



वित्त मंत्रालय / Ministry of Finance
राजस्व विभाग / Department of Revenue
सीमा शुल्क आयुक्त के कार्यालय / Office of the Commissioner of Customs
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C.No.VIII/48/333/2012- Cus Pol.

Dated: 18.09.2014

**MINUTES OF THE PERMANENT TRADE FACILITATION COMMITTEE
MEETING HELD ON 11.09.2014 AT CUSTOM HOUSE, TUTICORIN**

The Permanent Trade Facilitation Committee (PTFC) Meeting of Tuticorin Customs Commissionerate was held at 16.00 Hrs. on 11.09.2014 at Custom House, Tuticorin under the Chairmanship of Shri P.V. Subba Rao, Commissioner of Customs.

2. The following Members from the Department and Trade participated in the Meeting.

SI. No.	Name of the Officer S/Shri.	Designation
1.	P.V. Subba Rao	Commissioner
2.	Suresh Nandanwar	Additional Commissioner
3.	S.A. Uma Shanker Goud	Joint Commissioner
5.	A. Sakthi	Deputy Commissioner
6.	Piyush Bharadwaj	Assistant Commissioner
7.	Manoj Kumar Sharma	Assistant Commissioner
8.	Balmukund	Assistant Commissioner
9.	T. Muthukumar	Superintendent (Policy)
10.	Sanjay Kumar Sahu	Inspector (Policy)

SI. No.	Nominated Members S/Shri.	Name of the Organisation
1.	Mrinal Sharma	Plant Quarantine Station, Tuticorin
2.	K. Balamurugan	CONCOR CFS
3.	Sasi Kumar. S	E.C. Member, TCBA
4.	L. Anand Moreis	Secretary, TSAA
5.	M. Raghukumar	Nhava Seva CFS
6.	C. Karthikeya Prabu	NACFS, Tuticorin Chapter
7.	K.Pon Venkatesh	President, TCBA
8.	P. Jeyanth Thomas	Secretary, TCBA
9.	P.Sivakumar	Diamond CFS Park
10.	A.S. Ramasamy	Asst. Secretary, TCBA
11.	C. Lakshmanan	Sical Log. Ltd.
12.	V. Minesh Raja	E.C. Member, TCBA

At the outset the Chairman welcomed the participants. Thereafter the points sponsored by various members/trade associations were discussed and decisions were taken.

POINTS RAISED BY NACFS, TUTICORIN

1. 24 x 7 Scanning Facility

The Scanning facility is being provided only during working days and it was suspended on 15th August and on 17th August, in spite of the CFS Operators willing to move the containers on holidays also.

DECISION: The Chairman informed that the scanning is being done on 24 x 7 basis. However there was no container movement from the PSA Sical Terminal to the Container Scanner Facility during the said dates. No Container was received for scanning on 15th August (being Independence Day) and 17th August, 2014 also. NACFS also agreed that this is no longer an issue requiring action.

2. CMFC functioning on holidays / Sundays

The movement permission for the vessels can be generated at the CMFC section by the Superintendent of Customs only during office working hours. During holidays and Sundays, staff is being engaged on MOT for obtaining movement permission. However on 15th and 17th August, such movement permission on overtime could not be obtained. Alternative arrangements should be made to ensure smooth functioning of the CMCF on all Sundays and holidays.

DECISION: Whenever the Officer in charge is on leave additional charge is given to some other officer. Trade is requested to inform department well in advance if they require alternative arrangements on any holiday.

3. Gate Module – Bond Debit / Credit

All the CFS have provided sufficient Bond for the movement of imported laden containers from the Terminal to CFS. The data entry at PSA Sical Terminal and the data entry at the CFS is getting delayed. The debit of the bond value is immediately effected as soon as the IGM is filed. Subsequently the container movement out of the Terminal is to be entered at the Gate- and only thereafter, the entry in the CFS could be entered. Often, the entry at the PSA Sical Gate is effected after the Import Laden Containers are received at the CFS. Therefore, the CFS entry could not be effected without the data entry being done at the PSA Sical Gate. Therefore, additional system and officer, if necessary, should be arranged at the PSA Sical Gate, so that such difficulty is avoided. Further, the entry at the CFS also is getting delayed, because in most of the CFS, only one inspector is available to handle the routine export / import documentation as well as for the data entry of the Import Laden Containers arrival at CFS. Therefore, huge backlog of data entry is happening in every CFS and therefore movement is affected during week-end holidays due to insufficient Bond Value.

DECISION: It was felt that the problem arises when officers at PSA SIACL give a manual Gate Out (When the system is not working). The officer at the CFS will be unable to enter Gate In details in the system and hence the bond which gets debited as soon as the IGM is filed, does not get re-credited. One Option is to stop Manual Gate Out at PSA SICAL and the other option is for the CFS to take all Manual Gate Out EIRs back to the officer at PSA SICAL terminal and get the Gate Out entered in the system and then get the Gate In entered in the system in CFS. Considering all pros and cons it was decided to go for the latter option. Simultaneously, the root causes for the system failure should be examined & fixed.

