



Confederation of Indian Industry

TRADE FACILITATION IN INDIA

Strategizing Next Generation of Reforms

June 2023



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FOREWORD



Over the years, India as a signatory of the WTO's Trade Facilitation Agreement (TFA), has introduced a plethora of trade facilitation reforms aimed at streamlining documentary requirements, automating procedures and improving the availability of information, which have facilitated the creation of a robust regulatory ecosystem for the trading community. As the country stands at the threshold of integrating deeper into supply chains with enhanced competitiveness, at the backdrop of rapidly evolving geopolitical dynamics, the increasingly imperative role of trade facilitation cannot be overemphasised. The government's focused and coordinated efforts for modernization and harmonization of trade processes will therefore, undoubtedly, continue to play a pivotal role in bringing down the transaction cost and dwell time.

The Confederation of Indian Industry (CII) has been working closely with the government in identification and implementation of the trade facilitation reforms right from the initial days. Even prior to the implementation of the TFA reforms in 2017, CII, partnering with the authorities, created awareness about the key Articles of TFA, identified preparedness for adoption of various measures and suggested a roadmap for effective implementation of TFA at pan-India level.

We have continued to remain focused on ensuring progressive improvement in the trading ecosystem by way of measures such as conducting regular outreach programmes, collecting feedback from stakeholders and sharing the same with relevant authorities for consideration. CII has also been privileged to share its inputs at high-level platforms like the National Committee on Trade Facilitation (NCTF), chaired by the Cabinet Secretary. Majority of our suggestions including 24*7 Customs Clearance, integration of risk selectivity criteria of select PGAs, digitization of AEO related procedures and simplification of e-Sealing procedure for exports have been considered favourably by the authorities by the government of India.

While path-breaking reforms introduced by the authorities in the recent times have helped to usher in a faceless, paperless, and contactless customs, there is a need to remain focused on enhancing on-ground effectiveness of these measures. Sustaining the improvement in expedited movement, release, and clearances of cargo is extremely crucial by way of seeking greater rationalization of documentation compliances. It is also equally important that the private sector, fully leverages on the reform measures being implemented and also share their feedback for further improvement in the trade facilitation.



In its continuing endeavour to help further improvement in trade facilitation environment in the country, CII brings out the present edition of report '**Trade Facilitation in India - Strategizing Next Generation of Reforms**'. The Report broadly aims to create awareness about some key reform measures introduced by the government in recent years and lays down a set of recommendations for continued improvement based on the feedback collated by us from various stakeholders at pan-India level. Suggestions have been made on key aspects of trade facilitation such as Availability of Information, Faceless Assessment, Risk Management System, Functioning of Trade Portals like ICEGATE and SWIFT, Authorized Economic Operator Programme, Logistics Efficiency and Grievance Redressal Mechanism, among others.

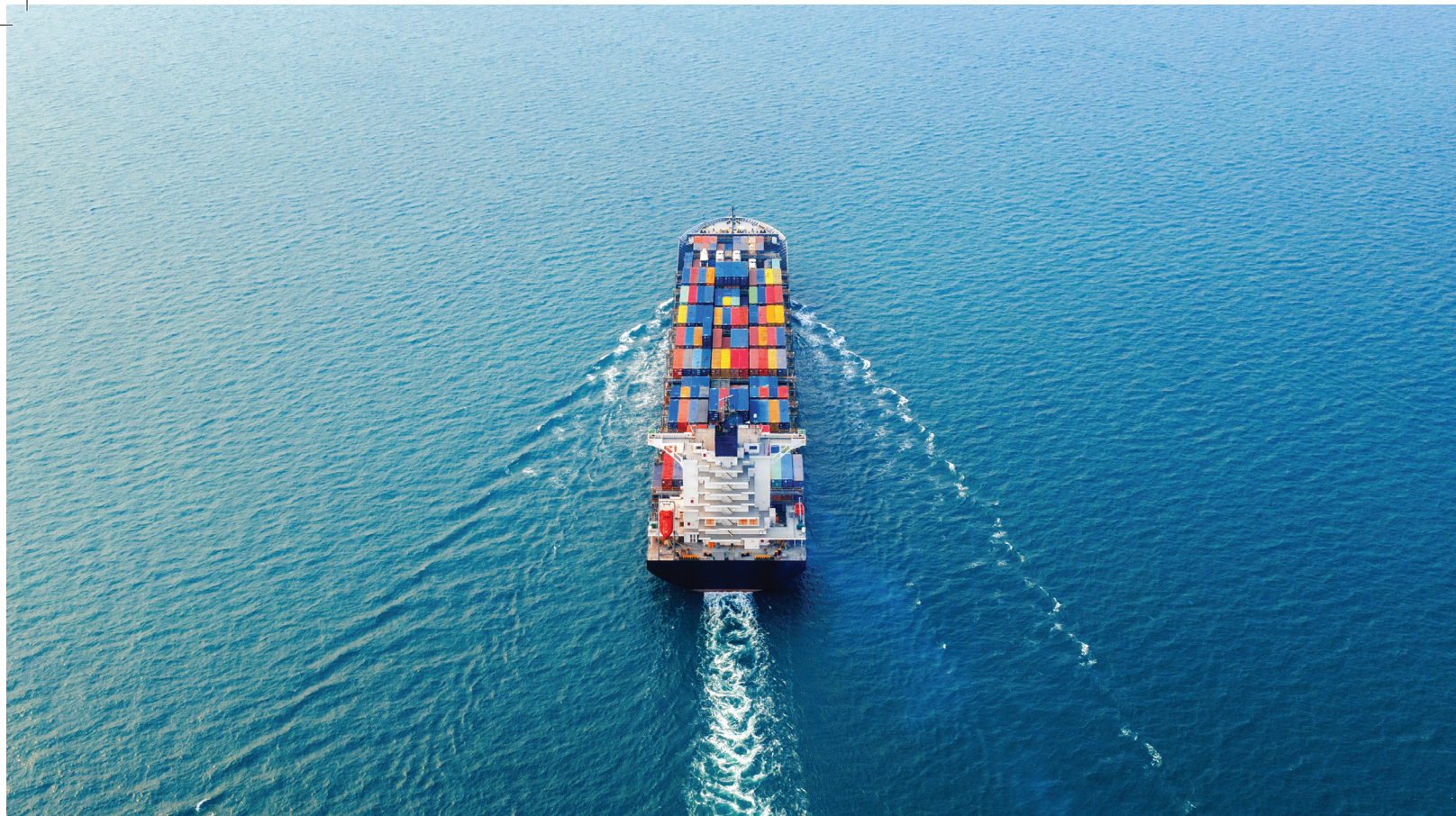
We hope that this Report would be useful to all stakeholders, including policy makers, exporters and importers, among others, and paves the way for implementation of pending reforms for sustained improvement in trading across borders.

Chandrajit Banerjee
Director General, CII



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1

Introduction

THE REFORM INITIATIVES IN TRADING ACROSS BORDERS IN INDIA LARGELY REVOLVE AROUND SIMPLIFICATION, MODERNIZATION, HARMONIZATION, AND AUTOMATION OF PROCESSES AND PROCEDURES

Government of India in the last few years has undertaken several initiatives to ease trade facilitation, both within as well as across borders, benefitting all stakeholders in the trading ecosystem, including exporters and importers. The reform initiatives in trading across borders in India largely revolve around simplification, modernization, harmonization, and automation of processes and procedures. Implementation of reforms as part of the Trade Facilitation Agreement (TFA) since February 2017 have greatly contributed to the endeavor. The focus has been on expediting the movement, release and clearance of goods and promoting effective cooperation between the authorities of the trading partners.

Some of the major reforms in the area of trade facilitation include introduction of an online Single Window Interface for Facilitating Trade (SWIFT), the revamped Authorized Economic Operator (AEO) programme, the Integrated Risk Management System (RMS), Director Port Delivery (DPD) facility, among several other initiatives. These initiatives have started yielding results for all stakeholders of the trading ecosystem at the ground level. For exporters and importers, time, cost, and documentation requirements have come down significantly across ports and customs. Importers can now directly take the delivery of consignments as soon as it is offloaded under the provision of



INDIA'S SCORE HAS JUMPED FROM 78.5% IN 2019 TO 90.3% IN 2021. IT WAS THE BEST-PERFORMING COUNTRY IN SOUTH AND SOUTHWEST ASIA REGION (63.12%) AND ASIA-PACIFIC REGION (65.85%).

DPD. Benefits for recognized trading partners who are called as AEOs are exhaustive, including paperless declarations, deferred duty payments, and 24*7 cargo clearance, among others. Enhanced clearance through RMS has offered immense relief to importers. Similarly, exporters now enjoy speedy clearance of cargo under the provision of Direct Port Entry (DPE). Attempt to integrate stakeholders through the recently launched National Logistics Portal (Marine) is reducing the information asymmetry for the concerned parties.

Improved performance in Trading Across Borders (TAB) is also endorsed by several reputed publications. According to the World Bank's Doing Business Report (2020), India stands at the rank of 68th position, having improved from the 146th position in 2018. As per the Global Survey on Digital and Sustainable Trade Facilitation (2021), brought out by UNESCAP, India's score has jumped from 78.5% in 2019 to 90.3% in 2021. It was the best-performing country in South and Southwest Asia region (63.12%) and Asia-Pacific region (65.85%).

On the logistics front, India has shown improvement in World Bank's Logistics Performance Index (LPI 2023) by leaping 6 places to rank 38 out of 139 countries. Average Container dwell time for India, as per the Report has achieved a level of 3 days only as compared to 4 days for countries like UAE and South Africa, 7 days for USA and 10 days for Germany. Also, according to the Report, global comparison of Indian Ports on "Turn Around Time" parameter, acknowledges Indian Ports "Turn Around Time" as 0.9 days which is better than, Singapore (1.0 day), UAE (1.1 days), Germany (1.3 days), USA (1.5 days), Australia (1.7 days), and South Africa (2.8 days).

CII has been proactive in supporting the government in the implementation of reforms and providing feedback from stakeholders to the policy makers from time to time. In continuation with our initiative, this Report aims to provide an update on the key recent policy initiatives taken by the Government of India in the direction of trade facilitation while also identifying scope of further improvement. Highlighting the challenges faced by traders, importers, and exporters, the present report lays focus on areas such as custom procedures, infrastructure development, regulatory reforms, digitization, and capacity building, amongst others.

Overall, the present report aims to provide a roadmap to the policymakers, trade authorities, and relevant stakeholders for enhancing the country's trade ecosystem, by reducing transaction costs and dwell time as well as promoting ease of doing business.



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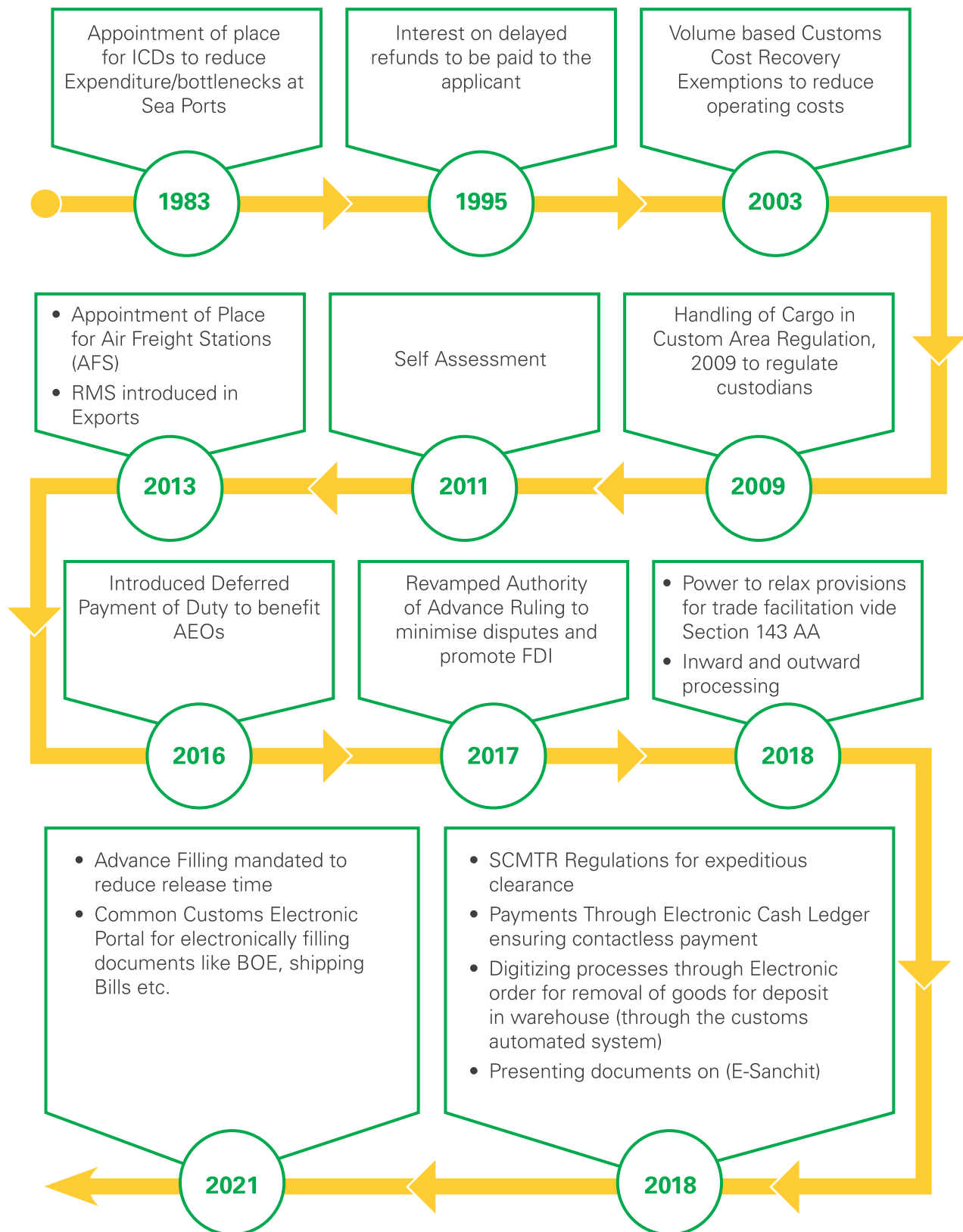
Tracking India's Trade Facilitation Reform Journey

IMPLEMENTATION OF THE WTO'S TRADE FACILITATION AGREEMENT (TFA) FROM FEBRUARY 2017 HAS PROVIDED FURTHER MOMENTUM TO THIS INITIATIVE

Trade Facilitation, entailing reduction in the dwell time and transaction cost through rationalization of documentation and border compliances in trading across borders, has been one of the major areas of reform of the government of India over the last few years. Authorities have adopted a 'Whole-of-Government' and 'Coordinated Border Management' approach with the overarching objective of benefitting all stakeholders in the ecosystem including Exporters, Importers, Shipping Lines, Terminals, Custodians, Customs Brokers, and Custom House Agents.

