



सीमाशुल्कप्रधानआयुक्तकाकार्यालय
OFFICE OF THE PRINCIPAL COMMISSIONER OF
CUSTOMS

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F. NO. P3/20/2019-AM

DATED: 13.09.2022

MUNUTES OF THE PERMANENT TRADE FACILITATION COMMITTEE (PTFC)
MEETING HELD ON 09.09.2022 AT 15.00 HOURS IN CUSTOM HOUSE, VISAKHAPATNAM

At the outset, Chairman welcomed all the members attended and directed that the points presented by the trade may be presented.

Shri Joseph Gouda Patil, Deputy Commissioner presented the following issues submitted by the trade for agenda. The following members attended.

S.No.	Name of the officer Shri/Ms.	Designation
1	Aarti Saxena	Commissioner
2	M. Sreekanth	Addl. Commissioner
3	A Shyam Sunder	Addl. Commissioner
4	Joseph G Patil	Dy. Commissioner
5	Jean P Jesudas	Dy. Commissioner
6	T Ranga Rao	Asst. Commissioner
7	K Bhanumurthy	Asst. Commissioner
8	T Amrutha Rao	Asst. Commissioner
9	K Jagan Mohan	Asst. Commissioner
10	G V S R Sarma	Asst. Commissioner
11	M Ravi Sankar	Dy. Commissioner
12	G V V N Raju	NIC-Technical Director

The following representatives from Trade Members/Custodians participated in the meeting

S.No.	Name of the representative Shri/Ms.
1	Dileswar G, Head VCT CFS
2	Capt. Shyam S Nair, GM(Ops.), VCTPL
3	T Theva, Vice President, VCTPL
4	Bobby Lawrence, Secretary, VCL Association
5	G Rambabu, AGM, Gateway CFS
6	Rohit Kancharla, CEO, KR & Sons Pvt Ltd, CB
7	KV Sampath Kumar, MD, RichMark Trding CB
8	Rolland Williams, MD, MST CB
9	M Venugopal, President, VCBA
10	Ch. Abraham, HoD-Cargo, AAI
11	B Rajaraman, JGM(Ops.), AAI
12	K Naveen, GM, Sravan CFS
13	D V Rajasekhar, AM, GPL
14	V Jeevan Vikas, President, Container Shipping Lines
15	I Venkateswarlu, GM, BTL
16	K Naveen, GM, Sravan CFS

1) FACELESS ASSESSMENT: TEST BOND AND P.D. BOND PRESCRIBED BY FAG.

After implementation of Faceless Assessment in imports, Bills of Entry are assessed in FAG where sometimes the FAG Assessing Officers are prescribing Test Bond or doing Provisional Assessment, requiring PD Bond, even where it is not required.

Further, there is no scheduled timeline of Faceless assessment. Many times, the B/E is assessed late after office hours. Also, the B/E is assessed during weekends or holidays. In such situation, the importer has to first submit the required Test Bond or PD Bond before further process of Examination and OOC can be carried out. The Bond is to be accepted and debited in the EDI system by AC/DC of the concerned group. Due to non-availability of officers during after office hours or weekends and holidays, the clearance is delayed till next working day. In view of the above, the CB association asked for assigning officers viz. AC, Appraiser for the purpose of accepting and debiting Bonds for FAG assessed B/E.

In response Chairman asked for trade may come up with specific instances with commodity which doesn't require Bond but asked by FAG for bond, so that the matter can be examined and take up with the relevant FAG officers, where it is required. Also it was advised to the trade to utilise the TSK Cell and any issues arise Nodal officer can be approached as per the Public Notice.

Also in respect of coal bills where bonds advised by FAG Chairman asked to collect 3 months Bonds data for flagging up of coal bonds requirement etc.

Bond debit role allotment to docks examiners/24 x 7 posted examiners will be examined by the DC(Gr.)/DC(EDI) and accordingly.

(Action: AC/DC (Groups, EDI))

2) NON RECEIPT OF ORIGINAL COO (FORM A1) – OOC AGAINST SUBMISSION OF FINANCIAL SECURITY OF DEMAND DRAFT FOR DIFFERENTIAL DUTY.

In case of import of Coal from Indonesia, the ship's voyage from Indonesia to East Coast Ports is very short. However, the process of issue of COO for ASEAN FTA benefit and receipt of physical hard copy of Original COO from Indonesia through International courier takes longer time. In such situation the importer should be allowed to avail the benefit and get OOC against submission of financial security for differential duty in the form of Demand Draft.

