Federation of Freight Forwarders' Associations in India
(National Apex Body of Customs Brokers' Associations)

FFFAI NEWSLETTER

ISO (9001:2008)

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April 5-2021

CHAIRMAN'S MESSAGE

Mr A.V. Vijaykumar, Chairman, FFFAI

Dear Colleagues,

This is very heartening to inform you that FFFAI is bringing out its regular Newsletter once again to keep you updated on the recent happenings in the trade pertaining to our Customs Broking and Freight Forwarding Industry. We seek your cooperation to provide relevant information from your region for the benefit of the larger fraternity.

On this occasion, I would like to share some very recent activities/events that FFFAI took part and significant for the industry. These are: • Webinar on pre-budget suggestions for Logistics Industry • Chabahar Port event by Afghanistan Consulate • Follow up meeting with Special Secretary (Logistics) with Industry Association & Stakeholders • Webinar on Strategy for implementation of Budget announcements • Webinar to apprise the maritime associations about the developments and seek their ideas to enhance the participation at MIS 2021 by Ministry of Port, Shipping and Waterways • FIATA Working Group Road Meeting • FIATA Working Group Rail Meeting • Discussions with presentation by the Ministry of Commerce on 'Policy for National Grid of Terminals' • Maritime India Summit 2021 (with FFFAI Chairman-Elect Mr Shankar Shinde as speaker at the Session on Boosting Business Through Trade Promotion and Regional Connectivity) • Meeting to discuss commencement of commercial operations of INSTC by CONCOR • Discussion on Logistics Excellence Awards with the Ministry of Commerce • Meeting with the Chairman, CBIC regarding the changes in Section 46 (3) of Customs Act 1962 and • Webinar jointly organized with FICCI to highlight the importance of UN TIR and its benefits for Bangladesh and other BBIN countries to join the TIR Convention. • We have also signed two separate MoUs with Myanmar International Freight Forwarders Association and China International Freight Forwarders Associations which are very significant in terms of expanding our business with the said countries.

Friends, despite the testing times we are passing through due to the prolonged pandemic situation, FFFAI is continuously engaging itself in all efforts to keep our fraternity thriving in terms of expansion of their business through resolving issues. Once again, we appeal to our members to keep yourself abreast regarding the recent changes/happenings in the policy front concerning CB and FF business, and new opportunities coming up. FFFAI is always open to accept any suggestions and noble idea to take it forward for the greater interest of the industry. We solicit your regular and timely feedback in this regard.

With Best Wishes,

A.V. Vijaykumar, Chairman, FFFAI

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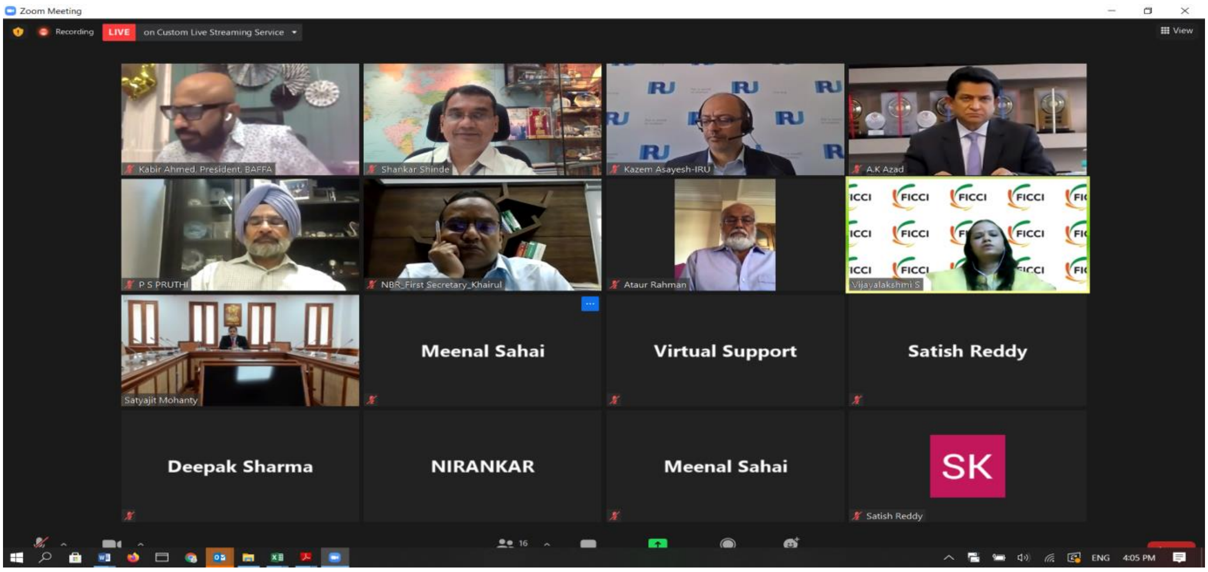
WEBINARS & CONFERENCES