Implementation of the WTO's Trade Facilitation Agreement (TFA) from February 2017 has provided further momentum to this initiative by mandating introduction of reforms to expedite the movement, release and clearance of goods and promoting effective cooperation between the authorities of the trading partners. This chapter, contains key reforms undertaken in the domain of trade facilitation cutting across three key areas, namely, (i) Regulatory and Policy Reforms; (ii) Technology Reforms; and (iii) Infrastructure Reforms. They have been drawn from the CBIC Website.

Trade Facilitation Reform Journey at a Glance



Source:CBIC



**VIRTUALLY
CONNECTING
CUSTOMS
ASSESSMENT
OFFICERS FROM
DIFFERENT
JURISDICTIONS
INTO A FACELESS
ASSESSMENT
GROUP(S) OR
FAG;**

Regulatory and Policy Reforms

1. Turant Customs Initiative

Several reforms have been introduced under the Turant Customs initiative of CBIC for expediting the Customs procedures, to make the trading ecosystem more faceless, contactless, and paperless. Some of the key initiatives launched as part of this flagship scheme include:

- ▶ Some of the key features of the programme include:
 - Virtually connecting Customs assessment officers from different jurisdictions into a Faceless Assessment Group(s) or FAG;
 - Promoting specialization and uniformity in assessment through creation of 11 National Assessment Center (NACs) and;
 - Defining functions of National Assessment Center (NAC) and the conveners of NAC which shall help in developing expertise on different facets of assessment like classification, valuation, prohibitions etc. so as to become sector specific centers of excellence.
- ▶ Contactless Customs includes measures like web-based goods registration by importer/ Customs Broker, automated queuing and machine enabled Customs 'Out of Charge', Customs Compliance Verification, Document uploading on e-Sanchit, for enhancing the efficiency of the Customs Clearance process.
- ▶ Paperless Customs is a step towards dematerializing documents/ forms and providing for electronic registrations, wherever required, without the need to submit hard copies of documents in the Customs clearance process. It includes e-Out of Charge of Bills of Entry (Customs clearance in imports) and e-Let Export Order of Shipping Bill (Customs Clearance in exports), e-Gatepass, e-Sanchit by PGAs for issuance of License/ Permits, etc.

2. Direct Port Delivery

Direct Port Delivery (DPD) allows the importers to take delivery of the facilitated cargo directly from the Port terminals to their factory/ warehouse, eliminating the need of taking the containers to Container Freight Stations (CFSs) for Customs clearances, thereby, significantly reducing the release time and costs by cutting down the processes of movement from terminal to CFS and inside the CFS. In a landmark



DIRECT PORT ENTRY (DPE) ENABLES DIRECT MOVEMENT OF CONTAINERS FROM FACTORIES TO PORT TERMINALS, WITHOUT INTERMEDIATE HANDLING AT ANY CFS, THUS FACILITATING THE SHIPPERS TO GATE-IN THEIR FACTORY STUFFED EXPORTS DIRECTLY TO THE CONTAINER TERMINAL/THROUGH PARKING PLAZA ON 24X7 BASIS.

move, DPD facility has been extended to fully facilitated cargo of non-AEO clients as well.

3. Direct Port Entry

Direct Port Entry (DPE) enables direct movement of containers from factories to port terminals, without intermediate handling at any CFS, thus facilitating the shippers to Gate-In their factory stuffed exports directly to the Container Terminal/through Parking Plaza on 24x7 basis. The facility is available for Refrigerated Containers, Over Dimensional Cargo (ODC), Motor Vehicles, Perishable non-refrigerated cargo, Factory Stuffed Cargo of Status Certificate 100% EOUs, units of SEZs and Manufacturer Exporters.

4. Advance Ruling Authority

The facility for advance rulings in Customs matters is a commitment under the WTO's Trade Facilitation Agreement to minimize disputes, impart certainty in relevant taxation matters and to attract Foreign Direct Investment (FDI).

Key Features of Advance Ruling Authority

- 1** CBIC has also setup Advance Ruling Authority to issue an advance ruling in a time-bound manner to the applicant (trader) that has submitted a written request containing all necessary information.
- 2** Indian Customs provide Advance Ruling on any question related to classification of goods, the appropriate method or criteria, and the application thereof, to be used for determining the Customs value.
- 3** The applicability of the notifications related to relief or exemption from Customs duties. The statutory provisions relating to advance rulings in matters relating to Customs are contained in Chapter V-B of the Customs Act, 1962.



CBIC HAS ENABLED THE FACILITY OF 24X7 CUSTOMS CLEARANCE ACROSS NUMEROUS SEAPORTS AND AIR CARGO COMPLEXES ACROSS THE COUNTRY. PRESENTLY, THIS FACILITY IS AVAILABLE AT 20 SEAPORTS AND 17 AIRPORTS.

5. Turant Suvidha Kendra (TSK)

Dedicated facilitation centers such as Turant Suvidha Kendras (TSK) have been launched to accept bond & bank guarantee, carry out/facilitate verification referred by faceless assessment groups, defacing of documents/permits/licenses etc. These centers are also entrusted to redress grievances related to delays in clearances.

6. Standardised Examination Order

Risk based uniform examination orders at all Customs stations across the country help to ensure uniformity. System-generated centralized examination orders have been implemented in a phased manner, in cases where the cargo is selected for examination by the Risk Management System (RMS). The functionality of Standard Examination Order is expected to enhance the uniformity in examination, and lower the time taken in the process as well as reduce associated costs.

7. 24*7 Customs Clearance

CBIC has enabled the facility of 24x7 Customs clearance across numerous seaports and air cargo complexes across the country. Presently, this facility is available at 20 seaports and 17 airports. This facility has also been extended to the ICDs. The Board has advised all the Principal Chief / Chief Commissioners, having jurisdiction over Inland Container Depots (ICDs) to consider extending the facility of Customs clearance beyond normal working hours. Further, no Merchant Over Time (MOT) charges are required to be collected in respect of the services provided by the Customs officers at 24 X 7 Customs Ports and Airports.

8. Authorized Economic Operator (AEO) Programme

Under the aegis of WCO's SAFE Framework of Standards (FoS), Indian Customs has initiated the Authorized Economic Operator (AEO) programme, which is a voluntary compliance programme to enhance the international supply chain security and facilitate cross border movement of legitimate goods. It allows enhancing and streamlining cargo security through close cooperation with the principal stakeholders of the international supply chain including importers, exporters, logistics providers, custodians or terminal operators, Customs brokers, and warehouse operators. Following are the key benefits:

- ▶ Secure supply chain from point of export to destination;
- ▶ Demonstrate compliance with security standards when contracting to supply overseas importers/exporters;
- ▶ Enhanced border clearance privileges in Mutual Recognition Agreement (MRA) partner countries;

**TIME LIMIT FOR
PROCESSING OF
MSME AEO T1 & AEO
T2 APPLICATION
WAS REDUCED TO 15
WORKING DAYS.**

- ▶ Minimal disruption to flow of cargo after a security related disruption, reduction in dwell time and related costs;
- ▶ Customs advice/assistance if trade faces unexpected issues with Customs administration of countries with which India has signed MRA.

Some of the recent reforms to improve the AEO Programme include:

- ▶ Launch of the AEO Portal which aims to digitize application filing, processing, and digitally signed delivery of AEO certification for AEO T1 applications;
- ▶ Discontinuation of the previous practice of AEO-T1 certification renewals every three years. Instead, all AEO-T1 entities certified on or after April 1, 2019, shall be auto renewed in the system;
- ▶ AEO process for MSMEs has been eased through following measures:
 - The eligibility requirement of handling a minimum of 25 documents during the last financial year has been relaxed to 10 documents and business activities for at least 3 financial years preceding the date of application was relaxed to 2 financial years;
 - Benefit of relaxation in furnishing of Bank Guarantee for AEOs was further relaxed to 25% from 50% and 10% from 25% for T2 and T1 categories respectively and;
 - Time limit for processing of MSME AEO T1 & AEO T2 application was reduced to 15 working days.

9. Mutual Recognition Agreements (MRAs)

Mutual Recognition Agreements (MRAs) serve as an equalizer that harmonize minor differences to allow for seamless facilitation in terms of benefits and processes for movement of goods across borders for the domestic AEO accredited entities. Mutual Recognition of AEOs helps to strengthen end-to-end security of supply chains and to multiply benefits for traders at a global level. Recognizing the AEO authorization issued under the other countries programme facilitates provision of reciprocal benefits to AEOs of the other countries.

Taking cognizance of the benefits, Indian Customs has collaborated with several foreign Customs administrations to align with their AEO Programmes, which effectively allows internationalizing the core principles of the program and providing benefits to Indian trade at the international level. Indian Customs has signed 4 MRAs with South Korea, Hong Kong, Taiwan, and USA. Apart from this, India is constantly looking for more partners abroad to sign more MRAs.



**THE USE OF MACHINE
LEARNING AND
OTHER STATE OF
ART TECHNOLOGIES
HAS ENABLED RMS
TO TARGET RISKY
CONSIGNMENTS
MORE PRECISELY.**

10. Customs Cooperation as part of FTAs

With a view to improve cross-border trade through exchange of data between Customs authorities of selected countries, India is engaging with key trading partners as part of Foreign Trade Agreements (FTAs) which shall enable enforcement of Customs laws under a mutual assistance deal. These agreements will help in proper application of Customs laws, prevention, and investigation of Customs offences for the facilitation of legitimate trade. Additionally, agreements are being explored on Customs cooperation front with selected trading partners to widen as well as deepen the scope of bilateral Customs relations.

11. Risk Management System (RMS)

Implementation of the Risk Management System (RMS) in all Customs ports for both imports and exports has cut down the clearance times drastically, eliminated the practice of routine assessment & concurrent audit, and reduced the need for physical interaction between importers and Customs officers. The use of machine learning and other state of art technologies has enabled RMS to target risky consignments more precisely.

The risk selectivity criteria of 4 PGAs viz. Food Safety and Standards Authority of India (FSSAI), Wildlife Crime Control Bureau (WCCB), Central Drugs Standard Control Organization (CDSCO) and Plant Quarantine (PQ) have already been integrated with Customs RMS. CBIC has established National Customs Targeting Center (NCTC) for refinement of risk-based selectivity parameters to bring down overall interdiction levels. Further, clearances without assessment and examination and the facility of direct delivery of cargo have been given to eligible AEOs and fully facilitated advanced bill of entries.

12. Customs Post Clearance Audit (PCA)

Post Clearance Audit (PCA) aims to ensure collection of the correct amount of duties from importers / exporters and to secure compliance of applicable laws in a responsive, fair, transparent, and cost-effective manner. A risk-based control approach has been adopted by moving from a transaction-based control environment at the border to a stronger audit-based compliance verification system. It helps to reduce border controls by shifting compliance checks from the clearance stage to the post clearance stage. PCA encompasses a structured examination of the business environment and commercial system of the importer/exporter while promoting a culture of voluntary compliance.

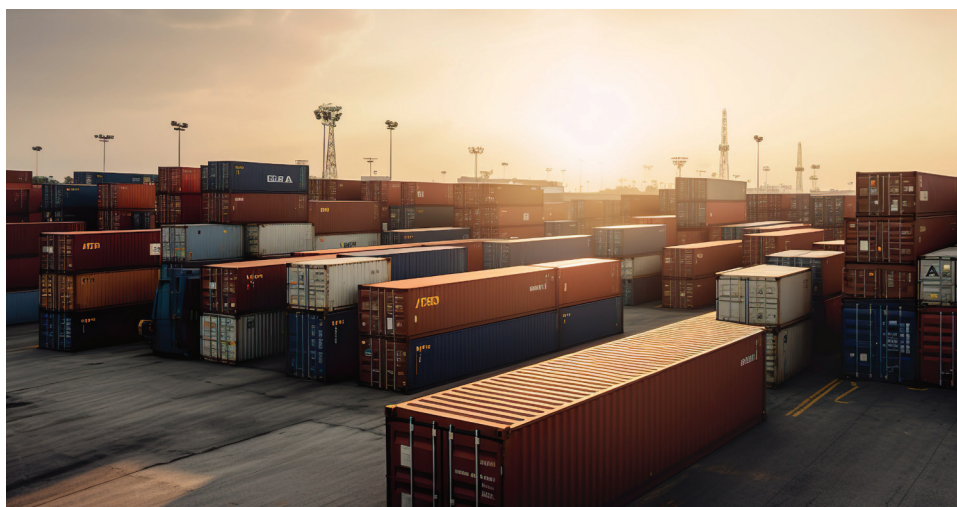
TO FACILITATE PROCESSING OF SHIPPING BILLS BEFORE ACTUAL SHIPMENT, PRIOR ONLINE FILING FACILITY FOR SHIPPING BILLS HAS BEEN PROVIDED BY THE INDIAN CUSTOMS WHICH IS, 7 DAYS FOR AIR SHIPMENTS & ICDS AND 14 DAYS FOR SHIPMENTS BY SEA.

Types of Customs Post Clearance Audit

- 1 Transaction Based Audit (TBA):** Selection of transactions for TBA is done based on certain risk parameters identified at the national and local levels. Further, necessary checks are conducted, and additional information can be sought from the traders for audit. TBA may subsequently involve a field audit, if deemed necessary, in order to examine an issue / entity in more detail.
- 2 Premises Based Audit (PBA):** The AEO Programme provides that onsite PCA will be conducted periodically. The selection of auditee for PBA is based on risk parameters and it aims to verify the compliance level of the auditee as a whole, by examining, whether the internal control systems of the auditee are robust enough to prevent systemic risk to revenue or other compliances.
- 3 Theme Based Audit (ThBA):** Purpose of theme-based audit reporting is to conduct “focused audit” instead of a “comprehensive audit”, so that limited resources are directed to check/ verify compliance of important issues or sectors. The results obtained from ThBA assists the policy makers to check compliance level of a particular industrial or trade sectors or areas so that compliant sectors may be extended greater facilitations.