The difficulties / grievances can be addressed only after posting of sufficient number of officers at various points after cadre restructuring comes into effect. It is decided to maintain status quo.

4. 24 x 7 Export Container Movement

The Export Container movement out of the CFS is held up for longer duration at the Blue Gate area, due to bunching of export containers. It is therefore suggested to spread out the Export Container movement from the CFS to the Terminal, to ensure that the containers arrive on time at the Terminal for immediate offloading. This will help avoid anxiety of the drivers and long wait at the Port area.

We therefore request for your kind assistances to provide 24 hrs movements, without the necessity for the presence of Customs officers for signing the Gate Pass. Necessary authorization for Gate Pass signing may be entrusted to the Custodians and necessary update about the container Gate-out and Confirmed Gate-In into the Terminal shall be provided by the Custodians (our Members) , to the respective Superintendent of Customs during the next working hours.

DECISION: The Chairman agreed to examine the request within the limitations of available resources and take a feasible decision to avoid congestion at the port gate. However, none of the statutory functions of the customs officers can be delegated to the custodians.

5. E-Auction of uncleared / unclaimed and abandoned cargo

The entire process of seeking valuation, approval for E-Auction and approval for the bid-value etc. should be completed faster, so that the cycle time of each E-Auction process can be minimized. Presently the H-1 Bidders are very much behind our members for the status of E-auction outcome- and hence early approval of the E-Auction proposals is required.

DECISION: The process will be examined and streamlined.

6. Bond, Bank Guarantee and Insurance requirements

Custodians were advised to provide enhanced Bond, Bank Guarantee and Insurance requirements by 25th August, 2014 as per Board Circular No. 32/2013 dated 16.08.2013. However the interpretation by the field formation is still in a different manner. We seek a realistic enforcement of the above Circular. Meanwhile, the deadline for compliance of the above requirement shall be postponed to 30th September 2014.

DECISION: As per Board Circular No. 32/2013 dated 16.08.2013, Bond, Bank Guarantee and Insurance requirements are being enforced. In this regard, Public Notice No. 11/2013 dated 08.10.2013 was issued. Regulation 5(1) (iii) of HCCAR, 2009 does not mandate any specific period for insurance coverage. Under the above Board Circular a period of 30 days (based on projected capacity) for the amount of insurance has been prescribed. Regarding the 'Realistic enforcement' sought by NACFS, it was found that they wanted the cargo already insured by their clients should not be reckoned while deciding the insurance amount. CFS were advised that if their major clients do not want any protection for their cargo while in CFS or in transit, they should produce letters from them to that effect.

The Chairman agreed to extend the deadline for compliance of the above requirement from 25th August, 2014 to 30th September, 2014.

POINTS RAISED BY TUTICORIN CUSTOMS BROKERS ASSOCIATION

7. Vessel amendment in Shipping Bill

As per the minutes of the PTFC meeting held on 11.07.2014, the issue has to be referred to DG Systems. The amendment is being approved manually by the Assistant Commissioner based on the request from Custom Brokers' and NOC has been issued by

Export Section. So at this stage there is no modification in the systems, subsequently after filing of EGM we clear the error by changing the rotation number at MCD section.

Hence, they requested to authorize the Superintendent Docks/ Green Gate to approve the change of vessel based on the EIR filed, which will avoid delay and if it is done by the dock officers there will be no necessity to wait till next office hours.

DECISION: As per section 149 of the Customs Act, 1962 read with Notfn No.40/2012 (N.T) as amended by 12/2014-cus (N.T), any amendment to the Shipping Bill in deciding the vessel name can be permitted by the ADC/ JC after the clearance under Section 51 is given and by DC/AC before such clearance is given. This should be strictly followed.

8. Drawback

The drawback release is held up for the last three months due to which the exporters are having huge cash-flow difficulties. Earliest solution for passing of the drawback within deadline shall be implemented.

DECISION: Shipping Bills pertaining to the month of August, 2014 August are under process for release of drawback and same will be cleared shortly.

(Action: AC/Superintendent, Drawback Section)

9. Testing of samples

Testing of samples has been increased on import consignments for verifying the parameters. But our Custom House laboratory is not fully equipped to test all commodities and the samples are sent to laboratories situated in Chennai / Bangalore etc., which leads to time delay and also increases the cost by way of testing fees.

Hence our chemical laboratory should be upgraded with equipment required and additional staff, to test all the commodities imported through our Custom House.

There should be trade information with regard to list of commodities, which can be tested in our lab, as some times the samples are returned saying that there is no facility for testing after couple of days.

We also request to kindly consider testing of regular commodities from the same Shipper, Importer and origin for each consignment and it can be tested once in 6 months as mentioned in Board Circular 23/2004 which specifies for Hazardous Dyes.

DECISION: Under Board's Circular No. 23/2004-Cus dated 15th March, 2004, for testing of imported textile/ textile articles for its composition and hazardous dyes, the test report is valid for a period of 6 months in cases where the textile / textile articles of the same specification / quality are imported and the importer, supplier and the country of origin are the same.

Proposals for equipping the laboratory have already been submitted to the Ministry. The lab will be upgraded as and when the fund are sanctioned.