Chairman-Elect, FFFAI urges for smooth connectivity and logistics infrastructure to strengthen trade among BBIN



In view of tremendous potential of cross border trade between Bangladesh, Bhutan, India and Nepal (BBIN) Mr Shankar Shinde, Chairman Elect, the Federation of Freight Forwarders Associations in India (FFFAI) has recommended for seamless multimodal connectivity and strong logistics infrastructure in each of the above countries. Speaking at a webinar on 'UN TIR System and its benefits of expansion to Bangladesh and other BBIN countries', which was organised by FICCI in association with IRU Geneva, ICC Bangladesh and FFFAI on March 25, Mr Shinde observed that accession to TIR Carnet would be immensely beneficial for the hassle-free cross border trade in this region. It would be pertinent to mention that FFFAI is one of the associates of TIR Carnet and have been working with the Government of India for International North South Transport Corridor (INSTC) project, under TIR Carnet.

Mr Shinde also emphasised on well-defined policies to be framed up by the respective governments and well-trained officers including Customs and allied agencies engaged at the border check posts. Based on the INSTC route experience, where FFFAI had launched a trial run of containers, Mr Shinde stated that point to point vehicle movement would be the pragmatic solution instead of re-working of unloading and reloading transshipment, to save cost and reduce dwell time. Accordingly, accession to TIR would expedite the process in this regard. He, however, highlighted various other challenges as regard to cross border cargo transportation, as witnessed in INSTC route. Mr Shinde further suggested that the governments will have to provide more impetus on private logistics companies, NVOCC or multimodal logistics operators' participation in the BBIN project and also important would be to create a BBIN website portal with complete information for trade participation and addressing issues.

The Webinar was also addressed by Mr Satyajit Mohanty, Joint Secretary & Commissioner of Customs, Central Board of Indirect Taxes & Customs (CBIC); Mr Khairul Kabir Mia, First Secretary, National Board of Revenue (NBR), Bangladesh; Mr Satish Kumar Reddy, Consultant, ADB; Mr Kazem Asayesh, IRU, Geneva; Mr AK Azad, Vice President of ICC Bangladesh and Mr Kabir Ahmed, President, Bangladesh Freight Forwarders Association (BAFFA).

According to Mr Mohanty, TIR is one of the oldest established and functioning conventions and India being a party to it has a lot of potential to push trade and connectivity to a very different level. Mr Mohanty added that accession and adoption to a global convention like TIR can promote seamless cross-border movement of cargo vehicles in much lesser timeframe. It also gets rid of a lot of procedural formalities and inspection of goods at the cross borders.

The United Nations TIR Convention, overseen by the United Nations Economic Commission for Europe (UNECE), is managed by IRU, Geneva. TIR stands for 'Transports Internationaux Routiers' (International Road Transport). One of the most successful international transport conventions, TIR makes border crossings faster, more secure and more efficient, reducing transport costs, and boosting trade and development.

