CIRCULAR, No. : /2014

Sub - Permanent Trade Facilitation Committee - Minutes of the 106th meeting held on 16.07.2014 - Reg.

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The 106th meeting of the Permanent Trade Facilitation Committee was held at 3:30 PM on 16.07.2014 in the Conference Hall of Custom House, Cochin. Dr. K.N. Raghavan, Commissioner of Customs chaired the meeting. The following officers of Customs were present :-

1. Smt. Elsi Thomas, Addl. Commissioner
2. Shri. Nasser Khan, Dy. Commissioner
3. Smt. S. Sreemathi, Asst. Commissioner
5. Shri. George Joseph, Appraising Officer
6. Shri. Prasanth K C S, Supdt. of Customs
7. Shri. Vijayan Pillai, Supdt. of Customs
8. Shri. S K Dinesh, Supdt. of Customs

The Trade and other Govt. Organizations related to trade were represented by

Shri. D Sridhar, Jt. Director, DGFT Cochin
Shri. Raj Vinod P., Cochin Port Trust
Shri Abraham Philip, Indian Chamber of Commerce & Industry
Shri Deepak Shetty, Kerala Chamber of Commerce & Industry
Shri Sreekumar V Thampy, FSSAI
Shri P S Selvaraj, Consolidator’s Association of India
Shri Ashley Antony, Consolidator’s Association of India
Shri Prakash Iyer, Cochin Steamer Agents Association
Shri Bharat Asher, Cochin Steamer Agents Association
Shri V.S. Pradeep, Cochin Customs Brokers Association
Shri Viren K Khona, All India Spice Exporters Forum
Shri Rajendran P.P., CFS, Falcon, Kalamassery
Shri Mathew T V, CFS, Falcon, Kalamassery
Shri Raghu Jairam, Gateway Distriparks (Kerala) Ltd.
Shri V Veeraraghavan, Gateway Distriparks (Kerala) Ltd.
Shri Elvis D’cruz, India Gateway Terminal Pvt. Ltd.
Shri George P K, CONCOR India Ltd.
Shri. S.Vinodh, CFS,MIV Logistics.
Shri. Sunil Joseph, CFS,MIV Logistics.
Shri. Josemon M D, CI CFS,Kalamassery.
Shri. A K Vijayakumar, Federation of Indian Export Organisations.

The Commissioner welcomed the members to the meeting and read out the minutes of the 105th meeting of PTFC held on 28.05.2014.
Action taken on Points covered in the PTFC meeting held on 28.05.2014

Publishing of rates by CFSs

The Chair stated that all CFSs which are not having websites and / or tariff not published in the same have been addressed to come up with tariff published in their own websites within 6 months from 28.05.2014 (ie. before 28.11.2014.).

ICES Module for transshipment of FCL cargo from one sea port to another sea port.

The Chair stated that all major ports have been addressed, intimating about implementation of the module at Cochin Customs with request to take necessary measures to ensure online filing of documents- where full container loads landing at another port are transshipped to Cochin Port.

Authorisation of State Laboratory at Maradu by FSSAI.

The Chair informed the gathering that FSSAI has confirmed that NABL accreditation has been accorded to the State Laboratory at Maradu. This was an issue raised by Cochin Customs Broker’s association in the PTFC meeting held on 19.02.2014.

Pt No: 1 raised by ICCI, vide letter dated 21.05.2014

The Chair informed the gathering that four CFSs viz. Falcon, CFS CPT, CI CFS & GDKL have indicated that they are willing to work round the clock prior to vessel cut-off days, provided there is demand from the trade/ increase in volume considerably. In this connection, representatives of all the CFSs also have been asked to attend the PTFC meeting today. He enquired whether it is absolutely necessary. 24*7 operation is limited to movement of containers in many of the major ports even. He requested M/s IGTPL to brief the gathering about the peak traffic on any day.

Shri Elvis D’Cruz, representing IGTPL stated that 60-70% movement through ICTT gate occurs during 5PM-12MN. He requested the trade to work towards spreading of the movement of the containers in such a way so as to avoid unnecessary rush in the late evenings.

