared to January, 2017.

Dwell Time in January/July 2017 - RMS DPD



Thus, it is evident that all stakeholders reap the benefits of significantly reduced time release in cases where the bills of entries are filed in advance since the time release in case of such advance bills of entry is 47.5% lower than normal bills of entry. Moreover, if the importer avails the benefit of DPD facility the time release of its consignments will be the lowest among the categories tabulated above.

8.2 Second Check – Assessment and Examination

In this section, we present the release time for the bills of entry which were subjected to both assessment and examination.

During January, 2017, 4249 bills of entry (34%) of the total bills of entry numbering 12431, were subjected to assessment

and examination. The overall release time for such consignments was 180.41 hours.

During the sample period in July, 2017, 14353 bills of entry have been considered for the study. Out of these, 4536 bills of entry (32%) were subjected to

assessment and examination.

A comparison of the release time of normal bills of entry with advance bills of entry shows that importers who submit their bills of entry advance to the arrival of cargo benefit from re-

duction of their dwell time by almost 41.5% vis-a-vis those who continue to submit normal bills of entry. The release time for such cargo for the months of January, 2017 and July, 2017 is tabulated below.

Type of BE	January, 2017	July, 2017
Normal	237.82	251.04
Advance	138.94	177.60
Overall	180.41	229.23

However, when comparing the time release of July, 2017 with January, 2017, it is observed that the time release has increased for both normal and advance bills of entry. This increase has been more significant for advance bills of entry. This increase in the time release can be explained by the introduction of the GST from 1st July, 2017 onwards. With the commencement of GST, a pan India upgradation of the tax networks was carried out. During the initial stages of the launch of GST, there were several systemic issues which had to be resolved. These problems were resolved eventually but it's the

cascading effect which led to a large number of bills of entry being recalled for inputting various GST related parameters which consequently increased the dwell time.

Nevertheless, bills of entry marked for second check will have a larger dwell time as compared to RMS facilitated bills of entry. Some of the major reasons which account for the increased time release are as follows.

Filing of bills of entry during late evening after office hours on last working day of week which shows the bills of entry pending in EDI System for next two days (Saturday and Sunday). Some of the bills of entry require a

No Objection Certificate (NOC) before clearance from various authorities, e.g. Drugs Controller, FSSAI, PQ, AQ, WLRO etc. In cases of chemical imports, in many cases grade/purity/specification and other physical/chemical characteristics of the goods need to be verified to ensure proper classification, valuation and extension of notification benefit. In such cases, representative samples are sent for testing at different laboratories available in various locations in India and scrutiny is completed on the basis of test results received accordingly.

In respect of scanned containers wherein suspected portion/area of image found, 100% examination is done. Even non-

scanned containers (which are selected but not scanned) are subjected to examination to rule out any suspicion and mis-declarations. Similarly, 100% examination of goods is also carried out when the intelligence agencies like SIIB, CIU, DRI intervene. In such cases, out of charge is not given till the NOC received from concerned agency.

In terms of split of the time release to ascertain the time taken by the customs authorities, the data for the month of January, 2017 shows that on an average, customs authorities accounted for 21% of the total release time, in carrying out assessment and examination. The remaining 79% of the time was taken by other stakeholders.

Stage Analysis – Normal Bills of Entry					
		January, 2017		July, 2017	
STAGES	ROLE	Time (Hrs)	Percentage time taken	Time (Hrs)	Percentage time taken
INW-SUB	IMPORTER/CHA	101.52	42%	70.09	28%
SUB-ASS	CUSTOMS	33.95	14%	76.77	31%
ASS-PAY	IMPORTER/CHA	60.89	25%	59.69	24%
PAY-REG	IMPORTER/CHA	26.83	11%	37.00	15%
REG-OOC	CUSTOMS	17.48	7%	7.36	3%
Total time			100%		100%

