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OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS
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MUNUTES OF THE PERMANENT TRADE FACILITATION COMMITTEE (PTFC)
MEETING HELD ON 14.02.2024 AT 11.00 AM

The bimonthly Permanent Trade Facilitation Committee (PTFC) for Customs House, Visakhapatnam for the month of February 2024 was held on 14.02.2024 at 11:00 A.M. which was chaired by Shri N. Sridhar, Principal Commissioner of Customs.

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

The following officers from Visakhapatnam Custom House participated in the meeting:

S.No.	Name of the officer (Shri/Ms.)	Designation
1	N. Sridhar	Principal Commissioner
2	R.V. Pradhamesh Bhanu	Additional Commissioner
3	Jitendra Patel	Joint Commissioner
4	Krishnenthru Raja Mintoo P.S.	Joint Commissioner
5	G.V.S.R Sarma	Deputy Commissioner
6	M. Ravi Shankar	Deputy Commissioner
7	G. Victor	Assistant Commissioner
8	C. Devayani	Assistant Commissioner
9	L.V.R. Sudhakar	Assistant Commissioner
10	Y. Ramesam	Assistant Commissioner
11	G. Venkata Ramana	Assistant Commissioner
12	Pradeep Maroo	Chemical Engineer Gr.I

The following representatives from PGA/Trade Members/Custodians participated in the meeting apart from other members of trade.

S.No.	Name of the representative (Shri/Ms.)
1	B Ratna Sekhar, Traffic Manager, VPA
2	M Venugopal, President, VCBA
3	Rohit Kancharla, CEO, KR & Sons, VCBA Secretary
4	Aashish P, Jt. Secretary, MST CB
5	G Rambabu, AGM, Gateway CFS
6	CH. Soumya, Exe Member, VCBA
7	Dileshwar S Gonnade, Head, VCT CFS
8	K Santosh Kumar, Manager, VCT CFS
9	M V V S Ravi Shankar, Sr. Manager, Integral CB
10	Cap. Shyam Nair, GM (Ops.), VCTPL
11	S K Sabhapati, Head, SICAL CFS
12	K Santosh Kumar, Vice President, VCLA
13	G Sravan Kumar, Director, Sravan Shipping CB
14	J V S N G Sarma, Manager, Shirdi Sai Shipping
15	VM Santosh, Vice President, ITL
16	B Ganesh, Manager, Visakha CFS
17	S Kumar Nanda, AGM, Orissa Steavdores CB
18	Bobby Lawrence, VCLA
19	M Subramanian, DGM (Ops.), VCTPL
20	M V Satyanarayana, GM (Ops), Vishaka CFS
21	Dr. Sudhakaran, Asst. Director, PQS, Visakhapatnam
22	M Jayaram, APPO (PQ), Visakhapatnam
23	K Naveen, G.M, Sravan CFS

Following the Chairman's introductory remarks, Shri. Jitendra Patel, Joint Commissioner conveyed that no agenda points were sponsored from the trade and hence the agenda points which were open in the last meeting were presented for discussion.

Point No. 02

Sub point 04: CFS not allowing delivery of RMS BoE OOC without signature of CFS docks Appraiser (actually Preventive Officer) on physical print copy of OOC.

Department's Comments:

Before the formation of RMS Cell, the procedure w.r.t. the RMS facilitated Bills of Entry was that the Appraiser used to verify the Container No, Seal No. and whether the seal is intact and then used to give OOC in the System. For non RMS facilitated BEs, the officer

used to do the examination as per the norms, then only the OOC was given in the system so there was no need for such verification. But after the formation of RMS Cell in the year 2019, which is located in centralized manner at VCH, it is not feasible that the concerned RMS Officer can verify the Container No, Seal No. etc. So as per RMS Cell instructions, the necessary verification is being done by the Officers posted at CFS before the delivery of the goods. And if there is any mis-match or seal tampering is noticed then the goods are to be subjected to examination as per RMS Instructions. Also, if there is any last minute alert/intelligence from any agency, the same can be looked into before the cargo movement as in many cases, the OOC is being granted much before container is reaching CFS.

In this regard, CB Association requested to permit Custodian to check seal/Container number for faster container movement. Joint Commissioner intervened and conveyed that it is the responsibility of the Customs Department to verify the Seal/Container Nos. for any seal mis-match or tampering and as such, the authority cannot be delegated to others.

