



Federation of Freight Forwarders' Associations in India

National Apex Body of CUSTOMS BROKERS' ASSOCIATIONS IN INDIA

FFFAI/MINUTES/112 /2020

07.05.2020

Minutes of the 3rd Executive Committee Meeting for the term 2019-2021 held on 7th February, 2020

Venue: Hotel Express Inn, Nashik

**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 3rd Executive Committee Meeting to be held at Nashik.

He request members to observe two minutes silence as mark of respect to the departed soul of father of Mr. Rajesh Verma, Mr. Amit Kamat and Mr. Kartik Pancholi.

He further read the announcement listed in the meeting booklet.
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 once again welcomed the Executive Committee Members for the 3rd Executive Committee Meeting at Nashik and requested Nashik Customs Brokers Association to address the gathering.

Agenda no.2: Welcome address by Host Association.

Mr. Shankar Shinde welcoming the Office Bearers and Executive Committee Members for the 3rd Executive Committee Meeting at Nashik stated that Nashik is known as City of Wine. There are many holy places to be visited at Nashik for which if members needs any assistance they contact the travel help desk available at the hotel reception. He further added that Nashik Association has tried their best to make the stay of EC Member comfortable if there is any shortcoming the same should be pardon. He thanked FFFAI for giving them the opportunity to host the meeting at Nashik.

He welcomed the Office Bearers with Shawl.

Agenda no.3: To note and grant leave of absence to all who have intimated. (note – no name announcements to be made).

Mr. Dushyant Mulani informed that a few Executive Committee members had request for leave of absence. He sought permission of the house to grant leave of absence to those who had requested. The house granted the permission.





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Agenda no.4: To confirm the minutes of the 2nd Executive Committee Meeting held at Kakinada on 13-14th December, 2019 for the term 2019-2021. (Already sent by e-mail to members)

Mr. Dushyant Mulani stated that minutes of the 2nd Executive Committee Meeting held in Kakinada on 13-14th December, 2019 for the term 2019-2021 were circulated in advance. He inquired with the house if there were any observation.

Mr. Ramesh Bansal informed that minutes of the meeting should be gist of recording and should not be recorded verbatim.

Mr. A. V. Vijayakumar replied that we will consider the same and in future minutes of the meeting will be gist.

As there were no observations the minutes of the 2nd Executive Committee Meeting held at Kakinada were unanimously approved by the house.

Agenda no.5: To report and discuss action arising out of the minutes of 2nd Executive Committee Meeting held at Kakinada on 13-14th December, 2019 (2019-21)

Mr. Dushyant Mulani read out the action arising out of the minutes of 2nd Executive Committee Meeting held at Kakinada and informed that same have been included in the meeting booklet and is also displayed.

Agenda no.6: To report on activities done

Agenda no.6a.: Reports already sent by e-mail – open for brief comments if any:

Mr. Dushyant Mulani stated that FFFAI has various representations on following issues which are included in the meeting booklet.

Sr. No	Issues	Ministry
1	CBLR Issues	CBIC
	CB License suspension issue	CBIC
	Direct billing by Customs Brokers	CBIC
	Validity of G card	CBIC
2	Inputs/ comments on Pre-Budget proposal on Taxation Matter for the year 2020-2021	Ministry of Civil Aviation
	i) <u>Judicial Discipline</u>	
	ii) <u>E-Seal</u>	
	iii) <u>Post Clearance Audit</u>	
	iv) <u>SVB</u>	
	v) <u>Refund</u>	
	vi) <u>Section 149 – Amendments of Documents and Section 150 – Rectification of Mistake</u>	
3	Points submitted for discussing at SCOPE Shipping Meeting	Ministry of Commerce & Industry





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4	Points for 12 th CCG Meeting	Directorate General of Export Promotion
5	Violation of Compliances while clearance of import/export consignment through courier mode - threat to national security and revenue to country	Member (Customs) and Director – CBIC
6	Inputs/ Comments on Lowering the rates of Air Cargo Services	Ministry of Civil Aviation

Agenda no.7: Open brief discussions on:

Agenda no.7a: **Customs Matters/ CBLR**

Customs Matter

Chairman informed that FFFAI has sent communication to the members to provide the points if any for discussing in CCG meeting to be held shortly. Based on the inputs received from the members FFFAI has submitted 13 points to Directorate General of Export Promotion for including in the agenda of the next CCG meeting to be held shortly and read out the same for the information of the members.