It is observed that time taken from granting of entry inwards to submission of bill of entry has reduced by 30.9% from 101.52 hours in January, 2017 to 70.09 hours in July, 2017. This reduction is attributable to the provision for imposition of late filing fee imposed under section 46 of the Customs Act, 1962. However, the fact that the average time taken in filing the bill of entry continues to be much higher than prescribed 24 hours, suggests that the trade would take more time to fully comply with the prescribed time limit. The time taken from submission to assessment has increased from 33.95 hours to 76.77 hours. The primary reason for this increase is initial glitches in the implementation of the GST that necessitated recall of a significant number of bills of entry for reassessment in respect of GST related parameters. Notwithstanding these reasons, there is a need to work further towards reduction in the time taken for assessment by Customs. The change in the provisions relating to imposition of interest in the case of delay in payment of duty,

it was expected that the time taken in payment of duty would have noticed a significant reduction. This has, however, not materialized as yet. The increase in the time taken by trade in registration of the goods does not lend itself to easy explanation. The time taken in granting out of charge by customs has reduced by 57.8% from 17.48 hours to 7.36 hours. Overall, it is expected that the general release time has been impacted by roll out of GST and there is a need to await the outcome of next TRS to draw firm conclusions.

The result of the stage wise analysis of time taken in processing advance bills of entry for the months of January and July, 2017 is tabulated below.

Stage Analysis –Advance Bills of Entry					
		January, 2017		July, 2017	
STAGES	ROLE	Time (Hrs)	Percentage time taken	Time (Hrs)	Percentage time taken
SUB-INW	IMPORTER/CHA	-46.31	-	-36.2	-
SUB-ASS	CUSTOMS	39.52	-	75.28	-
INW-ASS	CUSTOMS	-6.72	-	39.08	21%
ASS-PAY	IMPORTER/CHA	117.46	-	86.02	47%
INW-PAY	IMPORTER/CHA	110.74	75%	-	-
PAY-REG	IMPORTER/CHA	22.24	15%	52.51	28%
REG-OOC	CUSTOMS	14.74	10%	7.36	4%

It is observed that the time taken in assessment by Customs has gone up significantly. While the time taken by trade in assessment to payment has witnessed decline from 117.46 hours to 86.02 hours, it continues to be much higher than the prescribed 24 hours, excluding holidays. While the increase in time taken by the trade in registration is not easily explained, the reduction in time take by customs to grant out of charge from 14.74 hours to 7.36 hours is in line with the general policy to assure grant of out of charge on the same day of registration. The increase in the share of release time taken by customs, which is attributable to increase in time taken in assessment, is an area of concern, even as it is acknowledged that it is primarily due to GST issues. ■■

8.3 Second Check – Assessment Only

There are certain BEs which are only taken by the Risk Management System for assessment. The percentage of such BE is rather low. In January, 2017, 6% of the sample BEs

were selected in such manner. In July, 2017 the figure increased to 14%. Comparative dwell time figures during the sample period for the months of January and July, 2017 is given in the table below.

Type of BE	January, 2017	July, 2017
Normal	233.04	246.48
Advance	125.90	151.92
Overall	178.36	210.29

From the data it is observed the dwell times reduces by 42% in cases where the import declaration is filed in advance. The fact of substantial reduction in dwell time in advance bills of entry is observed regardless of the category to which bill of entry pertains to. Further, the data pertaining to dwell time composition for those normal bills of entry which were taken up for assessment only by the system for the month of January, 2017 is tabulated below.

		January, 2017		July, 2017	
NORMAL BE		Time (Hrs)	Percentage time taken	Time (Hrs)	Percentage time taken
INW-SUB	IMPORTER/CHA	118.14	47%	67.40	26%
SUB-ASS	CUSTOMS	50.76	20%	101.75	40%
ASS-PAY	IMPORTER/CHA	53.03	21%	51.07	20%
PAY-REG	IMPORTER/CHA	26.78	11%	33.68	13%
REG-OOC	CUSTOMS	4.74	2%	2.15	1%

From the above, it is observed that Custom procedures account for 22% of the release time in case of normal bills of entry in January, 2017. Again, the Customs had performed significantly better in granting out of charge where there is a reduction of 54.6% from 4.74 hours to 2.15 hours. However, time taken for assessment has doubled and is seen as a major area of concern.