13. Facility for prior filing of Shipping Bills

To facilitate processing of Shipping Bills before actual shipment, prior online filing facility for Shipping Bills has been provided by the Indian Customs which is, 7 days for Air shipments & ICDS and 14 days for shipments by Sea. The prior online filling enables faster processing and reduced release time at cargo arrival.





THE FACILITY OF DEFERRED PAYMENT OF CUSTOMS DUTY HAS BEEN INTRODUCED WHICH OFFERS TRADERS THE FACILITY TO MAKE DEFERRED PAYMENT OF DUTY WITHIN 15 DAYS FROM THE DATE OF CLEARANCE OF IMPORTED GOODS.

14. Self-Assessment of Customs Duty

Self-assessment is a measure aimed at facilitating trust-based compliance management in respect of goods which are imported into or exported from India. Under self-assessment, an importer/exporter declares the details of goods such as classification of goods, value of goods along with the applicable rate of duty and exemption if any, based on self-assessment, which is processed by an electronic Risk Management System (RMS).

15. Facility of Common Bond/Letter of Undertaking (LUT) against Authorizations issued under different Export Promotion Schemes

CBIC extended the facility of Common bond/LUT in 2017 to be used against Advance Authorization (AA) which is usable across all EDI ports/locations. This enables exporters to export goods without paying any GST by obtaining a 'Letter of Undertaking' (LUT) bond.

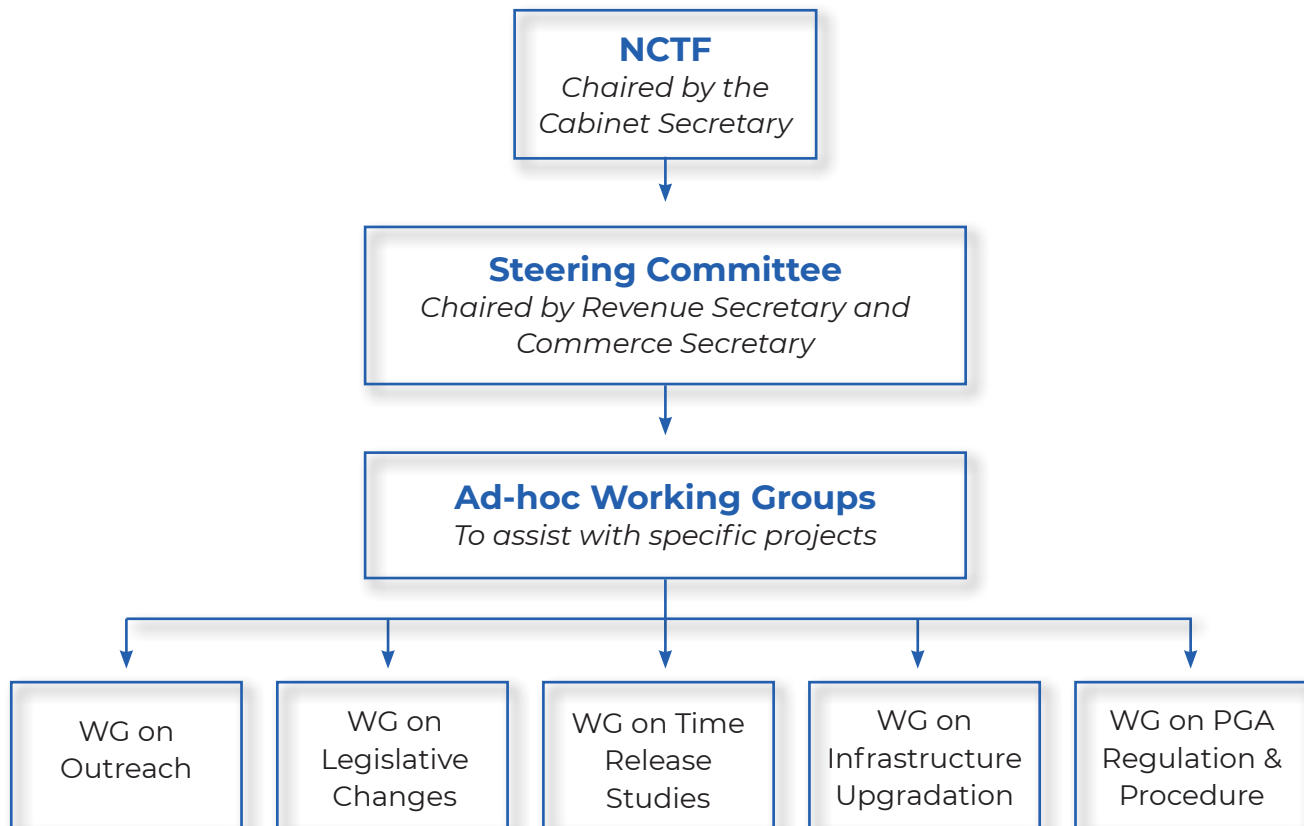
16. Facility of deferred payment

The facility of deferred payment of Customs duty has been introduced which offers traders the facility to make deferred payment of duty within 15 days from the date of clearance of imported goods. The aim is to have a seamless wharf to warehouse transit to facilitate just-in-time manufacturing. Deferring payment often has certain advantages as compared to paying upfront, such as accruing interest or avoiding opportunity costs, which the owner of that option will usually pay for. It is based on the principle 'Clear First Pay later'.

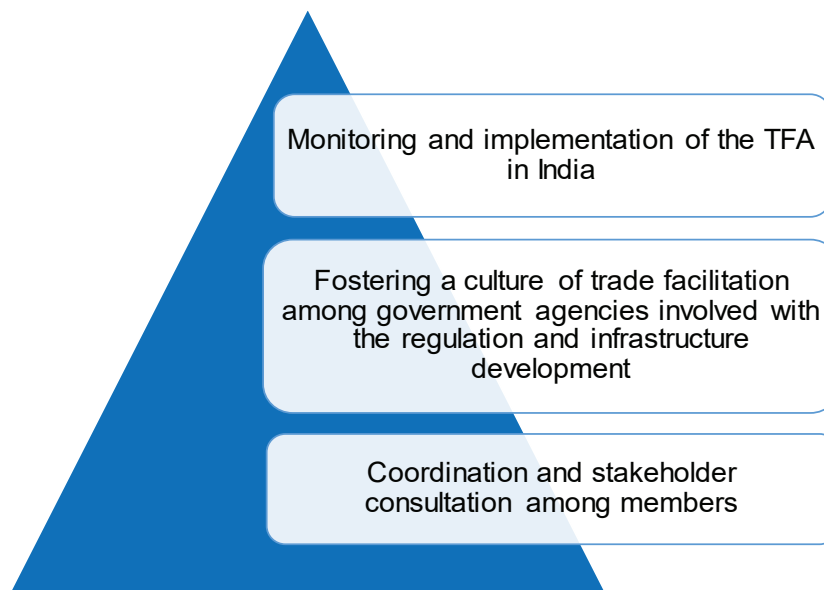
17. National Committee on Trade Facilitation (NCTF)

To facilitate domestic coordination and implementation of the World Trade Organization's Trade Facilitation Agreement (TFA) provisions, an inter-ministerial body i.e., National Committee on Trade Facilitation (NCTF) has been constituted, which is headed by the Cabinet Secretary. It has been established to play the lead role in developing the pan-India road map for trade facilitation. The core principles of NCTF architecture are wide representation, coordination, flow of information, political commitment, and balanced public-private partnership. Under the overall guidance of NCTF, India has fully implemented the WTO TFA and is now aiming to undertake next generation trade facilitation reforms in the form of TFA Plus Commitments.

Institutional Mechanism of NCTF Secretariat



Objectives of NCTF



Source:CBIC



CBIC HAS SET UP A CUSTOMS CLEARANCE FACILITATION COMMITTEE AT EVERY MAJOR CUSTOMS SEAPORT, AIRPORT, SELECTED ICD, WHICH IS HEADED BY THE CHIEF COMMISSIONER OR COMMISSIONER CONCERNED.

18. Setting up of Customs Clearance Facilitation Committee (CCFC)

With the objective of setting a high-level administrative body at each seaport and airport with the responsibility of ensuring expeditious Customs clearance of imported and export goods, CBIC has set up a Customs Clearance Facilitation Committee at every major Customs seaport, airport, selected ICD, which is headed by the Chief Commissioner or Commissioner concerned.

Membership of CCFC

- ▶ Food Safety Standards Authority of India/Port Health Officer (PHO)
- ▶ Plant Quarantine Authorities
- ▶ Animal Quarantine Authorities
- ▶ Drug Controller of India (CDSO)
- ▶ Textile Committee
- ▶ Port Trust/ Airport Authority of India / Land Ports Authority of India (for CCFC in LCSs)
- ▶ Custodians
- ▶ Forest and Wildlife Authorities
- ▶ Railways/CONCOR
- ▶ Border Security Agencies (for CCFC in LCSs)

Mandate of CCFC Meetings

- ▶ Ensuring and monitoring expeditious clearance of imported and export goods in accordance with the timeline specified by the parent ministry/Department concerned;
- ▶ Identifying and resolving bottlenecks, if any, in the clearance procedure of imported and export goods;
- ▶ Having internal consultations to speed up the clearance process of imported and export goods and recommending best practices thereto for consideration of CBIC/Departments / Agencies concerned; and
- ▶ Resolving grievances of members of the trade and industry in regard to clearance process of imported and export goods.

**CHIEF
COMMISSIONERS/
COMMISSIONERS
ARE RECEPTIVE TO
MEETING LOCAL
AND APEX TRADE
BODIES EVEN
OUTSIDE THE
FRAMEWORK OF
THE PTFC.**

19. Permanent Trade Facilitation Committee

Permanent Trade Facilitation Committees (PTFCs) have been set up at each Custom House, which includes local trade and logistics association as well as Customs Brokers association in each Customs station to resolve local issues. With a view to encourage stakeholder participation and providing expeditious resolution of local issues (without these being escalated to the Department/Board), the Board had instructed the Chief Commissioners to ensure that:

- ▶ PTFC meetings are held regularly with minimum of one meeting per month on a pre-decided date;
- ▶ Apex trade bodies are allowed to attend the PTFC meetings along with their local constituents, who are members of the PTFC;
- ▶ Efforts are made to regularly review the membership of the PTFC with the aim of including all stakeholders in the Customs functioning and;
- ▶ Chief Commissioners/Commissioners are receptive to meeting local and apex trade bodies even outside the framework of the PTFC.

20. Conducting National Time Release Studies

Since 2019, CBIC has been conducting the National Time Release Study (TRS) annually at 15 major port locations covering Seaports, Inland Container depots, Integrated Check Posts and Air Cargo Complexes. It has been recognized as a crucial tool for evidence-based policy making as well as for initiating local level measures to promote trade facilitation. Also, the National Time Release Study is being complemented with local TRSs at select major field formations to explore local issues and gain deeper insights based on sample subset pertaining to their ports.

The NTRS 2022 has reported further improvement in the average cargo release time for all the four port categories in 2022 over corresponding period of the previous year: by 2 percent for ICPs to significantly higher 16 percent for ACCs. For the sea cargo cleared through the seaport or inland container depots average release time has improved by 12 percent. With this improvement, the ICPs have achieved the National Trade Facilitation Action Plan (NTFAP) target release time to be achieved by 2023, whereas the other three port categories have reached 75 percent of NTFAP target.

21. Regularization of regulatory compliance for offences under Customs Act,1962

Major steps have been undertaken in decriminalization by revising the guidelines for arrest, prosecution, and bail in relation to offences punishable under Customs Act, 1962 by enhancing the threshold



**ALL MINOR
AMENDMENTS ARE
MANDATED TO BE
APPROVED ON THE
SAME DAY OF THE
SUBMISSION OF
THE COMPLETED
APPLICATION WITH
ALL THE REQUIRED
DOCUMENTS**

value limit for offences related to outright smuggling of baggage, gold from the present threshold of Rs. 20 to Rs.50 Lakhs for the purpose of arrest. Similarly, in respect of commercial frauds, the monetary threshold for purposes of arrest has been raised from Rs. 1 Crore to Rs. 2 Crores.

22. Increasing Containers availability for trade

Considering the global shortage of containers caused by the COVID-19 pandemic, CBIC has implemented guidelines that allow an additional three months' time for the re-export of imported containers lying at domestic ports. Previously, duty-free imports of containers were allowed with the condition of re-export in the next six months. However, the extension by three months allowed containers to be taken out of the country in laden condition provided that six-month period fell before end of that fiscal.

23. Re-test of sample taken upon arrival of goods allowed and procedure released

Article 5.3.1 of the WTO-TFA envisages granting an opportunity for a second test in case the first test result of a sample taken upon arrival of goods declared for importation shows an adverse finding. In compliance of this article, Indian Customs has prescribed procedure for retesting. In addition, it was made obligatory to consider the result of the second test for the release and clearance of such goods.

24. Streamlining of process of IGM amendment for import through sea

Following measures have been undertaken to make the IGM amendment process more time-bound which would in turn reduce overall Average Release Time at ports:

- ▶ All minor amendments are mandated to be approved on the same day of the submission of the completed application with all the required documents;
- ▶ Major amendments are to be generally approved within 24 hours of the submission of the complete application;
- ▶ The escalation matrix has been devised in case of delays and the fee has been revised for the process of amendment and;
- ▶ The fresh guidelines for IGM amendment ensure that all requests for amendment in IGM are disposed of within prescribed time limits.

TO REDUCE THE COMPLIANCE BURDEN ON CUSTOMS BROKERS, CBIC ABOLISHED RENEWALS OF LICENSE / REGISTRATION IN CUSTOMS BROKERS LICENSING REGULATIONS, 2021 WHICH DOES AWAY WITH THE NEED FOR PERIODIC RENEWALS ALLOWING LICENSES/ REGISTRATION ISSUED UNDER CUSTOMS ACT TO BE VALID FOR LIFETIME.

25. Facilitating renewals of Customs brokers license

To reduce the compliance burden on Customs Brokers, CBIC abolished renewals of License / Registration in Customs Brokers Licensing Regulations, 2021 which does away with the need for periodic renewals allowing licenses/ registration issued under Customs Act to be valid for lifetime. This would prevent misuse of dormant licenses/ registrations by an unscrupulous person who mis-declare import or export or wrongly obtains export refunds/incentives and when caught, puts the burden on the original license/registration holder. At the same time, the interest of the genuine trade is safeguarded by empowering the Commissioners of Customs to revalidate the license/ registration in case the inactivity is for genuine reasons. Following are the key changes:

- ▶ Allowing a licensee/ registration holder to voluntarily come forward to surrender his license/registration if s/he wishes and;
- ▶ Provision made to invalidate licenses/ registrations that are inactive for more than a year.

