



# Federation of Freight Forwarders' Associations in India

National Apex Body of CUSTOMS BROKERS' ASSOCIATIONS IN INDIA

FFFAI/MINUTES/194 /2020

17.07.2020

Minutes of the Online 4<sup>th</sup> Executive Committee Meeting held on Saturday, 9<sup>th</sup> May, 2020

Member Present:

S.No	Office Bearers	Representing Association	Attendance
1	Mr. A.V. Vijayakumar - Chairman	Chennai CHA Association	04/04
2	Mr. Shankar Shinde - Chariman - Elect	Nashik CHA Association	04/04
3	Mr. P.S.Atrey - Vice Chairman	Delhi Custom Brokers' Association	04/04
4	Mr. Rajesh Verma - Vice Chairman	Ludhiana CHA Association	02/04
5	Mr. Vinod Sharma - Vice Chairman	Pune CHA Association	04/04
6	Mr. Sudip Dey - Vice Chairman	Calcutta CHA Association	02/04
7	Mr. Alan Jose - Vice Chairman	Cochin CHA Association	04/04
8	Mr. Mandava Satyanarayana - Vice Chairman	Kakinada Customs Broker's Assn	04/04
9	Mr. Dushyant Mulani-Honorary Secretary	Brihanmumbai CB Association	04/04
10	Mr. Sudhir Agarwal - Honorary Treasurer	Nagpur CHA Association	03/04
11	Mr. S. Ramakrishna - Imm.Past Chairman	FFFAI	04/04
	<b>Executive Committee Members</b>	<b>Representing Association</b>	<b>Attendance</b>
12	Mr. Devang Joshi	Ahmedabad CHA Association	03/04
13	Mr. Kartik A. Pancholi	Ahmedabad CHA Association	02/04
14	Mr. Sarfaraz Khan	Aurangabad CHA Association	04/04
15	Mr. B.N.Rajmoghon	Association of CHA -Thiruvananthapuram	04/04
16	Mr. Suresh Kumar	Association of CHA -Thiruvananthapuram	04/04
17	Mr. S. Nanda Prakash	Bangalore CHA Association Ltd	04/04
18	Mr. Karunakar Shetty	Brihanmumbai CB Association	03/04
19	Mr. Kiran Rambhia	Brihanmumbai CB Association	03/04
20	Mr. Mannu Choudhary	Calcutta CHA Association	01/04
21	Mr. S.Nataraja	Chennai CHA Association	03/04
22	Mr. R.N. Sekar	Chennai CHA Association	02/04
23	Mr. R. Kumar	Chennai CHA Association	04/04
24	Mr. Vishal Dadha	Chennai CHA Association	03/04
25	Mr. Suraj Muraleedharan	Cochin CHA Association	04/04
26	Mr. Dileep T. Abraham	Coimbatore CH & SA Association	02/04
27	Mr. Adil Khan	CHA Association Hyderabad	04/04
28	Mr. Puneet Jain	Delhi CB Association	03/04
29	Mr. Harjit Singh	Delhi CB Association	03/04
30	Mr. Bhim Singh Jain	Delhi CB Association	02/04





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31	Mr. Jogesh Sethi	Delhi CB Association	03/04
32	Mr. Amit Kamat	Goa CB Association	02/04
33	Mr. J. A. D'souza	Goa CB Association	02/04
34	Mr. Dhiren Chhaya	Kandla CB Association	03/04
35	Mr. Ramesh Bansal	Kandla CB Association	04/04
36	Mr. Amit Khanna	Kanpur Customs Brokers Association	02/04
37	Mr. Kiran D. Nagare	Nashik CHA Association	04/04
38	Mr. Vipin Vohra	Noida Custom Brokers Association	03/04
39	Mr. Pankaj Lodaya	Pipavav Customs Broker's Assn	03/04
40	Mr. Pradeep Kale	Pune CHA Association	02/04
41	Mr. Rajdeepak Bharagava	Pune CHA Association	02/04
42	Mr. R. Sreedhar	Tuticorin Customs Broker's Assn	03/04
43	Mr. S. Sasikumar	Tuticorin Customs Broker's Assn	02/04
44	Mr. Sujit Chakraborty	West Bengal CHA Society	02/04
	<b>Nominee of Associate Members</b>	<b>Port</b>	<b>Attendance</b>
45	Mr. C.S. Nagendra Prasad	Bangalore	04/04
46	Mr. Chandrachi B.R.	Bangalore	02/04
47	Mr. Girish N	Bangalore	02/04
48	Mr. Shashidhar V. Hebbar	Bangalore	02/04
49	Mr. R. Radhakrishnan	Chennai	02/04
50	Mr. Nirav C. Thakker	Mumbai	04/04
51	Mr. Ganpat P. Korade	Mumbai	03/04
52	Mr. Tej Mayur Contractor	Mumbai	03/04
53	Mr. Palvinder Singh	New Delhi	02/04
54	Capt. Ashish Samarth	Pune	02/04
55	Mr. A.S. Ramasamy	Tuticorin	03/04
56	Mr. J. Manikandan	Tuticorin	04/04
57	Mr. C. Karthikeya Prabu	Tuticorin	03/04
58	Mr. P. Jeyanth Thomas	Tuticorin	03/04
	<b>Advisors</b>	<b>Representing Association</b>	<b>Attendance</b>
59	Mr. R. Radhakrishnan	FFFAI	02/04
60	Mr. Raman Raj sud	FFFAI	01/04
61	Mr. Samir J Shah	FFFAI	03/04

