

**Proceedings on the Agenda of the 49th Session of Standing Committee on Promotion of Exports (SCOPE)-Shipping held on 30th July, 2019
(in continuation of the meeting held on 04-07-2019).**

	Name of the Organization	Issues raised in brief	Remarks/ Decision taken in the meeting held on 04-07-2019 and 30-07-2019
1.	LMCS Maritime Pvt Ltd. (Associated with INSA) (mail 5.09.2019)	<p>Difficulty in getting the benefit of Service Export Incentive Scheme (SEIS)</p> <p>The main motive of SEIS is to promote Exports from India so as to earn and bring a good number of Foreign Exchange in India and thus helping it to grow in various means. Our Prime Minister Shri Narendra Modi has from his initial days a sole vision, from businessmen point of view, that is to bring ease in doing business. However seeing some clauses/amendments of Foreign Trade Policy working on Contrary side, we feel disappointed.</p> <p>The issues in claiming SEIS benefits are as stated below:</p> <p>Further referring to NOTE 5 (g) of Public Notice No 45/2015-2020 dated 5th December 2017, it states that if while plying, by any Shipping Line/Air Line, from any Foreign Country X to Foreign Country Y its routes do not touch India at all, then it would be not entitled to claim SEIS benefit.</p> <p>The view of LMCS that, where any Foreign Going Vessel frequently touches Indian waters, it would be regarded as a Coastal Ship against its Status of Foreign Going Ship, which may lead to losing its other benefits that may be available to it. Secondly If a Foreign going vessel frequently touches Indian waters, it may take a longer time to reach its destination and thus may lose its business. They agree that such type of provisions may apply to Airline Players as both Airline Companies and Shipping Companies have a different business model, thus sometime the provision that applies to Shipping Line may not apply to Airline and vice-versa. LMCS has mentioned that such provisions should be re-considered to provide an ease of doing business.</p>	<p>This issue pertains to an Indian shipping company importing cargo from a foreign firm, which involves export of services by the said Indian shipping company thereby earning foreign exchange to the country.</p> <p>Logistics Division to coordinate with DGFT for decision on the issue.</p>
2.	Container Shipping Lines	(1) The Annual Container Bond:	2 (1) : CSLA to update at next meeting since Customs are addressing the matter w.e.f. 1 st

	<p>Association (India) (CSLA), C/o The Bombay Chamber of Commerce and Industry, Mumbai (mail dated 10.05.2019)</p>	<p><u>Existing Process :</u></p> <p>A manual key register is maintained by all the shipping lines which are kept at customs department at all port customs locations.</p> <p>Details of vessel wise import containers are manually recorded in the key register by the shipping lines representative.</p> <p>CMC permission for all import containers except transshipment containers are issued by the customs authority.</p> <p>After the containers are exported, Re-export list is submitted to the customs authority and accordingly export vessel details are updated manually in the key register & bond is credited.</p> <p>Application for extension of bond is submitted to the customs container cell department when containers are not re-exported within six months of the arrival date.</p> <p>Extension is granted by the customs if containers have not been re-exported due to genuine reason (customs hold, abandoned case etc.)</p> <p><u>Proposed Process :</u></p> <p>There should be a single bond for each shipping line which should cover import-export transactions of all Indian ports.</p> <p>Bond should be debited basis of terminal discharge list or import general manifest and credit process should take place basis on terminal load list.</p> <p>Terminal discharge or load list will be the most feasible option as customs export or import manifest doesn't contain empty containers. Customs system requires shipping bill as mandatory field for export manifest and similarly bill of lading number for import manifest which will not be available in case of empty containers. Also most of the times empty containers are discharged from the vessel in a very short notice to cater export requirement of Indian Customers which most of the times are not found on the expected vessel stowage. Hence if empty containers are added in import general manifest, then there should be option to add/ delete empty containers even after the inward clearance which is not possible from the customs point of view.</p> <p>Terminal discharge list, load list, import general manifest & export</p>	<p>August, 2019.</p>
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		<p>general manifest should be integrated with the customs system on pan India level. There should be exceptions for empty containers. Status report of import laden containers should be updated by the custodian/ adjudication authority in the online system.</p> <p>Bond extension for customs hold/ abandon cargo/seized cargo by government authority should be auto granted by the system without any manual intervention.</p> <p>Bond renewal process should be online process.</p> <p>(2) EGM filing procedures:</p> <p>Presently, EGMs are filed in two ways: thru EDI in ICEGATE and through Hard copy manually. Earlier for EGM Hard Copy, the Shipping Line had to get endorsement from the Preventive office on each S/Bill, by producing copy of Mates Receipt prepared for each container, compile and then enclose it with hard copy of the EGM filed. This requirement of getting endorsement on S/Bill and attaching Mates receipt with EGM has been stopped vide PN 150/11.2016. Can Customs look at the possibility of doing away with the HARD copy filing of EGM as well, in view on-line filing and Ease of doing Business?</p> <p>However in case of ICD containers, there is no clarity as the PN does not speak about ICD units. Getting endorsement from Boarding office on the Shipping Bill still continues. Two TR copies of S/Bills are received from ICDs. One T/R copy with endorsement is submitted along with EGM in ECU, D'Node and one TR copy is handed over to the Preventive office for onward dispatch to the respective ICD locations. Since EDI EGM for ICD containers is also now filed ON-LINE, and the S/Bills are available in the ICEGATE/Customs systems, the requirement of getting two TR copies and sending one back should be scrapped. Likewise, taking endorsement from boarding office on ICD S/Bills also should be scrapped in line with the system for local s/Bills as per PN 150/11.2016. This will help in avoiding lot of manual work and piling up of papers, and also will go with the policy of Ease of doing Business.</p>	<p>2 (2) : As above.</p>
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		<p>(3) The Terminal load list to be considered as EGM:</p> <p>The Terminal load list is to be considered as EGM without any need for S/Line to file separate EGM. As all the details are already available in ICEGate.</p> <p>(4) The feedback form submitted to the Boarding Officer:</p> <p>The feedback form which the master has to submit to the boarding officer after the boarding formalities should be submitted by the master through vessels official email id to customs which could be attended by some senior Customs official. As of today the feedback form is just a formality which is done by the master as the paper is to be given to the customs boarding officer in hand which dilutes the purpose of this feedback form.</p> <p>(5) The shipping lines are required to submit hard copies of the 18 documents:</p> <p>As per the current practice, the shipping lines are required to submit hard copies of the 18 documents attached (list of Docs for Boarding – JNPT. xls) to the Customs Boarding team upon berthing of the vessel. Besides, an intimation letter with regard to the berthing of the vessel is submitted to all the authorities, one day prior to the berthing of the vessel. Basically there should be provision in system to upload required documents and there should be no need to take out so many hard copies of documents. The concerned departments should be able to view the documents from the system itself. It would support the government's initiative on Digitization and the Ease of Doing Business.</p> <p>(6) INTERMEDIARIES:</p> <p>The Shipping lines, all of whom are members of CSLA, are transparent in their approach and have their charges put up in public domain / on the website. However, the ‘intermediaries’ who may even issue their own House Bills of Lading, tend to pad up the charges, resulting in the end customer being overcharges. It is this section of Trade (the “intermediaries”) who need to be regulated for the benefit of the trade.</p>	<p>2 (3) : As above.</p> <p>2 (4) Customs to Analytics and action taken on Feedback on a regular basis.</p> <p>2(5) : Logistics Division to coordinate with Customs, CSLA & INSA for digitisation of the documents to be submitted online.</p> <p>2 (6) : This is a matter of serious concern. FILA,</p>
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		<p>(7) PCS 1X System:</p> <p>DATA Security of primary importance. The Govt. Of India, being the owner of this data and the proprietor of services, it may please issue a formal public announcement / notification, confirming that the data on the PCS server is safe and will not be used / shared by the Govt. Of India or its vendor, PORTALL, with anyone else other than the direct consignee / shipper or use it for any other purpose.</p> <p>Standardization of processes across all ports in India and involvement of all the stakeholders in the PCS 1X system are required for the success of this system.</p> <p>(8) SCMT :</p> <p>In view of the SCMT coming into force from the 1st of August 2019, the registration process should be smoothened and the EDI data structure shared with the shipping lines.</p> <p>PCS 1X system should be aligned with SCMT.</p>	<p>CSLA, FIEO may please propose a draft SoP & draft documents such as Invoice, Bill by various trade entities etc. FILA representative may please chair the meeting. Report may be submitted at next meeting.</p> <p>2 (7) : The matter is addressed by IPA. Hence CLOSED.</p> <p>2 (8) : Addressed by Customs, Hence CLOSED.</p>
3.	+	<p>(1) Ensuring supply of Bunker fuel by Oil PSUs at rates matching costs of fuel (before GST) in the region available to foreign ships.</p> <p>Bunkers are supplied by Indian companies at rates which are higher than the prices for same products in the region such as Colombo or Singapore. Indian companies have no choice but to purchase bunker fuel from Indian suppliers. But foreign ships which compete on the coast are able to buy bunker fuel at cheaper rates outside India. Indian ships have to offer the same freight as foreign ships on the coast. This makes Indian ships non-competitive. Please see the</p>	<p>3 (1) : Issue to be discussed with Ministry of Petroleum and Natural Gas, GST</p>

table below:

Type of Bunker Oil	Cost in India (per MT in USD)	Cost in C
FO cost	USD 556.8	USD 507
DO cost	USD 1230.8	USD 655

There is no justification for a higher selling price of bunker fuel by IOCL. IOCL exports all products at international prices, but insists on selling to Indian companies at higher costs. This disparity needs to be removed and IOCL should be directed to sell fuel to Indian ships at international prices.