At this juncture the Principal Commissioner asked the reasons, if any for the delay in the container movement. In response, representatives of the CFS conveyed that only in rare cases where the receipt of delivery order is delayed, there is a delay in the container movement.

The Principal Commissioner has asked the CB Association members to get the delivery order in time from the Liners to avoid delays and suggested this may be resolved among CBs, Custodian and Liners to avoid delay in issuance of the Delivery Orders to ensure faster container movement. This issue is treated as settled.

(Point Closed)

Points No. 03 and 04: Seal/Container No. Mismatch or broken seal and amendment of IGM in RMS facilitated bills

Department's Comments:

Draft Public Notice has been circulated for comments. As soon as the process is complete, the PNs will be issued.

(Point Open)

Point No. 05: Difficulties faced by importers in availing benefit of FTA/ Preferential Tariff due to misinterpretation of origin rules by assessing officer.

Department's Comments:

In this regard, Joint Commissioner (A.M) conveyed that three measures have been taken up the department:

- Issue was taken up with the FTA Cell
- A letter was written to the Board for clarification
- It was also incorporated as one of the agenda points to be taken up by the Chief Commissioner in the Chief Commissioners Conference that is scheduled from 15-16th February, 2024 at Bhopal.

The Principal Commissioner has suggested that CB Association/ trade may also escalate the issue with the Board for redressal.

(Point Closed)

Point No. 07:

Sub point 01: 6 month's validity of Test Report of imported goods:

The test report of imported goods regularly imported at Visakhapatnam by the same importer and from the same supplier, should be valid for 6 months. However, after faceless assessment every consignment sample is drawn for Lab test. This repetitive exercise delays the clearance. It is requested that when the importer produces the previous test report of the same supplier, it should be valid for 6 months. No further sampling may be asked for.

Department's Comments:

After introduction of Faceless Assessment System, all BEs are being assessed by the Assessing Officers at respective Faceless Assessment Groups Located at various Customs Locations. Any BE assessed provisionally for want of Test is directly coming to shed for drawl of sample as directed/ instructed in the BE by the FAG Assessing Officer. Waiver of sampling based on the previous test report is in direct contravention of such Assessment Instructions.

Any intervention in the Assessment Instructions can only be done with the approval of the officer of the rank not below the Joint Commissioner. Thus, genuine requests received from the trade on the issue of sampling are being disposed of in a positive manner on case to case basis. For example waiver of sampling of LPG and other Hazardous Chemicals has been given with the approval of the competent authority.

Also, with the positive intention of trade facilitation Public Notice No. 24/2023 dated 28.11.2023 was issued on the same issue. In terms of the Public Notice, assessment procedure has been simplified for fast clearance with respect to the commodities covered under CTH 2710 and even sampling requirement with respect to the commodities covered under CTH 2710 has been dispense with for the regular manufacturer importers with certain conditions.

Similar PNs have been issued by the Major Custom Houses from time to time on the issue of validity of previous test report for assessment based on some parameters. However, No PN has been issued to review/change of the assessment order issued by Assessment Group or Faceless Assessment Group (FAG) instructing to draw sample for testing. Any general instruction for use of previous test report would be in the direct contravention of the Assessment Instructions. Hence, such a direction has to come from the Board and cannot be taken at the Commissionerate level.

At this juncture, the representative of the CBA requested that a lenient view may be taken up at least with respect to the Bills where there is same manufacturer importer, same supplier and same goods from same country and that are imported very frequently for consumption at their factory.

In response, Joint Commissioner (AM) conveyed that such exemptions will be considered on case to case basis on the basis of the merits and on the request of the

Importer and CB. Principal Commissioner endorsed the view and assured that this issue will also be taken up in the NAC meetings.

(Point Closed)

Agenda points sponsored by the Chairman:

Point No. 1:

While applying license for a Public/Private/Special Bonded Warehouse u/s Section 57, 58 or 58(A) of the CA, 1962, the applicant is submitting the Solvency and Insurance documents, which are valid for one year. Further, the Warehouse Bond submitted by the importer u/s 59 of CA, 1962 under which the goods shall be allowed to be kept in a Public/ Private/Special Bonded Warehouse is also valid for a period of one year as per Section 61 (1)(c) of the CA, 1962.

However, it is observed that the documents showing the ownership of the plot in the name of the applicant, allotted by M/s. Visakhapatnam Port Authority is valid for shorter periods of 4 weeks, 16 weeks etc. which is far less than the period mentioned in para above.

