



**OFFICE OF THE COMMISSIONER OF CUSTOMS (NS I, III & V)**

**JAWAHARLAL NEHRU CUSTOM HOUSE, NHAVA SHEVA**

**DIST.-RAIGAD, MAHARASHTRA - 400 707**

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F. No. S/22-Gen-189/2015-16 AM (I)

Date: 13.01.2017

**MINUTES OF MEETING OF THE PERMANENT TRADE FACILITATION  
COMMITTEE HELD ON 29.12.2016.**

The PTFC meeting held on 29.12.2016 was chaired by Shri Shrawan Kumar, Commissioner of Customs, NS-III, Shri Vijay Singh Chauhan, Commissioner of Customs, NS-V and Shri M R Mohanty, Commissioner of Customs, NS-II. The meeting was attended by the following Members/Participants of trade:-

<b>Sr. No.</b>	<b>Names (Smt./Shri/Ms./Mrs.)</b>	<b>Organization/Association/Designation</b>
1.	K S Shetty	BCHAA
2.	Dushyant Mulani	BCHAA
3.	Hiren Ruparel	BCHAA
4.	L V Shah	BCHAA
5.	Vinayak B. Aparaj	BCHAA
6.	Ganpat P. Karade	BCHAA
7.	Paresh Thakker	BCHAA
8.	Paresh Shah	WISA
9.	Nimish Desai	WISA
10.	Subhash Bangae	CFSAI
11.	Viraf M Engineer	CFSAI
12.	S. Srinivas	CFSAI
13.	Jude Fernandes	CFSAI
14.	Suraj Patil	CFSAI
15.	James Joseph	CFSAI
16.	Venkt Narayan	CFSAI
17.	Omprakash Agrawal	MSWA

18.	Mohan Nihalani	AIIEA
19.	Rajasekhar R	Corp Care Federation
20.	K. K. Johnson	Balkrishna Industries
21.	S. M. Talnikan	Balkrishna Industries
22.	Shankar Shinde	RCCI
23.	V. K. Agarwal	ONIDA
24.	Subhash Rajkumar	MANSA
25.	Manish Kumar	MANSA
26.	V. M. Thomas	CSLA
27.	Antony Gomez	AGL CFS
28.	R. K. Rubin	AMTOI
29.	Raghav Uchil	AMTOI
30.	P. S. Barawkar	MSWC
31.	Neelesh Datir	MCBIEA
32.	Santosh Shetye	ICT & IPL
33.	S. R. Shah	ICT & IPL
34.	Salim Shikalgar	APMT
35.	Vivek Dubey	APAR
36.	Kiran Bhanushali	JET Cargo Movers

Following Officers from department attended the meeting:-

Sr. No.	Names (Smt./Shri/Ms.)	Designation
1.	Dhirendra Lal	Addl. Commissioner of Customs, JNCH
2.	Vijay Risi	Addl. Commissioner of Customs, JNCH
3.	Nikhil Meshram	Addl. Commissioner of Customs, JNCH
4.	S C Gangar	Addl. Commissioner of Customs, JNCH
5.	Rahul Nagare	Addl. Commissioner of Customs, JNCH
6.	Akhilesh Pandey	Addl. Commissioner of Customs, JNCH
7.	Pritee Chaudhary	Jt. Commissioner of Customs, JNCH
8.	B. S. Mangat	Dy. Commissioner of Customs, JNCH
9.	Dinbandhu Diwakar	Dy. Commissioner of Customs, JNCH
10.	D. S. Rana	Dy. Commissioner of Customs, JNCH
11.	S. K. Jambotkar	Dy. Commissioner of Customs, JNCH
12.	S. Nand Kumar	Dy. Commissioner of Customs, JNCH
13.	Amit Kumar	Dy. Commissioner of Customs, JNCH