[Ministry of Petroleum and Natural Gas/IOCL]

(2) Permission to sign on/off Indian crew at anchorage

Bureau of Immigration does not, since 25th September 2017 permit the sign on/off of Indian crew at anchorage at Paradip and Kochi Ports. The exception to that is if the crew fall sick. These vessels cannot come alongside of the berth as they have to discharge cargo in stream.

(3) GR Waiver on Indian flag tugs and offshore vessels

Each time an Indian flag Tug boat and/or Offshore services vessels are required to go out of India for the purposes of business, they are asked by the Custom authorities to obtain a Guaranteed remittance (GR) waiver from the RBI without which the Custom authorities do not permit the vessel to be taken out.

Obtaining of RBI permission for export which is referred to as GR Waiver takes any way between 15-20 days to be completed.

RBI has informed them that there is a need to include Tug boats, Offshore vessels and the likes in the list of items exempted under Regulation 4 of FEMA 23(R). This has to be done by DGFT.

This matter has been shuttling between the DGFT and the RBI with no relief to the Indian industry which is handicapped in exporting such services.

3 (2) : To be discussed with Bureau of Immigration and Shipping for a decision.

3 (3) : Issue to be discussed with DGFT and RBI.

		<p>(4) Amendment to the Extant ECB policy to permit utilization of ECB proceeds towards reimbursement of own funds used for acquisition of vessels</p> <p>Prior to or pending receipt of loan funds, Indian shipping companies use their own funds towards acquisition of assets. However, once the ECB loan funds are received, these loan funds cannot be used by the Indian shipping company to replace/reimburse the 'own' funds used by that Indian shipping company in the first place.</p> <p>Our members regularly use their own rupee funds or foreign exchange funds pending the grant of the ECB loan and therefore face difficulty.</p> <p>They are, therefore, requesting that the ECB policy be amended to permit Indian shipping companies to use such loan funds received from ECB funding also for the purposes of reimbursing its own funds used in the first place.</p> <p>They clarify that they only seek reimbursement of our own funds, either in foreign exchange currency or in Indian rupees. They do not wish to seek replacement of rupee loan funds with the ECB funds.</p>	<p>3 (4) : Issue to be discussed with DGFT & RBI</p>
<p>4.</p>	<p>The Shipping Corporation of India Ltd., Mumbai (SCI) (mail dated 20.05.2019)</p>	<p>Background: The Shipping Corporation of India Ltd. (SCI) has in-chartered foreign flag container vessels viz. m.v. MCP Linz & m.v. MCP Salzburg, which are deployed on East Coast of India to boost trade between Mainland – Port Blair sector. In this regard, kindly note that Bureau of Immigration, Chennai Sea Port has directed to ensure that the foreign crew must be in possession of a valid Employment / Business visa to work on coastal run vessels beyond 60 days or else they must be signed-off to obtain proper visa if they want to continue to be employed on coastal run vessel. Informatively, Owners of m.v. MCP Linz has communicated to SCI that they are unable to get the requisite Employment / Business visa for their foreign crew from the respective Indian Embassies.</p> <p>Request: It is requested that the matter pertaining to requirement of foreign crew to be in possession of a valid Employment / Business visa to work on coastal run vessels beyond 60 days or else to be signed off to obtain proper visa if they want to continue working on</p>	<p>The representation is seeking waiver in Visa requirements for employment Chairman expressed to follow Visa Rules. No further action is required on the issue Hence, CLOSED.</p>

coastal run vessels may kindly be taken up with the Bureau of Immigration, Ministry of Home Affairs or at an appropriate forum and suitable and favourable directives may kindly be issued by the concerned authorities waiving off the above mentioned visa requirement for ensuring the growth and sustenance of Indian Coastal Trade.

Background: Currently, containers used for EXIM / International maritime trade are allowed to be imported into India without payment of duty for a fixed period on the condition that the same would be re-exported within 6 months after their entry into an Indian port. By the time containers are discharged, de-stuffed, returned to the depot / nominated site, 15-25 days would have elapsed and when the same container is used for One Voyage of Coastal Movement and empty return to the origin port, a total of about 80-90 days would have elapsed. Consequentially, the said containers are unable to cover the duration of even two Coastal voyages. Hence, 6 months is too short a period to re-export EXIM containers which are deployed for Coastal cargo movement for providing an uninterrupted supply of requisite inventory to cater to the requirements of Indian Coastal Trade.

Further, it has been brought to the notice of the CBEC / CBDT Board that due to limited availability of return cargo on most of the coastal shipping routes, the cost of repositioning of empty containers is high which increases the total logistic cost of coastal shipping. Therefore, to reduce the logistic cost it has been requested to allow the EXIM containers imported under notification No. 104/94 dated 16.03.1994 for carrying domestic goods.

Request (1) : To alleviate the problems encountered by the Indian Coastal Trade regarding the availability of requisite inventory, it is requested to enhance the re-export requirements of EXIM containers to 12 months from the present 6 months period.

Background: Supply of Duty Free Bunkers to Coastal Vessels.

Logistics Division will examine the relevant issues including charges levied by lines such as container cleaning, Repair charges etc.

		<p>Request (2) : To augment the competitiveness of Indian Coastal Trade Operators, it is requested that authorities may kindly consider the supply of Duty Free Bunkers to Coastal Vessels, which would also assist in substantial savings on precious foreign exchange out, which presently, is being enjoyed by nearby Bunkering Hubs like Colombo, Fujairah etc. In this regard, it is also requested that other operational hindrances such as mandatory requirement for obtaining Port Clearance for pure Coastal Vessels may kindly be done away with, which would help in the faster turnaround of Coastal Vessels.</p> <p>Similarly, operational constraints experienced by Indian Coastal Trade Operators may kindly be addressed and resolved viz. foreign flag vessels operating on the Indian coast carrying EXIM boxes between two Indian ports are permitted to operate without payment of customs duties on bunkers while Indian vessels are required to convert to 'Coastal' status each time they have to carry cargo on the Coast.</p> <p>Indian Sub-continent ports, namely, Colombo and Chittagong may be considered as Coastal Ports only for all custom related formalities. These vessels need not convert to Coastal every time they call Colombo and Chittagong. Maybe stickers can be affixed stating "Coastal Carriage through foreign territory". Further, developing a separate Single Window Clearance for Coastal Cargo & Vessels alike would be a step in the right direction for promoting ease of doing business as well as for enhancing the competitiveness and fortunes of the Indian Coastal Trade Operators.</p> <p>It would also be a very welcome initiative to rationalize the coastal Port & Terminal Tariff, which would go a long way in enhancing the competitiveness of the Indian Coastal Trade and would entice much more deeper and concerted entrepreneurial initiatives, promote modal shift away from congested rail / road sector, and contribute to developing a safe, environmentally friendly alternative to move cargoes around the Indian coast.</p>	<p>Logistics Division to examine in consultation with Customs, INSA and Coastal Containers Transporters Association.</p>
5.	Mumbai & Nhava-Shava Ship Agents	1. The Annual Container Bond to get converted from the current manual to the online / auto updates on the website	To be coordinated with IPA for Integration with PCS 1.X and ICEGATE. IPA to suggest way forward.

