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Date: 02/08/2016

**MINUTES OF 11TH CUSTOMS CLEARANCE FACILITATION COMMITTEE MEETING
HELD ON 22.07.2016 AT CONFERENCE HALL, 6TH FLOOR JNCH NHAVA-SHEVA.**

The 11th Meeting of the Customs Clearance Facilitation Committee was held on 22nd July 2016 at 3.30pm in the Conference Hall, JNCH, Nhava-Sheva under the Chairmanship of Shri Rajeev Tandon, Chief Commissioner of Customs, Mumbai Zone-II. List of participants is enclosed as Annexure to this minutes.

2. The Chief Commissioner welcomed all the participants and drew their attention to various initiatives being taken by the Government towards “Ease of Doing Business” and informed about the developments and achievements. He informed that’s the forum of CCFC was formed last year and in last one year of its existence, initiatives taken by the CCFC have resulted in resolution of various issues which were possible due to the active co-operation and support of each stakeholder/participating agencies. He further requested all the participants for the continued co-operation and support with renewed vigour in future.

3. The Chair further informed that congestion at this port is now a history. The concern regarding congestion in the past at JNCH were duly taken note of and the matter was constantly taken up with the Port Authorities and other stake holders viz. CFS Associations, Shipping Lines, Terminal Operators as well as leading importers and exporters. The issue was deliberated at length from time to time. The result of collective and concerted action is that currently there is no congestion and the long waiting queues on road at JNCH are now virtually a problem of the past. This has been possible because of the multipronged action on part of various stakeholders involved including augmenting of staff strength as and where required (entry and exit points) suitably instructing and regular briefing of officers including training with the objective of reducing the dwell time taken and subsequent entry of the containers in the Port. Further, the addition of land parcels to holding area for parking loaded vehicles, undocumented factory stuffed containers and development of parking plazas as ‘pay and park’ facility has also helped in reducing the congestion on the roads. Better stacking of containers within the port area, increasing number of lanes on the highway, deployment of traffic constables at key points for port expansion and dedicated lanes for movement of dumpers for port expansion programme have all eased the once felt issue of congestion.

4. The Chair further informed the participants about the Tax Payer's experience survey conducted recently by FICCI-KPMG on behalf of CBEC wherein the results are encouraging. The salient highlights of the survey were listed before the stakeholders. The summary of the survey are minuted as under:

- (i) In reply to the question as to whether the Indirect Tax Policies have become liberal and taxpayer friendly, 72% responded positively.
- (ii) 45% of the respondents reported attitudinal change in senior functionaries (Commissioner level and above).
- (iii) 51% acknowledged an improvement in attitude at the level of Inspector and above;
- (iv) 75% of the respondents expressed satisfaction with the standards of IT enabled services.
- (v) 49% of the respondents reported a positive change in processing of refunds.
- (vi) 89% of the respondents indicated improvement in SVB related procedure.
- (vii) 85% of the respondents approved the legislative changes made in warehousing provisions in the Budget.
- (viii) 92% acknowledged CBEC's success in simplification of Customs and Central Excise business processes.

5. Thereafter, Shri Mohit Agrawal, DC/CCO made a power point presentation on time release/dwell time study for the month of June 2016. As per the study, for the month of June 2016 dwell time for entry inward to out of charge of B/E is 8.14 days as against 9.46days in June 2015, which is a decrease of 31.68 hrs. The issues highlighted were time release study/dwell time for facilitated and non-facilitated Bills of Entry, time taken by Customs and Trade and comparison of dwell time of PGAs.

It was noticed that for the RMS facilitated Bills of Entry for the month of June 2016, the average time taken by Customs is only 6.72 hrs whereas the time taken by the Importer/CHA is around 90.10 hrs. Similarly, for non-facilitated Bills of Entry, average time taken by Customs is 50.73 hrs while by Importers/CHAs is 71.10. The Chair requested that Customs Brokers/CHAs are required to chip in for reducing the time taken to at least 30-35 hours as Customs has already optimized their processes for reducing dwell time. On the basis of random sampling of Bills of Entry for the month of June 2016, the average time taken by various PGAs was shown in the presentation and discussed in the house.

