



भारतसरकार
GOVERNMENT OF INDIA
वित्तमंत्रालय, राजस्वविभाग
MINISTRY OF FINANCE, DEPARTMENT OF REVENUE
चेन्नै-IV (निर्यात) (सीमाशुल्कआयुक्तकार्यालय)
OFFICE OF THE COMMISSIONER OF CUSTOMS - CHENNAI-IV(EXPORT)
सीमाशुल्कभवन, नं ६०, राजाजीसालैचेन्नै600001,
CUSTOM HOUSE, NO. 60, RAJAJI SALAI, CHENNAI - 600001

Date: 25-10-2024

MINUTES OF THE PTFC MEETING HELD ON 17.10.2024 at 11:00HRS

1. The Permanent Trade Facilitation Committee (PTFC) meeting was held on 17.10.2024 at 11:00 HRS through video conference. The meeting was chaired by Shri. A.Manimaran, Commissioner of Customs, Chennai-IV (Export) Commissionerate.
2. The following officers of Export Commissionerate and members of the trade attended the meeting:
 - i. Shri M. Sathish Kumar, Additional Commissioner
 - ii. Shri N. Mohan, Deputy Commissioner
 - iii. Shri S. Babu Kumar Jacob, Deputy Commissioner
 - iv. Smt Jayalakshmi Veerasamy, Assistant Commissioner
 - v. Shri P. V. Sudhakaran, Assistant Commissioner
 - vi. Shri S. Madhavan, Assistant Commissioner
 - vii. Shri S. Sriramamurthy, Assistant Commissioner
 - viii. Shri C. Bakthavatchalam, Assistant Commissioner
 - ix. Shri M.V Ravi Kumar, Assistant Commissioner
 - x. Shri S. Pasumpon, Assistant Commissioner
 - xi. Shri Rajesh Kumar, Assistant Commissioner
 - xii. Shri M. Stanley, Assistant Commissioner
 - xiii. Shri R. N. Sekar, President, CCBA
 - xiv. Shri Natarajan, Secretary, CCBA
 - xv. Shri Divakaran Nair, Vice President, CCBA
 - xvi. Shri C.V.Karunakaran, Vice President, CCBA
 - xvii. Shri R. Kumar, Treasurer, CCBA
 - xviii. Shri S. Sivashankar, CCBA
 - xix. Shri Sattva Padmanabhan, NACFS
 - xx. Smt. Selvanyagi, Joint Director, FIEO
3. Shri M.Sathish Kumar, Additional Commissioner, extended a warm

welcome to all the stakeholders and members who have gathered for the Seventh PTFC meeting of the current financial year 2023-2024 and commenced the meeting.

Points raised during the previous PTFC meeting held in September 2024

4. Shri M.Sathish Kumar, Additional Commissioner, started discussion with the agenda points raised in the previous PTFC meeting which are given below:

4.1 With reference to the first point, in respect of 24/7 scanning facility at Kattupalli/Ennore port, he informed that the Commissioner has already issued directions to post officers at the respective ports for scanning facility by 24/7 and this office is in the process of posting of officers which will be issued by end of this month.

4.2 With reference to the second point concerning the delay in the approval of the Manual Test Memo (TM), he informed that this office has already sent a letter to the Additional Commissioner of CRCL to ensure faster clearance.

4.3 With reference to the third point regarding invoices being raised in the CFS and the alleged subletting of CFS premises, he stated that the CCSP cell has already issued letters to all the custodians, and compliance reports are being retrieved from them. In the meantime, the Chairman responded and stated that the issue is being looked into and any concerns it will be resolved at the earliest.

FRESH POINTS RAISED FOR THIS PTFC MEETING

5. **Agenda Point No.1: EXPORTS-TESTING OF PARBOILED RICE**

Shri M.Sathish Kumar, Additional Commissioner, brought up the first agenda point for discussion and requested Shri R.N.Sekar, President (CCBA), to elaborate the issue. Shri R.N.Sekar responded and stated that previously, Parboiled rice was allowed for export @ 20% duty, whereas Raw rice was prohibited from export. During that time, an SOP was issued by this Commissionerate to test the Parboiled rice to determine if any Raw rice was present. Now, according to the new DGFT Circular, all Raw rice is allowed for export with a minimum export price @ NIL cess duty, while Parboiled rice is freely allowable with 10% cess duty. In the case of exporting Parboiled rice, the Department insists on testing the goods. Since Parboiled rice attracts a cess duty of 10% and the export of Raw rice is freely allowable, testing of these items need not be insisted upon and could be dispensed with.

5.1 The Chairman asked Shri M.Sathish Kumar, Additional Commissioner,

whether we have received any representation from the Rice Exporters Association regarding this, for which, he has responded that this office hasn't received anything so far. Shri Natarajan, Secretary of the CCBA, added that they had discussed this issue with the Additional Commissioner and explained the requirement. He further stated that since Parboiled rice attracts a cess duty of 10%, there is no need for testing, as there is no logical basis for it.

5.2 The Chairman stated that the recent reduction in duty applies to only one item. Thus, it seems there is some inhibition about potential issues, such as mis-declaration or smuggling. Given past cases where declarations did not match actual shipments, we must consider how a change might affect the situation. We will study this before making a decision.

5.3 Further, Shri R.N.Sekar, President of the CCBA, stated that they had a meeting with Shri M.Sathish Kumar, Additional Commissioner, and Shri Rajesh Kumar, Assistant Commissioner, discussing how to identify broken rice and rule it out as prohibited. It was suggested that while examining the rice, it should be possible to distinguish between broken rice and normal rice simply by visual inspection. Additionally, the value of broken rice would be around \$150 to \$200. Therefore, they propose that if the declared value of Parboiled rice is above a certain threshold, such as \$400, then testing may not be necessary. Any rice declared below this minimum value could be referred for testing. This way, a sort of SOP can be established to eliminate unnecessary testing.