	<p>Association (MANSA) (mail dated 23.05.2019)</p>	<p>The existing manual process can be simplified by dispensing with filing of Export Manifest by the Vessel Operator since the Terminal Load List / Discharge List can be integrated with the Custom's Systems. It is suggested to introduce PAN India single online continuity Bond which can be processed by debiting / crediting automatically at various Terminals of the country.</p> <p><u>Existing Process:</u></p> <p>A manual key register is maintained by all the shipping lines which are kept at Customs' department at all port Customs locations. Details of vessel wise import containers are manually recorded in the key register by the shipping lines representative. CMC permission for all import containers except transshipment containers are issued online by the Customs authority. After the containers are exported, Re-export list is submitted to the customs authority and accordingly export vessel details are updated manually in the key register & bond is credited. Application for extension of bond is submitted to the customs container cell department when containers are not re-exported within six months of the arrival date. Extension is granted by the customs if containers have not been re-exported due to genuine reason beyond control of Ship Agent / Line such as holding up by Customs, abandoned case etc.</p> <p><u>Proposed Process:</u></p> <p>There should be a single bond for each shipping line on PAN INDIA basis which should cover import-export transactions of all Indian ports. Bond should be debited on basis of Terminal discharge list or import general manifest and credit process should take place on basis of terminal load list. Terminal discharge or load list will be the most feasible option as presently customs export or import manifest doesn't contain empty containers. Terminal discharge list, load list, import general manifest & export general manifest should be integrated with the customs system on pan India level. The empty containers will be included/taken care in IGM / EGM subsequent to implementation of SCMT regulation pan India for account of debit / credit in online Bond System. The Terminal's discharge list and export list (TDR) can be used by CMC for the purpose. Bond</p>	
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renewal process should be Online. The Terminal load list should be considered as EGM without any need for S/Line to file separate EGM. These details are already available in the ICEGATE. This can be done once the Terminal load list is integrated with / Customs .ICEGATE system

2. ICEGATE System

Presently, EGM is filed in two ways: thru EDI in ICEGATE and through Hard copy manually. Earlier for EGM Hard Copy, the Shipping Line had to get endorsement from the Preventive office on each S/Bill, by producing copy of Mate Receipt prepared for each container, compile and then enclose it with hard copy EGM filed. This requirement of getting endorsement on S/Bill and attaching Mate receipt with EGM is stopped vide PN 150/11.2016. Can Customs look at the possibility of doing away with the HARD copy filing of EGM as well, in view on-line filing and EODB!

However, in case of ICD containers, there is no clarity as the PN does not speak about ICD units. Getting endorsement from Boarding office on the Shipping Bill still continues. Two T/R copies of S/Bills are received from ICDs. One T/R copy with endorsement is submitted along with EGM in ECU, D'Node and one T/R copy is handed over to the Preventive office for onward dispatch to the respective ICD locations. Since EDI EGM for ICD containers is also now filed ON-LINE, and the S/Bills are available in the ICEGATE/Customs systems, the requirement of two T/R copies and sending one back should be scrapped. Likewise, taking endorsement from boarding office on ICD S/Bills also should be scrapped in line with the system for local Shipping Bills as per PN 150/11.2016. This will help in avoiding lot of manual work and piling up of papers, and also will go with the policy of Ease of doing Business.

Similarly, there should not be any requirement of HARD copy of IGM. As all the details are filed electronically. There should be provision to include Empties as well in EDI IGM, which will take care by SCMT regulation.

3. Documents to be Submitted to Customs Boarding Team

As per the current practice, the shipping lines are required to submit hard copies of the 18 documents to the Customs at JNPT Boarding team upon berthing of the vessel. Besides, an intimation letter, with regard to the berthing of the vessel, is submitted to all the authorities, one day prior to the berthing of the vessel. Basically there should be provision in system to upload required documents, and there should be no need to take out so many hard copies of documents. The concerned Departments should be able to view the documents from the system itself. It would support the Government's initiative on Digitization and the Ease of Doing Business.

4. Splitting of Bill of Lading & Shipping Bill

Frequently, there are occasions when the export containers are partially shipped and the balance shipped subsequently in unforeseen circumstances such as break down of the Gantry, late arrival of the Containers by rail / road etc. Similarly, the import containers are also received in different vessels. These occurrences however, lead to splitting of the Shipping Bill or Bill of Lading for export and import respectively. For Split of Shipping Bill or IGM BL for shipment or taking delivery, may be dispensed with. Instead the same documents can be filed for the next vessel for taking delivery of import or shipment of the export containers. Same Shipping Bill should be accepted by Customs System for multiple rotation Nos. to facilitate online transactions without resorting to manual transaction for splitting.

5. Provision for auto population of Vessel Name under Online ICEGATE Rotation / Inquiry Option

Very often the same vessel is hired / chartered by different company / Shipping Line. However, the ICEGATE System due to lack of ICEGATE Rotation Module is unable to auto populate the vessel's name after the IMO No. is entered by the User in the relevant Form. It will be very useful if the System can be altered suitably.

		<p>6. Interchange of Data Between Customs, Terminals & Various Authorities</p> <p>The same data is required to be submitted to the Ports, Terminals, immigration, Custom Authorities, Police, Income Tax, CISF, PHO etc. All the concerned Stakeholders and the Authorities should be taken on Board in the System so that they can extract the relevant Information / Document as per their requirement instead of calling for hard copies or necessitating submission of soft copies repeatedly for the operations of the same vessel.</p> <p>Some of the suggestions from our Members above are expected to reduce or avoid totally manual interactions between public (Trade) and Customs Port Officials by going online for speedy and transparent decisions. They may not be exhaustive but we will endeavour to send further, if received in due course sufficiently in advance for your kind consideration.</p>	
6.	<p>Federation of Ship Agents Association of India (FEDSAI)</p>	<p>1. <u>Removal of Restrictive Practices & Ensuring Fair Competition Within the Market Forces</u></p> <p>1a] Tariffs</p> <p>During the interactive sessions held by Ministry Officials in connection with the introduction of Digital Data Interchange and the Processes the Ship Agents / Lines strongly expressed that it is necessary to ensure Data Security, Confidentiality and Privacy Clause which was acknowledged by the Chair. Some provisions have been made by the Program Developer (M/s Portall Information Systems) and made the Proposal that secured encrypted e-Invoices can be shared on PCS 1x by which only the authorized Stakeholder (Final Consignee / Exporter only and not the others) can view these Invoices by means of a secured Pass Code. By maintaining this Confidentiality and Privacy there will be greater possibility of maintaining competitive edge under Competition Act as otherwise there is likely that actual cost at Port might be at a higher level. Depending on the nature and quality of services provided by the Ship Agent / Line, the charges like Documentation Fee (especially due to computerization) would vary among competitors. It is for the</p>	<p>6 (1) (a) :The PCS IX maintains confidentiality of commercial data. Hence the issue is CLOSED.</p>