1. Permission for the Merchant Exporter to use E-Sealing from the Manufacturer / Supplier premises
2. Delay in clearance of import/ export consignment on account of delay in generation of OTP of Customs Officer for log in.
3. Customs Officer unable to view documents in E-sanchit
4. Single Window direct release of consignment by Customs when release by Partnering Government Agencies (PGA)
5. Important provision of Customs Act is not being followed at field level
6. Delay in obtaining duty drawback and IGST refund even after generation of scroll in Customs EDI System
7. Alert in EDI System for Exporters
8. Issues faced by trade and industry in Post Clearance Audit
9. SVB
10. Refund
11. Turant Customs
12. Faceless Assessment in Customs
13. Permission for re-stuffing the SEZ unit cargoes from Domestic container to Exim Container at the Bonded Area in Gateway Port.

He further added that during our visit of CBIC the following issues will be discussed with the Chairman, Member (Customs) and other members

- i) Turant Customs
- ii) DPE
- iii) DPD
- iv) Faceless Assessment





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He continued and said that auto out of charge has been implemented on trial basis from 06.02.2020 at JNPT and Chennai. He stated whether it is required to take up the issue with Board or not needs to be discussed.

Mr. Ramesh Bansal stated that it is required to understand the compliances of Customs Compliances Verification (CCV) whether it is in favour of Custom Brokers or not.

Mr. Dushyant Mulani stated that CVV is the part of Turant Customs hence making declaration in e-sanchit Customs Brokers need to check the same.

Mr. S. Ramakrishna added that it is the preamble for future. CVV which is done on manual basis will be converted into automated process. The first trial run of same will be implemented at JNPT.

Mr. R. K. Mehrotra stated that there is Supreme Court order that judgment passed by any High Court should be adhered by all the High Courts in India then why any circular issued by the Board is not adhered by all the Commissionerate.

Mr. Ramesh Bansal supplemented saying that circular/ public notice issued by any Customs station should be followed by all the Customs stations across the country.

Mr. R. K. Mehrotra FURTHER stated that Circulars issued by the Board are interpreted by the Commissioners and issued at respective Commissionerate.

Mr. Ramasamy stated that at the end of Board circular there is sentence stating that Commissioner should issue necessary circular/public notice at their respective location which is creating problem.

Mr. Anurag Vijayvargiya stated that at Indore Commissioner they do not honour the PN issued by other Commissioner such as JN Commissionerate. As Indore being ICD location there is no CHA section. The Chief Commissioner is not interested in going into customs formalities. He opined that CBIC should issue directive that PN issued on Pan India basis should be accepted if it is relevant till the new PN is issued by local Commissionerate.

Mr. S. Ramakrishna responded that FFFAI has requested the Board that no circular will be issued at Commissionerate level and circular or public notice issued by the Board should be adhered to across all Custom stations.

Mr. Pramod Soneta stated that there are many unrelated products which are getting marked to PGAs and stated example of AQ where such items are getting marked though they are not supposed to be routed through particular PGA.

Mr. Dushyant Mulani stated that this has been more prevalent from January after CTH directory has undergone change after introduction of new notification based on the advisory issued on 10th December by CBIC. This has resulted in lot of unwanted items being marked to PGAs. He suggested that each location should collate the unwanted items being marked to PGAs, address the same with local System Manager with copy to FFFAI Secretariat.





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Mr. Pramod Soneta further added that there are many chemicals which are coming under dual purpose use. He said there is seven days long procedure at Ahmedabad to get the ADC certificate.