Recently there are delays in granting such permissions due to processing in the departmental e-Office. Also, such e-Office process is not carried out on Saturdays, Sundays, or Holidays. This results in delay of discharge in import vessels and increase of Dwell Time. Such delays have enormous financial cost on importers in the form of vessel Demurrage and berth hire charges, etc. Vessel demurrage paid in foreign Exchange to Ship owners is a national loss. Therefore, Vizag Customs should allow this facilitation on any day without insisting for e-Office process as was done earlier, to avoid delays in Vessel discharge.

In response, Additional Commissioner(Appg.) suggested for such bills where it was felt COO may likely to delay at the time of clearance, the importer can opt for provisional assessment with security and same can be regulated on submission of the Original COO.

Chairman has suggested that procedures for facilitation of imports with COO benefits claims are formulated by Board and its uniform at all Custom Houses and deviation in notified procedures are not advisable for specific Custom House. However, he suggested for a separate meeting with all the stakeholders on issues faced by bulk imports where COO benefits are to be admitted to examine ways to mitigate the delays.

(Action: AC/DC(Gr.), TSK Cell, CB Association)

2A) DELAY IN EVACUATION OF HAZARDOUS CARGO CONTAINERS FROM VCTPL:

For Hazardous Cargo Containers (HCC) discharge in the Container Terminal, the free time is given only till the midnight on the day of discharge from the vessel. Due to this reason, all HCC are incurring storage charges in the terminal.

With regard to this, we request you to instruct CFS operators to evacuate HCC on top priority. With regard to the above, the Steamer Agents are raising invoices for destination charges to Importers/Customs Brokers immediately upon vessel inward. In spite of paying all the charges, Steamer Agents are refusing to issue delivering orders until Port storage charges are not paid. This is leading to import container clearances.

Member from M/s VCTPL has intimated to the committee that from terminal they are following priority evacuation of the cargo declared as hazardous and chances of missing the priority is very less.

(Action: VCTPL, CFS operators, Steamer Agents) ✓

3) FINAL ASSESSMENT OF BOES:

There are no. Of final assessments are pending in Vizag Custom House from last couple of years. After requesting of many requests it is not happened. All the Bonds and BGs are lying for cancellation. CB Association requested for final assessment drive in each quarter.

Chairman has assured that all the final assessments will be taken on priority basis and additional man power already put in place for the special drive visible results will be shown by next quarter .

(Action: AC/DC Groups) ✓

4) 100% EXAMINATION INSTRUCTIONS GIVING FAG:

Most of the cases 100 % Examination instruction giving in FAG assessment even the importer is regular. It is very difficult to destuff the 100% if the containers are in Three or more in such BOE. It was suggested by the CB Association, based on the past clearance of the importer, random selection of containers if the BOE is having more than one container.

Chairman conveyed that already in this respect a study was made and only 2.5% of Bill of Entries were ordered for 100% examination. Also, CBIC is working on this issue at Board level by constituting various working groups for standardization to be implemented on this issue.

However, specific instances of deviation was noticed by trade they may bring the same to the TSK/Nodal officer in charge for immediate resolution.

(Action: Trade, AC/DC (Groups, Nodal Officer)

5) IRON ORE EXPORT S/BILL ASSESSMENT FINALISATION.

It may be noted that Shipping Bills for export of Iron ore are assessed provisionally subject to finalisation basis laboratory test reports for Fe content and Moisture. The exporter is required to submit Financial Security for Revenue Deposit.

There is a huge backlog of such provisionally assessed Shipping Bills of Iron Ore during last 02 (two) years. This has resulted in blockage of financial resources of exporters. Iron Ore Shipping Bills are not finalized even after submission of documents and repeated follow up. It is requested that the Hon'ble Commissioner should assign highest priority to such pending assessments.

Additional Commissioner (Appg.) informed that already the issue was noted and finalization of the provisional assessment of iron ore cases will be completed on priority and resultant refunds will be sanctioned.

(Action: AC/DC (Export Group))

6) ARTIFICIAL MOISTURE LIMIT FIXED @ 5% TO CALCULATE DRY MT FOR EXPORT OF IRON ORE.

In case of export of Iron Ore, the invoice is based on Dry MT. For this purpose, the exporter declares WMT and DMT basis moisture content in the cargo. The moisture is declared on the basis of Pre-Shipment Inspection Certificate issued by Customs approved surveyors / assayers.

However, the Vizag Custom House has fixed artificial limit of 5% moisture for provisional assessment of Iron Ore. Even where the actual moisture as per PSIC is more than 5%, the exporter is asked to calculate DMT on the basis of 5% moisture and furnish Revenue Deposit in the form of Demand Draft for differential duty.