- 2) At the outset, the Chairman welcomed all the members.
- 3) The Addl. Commissioner of Customs, Appraising (Main) (Import), thereafter, announced the following facilitation measures for Ease of Doing Business carried out by the department since the last PTFC meeting held on 24.11.2016.
- i) Public Notice No.155/2016 JNCH dated 25.11.2016 - Procedure in respect of discharge and clearance of Liquid Cargo in Bulk for Home Consumption/Warehousing in bonded warehouse for the purpose of determining duty liability.
  - ii) Public Notice No.161/2016 JNCH dated 28.11.2016 regarding - : Extension of facility of Direct Port Delivery to main importers and other steps taken for ease of doing business.
  - iii) Public Notice No.164/2016 JNCH dated 30.11.2016 regarding - Mandatory filing of Advance Filing of Bill of Entry.
  - iv) Public Notice No.165/2016 JNCH dated 02.12.2016 - Scanning Procedure in case of OOC given by DPD/RMS Facilitation Centre at JNCH.
  - v) Facility Notice No.170/2016 JNCH dated 09.12.2016 - Working of All Groups and Docks in JNCH on 10.12.16 in NS-I, III & V.
  - vi) Public Notice No.175/2016 JNCH dated 15.12.2016 - - Facilitation programmes viz. Authorized Economic Operator (AEO) Programme- Appointment of Client Relationship Manager (CRM).
  - vii) Public Notice No.180/2016 JNCH dated 19.12.2016 - Extension of facility of Direct Port Delivery to main importers and other steps taken for ease of doing business.
  - viii) Public Notice No.181/2016 JNCH dated 20.12.2016 - Mandatory filing of Advance Filing of Bill of Entry in case of LCL cargo also.

ix) Public Notice No.182/2016 JNCH dated 23.12.2016 - Procedure in respect of clearance of import FCL (Full Container Load) containers involving Participating Government Agencies (PGAs).

4) Thereafter, the Agenda points were taken up for discussion.

### **Old Points**

#### **Point no.1 - Provisional Assessment on Import of Liquid Bulk**

Hardship is being faced by the manufacturers /Importers of Liquid Bulk after the issuance of Board's Circular No. 38/2016 dated 22.08.2016 and Public Notice No. 119/2016 dated 06.09.2016. This Public Notice is in form of review of the original Notification No 81/2011-Customs [NT] dated 25.11.2011.

Earlier the Bills of Entry for Liquid Bulk were being facilitated by the RMS system. Now after issuance of the above mentioned Circular No. 38/2106, all such Bills of are being subject to First Check pending receipt of Test Report from DYCC & FSSAI.

Further, in case of clearance under second check, the department is insisting on Bank Guarantee as per Para 3 of the said circular which prescribe for Bank Guarantee equal to 100 % of difference of duty, clearly ignoring provisions under Para 6 (a) of the said circular which states that cases, "where the importer is not able to make self-assessment and has sought provisional assessment", the question of Bank Guarantee or Cash deposit to be obtained as security of the differential duty does not arise or serial no 6 [b] (ii), which states that "Where despite best efforts by the proper officer, differential duty cannot be computed".

All the importers of Liquid Bulk are mostly Bulk Importers and these are their regular products. These products are procured from the reputed suppliers and are always backed up with the test reports given by the manufacturers. The test certificates are generally issued by the accredited Laboratories and the Importers are also ISO Certified having their own laboratories. Such certificates are accepted by the Customs for the purpose of proof. Testing by the DYCC or FSSAI is only an endorsement of these certificates. Further, Para No. 3 of the Standing Order No. 17/2009 JNCH is reproduced hereunder:

3. SAMPLING DURING IMPORT: The samples need be drawn in the import/ export wherever the revenue implications are high, and in case of doubtful declaration by importer/ exporter, or where verification of item description or specification is needed. Normally wherever there is test report available for the same commodity with reference to the same supplier and the same importer, unless there is a reason for doubt, a previous test report which is less than 6 months old can be relied upon. If the imported goods are accompanied by manufacturer's invoice, and manufacturer's test report or test report of an accredited testing lab in the country of export of the goods, the goods may be released without a test bond. Subject to these conditions, a few situations wherein the samples are required to be sent for test are described below:

3.1 In case of Vegetable oils (Edible grade), testing is done in terms of CBEC circular 40/2001. In case of non-edible grade vegetable oils viz crude palm styrene & Palm fatty acid distillates, wherever customs duty concession is available subject to fulfilment of procedure under Customs (import of goods at concessional rate of duty for manufacture of excisable goods) Rules 1996, the procedure is inbuilt under these rules to ensure enduse of the vegetable oil by the actual user manufacturers; so the testing is not mandatory. In case of doubt, the in-house test results of User manufacturer may be relied upon.

Leave alone the fact that at the time of introduction of the original Notification No. 81/2011, Liquid Bulk were exempt from the purview of the circular which now have been placed under serial No. 6 {a} or 6 {b} ii and not under 6 {b} as interpreted. Due to high impact of the duty and delay practices some wrong and unwanted interpretations are made. While as there are no cases of any sample failure reported so far, which may lead to the recovery of the differential duties?

Apart from the above the valuation aspects are also required to the crude pricing pattern. Further, due to the fact that the imports are in BULK form, there is no question of identifying the description through marks and numbers, as in case of general cargo, and, hence mandatorily needs testing by Lab, to confirm the declared description of the product. It is evident that by default, the B/E is provisionally assessed and this cannot be attributed to fall under 6(b) of the said above circular, wherein it can be construed for the proper officer to deem it necessary to order for final assessment, in fact this is by default.

Also, the volumes are humungous and the values are astronomical wherein the incidence of duty, too, is very high, and under these circumstances any element of Bank Guarantee or any form of security will render the imports unviable and redundant.

In view of the above, we request yourselves to kindly maintain Status quo of Liquid Bulk cargo clearances, as was being done since last so many years, i.e. Regular assessment & Out of charge immediately on receipt of NOC to avoid any unconditional delays due to delays in clearances on account of First Check procedure, and non insistence of any security or Bank Guarantee for provisional assessment.

**Action taken:-**

The issue has been suitably addressed vide Public Notice No.155/2016 JNCH dated 25.11.2016. Para 19 and 20 of the above mentioned Public Notice is reproduced below:-

"19. If test reports are not received as aforesaid, on application of the importer, 80% of the cargo will be released without waiting for DYCC test report and the balance cargo will be released only after production of the DYCC Test Report. However, the same will not apply in case of non-receipt of FSSAI NOC.

20. The procedure for provisional and final assessment of the liquid cargo in bulk remains the same except the discharging procedure as indicated above. In case of provisional assessment, as per CBEC Circular No. 38/2016 para 3.6(b), Bank Guarantee equal to 100% of differential duty is required. However, if the importer gives undertaking to the effect that 20% of the cargo will not be cleared pending the favorable test report, the Group DC/AC may allow provisional assessment without insisting for bank guarantee. In case, if the importer intends to clear the entire cargo on the basis of provisional assessment, the jurisdictional commissioner may reduce the quantum of BG on case to case basis."

**(Point Closed)**

**Point No.2 - RMS BILL OF ENTRY & SHIPPING BILLS NEEDS FURTHER FACILITATION FOR OOC/LEO FOR SPEEDY CLEARANCE.**

As per exiting process, all the RMS B/Es and S/Bills are required to be registered at respective CFS for further verification of CCR, PGA or other requirements if any for giving Out of Charge or Let Export order by Shed Officer at respective CFS. At times it is observed that, registration being

manual process at Shed takes time resulting in delay in release and increase in dwell time of clearance for Import & Export.