It was brought to the notice of the Chair from the Customs Brokers Association that getting NOC from FSSAI is still a big problem. The Chair informed that the average time taken by FSSAI for granting NOC is 4 days and that the worst time should be 3 days and not more than that. FSSAI should strive hard to reduce the dwell time in granting the NOC.

FSSAI informed that in certain cases when they are unable to test certain samples, which requires advanced testing facilities which are not available with them they have to send these samples outside for testing, which requires more time and hence causing delay in NOC. The Chair suggested that FSSAI should equip themselves with the latest laboratory equipment and use advance modern technology for quick and fast results which shall address the dwell time issues in a positive manner.

Representative from FSSAI informed the house that the Customs Brokers are not mentioning complete details on the TR Memo/requests like IGM No.,date etc. and it becomes difficult to co-relate the test memos/reports with that on the samples as there are instances of discrepancies in details on the requests made by the Customs Brokers.

Regarding PQ, NOC- It was noticed that in some cases the NOC has been received on the same day and in some cases the NOC has been received in 3 days. Thus, the time taken for NOC is 1-3 days.

The Chair suggested that the worst time should be 1 day and stated that it should be ensured that the NOC is granted on the same day itself. The PQ was inquired about the delay and it was informed by them that the delay sometimes is on account of the non production of the original phytosanitary certificate by the importers/exporters.

Commissioner (NS-I & III) informed that as per the SWIFT, it is mandatory that the original certificates should not be insisted upon and that all the stake holders are also bound by SWIFT and that PQ should not insist upon production of the original certificates for NOC. It was informed by PQ that it is mandatory for them to check the original phytosanitary certificates of the port of loading before granting NOC.

The Chair directed that Commissioner should take up this matter with the Plant and Quarantine Department for a resolution.

(Action: Commissioner NS-III)

TC- NOC:- It was noticed that the Textile Committee takes on an average of 5 days time and in the best scenario's cases, the time was 04 days. The Chair suggested that the worst time on an average should not be more than 3 days and requested the Textile Committee for devising ways to improve the performance.

(Action : TC)

AQ-NOC – Nobody represented the AQ Department. However, it was noticed that the AQ NOC is being given on the same day in the sample study.

ADC-NOC -It was noticed that in certain cases it took more than 3 days and the Customs Brokers Association also gave instances where they had received ADC NOC after almost 12 days. The ADC representatives informed that in certain cases, the samples need sophisticated testing equipment which is not possible in their laboratories and are required to be sent to outside laboratories which leads to delay in testing and reporting.

The Chair suggested ADC that they should equip their laboratories with the latest equipments to minimize delay in NOC.

(Action: ADC)

6. A power point presentation was made by Shri Laksha T. from M/s. Ameya CFS on Uncleared Cargo Clearance (UCC) software. UCC Software is developed to update the status of Un-Cleared/Un-Claimed Cargoes lying in Container Freight Stations (CFSs) linking it with Customs UCC/Disposal Section to expedite the process of Disposal of Unclaimed / Uncleared (UCC) Cargo under Section 48 of the Customs Act, 1962. This software can be accessed anytime and anywhere by the Users. It enables easy access and availability of data to check the status of the Cargo and print reports in various formats. Details regarding module information, software security, input process. Process flow about UCC software were also provided in the presentation.

The Chair inquired as to who would feed the data in the system to which it was informed that the data should be entered by the respective CFSs and that all the members of the CFSs should enter their respective data in the system for uncleared cargo.

The Chair inquired about the progress so far made in the development of this software. It was informed that the development of software is at an advanced stage. The updating of old records is to be done on priority which shall be followed by updating the data on day to day basis for the current records. Once the old records are fed in the system, the current data can be taken up for entering in the system. Training for all the staff is essential for entering the data in the system's software. The Chair informed that a training for the CFSs should be organized on immediate basis. It was informed that the training is scheduled to be held during the 1st week of August 2016.

Subsequent to the presentation regarding UCC Software, the agenda points for meeting were taken for discussion. Initially the carried forward points from previous CCFCs were taken up.

B. Issues from earlier CCFCs:

(i). 24x7 facility (updates on 24x7 staff deployment by PGAs):

The ADC representative informed that they are now available for 24x7 Customs 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. PQ representative informed the Chair that it is difficult to examine the goods during the night time, as there is no facility and lack of sufficient light for examination during night time.