The said practice of 5% moisture limit is arbitrary and without any support of law. Export goods are to be assessed on the basis of declaration submitted by the exporter as prescribed in CUSTOMS VALUATION (DETERMINATION OF VALUE OF EXPORT GOODS) RULES, 2007. Further, the requirement of furnishing financial security imposes burden on the exporter. Also, the entire process of provisional assessment and deposit of Revenue Deposit is done manually. Over and above, the finalisation of Iron Ore Shipping Bills are unduly delayed for quite long time. Therefore, the exporter's working capital is blocked due to this arbitrary practice, which is in violation of Valuation Rules.

Also, after finalisation of Shipping Bill, the exporter has to again apply for refund of the deposit and go through manual process, further delaying realization of his legitimate money. The Hon'ble Commissioner may look into this wrong practice and immediately discontinue the same in the interest of facilitating smooth clearance of Iron Ore Exports, which is a major cargo for Visakhapatnam Port.

Chairman has informed that the point raised by the trade was noted and the same will be discussed with other custom houses for ascertaining their practice and accordingly the outcome will be intimated in due course. Also assured that during the special drive the pending provisional assessment of Iron Ore bills will be cleared on priority where the capital is blocked.

(Action: AC/DC (Export Group))

{to submit a report on practice followed at elsewhere by 30.09.2022}

7) FACELESS ASSESSMENTS – NOMINATING NODAL OFFICER FOR TRACKING DELAYS ON REAL TIME BASIS:

The stated objective of introducing Faceless assessment was to speed up the process and use expertise of respective assessing officers for as per appraising groups. However, in reality Faceless assessment has created an environment of uncertainty and undue hardship for genuine importers due to irrelevant queries, inordinate delays and deliberate attempt by certain officers to harass the trade by prescribing 100% examination, Test Bonds, Provisional assessments without any query, Enhancement of value without following the due process as per Valuation Rules, and so on.

In the initial phase of rollout of Faceless assessment, the Bills of Entry were tracked at Commissioner level and in case of delays, the same were pulled to PAG for speedy assessments. However, currently there is no such tracking of Bs/E which has rendered importers and Customs Brokers at the mercy of FAG officers, who have no idea about criticality of timelines at Major Port like Visakhapatnam. It is requested that Hon'ble Commissioner may assign officers who will track Vizag Customs Bills of Entry in real time with FAG in case of inordinate delays by FAG, or irrelevant queries. The name and Contact

details of the Nodal officer should be published so that Customs Brokers / importers can approach them for immediate resolution.

Chairman has informed that everyday 2 times the FAG bills assessment progress is being monitored at Custom House level and any delays were taken up with FAG. If any FAG Bills delayed more than specific time line trade may approach the Nodal Officer, as per the Public Notice 16/2022 dated 21.07.2022 for immediate redressal and follow up of the issue.

(Action: TSK Nodal Officer)

8) COPY OF LABORATORY TEST REPORT OF SAMPLES TO BE PROVIDED TO IMPORTER/ EXPORTER OR HIS CUSTOMS BROKER:

In case of provisional assessments for want of laboratory test, the sample test results are not provided to the concerned exporter / importer or his Customs Broker. Even as the importer / exporter has right to know the test result upon which his goods are assessed by Customs, the information is not available to him at Vizag Customs.

The Hon'ble Commissioner may direct the concerned groups to immediately notify the Customs Broker or exporter/importer about receipt of Test Result and provide copy. This will help the exporter / importer to follow up for finalisation of assessments. Also, in case of any discrepancy the same may be taken up by the party.

Chairman has informed that unless under investigation by any government agency, copy of the test report will be provided to the CB/Importer/Exporter as required.

(Action: AC/DC Groups)

9) PHYSICAL FILE OPENING FOR ROUTINE DAY TO DAY WORK LIKE SUBMISSION OF BOND, ROUTINE PERMISSIONS, ETC.

It is observed that at Vizag Custom House, any small routine permission, bond submission, S/Bill assessment, etc. Are routed through Examiners who first open a file. Even where the file noting is repetitive and automatic, not requiring any comments, any paper received from importer/ exporter is routed through Examiners and physical files.

This practice delays the process and results in wastage of Paper stationary. Also, the limited number of officers are unduly burdened with repetitive work. Instead of routing everything through physical files, routine permissions maybe granted by respective officers on party's request letter. Bonds submission / debit may be done directly upon presentation. This practice is followed at many other Custom Houses to reduce dwell time and facilitate quick disposal of party's routine permissions. The AC / DC may not insist to put up each and every request from party in physical file through Examiners /Appraisers.

Deputy Commissioner(Appg Main) informed that where Bond is to be accepted and signed physically by the proper officer physical file is required.