26. Sea Cargo Manifest and Transshipment Regulations, 2018

The Regulations stipulate for advance notice by authorized carriers for goods arriving in or being exported out of India through gateway seaports and further movement between Customs stations. They stipulate the obligations, roles and responsibilities for the various stakeholders involved in the movement of imported/export goods. The regulations bring along faster processing time and reduced costs by digitizing the application process for entry inward and transshipment of LCL cargo, streamlining pre-arrival processing of cargo & filing of stuffing reports and catering to multi legged transshipments without any additional steps.

27. Electronic filing and clearance of exports through postal route

Department of Posts, in collaboration with CBIC, has developed a Postal Bill of Export (PBE) Automation System for electronic filing and processing of Postal Bill of Export (PBE). Under the new system, an exporter need not visit a Foreign Post Office (FPO) to file the PBE and present export parcel. Rather, he is enabled to file the PBE online from his home/office and handover the export parcel to postal authorities at a nearby booking post office. Postal authorities shall arrange secure transport of export parcel from booking post office to an FPO, where Customs clearance shall take place. To enable this arrangement, the Postal Export (Electronic Declaration and Processing) Regulations, 2022 have been notified.

**AN E-SEAL WITH
RFID CHIP INSIDE
CAN BE READ BY
ENABLED DEVICES
VIA FIXED READER,
HANDHELD
READER, OR ANY
OTHER MODE AND;
REDUCE THE TIME
ASSOCIATED WITH
THE CLEARANCE
OF EXPORT
CONTAINERS.**

28. Reducing compliance burden for authorized couriers

Changes have been introduced in Courier Regulations of 1998 (manual mode) and 2010 (electronic mode) which provide for lifetime validity of registration as well as its voluntary surrender. These amendments are expected to bring greater certainty to the authorized couriers and support them to focus on their core business and spur trust-based compliance.

29. e-Sealing for exports

The e-Seal is introduced to replace the earlier practice of supervised sealing by the departmental officers with self-sealing using e-Seal. It is also mandatory for exporters availing self-sealing to use e-Seal. Salient features of the same are:

- ▶ An e-Seal with RFID chip inside can be read by enabled devices via fixed reader, handheld reader, or any other mode and;
- ▶ Reduce the time associated with the clearance of export containers.



Technology Initiatives

INDIAN CUSTOMS ELECTRONIC DATA INTERCHANGE GATEWAY (ICEGATE) IS THE NATIONAL PORTAL OF INDIAN CUSTOMS OF CBIC THAT PROVIDES E-FILING SERVICES TO THE TRADE, CARGO CARRIERS, AND OTHER TRADING PARTNERS ELECTRONICALLY.

1. Indian Customs Electronic Commerce/Electronic Data Interchange (ICEGATE) 2.0

Indian Customs Electronic Data Interchange Gateway (ICEGATE) is the national portal of Indian Customs of CBIC that provides e-filing services to the Trade, Cargo Carriers, and other Trading Partners electronically. It serves as an interface between the trade users and Customs Department and acts as a hub for exchanging information with external trading partners involved in international trading. It is connected with 15 different types of the partners which are working with the Customs EDI for transmitting a message. This also accelerates clearances from the Customs and in facilitating various electronic services like filing Bill of Entry and Shipping Bills. Latest version of portal was launched on 16.11.2022 in form ICEGATE 2.0, this will further facilitate trade community through its enhanced features.

Key Icegate Statistics as on 4th June, 2023

5,800,000	50,000	12,461	1,647
Hits Received at ICEGATE	Documents Filed	E-Payment Transactions	User Grievances Handled

SALIENT FEATURES OF ICEGATE 2.0

Hindi version of ICEGATE website

Search within website made available

Personalized Dashboard (user can choose the widgets/utilities which he wants displayed on his/her dashboard)

Data download option available for all dashboard widges (such as License, Refund, message filing status)

Live status on dashboard widgets for the documents filed

Customized notifications (user can choose the events for which user want notifications)

Chatbot (a 24x7 virtual assistant for any query faced by the trade user)

Web browser-based message filing utility (for Bill of Entry, Shipping Bill, IGM & EGM)



**IN COMPLIANCE TO
THE WTO NATIONAL
TRADE FACILITATION
ACTION PLAN,
CHATBOT “VAANI”
HAS BEEN
INTRODUCED IN
2022 TO FACILITATE
TRADERS.**

2. “Vaani” The Chatbot

In compliance to the WTO National Trade Facilitation Action Plan, Chatbot “Vaani” has been introduced in 2022 to facilitate traders. The chatbot assists the users 24*7 with services such as document status enquiry and locating relevant content without requiring them to connect to ICEGATE helpdesk.

3. Single Window in Customs

Customs has introduced Single Window Interface for Facilitating Trade (SWIFT) w.e.f. 1st April, 2016 which allows parties involved in trade and transport to lodge standardized information and documents with a single-entry point to fulfil all import, export, and transit-related regulatory requirements. Further, e-Sanchit has been extended to PGAs, whereby PGAs can upload licences issued by them directly, thereby ensuring authenticity. Currently, 54 PGAs have been enabled for uploading of LPCOs on e-Sanchit.

Membership of CCFC

- ▶ Integrated Declaration by merging 9 separate Declarations sought by PGAs
- ▶ Automatic Routing of Bills to PGAs
- ▶ Integrated Risk Assessment
- ▶ Online grant of NOC by PGAs
- ▶ Lab Module in Indian Customs EDI Systems (ICES) for Textile Committee

4. Compliance Information Portal (CIP)

The Indian Customs Compliance Information Portal (CIP) was launched in August 2021 to provide free, easy, and quick access to information on all Customs procedures and regulatory compliance for nearly 12,000 Customs Tariff Items. CIP is yet another facilitation tool developed to empower business as well as any interested person with up-to-date information on the legal and procedural requirements of Customs and Partner Government Agencies for carrying out imports and exports. The portal provides, at the click of a button, complete knowledge of all import and export related requirements for all items covered under the Customs Tariff thereby improving the ease of doing cross border trade.

CUSTOMS HAS INTRODUCED SYSTEM BASED CUSTOM COMPLIANCE VERIFICATION WHICH OPERATE AFTER AN IMPORTER REGISTERS IMPORTED GOODS EVEN WHILE DUTY IS NOT PAID OR ITS PAYMENT IS IN PROCESS.

5. Risk Management in Drawback Processing

After introduction of Risk Management System (RMS) in exports with effect from 15th July, 2013 for allowing low risk consignments to be cleared based on self-assessment of the declarations by exporters, CBIC initiated implementation of Risk Management System (RMS) for processing of Shipping Bills related to duty drawback claims with effect from 26th July, 2021. This phase of export RMS also envisages post clearance audit (PCA) of the duty drawback Shipping Bills. The risk-based processing of duty drawback Shipping Bills is expected to reduce the processing time taken for drawback claims, enable quick disbursement to exporters and rationalise the Customs workload.

6. Customs Compliance Verification (CCV)

With an aim to digitize the Customs clearance process and enable parallel processing to expedite the release of goods, Customs has introduced system based Custom Compliance Verification which operate after an importer registers imported goods even while duty is not paid or its payment is in process. Once the goods are registered, the proper officer would do all necessary verifications as per Sections 17/18 and Section 47(1) of the Customs Act, 1962. On satisfaction that the goods are ready for clearance, but for the payment of duties, the proper officer would confirm the completion of the CCV for the Bill of Entry in the System. Thereafter, on payment of duty by the importer, the Customs Automated System would electronically give clearance to the Bill of Entry.

7. Anonymised Escalation Mechanism (AEM)

The Anonymized Escalation Mechanism for ICEGATE has been introduced where registered users can submit grievances pertaining to delay in Bill of Entry clearance under faceless assessment. The delay in clearance would subsequently be escalated to the concerned Faceless Assessment Officers. The Anonymised Escalation facility also enables users to track the status of grievances submitted by them till the eventual resolution.

8. Express Cargo Clearance System (ECCS)

Express Cargo Clearance System (ECCS) is an automated clearance module developed on PPP model by Express Industry Council of India (EICI) on lines of ICES to speed up the Customs clearance of courier parcels, gifts, documents etc. Also, the facility of Auto Let Export Order under ECCS has been implemented. The Courier Shipping Bills (CSBs) filed for clearance of export goods under ECCS are subjected to Risk Management System (RMS), after the registration of the goods by the



ICETRAK IS A ONE-STOP APPLICATION FOR ENABLING CUSTOMS CLEARANCES, MAKING THE EXISTING SHIPPING BILLS AND BILL OF ENTRY VERIFICATION PROCESS PAPERLESS AND CONTACTLESS.

Custodian (arrival scan and weight record). The RMS either facilitates or interdicts a Courier Shipping Bill (CSB) as per risk parameters. It was decided that export goods which are covered under CSBs, and are fully facilitated by RMS (no assessment, no examination) and cleared by Customs x-ray scanning shall be automatically given LEO by the ECCS. This was aimed to considerably reduce the dwell time of clearance of export shipments through courier.

9. Launch of ICETRAK

ICETRAK is a one-stop application for enabling Customs clearances, making the existing Shipping Bills and Bill of Entry verification process paperless and contactless. The mobile application allows trade stakeholders to live track the Bill of Entry/Shipping Bill status, Duty, GSTN enquiry and validate the gate pass/ Bill of Entry/Shipping Bill copies with QR code scanning functionality. This speeds up the verification of documents by Customs officers deployed at ports gates and prevents un-authorized transactions.

10. Release of ICE-DASH

ICEDASH is the Ease of Doing Business monitoring dashboard of the Indian Customs helping the public witness the daily Customs clearance times of import and export at all the major Customs stations. This helps the trade in comparing clearance times across Customs ports across Seaports, ICDs, Integrated Check Posts (ICPs) and Air Cargo Complexes (ACCs) and providing them information for logistics planning.

11. e-Sanchit (Storage and Computerized Handling of Indirect Tax Documents)

e-SANCHIT is an online application that allows a trader to submit all supporting documents for clearance of consignments electronically with digital signatures. By using this provision, traders do not have to approach different regulatory agencies with hard copy of documents thereby making the entire process of consignment clearance faceless. Uploading of documents on e-Sanchit is mandatory on import side at all Customs EDI locations in the country.

12. IGST Refunds Module

A fully automated IGST Refunds web module has been developed through which exporters can login to the web module using their mobile number/email id. On valid input, relevant SB's pertaining to the particular Exporter - Details of such SB's along with error Code and rectification mechanism is be displayed for SB's pertaining to that particular exporter only.



**THE CUSTOMS
ECL ENABLES
THE IMPORTER,
EXPORTER, OR ANY
PERSON LIABLE
TO PAY DUTY, FEES
ETC., TO DEPOSIT
AN ADVANCE WITH
THE GOVERNMENT.**

13. Customs Broker License Management System

Customs Broker License Management System is the central platform for managing the Customs Brokers Licensing processes with end-to-end IT integration and smart automation. The project has launched with an aim to minimize the physical interface, to bring uniformity in procedures, to process various applications quickly and to bring in accountability. With the implementation of CBLMS, the process of management of the Customs Brokers will become completely online.

14. Electronic Cash Ledger

The Customs (Electronic Cash Ledger) Regulations, 2022 would enable the importer, exporter, or any person liable to pay duty, fees etc., to deposit an advance with the government instead of transaction wise payment as being done at present, which could be used to pay his liabilities under this Act or under any other law for the time being in force. It is proposed to enable a facility to deposit amount in advance to be credited into ECL which will be accounted for in Public Account of India. The deposit shall be non-interest bearing. Such deposit would be utilized for payment of duties and other sums relating to Customs by duly debiting seamlessly from the ECL.

15. Launch of National Logistics Portal (Marine)

The National Logistics Portal (NLP) has been launched as a one-stop platform aimed at connecting all the stakeholders of the logistics community using IT, to improve efficiency and transparency by reducing costs and time delays and achieving easier, faster, and more competitive offerings of services, to promote the growth of the logistics sector and thereby improve trade. NLP will be a single window for all trade processes of the logistics sector spread across the country covering all modes of transport in the waterways, roadways, and airways along with an E-marketplace to provide a seamless end-to-end logistic service coverage.



NLP WILL BE A SINGLE WINDOW FOR ALL TRADE PROCESSES OF THE LOGISTICS SECTOR SPREAD ACROSS THE COUNTRY COVERING ALL MODES OF TRANSPORT IN THE WATERWAYS, ROADWAYS, AND AIRWAYS ALONG WITH AN E-MARKETPLACE

Key Features of the National Logistics Portal

Single Platform to perform all core activities of the Importer / Exporter / Customs Broker / Freight Forwarder

End-to-end functionality to perform self-clearance digitally
Online transaction with custodians

Providing a level playing field to relevant stakeholders (large & small) thus increasing the competition

Complete domestic tracking of the shipment with notifications on each stage

Real time information of the activities which are generally not in reach of Importer / Exporter / Customs Broker

Enhanced transparency in Government to Business relations and Ease of doing Business

Document Management System to store all the important documents securely on Cloud Storage

Reduced costs and timeframes for execution of trade and logistics operations

Paper-less transaction, for all the stakeholders along with BI reporting and data analytics

Source: PIB

CBIC HAS ALWAYS BEEN ENDEAVORING TO USE THE NON-INTRUSIVE TECHNOLOGIES SUCH AS MOBILE SCANNERS TO REDUCE THE TIME TAKEN IN INSPECTION/ EXAMINATION STAGE.

Infrastructure Initiatives

1. Enhance adoption of intelligent non-intrusive technologies for reduced examination

CBIC has always been endeavoring to use the non-intrusive technologies such as mobile scanners to reduce the time taken in inspection/examination stage. Baggage and container scanners have been deployed at airports/seaports to reduce the manual examination. Currently, 22 scanners have been installed at various Seaports, promoting non-intrusive examination of cargo.