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RULES & REGULATIONS

CBIC implements the legislative changes in Section 46 (3) of Customs Act, 1962; provides further clarifications

By issuing a Circular 8/2021 on March 29 the CBIC, Ministry of Finance unveiled further clarifications on Section 46 of the Customs Act, 1962 introduced through the Finance Act, 2021.These changes facilitate pre-arrival processing and assessment of Bills of Entry (BE) by mandating their advance filing thus leading to significant decrease in the Customs clearance time. The amended Section 46 requires an importer to file a BE before the end of the day (including holidays) preceding the day of arrival of the vessel/aircraft/vehicle carrying the imported goods at a Customs port/station at which such goods are to be cleared for home consumption or warehousing. However, Board is empowered to prescribe different time limits for such filing in certain cases, but by not later than the end of the day of arrival of the vessel/aircraft/vehicle at the Customs port/station. The amendment has been implemented effective from March 28, 2021.

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According to the CBIC, Board has carried out consultations with members of the trade and Customs field formations for the smooth implementation of the changes to the Customs Act, 1962 as above. After examining the relevant issues Board noted that the ground reality is that in case of short haul vessels/flights the importer may at times not get the Master Bill of Lading (MBL)/Master Airway Bill (MAWB) on the preceding day of the arrival of the vessel/aircraft. Further, when goods arrive by vehicle at a LCS, it is invariably the case that the import report is filed only at the time of its arrival. In these situations, it would be difficult for the importer to adhere to the new requirement of Section 46, as above. Accordingly, with a view to facilitate the importers, Board has amended the Bill of Entry (Electronic Integrated Declaration) Regulations, 2018 by issue of Notification No.34/2021-Customs (N.T.), dated 29.03.2021 thereby prescribing different time-limits for filing BE in respect of goods imported by various modes of transport.

It may be noted that, the existing provision that a BE may be presented up to 30 days prior to the expected arrival of the aircraft or vessel or vehicle carrying the imported goods continues. Thus, with certain exceptions, as notified, the BE can now be filed anytime from 30 days prior to the expected arrival of the aircraft or vessel or vehicle up to the end of day preceding the day of such arrival. Similarly, changes have been carried out in the Bill of Entry (Forms) Regulations, 1976 vide Notification No.35/2021-Customs (N.T.) dated 29.03.2021 in case of manual filing of BEs.

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FFFAI TRADE ADISORY

Importers have to gear up for timely submission of Bill of Entry and changes in the provisions of the Customs Act, 1962

The CBIC has issued the circular no.08/2021 – Customs, notification no. 34/2021 (N.T.) and Advisory no.10/2921 issued by Directorate General of System for implementation with effect from 29th March, 2021.

As per the conditions laid down, timely submission of import Bill of Entry in advance has become essential. There will be no waiver of late submission fee even for public holidays as the Finance Bill has been enacted with passage of Bill in Parliament.

In order to file Bill of Entry in advance and for avoiding late filing fees importers need to provide the complete set of clearance documents 48 hours in advance (2 working day for Air shipment) and 5 working days in advance for Sea shipment to the nominated/appointed licensed Custom Brokers for preparation of Bill of Entry by observing all compliances of Act, Regulations, E-Sanchit Procedure, Single Window requirements.

It is suggested that Importers need to specify the terms & conditions for availability of complete set of documents for preparation and filing of bill of entry with foreign supplier, shipping lines, airlines, console agents, forwarders, shipping lines etc., to ensure that the advance set of documents for filing of bill of entry are mandatorily available at least 2/3 working days in advance.

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IIFF NEWS

Memorandum of Understanding signed between IIFF and IMBA

Indian Institute of Freight Forwarders (IIFF) has announced that recently it has signed the Memorandum of Understanding with International Maritime Business Academy (IMBA) to offer its course IIFF – FIATA Diploma in Logistics, Shipping and Freight Forwarding.