Agenda no.: 1: **Meeting call to order by Hon Secretary.**

**Welcome Address by Chairman –FFFAI**

Honorary Secretary – Mr. Dushyant Mulani welcomed the Executive Committee Members for the 4<sup>th</sup> online Executive Committee Meeting.

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

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He requested Chairman to conduct the proceedings.

Mr. A.V.Vijayakumar read out the Anti-Trust statement to the house. **(Annexure A)**

Mr. A. V. Vijayakumar extended warm welcome to the Executive Committee Members for 4<sup>th</sup> online Executive Committee Meeting. He stated that due to lockdown across the country it was not possible to have Executive Committee Meeting, hence FFFAI decided to conduct online meeting.

**Agenda no.2: To confirm the minutes of the 3<sup>rd</sup> Executive Committee Meeting held at Nashik on 07-08<sup>th</sup> February, 2020 for the term 2019-2021. (Already sent by e-mail to members)**

Mr. Dushyant Mulani stated that minutes of the 3<sup>rd</sup> Executive Committee Meeting held in Nashik on 07-08<sup>th</sup> February, 2020 for the term 2019-2021 were circulated in advance. He inquired with the house if there were any observation.

***As there were no observations the minutes of the 3<sup>rd</sup> Executive Committee Meeting held at Nashik were unanimously approved by the house.***

**Agenda no.3: To report and discuss action arising out of the minutes of 2<sup>nd</sup> Executive Committee Meeting held at Kakinada on 13-14<sup>th</sup> December, 2019 (2019-21)**

Mr. Dushyant Mulani read out action arising out the minutes.

- i) Executive Committee Members to give suggestion on relevant clauses of CBLR 2018 to amend or to be relooked.***

It was stated in the 2<sup>nd</sup> Executive Committee meeting it was decided to have meeting with members for discussing the relevant clauses of CBLR 2018 which needs to be amended or relooked. But due to lockdown the meeting could not be conducted.

- ii) President of Member Association to provide details of last G card examination held at their location. Based on the inputs received FFFAI to make representation to the Board***

He stated that based on the inputs received from Member Association FFFAI made representation to CBIC regarding G card examination.

- iii) EC members to provide details of charges increased annually by custodian without increasing the infrastructure etc., to enable FFFAI to represent to Ministry of Civil Aviation regarding charges being increased by AERA annually of the custodian without providing good infrastructure by the custodian***

He stated that email was forwarded to all locations to provide the feedback. The feedback is yet to be received from members.





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**iv) Mr. Manoj Kotak – Honorary Secretary to provide representation done at local Commissionerate regarding Issue pertaining to weight difference**

He stated that in the 2<sup>nd</sup> Executive Committee Meeting there was discussion about weight difference in import cargo and different practices being followed at various locations. During the discussion Mr. Manoj Kotak has informed that he will share the local process thereof. Once the lockdown is lifted the issue will be represented.

**v) EC Members to provide details about marking of Bill of Entries of unrelated items to PGAs**

He stated that this issue is being faced at Mumbai, at RMD Headquarter the issue has been addressed by providing the bill of entries. After submission considerably they have removed the unwanted CTH which are being marked to PGAs by Single Window System. He once again requested members have peculiar issues of unrelated items being marked to PGAs kindly forward to FFFAI Secretariat so that it could be compiled and mail could be forwarded to RMD Headquarter, Mumbai. FFFAI has received one from Indore. **(Action: FFFAI Secretariat to forward circular to EC Members to provide details)**

**Agenda no.4: To report on activities done**

**Reports already sent by e-mail – open for brief comments if any:**

Mr. A. V. Vijayakumar stated that issues taken up by FFFAI will be discussed in the respective agenda point.

Mr. A. V. Vijayakumar said after the lockdown FFFAI had made lot pertinent representations to various Ministries such as Ministry of Finance, Ministry of Commerce & Industry, Ministry of Civil Aviation, and Ministry of Shipping. He stated that we have interacted with CBIC regularly for issuance of circulars, instructions.