TECHNOLOGY IMPLEMENTATION SNAPSHOT

- ▶ 11 Mobile Gamma Ray Scanner & Mobile X-Ray Container Scanners
- ▶ 4 Fixed X-Ray Scanners
- ▶ 7 Drive Through Container Scanners

2. Upgradation of Central Revenues Control Laboratories (CRCL)

Central Revenues Control Laboratory (CRCL) assists the field formations in chemical analysis of samples of various trade commodities to enable appropriate assessment of duties. These laboratories also assist in enforcement of Customs Act, NDPS Act, GST Laws, Central Excise Act, and other allied Acts including for the purpose of environment protection, food safety, etc. CBIC has inducted advanced testing equipment in the Central Revenues Control Laboratory (CRCL) with the aim of enhancing the in-house testing capability of the Customs leading to faster import and export clearances. The laboratories are equipped with state of art testing facilities and testing is done in line with WCO Laboratory Guide, 2017. This has reduced the time for provision of NOC for selected PGAs due to improved sample logistics and evaluation time.

3. Conversion of Land Customs Station to Integrated Check Post

Integrated Check Post are entry and exit points on India's land borders and house various facilities such as Customs, immigration, and border security, quarantine, among others, within a single facilitation zone. ICPs have helped streamline cross-border trade and passenger flows through the modernization of border management infrastructure. 9 Land Customs Stations have been converted into ICPs with state of art infrastructure. These 9 ICPs are Raxaul, Attari, Dera Baba Nanak, Agartala, Jogbani, Petrapole, Moreh, Sutarkandi and Srimantapur.



3

Enhancing Trade Facilitation Key Suggestions

THE PRESENT CHAPTER ATTEMPTS TO CAPTURE SOME THE KEY RECOMMENDATIONS WHICH SHALL HELP IN MAKING THE ON-GROUND CUSTOM PROCESSES SMOOTHER AND ADDRESSING THE TOPICAL ISSUES OF THE INDUSTRY.

Over the last few years, the government of India has accorded high priority to trade facilitation reforms aimed at simplification, modernization, and harmonization of processes for bringing down the transaction cost and dwell time. While the efforts made in this direction are noteworthy, there are some issues which require the focussed attention of the authorities. The present chapter attempts to capture some the key recommendations which shall help in making the on-ground custom processes smoother and addressing the topical issues of the industry.

1. Ensure Easy Availability of Information

Authorities have been assiduously introducing a range of measures which can play an instrumental role in making the trading across borders regime more industry-friendly, however, there is information asymmetry among the relevant stakeholders. To leverage on this proactive policy approach of the government, it is imperative that the stakeholders are well-informed about the rapid reforms being undertaken. Following suggestions may be useful in this context:

- ▶ There is a need to develop a unified online portal, which makes available all information related to exports and imports, cutting across Ministries, Departments and Regulators available in a timely manner. Several platforms

THERE ARE SEVERAL PLATFORMS FOR TRADE RELATED PROCEDURES UNDER CBIC SUCH AS ICEGATE AND EXPRESS CARGO CLEARANCE SYSTEM (ECCS), AMONGST OTHER.

for trade related procedures under CBIC such as ICEGATE 2.0 and SWIFT should also be on-boarded on to this platform. Further, this unified platform may be interlinked with the National Single Window System (NSWS).

- ▶ There are several platforms for trade related procedures under CBIC such as ICEGATE and Express Cargo Clearance System (ECCS), amongst other. For providing seamless services to trade, there should be real time monitoring system to course correct issues instantaneously with clear responsibilities being fixed.
- ▶ Debits and credits under various bonds should be made automatic through a Common Portal.

2. Enhance Effectiveness of Faceless Assessment Mechanism

The Faceless Assessment Scheme which was launched as one of the pillars of the CBIC's flagship 'Turant Customs' programme to enhance transparency in the clearance procedure by promoting anonymity, is a welcome move, however, the mechanism offers scope for improvement. The following measures may be considered for enhancing the effectiveness of Faceless Assessment:

- ▶ The officer conducting the scrutiny of the Bill of Entry (BoE) should not have access to information on who the Importer/Exporter, shipper/seller and Customs Broker is, that is, complete anonymity should be maintained. Since, some of the supporting documents filed along with BoE or Shipping Bill would have information on consignee/consignor, for instance, Importer-Exporter Code holder details), some technology/declaration solution for this could be found wherein the application anonymizes certain data fields in an uploaded document.
- ▶ Timelines should be fixed for Assessing Officers to clear the BoE. Currently, in case the concerned Officer is on leave and is unable to attend to the BoE, the trader has to recall the BoE and then refile the same for it to go to some other Officer. A strict timeline may be put in place for automatically transferring the BoE to some other officer if it has been left unattended by the Officer it was originally assigned to.
- ▶ A strong Centralised Monitoring system is required which can take feedback about the delays faced to ensure timelines of 12 hours for air consignments and 24 hours for sea consignments through EDI systems. Timewise accountability needs to be created with the EDI system to ensure that if the BoE is unattended, the same should be routed back to Port Assessment Group (PAG) location for timely clearance.



**100% EXAMINATION
TO BE PRESCRIBED
ONLY IN CERTAIN
CASES SUCH AS
SECOND HAND,
RE-IMPORT OR
WHERE THERE IS
SOME INTELLIGENCE
ALERT BY AN
AGENCY.**

- ▶ There are considerable difficulties being faced by trade due to wrong examination orders being given by Faceless Assessment Group (FAG) officers. 100 % examination orders are being given very frequently and on certain occasions, orders are also being directed to check misdeclaration and concealment.
- ▶ In ECCS as well, RMS facilitated shipments get marked for examination via the query option. Hence RMS percentage may seem high and examination percentage low while the RMS percentage gets impacted due to the on ground practise of marking shipment for examination via query option. There should be a mechanism to account for the use of query operation in the statistics of RMS.
- ▶ In certain RMS facilitated BoE examination are carried out, nullifying the RMS facilitation.
- ▶ 100% examination to be prescribed only in certain cases such as second hand, re-import or where there is some intelligence alert by an agency. 100% examination order in defiance of the prescribed norms may be rectified at Deputy Commissioner (DC) level in PAG.
- ▶ Currently, for recall and re-assessment of BoEs, there are many instances wherein during assessment at FAG, the concerned officer denies the benefit exemption notification or does enhancement of assessable value without raising query. Such unilateral action by the FAG officer must to be rectified at PAG location on the same day itself in order to avoid the demurrage and detention charges.
- ▶ BoE filed in advance and duly facilitated under RMS and / or assessed by FAG are being subjected to re-assessment, when it is observed that there is change in any of the Import General Manifest (IGM) or arrival details. Primarily IGM related issues such as differences pertaining to digits or prefix/suffix of the Bill of Lading (BL), Air Waybill (AWB), IGM Date filed by Shipping Lines, Airlines, Console Agents, Shipping Lines or Airlines carry out these amendments in the IGM module of EDI system and they are visible in the system. However, to give effect to these amendments, BoEs are now being reassessed in the EDI system whereas earlier i.e., such changes were being regularized directly without reassessment. This has resulted in a reduction of filing of Advance BoE. Therefore, it is suggested that the earlier provisions incorporating such amendments in the BoE post arrival, may be restored without re-assessment.
- ▶ The provision to keep aside the Bill of Entry (BoE) should be withdrawn on a priority basis as it is totally non-transparent against the basic principle of transparency and predictability.

**DEPARTMENTAL
GUIDANCE MAY BE
GIVEN NOT TO PUT
UNNECESSARY
QUERIES IN THE
EXAMINATION
ORDER BY THE
ASSESSING
OFFICERS AND
NECESSARY
INSTRUCTION TO
BE GIVEN TO THEM
TO CLARIFY THEIR
QUERIES IN A
COMPREHENSIVE
MANNER AT ONE GO
WHILE ASSESSING
A BOE.**

- ▶ At the time of giving Out of Charge (OOC) / Let Export Order (LEO) in docks, the consignments are held up due to internal alerts popping up on officer's Screen which creates considerable lack of transparency for even Authorised Economic Operators (AEOs) and regular exporters / importers. Such alerts are viewed from the angle of investigations and consignments are held up for number of days, resulting in payment of demurrage and detention charges. To resolve this, all such alerts/instructions should be reviewed regularly in a time-line manner say every three months, and updates should be provided transparently to traders also after filing the BoE and Shipping Bill (SB).
- ▶ It is crucial to review alerts issued by National Customs Targeting Centre (NCTC) with the objective of making them more specific and accurate to current prevailing updates as many a times alerts are seeking information which is not relevant due to change in law.
- ▶ After assessment and duty payment of the BoE, objections are raised by docks which are pertaining to assessments, classification, levy of exemption notification, among other factors. Authorities may take into consideration the fact that when a BoE is already being assessed by the Assessment Group, raising queries by docks delays the clearances. A judicious view needs to be taken by the Docks Deputy Commissioner to ensure that such queries are raised with the approval of additional commissioner.
- ▶ The number of queries raised under Faceless Assessment have increased considerably. On several occasions, officers tend to raise 3 queries individually in BoE, which leads to piecemeal approach in resolution. Even after the query has been responded to the Faceless Assessment Group (FAG) often pushes BoE back to Port Assessment Group (PAG) where another query may be raised by PAG officers.
- ▶ Departmental guidance may be given not to put unnecessary queries in the examination order by the Assessing Officers and necessary instruction to be given to them to clarify their queries in a comprehensive manner at one go while assessing a BoE. Queries may be monitored for quality and quantity, audited and standardized. Further, a record of the queries raised by the Assessment Officers may be maintained.
- ▶ In several cases of RMS BoE, the orders given by Assessment Officers leads to forwarding the BoEs to the group and turnaround time for clearance is 10-15 days. It is suggested to give departmental guidance not to raise unwarranted queries in the examination order for such cases.



**LOCATION-WISE
PENDENCY
DASHBOARD
SHOULD BE MADE
AVAILABLE ON
ICEGATE AND
CBIC WEBSITE
MAY BE MODIFIED
TO INCLUDE
REDRESSAL PAGE
WITH MONITORING
AND ESCALATION.**

- ▶ There should be a distinction between Large Firms/Corporates and MSMEs in BoE to limit the queries, taking cognisance of the fact that awareness would be limited in MSMEs resulting in higher scope of queries being raised cases and also reduce the turnaround time significantly.
- ▶ Centralized Assessment System may be developed. Centres for assessment may be developed, based on the product expertise, which specialise in different product categories such as machinery, metals, medical equipment, chemicals, food products etc. to avoid unwanted queries and clear the consignment in time bound manner.
- ▶ A mechanism may be developed to help identity/flag BoE for timely assessment of products like perishable cargo, bulk Cargo, hazardous/ flammable cargo, lifesaving medicines & equipment.
- ▶ Statistics pertaining to the BoE and the number of queries that have been raised as well as the type may be made available in the public domain.
- ▶ As on date, different types of BoE are filed which have to go through the Faceless Assessment mechanism. Not every BoE is required to go through this process.
- ▶ Location-wise pendency dashboard should be made available on ICEGATE and CBIC website may be modified to include redressal page with monitoring and escalation.
- ▶ Policy Redressal is required for issues of mismatch prevalent in filing Advance BoE.
- ▶ There are many instances where additional amount of duty needs to be paid by the importer over and above what was paid at the time of assessment or clearance. Similarly, there are situations the importer pays in excess of what is required to be paid for a particular transaction. There is no provision for the assessee to come forward and make re-assessment on his own or request department to do reassessment. Section 17 is resorted to by the department at the time of assessment or before out of charge is given. Sections 149 and 154, in the current faceless assessment regime, RMS etc. are not adequate for the assessee, to come forward and make re-assessment. Hence, Sections 149, 154 or Section 17 may be adequately be amended to enable the assessee to request for reassessment, after out of charge, even if it alters payment of duty already made. Suitable time limit may also be introduced for request for re-assessment. Any duty payable may be paid with applicable interest and any interest payable may be paid with interest and without unjust enrichment.

MECHANISM MAY BE CREATED TO INCORPORATE PART SHIPMENT, SHORT SHIPMENT, CHANGE IN CONTAINER NUMBER ETC. ON ONLINE BASIS.



- ▶ Amendment process of BoE needs to be digitized and simplified with timelines while ensuring the following:
 - All amendments need to be carried out at PAG location.
 - Mechanism may be created to incorporate part shipment, short shipment, change in container number etc. on online basis.
 - Amendment post-exports related to consignee / value be allowed online with documentary evidence in cases the buyer refuses to take delivery of goods, to facilitate exporter look out another buyer and for proper remittances without recourse to reimport.
 - Parallel manual process for amendments needs to be eliminated and it should be done at the PAG level only.
- ▶ The Nodal Officers may be empowered/trained to monitor and facilitate the trade effectively, especially in terms of timelines.
- ▶ There is a need to undertake capacity building of Customs Officials for conducting the Faceless Assessment process appropriately. Accountability may be affixed to ensure seamless conduct of duty.
- ▶ A mechanism may be devised to measure the effectiveness of Faceless Assessment System.

3. Strengthen Risk Management System (RMS)

- ▶ Trader's goods under RMS facilitated bills of entry should not be subjected to manual inspection of their cargos barring under exceptional and well-defined circumstances.



**EXPEDITE THE
PACE OF GRANTING
ACKNOWLEDGMENTS
WHEN DOCUMENTS
ARE FILED ON THE
PORTAL.**

- ▶ Customs uses a sophisticated RMS, however many times, customs officers have reasons to reject RMS recommendations and undertake inspection of the goods. The basis of decision making must be entered into the system and be made available in public domain with adequate anonymization of individual shipments and their consignees, along with figures indicating to what extent in percentage terms the over-ride led to an actual finding of non-compliance.
- ▶ Cargo inspection should be necessarily carried out under CCTV surveillance.
- ▶ Introduce advanced technology such as radioactive scanners to carry out the RMS procedures effectively at all ports.
- ▶ RMS for export items is more cumbersome as compared to imports.

4. Facilitate Smooth Functioning of Trade Related Portals/ Provisions

Improve ICEGATE's Working Mechanism

- ▶ Expedite the pace of granting acknowledgments when documents are filed on the portal.
- ▶ Ensure BoEs are provided in a speedier manner after assessment.
- ▶ BoEs should be moved from an officer when it is not attended within 3 hours in air cargo and 30 minutes on working days in ECCS.
- ▶ Ensure that real time updates are provided as the BoE moves across various stages. If the BoE has been set aside, the reason must be provided.
- ▶ The examination orders are not available along with BoE after goods registration, registration, delaying the examination of cargo. Query and Examination order must be visible online to Exporter / Importer when shipment clearance is done via ICES or ECCS.
- ▶ Address the delay in receipt of OoC and Gate pass copies which results in delayed clearances. Often OoC copies and Gate pass copies are received late night.
- ▶ Currently Bills are not regularised after inward date even though there is no mismatch of data between BoEs and Import General Manifest (IGM). The Bills need should be regularised digitally.
- ▶ The job status number should be available on display as it was available prior to Ver. 2.0.