Mr. S. Ramakrishna stated to provide the HSN code as FFFAI has taken up few issues with Commissioner Single Window. In one of the meeting with Member (Customs) the Commissioner Single Window said there is different process at each location whereas there should be uniformity in all locations. FFFAI had sent circular to all the members to provide the details but the response from the members is still awaited. He informed to forward the official letter to Commissioner Single Window with copy to FFFAI.
(Action: Mr. Pramod Soneta)

Mr. Puneet Jain informed that circular issued by the local Commisisonerate is not being honored by their Custom Officers at the same location itself. He further stated that recently Government has started other category restriction in the near future, although suggestions are being forwarded regarding correct classification or new classification for the unregistered product on the email IDs provided by the Department. He wanted to know when it will get implemented and what will be the implication on Custom Brokers.

He added that when everything is online then why in the export shipment still physical transparency copies are being used to transmit to the Gateway port from the port of clearance.

Mr. A. V. Vijayakumar stated that regarding HSN code DGFT has already issued the PN to inform them if there is no specific HSN code for particular product. The statistics shows that majority of goods are cleared under others category which had serious impact on statistics and revenue leakage which needs to be corrected.

Mr. S. Ramakrishna informed to obtain the HSN code classification from the importer itself because it has to be the same classification which has been given in Bill of Entry and GST. He further informed that we can assist our client but cannot decide the HSN code, as it has to be given by the client in writing. He further said this issue was taken up in the CCG Meeting that without expanding the digits of the other category it cannot be done.

Mr. A. V. Vijayakumar supplemented saying that one of the major industry which got affected due to this was automobile industry, power sector hence this issue has already been taken up by other industries with Government. Government wants to regulate but for that required the correct statistics so that correct tax could be collected.

Mr. B. N. Rajmoghon stated that PQ officer goes on leave on Saturday and resumes on Monday which causes lot of difficulty to the trade. He suggested that issue should be taken up.

Mr. Dushyant Mulani stated the issue had been conveyed during the last SCOPE meeting that when Customs is working 24x7 even the PQ Officers should also be available 24x7. Further he said the PQ Officers at gateway port comes only once a week to collect the sample. He suggested that issue should be addressed to the local Commissionerate with copy to FFFAI Secretariat.





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Mr. B. N. Rajmoghon further stated that as per the notification no.46/2015-2020 dated 6th February, 2020 regarding amendment of Export Policy of Onion. As per the notification issued export of Krishnapuram Onion is permitted only through Chennai port. He stated that exporter needs to get certificate from Assistant Director, Horticulture Kadapa, Government of Andhra Pradesh certifying the quantity which needs to be registered at the Office of Zonal Additional DGFT, Chennai. As Kerala based airports majorly handles the commodity like vegetable which consists of major parts of small onion which is used for day to day consumption. The export through Chennai creates lot of inconvenience to exporters.

Mr. Alan Jose replied to Mr. B.N. Rajmoghon that issue was taken up in PTFC meeting but Commissioner informed that as there is limited staff due to which especially vegetable import export is affected more. Hence it cannot be termed as 24X7 airports.

Mr. A. V. Vijayakumar stated that at few locations 24X7 is happening but at other location it is not happening as the Partner Government Agencies are not following 24X7.

Mr. Dushyant Mulani stated whichever location is facing the problem should forward their issues to FFFAI.

Mr. R. Sreedhar stated that at Tuticorin PQ department is not issuing online NOC which creates difficulty in clearance of cargo. The issue has been addressed to local Commissionerate also but the same has not got resolved.

Mr. Manoj Kotak stated that there is issue of export containers getting partly gate in.

Mr. A. V. Vijayakumar stated with the check-list the containers can be taken into the port and later shipping bills could be generated if there is system issue.

Mr. Shankar Shinde stated as per e-seal circular issued it states to obtain the seal number which needs to be verified by RFID seal. Customs are tracking the seal number and time of arrival based on the RFID seal.

Mr. S. Ramakrishna stated the e-way bill and RFID seal needs to be integrated with Wahan App which will solve the problem.

Mr. Girish Narayanan stated that they are not able to answer to the query raised online. Secondly in the faceless assessment lots of issues are being faced at Bangalore.

Mr. S. Ramakrishna responded that query not being able to answer online is the software issue which is being used hence should inform your software provider to make provision in the software so that queries can be answered online. He agreed that there is an OTP issue as OTP is received between 5 – 15 minutes.

Mr. Pankaj Lodaya stated that amendment of Section 149 in export is an issue at Pipavav.