**Agenda no.5: Open brief discussions on:**

**Agenda no.5a: Customs Matters/ CBLR**

Mr. Dushyant Mulani stated that representation are in two parts prior to lockdown and post lockdown. He read out the brief of the representation done. He further stated that:-

Sr No	Particular	Date	Representation done
01	Representation regarding G card examination at all location across the country every year	17.02.2020	Mr. Raj Kumar Barthwal - Member (Custom)
02	Centralized KYC Procedure	26.02.2020	Mr.M. Ajit Kumar – Chairman
03	Representation regarding PTFC/ CCFC Meeting	26.02.2020	Mr. Raj Kumar Barthwal - Member (Custom)
04	Representation regarding important provision of law not followed	03.03.2020	Mr. Raj Kumar Barthwal - Member (Custom), Mr. Vimal Kumar Srivastava - JS (Customs), Mr. Zubair Riaz Kamili - Director (Customs) – CBIC





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05	Letter providing suggestions, views, comments etc. required on Faceless e-Assessment in ICES under TURANT Customs	03.03.2020	Mr. Raj Kumar Barthwal - Member (Custom), Mr. Vimal Kumar Srivastava - JS (Customs), Mr. Zubair Riaz Kamili - Director (Customs) – CBIC
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He stated that on 5<sup>th</sup> March, 2020 during the CCG meeting which was chaired by Member (Customs). During the meeting FFFAI has specifically addressed the issue of arbitrary suspension of Custom Brokers licenses. It was informed that before taking any action of suspension principal of nature justice should be followed under any circumstances and only after giving personal hearing or show cause notice Custom Brokers Licenses should not be suspended.

The other important issues have also been represented such as Section 28 (I) & (II) – Voluntary payment of Differential Customs Duty and Interest, Section 149 – Amendment of documents, Refund, Carrying out of amendment in export Shipping Bill after LEO.

Mr. A. V. Vijayakumar stated that during the CCG Meeting the issue of simplification of procedure and paperless activity, the complete digitization of Customs documentation including the import activities if it is RMS activity you can get the gate pass, OOC online. He requested all locations to send communication to FFFAI if it is not happening at their locations. He further stated that for export cycle testing is going on which will be implemented soon as FFFAI has made representation for simplifying the procedure. With regard to G card examination, issue has been taken up with Member (Customs) and JS (Customs) and our request for conducting only written examination and to do away with oral examination is under active consideration.

Mr. A. V. Vijayakumar briefed the house regarding status of waiver of demurrage charges with various Ministries. Based on the FFFAI representation CBIC issued circular no. F. No. 394/46/2020-Cus (AS) dated 23.04.2020 wherein all the custodians (Except air cargo) to grant waiver of demurrage charges. Various Commissionerate across the country have also issued circular for waiver of demurrage charges at their location based on the circular issued by CBIC for the lockdown period.

Mr. Dushyant Mulani conveyed that FFFAI had represented the matter of waiver of demurrage charges, interest waiver and waiver of late submission charges on 23<sup>rd</sup> March, 2020 itself which is even before Honourable Prime Minister announced lockdown. FFFAI had represented to various Ministries namely CBIC, Ministry of Shipping, Ministry of Commerce & Industry, Special Secretary Logistics and Ministry of Civil Aviation for waiver of detention and demurrage charges.

FFFAI issued advisory to members which help them to represent with their clients explaining that FFFAI has conveyed about the situation at various locations for Custom Clearance. Most importantly FFFAI issued communications to protect the interest of Custom Brokers to highlight that any instances of delay in clearance should not be attributed to Custom Brokers. FFFAI also specifically represented Custom Brokers were only the stakeholder who braved odds and risked their lives for undertaking the clearances by taking essential passes, maintaining social distancing but it is the importer/ exporters who were not willing to clear the goods. Based on the representation made FFFAI, Ministry has issued various circulars regarding waiver.





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FFFAI has represented to Chairman – CBIC on 16<sup>th</sup> April, 2020 regarding paperless initiatives, CBIC has enrolled the paperless initiatives one by one. We have requested CBIC to implement the same initiative on export side which have been implemented on the import side. Further members are facing difficulties for debiting of certificate, bonds, and licenses all these aspects are to be covered and how THIS can be integrated without approaching the Custom Officer to carry out manual process.

Mr. A. V. Vijayakumar stated that it was planned to have meeting of sub-committee to discuss about CBLR related issues but because of COVID 19 the meeting could not be conducted. He requested members to forward the points regarding clauses of CBLR which needs amendments to FFFAI Secretariat; FFFAI will compile the points and make representation.

Mr. Karunakar Shetty stated in Mumbai paperless initiatives is working well, it is experience that due to shortage of manpower at various CFSs and various custodian the signature is needed by the preventive officer which is the biggest challenge faced by the members. Though it is paperless but without preventive officer CFSs are not allowing clearances. He further stated online goods registration module for export is under testing at Nhava Sheva.

he further stated that JNCH has issued various public notice and circulars to ensure online working regarding debiting of FTA, Certificate of Origin, online release of late submission fee, Section 48 release, query replies etc. He added that each assessment group has provided their email ID for interacting regarding any points pertaining to clearance.

Mr. Karunakar Shetty added that after CBIC initiative of online OOC, gate passes issued by CFS after verifying the paperless initiative by Custom and on the CFS pass preventive officer is signing certifying that duty is paid, out of charge is given and based on that CFS is issuing delivery order.