Shri Deepak Shetty, representing Kerala Chamber of Commerce & Industry stated that it is the trailer availability which plays a major factor in the container movement timings.

Shri. V S Pradeep, representing Cochin Customs Brokers Association intervened saying that this is a requirement only on the preceding night on all cutoff days for vessels, which is normally at a frequency of two days a week. Even one CFS working up to 12 MN will serve the purpose.

Shri. Sunil Joseph, representing M/s MIV Logistics CFS stated that CFSs may take turns on monthly basis to work up to 12 MN on the preceding days of vessel cut-off.
The Chair stated that with the present staff position of the Custom House, it is near impossible to consider a 24*7 operation. However, if the CFSs reach an understanding and decide to operate one CFS up to 12 MN on the preceding days of vessel cut-offs, the same may be communicated to Customs and arrangements are to be made for assigning Customs personnel at the nominated CFS on overtime basis. The overtime request may be made at least one day in advance and ICTT gate office may be notified. He remarked that already some CFSs are functioning on overtime up to 12 MN on a couple of days in a month, with work limited to container movement and stuffing / destuffing.

Pt No: 2 raised by ICCI, vide letter dated 21.05.2014

The chair stated that, as requested, vide Public Notice # 12/ 2014, the time limit for receiving applications for Factory Stuffing permission was extended up to 30.06.2014. He also clarified that in the case of applications for renewal of existing Factory Stuffing Permissions, status quo will be maintained until the renewal is granted.

Pt No: 1 raised by Consolidators Assn of India, vide mail dated 06.05.2014

The Chair stated that, Consolidators Association of India - Cochin Chapter had furnished website details of their members and 10 operators out of their 17 member companies, were found to have displayed their tariff in the respective websites. He stated that based on this the Public Notice will be suitably amended after giving information of the respective website links in the Custom House website. He stressed that those who have not come up with tariff published in their website will have to abide by the Trade Facility No: 24/2013 dated 08.08.2013, suitably amended, incorporating the changes aforementioned.

( Action- EDI )

Shri. P S Selvaraj, representing Consolidators Association of India, Cochin Chapter pointed out that some of the consolidators are based at Singapore, Australia etc, with websites registered there, who are not in a position to publish tariff applicable here in India in their websites.

The Chair made it clear that for operations in India, they are bound to follow the local rules and regulations in force.

Pt No: 2 raised by Cochin Customs Broker’s Association, vide mail dated 06.05.2014

The Chair stated that necessary instructions have been given to the field formation to follow the procedure proposed in the previous meeting, when instances of detection of seal mismatch in import containers at ICTT Gate are noticed. He enquired if any of the members have come across with any deviation from the same, to which the gathering responded in the negative.

Pt. raised by ICCI seeking arrangements at ICTT Gate for collection of Coir Export Cess vide challan

The chair stated that in the last three months, there was only one instance of payment of Coir Export Cess at Ernakulam Gate, where such payments are normally accepted after
office hours and holidays. Since providing Cess Collection facility at ICTT Gate will involve additional manpower & logistical augmentation and instances of cess collection is very rare, it was clarified that the same cannot be considered.

The chair then took up Fresh points raised by members in advance.

**Fresh points raised by members**

**Points raised by Indian Chamber of Commerce & Industry** (vide e-mail communications dated 10 & 15.07. 2014)

**Pt 1 :** Seeking a Public Notice on revised procedures and practices followed in cases of High Sea Sales.

*The Chair stated that instructions have already been issued to the concerned, for implementation of the procedure and feedback from the trade is that the new system is working fine. As the earlier procedure was not on the strength of a Public Notice, it is felt that there is no necessity of coming up with a fresh PN in this regard.*

**Pt 2 :** Working of any one of the CFSs after normal working hours at least up to 12 MN in connection with the examination of system selected RMS export containers.

