



[ESTD. 1962]

# Federation of Freight Forwarders' Associations in India

National Apex Body of CUSTOMS BROKERS' ASSOCIATIONS IN INDIA

FFFAI/LETTER/045 /2020

07.04.2020

Shri Pradeep Singh Kharola  
Secretary  
Government of India  
Ministry of Civil Aviation  
Rajiv Gandhi Bhawan,  
Safdarjung Airport,  
New Delhi – 110 003

Sub: Observation on demurrage waiver for import and exports consignments due to outbreak of COVID 19 at all air cargo complexes across the country

We have received the Order of the ER Division, Ministry of Civil Aviation, Government of India dated 1<sup>st</sup> April 2020 and our observations and clarifications are listed below:

It is a fact that based of the Central Government directive for complete lockdown from the midnight of 22<sup>nd</sup> March 2020 each of the States issued their own orders including promulgation of Sec 144 of IPC. This resulted in following:-

- I) Closure of offices
- II) Complete stoppage of public transport such as trains, buses auto richshaw etc.
- III) Importers/ Custom Brokers are unable to carry out any work pertaining to clearance of import and export goods
- IV) As Police on streets was not adhering to MHA order dated 24-25-26<sup>th</sup> March, 2020.
- V) Transporters not being able to provide task since most of the truck drivers have gone to their native places.
- VI) Most of the importers are not working hence unable to make the payment of Customs Duty
- VII) Dispatch of goods after Customs out of charge is also constrained due to non-working of Importers factory/ warehouse premises.
- VIII) Air Cargo Terminals are presently working with very minimum staff.

Subsequent to this Ministry of Home Affairs, local Customs Authorities at various locations, local Municipal Corporation, Police departments starting issuing clarification and certain relaxations for essential and non-essentials service goods which has resulted in commencement of trickle flow (only after 31.03.2020) of movement in clearance of export and import goods. This resulted in issuance of essential service pass to very few individuals, still larger sections were not able to carry out the work relating to clearance of import and export goods.

311-313, Mahinder Chambers, W. T. Patil Marg, Chembur, Mumbai – 400 071

Tel: 022-67107495/ 96 | Fax: 022-67107500 | Email: [info@ffjai.org](mailto:info@ffjai.org) | Website: [www.ffjai.org](http://www.ffjai.org)





[ESTD. 1962]

# Federation of Freight Forwarders' Associations in India

National Apex Body of CUSTOMS BROKERS' ASSOCIATIONS IN INDIA

Even now the situation has not changed drastically, though with difficulty, few vehicles are moving. As per the guidelines given by the Government, the manufacturing / production industries have to go through various requirements – including retaining the staff inside the factory, providing them with food / stay/ basic amenities, routine medical checks, etc., if the unit intends to commence their activities. Thus, the lockdown curtailed all normal activities and imposed restrictions that disabled routine actions

with seaports and airports very vulnerable due to the human interventions required at these places. This also varies from State to State. Interstate movements are affected because of the laws adhered or promulgated are different at each state. It is also pertinent to note that each state has a peculiar Industrial Clusters some are within states in other location it is adjacent states.

Further it may be pertinent to note that major nodal agencies such as Customs and Shipping Lines have given full waiver of

- a. Late submission fee
- b. As per DG Shipping order full waiver of container detention charges charged by the Shipping Lines.
- c. In many locations even the warehouse charges or ground rents is waived.

As per DG Shipping order no. 07 of 2020 dated 28.03.2020

Whereas the present order of Ministry of Civil Aviation for demurrage waiver has following conditions:-

- a) Only 50% waiver instead of 100%
- b) Landing of cargo on or before 20<sup>th</sup> March 20 is fair and is the right approach,
- c) If the cargo was cleared before 23:59 hrs of the day of the Order, are we to assume that the order is inapplicable,
- d) If so, is the Ministry penalising the laudable efforts of an importer or his agent to have cleared the cargo against all odds,
- e) Sine the wording of the Order refers to Bills of Entry **were** filed, is it to be presumed that if Bill of Entry of filed from 2<sup>nd</sup> April, such imports will not enjoy the benefits of the Order,
- f) If so, it would be unfair as the importer cannot be expected to file Bill of Entry within hours of the Order combined with the burden of interest payment,
- g) This needs to be clarified that the Order will apply on any import landed form the 20<sup>th</sup> March 20 to 14<sup>th</sup> APRIL 20 irrespective of when the Bill of entry is filed,
- h) The general curfew announced by the Hon'ble Prime Minister is valid till midnight of 14<sup>th</sup> April 2020,





[ESTD. 1962]

# Federation of Freight Forwarders' Associations in India

National Apex Body of CUSTOMS BROKERS' ASSOCIATIONS IN INDIA

- i) As per the Order, if the cargo is not cleared by 23:59 Hrs of 16<sup>th</sup> April 2020, the waiver would not be applicable,
- j) We all know that clearance of all pending consignment of air cargo terminals is not possible within 2 days. It is humongous task to delivery thousands of tonnes of backlog of cargo and to load thousands of vehicles within 2 days.

The situation is actual beyond control of entire trade and with **impossibility of performance, charging trade for the demurrage** is our humble submission is very unreasonable step, hence 100% demurrage waiver should be granted. The demurrage is deterrence and not the revenue, hence in such force majeure circumstances consideration are desired.

In spite the efforts of importers and Customs Brokers at the clearance have not happened beyond 10% at any locations.

We look forward for your kind consideration.

Thanking you,

Yours truly,

For Federation of Freight Forwarders' Associations in India

**Sd/-**

A.V.Vijayakumar  
Chairman