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Mr. Dushyant Mulani informed that Section 149 has been taken in the pre-budget representation submitted. If the exporter carries out amendment in EDI system but due to system error the importer is being penalized with fine and penalty.

Mr. Alan Jose conveyed that at present EXIM container are required to be sent to SEZ units from Gateway Port and many of these SEZ units are located in interiors. He suggested in order to reducing the dwell time for turnaround time for exports, it is requested that SEZ unit should be allowed to stuff the cargo in domestic containers and upon arrival at the Gateway Port, the goods from the domestic containers should be reloaded in the international EXIM container inside the jurisdictional port premises in the presence of Customs.

Mr. Dushyant Mulani stated the issue was addressed as agenda point in the 12th CCG Meeting.

He further stated that China shipment is the International issue for which nothing can be done but can request for waiver of late filing charges.

Further he stated that Port CFS are unable to give print out and for print out it is required to go ICTT Terminal from Willingdon Island. It has informed that print out authorization can be given to only one Officer. He suggested that issue to be taken up with Member IT.

Mr. A. V. Vijayakumar stated points raised will be taken up, HSN is the large subject which needs to be discussed in detailed. Regarding China shipment we will make the representation to waive out the late filing charges. Print out is the local issue which needs to be represented locally.

Mr. Samir J. Shah said that house is concerned about China and late filing charges but how Custom Brokers can certify that every importer who is not submitting us the document of China for presenting bill of entry is compliant person. It is for the importer to make representation to the Customs that they have not received the documents. It cannot be institutional representation from FFFAI to waive the late filing charges. He stated that waiver is not going happen as it is Act of Parliament hence can be decided by the Commissioner of Customs but as FFFAI or as Member Association it is not advisable to obtain the blank permission as we have no way to verify the compliance and authenticity of Importers.

Mr. S. Ramakrishna stated that there is Board circular that in case original documents are not available the photocopy of the document can be self-attested with name, designate which can be e-sanchit and delivery can be taken.

Mr. Sreeram Bhagawathi stated that when importer or exporter advises to apply for the private bonded warehouse custom license the department is asking for solvency certificate to the extent to import export goods duty payable. He added that no MSME or start entrepreneur or importer/ exporters can get such solvency certificate from the bank. He suggested that issue should be taken up with the Board.

Mr. Dushyant Mulani replied that in the FAQs it is mentioned that once the importer executes triple duty bond then no other solvency to be given, if there is an issue it should be informed to the Importer to take with the Board that the department is violating the CBIC circular no. 21/2016 and forward us the copy for further addressing.





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CBLR

Mr. A.V.Vijayakumar informed the committee that suspension of CB license without issuing the show cause notice or personal hearing licenses are suspended which is addressed by FFFAI to the Board. He informed the house that issue of CB license suspension is the prime focus of FFFAI since it concerns the livelihood of Custom Brokers. Proper representation regarding this issue is being made with Chairman – CBIC and Member – Customs for ensuring that arbitrary actions should not take place. Hence it is being represented that:-

- 1) Majority of the Custom Broker Organization are MSMEs and protection of small organisation is the thrust of this Government. Everybody is trying to ensure that how they can be protected.
- 2) Custom Broker provide 1st time employment opportunity to maximum number of fresh Graduates and Undergraduates.
- 3) Considerable Custom Broking Firms are start-ups.

He stated it is required to discuss how to go about and address the issue further because suspending CB license without giving an opportunity of personal hearing or issuance of show cause getting reply is totally irrational and against the constitutional right for enterprise. It is also against the principle of nature justice since no opportunity is given to Custom Brokers for representation. The step of arbitrary suspension of CB license results in loss of business for particular MSME, loss of livelihood for the thousands of employees who are employed, loss of valuable client and moreover status of the Custom Broker is lost which he had earned with great difficulty. FFFAI is trying utmost that provisions of CBLR which are permitting suspension of CB license to Commissioner needs to be reviewed and amended.

Mr. A. V. Vijayakumar opened the floor to the house and requested one member per location should provide their comments in CBLR 2018.