The Chair directed all CFSs to provide requisite facilities including lighting for night time, examination and clearance as they are committed to provide all facilities for 24x7 Customs functioning. CFS Association agreed to the directions provided by the Chair.

(Action: All the CFSs)

The FSSAI representative informed that they too are facing shortage of staff because of the recent changes in the Recruitment rules and informed that they are trying to resolve the same and would try to improve the situation within a week's time.

(Action: FSSAI)

The Textile Committee representative informed that the situation of the staff shortage is still the same and there is no change in the staff strength and that they are pursuing the matter for additional staff.

(Action: TC)

The WLRO representative informed that they are also facing staff shortage, no change in the staff strength and that the 24x7 facility could not be implemented by them due to staff shortage.

(Action: WLRO)

Nobody represented the AQ Department.

(Action: AQ)

The Chair informed all the participants that implementation of 24x7 clearance 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 move ahead with the latest trends. The Chair directed to have an update on staff deployment status so that 24x7 facility target can be achieved.

It was informed by the representative from Textile Committee they have started receiving the samples on Saturdays and are also receiving the samples even at midnight; however it is seen that the Customs Brokers are not approaching the Department, even if they are open on Saturdays. It was requested by the TC that the Customs Brokers should be requested that they use the facility of 24x7; otherwise it would defeat the purpose of introduction of this facility.

The Chair inquired about the average time taken – 5 days for getting the NOC from Textile Committee. It was informed that the time taken is in transit. The actual testing only takes 2 days and reports are generated immediately. It was further informed that their office has now started receiving the samples even on 2nd Saturday.

(Action: TC)

The Customs Brokers Association representative inquired as to the Customs Brokers be authorized to take the samples instead of the Customs Staff, it was informed that the officers are collecting the samples from all the CFSs during office hours and the samples cannot be forwarded through Customs Brokers, for now.

The Customs Brokers Association informed that the CFSs are not providing them any facility for 24x7 functioning and requested that all the CFS should provide the facilities for functioning 24x7. The Chair directed all the CFSs should provide all necessary facilities to the Customs and Customs Brokers for 24x7 functioning.

Sample Collection is done during working hours and the time taken has to be reduced.

Shri Subhash Agrawal, Commissioner (NS-IV) inquired in case of perishable goods samples should be drawn on Saturdays, Sundays and inquired whether the FSSAI can draw samples even on Saturdays, Sundays. The Chair requested FSSAI to resolve this issue and FSSAI informed that the samples could be drawn even on Saturday and Sunday.

(Action: FSSAI)

The Custom Brokers Association raised the issue of appointment to them and informed that currently for FSSAI if an appointment time is over the next appointment goes on the next day.

The FSSAI officers informed that the Custom Brokers representatives are not forwarding correct information and need to be educated properly, also sometimes samples could not be drawn because of the absence of the Customs Brokers representatives and also that seal cutting of the container is not done.

The Chair directed that a meeting be organized by FSSAI with the Customs Brokers and CFSs for a remedial solution of such problems; that within the next 10 days the meeting

should be conducted by the FSSAI and the Customs Brokers Association to revert back along with the minutes of the meeting.

(Action: FSSAI, Customs Brokers Association. & CFS Assn.)

(2) **Land Allotment – (All PGAs to have offices in the vicinity of JNCH).**

Textile Committee informed that land has been allotted. The tender procedures are in progress for further development of building. **(Action: TC)**

FSSAI informed that land has been allotted and the further work is under process for construction. The Chair directed that the FSSAI should speed up the matter and start their office at the allotted land soon. **(Action: FSSAI)**

ADC-The ADC representative reiterated the problem of wet land allotted to them and informed that a reference in this regard has already been made to the Ministry and instructions are awaited, the land would be verified by the Ministry and that they have identified an alternative land near JWR CFS and the matter is being pursued.