Under the MOU, IMBA will provide IIFF Diploma course at its institute and on the online mode. This collaboration finds its importance as students from Uttarakhand and other northern parts of India will be now be able to attend the quality Diploma course in Logistics, Shipping and Freight Forwarding offered by IIFF.

IIFF offers its Diploma program through an online platform, beneficial for students interested in learning about the Freight Forwarding, Logistics and Shipping industry.

Origin of the Institute

Indian Institute of Freight Forwarders was founded by Late Shri Mayur C. Contractor who understood the need of a formal training center for developing skills and imbibing professionalism in the Shipping and Freight Forwarding industry.

IIFF is the training arm of the Federation of Freight Forwarders Association in India (FFFAI) and conducting training for sharing knowledge and developing skills since last decade. IIFF was established in year 2005 by FFFAI and is the only authorized institute in India offering an internally recognized course in Freight Forwarding. This course is validated by FIATA, Successful students will get IIFF as well as globally recognized FIATA certificate.

Interested participants can approach IIFF at the below mentioned contact details:

Indian Institute of Freight Forwarders (IIFF)
Address: 311-313, Mahinder Chambers,
W.T.Patil Marg, Opp. Dukes Factory, Chembur - 400 071.
Tel: +91 22 67107495/96; Mobile: +91 7045705799
Email: mgmt@iiff.in; Website: www.iiff.in

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JUDGEMENT

Landmark Judgement in the matter of Customs by Honourable Supreme Court of India

When once an assessment has been made by the Proper officer, whether the appellate or revision authority has power to do reassessment:

The apex court in this case was confronted of a situation where Canon and Samsung had imported DSIC cameras which were released without any customs duty after being allowed benefit of exemption notifications as per the law by Deputy Commissioner of Customs being the Proper officer. Later on, a show cause notice was issued under Section 28 (4) of the Customs Act, 19621 by the Additional Director General DRI, alleging that the Customs Authorities had been induced to clear the cameras by wilful mis-statement and suppression of facts about the cameras.

In this context, the apex court dealt with an interesting point that when the proper officer who had originally inspected the cameras and allowed the same to be cleared without payment of customs duty, the additional director general being the higher authority had no business to issue the notice u/s 28(4) for reassessment of the goods. The Apex court interpreted the meaning of the phrase “the proper officer” and differentiated the same with the phrase “any proper officer” by saying that when the word “the” was written it meant that reassessment could have been exercised only by the proper officer who had allowed the clearance of the goods or his successor in officer not by his higher officer.

Where the statute confers the same power to perform an act on different officers, as in this case, the two officers, especially when they belong to different departments, cannot exercise their powers in the same case. Where one officer has exercised his powers of assessment, the power to order re-assessment must also be exercised by the same officer or his successor and not by another officer of another department though he is designated to be an officer of the same rank. In our view, this would result into an anarchical and unruly operation of a statute which is not contemplated by any canon of construction of statute.

It is obvious that the re-assessment and recovery of duties i.e. contemplated by Section 28(4) is by the same authority and not by any superior authority such as Appellate or Revisional Authority. It is, therefore, clear to us that the Additional Director General of DRI was not "the" proper officer to exercise the power under Section 28(4) and the initiation of the recovery proceedings in the present case is without any jurisdiction and liable to be set aside.

GST UPDATE

Ministry of Finance clarifies media report on 'discharging maximum tax liabilities'

Unconfirmed reports have appeared in certain sections of the media that some GST officers are using unauthorised communication means such as phone calls, WhatsApp and messages

asking taxpayers to discharge 'maximum tax liability' in 'cash' in order to ensure that targets for revenue collection from GST for the financial year are met.

It is to clarify that neither the Government nor the Central Board of Indirect Taxes and Customs (CBIC) have issued any such instructions to their field formations.

As such, taxpayers are free to utilise the Input Tax Credit available in their credit ledger, as permissible in law, to discharge their GST dues for the month of March, 2021 – the last month of this financial year.