		<p>EXIM Trade to scout for the suitable Line for entrusting their merchandise at the cost they look forward. It also depends on the nature of services as per the BL Clause by the Shipper / Importer etc. Under the Competition Act, the confidentiality has to be maintained so far as levy of charges and tariffs are concerned by the individual Companies of the group of likeminded Operators of Merchant Navy (Lines / Ship Agents etc.)</p> <p>1b] Conversion of Vessels</p> <p>It is observed that the Documentation and Procedures vary from Port to Port for conversion of vessels from foreign to coastal and vice versa. This is causing undue delays at times and increasing the costs for the vessels / EXIM Trade. This issue has been taken up with Ministry and CBIC and some progressive steps have been taken which require further improvement / ironing out and Standard Operating Procedure applicable to all Ports should be introduced.</p> <p>Attachment related to issues of difficulties faced for conversion of vessels is placed at Annexure 1.</p> <p>1c] Electronic Data Interchange (EDI)</p> <p>With Introduction of Port Community System (PCS) and the Existing ICEGATE there should be free exchange and transmission of data from PCS System to ICEGATE System which would reduce feeding of data repeatedly as well as submission of hard copies of various formats. This issue has also been taken up with Custom Authorities when the SCMT regulations were discussed for introduction. This would facilitate expeditious clearance and movement of documents without manual interface.</p> <p>2. <u>Handling of Perishable Cargo at Mangalore International Airport (MIA)</u></p> <p>We bring to your kind attention that of late, our Members have been receiving requests from EXIM Trade for introduction of 24x7 Customs clearance facility at Mangalore International Airport (MIA) to avail logistical advantage. It has been noticed that evening flights</p>	<p>6 (1) (b) : FEDSAI may suggest draft SoP at next meeting.</p> <p>6 (1) (c) : This matter is being addressed by PCS IX & ICEGATE and monitored by NCTF & PMO. Hence, the issue is CLOSED.</p> <p>6 (2) : Customs may be requested to do the needful and communicate at next meeting.</p>
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		<p>are unable to provide adequate space for air cargo and whereas early morning flight has sizeable space to offer to the exporters.</p> <p>Currently, customs clearance facility for cargoes is not available beyond evening hours at MIA. As the exporters would like to connect their perishable cargoes to early morning flight, we request that customs clearance facility is provided beyond evening hours against specific request from the shippers. Once the export traffic stabilizes, 24x7 clearance facility may be introduced at MIA.</p> <p>Their Members are concerned that at present with grounding of aircrafts, uncertainty and cancellation of flights, the EXIM Trade is facing hardships and pressure on all counts. If the Custom Department is considerate to heed this request, it will provide relief to the trade specially during Summer Season.</p> <p>Also informed by the FEDSAI that Air Cargo Manager from Airport Authority of India, Mangalore has agreed to provide necessary assistance for customs clearance beyond evening hours.</p> <p>In view of above FEDSAI has requested to take up this issue for extending the Customs Clearance timings at MIA to facilitate uninterrupted cargo clearance.</p>	
7.	<p>CONTAINER FREIGHT STATIONS ASSOCIATION OF INDIA(CFSAI) Mail dated 29.05.2019</p>	<p>1) <u>Disposal of goods brought into CFS(Customs area for export but not exported and not obtained shut out.</u></p> <p>Background: As a trade facilitation measures, cargo meant for export is allowed to be carted inside the CFS premises on the strength of Checklist and the Shipping Bills (SB) numbers. However, it has been noticed that on certain occasions, for various reasons, the goods are abandoned even after the grant of Let Export Order (LEO) by the concerned Customs jurisdiction. The concerned Member CFS as per practice make efforts to contact the exporters for clearing the export cargo, however very often the exporters do not even respond to the letters of the CFS. This has led to the problem of accumulation of uncleared exports cargo in CFS. Presently there are about 770 such cases in JNPT</p>	<p>7 (1) : A committee comprising of two members each from CFSAI, BCBA, FFFAI alongwith FIEO may furnish a draft SoP & way forward on each issue. FIEO representative may chair the meeting. Report may be presented at next meeting.</p>

alone. All India figures would be substantially higher. In absence of any guidelines from CBIC/ Customs Commissionerate, no action can be initiated by the member CFSs for disposal of such goods. These boxes continue to lie in CFSs and block the precious revenue generating area of the CFS. It is imperative that such goods need to be disposed-off from time to time.

2) **Disposal Mechanism for perishable goods.**

Although guidelines have been formulated as far as disposal of uncleared and unclaimed containerized cargoes are concerned as per CBIC Circular No. 49/2018, however due to procedural delays in obtaining NOCs for disposal form concerned PGAs, perishable cargoes are the worst impacted as due to small shelf life, their value reduces substantially on a day to day basis and soon it becomes a liability as these cargoes if not auctioned timely tend to rot, and are unfit for human consumption. Subsequently these need to be destroyed in a prescribed manner by the custodian at a huge cost. This issue needs to be addressed.

3) **Loss of revenue and no compensation (even Ground Rent) to Custodians for cargoes under "absolute confiscation" by Customs**

Historically when cargo is to be adjudicated, the normal practice was to levy a redemption fine to be paid by the custodian (in our case CFS) after which he could auction the goods with condition/ s, if any, imposed by customs are complied. However, the practice has since been discontinued. Now the Customs auction the goods and the successful bidder is allowed to take the goods without even paying the ground rent and other legitimate dues accrued to the Custodian (CFS) .

In such a scenario, whilst CFSs incur expenses and costs relating to such cargoes they are being denied

7 (2) : To prepare SoP in consultation with FSSAI PQ & AQ. FIEO committee including CFSAI may suggest draft SoP for consideration in first instance.

7 (3 & 4) Issue addressed in 48th meeting proceedings. **Hence CLOSED here.**

		<p>compensation from the proceeds realised by the Customs. It is pertinent to mention here that CFSs are set up with huge Capex and have substantial Opex and to deprive custodian of their actual cost is grossly unfair and Customs should consider paying off the legitimate dues to the custodians from the auction proceeds collected by them for such cargoes.</p> <p>4) Expediting the decision on hold containers: Pan-India there are several containers which are under hold by SIIB, CIU, AIU, CBI, DRI, Local customs, Police and other agencies which cannot be disposed of till such time these matters are adjudicated. It takes several months and in many cases years for decisions to be conveyed by these authorities. Since these are investigating agencies, the local commissionerate's also normally do not like to intervene. Over a period of time cargo from these containers get deteriorated and in many cases the goods lose their commercial value and it becomes practically impossible to dispose off same. Can a time limit be put for disposal of such cases barring few serious fraud or complex issues.</p>	
8.	<p>Jawaharlal Nehru Port Trust Mail dated 29th May, 2019</p>	<p>(i) Expedite the work on Dedicated Freight Corridor (DFCC) to JNPT.</p> <p>The DFC (Dedicated Freight Corridor) Project was envisaged to ensure reliable, eco- friendly and cost effective connectivity between JN Port and NCR region. The rail connectivity to JNPT is essential for exports from NCR region to take JNPT-centric advantages of Lower freight and wider direct connectivity to global destinations. The rail share at JN Port which has been 29% during 2009-10 has been dwindling over the past five to six years due to reasons like higher rail freight cost, lack of pre-advertised schedule and longer transit time. During the last FY 2018-19 the volume of rail share was only 14.65 % of the total throughput volume and around 33% of the total rail volume cater to the NCR region now. To build up the much needed high rail share, in recent period, heavy capital spending for rail infrastructure has taken place in JNPT in the form of 4 additional DFC compliant lines in BMCT terminal, additional rail</p>	<p>8 (i) : Noted. No specific action or suggestion. Hence CLOSED.</p>

line to Jasai and the Common Rail Yard for DFC itself.

The DFC was expected to be completed in March 2017 so that it can also cater for the additional demand of container transportation created by commencement of 4th Container Terminal at JNPT. The 4th Container Terminal has been commissioned and additional throughput of 2.4 Million TEUs is expected to be handled by 2020. The situation is leading to unintended and undesirable load on the road. It can adversely affect capacity utilization at new terminals created out of FDI.

As per the current status, the Delhi - Palanpur section will be completed by 2020. The Palanpur - Mundra link is expected to be completed in the same time line. However the remaining corridor up to JNPT is indicated to be completed only by 2022.

In case the DFC connectivity to JNPT is not expedited, the large portion of JNPT specific NCR rail traffic will shift to Mundhra and it would be very difficult to regain the lost traffic. Thus the very purpose of a DFC corridor to JNPT will be defeated and the corridor will become unviable when completed. The traffic projections relied upon by PPP operators of JNPT for heavy capex will stand vitiated, due to modifications which they did not anticipate. The PSA has already raised concerns.

As early as 2016, JNPT had been raising concerns to DFC and requesting to commence work from the JNPT end also. The concerns had been consistently taken up to higher levels. JNPT organised a meeting on 23rd April, 2019 with CONCOR and Terminal Operators in the presence of Executive Director (Strategic Planning), Railway Board and Chief Freight Transportation Manager (Central Railway) to identify measures to retain and increase the carriages by rail to JNPT.

Both E.D (Railway Board) and CFTM (Central Railway) were of the opinion that expediting of DFC connection to JNPT must be of utmost priority to retain and increase the rail carriages of containers to JNPT.

It is requested, to take up the issue with Ministry of Railways for expediting the work of Dedicated Freight Corridor (DFC) to JNPT on priority.

(ii) Non adoption of Port Community System PCS 1x by some stakeholders:

The Port Community System (PCS) is upgraded to PCS 1x from December 11, 2018 with the aim to seamlessly integrate all the members of the port community and also to provide electronic platform to act as a single window to exchange messages and information. Given the vast functionality of PCS 1x and the improved coverage of stakeholders, it has been decided that usage of PCS 1x for carrying out all trade related electronic document exchange and clearances is made compulsory for all stakeholders w.e.f. 11th December, 2018.