- Mr. Anurag Vijayvargiya said as far as suspension or revocation is concern how many licenses suspension has taken place where the actual Custom Broker was penalised or convicted. As per his knowledge 92% to 95% CB won their cases in CESTAT. He suggested providing data wise details to the Board which will enable them to understand percentage of CB license suspended at each location. **(Action: Mr. Anurag Vijayvargiya to forward the data of CB license suspended at Indore location)**
- Mr. Deepak Bhargava stated that as per CBLR 2018 it is required to keep the documents for five years in hard copy form. He suggested that in digital era why it is required to store the documents in hard copy form it can be stored in digital form and when it is required by any agency the print out of the same can be given.





Mr. A. V. Vijayakumar replied that the issue has already been taken up with Board.

- Mr. Puneet Jain stated that one of the Custom Brokers has been seriously penalized on three charges on an export consignment carrying a concealed articles;
 - Why Custom Brokers did not check the consignment before shipping into the Customs
 - He did not advise his client for the same
 - KYC was not truly followed by him
- Mr. Kiran Rambhia stated that in the past BCBA had collected the data of CB license suspended. Based on same line BCBA is compiling for last three year suspension order. It has been observed that
 - More than 50% license are suspended on Regulation 10 (a, b,c,d,e) i.e. on KYC
 - Some on the classification issue
 - Interpretation issue

Compilation of data will really help which will take brainstorming. After compilation we can represent the issue. Secondly in CBLR 2018 the word antecedent has been removed but KYC is must. He suggested preparing the KYC list that this are documents required across India and present to the Board to get the clarification so that at the time of any investigation KYC concern will be out of the scope then Officers cannot suspension the license on that particular cases. He stated that BCBA is compiling and will be submitting.

Mr. A. V. Vijayakumar requested to forward the copy of the representation made by BCBA to the Board to FFFAI Secretariat.

Several members conveyed their suggestions for representation.

- I) Centralized KYC
- II) In Case of change in Constitution of Custom Broker License wither permission to operate on All India Basis to be taken.
- III) Professional status like Lawyer, Doctors, etc.
- IV) No Oral exam for G Category, only written exam.

Mr. S. Ramakrishna stated Custom Brokers to become professional has been taken up with Special Secretary Logistics hence under Udyog Aadhar MSME there will be separate Registration for Custom Broker separate registration for Freight Forwarder.

He further stated that FFFAI has given representation on Centralized KYC to Ministry of Finance and Special Secretary Logistics. FFFAI needs their support by which we can take their API integrated with FFFAI website by which automatically Income Tax, GST portal, DGFT IEC portal will get integrated from where KYC can be verified. The portal will also automatically indicate whether the Income Tax and GST return have been filed which will help members to decide whether they should continue doing business with them or not.

Mr. A.V.Vijayakumar concluded that we will be holding the meeting shortly to discuss about CBLR in March 2020.





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Agenda no.7b: **GST/ Service Tax Matters.**

Mr. S. Ramakrishna appraised the house about decision of Gujarat High Court, Jharkhand High Court decision and recently about Delhi High Court decision. The first two decisions were on the GSTIN not chargeable on the freight margin and Delhi High Court decision speaks about Service tax. He requested members to go through the all judgments.

Agenda no.7c: **Port related Issues.**

Mr. Dhiren Chhaya stated that recently Kandla Port has started issuing three types of licenses namely CHA, Cargo Handlers Brokers and Stevedoring. The Kandla port has merged all the charges like CHA charge, stevedoring charges, wharf charges. Earlier stevedoring charges were paid by the stevedores and wharf charges were paid by the Custom Brokers. If the Custom Brokers is not stevedore still the charges has to be paid and then take refund from the Stevedore. The issue was taken up with Port and were informed that due to direction issued by the TAMP they have merged the charges.

Chennai Association informed that it was informed that SOP on THC and CFS will be issued soon hence wanted to know the status of the same.

Mr. A. V. Vijayakumar replied that series of meeting were conducted on the following:-

- i) SOP on Export Freight and Exchange Rate
- ii) THC
- iii) Off-Dock Movement
- iv) DG Shipping circular regarding Shipping line charges

The Chairman – CBIC issued circular to the port and few Gateway port also issue circular for which JNPT has asked for the clarification. It is not implemented presently. He stated that within short period the clarification will be issued by Special Secretary Logistics.