IMPROVE THE EFFICACY OF ICEGATE HELPDESK WHICH IS CURRENTLY UNABLE TO REPLY AND THERE IS CONSIDERABLE DELAY.

- ▶ Expedite the speed of E-Sanchit e-mails and OTP message e-mails.
- ▶ Improve the efficacy of ICEGATE helpdesk which is currently unable to reply and there is considerable delay.
- ▶ Incident numbers are not getting generated easily which has to be obtained after calling helpdesk which is challenging.
- ▶ Duty free clearances for EOUs require physical Annexure 3 to be issued by Export Promotion Division (EPD) of Customs for individual import shipments. This consumes time and clearance delay. Annexure 3 submission should be done online through ICEGATE for exports made with scheme code 21 under EOU.
- ▶ Due to erratic functioning of ICEGATE, Shipping Bill Numbers are not generated timely. Due to this the following challenges faced by exporters need to be addressed:
 - Factory stuffed containers are not able to move without Shipping Bill number resulting into Vehicle detention charges / container detention charges.
 - The cargo is not being allowed to cart in Container Freight Stations (CFSs) / Inland Container Depots (ICDs) due to non-generation of Shipping Bill Number.
 - Unless Shipping Bill is fed in RFID seal, the export container cannot be dispatched to the port. For Air consignments and Less than a Container Load (LCL) export consignments Shipping Bill number is mandatory for offloading of cargo in Custodian premises.
 - The containers are being shut-out and heavy shut-out charges are being levied on Shippers by Shipping Lines due to delay in clearances.
 - The shut out and delays would also result into cancellation of Export orders.
 - The notification may therefore, be suitably amended to allow stuffing of container and movement without Shipping Bill Numbers which can be later mapped /integrated into system as till date the e-seal are manually updated on vendor system and not integrated with Indian Customs EDI Systems (ICES) / ICEGATE.
 - E-Seal need to be integrated with ICEGATE on real- time basis.



AS THE DETAILS OF THE LICENCE ARE ALREADY GETTING TRANSFERRED FROM DGFT SERVER TO CUSTOMS SERVER, THE FORMALITY OF REGISTRATION OF THE LICENCE WITH THE CUSTOMS MUST BE DONE AWAY WITH.

Auto Updating of shipping bill data in banks / Customs server to DGFT server

- ▶ While issuing Bank Realization Certificate (BRC), banks are updating the details of shipping bill manually. If the bank officials make any data entry error while updating the details, the exporters are facing problems in claiming export benefits as the Shipping Bill details does not appear in the DGFT portal.
- ▶ In some cases, discrepancies arise in uploading shipping bills in DGFT portal.
- ▶ These processes should be automated to avoid clerical mistakes for seamless process (a. Shipping Bill data is picked by Bank from the Customs database instead of feeding the data manually and b. Data transfer of Shipping Bills from Customs server to DGFT server is made automatic).
- ▶ Some cushion should be provided for small variation in value shown in SB and actual realisation of proceeds which happens due to exchange rate or commission.

Export incentive / benefit licences registration with Customs department

- ▶ Certain processes have been automated with regard to export incentives licenses under FTP which have enabled expeditious issue of export incentive licenses, entailing the following:
 - Online application for licenses on the DGFT website which is then validated through the digital certificates of the exporter.
 - While filing the application the linking of the Shipping Bills and the BRCs are also done online by the exporters.
 - The licences are then issued online.
- ▶ As the details of the licence are already getting transferred from DGFT server to Customs server, the formality of registration of the licence with the Customs must be done away with.

Ensure Seamless Integration of EDPMS and EDI System

- ▶ It is imperative to ensure seamless integration of Export Data Processing and Monitoring System (EDPMS) of RBI System and Electronic Data Interchange (EDI) System for Foreign Remittance Realisation. Increasing the data sharing between the RBI Portal and EDI System will help in capturing the export realisations in a timely and correct manner.

Accept and Process Bank Guarantee (BG) in De-Mat Form

- ▶ For different kinds of Bonds, Bank Guarantee (BG) should be accepted and processed in De-Mat form in Customs EDI system.

These Bonds / BG once executed, should be available for viewing on national basis. Once a consignment is cleared, the real time ledger and balance should be available for viewing to the importer / custom brokers.

5. Streamline Documentation Process at Various Stages

Acceptance of certificate of origin in digital mode

- ▶ Indian customs have been insisting for Certificate of Origin in Original from Importers which has been causing enormous difficulties to the trade. In case of exports, Certificate of Origin is being accepted in digitally signed / scanned form by custom authorities in India and abroad. In case of imports also, Certificate of Origin should be accepted in digitally signed / scanned form at least from 4-star and above status holders as per Foreign Trade Policy.

Appropriate HS Code Classification for certain products / categories

- ▶ India adopted 8 digit Indian Trade Classification (harmonized System) codes - ITC (HS) Code, for classification of goods in line with WCO's Harmonized Commodity Description and coding system. There are number of products for which there are no specific codes and they are classified as 'Others' in ITC (HS) schedules. A sizable portion of items traded are falling under the description of 'Others' category. Items falling under 'Others' category lack clarity in term of tariff and import / export compliance requirements. This often results in re-opening of Customs assessment after a significant passage of time exposing importers to undue hardships. There is a need to implement a policy to provide for a road map for the Ministry of Commerce & Industry to identify major items traded under the 'Others' category and allocate a specific code for the same to provide a clear picture about regulatory conditions and tariff applicable to a specific item.

Streamline Procedure for Late Submission Fees

- ▶ As per CBIC Circular no. 08/2021 and Notification no.34/2021 NT, there is requirement of timely filing of BE before arrival. The following amendments may be made to section 46 (3) in terms of late submission fees:
 - o List of Exception countries may be reviewed and enlarged.
 - o Time limit of advance filing is specified as "BE before the end of the day (including holidays) preceding the day of arrival" may be amended as "Before Arrival".

IN CASE OF IMPORTS ALSO, CERTIFICATE OF ORIGIN SHOULD BE ACCEPTED IN DIGITALLY SIGNED / SCANNED FORM AT LEAST FROM 4-STAR AND ABOVE STATUS HOLDERS AS PER FOREIGN TRADE POLICY.



**CARRIERS MUST
ISSUE ONLINE
E-DELIVERY ORDER
TO THE CONCERNED
TERMINAL/
CUSTODIAN FOR
SMOOTH DELIVERY.**

- o Filing inward date by airlines/ shipping lines should be after segregation of cargo and flight checking should be captured on real time basis i.e., actual time when the officer enters the data into Custom EDI System. At present the inward dates are filed at least 8-24 hours after arrival whereas the landing date and time is entered while making the data entry. This does not reflect the correct position and real time date is not capture leading to penalty.
- o Waiver of late submission fee on account of reasons beyond control should be carried out on online basis in time bound manner by Customs.

Extension of Time for filing Bill of Entry (BoE)

- ▶ Currently, an importer is required to file a BoE before the end of the day (including holidays) preceding the 'day of arrival' of the vessel/aircraft/vehicle carrying the imported goods at a Customs port/station at which such goods are to be cleared for home consumption or warehousing. Previously, there was a grace period of 48 hours for filing of BOE (excluding Sunday and some special holidays at Custom) from the day of arrival which has been reduced to may be few hours at present.

Address Export General Manifest (EGM) Errors

- ▶ Considerable Shipping Bills remain pending for export incentives due to Export General Manifest (EGM) errors in the system, indicating the need for policy action for redressal in consultation with Shipping Lines and Custodians.

Allow Submission of Triple Bond Procedure in Advance

- ▶ For speedy clearance of import consignments, submission of triple bond procedure should be permitted to be done in advance, prior to arrival as against what is being done after arrival at present.

6. Digitize Trade Procedures

- ▶ Shipping line delivery orders have to be mostly submitted in hard copies for customs and terminal clearances due to poor online functioning of the system. Technical glitches need to be overcome and system should be working effectively at all ports / customs. All Shipping Line / Non-Vessel-Operating Common Carriers must issue online e-Delivery Order to the concerned terminal/custodian for smooth delivery.
- ▶ There is a need to develop a secure digitization format for sharing Free Trade Agreement (FTA) documents and Certificates of Origin to help in minimizing repeated query raised by officers

IMPORTERS AND EXPORTERS SHOULD BE ABLE TO DOWNLOAD THEIR DATA OR CREATE AN INTERPHASE WHICH WILL ALLOW THEM TO EXTRACT ALL DATA PERTAINING TO THEIR IMPORTS/ EXPORTS TRANSACTIONS. SUITABLE CONTROLS CAN BE IMPLEMENTED FOR DATA SECURITY.

and eliminating FTA defaced process thereby, improving the dwell time for clearance.

- ▶ The process of issuance of Certificates of Origin should be fully digitised to overcome the signature mismatch issue in the manual process.
- ▶ Importers and Exporters should be able to download their data or create an interphase which will allow them to extract all data pertaining to their imports/ exports transactions. Suitable controls can be implemented for data security.
- ▶ Letters/notices/SCNs issued to the importers/exporters and their responses should be digitized for better tracking.
- ▶ Shortcomings in the functionality of the system and technical glitches result in limited use of the system or parallel use of hard copy. For instance, the absence of a shipping line delivery order in customs and terminal systems results in usage of hard copy for cargo movement.
- ▶ Further, while the Port Community System, now being upgraded to National Logistics Portal (Marine), has been developed and is upgraded on a regular basis, there is lack of real time connectivity/ message exchanges between different stakeholders' systems resulting in delayed cargo clearance as physical hard copies need to be submitted. The PCS must bring together traders, CHAs, CFSs, and terminals.
- ▶ Deferred Duty payment Portal does not provide proper statistics / data. It should be provided on a real time basis.
- ▶ Advanced technologies such as electronics seals and e-gate should be introduced for reducing the transaction cost and dwell time.
- ▶ Many times, customs brokers have to approach EDI for linking the IGM to BoE, thereby increasing dwell time and, especially in Air mode the delay in clearance and incurrence of demurrage has been observed. Automatic linking of IGM with part shipment Bills of Entry, may be undertaken.
- ▶ The Import Data Processing and Monitoring System (IDPMS) / Export Data Processing and Monitoring System (EDPMS) status must be made visible to Importer & Exporters on a real-time basis, which would enable them to plan the closure promptly and manage their activity better.
- ▶ The scanners are often found to be non-functional due to technical reasons. The selected import containers for scanning



CURRENTLY, IT IS EASIER TO IMPORT COMMODITIES FROM ONE LOCATION IN COMPARISON TO THE OTHER DUE TO LACK OF COMMONS STANDARDS ACROSS PORTS / CUSTOMS. THERE SHOULD BE A GREATER DEAL OF STANDARDIZATION OF CLEARANCES REQUIREMENTS AT PAN INDIA LEVEL.

are delayed to get the clearance of DPD/RMS shipments and it results in extra transaction costs to the trade.

- ▶ Fully automated gates should be made available in the Centralized Parking Plaza (CPP), which are tested by automation engineers using live truck traffic including Optical Camera Recognition (OCR), License Plate Recognition Cameras and CCTV cameras for gate clerks.
- ▶ Currently, the factory stuffed containers are coming with different types of Radio-Frequency Identification (RFID) seals of different manufacturers and it takes more time to read the RFID seals with different RFID readers, which delays the process of clearance. A universal RFID readers may be installed in the Parking Plaza that can read the RFID seals of all different manufacturers which will reduce the dwell time for clearance.
- ▶ BIS standards must be made accessible digitally to Customs for adherence by exporters.
- ▶ Export goods' registration must be done online.

7. Standardize Customs Regulations Across Ports

- ▶ Currently, it is easier to import commodities from one location in comparison to the other due to lack of common standards across ports/customs. There should be a greater deal of standardization of clearances requirements at pan India level.
- ▶ The discretionary power of customs officials on field must be reduced and regulated. They should consult their Board as well as concerned traders before taking major decisions rather than suddenly withholding the cargo on ports for weeks and months.
- ▶ Exporters should not be required to register at all ports.

8. Streamline Advance Ruling Mechanism

The scheme of Advance Ruling has been introduced to increase certainty and predictability in the trading across borders ecosystem by eliminating possible disputes between the traders and Customs Authorities on valuation of goods, rules of origin and classification of goods. Following recommendations may be considered in making the Scheme more effective:

- ▶ Ensure strict implementation of rules and amendments that have been made for Advance Ruling to address the bottlenecks being faced during on-ground implementation.
- ▶ Ensure strict adherence to timelines under the Advance Ruling Scheme.

**THE PROCESS
OF ISSUANCE OF
CERTIFICATES OF
ORIGIN SHOULD BE
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TO OVERCOME
THE SIGNATURE
MISMATCH ISSUE
IN THE MANUAL
PROCESS.**

- ▶ The applications for Advance Ruling must be mandatorily routed through the ICEGATE platform.
- ▶ There is need to increase awareness about Advance Ruling through outreach programmes.

9. Increase Reliance on Post Clearance Audit

- ▶ There is a need to strengthen the Post Clearance Audit Mechanism. Many of the assessment / valuation / verification processes are still being done after the goods have entered customs jurisdiction at the ports which are avoidable if robust PCA mechanism is followed.

10. Systemise Functioning of Participating Government Agencies (PGAs)

While the Customs authorities have been working in a mission mode to improve the regulatory aspects of the trading ecosystem, the Participating Government Agencies (PGAs) have an equally crucial role to play in ensuring speedy and seamless clearance of cargo consignments. It is therefore, crucial to address the procedural inefficiencies and systemic deficits in the functioning of the PGAs which have their own specific set of requirements for scrutiny of goods. Special focus needs to be accorded to the 6 main PGAs responsible for live clearances, that is, Animal Quarantine, Plant Quarantine, Food Safety Standards Authority of India (FSSAI), Central Drugs Standards Control Organization (CDSCO), Wildlife Criminal Control Bureau (WCCB), and Textiles Committee. In this context, following suggestions may be considered:

Integrate Digital PGA Platforms with SWIFT

- ▶ PGAs must enhance their bandwidth and develop a robust IT system that allows automation of processes while providing time stamps at various stages to ensure the accountability of officers involved in each administrative subprocess required for EXIM clearance. Each PGA should be present digitally and the traders must be able to view the status of application and receive NOCs via the online system.
- ▶ While the Single Window Interface for Trade (SWIFT) has been developed to improve and digitize clearance process coordination with the PGAs, they still continue to rely on manual processes without leveraging on platform. To ensure effective usage of SWIFT, it is important to address its shortcomings and make it more adaptable to the needs of the PGAs in terms of clearance-related activities, documentation, and information flow for effective integration.