5.4 In this regard, the Chairman has responded that there is a need to study this logic to devise any SOP for implementation. He does not want to jump into conclusions without thorough study. He had already requested the concerned officers to look into this issue because an article was also published in a business line last week about this department's cautious approach to examinations of rice export consignments, even after the duty reduction. He assured the trade that the matter is being studied and a suitable solution will be devised accordingly.

(Action- DOCKS(ADMIN)/EDC)

6. Agenda Point No.2: EXPORT OF FINISHED LEATHER- SHIPPING BILLS ARE NOT RMS FACILITATED.

6.1 Shri M.Sathish Kumar, Additional Commissioner, brought up the second agenda point for discussion and asked Shri R.N.Sekar, President (CCBA) to elaborate on this point. Shri R.N.Sekar responded and stated that the export of Finished Leather falling under HSN codes of chapter 41 is not getting RMS facilitated, and all the said bills are assigned to an Appraiser for assessment, even for AEO clients. Therefore, it is requested that this issue be

taken up with the appropriate forum to facilitate the bills. The Chairman asked the stakeholders whether this issue has arisen suddenly in recent days or from a long while. Shri R.N.Sekar responded that this has been happening for the past three to four months, and he has also mentioned a list of few shipping bills to this effect. In this regard, the Chairman has opined that he does not see an increase in shipping bills coming for assessment and asked Shri Rajesh Kumar, Assistant Commissioner, to elaborate on this issue.

6.1 Shri Rajesh Kumar, Assistant Commissioner, responded that around 90 percent of the shipping bills are RMS facilitated, subject to tests. To this, Shri R.N.Sekar responded that the issue is not with shipping bills pertaining to all chapters; it is specifically about bills pertaining to Finished Leather falling under HSN codes of chapter 41 that are going to assessment, irrespective of AEO client status. The Chairman then opined that there might be some rationale behind this from the NCTC. He further asked Shri Rajesh Kumar, Assistant Commissioner, whether there are any RMS instructions given to the assessment officer regarding this. Shri Rajesh Kumar responded that the RMS instruction only states to rule out the duty aspect, as there has been a duty change from 0 to 40 percent; therefore, this test must take place. According to DGFT notification 21/2009, any new type of finished leather not covered under the above categories shall be permitted for export subject to testing and certification by CLRI.

6.2 The Chairman intervened and stated that the concern of the trade is that, earlier these leather bills were not coming for assessment; now they are, and not every such shipping bill is getting facilitated. To this, Shri Rajesh Kumar, Assistant Commissioner, responded that, according to the data available in the EDC section, there has been neither a change in the number of bills coming for assessment nor a change in RMS instructions. The Chairman suggested to Shri Rajesh Kumar, Assistant Commissioner, to study the data for the last six months, and if there is any change in the last two to three months in the number of bills pertaining to Finished Leather falling under HSN codes in chapter 41 that are going to assessment and not getting facilitated, then we can raise this issue with the NCTC. In the meantime, if there are RMS instructions exclusively for these particular leather shipping bills, then there might also be an intention from the NCTC. In this regard, the Chairman assured the stakeholders that we will study the data and come to a conclusion before next month.

(Action - EDC)

7. Agenda Point No.3 : Selection of multiple containers on a single bill of entry.

7.1 Shri M.Sathish Kumar, Additional Commissioner, brought up the third

agenda point for discussion and stated that this was an old issue raised in previous meetings too. Regarding the selection of multiple containers, the trade has provided a list of bills of entry, which includes 44 bills of entry pertaining to a single importer. Upon studying this data, it was observed that the selection has been made with a specific purpose. The Chairman agreed with Shri M.Sathish Kumar, Additional Commissioner, and stated that they have already addressed the concerns raised by the trade with the NCTC regarding the selection of all containers in a single bill of entry. With respect to the sample bills of entry provided, after analysing those bills of entry and containers, it was found that the NCTC acted purposefully, considering the consignments as sensitive. In conclusion, if the selection impacts all bills of entry, it will also affect the dwell time; hence, this issue has already been taken up with the NCTC.

(No action)

Discussion points which were not a part of Agenda Points.

8. Shri R.N.Sekar, President of the CCBA, with the permission of the Chairman raised an issue regarding the delay in receiving the OOC copy through the registered mail ID. He stated that over the past week, the delay has sometimes exceeded 24 hours. Whenever such situations arise, where the OOC is not received by any stakeholders, they approach the Department, and then directions to the CFS are given by Customs before allowing delivery, which requires verifying the OOC status in the ICEGATE. This practice is contributing to delays in clearance. To avoid further delays, he requested that a facility circular or Public Notice be issued in this matter for the benefit of the trade. The Chairman intervened and told Shri M.Sathish Kumar, Additional Commissioner, to look into this matter and determine whether any PN or standing orders needs to be issued to the officers or CFS authorities. Additionally, the Chairman requested Shri R.N.Sekar to share any sample bills of entry where the trade did not receive the OOC copies on time or did not receive them at all, so that this issue can be addressed with the concerned parties and a permanent solution could be found.

(Action– DOCKS(ADMIN))

9. As there were no further points raised for discussion, the meeting was concluded with a vote of thanks to the chair person.

**M Sathishkumar
Additional Commissioner of Customs
Appraising Main
Export Commissionerate
Chennai Customs.**

To

- 1. All the Stakeholders.**
- 2. EDI with request to upload in Chennai Customs website.**