Mr. Manoj Kotak stated that DPD charges are being collected at Mundra, there is notification issued by the Customs that they would like to earmark the area and for shifting the charges are being collected but containers are kept in empty slot of the vessel due to which when vessel is at berth the DPD delivery or offloading factory seal export container is completely stop.

Mr. Dushyant Mulani stated to take up the issue with Dr. M.G. Thamizh Valavan – Commissioner (Investigation Customs) has been appointed as Nodal Officer for all Custodian related issues, ICD related issue, courier related issue with copy to FFFAI for addressing.

Mr. Sohel Kazani stated that JNPT is collecting charges for the DPD delivery and the notification issued by the TAMP has already expired hence it is require to take the matter with TAMP about the charges being collected by JNPT for DPD delivery.

Mr. A. V. Vijayakumar replied the issue has already been addressed with Special Secretary Logistics and he is addressing the issue.





Agenda no.7d: **Sea Freight related issues.**

Mr.A.V. Vijayakumar stated that series of the meeting have been held with Special Secretary Logistics to discuss the following.

- i) SOP on Export Freight and Exchange Rate
- ii) THC
- iii) Off-Dock Movement
- iv) DG Shipping circular regarding Shipping line charges

He further stated that there will be circular issued by Ministry of Commerce & Industry for the charges as soon as possible.

Mr. R. Sreedhar stated that as per the circular issued, THC charges can be directly paid to the terminal by AEO client i.e. importer exporter. It is very difficult to bifurcate between AEO and non-AEO importer exporter.

Mr. A. V. Vijayakumar replied that when there is CY-CY, THC need not be paid. The circular has not implemented so far as the issue is being discussed hence another circular will be issued.

Mr. Jeyanth Thomas supplemented that after issuance of the circular it will be known whether it will be applicable for DPD or AEO client or for all importer / exporter, whether it is CY-CY, whether THC is applicable or not. He stated that working capital of Custom Brokers will get increased and if the THC has to paid directly by the importer/ exporter then what will be the role of Custom Broker in the EXIM trade which needs to be addressed.

He further stated that terminal operators, shipping lines are contacting client directly stating that they will be providing end to end service for clearance of goods.

Mr. Samir J. Shah stated that circular issued has been misunderstood, the circular does not say that exporter or importer will pay the port or terminal directly but it has to be interpreted that Shipping Line will not charge the Custom Brokers and whatever exporter or importer can do or his agent can do will do and nowhere is debarring Custom Brokers from doing any activities but are debarring shipping lines from collecting margin.

Mr. Alan Jose stated that CY-CY definition in the Shipping Terms means Container Yard to Container Yard and according to the law, the Shipping Line will be responsible to give delivery / receipt of the container on the trailer provided by the Importer / Exporter / Custom Broker irrespective whether it is port terminal yard or shipping line nominated yard.

He further stated that as the responsibility of shipping line ends only when they deliver or receive the container from the trailers, they should not collect any charges towards Terminal / Yard Handling from the shipper or importer when bill of lading states CY-CY.





He further stated that way back when containerized movement was started for US shipment there was no THC collected in India because it was part of freight as per their understanding whereas all other countries were charging THC.

He added that for AEO or DPD client paying THC directly to the port it was suggested that Custom Brokers should have account for AEO or DPD client or any exporter/ importer and payment should be done by the Custom Brokers by which there can be control on the shipments.

He endorsed that circulars issued by the Board are not properly issued by the local Commissionerate whereas the circular issued by the Board should be implemented across the country and uniform practice should be implemented.

Agenda no.7e: **Airport and Airfreight related Issues.**

Mr. Vipin Vohra stated that FFFAI had sent communication to members requesting to provide feedback/ comments if any on the communication received from AERA to review the charges but none of the association responded to FFFAI.

The custodian are adding the charges which they had submitted few years back and get it approved by the AERA, once the charges are approved by the AERA then it is difficult to get it back. He requested Member Associations to forward the issue related to airlines, airports, custodian to FFFAI so that it could be addressed with the AERA and different authorities.