With the consistent efforts of IPA and Ports, following 14 categories of stakeholders (out of total 27) which are on board on the portal are i) Ports, ii) Terminal Operator (ToS), iii) Shipping Agent, Shipping Line, iv) Container Agent, v) Customs (ICEGATE), vi) Container Freight Station, vii) Customs House Agent; Importer; Exporter, viii) Ship Chandler ix) Stevedore, x) Bank, xi) Rail transport, xii) Road Transport, xiii) Mercantile Marine Department, xiv) Navy and Coast Guard.

Various meeting have been held to bring on board the remaining 13 categories of stakeholders which are i) Surveyor ii) Port Health Organization, iii) Plant Quarantine Organization, iv) Immigration, v) Tank Farm Operator vi) Barge Owner; Operator, vii) Inland waterways, viii) Stakeholders involved in Coastal Shipping, ix) Empty Yard, x) Freight Forwarders, xi) NVOCC, xii) DGLL, xiii) Bunkers Suppliers. The major concern raised by some stakeholders is data privacy. IPA has carried out VAPT and other cyber security audits, in consultation with NCIIPC & CERT in respect of ICT infrastructure, deployed for PCS 1x application. Further, application audit from DCSI, a third party is under consideration. In view of the above, the SCOPE committee may request the remaining stakeholders to come forward and make use of PCS 1x system

8 (ii) IPA is already on the job in consultation with trade bodies like FILA, FFFAI, AMTOI etc.

Coordinated by Shipping Ministry & Logistics Division DoC. **Hence, CLOSED.**

		<p>shortly.</p> <p>(iii) Target increasing rail modal share by improving predictability in railway services and rationalizing railway tariffs.</p> <p>The declining rail share is the major concern for JNPT. This issue is also highlighted in Logistic Development Committee report (Page 63) that rail modal share of trade cargo at JNPT has fallen from 26% in FY 2010 to around 14% in the year 2017-18. Higher freight tariff, lack of time-tabled freight trains, inadequate availability of rakes/other rolling stock and slower speed of rail transport were noted to be some of the main reasons for this observation. JNPT strongly support the suggestions recommended in the report; i.e i) The rail freight tariff structure (both slabs and absolute tariff rates) may be reduced and rationalized at least on select pilot routes (say Delhi – JNPT). (ii) Railways may facilitate running of time-tabled freight trains for some select pilot routes to provide trade superior rail transport services and arrest the fall in its freight modal mix.</p> <p>iv) Gap between inbound/ outbound rail volume:</p> <p>The volume of import/export cargo handled by rail at JNPT during FY 2018-19 was in ratio 53%/ 47% of total rail volume. The gap in the trade volume leads to increase in the underutilisation of inbound rail capacity and hence increase in overall logistic costs. Attempts needs to be taken to bridge the gap.</p>	<p>8 (iii) : Noted. No specific action suggested. Hence CLOSED.</p> <p>8 (iv) : Noted. No specific action suggested. Hence CLOSED.</p>
9.	Brihanmumbai Custom	<u>A) Inadequate infrastructure at Parking Plaza</u>	9 (A) : JNPT to state compliance at next meeting.

	<p>Brokers Association (BCBA) mail dated 31st May, 2019</p>	<p>JNCH handles almost 30% percentage of countries export volume and in order to facilitate smooth functioning of export consignment robust infrastructure facilities need to be augmented. We suggest following facilities to be made available at Parking Plaza as early as possible. `</p> <ul style="list-style-type: none"> • Wi-Fi facilities • Universal RFID Reader • Facilities for operational staff working round the clock • Adequate space at each parking plaza for carrying out custom examination if container not facilitated by RMS <p><u>B) Participating Govt. Agencies (PGA's) should be available at all Custom Stations</u></p> <p>For Ease of Doing Business and to reduce dwell time, all PGA offices should be available at J.N. Customs for timely release of all consignments.</p> <p><u>C) Transparency in charges recovered by shipping lines and agents / freight forwarders</u></p> <p>Trade and Industry is facing lot of unpredictability due to various charges such as Off dock charges, Late DO charges, equipment imbalance charges, port congestion charges, shifting charges etc. levied by Shipping Lines/ Shipping Agents and Container Freight Stations (CFS) after arrival of cargo in India. Hence for better transparency, trade has been requesting authorities for a long time that shipping lines should mention these charges in the bill of lading. NVOCC / Forwarders should be brought under Regulations to ensure their compliance of Service Levels and cost.</p> <p>In this regards, JN Customs has issued a Landmark PN No 01/2017 for sake of transparency and monitoring Shipping Lines / NVOCCs. However same is not being followed by Shipping</p>	<p>9 (B) : If PGAs cannot be posted at port, need for outsourcing certain components. JNPT in consultation with PGA to suggest SoP for outsourcing, propose SoPs for atleast three such PGAs.</p> <p>9 (C) : JNPT to assist JS Customs to implement the same.</p>
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		Lines at all.									
10.	Chennai Port Trust (CPT)	CPT vide their letter No.A3/80/2019/T(M & S), dated 23-05-2019 has conveyed that they have no agenda points for the ensuing 49 th Session of the SCOPE - Shipping	CLOSED								
11.	New Mangalore Port Trust (NMPT)	NMPT vide letter no. NMPT/TM/MOS-SCPOE/2019 dated 16 th May 2019 has stated that they have no agenda points for the ensuing 49 th Session of the SCOPE - Shipping	CLOSED								
12.	Mumbai Port Trust (MPT) received via email dated 4 th June 2019	<p>1. Disposal of Custom confiscated / detained goods. There are 100133 packages which are custom confiscated / detained and are lying for more than 20 years occupying valuable warehouse area. This occupation has caused unavailability of the warehouse storage space to the import / export cargoes. The CBIC may please be requested for the quick disposal.</p> <p>2. Rail services for export of automobiles. MbPT is the main gateway port for the export of cars / automobiles exporting over 2,25,000 cars in a year. There have been requests by the car manufacturing companies to have a rail facility for bringing the cars from their factories or a common nearby points (say Pune) to the Mumbai port. This will result into cost effective solution as well as environment friendly transport.</p> <p>The Ministry of Railways may please be requested to do the needful.</p>	<p>12 (1) : CBIC to decide by October, 2019 positively.</p> <p>12 (2) : Logistics Division will work with Mumbai Port Trust & M/o Railway to facilitate.</p>								
13.	V.O. Chidambaran Port Trust (VOCPT) received via email dated 4 th June 2019	<p>i) Non availability of PQ services for 24 x 7:</p> <p>PQ services are required for clearance of all plant related materials and VOCPT handles huge volume of Timber, Pulses, Food Grains, Raw Cashew, Copra, Oil cake, Raw cotton, Almonds, Herbs, Pepper, Spices, Fruits & other refrigerated items like Apple, Orange, Banana, etc that require PQ clearance. The volume of Timber, Raw cashew, Pulses and oil cake handled in VOC Port during the last 3 years is furnished below:</p> <p>Table - 1:</p> <table border="1"> <thead> <tr> <th>Period</th> <th>2016-17</th> <th>2017-18</th> <th>2018-19</th> </tr> </thead> <tbody> <tr> <td>Timber</td> <td>2,88,542 MT</td> <td>4,20,976 MT</td> <td>2,48,484 MT</td> </tr> </tbody> </table>	Period	2016-17	2017-18	2018-19	Timber	2,88,542 MT	4,20,976 MT	2,48,484 MT	<p>13 (i) : VOCPT may propose a SoP in consultation with PGA for outsourcing certain components of the PGA services, which cannot be located in port due to shortage of staff. Outsourcing SoPs of different PGAs may be different based on the services that cannot be performed by the PGA at the port at present.</p> <p>VOCPT may start with draft SoPs for upto 3 PGAs in the first instance.</p>
Period	2016-17	2017-18	2018-19								
Timber	2,88,542 MT	4,20,976 MT	2,48,484 MT								

Raw cashew	55,932 MT	39,618 MT	23,949 MT
Pulses	93,472 MT	1,26,541 MT	15,000 MT
Oil cake/Copra	1,40,880 MT	1,96,245 MT	1,83,652 MT

A complaint has been received from the Users that due to non-availability of PQ services during night hours, weekends and holidays, clearance of import consignments is largely affected.

ii) Non availability of FSSAI laboratory at Tuticorin:

At present, FSSAI office is located in Port premises. The officer collects samples of food items and forward the same to authorized laboratories located in Chennai and Madurai. It is brought to the notice that the non-availability of laboratory at VOCPT premises to Test the food items at VOCPT premises is delaying the clearance of import cargoes by 3 to 5 days. The Port Users request for availability of testing laboratory at Tuticorin. For information in addition to the volume of cargoes mentioned at Table-I that require FSSAI clearance, Palm oil handled during the past 3 years which requires FSSAI clearance is detailed in the Table below:

Table 2:

Period	2016-17	2017-18	2018-19
Palm oil	2,13,868 MT	3,53,374 MT	3,77,928, MT

From the volume of import cargoes shown in Table-I and Table-2 above, it could be seen that the importers can not afford to wait for the clearance of cargoes for non-availability of PQ services by 24x7 and want of FSSAI laboratory at VOCPT.

iii) Delay in issuance of Delivery order:

13 (ii) : Suggest a suitable SoP to address the situation including use of transfer under No-use bond.