Mr. Sudip Dey stated that four years back there was direction issued by Commissioner that gate passes will be issued by system i.e. ICEGATE. There are two gate passes namely one issued by the custodians and another out of charge copy by Customs but there was no signature required on out of charge copy of the Customs. It was required to handover the copy to prevention officer and collect the cargo with the help of custodian gate pass.

Mr. Alan Jose stated that as per the circular it is require to scan the QR code using the ICETRACK, by scanning the cargo should be released it is not required to take any print which strict implementation should be done at grass root level. He further stated that even e-gate pass, e-out of charges is given and all the documents are available in e-sanchit; Customs department are insisting to submit the hard copy of the documents to be submit with Customs for scanning which should be avoided.

Mr. Pradeep Kale stated that members are getting query/ remarks on the ICEGATE to obtain the NOC from the bond section but at Nhava Sheva hardly any staff is available in bond cancellation and NOC section against advance license and EPCG. He further stated that though the papers have been submitted in the month of February, 2020 but still the bond has not been cancelled for advance license due to which consignments are held up.





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Mr. Dushyant Mulani stated the importer should be informed to give the letter to respective Commissioner about the consignments getting held up with copy to FFFAI. **(Mr. Pradeep Kale to provide copy of the letter submitted by his importer to Nhava Sheva Commissioner)**

Mr. Kartik Pancholi stated that there are lot of circulars issued by CBIC but at the ground level the scenario is totally different. He further stated that during the last CCG Meeting it was categorically discussed with Member (Customs) along with officials from DG and other sections that all the documents on Pan India are uploaded on e-sanchit but the field formation insist on physical file. It was observed at the air cargo complex that officers are not able to view the files uploaded on e-sanchit which was discussed in detailed during the CCG Meeting but there is no outcome of the same. He suggested that since the issue has been discussed in CCG Meeting we can take up the issue with DG System that ground level officers are not able to view the documents except the few stations.

He requested members to forward the difficulties faced at their respective location to FFFAI so that it could be taken up with the CBIC.

Mr. Mannu Choudhary stated that for the Nepal clearance cargo it is required to submit the CTD manually for which it is required to visit the Custom House. He suggested if the CTD can be submitted online instead of manually.

Mr. Samir J. Shah stated that we should proactively change our approach and he advised members to start communicating directly with Chief Commissioner at their respective location and provide communication to FFFAI for further help.

Mr. S. Ramakrishna stated that system is working on various modules in which one of the module is examination request and if anybody understand how to view please visit ICEGATE portal ASI006 which is already there but not implemented. He further said for the air cargo shipment examination request can be done online. The module will be implemented very soon. It has been requested that once the examination module is implemented the system should generate time slot during which examination process should be conducted. He added that we have requested for the uniform bond format for various applications which should be uploaded on ICEGATE or CBIC website.

He further said that every custodian will have digitalization of their gate passes through QR coding or Bar Coding which will get integrated with the bill of entry hence no signature will be required. On the e-sanchit document the system is asking which SSOID and bill of entries are not visualized by the officer should be informed to FFFAI so that it could addressed to DG System.

Mr. Kiran Nagare stated that regarding the procedure of OOC where officer involvement is still there. After the goods registration it may take two to three days but waits for Custom Brokers to approach him. He queried whether there is any system where OOC can be generated automatically.

Mr. A. V. Vijayakumar stated to escalate the matter with local Chief Commissioner or Commissioner and forward copy to FFFAI.





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Mr. Nanda Prakash stated that in spite of the notification and order at airport, Custom Brokers are being charged towards nominal charges towards late fee, penalty from Commissioner. The issue has been addressed to Principal Commissioner and Chief Commissioner stating that late fee and penalty is being charged at Bangalore. He added that CFS and CWC from the day one are charging detention and demurrage whereas CONCOR is giving waiver as per the notice but Air India Stats and Menzies Aviation have charged 100% and said that the same will be refund once the clarification is received.

Mr. R. Rajesh Kumar stated that they are facing issue of high cost being levied by custodian CONCOR at Coimbatore.

Mr. S. Nataraja stated that nothing has changed at Chennai. The main issue is waiver of late fee charges, initially blank permission was taken till the problem is sorted out. Based on the permission, link was created to the concerned group and informed the members to send their request to Customs. A Nodal Officer was appointed on behalf of Chennai Association to closely watch the late fee penalty waiver and wait for twenty four hours and beyond twenty four hours Customs could be approached to get the late fee penalty waiver. He added that except for one or two occasion the process is going smoothly.

He continued and said based on the Custom Brokers and direction from the local Customs lot of meeting were organized with CFSs and out of 32 CFSs, four CFSs accepted upto 3<sup>rd</sup> May, 2020, Seven CFSs accepted upto 14<sup>th</sup> May, 2020 rest of the CFSs have not responded. The complaint has been made on behalf of importer and have handed over to the Customs. The Custom got involved and sorted out few cases but no serious action has been taken against the CFSs.