In view of above, it is opined that while applying for a license for Public/Private/ Special Bonded Warehouse, it would be preferable to submit a lease/allotment/document of a plot from M/s VPA for a period of at least one year, initially by the licensees. The chairman has directed to form a team with the members from the Visakhapatnam Port (TM), DC (Bonds) and Customs bonded warehouse Operators in the VPA premises to brainstorm and finalize the modalities as per the Warehousing Regulations before the next PTFC meeting.

Department's Comments:

A meeting has been conducted by the DC Bonds section with VPA Officers and CBW Operators and it was conveyed that the Port has agreed for issuing lease for 11 months. The minutes of the meeting were issued on 30.01.2024.

CBA representative requested that a copy of the Plot allotment by the Visakhapatnam Port Authority to the Bonded Warehouse applicant may be marked to the Customs through electronic mail to reduce delay.

Traffic Manager, Visakhapatnam Port Authority has informed that lease for 11 months for public bonded warehousing will be issued by the Port, provided the applicant to the warehouse surrenders the plot if the plot is vacant or idle, due to space constraints in the port area.

In this regard, the Principal Commissioner conveyed that a modality may be developed for email correspondence between Deputy Commissioner (Bonds Section) and Traffic Manager, VPA to reduce delay. The email Id is obtained from Traffic Manager, VPA: **tm.brsr.vpt@gov.in** and the email id of Bonds Section: **bonds-cusvzg@gov.in**

CBA representative requested to clearly mention the area of the land to be given for Customs Bonded Warehouse in the allotment letter itself and that NOC is not be insisted from Customs to which Traffic Manager agreed.

Point Raised by the Sravan CFS custodian on TSA process automation:

The representative of the Sravan CFS has informed that trade is facing challenges due to TSA related issues and for the past one week, the entire TSA process has gone manual this is creating huge delays in evacuating of containers from terminal to CFS/Factory. The representatives of the CFSs also conveyed that any delays in TSA will create congestion at the VCTPL gate.

Joint Commissioner (A.M) replied that TSA process has gone manual in the last one week due to technical glitch and server related issues. Now the same is resolved. It is also conveyed that there is no integration between ICES and the software used by the CFSs and hence, it cannot be fully integrated as of now. It was assured that this issue will be taken up with the DG (Systems) for possible process automation/integration.

Further, the Principal Commissioner has directed DC (TSA) that an officer may be posted on Saturday also to avoid any TSA delays.

(Point Closed)

Point Raised by the VCBA President on need for Customs Broker representative to be present at the terminal to get Allowed for Shipment (AFS) copy:

The VCBA president requested that CB representative presence may not be insisted while granting AFS at terminal. He expressed difficulty in deploying their personnel for obtaining AFS at terminal and opined that it is the responsibility of CFS operators.

CFS representatives contested that their responsibility ceases at handling export containers to the terminal operator at the gate.

The Principal Commissioner replied that in order to get AFS permission by Preventive Officers for loading of containers onto the ship, someone should be present to identify the containers and hence suggested that the issue may be discussed and resolved among the terminal operators, CFS operators and Customs Brokers.

The Principal Commissioner also assured that as there are conflicting views, the issue will be examined and resolved as per the law.

(Point Open)

Point Raised by the VCBA President on further trade facilitation by Vizag Customs:

The VCBA president requested to depute officers as a part of special drives conducted by Vizag Port Authority for further trade facilitation.

The Principal Commissioner replied that in the era of Faceless assessment where the objective is uniform assessment across the country, most of the assessment pertaining to bills filed at Visakhapatnam is done by the Customs officers of other ports. Hence, the role of Customs at Visakhapatnam in assessment of documents is negligible.


The Principal Commissioner reiterated that Visakhapatnam Customs lays emphasis on trade facilitation as long as the trade complies with the provisions of the Customs Act, 1962 and other allied acts.

The Principal Commissioner also conveyed that Customs Department is only one of the stakeholders and collective efforts from other stakeholders are also needed to sensitize trade to make Visakhapatnam a trading destination.

(Point Closed)

The Chairman thanked all the members of the trade, PGAs and officers for making it convenient to attend the meeting and the meeting ended with thanks to the honorable Principal Commissioner by Shri. M. Venugopal, President, VCBA.

This issues with the approval of the Principal Commissioner of Customs.



Krishnenthru Raja Mintoo P.S.
Joint Commissioner (AM)

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