STAGES	ROLE	January, 2017		July, 2017	
		Time (Hrs)	Percentage time taken	Time (Hrs)	Percentage time taken
SUB-INW	IMPORTER/CHA	-41.72	-	-46.57	-
SUB-ASS	CUSTOMS	57.69	-	100.60	-
INW-ASS	CUSTOMS	15.97	11%	54.03	29%
ASS-PAY	IMPORTER/CHA	94.02	64%	75.02	41%
INW-PAY	IMPORTER/CHA	-	-	-	-
PAY-REG	IMPORTER/CHA	28.42	19%	52.18	29%
REG-OOC	CUSTOMS	7.39	5%	2.02	1%

For advance bills of entry, it is seen that the time taken by customs from registration to grant of out of charge has reduced by 72.6% from 7.36 hours to 2.02 hours. However, time taken for completion of assessment has increased from 11% to 29% of the total release time. This is, in part, because in case of advance bill of entry, assess-

ment is delinked from entry inwards inasmuch as submission is made prior to the arrival of the vessel. Secondly, the importers and custom brokers sometimes do not have the complete details of the manifest and therefore may need to request for recall of the bill of entry for making necessary amendments. ■■

8.4 First Check

This category of bills of entry entail maximum release time, which is inherent in the process involved in the Cus-

tom clearance. The reasons that necessitate first check are well known (as briefly discussed below) and over a period of time

JNCH has reviewed its policy to minimize the recourse to first check. As a result first check was done in 4.1% of bills of entry in January, 2017 and this declined further to 2.3% of bills of entry

filed in July, 2017. As with all other categories of bills of entry, the release time is significantly lower for advance bills of entry. The comparative figures of release time are tabulated below.

Type of BE	January,2017 (Hours)	July,2017 (Hours)
Normal	328.32	363.36
Advance	201.02	281.52
Overall	252.73	338.64

In case the importer does not have complete information with him at the time of import, he requests for examination of the goods before assessing the duty liability. First check is also resorted to if the customs officer feels the goods are required to be examined before assessment can be completed. In the cases of re-import, it is mandatory to verify that the goods imported are the same as the goods claimed to have been exported. Further, drawback and other export benefits availed at the time of exports need to be calculated and reversed/paid before permitting completion of scrutiny. Examination in such cases is completed after 100% verification

of cargo. Same procedure is followed in case of import for re-export purposes. Also, as per extant CBEC guidelines, import of all types of scraps are required to be examined 100% before clearance so as to ensure that no serviceable goods/ weapons/arms/ammunition are concealed in the cargo. All second hand/used machinery cases are examined by customs officers along with chartered engineer to value the goods before scrutiny. Adjudication is resorted to wherever an offence is registered during verification/examination. Inevitably, these requirements which are necessary to safeguard various national concerns entail a higher release time of such cargos. ■■

9. LEGISLATIVE CHANGES AFFECTING FILING OF BILL OF ENTRY AND DUTY PAYMENT

The Finance Act, 2017 has made two significant legislative changes to the Customs Act, 1962 that are expected to positively impact the time release. These changes have been made to: section 46 to encourage prompt filing of bills of entry, and section 47 to encour-

age prompt payment of customs duty after assessment. These changes are expected to apply to all categories of bills of entry discussed above. Therefore, in this section the impact of these two changes have been analyzed taking the entire sample of bills of entry in comparative context.

9.1 PROMPT FILING OF BILLS OF ENTRY

Section 46(3) of the Customs Act, as applicable during January, 2017, provided for filing of bill of entry at any time after the delivery of the import manifest. However, it allowed for a bill of entry to be filed before delivery of such manifest within 30 days of the expected arrival of the vessel. The said section 46 has been amended vide Finance Act, 2017 to prescribe that the importer shall file the bill of entry before the end of the next day following the day (excluding holidays) on which the vessel arrives at a customs station. The amendment also provides for imposition of fine where the

bill of entry is not presented within the specified time without sufficient cause for such delay. Since many of the importers prefer to file advance bills of entry, which are permitted under the said section 46, they are excluded from the purview of the provision relating to imposition of fine for late filing of bill of entry. Therefore, this analysis is restricted to only normal bills of entry, which has witnessed a significant increase, as discussed earlier. It may, however, be clarified that the analysis has not taken into account the delays in filing normal bills of entry due to holidays and for other valid reasons.

	January, 2017	Percentage of Bills of Entry *	July, 2017	Percentage of Bills of Entry *
WITHIN 24 HRS	1710	29%	2111	23%
BETWEEN 24 AND 48 HRS	1112	19%	3047	34%
MORE THAN 48 HRS	2989	51%	3856	43%
TOTAL	5811	100%	9014	100%

* Do not add up due to rounding off.