Mr. R. N. Sekar stated there are many CB license to be renewed during this COVID period. He suggested if the issue can be addressed to CBIC to extend the renewal of license for three to six months or till the COVID 19 issued is solved.

Mr. A. V. Vijayakumar replied that we will represent to CBIC to extent renewal of CB license upto six months.

Mr. Kiran Rambhia stated at Mumbai all the Customs Broker are applying for renewal of license one year in advance and Custom passes before three months. He suggested that we can ask for auto extension of license for three month or six month or twelve month as per decision taken by the house.

## Agenda no.5b: **GST/ Service Tax Matters.**

Mr. A. V. Vijayakumar stated that FFFAI has made representation to Honourable Finance Minister Smt. Nirmala Sitharaman on the following points.

- GST – Deferment in payment of GST and Waiver of Interest thereof
- Bank Interest
- Income Tax
- Customs – Duty Interest
- Insurance cover for Custom Brokers and their Employees







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Mr. Dushyant Mulani informed that we have circulated the representation made to Honourable Finance Minister, but the same will be again circulated to members by the Secretariat.

Mr. Mannu Choudhary stated that charges charged by Shipping lines or CFS are not being reflected on the GST portal which are reimbursable in nature.

Mr. S. Ramakrishna replied that if the charges are collected it is their responsibility to pay and upload on the GST portal if they are not uploading the issue should be addressed to Commissioner GST, you can take the credit of the GST payment done.

Agenda no.5c: **Port related Issues.**

Agenda no.5d: **Sea Freight related issues.**

Mr. Dushyant Mulani stated that we will take agenda no.5c and 5d together.

Mr. A. V. Vijayakumar stated that FFFAI has made representation to Ministry of Shipping, Secretary Shipping, and CBIC for penal charges waiver, both the CBIC and DG Shipping issued circular to waive the penal charges. He further stated that most of the Commissionerate have also issued directive to Ports and terminals to waive the penal charges, except Adani Terminal all other terminals have accepted to waive the penal charges. Most of the shipping lines have accepted the waiver upto 3<sup>rd</sup> May, 2020 plus the contracted free period.

Mr. R. Sreedhar stated that all the shipping lines are providing the waiver except MSC as they have issued circular saying the waiver is available till 3<sup>rd</sup> May, 2020 for the cargo which is unclaimed but are not providing the refund for the detention already paid for the cleared cargo.

Mr S. Nataraja stated that as informed that Kattupalli Adani Port and SEZ has raised the invoices to HMM which has created lot of problem amongst the trade and Custom Brokers. He stated that mail received from Kattupalli Adani Port and SEZ will be forwarded to FFFAI.

Mr. A. V. Vijayakumar stated that Kattupalli Adani Port and SEZ have contract with their major customers and based on the contract they are extending the free period. Other terminals are permitted by the Customs for unblock of containers hence containers are moved to CFSs but in Adani there are more than six to eight thousand containers lying and charging Port rent. He stated that issue will be taken.

Mr. R. Rajesh Kumar stated that they got the contract for Airport Authority of India some container came from Italy to Kolkata on 8<sup>th</sup> or 9<sup>th</sup> March, 2020 due to some paperwork and duty payment it got delayed and lockdown started. The Shipping Lines is not agreeing to give the waiver for the container which came before 22<sup>nd</sup> March, 2020.

Mr. Jeyanth Thomas stated the MSC has issued circular that container landed before 3<sup>rd</sup> or 5<sup>th</sup> March, 2020 waiver is applicable. All the shipping lines are giving waiver upto 3<sup>rd</sup> or the contractual term as per the B/L excluding Maersk, Safemarine, Hamburg Sud as they have cleared mentioned in their Advisory the waiver is applicable upto 21<sup>st</sup> April, 2020 and as per the contractual term mentioned in the BL hence import coming by this shipping lines will have issue.





Mr. Suraj Muraleedharan stated that order issued by Ministry of Shipping stating that port, ground rent, penalty, demurrage, rental or any other charges should not be levied during the lock down period but then there was another letter issued by the Ministry of Shipping that it will be recovered after 30 days. He added that based on the letter Cochin Port is charging all the charges except penal charges.

#### Agenda no.5e: **Airport and Airfreight related Issues.**

Mr. Vipin Vohra stated that most of the points regarding demurrage have been covered. As far as airlines are concerned initially there were problem as less number of airlines were coming into India but now more and more airlines are coming. There was committee formed by Ms. Vandanna Aggarwal – Economic Advisor, Ministry of Civil Aviation so that Agri product can be exported. The special flight which were arranged to bring the passengers from overseas were initially not allowed to take the goods but after intervention these flights started considerable air cargo. He further stated that airlines have started charging exhorting which is hurting trade and industry considerably.

He further stated that lots of airlines for inbound and outbound has started asking for advance payment before handling over the shipment to them. The issue has been addressed to Ms. Vandana Aggarwal very strongly and informed that Air India has started the process of advance payment and now most of the foreign airlines are saying that if advance payment is given to Air India then why not to them. He added that it is the wrong practice and there should be same practice which we have for IATA.