**Suggestion:**

In view of Government's endeavor to reduce the dwell time and transaction cost, it is suggested that, Central Cell in addition to existing process at CFS, can be created at Custom House to give OOC and LEO for all the RMS B/Es & S/Bills having no requirements of CCR, PGA or other Allied agencies in time bound manner. If required small group can be formed to study on this before implementation.

**Action taken:-**

In this regard Public Notice No.160/2016 JNCH dated 29.11.2016 has already been issued and RMS/DPD facilitation has been created and the same is functioning at 2<sup>nd</sup> Floor, 'A' Wing, JNCH.

**(Point Closed)**

**Point No.3- DIFFICULTY IN CLEARANCE OF CONSIGNMENTS DUE TO TESTING REQUIREMENTS AS PER PN 119/2016.**

In view of Board circular No. 38/96 and JNCH PN No. 119/2016, recently at group level many assessing officers are now insisting for testing of samples before release for many items, some them in past were never insisted for testing. (Two copy of B/Es attached.) On request for release of consignments on Test Bond, Importers are asked to submit Test Bond backed by Bank Guarantee. As submission of BG with Test Bond is time consuming with Bank charges incurred, Importers have no choice but to opt for 1<sup>st</sup> check for sample to be tested. This is resulting in delay in clearance and increasing dwell time and transaction cost.



**Request:** Testing of Samples to be insisted only in cases where it is necessarily required. As per PN 119/2016 para 6(b)(2), simple Test Bond to be accepted as per past practice and Bank Guarantee be insisted only in specific cases with approval of higher authority. Many Test Bonds are pending at group level for which Test Report is already received and available on record, are to be cancelled in time bound manner. If required Test Bond cancellation Drive may be initiated.

**Action taken:-**

Public Notice No. 119/2016 has been issued to the effect of CBEC Circular No.38/2016 Customs dated 22.08.2016. In case of Provisional Assessment, Bank Guarantee equivalent to 100% of differential duty is prescribed in certain cases, Bank Guarantee is being insisted only in such cases. Assessment is finalized on receipt of the test report from DYCC/Testing Lab. Therefore, in any case, if provisional assessment is done, Bank Guarantee is made mandatory by CBEC Circular No.38/2016 which cannot be dispensed with.

**(Point Closed)**

**New Points:**

**Point No.1:- Regarding Circular No.56/2004-Cus dated 18.10.2004 issued by CBEC, New Delhi - Procedure for clearance of Metal scrap.**

Attention is drawn to the above mentioned Board's Circular. The procedure mentioned therein for clearance of metal scrap seems to be very cumbersome, time consuming and causing additional cost and inconvenience to the Trade and Industry. Also, the non-ferrous metals being a high value item, there is also risk of material loss. Also, now since the scanners have been installed the goods are being checked properly without any possibility of any ammunitions being found in goods. Hence, we feel there is a pressing need and

necessity to renew and revise these procedures in the interest of the Trade and Industry.

**Action taken:-**

In this connection, it is seen that the issue is related to clearance of imported metal scrap under CBEC Circular No.56/2004-Cus dated 18.10.2004. However, the said CBEC Circular has already been withdrawn and a new Circular No.48/2016 dated 26.10.2016 has been issued further simplifying the procedure for clearance of imported metal scrap. A Public Notice No.147/2016 JNCH dated 09.11.2016 has already been issued in this regard.

**(Point Closed)**

**Point No.2:- Suggestion for successful implementation of PN No. 164/2016 regarding Mandatory Noting of Advance Bill of Entry**

- a) Amendment procedure needs to be simplified for Example
  - \_ Master Bill of Lading should not be insisted for Amendment as Shipping Lines are refusing to provide copy of Master Bill of Lading to the trade.
  - \_ On Number of occasions, Shipping Lines file the IGM only with Master BL details by omitting the House BL. In such cases, amendment in the IGM should be permitted by Dy. Commissioner upon importers request for adding the House BL.
- b) Shipping Lines / NVOCCs need to provide Advance Invoice with all freight related charges for preparation of Import Bill of Entry. At present, on number of occasions, the Bill of Entry in advance is not possible to prepare in absence of freight details.