*This issue was discussed earlier as a point from the previous PTFC meeting.*

**Pt 3:** Arrangements to remit Coir Cess at ICTT Vallarpadam. Gate

*This issue was discussed earlier as a point from the previous PTFC meeting.*

**Pt 4:** Problem in remitting duty after normal working hours. The duty will only be paid as Demand Draft as it will be a huge amount.

*The chair stated that almost all the documentations are carried out online, through ICEGATE. It provides a facility for e-payment. Any specific issue where e-payment was not effected may be reported to the ICES Help Desk, under intimation to Customs EDI for further follow-up. Chair requested to highlight specific issue if any for better understanding of the problem.*

Shri. Abraham Philip, representing Indian Chamber of Commerce & Industry clarified that e-payment of Export duty is not possible. Consignments of Synthetic Rutile is getting stuck for want of payment of export duty especially on holidays and Saturdays. Often the duty implications will be a large amount.
The Chair stated that the movement of export consignments has to be planned keeping in mind of the holidays and working hours. The Chair however stated that the department will study the issue.

Consolidator’s Association of India- Cochin Chapter- vide mail dated 11.07.2014.

Pt 1: Abnormal delay in discharging import containers from vessels two weeks back. IGTPL may be asked to prevent such situation in future.

The Chair stated that the Customs facility at ICTT has not reported any abnormal delay and proposed to seek feedback from the representative of IGTPL. He also mentioned that it appears that the Terminal was facing a labour problem for the last couple of weeks.

Shri. Elvis D’Cruz, representing IGTPL informed that previous month’s data shows only 2% deviation above 2 hours for discharge of containers (upto 2000 hours) and 7% deviation above 2 hours for discharge of containers (2000 - 2400 hours). Hence there was no case of undue delay in discharge of containers.

Shri. Deepak Shetty representing Kerala Chamber of Commerce & Industry stated that there were instances of considerable delay in the Terminal in the previous month.

Shri. V S Pradeep, representing Cochin Customs Brokers Association confirmed that during the referred period, he has received a considerable number of calls from various quarters in the trade regarding delay in container movement in ICTT.

Shri. Elvis D’Cruz, representing IGTPL replied that there was a labour issue and the same has been resolved. However in general, activity time is in satisfactory levels as per operational standards. It would be ideal if the trade could plan and spread the container movements to off peak hours also.

Shri. Ashley Antoney, representing Consolidator’s Association of India stated that the entry-in slip which is issued at the time of trailer entry into the ICTT terminal for receiving import container is taken back by ICTT at the time of exit from the Terminal with the container. This document has the time of entry in and entry out. If the party is given a copy of the same, it will be easy for the party to know the delay if any. Now, the trade is left with no document in hand to prove the delay.

The Chair requested the representative of IGTPL to have a look into this issue and take steps to resolve the grievance.

Pt 2: Consolidators facing issues on account of misplacement or non receipt of S/B, B/E. Duplicate copies may be issued at nominal charges.

The Chair stated that the importers copy of Bill of Entry and Exporters copy of Shipping Bill are handed over to the Importer / Exporter at the time of grant of Out of Charge / Let Export Order respectively. Issuance of duplicate copies of these primary documents cannot be considered. The Department can at the best confirm the Shipping bill / Bill of Entry
particulars on request from DGFT / Banks. In only very rare cases where in system cannot generate the print due to technical snag, issuing of duplicate will be considered.

The Chair also drew the attention of the gathering to the Document Management System introduced by Custom House which facilitates the trade to get copies of Bills of Entries on payment of a nominal fee.

Pt 3: Consolidators facing issues on account of misplacement of ARE-1. Customs may consider issuing NOC as a special case.

The Chair stated that ARE forms are submitted along with the Shipping Bills for endorsement of shipment and the same is handed over to the concerned agents immediately. Also, this is a document issued by Central Excise authorities. Hence issuing of NOC cannot be considered. As suggested in the earlier point raised, if the concerned Central Excise authority requests, the particulars of export effected can be confirmed to them. He also mentioned that with the EDI facility in place, these are particulars which can be ascertained online by the concerned agencies like DGFT & Central Excise.