Mr. A. V. Vijayakumar stated all the airport cargo terminals are giving waiver upto 50% for bill of entry filed upto 1<sup>st</sup> April, 2020 instead of bill of entry filed till 14<sup>th</sup> April, 2020 as per MOCA circular.

Mr. Vipin Vohra said the issue is being taken up with Ministry of Civil Aviation and Aircargo terminals but aircargo terminals are saying they have lot of cost like payment to labours etc., and without that they cannot survive. Hence they are also putting lot of pressure on Ministry that waiver cannot be done.

Mr. Dushyant Mulani stated that we have received lot of feedback from members regarding demurrage charge. The basic points was notification issued on 1<sup>st</sup> April, 2020 but the air cargo terminals across the country have constitute that demurrage waiver of 50% is applicable for the bill of entry filed upto 31<sup>st</sup> March, 2020. The bill of entry cleared after 01.04.2020 onwards has been levied 100% demurrage charges. He further stated that private players have misinterpreted the whole notification and have charged extra to the industry hence have requested major importer to take the matter directly with the Industry and with Ministry of Civil Aviation. The Air cargo terminals have refused to give any waiver after 16.04.2020 which is not the correct approach, attitude towards the trade in this COVID period.

Mr. S. Ramakrishna stated that the issue of filing of bill of entry from 01.04.2020, it has been clarified that waiver is eligible, it has been agreed that payment made from 20.03.2020 to 01.04.2020 even prior to receiving of the notification from Ministry of Civil Aviation that will also be refunded. But unfortunately one of the Freight forwarder has gone to the court asking for 100% waiver due to which the letter of clarification has not been signed by Secretary – Ministry of Civil Aviation. He stated that he had spoken with Secretary – Ministry of Civil Aviation and has informed that we are asking for the clarification letter which has already been issued on 01.04.2020. The matter which is in the court is for 100% waiver. If the letter is issued then it will be beneficial for everybody as waiver will be applicable till 16.04.2020.





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Mr. A. V. Vijayakumar stated that we are following up for 100% waiver but various reasons have been given by terminal operator to the Government that they cannot extend 100% waiver. As already informed by Mr. S. Ramakrishna that file is with Secretary – Ministry of Civil Aviation and are hopeful that we will get some positive reply. Parallel we have taken up with FICCI, CII, FIEO etc., for taking up the matter with Government.

Mr. Alan Jose appreciated Chairman for getting the order from Ministry of Civil Aviation, Ministry of Shipping. He also appreciated the wording of Honourable Union Minister of State for Shipping Shri Mansukh Mandaviya stating that even the vessels will be quarantine if the demurrage waiver is not given. He stated that shipping lines and air cargo custodians are not giving any free thing or additional benefit to the trade by waiving the demurrage charges, detention charges or ground rent. If the port / airports are lock down how vessels can be brought in, how the aircraft can be landed hence custodians do not have right to charge, if the containers are kept on board how can they charge detention or ground rent charges. He further stated that it is not account of importer, exporter or Custom Broker since there is lockdown all the factory are closed, conveyance not available, transport facility not available also it is the Government call for total lockdown. In such situation Government should have either closed down the ports/ airports restricting only for essential commodity. At Cochin when the port was getting congested the issue was discussed with Port Trust Chairperson. When DP World Terminal stated that they are getting congested we had requested to restrict the terminal operator.

Mr. R. N. Sekar stated that air cargo terminal at Chennai has given 50% waiver till 14<sup>th</sup> April, 2020 for the flight arrived till 20<sup>th</sup> March, 2020. The flight arrived after 14<sup>th</sup> April, 2020 the waiver has not been extended. The issue was addressed to Secretary – Ministry of Civil Aviation but no response has been received hence wanted to the status of the same.

Mr.A. V. Vijayakumar replied that issue has already been represented for the waiver of demurrage and file is with Secretary – Ministry of Civil Aviation for which we are following up.

Mr. S. Nanda Prakash stated that at Bangalore, Custodian have got PDC account with CWC, CONCOR, during this COVID period if there is deposit in the PDC account they are not giving the clearance less the deposit amount. He added that Bangalore Association has written to Custodian that during this COVID period the clearance should be given if there is credit and should not insist on deposit amount.

## Agenda no.5f: ICD related issues

Capt. Ashish Samarth stated there is issue of waiver of storage charges as none of the ICDs are giving waiver of storage charge.

Mr. A. V.Vijayakumar replied ask for the penal charges as the same was represented and we have got the same. He requested Capt. Ashish Samarth to kindly share the invoices where ICDs have charged them storage charges.

Mr. Puneet Jain stated that there are couple of ICD location both in the state of Haryana and UP. There is problem of movement of staff from Haryana to Tughlakabad and from Delhi city limit to ICD at Panipat. He wanted to know whether there are similar issues at other locations also.





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Mr. S. Ramkrishna stated CONCOR has given waiver upto 17<sup>th</sup> May, 2020 but all other CFS based on the volume which is induced fifty to sixty percentage waiver has been given on individual basis. It has been informed that it should not be volume based but universal waiver should be given.