This point is also very important for efficient functioning of Direct Port Delivery.

- c) Shipping Lines should file the manifest at least 5 days in advance to reduce the dwell time.

**Action taken:-**

In this connection, a Facility Notice No.47/2016 dated 15.03.2016 regarding 'Simplified procedure for the amendments in the Import General Manifest has already been issued by Import Noting Section, Commissioner of Customs (General) and master Bill of lading is an important document required for amendment. Advisory letter has been issued to the shipping lines to issue E-delivery order and E-Invoice in advance. It was also informed by the Chairman that issues related to shipping lines may be taken up in CCFC meeting.

**(Action: ADC/Import Noting)**

**Point No.3:- Suggestion for successful implementation of PN No 161/2016 for Direct Port Delivery**

- a) For successful roll out of Direct Port Delivery, all Custom Brokers should be provided common entry pass for all the 3 terminals without requirement of going through CISF. The validity of these passes should be up to the validity of the CB Licence as being done in case of other Custodians.
- b) Advance Invoicing and Advance release of Delivery Order to be made mandatory by Shipping Lines / NVOCCs & Forwarders.
- c) Nodal Officer needs to be provided by Customs with authorization to deal with cases pertaining to scanning related issues.

**Action taken:-**

The matter needs to be taken up in CCFC meeting.

**{Action: ADC/Appraising Main (Export) for point (a) and (b)}**

**{Action: ADC/CSD for point (c)}**

**Point No.4:- Suggestion for successful implementation of PN No 165/2016**

- a) Timely availability of container scanning list to be provided at the RMS Facilitation Centre at PUB.
- b) Incase if the container is chosen for scanning and OOC for such Bill of Entries has been obtained, the concerned Dock Dy./Asstt. Commissioner should be able to cancel the OOC and permit examination.
- c) There should be validation created in the Customs EDI system wherein once a container is chosen for scanning, OOC for such Bill of Entries should not be generated. Mapping of container scanning list needs to be done with the Customs EDI System.

**Action taken:-**

This issue is under examination.

**{Action: ADC/CSD for point (a)}**

**{Action: ADC/EDI for point (b) & (c)}**

**Point No.5:- Issues pertaining to PN No.182/2016 regarding permitting the delivery of Import consignments pending testing of cargo by PGAs.**

We appreciate the initiative taken by JN Customs for permitting the delivery of Import consignments to the importer's premises where testing has been prescribed by drawing the samples for testing with PGA. In such cases, the responsibility of ensuring that the Custom Seal is intact should be of the importer only. Custom Broker has no wherewithal to check the condition of the Custom Seal since the goods will be stored in the importers premises.

Guidelines also need to be issued for allowing the seal cutting to withdraw the samples without asking the trade to approach the PGA for getting written instructions for drawal of samples. This process is delaying the clearance considerably.

**Action taken:-**

It was informed by the Chairman that issues related to PGA's may be taken up in CCFC meeting.

(Point Closed)

**Point No.6:- Voluntary Payment of Customs Duty in terms of Section 28 and as per PN No 12/2016 dated 21/1/2016 issued by JN Customs to be implemented**

At present, trade is made to obtain manual permission before making the Voluntary Payment of Custom Duty, however, as per the provisions, differential duty along with interest is to be paid first.

**Action taken:-**

The issue has been squarely covered under Public Notice No.12/2016 JNCH dated 21.01.2016. As per Para 3 of the above mentioned Public Notice the importer shall submit specific application to AC/DC of concerned Group for voluntary payment of duty and interest under Section 28(1)(b) of the Customs Act, 1962 and as per Para 4 of the above referred Public Notice if during re-assessment assessing group finds that the amount paid voluntarily by the Importer is still short of the amount actually payable, then Section 28 (3) of the Customs Act, 1962 shall be invoked. However, it was also informed by the Chairman that specific issues and difficulty faced in this regard may be brought to the notice of the superior officers.