Mr. Dushyant Mulani thanked Mr. Vipin Vohra for his inputs/ suggestion, due to which FFFAI could forward the representation to AERA along with Lok Sabha start question which was very categorical and well compiled. For the first time all the locations gave their feedback.

He stated that it is not the annual corporate contract which should be renewed annually by the private custodians. The comparison of charges shows that charges charged by the custodian at New Delhi are much higher than any other location. Moreover the private custodians are pushing at each location to have the annual stakeholders review meeting at short notice.

He opined that as FFFAI we should call the gateway airports and other airport that are affected due to charges being increased during the annual stakeholder review meeting. Earlier Airport Authority of India used to have rate increase proposal after five years with performance related criteria attached. At present at Mumbai there is no increase in infrastructure but the charges are getting increased.

Mr. Vipin Vohra replied that unfortunately every year at Delhi Airport there is increase in minimum wages, in the clause with AERA Custodians get it approved that mandatory charges which is approved by the Government then they have got the right to apply for the revision of charges otherwise the rates are for five years only.

He added that when the private terminal operators came into New Delhi after Airport Authority of India they had issued circular stating the terminal charges are inclusive of

- Offloading the cargo at terminal bay
- Bringing cargo inside the examination area





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- Carrying out X Ray and bringing into the bonded area
- 10% charges for examination before implementation of RMS.

The issue has been addressed to authorities several times but no decision is being taken. The issue was also addressed to Special Secretary Logistics hence he is aware of the issue and are hopeful that some resolution will come.

Mr. A.V.Vijayakumar conveyed to Mr. Vipin Vohra to address the issue related to airport and airfreight appropriately.

Agenda no.7f: **ICD / CFS related issues**

Mr. R. Rajesh Kumar stated that as informed earlier that there was Commissioner Office based at Coimbatore itself but now same has been shifted to Trichy and for everything it is required to go to Trichy. Hence for quite long time we have been requested to depute Additional Commissioner or Joint Commissioner but nothing has happen so far. He further stated that house stuffing permission taken earlier is not being accepted by the officer sitting in policy division at Trichy and we need to take the fresh permission. It was informed to them to provide the notification but as there is no notification issued they cannot provide the same.

He further said as per e-seal notification all the details are given online as there is provision available to inform that particular shipper is shipping so many containers which can be informed online but at Coimbatore it is required to inform the same manual hence wanted to know whether there is any provision to send details through online.

Mr. S. Ramakrishna stated that 26/2017 is categorical that whether details are mentioned manually or online it is required that e-seal provider gives the data directly to the Customs. He suggested making representation on the issue locally and forwarding the copy of the same to FFFAI for getting clarified. Mr. A.V.Vijayakumar requested Mr. R. Rajesh Kumar to send the representation. **(Action: Mr. R. Rajesh Kumar to make representation and forward to FFFAI)**

Mr. Alan Jose stated that issue is not limited to e-seal provider to inform the Customs. In the self-sealing notification it is mentioned that every time the consignment is stuffed at factory it is required to intimate the Custom station through which cargo will get loaded.

Mr. Dushyant Mulani replied that FFFAI had made representation on e-sealing of factory stuffed containers to JS (Customs) in November 2019 based on the inputs received from Nagpur association in which all the points are covered. The JS (Customs) was on his way out so he was not handling the file and current JS (Customs) is holding additional charge. He said once the permanent JS (Customs) takes the charges then this issued can be addressed.

Mr. Manoj Kotak stated that Mundra there is issue of CFS

- Containers are stacked upto 3 to 5 levels and during the examination it is informed that containers cannot be grounding as there is no equipment available due to which containers does not get examined.
- There are no labours available hence Custom Broker takes their own vehicle but indirectly at the gate they give the instruction not to allow the vehicle to entry the CFS





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- When complaint to Customs that vehicle are waiting at the gate they inform that vehicle have not come only
- For factory stuffing containers, CFSs are asking Custom Brokers trace the container and by the time the container is traced the DO gets expire hence it is required to obtain the fresh DO

Mr. Dushyant Mulani stated that all the points provided by Mundra Association were addressed in the SCOPE-Shipping meeting. Special Secretary Logistics informed that he will be discussing the Mundra points with Mundra Association. He further stated that after going through the issue it is understood that lot of issues are because of lack of administration by the local Commissionerate.