10. Delay in Test Bond cancellation and Final Assessment

On few occasions, the imports are being cleared under Test Bond with Provisional Assessment. There is delay in the final assessment and thereafter the bond cancellation based on the final assessment is also further delayed. This needs to be addressed for prompt completion of the final assessment and for earliest cancellation of the Bond.

DECISION: Specific cases may be brought to knowledge of department for examination.

11. Delay in Assessment when officers, Assistant Commissioner, Deputy Commissioner, Appraisers & Superintendents are on leave

Whenever officers are on leave allocation of alternative officer/ change of ID is delayed and therefore whole day is lost in the process of allocation an alternative officers. However, such reallocated officers are already handling their routine work and they are reluctant to take additional responsibility.

DECISION: The Chairman informed that this will be addressed.

(Action: AC, Import / Export Assessment Section)

12. Self Assessment

The appraising section while assessing the Bill of Entry are loading the value declared, relying totally on NIDB/ ZAUBA website data and enhancing the value even though if there is justification of the value declared.

The normal approach is most of the Customs Station is to apply the least value in the DOV price while comparing the transaction value. We request for similar approach at Tuticorin also.

DECISION: The Chairman suggested that if the assessment is not acceptable, the same may be appealed against before Commissioner (Appeals).

13. Import of Second Hand Machinery

(a) All second hand machinery import consignments are marked for first check verification and certifying by a Chartered Engineer nominated by Customs. So the machinery is examined thoroughly by Chartered Engineer and based on his report the examination report is put up by the examining officer. We request to kindly do away with marking of 100% examination in the open order.

(b) In most of the second hand machinery import, the weight declared by the Shipper varies when the container is weighted at CFS. This because the weight declared by shipper is approximate as they may be not aware of the exact weight at the time of manufacturing as well as due to wear and tear, there may be weight reduction.

So, we request to kindly exempt from insisting to weight amendment as the price is based on unit and there is revenue implication.

DECISION: The weight is one of the criteria for valuation of imported Second Hand Machinery and misdeclarations are rampant. Hence, weight is crucial for revenue angle.

14. Insisting on Hard Copy of E-payment receipt

Customs has been insisting to produce the copy of E-receipt for registration/ Grant of OCC for Bill of Entry.

After implementation of customs duty payment through ICEGATE e-payment, the payment of duty is confirmed in the system after linked through the payee bank. So we cannot register/ grant OCC for Bill of Entry unless it is reflected in the system.

Due to certain technical delay or connectivity there will be delay in taking print out of the receipt, we request to process document without insisting the copy of E-receipt as it will automatically reflects in the system.

DECISION: If any difficulty was noticed in any specific case it may be brought to the notice of DC/AC resolution.

15. Scanning

When Scanner is not functioning due to various reasons, the selected containers are marked for 100% examination as it could not be scanned.

We request to kindly exempt 100% examination for the selected containers which could not be scanned as the facility was not available.

This will avoid delay and also additional cost for handling at CFS.

DECISION: Based on several risk parameters, the system selects containers for examination and therefore whenever Scanner is not functioning, the system selected containers are put to 100 % examination as per SIIB norms. The request can not be considered at present.

16. General

The ICES 1.5 version is having menu options of departmental comments of all concerned officers and it has to be utilized for any specific input by the officers and the necessity for 'Note Order' for approval shall be done away with. The idea of ICES 1.5 versions to simplify the process and therefore this needs to be implemented.

DECISION: This issue does not relate to this Forum.

17. General

As per Public Notice 2/2012, "Consignee/ CHA can advise to intimate the Shipping line/ Steamer Agents about their option of the destination CFS/ ICD at least 12 hrs prior to the arrival of the vessels (Entry Inwards) at Tuticorin Port. Where intimation regarding the destination CFS/ICD were not received from the importers/ CHA , prior to 12 hrs of the arrival of the vessel (Entry Inwards) the shipping liners/ Steamer Agents shall indicate the name of any one CFS or ICD of their choice, to where such unlisted containers could be transported for delivery". However, some shipping lines are not adhering to this & not allowing the Consignee/ CHA to choose the CFS of their choice in spite of intimation the Shipping Line 12 hours prior to arrival of vessel.

DECISION: Any specific incident of non-compliance by Shipping line may be brought to knowledge of department for examination.

-Sd-

पी. वी. सुब्बा राव / (P.V. SUBBA RAO)

आयुक्त/ COMMISSIONER

To

1. The Members of the Permanent trade facilitation committee
2. Tuticorin Customs Brokers' Association.
3. NACFS, Tuticorin.
4. PSA Sical Terminal Limited, Tuticorin
5. The Traffic Manager, VOC Port Trust, Tuticorin.

Copy submitted to the Chief Commissioner of Customs (Preventive) Trichy

Copy to:

1. The Commissioner of Customs, Custom House, Tuticorin
2. The Additional Commissioner of Customs, Custom House, Tuticorin
3. The Joint Commissioner of Customs, Custom House, Tuticorin
4. All the Assistant Commissioners of Customs, Custom House, Tuticorin
5. The EDI Section with a direction to upload in the Official website