It is observed that there is a 55% growth in the numbers of normal bills of entry filed from January to July. However, the numbers of bills of entry filed within 24 hours of entry inwards increased by only 23.5% during the same period. Therefore, the percentage of normal bills of entry filed within 24 hours of entry inwards dropped from 29% when there was no such statutory requirement in January to 23% in July, when the statutory requirement was in place. However, the share of bills of entry filed between 24 and 48 hours of granting entry inwards increased by 174% to account of 34% of the total number of normal bills

of entry filed in July, many of which may have been delayed due to holidays or other valid reasons. The share of those taking more than 48 hours to file bill of entry declined from 51% in January to 43% in July. Though, there is a need for deeper analysis of data, it is an inescapable conclusion that there exists significant compliance gap in timely filing of normal bills of entry. It is expected that a greater outreach to the importer and their agents would significantly assist in capturing gains in release time through prompt filing of normal bills of entry.

9.2 PROMPT PAYMENT OF CUSTOMS DUTIES:

The Customs Act, as applicable during January, 2017 provided for imposition of interest on delayed payment of duty, wherein the importer fails to pay the import duty, either in full or in part, within two days (excluding holidays) from the date on which the bill of entry is returned to him for payment of duty. The Finance Act, 2017 has amended the relevant section 47 of the Customs Act, 2017 to reduce the interest free period for payment of duty. The law now provides that the importer shall pay the import duty (a) on the date of presentation of bill of entry in the case of self-assessment, or (b) within one day (excluding holidays) from the date on which the bill of entry is returned to him for

payment of duty in the case of assessment, re-assessment or provisional assessment. However, the analysis below does not take into account the impact of holidays. It also does not factor in the different requirements for advance bills of entry.

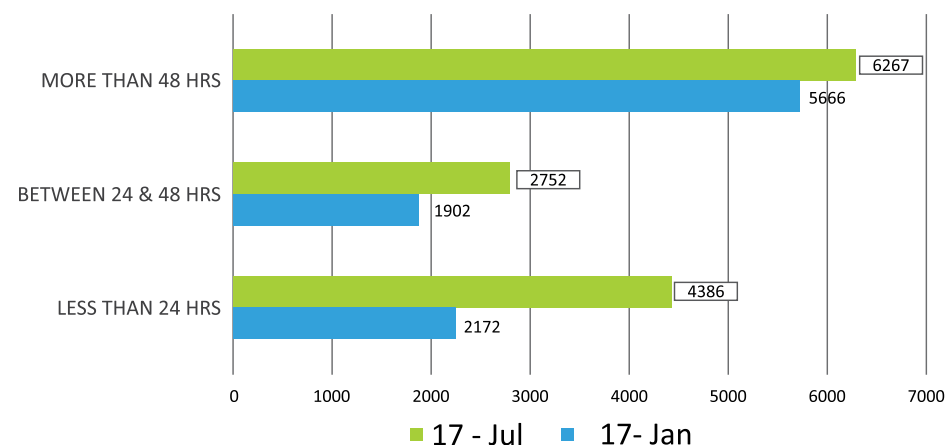
The table below presents the number and percentage of bills of entry, wherein duty payment has been made after a specified period after completion of assessment. As is the case, duty payment may not be required to be paid in respect of bills of entry wherein importer is eligible for nil rate of duty, either by tariff or notification. Therefore, only cases where an importer is liable to pay customs duty have been considered for calculating percentages.

DUTY PAYMENT PERIOD FOR ALL BEs

	JANUARY	PERCENTAGE OF TOTAL NUMBER OF BILLS OF ENTRY*	JULY	PERCENTAGE OF TOTAL NUMBER OF BILLS OF ENTRY*
LESS THAN 24 HRS	2172	22%	4386	33%
BETWEEN 24 AND 48 HRS	1902	20%	2752	21%
MORE THAN 48 HRS	5666	58%	6267	47%
TOTAL	9740	100%	13405	100%

* Do not add up due to rounding off.