Mr. Deepak Bhargava enquired whether legal route through court is an option in such scenario.

Mr. A. V. Vijayakumar replied that if we want legal recourse then the effected party i.e. importer and exporter should approach the court as Customs Broker are not the effected the party. Customs Broker are investing upfront and claiming as reimbursable in most of the cases. There is dispute of bills by importer or exporter. Ministry of Shipping and CBIC have given clear instruction for waiver of the penal charges but moving to the court is not the good idea.

Mr. Samir J. Shah advised that it is the importer and exporter who should address this issue since there is limitation to Custom Brokers to address the matter beyond point.

Mr. Ramesh Bansal stated we should think about Customs Brokers and let importer fight their own battle it is not that Customs Broker should not help them but at the initial stage let importer pay under protest if they want reimbursement and to work smoothly. He further stated that Customs Broker are working 24X7 since March which has been mentioned by FFFAI in several letters to the Department that Customs Broker are working as frontline warrior and are trying to bring up the economy of the country. He added that Government should provide insurance for the staff of Customs Broker.

## Agenda no.6: **To discuss Indian Institute of Freight Forwarders matters: (IIFF)**

Mr. Nirav Thakker stated that course was completed but before the exam IIFF conducted crash course from 13<sup>th</sup> to 15<sup>th</sup> March, 2020 for the students so that if students have any questions it can be solved by the faculty. The final exams were scheduled from 20<sup>th</sup> to 28<sup>th</sup> March, 2020 which could not be conducted. He stated after the first lockdown IIFF conducted online exams for the student which has been completed successfully and the last paper was on 2<sup>nd</sup> May, 2020. The exam papers are being evaluated by faculty online.

Mr. Tej Contractor stated that online module will be commencing soon hence requested to kindly send the query to IIFF.

## Agenda no.7: **To approve applications received from Associate and Allied membership of FFFAI**

Mr. Dushyant Mulani stated that no new application for Associate and Allied Members have been received at FFFAI Secretariat due to COVID 19.

## Agenda no.8: **To announce date and venue of next EC Meeting.**

Mr. A.V. Vijayakumar said looking at the current scenario we will have to conduct the online meeting. if the situation improves we may decide to have the Executive Committee Meeting. He stated that we will discuss and let the member know about the next Executive Committee Meeting.





## Agenda no.9: **Any other matter with the permission of the Chair**

Mr. A. V. Vijayakumar stated that FFFAI has sent few circulars regarding COVID related insurance cover. As per the MHA circular every employer has to insure their employees for COVID-19. He requested members to opt for the insurance cover for their employees, family members. He requested Mr. Alan Jose to brief the house about the insurance policy.

Mr. Alan Jose informed most of the company are having general insurance or life insurance for their employees but this policy is compensation policy for COVID, at the movement COVID treatment is taken care by the Government hence we do not need mediclaim policy for the COVID. The reason for choosing the Reliance Insurance policy was because only in Reliance Insurance policy they are giving fifty percent compensation if the person is quarantine without any testing or bill, similarly if the person is tested positive full amount of the insurance can be claimed immediately without any bills. If something happens to the life of the person then the amount will be passed on to the nominee. He showed how to enroll for the policy along with various types of policy. He stated that master policy is in the name of FFFAI but FFFAI does not have any bidding on any claims etc., based on FFFAI master policy this policy is being flouted. The policy will be issued in the name of individual.

He requested members to opt for the insurance policy for their employees.

Mr. Samir J. Shah stated that Customs Broker are employers and staff can claim against employer only under Workmen Compensation Act and cannot have claim against the employer in any other Act. He suggested that members should speak to their insurance company and get Workmen Insurance cover for your company. It is not very expensive insurance but will cover you from the claims made by your employees or their family against the employer.

Mr. M. Satyanarayana conveyed few days back eminent Political Leader Mr. Suresh Prabhu and State President of Kakinada had arranged a video meeting and took the opinion about TDS on Storage and Warehousing charge. The shippers are deducting ten percent on export cargo and agri-product storage. It was requested to amend that to two percent from ten percent at par with anybody because we are doing export service for the exporters' commodity. Mr. Suresh Prabhu wrote letter to Ministry of Food Processing and Industry. He requested that same points should be forwarded to Honourable Union Minister of Finance also.

Mr. A. V. Vijayakumar informed the house that as discussed in the last meeting it was decided to discuss the membership of FILA and accordingly FFFAI will be discontinuing the membership of FILA. The FILA members are the shipping lines and FFFAI is on the user side and also there is lot of clash of interest.

He further stated that FFFAI has made joint representation along with AMTOI and CAI to FIEO requesting that Customs Broker payment should be made in advance or immediately after execution of job. The representation was circulated to all members and all trade bodies.

Mr. Suraj Muraleedharan stated that Customs Broker are struggling for their own survival but there are unauthorized people who are under quoting and trying to grab the business of Customs Broker. He suggested that there should be some procedure of obtaining the NOC so that unauthorized people do not grab the business.