(Action: ADC)

PQ-The PQ Representative also informed and reiterated the problem of wet land allotted to them. He informed that they already have the equipments for the laboratories and that the wet land matter has been referred to the Ministry and instructions from the Ministry awaited. **(Action: PQ)**

3. **EDI Connectivity at Terminal Gates:**

GTI confirmed that they have provided the EDI connectivity at the Gates. NSICT, JNPT informed that the space has been provided by them with one terminal and that provision for a larger cabin with two terminals is being made. NSICT and GTI also assured of providing suitable space with EDI connectivity to Customs at the Gates.

(Action: DC/P(G) & GTI)

4. **Gate Automation:**

JNPT informed that the tendering process is completed and it is expected to be functional by **30.09.2016**. GTI assured that the status would be provided in the next meeting. NSICT gave details of Gate Automation procedure in CCFC meeting held on 21.01.2016 and the same has been implemented in the 9th CCFC meeting held on 04.03.2016.

(Action: NSICT, GTI, JNPT)

5. **E-do-** The Customs Brokers Association and AMTOI informed that the issue was deliberated among stakeholders. Some of the Shipping Lines are still not giving E-dos. The Chair directed E-dos should be given primary importance. MANSA informed that some time

should be given to them to discuss this issue with the Customs Brokers Association to sort out the subject. The Chair directed that a meeting of Customs Brokers Associations, AMTOI, MANSA be conducted and BCHAA should report in about two week time further developments.

(Action: BCHAA, CSLA, MANSA, AMTOI)

6. Status of implementing of e-invoicing, e-billing, e-payment by CFSs, Shipping Lines-

CFS Association Representative informed that some of the CFSs have already implemented the e-invoicing, e-billing and e-payment. It was reported that the Customs Brokers are not using this facility as out of 8000 e-invoices generated, the Customs Brokers have used only 100 e-invoices. Customs Brokers Association informed that the system is not user friendly.

The Chair directed that the CFSs and Customs Brokers Associations to come together and discuss these problems to arrive at possible solution. Customs Brokers should start using this facility available to them which would save time and effect speedier clearance reducing dwell time. The Customs Brokers Association informed that ODEX is charging Rs.400/- extra. The Chair directed that the CFS Association should take up the matter with ODEX so as to not to charge extra money. It was also suggested that the CFS is providing the same facility online. It was requested that a hybrid system of e-do should be worked out by the CFSs.

(Action: CFS Association)

CFSs Association to give the data of Customs Brokers who all are still making payments by cheque so that the subject could be taken up with the Customs Brokers Association by CFS Management Cell.

(Action: CFS Association)

7. Delay in shifting of containers from Port Terminal to CFS:-

It was also brought to the notice of the Chair by the Customs Brokers Association that the port authorities are also charging them even for the initial free period of 3 days even if the delay in clearance of box is on the part of the Port Authorities.

The Chair directed the Port authorities that they should not charge the Customs Brokers for the free period of 3 days when the entire consignment for some reason has not been evacuated in the said duration as delivery of cargo would generally happen once the entire shipment has been received at the CFS.

The Customs Brokers Association also pointed out that the Port Authorities are not following the first in first out policy. The Port authorities informed that they are using the policy of Best pick for choosing the containers which is being used worldwide for faster and better management.

The Chair directed the Port Authorities to address the concerns of the Stakeholders and CSLA and come up with a solution to this problem.

(Action: BCHAA, CSLA)

C. Fresh agenda items as received and circulated were taken up for discussion.

(i) **All PGAs to provide NOC without seeking hard copy of Bill of Entry.**

The Customs Brokers Association informed that all the related agencies insist upon production of hard copy of the Bill of Entry. It was informed that ADC has been insisting upon production of hard copy of the Bill of Entry. The ADC Representative informed that no hard copy is being insisted upon.

The Chair directed all the PGAs not to insist upon production of hard copy of the Bill of Entry for providing NOC.

(Action: All PGAs)

(ii) **Out of Scope Items**

It was also pointed out by the Customs Brokers Association that the PGAs are taking time for clearing Bills of Entry of out of scope items. The PGAs were requested to issue instructions for release of Out of Scope items which be given by PGA every hour.

(Action: BCHAA & PGAs)

(iii) **Subletting by CFSs:**

The members of the BCHAA informed that many CFSs are subletting their activities partially to other formations and agencies to collect various charges on their behalf and are issuing their own invoices by overcharging the importers.