(Point Closed)

**Point No.7:- Under Single Window manual release on hard copy by PGA has been done away with**

Request that Standing order No 65/2016 should be implemented by all officers at JN Customs diligently.

**Action taken:-**

In this regard officers have already been instructed vide Standing Order No.65/2016 dated 15.11.2016. Para 4 of the above mentioned Standing Order is reproduced below:

"4. Similarly it is also directed that the Assessing Officers shall refrain from giving examination orders for obtaining NOC's from the respective Participative Government Agencies (PGAs) in cases wherein the RMS instructions provides for waiver of NOC from the respective PGAs."

However, it was also informed by the Chairman that specific issues and difficulty faced in this regard may be brought to the notice of the superior officers.

**(Point Closed)**

**Point No. 8:- Visibility of CFS Code in IGM Menu at ICEGATE.**

At Nhava Sheva, there are more than 30 CFS operating and at times, one shipping Line is moving containers to multiple CFS. Trade has to approach Shipping line or CFS once it is moved. At times it delay's clearance process.

**Request:**

CFS code is part of IGM filed by shipping line but it is not visible to the Trade on Ice-gate to be made visible.

**Action taken:-**

The issue was discussed and it was informed by the chairman that the issue will be taken up with ICEGATE.

**(Action: ADC/EDI)**

**Point No. 9:- Intimation of updation of WCO Harmonized System of Nomenclature & Steps taken for its smooth implementation which is going to be effected from 01.01.2017.**

The 2017 Edition of the WCO Harmonized System Nomenclature will enter into force on 1st, January 2017. It includes 233 sets of amendments, divided into six categories: agricultural sector 85; chemical sector 45; wood sector 13; textile sector 15; base metal sector 6; machinery sector 25; transport sector 18; other sectors 26. The basic changes in the ICES BCD directory have been made, which will become effective from 00.00 hours 01.01.2017. To facilitate smooth change over to this new system, a control room is being established to address any difficulties faced by the Trade/CBs.

**Action taken:-**

In this regard Public Notice No.183/2016 JNCH dated 29.12.2016 has already been issued.

**(Point Closed)**

5) The members of the meeting were informed that the next PTFC meeting shall be held on **25.01.2017 at 11.30 hrs at Conference Hall, 7<sup>th</sup> Floor, JNCH**. The Chairman requested all the Association Members to forward their agenda points, if any, at least **05 working days in advance** on Fax No. 022-27243245 or by e-mail to Appraising Main (Imp) Section on [appraisingmain.jnch@gov.in](mailto:appraisingmain.jnch@gov.in) for taking up the issue in the upcoming PTFC meeting.

- 6) The meeting ended with thanks to the Chair.
- 7) This issues with the approval of the Commissioner of Customs, NS-III.

-Sd/-  
(B. S. Mangat)  
Deputy Commissioner of Customs  
Centralized Appraising main  
NS-I, III & V JNCH  
022-27244838

To,

All the Members of PTFC.

**Copy to:**

1. The Chief Commissioner of Customs, Mumbai Zone-II, JNCH, Sheva.
2. The Principal Addl. Director General, Directorate General of Tax Payers Services, Mumbai Zonal Unit, Room No.138/139, New Custom House, Ballard Estate, Mumbai - 400 001 ([mzu-dgtps@gov.in](mailto:mzu-dgtps@gov.in)).
3. The Ombudsman, Indirect Taxes, Mumbai.
4. The Pr. Commissioner/All Commissioners of Customs, Zone-II, JNCH, Sheva.
5. All ADC/JC, DC/AC of Customs (I, III, V), JNCH, Sheva.
6. DC/EDI for uploading on JNCH website.
7. Office Copy.