Time Taken for Duty Payment after Assessment



It is seen that during January, 2017, average time taken from assessment to payment of duty was 57.19 hours in the case of normal bills of entry and 117.74 hours in the case of advance bills of entry. In respect of 42% percent of bills of entry duty was paid within the interest free period of two days during January, 2017. This percentage would be higher when the impact of holidays is taken into account.

During July, 2017, the average time taken from assessment to payment of duty was 67.44 hours in the case of normal bills of entry and 101.01 hours in the case of advance bills of entry. It is observed that while the number of bills of entry wherein duty

was paid within 24 hours has increased from 22% January, 2017 to 33% in July, 2017, because of the reduction in the interest free time from two days to one day, the percentage of bills of entry wherein duty has been paid within the interest free period has declined from 42% to 33%. While it is admitted that some of the bills of entry filed after 24 hours would not have attracted interest on delayed payment of duty, the above data as well as anecdotal evidence suggest that in many instances the importers are not paying the duty within the specified time after assessment. This is another area for further analysis and appropriate action.

At the outset, it may be mentioned that the time stamps in the customs system, viz. ICEGATE ends with the grant of out of charge. The reason for this is simply that customs has no role to play in clearance of the cargo by the importer or his agent. Therefore, for this analysis ICEGATE data was collated with the data maintained by four CFSs in respect of bills of entry that were given out of charge from those CFSs during the sample period. In all, gate out data from these four CFSs related to 2148 bills of entry for January, 2017 and 2620 bills of entry for July, 2017. Based on this data, it is observed that for January, 2017, the average time taken from out of charge to gate out is 37.7 hours and the same increased to 54.3 hours in July, 2017. Based on these data the weighted mean time taken from out of charge to gate put is 46.9 hours.

Admittedly, this time is very high. Deeper analysis of data suggests that arithmetic mean may not be the most appropriate measure to reflect this time,

since some of the importers utilize the CFS facilities as warehouse for their inventory management. For this purpose, they have special arrangements with the CFS to continue to store the customs cleared cargo at their premises for a long period of time. In this regard, it may be mentioned that the 30 days cut off used for the general time release study has not been applied to the study of time taken from out of charge to gate out.

It is seen that the median time taken for gate out from out of charge was 50 hours in January and 60 hours in July, 2017.

It is also seen that the arithmetic mean time taken for gate out from out of charge for 75% of the bills of entry was 33.6 hours in January and 52.3 hours in July, 2017. The crude assumption of 75% is based on rough estimate that about 25% of the bills of entry would pertain to importers who use the CFSs for inventory management purposes.

The snapshot of earlier TRS confirm the trend of declining time release since 2013. However, despite observed improvements, the present time release continues to be on higher side in comparison to the best global standards and national commitments under TFA.

The analysis brings out the importance of advance filing of bills of entry and adoption of DPD as the way forward to reduce the time release. It is expected that with the return to normal business after the GST rollout, the share of trade opting for advance bills of entry would not only reach the earlier levels but also exceed the same. With more importers being accorded the facility of DPD, it is also expected that the share of DPD would increase further.

Since the time taken in case of Second Check and First Check are substantially higher than RMS bills of entry, efforts to further re-

duce recourse to these procedures should be taken, subject to risk parameters.

The stage analysis reveals that compliance with statutory provisions to reduce release time, both in terms of timely filing of bills of entry and payment of duty, have not been satisfactory. Since non-compliance in both these cases result in financial burden on the importers, it is important to understand the reasons that have impeded higher level of compliance. JNCH proposes to undertake more detailed study of importer behavior to substantially improve compliance in these respect.

In view of the fact that both the sample period covered by this TRS were impacted by factors that would adversely impact time release, JNCH proposes to conduct the next TRS for the sample period January 1-7, 2018 during the month of March and present the next TRS before March 31, 2018.

The TRS Project Team has made every effort to ensure that the compilation and calculation of information in this publication is accurate. However, the Team or JNCH does not accept any responsibility or liability for error of fact, omission, interpretation, or opinion that may be present, nor for the consequences of any decisions based on this information.

While the TRS Project Team has exercised all reasonable skill and care in the preparation of data information and analysis in this report, it does not accept any liability in contract, tort or otherwise for any loss, damage, injury, or expense, whether direct, indirect or consequential, arising out of the provision of information in this report.



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