Chairman conveyed that customs is trying to augment and streamline processes and it will be done as per current guidelines under digital processing. Also assured customs will improve efficiency in identified areas for faster delivery.

(Action: AC/DC Groups)

10) NON-AVAILABILITY OF DATA ENTRY OPERATORS IN SERVICE CENTER:

In various cases it is mandatory requirement to process such tasks through service center only. An example: amendment of IGM, EGM and Shipping Bills can be proceed only through Service Center. Earlier there were 4 persons were available at service center, as

data entry operators, but now a days only 2 person are available and they are coming too late in Monday to Friday and sometimes they are coming post lunch. Saturday and Sunday service center is fully closed. If any emergency work to be done on these days it is not possible through service center. It is requested that ensure staff timings should be from 9.30 to 6.30 on Monday to Friday and at least one person on Saturday and Sunday

Chairman has assured the availability of service centre staff. AC(EDI) already taken up the matter with the service centre incharge.

(Action: AC/DC EDI)

11) 24X7 OPERATIONS:

Now a days all knows, Customs is operational 24x7, which is practically not happening as on date.

Saturday, Sunday or any other holidays officials are not available at Customs office to handle any urgent work. In some cases FAG officials are assessing the BOE provisionally by seeking PD Bond or Test Bond or BG etc. subject to Security, Surety or Test Purpose. If FAG officials are assessing BOE on Friday Evening Hours or Saturday, in such cases Customs Brokers has to wait till Monday or next working day to process of the Bond or Bank Guarantee etc. Until unless Bond or BG debiting we have no option to process examination and OOC. Since the Vizag Port mostly clears Bulk /Break Bulk cargo pending of clearance on holidays leads to heavy demurrage. It was suggested by CBA to appoint minimum officers to attend urgent works on Saturday, Sunday and holidays and also issue role to the all the Examiners for Bond debiting.

Chairman intimated that the issue was already discussed at agenda point 1, and assured the same will be examined.

(Action: AC/DC Groups)

12) CHANGE OF OFFICERS ID:

Change of officers ID, is completely internal part of the Customs officials. If any officer has taken leave and some BOE/SBs are pending in his /her system, All the bills are pending in their screen and link officer does not assess the BOE. It is happening like query reply and late filing of BE/SBs. CHB need to approach AC/DC for re allocating the Bills to the Link officer. It was suggested by trade/CBA for transfer all the pending BOE/SBs to the link officer morning itself, so that the Bills will clear faster.

Dy. Commissioner (A.M) informed that a study was made on the issue and it was identified that if query reply was made by the importer in FAG the bill goes back to the original officer who raised the query. And if role deleted to the office on leave then only the bill will go to the link officer.

Chairman has assured that the issue will be studied and necessary change of officers ID will be done whenever required.

(Action: AC/DC Groups/EDI)

13) SAMPLE REPORT:

Some cases Samples are drawing for Testing and Test Bond is giving for clearance of the Bill. In such cases all Bills are assessing provisionally. But after Testing, reports are coming late and even CHB/Importer do not know the Test Results. So that next Bill also assessing provisionally and testing of samples every time. This is leading delay in dwell time. It is suggested by CBA a Copy of Report can be sent to particular importer as well as CHB, so that filing of Next bill they can upload the Test Report and also they can approach concerned officer for Final assessment and Bond Cancellation.

The point was already discussed and copy shall be provided accordingly.

(Action: AC/DC Groups)

14) We request the Commissioner of Customs to give strict instructions to all Customs Brokers operating under the Commissionerate to get enrolled in the Customs Brokers

Association recognized by the Visakhapatnam Commissionerate. With reference to this we have submitted a request letter on 08/07/2022 to the Department. As well please pass an order to restrict the entry of unauthorized persons into Custom House, CFS and other Terminals without having valid Passes/ID Cards.

Chairman has informed the same will be taken up and necessary cards will be issued.
(Action: AC/DC CBS)

15) Avvashya CCI Logistics: They have raised a point that without console licence from Visakhapatnam Custom house, some other station freight forwarders are filing Console / House BL manifest for Sea/Air Cargo. It was requested for issuance of guidelines for applying of Console Licence at Visakhapatnam so that they can file the same here.

Chairman has informed it will be looked into and asked for details of the issue from the member who raised the point. However, the member not present.

(Action: AC/DC Import Section, Air Imports)

The meeting concluded with the Chairman thanking all the members

This issues with the approval of the Commissioner of Customs.


(Joseph Gouda Patil)
Deputy Commissioner(A.M)

1. All concerned.
2. The Chief commissioner, Central GST & Customs, Port Area, Visakhapatnam
3. Supdt(EDI) – with a request to upload in Custom house website.