It was also brought to the notice of the Chair that the CFSs are issuing bills in the name of other companies and that some other companies are raising the bills and collecting charges from them other than the CFS.

The DC/CFS Management Cell informed that one specific case was noticed in past and action is being taken against the CFS.

The Chair requested the CFSs Associations to direct its members not to indulge themselves in subletting or allowing any other company to raise or levy any charges from the trade/customs brokers and if any CFS is found indulged in any of such activities, strict action would be taken against the defaulter. CFS should strictly abide and follow the prescribed guidelines.

(Action: ADC/CFS Management Cell)

The Chair further informed that the time release study shows that the trade has an important role to play in the ease of doing business and the dwell time. The Customs Brokers Association was thus proposed to act & take decisions faster. It is seen that 8 days time is taken from entry inward to filing of Bill of Entry; trade should ensure that this time is reduced by advance filing of Bills of Entry.

(Action: BCHAA)

The trade should also ensure that prior arrangements for payment of duty is made which would further reduce in time taken in making duty payment and thereby reduce the dwell time in clearance.

The Customs Brokers Association suggested that major importers should also be roped in for advance filing of Bill of Entry and payment of duty and explain the importance of such aspects in ensuring expeditious clearance.

The Chair appreciated the suggestions and informed that the top 10 importers and exporters would be roped in and informed about the importance of advance payment of duty. The Chair also informed that the Customs Brokers should also inform the importance of this advance filing of Bill of Entry.

In conclusion, the Committee deeply lauded the initiatives, efforts & guidance of the outgoing Chair & other officers and desired that the same be minuted. The meeting concluded with a vote of thanks to the Chair.

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

Sd/-
02.08.2016
(RAJIV MAGOO)
DY. COMMISSIONER OF CUSTOMS (CCO)
JNCH, NHAVA-SHEVA.

Encl: List of Participants

Copy to :-

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

ANNEXURE

Participants from the regulatory agencies and various stakeholder		
Sr. No.	Name of the Organization	Name of the Representative & Designation (S/Shri)
1	JNPT	Pradeep Kumar
2	JNPT	P. G. Rao
3	FSSAI	S.K. Yadav, Director (WR)
4	FSSAI	V. K. Pancham, Dy. Director (WR)
5	Textile Committee	Smt. Vimal Oval, Asstt. Director (Lab)
6	Textile Committee	Samuel J., Quality Assurance Officer
7	RPQS	Dr. C.S. Patni
8	Drug Controller, JNPT	Gulshan Taneja, ADC
9	Drug Controller, JNPT	Arvind Hiwale, Drug Inspector
10	CIDCO	K. O Chaudhari, Technical Consultant (JNPT-IA)
11	CIDCO	MS. Apurva Barlewar, Dy. Planner (JNPT-IA)
12	WCCB	B. S. Khati, Wildlife Inspector
13	DP World	Capt. B. Fernandes, Sr. Manager Operations
14	DP World	Amit Singh
15	APMT	Atul Jahagirdar
16	APMT	Capt. Mrityunjay Dhawal
17	CFSAI	Laksha T.
18	CFSAI	S M Salian
19	CFSAI	Jacob Thomas
20	CFSAI	Venkatram Narayanan
21	BCHAA	Karunakar S Shetty, Vice President
22	BCHAA	Paresh Shah, Hon. Jt. Secretary
23	MACCIA (G.C. Member)	Omprakash Agrawal
24	AMTOI	R K Rubin
25	Transindia CFS	Subhash Bangae
26	MYK Line	Roshan Menezes

Departmental Officers	
Sr. No.	Name of the Representative & Designation (S/Shri)
1	D K Srinivas, Commissioner of Customs
2	Subhash Agrawal, Commissioner of Customs
3	Dr. Ashir Tyagi, Addl. Commissioner of Customs
4	Vijay Risi, Addl. Commissioner of Customs
5	Akhilesh Pandey, Addl. Commissioner of Customs
6	S C Ganger, Addl. Commissioner of Customs
7	Mohit Agrawal, Dy. Commissioner of Customs
8	Amit Kumar, Dy. Commissioner of Customs
9	Rajiv Magoo, Dy. Commissioner of Customs
10	Shaileshkumar Jambotkar, Dy. Commissioner of Customs