ALL THE PGAS SHOULD SET DEFINED TIMELINES FOR CLEARANCE OF GOODS AND ISSUANCE OF REQUISITE APPROVALS/ NOCS. DEEMED APPROVALS MAY BE PROVIDED FOR PGAS' EXAMINATION REPORTS.

- ▶ Currently, only 9 PGAs are interlinked with SWIFT, other PGAs must be brought on-board. Further, those PGAs which are already on-boarded need to be made more efficient at backend and their procedures need to be streamlined across ports.
- ▶ The exercise of PGAs' integration in SWIFT should not lead to creation of parallel systems by both the Customs and PGAs resulting in duplication of efforts/time at the end of traders.

Develop an Effective Risk Management System for PGAs

- ▶ At present, the Risk Management System (RMS) of PGAs has not been developed accurately which is causing delays in facilitation and cargo clearance.
- ▶ PGAs must be encouraged to improve their RMS based on a comprehensive assessment of risk factors and subsequent application of risk principles in their processes.
- ▶ For more advanced RMS for PGAs, the following aspects may be considered: (i) development of a digital framework for the collection of relevant and complete information for the risk factors, and not just those available in the customs declaration; (ii) a database where this information will be stored; (iii) a framework for comprehensively defining the risk principles associated with each risk factor and; (iv) an application framework based on changing risk perceptions and new data presenting new scenarios.
- ▶ All the PGAs should integrate their risk criteria with the Indian Customs RMS for improving the overall facilitation percentage. Senior officials of the PGAs concerned may appoint a nodal officer for each PGA to expedite the process of integration.

Enhance Facilitation Levels Provided by PGAs

- ▶ All the PGAs should set defined timelines for clearance of goods and issuance of requisite approvals/NOCs. Deemed approvals may be provided for PGAs' examination reports.
- ▶ PGAs should be encouraged to set up their laboratories/ operations in the port premises.
- ▶ PGAs should accord enhanced facilitation to the AEO clients in order to reduce the average release time of cargo.
- ▶ Product wise LOP Broadbanding should not be insisted by SEZ / EOU Commissionerate. It should accept overall chapter heading if manufacturing license is issued by PGAs like CDSCO/State FDAs. For other cases, LOP Broadbanding can be continued with. Similar approach can be adopted by other industries like FSSAI for Food, etc.

**ELIGIBILITY
CRITERIA
FOR THE AEO
PROGRAMME MAY
BE REASSESSED
AND MADE MORE
FLEXIBLE.**

11. Improve Authorized Economic Operator Programme

The Authorised Economic Operator (AEO) programme offers a plethora of benefits including faster processing and clearance of cargo, deferred payment of duty, direct port delivery/entry, and benefits under Mutual Recognition arrangements (MRA), however the number of AEOs is not picking up. As on 1st June, 2023, there were 5,597 AEOs which is indicative of the need to increase the facilitation for AEO holders. Following measures may be useful in this direction:

Ease Joining, Assessment and Tracking Process

- ▶ Eligibility criteria for the AEO Programme may be reassessed and made more flexible. For instance, as per the existing norm, if the company's current ratio is found to be less than one (indicative of negative working capital), it is considered insolvent, and therefore, not eligible to join the programme.
- ▶ Many companies may have on-going litigation with the Customs department due to classification/interpretation disputes. At the ground level, Customs treat this as misdeclaration and suppression of fact, due to which AEO status is denied. There needs to be a more trade-friendly practical approach.
- ▶ The process of joining the AEO programme should be completely digitized. Progress report and milestone wise report (to inspect those who have applied to become an AEO) should be uploaded and updated online.
- ▶ Assessment of AEO applications varies from location to location and official to official, especially in terms of on-site verification. It is crucial to adopt a more uniform assessment mechanism at pan-India level.
- ▶ Currently, delay in approval has been observed, indicating the need to ensure adherence to timelines mentioned in master circular are very high.
- ▶ Status flag should be made visible on officer's screen in every stage of shipment movement for Express Cargo Clearance Systems (ECCS).
- ▶ Re-examine and review the current provisions related to rejection of AEO applications / renewals based on 'current assets' and 'Show Cause Notice invoking limitation'.
- ▶ AEO Certification should not be influenced by show cause notice/ fines/penalties.



**THERE IS A SCOPE
FOR EASING THE
RENEWAL PROCESS
FOR AEO T-2 /
T-3 BY MAKING
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COMPLETELY
DIGITIZED AND
AUTOMATED.**

- ▶ Address the issue of confidentiality/leakage of data submitted by applicants during registration/renewal process.

Simplify Renewal Process

- ▶ Currently, the AEO renewal process is majorly manual and cumbersome. There is a scope for easing the renewal process for AEO T-2 / T-3 by making the process completely digitized and automated.
- ▶ Renewals should be granted based on the track record of the company, avoiding the requirement of resubmission of application and documents.
- ▶ When an existing member desires to move to the next level of AEO Programme, additional documentation should be restricted only to those which were earlier not submitted by the applicant.
- ▶ Auto renewal facility may be provided for all tiers of the AEO Programme.

Align AEO Programme Benefits with Industry Needs

- ▶ It is often felt that the benefits which are mentioned under the scheme could be made more practical in nature/implementation and thus they should be reviewed as well as notified in consultation with high level committee of Trade Facilitation at the GoI level.
- ▶ Tangible benefits need to be increased for all stakeholders including importers, exporters and Logistics Service Providers (LSPs). For each category following factors may be considered:
 - AEO T1 requires more significant benefits which will encourage firms to apply for the programme;
 - AEO T2 and AEO T3 have almost identical benefits which necessitates the need for increasing benefits in the T3 category so that firms are encouraged to achieve higher status;
 - Special focus needs to be provided to LSPs including ECCS who have negligible benefits currently and require provisions which will help them in regular processes or reducing their costs.
- ▶ New entrants may be considered for the AEO Programme such as E-Commerce Platforms, Express carriers, 3PL logistics service providers, Free Zones, Special Economic Zone (SEZ), Free Trade Warehousing Zone (FTWZ), Transshipment Hubs, among others.

**AEO SCHEME MAY
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INTO FREE TRADE
AGREEMENTS
(FTAS).**

- ▶ AEO scheme may be extended and aligned with similar schemes of other countries with whom India has entered into Free Trade Agreements (FTAs).
- ▶ Allow import of second-hand capital goods, machinery, spares for AEO T2 & T3 with simplified process including self-certification and valuation.
- ▶ The scheme's benefits need to be periodically reviewed for their relevance in the current scenarios and should be updated / removed accordingly.
- ▶ Enhance benefits for AEO exporters.

Recognition of AEOs

- ▶ Recognition for AEO holders should be provided by other government agencies also.
- ▶ All Partner Government Agencies (PGAs) should accord due recognition to AEOs for providing speedier clearances.
- ▶ Currently AEO holders do not get any benefit for clearances via ECCS:
 - a. There is no deferred duty option
 - b. There is no separate channel in ECCS which facilitates expedited clearances for AEO. AEO is not identifiable in the various stages that shipment gets processed. Example in imports:- Assessment, CCR check, examination, x-ray screening, OOC. Even a T3 AEO will undergo 100% x-ray screening which is non-intrusive examination (which is examination nevertheless) while that must not be the case
 - c. There are limited benefits for AEO in exports. Ideally AEO shipments must receive expedited "LEO" preferably on arrival in most cases.

Increase Facilitation for AEO Members

- ▶ There should be a measuring criterion for AEO scheme success capturing how much value of import and export is done by AEO out of total EXIM value. All KPI promises to AEO status holders need to be measured and monitored.
- ▶ While separate spaces have been earmarked for AEOs at Custodian premises like Port Trusts and Airports, they are not being leveraged on due to challenges like space constraint at all places.
- ▶ Greater priority should be accorded to AEO holders for their cases of dispute resolution (Customs).



**MONITORING
SYSTEM NEEDS
TO BE DEVELOPED
AT EACH PORT TO
ENSURE AEO GETS
CUSTOM DUTY
REFUND IN 45
DAYS, PRIORITY
PROCESSING OF
CONTAINERS
SELECTED FOR
SCREENING**

- ▶ There is a mandatory requirement of auditing the AEO T-3 holders, however, many companies who fall under the categories of T1 & T2 are also being audited, requiring policy intervention.
- ▶ There are delays, much beyond the threshold of 72 hours, in getting disbursal of drawback / drawback claims post submission of Export General Manifest (EGM).
- ▶ Shipment not marked for examination for ECCS may be granted Auto Let Export Order (LEO) /Out of Charge (OOC).
- ▶ There is a storage restriction on uploading documents online. It should be substantially increased from the current limit of 5 MB.

Ensure Priority in Clearance for AEO Clients

- ▶ There has been limited success in giving priority to AEO holders for BoE selected for assessment / examination, highlighting the need for focussed attention in this domain.
- ▶ Monitoring system needs to be developed at each port to ensure AEO gets Custom duty refund in 45 days, priority processing of containers selected for screening, Priority to be given to BoE /SB selected for assessment, Drawback disbursed to Exporters in 72 hours.

Address Glitches Pertaining to Bank Guarantee

- ▶ There is a need to have comprehensive and one consolidated bond and bank guarantee instead of different requirements.

Ensure Seamless Process for Deferred Duty Payment

- ▶ Differentiating between T2 and T3 specially for deferred duty periods, such as 15 days for T2 and 30 days for T3.

Leverage on Mutual Recognition Agreements (MRAs)

- ▶ India should sign more MRAs with other important trading partners to enhance the attractiveness of the programme, while at the same time ensuring that the AEO membership increases so that these agreements can be better leveraged upon.
- ▶ AEO Members should be made aware of the MRAs being signed/ in-pipeline, which will allow these agreements to be better leveraged upon.

Enhance Awareness about the AEO Programme

- ▶ Given that the number of approved AEOs is around 5000, it is important to focus on Importers, Exporters and Logistics service providers who in spite of having substantial volume, do not become AEO clients. Reviewing reasons and guiding them to become AEO will be useful.

- ▶ There is a need to reach out to eligible exporters / importers in a targeted manner, encompassing large, medium as well as small enterprises.
- ▶ Special efforts need to be made to bring MSMEs onboard.

Undertake Capacity Building of Officials

- ▶ Joint Capacity building of all service providers to AEOs should be undertaken at regular intervals for them to serve the members better.
- ▶ AEO Nodal Officers should be actively available at major Customs to provide instant handholding/support.

12. Enhance Trade Facilitation for Leveraging on Foreign Trade Policy

Free of Charge Imports

- ▶ Due to warranty condition in agreement / Purchase order with foreign vendors, sometime spares, lost / damaged items, drawings etc. are received on Free of Charges (FOC) basis. Vendors bear the cost of custom duties on these materials. There is a requirement of reconciliation between Import Data Processing and Monitoring System (IDPMS) and BoE for all items which are being imported.
- ▶ In regular import cases where the payment is involved, payment details are submitted to bank for closure. However, for FOC basis import no payment details are available. Thus, Banks are not willing to close these entries in IDPMS.
- ▶ In the recent past, "Free of Charge" is categorically specified in Bill of entry to establish that these materials are supplied on FOC basis which banks consider as valid document for closure.
- ▶ Suitable advisory may be issued for closing old Bill of Entries without waiting for explanations for minor variations in exchange remittances.

Modification of Export Promotion Capital Goods (EPCG) Scheme License

- ▶ In case, Installation Certificate for a particular line item(s) submitted is not approved by Regional Authorities (RAs) of DGFT, the assessee is unable to submit another installation certificate issued for other line item(s) under the same licence. This is causing delay in submission of Installation Certificate and can lead to payment of composition fee.

**SUITABLE
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**THERE IS A
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COMPREHENSIVE
AND ONE
CONSOLIDATED
BOND AND BANK
GUARANTEE
INSTEAD OF
DIFFERENT
REQUIREMENTS.**

- ▶ A timeline (maximum 3 working days) should be mentioned in the Foreign Trade Policy to ensure adherence by RA DGFT for approving online submitted Installation Certificates.

Issue related to multi-location / multi-business Organisations

- ▶ Organisations that have multiple businesses and / or operate out of multiple locations across the country are, at times, finds it difficult to trace the respective business / unit / Customs port to which a particular matter or notice or letters pertains. This causes substantial administrative inconvenience and costs and complexity in dealing with exports/imports related matters.
- ▶ Branch & port code may be included in all documents such as Bill of Entry, Letters, Show Cause Notices, Payment challans etc. apart from Importer -Exporter Code (IEC) to help the Department as well multi-Divisional Corporates to easily identify the transactions with respect to location & business it pertains, leading to substantial reduction in time and effort.

Issues in Generation of Scrolls for RoDTEP and Synchronization of Scroll for RoDTEP and Drawback

- ▶ In certain cases, RoDTEP Scrolls are not getting generated in spite of Duty drawback (DBK) scrolls being generated against the same shipping bills. The ICEGATE portal does not provide visibility with respect to non-generation of scrolls for RoDTEP. Customs may consider synchronising the generation of scrolls for both RoDTEP and Duty Drawback on filing of Shipping Bill in the ICEGATE portal.
- ▶ Non-generation of Scrolls have been observed even though Shipping bills have been filed. The ICEGATE portal may be made robust and the authorities to ensure generation of scrolls within 15 days for all Shipping Bills filed by the exporter.
- ▶ The exporters have to continuously follow-up with respective Customs authorities of each port for the generation of Scrolls in respect of missing shipping bills necessitating the need for policy intervention.
- ▶ The Scrolls are being generated back-dated thereby, limiting the time available for utilisation of these scrips.
- ▶ The portal is erratic and often gives inconsistent results.