		<p>Importer's agents reported that the services of shipping lines are not available on 24 x 7 basis. During weekends and holidays the service of the shipping lines are not available for issuance of DO. This leads to delay in clearance of import containers and availability of equipment.</p> <p>It is learnt that EXIM trade is under the purview of various statutory regulatory bodies viz. Customs, Plant Quarantine, Food Safety standards Authority of India (FSSAI), other Participatory Government Agencies (PGA's) and Trade fraternity. Though these regulators are framed under the system Single Window Interference for Facilitating Trade (SWIFT) for online and single window clearance, their availability after daylight hours and weekends for sampling and clearance are still not available on 24x7 basis. This affects the clearance of import consignments in time and increase the storage cost.</p>	13 (iii) : IPA & CLSA to frame SoP to address this issue and submit at next meeting.
14.	CWC vide mail dated 05.05.2019	CWC vide mail dated 4.6.2019 has informed that CWC has no Agenda points.	CLOSED
15.	National Association of container Freight Station (NACFS) vide email dated 5th June 2019	<p>TO REDUCE THE LOGISTICS TRANSACTION COST BY PERMITTING AND PROVIDING REGISTRATION FOR CHASSIS INDEPENDENTLY WITHOUT LINKING MOVER</p> <p>As you aware in India, Presently single registration is only allowed for trailers for both mover and chassis. We request, separate registration for mover and chassis since the chassis along with container has to stay at warehouse more than 10 hours for loading /de-stuffing the cargo and the mover has to stay along with chassis; the cost of chassis is approximately 8 lakhs and the cost of mover is approximately 25 lakhs. To improve productivity and multiple and full utilisation of mover, we need to register chassis separately without linking the mover, and the practices followed in other countries. It will reduce the transport cost by almost 1% of the total logistics.</p>	CLOSED as resolved by M/o Road Transport & Highway Notification.
16.	Export Promotion Council for	<p>EPCES SUBMISSION ON SCOPE SHIPPING SESSION</p> <p>1. General congestion at terminals and port area is effecting</p>	16 (1) : The suggestion is general. EPCES to

	<p>Export Oriented Units & Special Economic Zone Units (EPCES) vide email dated 4th June 2019</p>	<p>the Shipments. Operational difficulties arising out of congestion at Nhava Sheva port force the exporters for disruption in the planned execution of shipment within the delivery schedule as the turnaround time for vehicles are increasing on account of congestion.</p> <p><u>SUGGESTION</u></p> <p>Additional expenses to be incurred on account of disruptions and delayed shipments effect adversely the transaction cost. Any reduction in transaction cost will enhance the competitiveness of exports. Further, the time is the crucial factor in import and export activities.</p> <p>2 There is no effective mechanism having control over unjustified charges being collected by shipping companies, Agents, CFS etc from Exporters.</p> <p><u>SUGGESTION</u></p> <p>Feasibility of instituting a regulatory body for monitoring the charges being levied need urgent consideration which would be a great help to the Exporters/Importers.</p> <p>3 Frequent labour strikes (planned or flash) at the port area or CFS also effects shipping schedules.</p> <p>There should be mechanism for effective inter action in labor issues so as to avoid strikes and other labour related problems.</p> <p>4 Abolition of “Terminal Handling Charges (THC) and surcharges paid to shipping companies for export. Presently THC is charged by shipping companies for handling of FCLs, for both Dry and Reefer FCLs, in addition to sea freights.</p> <p>The THCs have direct impact on cost of goods in International market. Shipping costs are at its peak for shipments made from India and makes export uncompetitive on all sectors. THC + Surcharge increases cost of goods and adversely effects competitiveness in International markets.</p>	<p>spell out actionable points at next meeting through a formal agenda. Hence, CLOSED.</p> <p>16 (2) : Ministry of Shipping & Logistics Division are addressing this issue.</p> <p>16 (3) : Mechanism exists at Ports. Hence, CLOSED.</p> <p>16 (4) : Logistics Division will examine this suggestion alongwith M/o Shipping.</p>
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		<p>The Authorities are requested to consider abolishing THC + Surcharges and if necessary to replace the same with “All in freight rate” for exports to be paid to shipping companies. Merger of THC+ Surcharges into freight charges enables the export trade to derive a fixed cost instead of having variable factors.</p> <p>5. Possible difficulties in availing MEIS benefits for SEZ units due to non-supply of EP copy of the Shipping Bill by Customs.</p> <p>We would like to bring to your kind attention of a sure potential problem that might come across very soon for all SEZ units availing MEIS Benefits. The Customs will no longer supply, among other documents, the EP copy of Shipping Bill in terms of instructions contained in Customs Circular No.55/2016 dated 23/11/2016 Para 2 (c). For understanding and appreciation of the ground realities, we would like to submit the following facts/procedures now followed.</p> <ol style="list-style-type: none"> 1. All SEZ Units are filing their Shipping Bills online in the Non EDI Port portal. 2. These SBs reach the ICEGATE and thereafter do not do not get transmitted to DGFT site 3. DC Office will insist for submission of original EP copy of the Shipping Bill for issue of MEIS, as per FTP 4. Customs do not issue EP copies as per Customs Circular No.55/2016 dated 23/11/2016 (Para 2 (c) of the Circular) 5. This will create a ‘logjam’ for bills where EP copies are not obtained. Many SEZs are yet to file their MEIS application covering such Shipping Bills <p>Sir, needless to mention that delay/denial of MEIS benefits affect the cash flow situation of the SEZ units and would put them in further hardship, in view of the slender margin they operate with, on their exports. Therefore we humbly request your good self to kindly look into the matter and help resolve the potential problem by either</p>	<p>16 (5) : Logistics Division will review with DGFT and Customs.</p>
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		<p>taking up with the Department of Revenue to revisit the Customs Circular referred above so as to provide EP copies of Shipping Bills to SEZ in view of the non-implementation of a 'universal online' system for all exporters including SEZ.</p> <p style="text-align: center;">OR</p> <p>Direct the DGFT to of exempt submission EP copy of the Shipping Bills for MEIS benefits for SEZ units till such time a 'universal online' system is in place. That is to say, the Shipping Bill details from ICEGATE should be automatically transferred to DGFT site.</p>	
17.	<p>Kolkata Port Trust (KPT) Vide email dated 4th June 2019</p>	<p>Issues / briefs for inclusion in the agenda for 49th session of SCOPE (Shipping) for promotion of export</p> <ol style="list-style-type: none"> 1) Setting up of office / laboratories at Haldia by Partner Govt. Agencies (PGA) like FSSAI, Plant Quarantine, Animal Quarantine, Textile Committee, Drug Controller, Wild Life Bureau, etc. 2) At present, IGM and Shipping Bill are not regularly through PCS on real time basis. LEO, Out of Change are not at all available through EDI. Integration of Ice Gate with PCS on real time basis is necessary. 3) Transparency of charges (Terminal Handling Charges) levied by Shipping Lines. 4) Setting up of full fledged Immigration Office at Haldia. 5) Electronic Delivery Order to be made available in all cases. 6) Part Shut Out without amending the Shipping Bill to be allowed by Customs. 	<p>17 (1) : Please propose SoP for outsourcing specific activities of PGAs in consultation with PGAs concerned. Start with three PGAs and submit at next meeting.</p> <p>17 (2) : This is being done Hence CLOSED.</p> <p>17 (3) IPA to discuss with CSLA & INSA for draft SoP and submit at next meeting.</p> <p>17 (4) : Please address MHA and follow up. Logistics Division will facilitate.</p> <p>17 (5) : IPA to discuss with CSLA & INSA for implementation schedule.</p> <p>17 (6) : IPA may please suggest SoP in consultation with CLSA, INSA, FIEO, FFFAI.</p> <p>17 (7) : Please suggest SoP for consideration.</p>