GST Collection in March 2021

The goods and services tax (GST) collection in March this year stood at a record high of Rs 1.23 lakh crore, according to the data released by the Ministry of Finance, Government of India on April 1. Out of which, CGST is ₹ 22,973 crore, SGST is ₹ 29,329 crore, IGST is ₹ 62,842 crore (including ₹ 31,097 crore collected on import of goods) and Cess is ₹ 8,757 crore (including ₹ 935 crore collected on import of goods).

According to the Ministry, Closer monitoring against fake-billing, deep data analytics using data from multiple sources including GST, Income Tax and Customs IT systems and efficient tax administration have also contributed to the steady increase in tax revenue over last few months.

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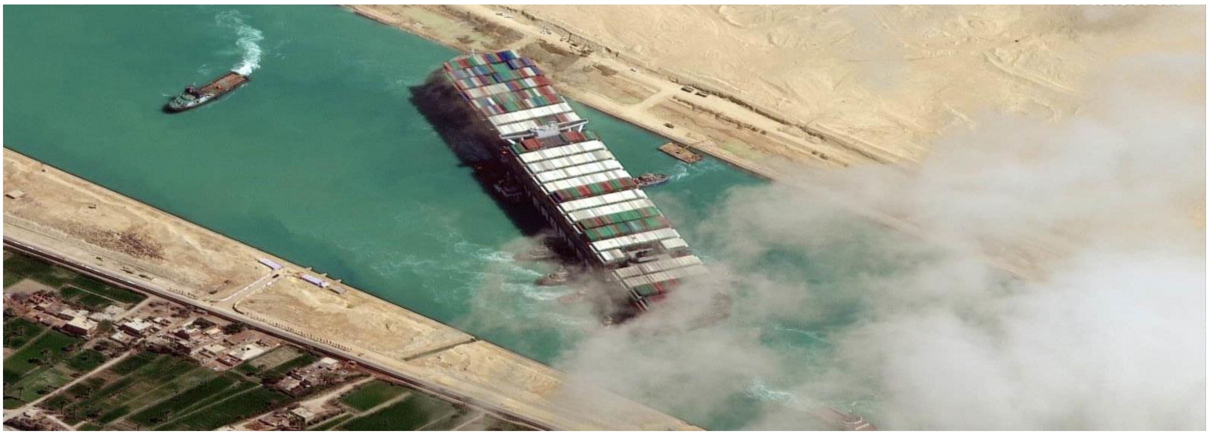
VIEOPOINT

"Suez Canal accounts for $200 billion of trade for India": Special Secretary Logistics

Speaking in an interview to CNBC-TV18, Pawan Kumar Agarwal, special secretary (logistics) said that Suez Canal accounts for $200 billion of trade for India.



"Suez Canal is an important trade passage for India and about $200 billion of imports and exports happen through this canal and therefore, we are happy that the crisis is behind us," he said.

Talking about the traffic situation, Agarwal said, "As the canal is open and ships are moving through, we hope in next 5-7 days the backlog will be cleared. The ships on the other side will start coming to the Indian ports within 7 days and after that we can see some clogging on Indian ports particularly at Jawaharlal Nehru Port Trust (JNPT), Hazira and Mundra. Therefore, we have informed port authorities to gear-up for the extra rush."

According to him, containers are available at a short notice now. "There has been a spurt in exports from India, never seen in last 10-years, so the spurt in exports is good news but that is causing some worries for the logistics," said Agarwal. After a stalemate for several days on the Suez Canal the container ship, Ever Given has been re-floated. The block is likely to have caused over 200 ships being stalled or redirected.

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EXIM TRADE

Ministry of Commerce unveils India's Trade Performance during COVID-19 Period; emphasizes on Pharma, Agriculture, Automobile and Defence products

According to the report published by the Ministry of Commerce & Industry on March 19, 2021 India's overall (merchandise and services) export was US$ 394.96 billion during 2020-21 (April-January) as compared to US$ 443.24 billion during 2019-20 (April-January), i.e. a negative growth of 10.89%. During 2020-21 (April-January), India's overall import was US$ 400.84 billion as compared to US$ 514.57 billion during 2019-20 (April-January), i.e. a negative growth of 22.10%. India's overall trade deficit was US$ 5.88 billion during 2020-21 (April-January) as compared to US$ 71.33 billion in 2019-20 (April-January), with a high reduction of trade deficit of US$ 65.45 billion.