Pt 4: Issues on container damage claims. Since the issuance of EIR has been discontinued, there is no document stating the actual physical condition of import container at the time of discharge from vessel. Consignees are forced to settle container damage charges as per the line tariff for no fault on the consignee’s side. It was requested that, DP World be directed to continue with the issuance of EIR.

Shri. Selvaraj, representing Consolidator’s Association of India pointed out that in pre-ICTT period, EIR was issued in a full-scape sheet with diagrams, which will depict all particulars of damage to the box, if any. Now, when the boxes are returned to the depots after clearance of the import cargo, they are making huge claims on account of damages, which the importer is unable to challenge, due to lack of EIR. He requested the chair to direct IGTPL to reinstate EIR.

Shri. Elvis D’Cruz, representing IGTPL replied that EIR is still being given with all indications of damage if any to the boxes, but in a different format. A copy of the same goes to the Shipping Line and another goes to the importer.

The Chair requested the trade to meet IGTPL separately and sort out the issue. He also requested IGTPL to direct their Surveyors to be more precise in this respect.

Pt 5: Seeking efforts from IGTPL and Cochin Port in exploring the usage of minor ports in Kerala. Tuticorin Port officials have explored that possibility.

The Chair stated that the initiative has to be by the Port operators and requested the trade to take it up with the Port.

Shri. Prakash Iyer, representing Cochin Steamer Agents Association informed that a team from Tuticorin Port had visited Kollam to explore the possibilities of generating business. He enquired whether Customs clearance facility is available at Kollam Port.
The Chair stated that Kollam falls under the jurisdiction of Central Excise Commissionerate, Trivandrum. Some initiatives to generate activity at Kollam Port did not take-off for want of custodian. Also at present Kollam is not covered by Customs EDI facility.

Cochin Customs Broker’s Association – vide letter dt 14.07.2014.

Pt 1 : Factory Stuffing permission :

80% of the applications are still under process and also, for revalidation purpose those are treated as fresh applications.

The Chair stated that applications whether it is for fresh approval or revalidation, all are treated as fresh applications. The Department has received around 350 applications. Most of the applications were submitted towards the end of the deadline prescribed and the scrutiny is in progress. FSP order is issued in cases where all required documents were found in order on scrutiny. In a considerable number of cases, deficiency memo has been issued, which the applicant has to rectify. The Chair reiterated that, in the cases of applications for renewal of existing Factory Stuffing Permissions, status quo will be maintained until the renewal is granted.

Pt 2: EDI System at CIAL

Shipping bills filed in the morning goes to RMS queue and get released only by late in the night. As such clearance is not possible for the next day. Also wide bodied aircrafts do not operate daily, which will lead to delay in cargo to reach the destination. This issue was raised in the Airport Facilitation Committee meeting also.

The Chair accepted that there are some problems of delay w.r.t. to some Air Cargo Complexes. The problem is being closely monitored and matter has been taken up with Systems Directorate and Risk Management Division. It is hoped that the issue will be resolved soon.

Shri. Pradeep V S, representing Cochin Customs Broker’s Association requested the Chair to take up the requirement of Customs Examination facility at ICTT, Vallarpadom, with higher authorities.

The Chair stated that it is a policy decision by the Government.

The Chair informed the gathering that Cochin Port has been sanctioned with an X-ray Scanner for import cargo, which is expected to be in place within an year at the area earmarked for Customs at ICTT. He stated that from security and customs clearance angle, this will be advantageous to the Port.

Since no other points came up for discussion, the Chair declared the meeting closed.
The Chair stated that a draft minutes will be forwarded by e-mail to the members and will be finalized only after hearing from the participants on the correctness of the same.