		<p>7) Conversion of foreign vessel to coastal run & vice-versa to be simplified.</p> <p>8) Appraisalment of Dry Bulk Cargo to be brought under the purview of Risk Management System (RMS).</p> <p>9) Appraisalment of cargo to be carried out round-the-clock including Sundays & Holidays.</p> <p>10) Development of dedicated Freight Corridor from Ludhiana to Kolkata / Haldia via ICD-TKD, Kanpur, Bhadhoi.</p> <p>11) Dedicated Container Rake Service from ICD-TKD to Kolkata / Haldia.</p> <p>12) Assessment of Duty for export of Iron Ore to be made uniform and transparent throughout all Major Ports.</p>	<p>17 (8) : Suggest a formal proposal with SoP.</p> <p>17 (9) : Logistics Division & KPT will coordinate with Customs.</p> <p>17 (10) : Logistics Division coordinate with DFCC & IR.</p> <p>17 (11) : Logistics Division will coordinate with Ministry of Railways.</p> <p>17 (12) : India Ports Association (IPA) may propose SoP for consideration</p>
18	<p>Confederation of Indian Industry (CII), received vide email dated 6th June 2019.</p>	<p>The CII – National Committee on Shipping and Ports would like to submit the following points for discussion at the SCOPE Meeting scheduled for June 2019.</p> <p>The points are arranged in what has been highlighted for the Ports Sector, the Shipping Sector and Process/Digitisation issues in the sector.</p> <p>Key Points for the Ports Sector</p> <ul style="list-style-type: none"> • Migrating towards Land Lord Model for Major Ports – Roadmap for migrating existing and all new terminal operations to private sector to drive efficiency / reduce cost • Port Land for EXIM development – Utilizing Port land to improve competitiveness of Export focused industries by revisiting port land allocation policy and creating additional incentives <p>Key Points for the Shipping Sector</p> <p>Focus would also be on the growth and development of the Coastal</p>	<p>The issue noted are General in nature. Hence CLOSED.</p> <p>The issue noted are General in nature. Hence CLOSED.</p>

		<p>Shipping, Inland Waterways System and Multimodal Hubs in the country.</p> <ul style="list-style-type: none"> • Activating Inland Waterway – Resolving financing and Greenfield risks to encourage Barge operators to invest in Barge capacity • Coastal Push – Continued push for coastal by further investment in infra (coastal focused berths, Silos / bagging / handling capacities for key commodities such as cement, agri, fertilizers etc.) • Large-scale private sector participation should be given a boost to create infrastructure to supplement the government efforts. <p>Need to ensure that policies that increase the cost of operations of the Indian Shipping industry are corrected in order that coastal transport can grow, These would include:</p> <ul style="list-style-type: none"> ○ Ensuring supply of Bunker fuel by Oil PSUs at rates matching costs of fuel (before GST) in the region available to foreign ships. ○ Ensuring uniform application of law in respect of TDS provisions for all vessels operating in Indian waters. <ul style="list-style-type: none"> • Private fleet operations would need to be supported for growth of the sector. • To make the sector more effective and attractive, necessary development and modernisation of fleet, fairway, terminals and navigational aids would need to be promoted. • Operational River Terminals should be set up to handle and operate mechanized cargo. • Skilling and man-power development should be a key focus for the sustained growth of the sector. 	<p>The issue noted are General in nature. Hence CLOSED.</p> <p>The issue noted are General in nature. Hence CLOSED.</p> <p>The issue noted are General in nature. Hence CLOSED.</p> <p>Under examination separately</p> <p>Under examination separately</p> <p>The issue noted are General in nature. Hence CLOSED.</p> <p>The issue noted are General in nature. Hence CLOSED.</p> <p>The issue noted are General in nature. Hence CLOSED.</p> <p>The issue noted are General in nature. Hence CLOSED.</p>
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		<p>Key Points for Digitisation in the Sector</p> <ul style="list-style-type: none"> • Process Digitization of EXIM trade – How do we make the end to end process more digitized and seamless by bring all stakeholders / documentation process on a common platform • Startup – Encouraging greater startup activity to resolve issues around LCL / LTL aggregation, cargo track & trace, congestion and introducing latest technology / solutions e.g. blockchain 	<p>The issue noted are General in nature. Hence CLOSED.</p> <p>The issue noted are General in nature. Hence CLOSED.</p>
19.	<p>Federation of Indian Chambers of Commerce and Industry (FICCI) mail dated 20.06.2019</p>	<p>Challenges for Seamless Transportation of Cargo</p> <ul style="list-style-type: none"> ❖ Constraints in Shipping Sector: India slacks fundamentally in port framework when compared with the USA, China, Korea and Japan. The normal turnaround time at Indian ports is a lot higher at 4.5 days when contrasted with only one day in Chinese ports and only a couple of hours in Singapore. The parliamentary board of trustees, in this way, firmly suggested that India create cape dealing with ability at its key ports as the worldwide transportation industry is quick moving towards cape estimate vessels. Seven of the best ten ports, globally today are in China, while no Indian port figures in the main 20. Most Indian ports don't have the draft to deal with cape size vessels. The normal size of a container vessel calling at Indian ports is around 5,000 TEUs – while in China, it is around 12,000 TEUs. Large cape Size vessels convey to 15,000 TEUs. At JNPT, India's greatest container port, draft by volume is 14 m while a cape estimate vessel requires an 18-m draft. Around 25 percent of India's compartment payload is transshipped at Colombo or Singapore because of our absence of framework to deal with huge cape estimate holder ships. <p>Constraints in Indian Exports:</p> <ul style="list-style-type: none"> ❖ High Costs of production : While innovative factors and low profitability add to staggering expenses of production, it is evaluated that rate of interest alone comprises almost 5% of the cost of production in India. In addition to this bank charges in 	<p>Noted. Development of Transshipment Eco-system in Indian ports is under consideration.</p> <p>The issues pertaining to Constraints in Indian Exports have been noted. Hence closed.</p>

		<p>India work out to about 3% when contrasted with 1% in nations like Japan and Korea. Similarly, port charges in India are 3-4 times higher than those in Hong Kong, Singapore.</p> <ul style="list-style-type: none"> ❖ Unreliable factors : Other than quality, Indian exporters are viewed as unreliable on certain factors, for example, as going back on a contract and refusing to fulfil it on its original terms, failure to give brief aftersales administrations. While exporters from nations like South Korea, Japan & Taiwan regularly supply damaged or defective without any charge. ❖ Lack of Proper Infrastructure : In India, power shortages and breakdowns disrupt production schedules, inadequate and unreliable transport increase costs and adversely affect timely shipments and lack of communication facilities hinder growth of exports. Another big reason is lack of good infrastructure facilities, both at airports and seaports for storing goods. Also export promotion is very low in India. ❖ Left over Exports : The problem is that much of the exporting is the result of residual approach rather than conscious effort of producing to export. It is a serious drawback of the Indian export sector in its inability to provide continuous and smooth supply of adequate quantities in respect of several products. The tendency to export what we produce instead of producing to export still characterise the export behaviour. ❖ Faceless Presence : Indian exports are sold in foreign markets in the same condition as they are exported but under foreign brand names. Major items like leather manufactures, seafood and spices, etc, Although, may go further repacking or processing have a faceless presence in the foreign markets. It holds true that when a product carries a foreign brand name it fetches a higher price. than the same product with an Indian ❖ Complex Documentation & Procedure : Existing procedures & documentation formalities prescribed by different authorities have been developed to suit individual requirements without much regard to its repercussions on total export activity in the 	
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		country.	
20	Federation of Indian Export Organisations (FIEO) vide mail dated 24.06.2019	<p>a. KYC to Shipping Companies and Shipping Agents :</p> <p>Exporter is required to submit KYC and supporting documents to Shipping Lines / Shipping Agents. There is no uniformity of KYC format. Shipping lines and agents are insisting unwanted / confidential information also. Different shipping lines/agents have their own different formats. There should be a uniform format of KYC across the trade. Secondly, for some shipping lines (particularly PIL), every time we need to submit KYC. KYC submitted with their Bombay branch is not valid for getting booking from their branches elsewhere in India and visa versa. Even though we submitted KYC earlier, PIL insists for KYC again.</p> <p>b. Erratic charges by shipping lines:</p> <p>i) Shipping agents and shipping lines are charging Rs.300 to Rs.700 for a Seal, whereas the actual cost of a seal is less than Rs.50/-.</p> <p>ii) Shipping agents (in case of nominated shipments) are charging higher Terminal Handling Charges. In one of the cases, they have charged Rs.13900/- THC per container in Mundra. When asked for clarification / reduction, they simply inform exporter that it is their standard charges and if they don't pay, they will charge late BL charges. In fact, there should be norm restricting ban on late BL charges.</p> <p>iii) Higher delivery order charges</p> <p>iv) Still some shipping agents are either charging ENS charges or they are charging it under some other head Suggestion: All charges payable to the shipping lines must be declared on the Bill of Lading in the sea freight column and if the same are not declared, then non charges shall be paid to the concerned shipping lines.</p> <p>C. It has been reported that there is a news that ICD</p>	<p>20 (a) : IPA to suggest draft SoP and way forward.</p> <p>20 (b) : IPA may please give their comments on the suggestions</p>