Facility to reflect balance carrying values of MEIS / SEIS Licences

- ▶ Currently Importers are unable to retrieve the balance in MEIS/ SEIS licences or ledger of transactions in ICEGATE portal and have to either approach CHA or Customs officers. Earlier, after

THERE IS A NEED TO REACH OUT TO ELIGIBLE EXPORTERS / IMPORTERS IN A TARGETED MANNER, ENCOMPASSING LARGE, MEDIUM AS WELL AS SMALL ENTERPRISES.

every utilization, Customs Officers used to state the utilized amount and balance amount of the MEIS/SEIS licences on the face of the licences. At present, the utilization etc are updated in the ICEGATE and balance in the licence can only be viewed from the ICEGATE.

- ▶ ICEGATE should have facility for Importers to login and check the balance amount in the MEIS / SEIS licences along with statement of past utilisations. Once such facility can be extended, physical interface with Customs can be reduced.

The frequency of scroll generation of Remission of Duties and Taxes on Exported Products (RODTEP) and Rebate of State and Central Taxes and Levies (ROSCTL) should be increased.

13. Address Delays in Refund Process

- ▶ To reduce litigation and make refund process smooth when there is no dispute between department and importer, refunds may be processed without requirement of filing appeal with Commissioner Appeals. These include double duty payment due to Customs EDI system error, refund duty deposited/ EDD, excess payment of duty due to error, refund arising out of the bonafide clerical error and short shipment and part shipment etc.

14. Ensure Easy Availability of Tribunal Orders

- ▶ Importers and exporters can appeal to the tribunals against the decisions of the Customs on issues like valuation, classification, or penalties. Though tribunal orders are public documents, all decisions are not available timely in an online searchable database. Availability of earlier decisions through a searchable database would allow traders to get transparent and uniform understanding of precedence and help them in making informed decisions. Further, it would also potentially ensure that tribunals themselves adhere to existing precedence to a greater degree.
- ▶ There is considerable delay in decision of cases. Therefore, required benches may be increased to clear the pendency.

15. Improving Direct Port Entry Functioning

- ▶ Direct Port Entry (DPE) should be enhanced. At JNPT, DPE is only about 35%; stuffed at factory. There is a need to increase the percentage, enhance awareness.
- ▶ In practice, the export factory self-sealing containers are not routed via Direct Port Entry (DPE) but routed via CFSs / Parking Plaza. At present containers are routed via towards CFS or parking plaza subject to custom clearance. This involves



**BRANCH & PORT
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SUCH AS BILL OF
ENTRY, LETTERS,
SHOW CAUSE
NOTICES, PAYMENT
CHALLANS ETC.**

additional handling of container processes and transportation after LEO from CFS / parking plaza to Port Terminal. This process delay leads to high time due to operational constraints resulting in delay in time after LEO. The earlier process of direct gate in should be re-instated which is effective and timely gate in to plan export stuffing.

16. Increase Logistics Efficiency

- ▶ There should be sufficient ramp facility to easily load and un-load cargo in railways to make greater use of this channel trade.
- ▶ The turn-around-time for empty containers should be shortened. Drivers have to search empty containers which can take up to 3 hrs. Developing an empty container yard will be a positive step in this direction.
- ▶ Bring more transparency regarding charges levied by shipping lines by creating a common dashboard.
- ▶ Develop an Optical Character Recognition (OCR) system for Trucks.
- ▶ There is inordinate delay in uploading shipping bills for exporters at Land Customs Stations.

17. Monitoring mechanism for provisions of customs act and regulations

- ▶ It is often experienced that various provisions of the Customs Act are not followed at the field level. This creates difficulty to the trade and industry for Custom Clearance. Few examples faced in recent times are:
 - o Section 14 and Customs Valuation Rules 2007: Rejection of transaction value without following the principles of natural justice and provisions of Act.
 - o Section 17: Rejection of Classification and Exemption Notification without following the principles of Natural Justice.
 - o Section 17 (5): Non-Issuance of Speaking orders inspite of specific provisions and time limit given in the Act.
 - o Section 28 (i) and (ii) - Voluntary Payment of Customs Duty: To create Trust based working environment and as per the provisions of Trade Facilitation Agreement (TFA), for voluntary compliance, the Customs Act has specific provisions of voluntary payment of differential customs duty alongwith interest to the Dept. However, at field level, inspite of this proviso, whenever the importer approaches

THE FREQUENCY OF SCROLL GENERATION OF REMISSION OF DUTIES AND TAXES ON EXPORTED PRODUCTS (RODTEP) AND REBATE OF STATE AND CENTRAL TAXES AND LEVIES (ROSCTL) SHOULD BE INCREASED.

the Dept. for payment of differential duty with interest, there is considerable resistance for the same and results in levy of fine and penalty. This is detrimental to trust based environment, voluntary compliance and hence we seek suitable mechanism to observe the provisions laid down in the Act.

- ▶ Cases involving bonafide errors or rectification of mistake, should be carried out in a time bound manner by proper officer without levying any fine and penalty.
 - Section 149 & Section 154 – Time limits for carrying out amendments of Documents and Rectification of Mistake: Cases of bonafide errors, voluntary payment of customs duty where the BE and SB sought to be amended after re-assessment etc., often the field formations resort to levy of fine and carry out adjudication proceedings. Necessary instruction needs to be provided to the field formations for implementing the provisions of the sections.
 - Section 27: - Refunds: It is suggested that application, processing and sanction of refund claims be carried out in Digital manner and the present manual process be discontinued. The time limits of processing and sanctioning claims be followed in letter & spirit in terms of the Provisions of Act.
 - Section 74 AND 75 - Timely Disbursal of Export Incentives, IGST Refunds: Trade and Industry has requested timely disbursal of IGST / Drawback refunds in time bound manner.

An online escalation mechanism should be provided to trade and industry on CBIC Website, which can be monitored with a suitable structure for redressal of grievances as mentioned above.

18. Develop an Effective Trade Facilitation Grievance Redressal Mechanism

Taking cognisance of the importance of addressing the grievances of the stakeholders of the trading ecosystem in a systemised manner, the authorities have launched the Anonymised Escalation Mechanism (AEM) through ICEGATE Helpdesk for delayed Bill of Entry under Faceless Assessment. While this is a welcome move, currently majority of the grievances on trade facilitation bottlenecks are reported manually without any defined process. This is indicative of the need for making the process of grievance redressal more streamlined and holistic. The following suggestions may be considered in this direction:



**THERE SHOULD
BE A RAMP
FACILITY TO EASILY
LOAD AND UN-
LOAD CARGO IN
RAILWAYS TO MAKE
GREATER USE OF
THIS CHANNEL
TRADE.**

- ▶ As part of the National Single Window System (NSWS), develop a digitized and effective grievance redressal mechanism for all trade facilitation related issues, including those of Customs, PGAs, DGFT etc. There should be a provision for posting grievances anonymously and tracking action on them.
- ▶ The Centralised Public Grievance Redress and Monitoring System (CPGRAMS) which is an online platform available to the citizens 24x7 to lodge their grievances on any subject related to service delivery pertaining to all the Ministries/Departments should be completely anonymised to enhance transparency in the ecosystem.
- ▶ The officials deputed at the ICEGATE Helpdesk which also includes AEM, require capacity building, knowledge enhancement and training for dealing with the queries of the trade in a more effective manner. They should be made aware about the additional facilities/features of the trade facilitation related portals.
- ▶ The forums of Customs Clearance Facilitation Committee (CCFC) and Permanent Trade Facilitation Committees (PTFC) should be leveraged on more effectively for time-bound resolution of trade related grievances.
- ▶ Sabka Vishwas – (Legacy Dispute Resolution) Scheme, 2019 for Central Excise and Service Tax announced during September, 2019 and Vivad Se Vishwas Scheme for Income Tax are highly successful and it has reduced long pending legal cases in different levels like Commissioner Appeal, Tax Tribunal, High Court and Supreme Court. On these lines, Customs may also introduce a Samadhana Scheme.
- ▶ There should be a mechanism to hold concerned officer responsible for any deliberate or intentional lapses in duty/ decision making, causing disruption to the trade flow.
- ▶ Section 17 (5) states that the Officer shall pass a speaking order on reassessment, within 15 days from the date of reassessment. However, it is observed that at the ground level time limits are not being adhered to, thus leading difficulties for trade in exercising their legal right to proceed further. The following policy actions may be considered in this regard:
 - A suitable online redressal mechanism may be developed with defined timelines to be adhered to ensure that the speaking order is issued in accordance with the time limit as per Section 17(5) of Customs Act, 1962 and;
 - Review should be carried out by senior customs officials in case officers repeatedly delays speaking orders.

**ABRUPT POLICY
IMPLEMENTATION
FOR EXPORTS
OF CERTAIN
COMMODITIES
AND CUSTOMS
DUTY SHOULD BE
DISCOURAGED AS IT
RESULTS IN HUGE
LOSSES.**

19. Miscellaneous Matters

- ▶ Abrupt policy implementation for exports of certain commodities and customs duty should be discouraged as it results in huge losses. Alternatively, controlling /licensing before prohibiting exports must be done.
- ▶ Address issues being faced at interpretation level of policies.
- ▶ The Time Release Study (TRS) is conducted between 1st -7th January, during which the clearance processes may be expedited. TRS should be done on a month-on-month basis, rather than year-on-year basis. Alternatively, a random week should be chosen to conduct the study.
- ▶ Certain goods fall under the restricted import category, for which special import license is to be taken from DGFT. Some of these items are required to be imported for the manufacturing activity and R&D projects, due to their unavailability locally. The procedure for securing restricted item is repetitive in nature, time consuming and also beats the purpose of export, as certain items are used in the manufacturing of finished goods meant for exports since delay in license issuance leads to stoppage of manufacturing activity. The process includes: (1) Importer has to make an online application request in DGFT's website, mention about the HSN code of the import item, it's usage, quantity etc and deposit the license fee; (2) DGFT takes cognizance of the request and places it in their Export facilitation committee for further deliberation; (3) EFC Committee comprises of inter-ministerial members, who takes the final decision on the matter; (4) EFC committee also seeks opinion for items pertaining to the parent Ministry, by referring the cases to individual Ministry; and (5) DFGT issues the license after receiving a formal go ahead from the parent Ministry and finally approves it in the EFC committee. There is a need to make the process to sanction the Restricted import license time-bound and real-time tracking with access provided to the importer/exporter to know the exact status.
- ▶ Timely physical examination of export goods beyond office hours may pose an issue due to unavailability of Customs Officers which becomes even more challenging if the vessel is due to leave the same night..
- ▶ Currently for the Import containers, there is just one seal, however, for Export containers, two seals are required. The requirement of the additional seal should be done away to help save exporter's cost.



**AUCTION OF
REJECTED GOODS
TAKES UP TO
12 MONTHS
INDICATING THE
NEED TO COMPLETE
THE PROCESS
FASTER.**

- ▶ NSDL has introduced SEZ Online for all import transactions except Courier BOE. However, SEZ importers still have to send a hard copy of BOE for import clearance at the airport for Courier Import shipments. The authorities may implement an online process for Courier import clearance, which would reduce the material delivery timeline by 2-3 days. This online process will enhance the manufacturing/testing process, leading to increased productivity, smooth operations and reduce demurrage charges.
- ▶ Data from Bill of entry (ICES & ECCS) must go to the concerned ministries which will facilitate the removal of mundane process of applying for Chip Import Monitoring System (CHIMS), Paper Import Monitoring System (PIMS), etc.
- ▶ Auction of rejected goods takes up to 12 months indicating the need to complete the process faster.
- ▶ There is a need for greater capacity building of the on-ground custom officials. The issue of language barriers also needs to be addressed.
- ▶ There should be a Standard Operating Procedure (SoP) that must be followed for releasing cargo.
- ▶ Customs should be brought under NSWS.
- ▶ Standardised examination order should be issued to field formations by CBIC.
- ▶ On various occasion due to change in assessment carried out by FAG officers speaking order is seldom issued. For any queries for example valuation, classification, denial of examination notification etc. speaking order should be issued on immediate basis to observe procedure of the principle of natural justices in terms of Section 17 of Customs Act 1962. Speaking order whenever required should be issued on immediate basis.
- ▶ Presently, RBI issues Master Directions for Exports/Imports of Goods and Services. However, the importer and exporter has various issues/difficulty which are not address in the Master Directions. The importer or exporter cannot approach RBI directly for any clarification. Further, it is understood that the RBI regularly conduct AD Conference for the benefits of the AD Bank. However, the minutes of the AD conference is not available to the importer or exporter. Hence, the importer or exporter may be unaware of the directions of the RBI. Hence, in order to help the exporter or importer to comply with the requirement of FEMA, it is suggested that The minutes of AD Conference should be published in the RBI Website, so that the exporter or importer any ensure proper compliance of FEMA. The RBI may come out



**THE SUGGESTED
FAQ MAY COVER
THE FOLLOWING
ISSUES: IMPORTS
OF SAMPLES;
DEDUCTION ON
ACCOUNTS OF
REBATES; NON-
PAYMENT DUE TO
SALES RETURN ETC.**

with the FAQ for issues relating to Imports and Exports of goods and services. The FAQ may cover the following issues: Imports of samples; Deduction on accounts of rebates; Non-payment due to sales return; Write off of small amount due to quantity variation of advance and actual receipt; Service component in the payment which is marked as import of goods; Mismatch due to Bill of Entry due to Custom Valuation and actual invoice; Write off due to quality issues; Handling Merchandise Trading Transaction; Merchant Export issue; Issues relating to Bonding of goods; Shipping Bill filled but not export due to various issues; Filing of Regular Shipping Bill instead of Transshipment Shipping Bill; Selection of wrong AD Code; Free sample exported but Shipping Bill filed; Higher Custom Valuation (due to free of cost material) and the actual payment to be made; Third Country Imports and Exports; Handling of Bonded Goods; and Import by High Seas Sales by Indian Vendor (Payment made by one party and bill of entry filled by another party).

CII Headquarters, New Delhi





Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, with around 9,000 members from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 300,000 enterprises from 286 national and regional sectoral industry bodies.

For more than 125 years, CII has been engaged in shaping India's development journey and works proactively on transforming Indian Industry's engagement in national development. CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

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As India strategizes for the next 25 years to India@100, Indian industry must scale the competitiveness ladder to drive growth. It must also internalize the tenets of sustainability and climate action and accelerate its globalisation journey for leadership in a changing world. The role played by Indian industry will be central to the country's progress and success as a nation. CII, with the Theme for 2023-24 as 'Towards a Competitive and Sustainable India@100: Growth, Inclusiveness, Globalisation, Building Trust' has prioritized 6 action themes that will catalyze the journey of the country towards the vision of India@100.

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