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Mr. A. V. Vijayakumar stated that it is one of member who is supporting the unauthorized people as without CB license the business cannot be transacted. He added that FFFAI has already issued the general circular to the members not to grab each other business in this critical time.

Mr. Dushyant Mulani stated that FFFAI has made representation and many Member Associations have made that appointment of Customs Broker should be directly by importers and exporters. The billing should be done directly by Customs Broker to importers and Exporters which will be the key element that Customs Broker are not playing the seconder role to forwarder, or intermediary or to courier company etc. Similar to Lawyer or Chartered Accountant, Customs Broker should be appointed directly by the importers and exporters and billing should also be done directly that will definitely enhance the professional status.

Mr. Kartik Pancholi agreed with the views and suggested that Constitution of FFFAI should be amended and introduce what has been said by Mr. Dushyant Mulani in addition to that NOC to be introduced. He stated that in Ahmedabad Association Constitution clause 12 has been introduced under Right & Duties of Members that before accepting any work related to Customs Brokers, members shall inform outgoing member in writing and obtain the NOC from outgoing member which has become part of Constitution at Ahmedabad. He suggested Member Association should also amend their Constitution to include suggestions given by Mr. Dushyant Mulani and proposal given which will become some kind of support for the member as when we approach the court such clause will help the members only.

Mr. Mannu Choudhary stated that in the Calcutta Association Constitution there is clause to obtain NOC from member but this clause will not work properly unless it is executed properly. It is required to cite the example to the members that sub-letting of license will be suspension. He further stated that at each location members are aware which Customs Broker is sub-letting the license which needs to be informed to the Chief Commissioner or Commissioner to act upon.

Mr. Alan Jose stated that at Cochin some steps have been taken how to handle the sub-letting and will report the same to Office Bearers of FFFAI.

Mr. Adil Khan stated that Customs Broker is facing lot of financial crisis and no payment or advances are being received. He suggested that FFFAI should take up the issue of Customs Broker and suggest some remedy to overcome the financial crisis.

Mr. A. V. Vijayakumar replied that FFFAI has represented to Honourable Union Finance Minister to reduce Income tax, GST payment postponement and insurance cover for the members of Customs Broker. He stated that financial crisis is there in every industry.

Mr. S. Ramakrishna informed that State Bank of India has allocated eight hundred crore for logistics sector and requested to visit the nearby branch of State Bank of India with request for the loan.

Mr. Alan Jose requested to forward the circular issued by State Bank of India as branches are not aware of the same.





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Mr. Rajesh Verma stated that there is urgent requirement for having uniform practices of various Custom Procedures across the country. He requested members to forward the issues which are not at par with major customs house to FFFAI so that same can be compiled and represented.

He further stated that it is not possible to stop shifting of business but we can definitely take up if there are any dues pending for which member should first take up the issue with the local Association. It is required to strictly adopted at the local level then we should go for the amendment in FFFAI as in FFFAI Member Association are the Ordinary members and all other members are Associate members that too not all the members of the local association are enrolled as associate member of FFFAI.

Mr. Kartik Pancholi stated that most of the Customs Broker are registered with MSME. MSME has issued notification in November 2018 that those who obtain service from MSME registered they are supposed to pay within 45 days or else they need to report to Government of India why they are not paying within that 45 days. He suggested that issue should be taken up with MSME Ministry to reduce this 45 days to 30 days which will help many members.

Mr. Shankar Shinde thanked members for attending the meeting and said it is very difficult to keep everyone on the zoom for almost three hours. He stated that COVID has taught us technology part and we should try to adapt more and more technical.

## Vote of Thanks

Mr. Dushyant Mulani thanked Mr. A.V. Vijayakumar for chairing the meeting and all the Executive Committee Members for attending the 4<sup>th</sup> Executive Committee Meeting for the term 2019-2021 online.

For Federation of Freight Forwarders' Associations in India

**Sd/-**

Dushyant Mulani  
Honorary Secretary

To: All Executive Committee Members of FFFAI  
To: All Member Associations of FFFAI  
To: All Board of Advisors of FFFAI  
To: All Nominees of Associate and Allied Members





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Annexure – A

## **Antitrust Statement**

***“It is my duty to make you aware of your responsibilities in connection with competition/anti-trust Law.***

***In particular, I would like to remind you that no market agreements have been or will be decided at Managing Committee Meetings of FFFAI whether they involve prices, amounts or areas.***

***I would also like to make you aware that such behavior also outside of meetings is prohibited otherwise you could cause immense damage to your Federation and/or Company.***

***Should it be apparent that at a meeting, there is an attempt to make or discuss an open or hidden agreement regarding price, amount or area, I am obligated to intervene and if necessary to break off the meeting.***

***Should doubt exist whether an activity of FFFAI, to be discussed or decided upon, is admissible according to anti-trust law, I shall have the responsibility to terminate discussion as the Chairman of the Federation.”***