		<p>MADHOSINGH (INMBS6) Bhadoi, U.P. is considering to stop export activities due to which exporting segment have raised concerns which may please be clarified.</p> <p>d. Currently, an empty container taken from Kolkata port cannot be exported out of Mumbai port. Not only that, a container carrying imported goods, must be sent back empty to the port and an empty container must be taken to the factory for export. Not only is this environmentally unfriendly, it is a huge transaction cost. Due to the inefficiency of Kolkata port, we do have to use the Mumbai port and send the goods by trucks. In Europe it is normal to take an empty container from Hamburg and ship it out from Rotterdam in another country. Currently Shipping lines will release the CRO (container release order) based on the availability of the inventory at the particular CFS. A case has been reported where an exporter using Sattva CFS in Chennai, where containers are available for the same liner, but they will go for other CFS inventory which leads to an additional transportation cost. More over vehicle has to wait more than a day's time to get good containers in the CFS, which leads halting charges. A liner / CFS may store damage containers separately. Moreover, CFS must have inter transfer movement in the system, so that shipper can get the containers as per his requirement.</p> <p>E) Exporters from North India often face difficulties for Inland Transport of Export FCLs after Customs Clearance from ICDs near Delhi / Gurgaon to POLs such as Mundra Port / Nhava Sheva by Railway. Sometimes, there are a lot of delays in Railing Out containers by Gateway Rail Freight from ICD GDL due to the railway line being busy for other routes. Inland Transport of Export Cargo from ICD to ports be treated with priority by Railways</p> <p>f) Pantnagar Port (INHD 6) does not have any facility to clean the Containers. Sometimes containers are so dirty that contaminate our product and reduce the quality parameters. Pantnagar Port (INHD 6) Management may be advised to put some facility for cleaning of containers.</p> <p>g) Need time table trains from ICD Bangalore to Chennai port.</p>	<p>20 (c) : Issue is speculative. Hence closed.</p> <p>20 (d) : FIEO may make a formal proposal indicating associations concerned with addressing the matter for resolution.</p> <p>20 (E) : Railways are addressing the issue.</p> <p>20 (f) : FIEO may make a formal proposal with</p>
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		<p style="text-align: center;">CUSTOMS</p> <p>a. Merchant exporter whenever have an order for new product need to obtain Self Sealing permission for the premises of the concerned Manufacturers and face the following issues</p> <p>(i) Self-Sealing permission needs to be applied to Customs Office having jurisdiction over the Factory and not from the GST office as it is a task to find out which commissionerate has jurisdiction and which sub office we need to approached</p> <p>(ii) Documents like Original Documents of ownership of the premises or Lease rental of the Stuffing premises. A case has been reported wherein the Manufacture is pre-Independence co and is listed on Stock Exchange who may not be share their Land Ownership Documents with every exporter they are selling their goods to. Board may consider to allow acceptance of GST Registration or IEC as Proof. Besides as per the rules the Superintendent of Customs is supposed to visit & inspect the premises and submit his verification report.</p> <p>(iii) Implementing in practice the time norms of 48 Hours for report & 15 days for issuance of SSP. Moreover, every Custom office has prepared its own Set of Document requirements. However, they should be following the Board directive for documentation.</p> <p>b. The shipping bills (EDI) are still printed on continuous stationary (paper). Even for one item of export, it needs 2-3 pages. Most of the times the details printed by the dot matrix printed is not clear. The details in three pages shipping bill can be accommodated in one A4 size paper if it is reprogrammed and printed in laser</p>	<p>details at next meeting or earlier.</p> <p>20 a (i) : Customs may publish the jurisdictions of Commissionerate & sub offices.</p> <p>20 a (ii) : Logistics Division to discuss with Customs.</p> <p>20 a (iii) Logistics Division to discuss with Customs for standard set of documents.</p> <p>20 (b)Logistics Division to discuss with Customs.</p>
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21.	Visakhapatnam Port Trust (VPT) – mail dated 18-06-2019	There are no issues pertaining to Visakhapatnam Port Trust (VPT)	Closed

DIFFICULTIES FACED IN CONVERSION OF VESSELS
(Provided by FEDSAI)

1. One of the concern is not addressed in this draft Circular which is as under:-

The Notification No.8/2019 dtd 26th February 2019 does cover/facilitate carriage of coastal goods in container as well as non-containerized cargo. Also facilitate transiting through foreign territory. Here, we need to get it incorporated carriage of break bulk as well as loose bulk cargo. For carriage of loose bulk cargo there is no Provision provided in the draft Circular.

For your information and just to highlight the point we would like to explain our views as under;

If a vessel coming to India from a foreign port with dry/liquid bulk cargo for different ports in India, after discharge of cargo at first port of call, the vacant space available in the ship can be gainfully utilized for carriage of coastal goods from one Indian port to another Indian port, whether it is transiting through foreign territory or otherwise (Movement of coastal goods not transiting through foreign territory).“

This facility will bring down the cost of domestic cargo movement and also will encourage shipping trade to easily identify ships and facilitate faster movement of coastal cargo, especially small parcel and identifying vessels for small parcel will be easy and very cost effective.

Following is what we have written to Member Customs on 13th December 2018 (only gist):

(To take up with Customs)

2. We need to have a common procedure for conversion of Foreign going vessels (Foreign/Indian Flag), as on today, different Seaport Customs Stations adopt different practices for collection of duty on bunker as well as provisions. We have represented this matter several times before CBIC, but still no action has been taken inspite of repeated assurance given by CBIC officials.

The main area of dispute is on valuation of bunker and provisions. The Customs Stations like, Kandla, Mundra & Cochin take the import value of fuel oil and HSD, which is fair and just. The Trade is happy with it. However, other Stations, the valuation practice adopted is that they take the price of bunker supplied by M/s Indian Oil Corporation Limited (IOCL) and/or the price at which the bunker is supplied by the bunker suppliers at Foreign Ports.

(To take up with Customs)

The practice automatically inflates the price for collection of duty by more than 50%. Further, it may be brought to your kind notice that IOCL/foreign ports bunker suppliers mostly supply bunker from the Imported stock lying in the bonded storage tanks and as such it has already suffered the inclusion of Freight and Insurance. In fact, it also includes storage charges, local charges levied in India such as Entry Tax delivery charges, other local taxes plus profit element and as such IOCL/foreign port's bunker suppliers price is already inflated and as such there is no reason to further add Freight and Insurance.

To site an example, at Kandla the bunker suppliers are importing bunker and on arrival the same is stored in bonded tanks from which they supply to ships as bunker. While they supplying, the supply price is higher by 16% to 50% based on International market price. This price includes all financial cost, handling cost, storage and profit element. This grossly violate all Principles of Valuation Rules.

As per the practice being adopted, on this supply price again 20% added towards Freight and 1.125% is towards Insurance which will inflate the price as against the contemporary import price. There is a huge price difference when compared to contemporary import price.

In this connection, we would like to draw your kind attention to The Hon'ble Supreme Court's Order dated 10.12.2018 in case of Commissioner of Central Excise and Service Tax, India v/s M/s. Sanjivani Non-Ferrous Trading Pvt. Ltd., Noida in **Civil Appeal Nos.18300-18305 of 2017** wherein The Hon'ble Court has categorically stated that contemporaneous import price need to be taken and also emphasized that valuation has to be arrived at as per Section 14(1) of Custom Act,1962. The Board vide Circular No. **1006/13/2015-CX dated 21/09/2015** has instructed all field formations to accept the Supreme Court and High Court Order, as such, the above observation of the Hon'ble Supreme Court's order need to be implemented.

3. We may also add here that; the classification of provisions is done under Chapter Heading 9805 without imposing any fine or penalty. However, in minor ports, the classification of provision is done at different Chapter Heading i.e. 2106 which is incorrect and as such this requires rectification. **(To take up with Customs)**