The date for next meeting of the Permanent Trade Facilitation Committee will be intimated through the Custom House website www.cochincustoms.nic.in. Points for discussion, if any, may be sent at the earliest. Enquiries if any may be made at the telephone number 0484-2667040 or by email at ccu@cochincustoms.gov.in

(डॉ के.एन.राघवन Dr. K.N. RAGHAVAN )
आयुक्त COMMISSIONER

S.No S65/11/2012 – CCU Cus.
दिनांक Dated : 07.07.2014

प्रति To:
1. Chief Commissioner of Customs, Kerala Zone, Cochin.
2. Commissioner of Customs, Cochin
3. ADC/All D.Cs & A.Cs/All Appraisers/Supdt(G)/Preventive /ICTT/CFSs
4. Supdt.(EDI)

प्रतिलिपि Copy to:
1. The Traffic Manager, Cochin Port Trust, Cochin-9
2. The Airport Director, Cochin International Airport Ltd., Kochi Airport P.O., Cochin-683 111.
4. The President Indian Chamber of Commerce & Industry, Indian Chamber Road, Mattancherry, Cochin -2
5. The Dy. Director (Marketing), Spices Board, N.H. By pass, P.B. No.2277, Palarivattom P.O. Kochi-682 025.
6. The Joint Director, Office of the Joint Director General of Foreign Trade, Chittoor Road, Cochin-682 011.
7. Officer-In-Charge, Port Health Organisation, W/Island, Cochin-682 009.
8. The Assistant Director (WLP), Wild Life Sub-regional office, C-3, Ground floor, Kendriya Bhavan, Opp. CSEZ, Kakkanad-682 037.
10. The Officer-in-Charge, Plant Protection Quarantine Office, W/Island, Cochin – 682 003
11. The Branch Manager, S.B.I., CPT Branch, W/Island, Cochin-9
12. The President,
14. The Chief Environmentalist and Scientist, Kerala State Pollution Control Board, Gandhi Nagar, Cochin-682 020.
15. The Manager, Falcon Container Freight Station Kalamassery
16. The Manager (Airport), Indian Airlines, D.H.Road, Cochin –11.
17. Kerala Chamber of Commerce & Industry, Chamber Corner, Shannmugham Road, Cochin – 682 031.
18. The Commercial Manager The India Gateway Terminal Pvt. Ltd., IGT House, Container Terminal, W/Island Cochin 682 003.
19. The Air Cargo Agents Association of India, C/o Cargomar Pvt. Ltd., BBTC Building, Subramanian Road, W/Island, Cochin 682 003.
20. Qatar Airways , Le Meridian Hotel, Maradu, Cochin
21. The Manager, Gulf Air, BAB Chambers, Atlantis Junction, Cochin –15
22. The Manager, State Bank of India, Zonal Office, Shannmugham Road, Ernakulam.
23. The Manager, Indian Bank, W/Island, Cochin .
25. Seafood Exporters Association of India, W/Island, Cochin-3
13. The Manager, Indian Bank, W.Island Branch, Cochin-3
15. The Development Commissioner Special Economic Zone, Kakkanad, Cochin- 682 037
17. The Chairman, Marine Products Export Development Authority, Panampilly Nagar, Cochin.
18. The Manager, SILK Airline, Airport, Nedumbassery, Cochin
19. The Manager, Kuwait Airlines, Airport, Nedumbassery, Cochin
20. The Development Officer (Export Marketing) Coir Board, M.G.Road, Cochin –16
34. The Manager, Jet Airlines, Airport, Nedumbassery, Cochin
35. The Manager, Oman Airlines, Airport, Nedumbassery, Cochin
36. Export Promotion Council for EOU’s & SEZ Units, Regional Office, CSEZ Administrative Building, G. Floor, CSEZ P.O., Kochi -37
37. Gateway Distriparks (Kerala) Ltd., Container Freight Station, Vallarpadom, Ernakulam – 682 504
38. The Cotton Textiles Export Promotion Council, Engineering Centre, 5th Floor, 9 Mathew Road, Mumbai – 400 004.
40. Exim Forum, Kerala Chamber House, Shanmugham Road, Ernakulam.