In order to increase the production and exports of Pharma, Agriculture, Automobile and Defence items and to re-energize India's trade performance, some of the key steps taken are: Agriculture Export Policy; Product specific Export Promotion Forums; Subsidy is provided under Operation

Greens scheme for transportation of fruits and vegetable through Kisan Rail; Trade Infrastructure for Export Scheme; Production-Linked Incentive (PLI) Scheme; Scheme for promotion of Bulk Drug Parks, etc.

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DIGITAL INDIA

DGFT to rollout newer IT systems to go fully digital: Commerce Secretary

The Directorate General of Foreign Trade (DGFT) will soon be completely digitised with the rollout of newer IT systems in a phased manner, enabling virtual offices to be created that are faceless, contactless and paperless, Commerce Secretary Anup Wadhawan has said to media.

The Commerce Secretary also said that the Ministry was preparing a district export plan to boost shipments and the DGFT will assist States/UTs in preparing an annual "Export Ranking Index" of different districts to rank each district on its export competitiveness. This would provide for agile trade policy formulations that are more responsive to changing scenarios of international trade.

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EXPORT IMPORT

First time in a month, India's Exports cross USD 34 billion in March 2021

According to the monthly export performance published by the Ministry of Commerce, India's merchandise exports in March 2021 were USD 34.0 billion as compared to USD 21.49 billion in March 2020, an increase of 58.23%.

India's merchandise imports in March 2021 were USD 48.12 billion as compared to USD 31.47 billion in March 2020an increase of 52.89%;

India is a net importer in March 2021 with a trade deficit of USD 14.11 billion as compared to trade deficit of USD 9.98 billion in March 2020, increased by 41.4%;

Value of non-petroleum and non-gems and jewellery exports in March 2021 was USD 27.25 billion as compared to USD 16.95 billion in March 2020, a positive growth of 60.72%;

Non-oil, non-GJ (gold, silver & Precious metals) imports were USD 27.01 billion in March 2021 as compared to non-oil and non-GJ imports of USD 18.70 billion in March 2020, also a positive growth of 44.45%;

Top 5 commodity groups of export which recorded positive growth during March 2021 vis-à-vis March 2020 are: Other Cereals (323.65%), Oil Meals (228.4%), Iron Ore (194.98%), Jute Manufacturing Including Floor Covering (105.19%), and Carpet (89.86%).

Top 5 commodity groups of import showing a fall in March 2021vis-à-vis March 2020 are: Silver (-90.22%), Newsprint (-50.66%), Transport equipment (-32.73%), Project goods (-32.56%), and Pulses (-13.88%).

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OBITUARY

With profound grief we have to inform you that Mr. Sarfaraz A. Khan (fondly known as Sarfarazbhai) left for his heavenly abode on Saturday, 3rd April, 2021.

He served FFFAI as Honorary Treasurer for the period 2013-2015 and was currently an active Executive Committee Member from Aurangabad. He actively participated in all the events/ activities of FFFAI.

Chairman Mr. A. V. Vijayakumar on behalf of entire Executive Committee Members, Presidents of Members Associations, Board of Advisors and entire Custom Brokers fraternity express his deep condolences on his demise as the industry has lost the Gem and pray Almighty to rest the departed soul in eternal peace and give strength to his family members to bear this irreparable loss.

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(National Apex Body of Customs Brokers' Associations)

311-313, Mahinder Chambers,

W. T. Patil Marg, Chembur, Mumbai – 400 071

Tel: +91-67107495/ 96| Fax: 67107500

Email:info@fffai.org

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