Mr. Vinod Sharma informed that FFFAI had forwarded circular to all EC members to forward issue related to ICD, only two associations namely Coimbatore and Pune had forwarded the points.

He stated that Mr. R. Rajesh Kumar has conveyed few points but are few more points

- Exemption of cost recovery at the ICDs at Coimbatore

There is the circular that every ICD has to complete certain norms regarding number of containers and shipping bills and cost recovery will be exempted. Coimbatore has asked for the waiver of the same but we do not have charges being charged and how trade will be affected, secondly we would like to know whether custodian will get exemption if so whether they will pass on the same to the trade or not.

- Gateway EGM issue at Coimbatore & Pune

Mr. Vinod Sharma stated that export air cargo is being sent under custom bonded trucks, on the basis of truck summary ICD is filing the EGM, again at the gateway airport airlines are filing the EGM, because of duplication of entry there are lot of errors due to which EGM is not matching with the EGM filed by the ICDs which results difficulty in getting the GST refund. It is suggested by both the association that there should be some facility available by which the data should be automatically transferred to the gateway airport after filing at the respective ICDs.

Also at Pune it is required to have Additional Drug Controller as there are five ICDs at Pune and one at airport.

Mr. Alan Jose stated that it is the responsibility of the CFS operator to move the container from terminal to nominated CFS, if there is any delay in movement of container the responsibility is not been taken by CFS hence detention if any has to be paid to shipping lines either by the importer or Custom Broker with no fault of importer or Custom Broker. He further stated that there are several instances where CFS does not do the placement of containers or examination of container stating that there is no space or equipment. He suggested that if the nomination is given to the CFS to movement the container then it should be responsibility of the CFS to move the container, delay if any should be the responsibility of the CFSs only. Also when the request is place for examination it should be done on the same day and delivered by CFS if not then CFS should be held responsible and should be penalized for detention if any.





Mr. A. V. Vijayakumar stated that there is PN issued by the Chennai Customs regarding non-movement of containers by CFS. As per the PN Custom Broker need not pay any charges but terminal will charge the charges after landing of the container plus three days, hence even the terminal storage charges will be paid by CFS operator and not by the Custom Broker.

Agenda no.7g: **Association Matters.**

Mr. Alan Jose stated that associations are giving attestation to the Allied members who are mainly MTOs and they take the membership of FFFAI because as per the criteria of FIATA the application has to be attested by the National Association of FIATA and FFFAI being the National association they approach FFFAI for becoming the member so that their application gets endorsed.

He suggested it is required to discuss the issue whether we should increase the membership or amend the policy.

Mr. A. V. Vijayakumar replied that this issue was discussed long back and it was decided to collect the five years membership fees along with the admission fee from the Allied members hence we need not discuss again.

Agenda no.7h: **EC Members Matters.**

There were no points for discussion.

Agenda no.8: **To discuss about date and venue of 24th Biennial Convention of FFFAI.**

Mr. A. V. Vijayakumar informed that last Biennial Convention of FFFAI was held at Cochin in 2017 after that we did not have convention due to FIATA World Congress. He proposed to have 24th Biennial Convention of FFFAI at Chennai as the last convention happened in Chennai was in 2005 hence after 15 years it is proposed to organize at Chennai. He proposed to have convention in November 2020 or February 2021 subject to availability of hotels at Chennai. He stated that if any locations wish to host the convention they may kindly send their suggestion to FFFAI Secretariat.

Agenda no.9: **To discuss about Business Development Plan**

Mr. Dushyant Mulani stated that Mr. Samir J. Shah would like to explain about the Logistic Skill training and first Logistic Skill training was held at New Delhi which was great success.

Mr. Samir J. Shah briefing the house about the Logistics Skill training query how of members are in logistics business for more than 25 years. With number of hands raised if multiplied by twenty five there are so many people working in this sector for entire life but do not see future in the coming year. There are large number of people work with us who are 10th pass but we have not given G card when 10th was eligible criteria and now they cannot get the G card as they are 10th pass. There are many people working in this sector who are 12th pass, or G card holder, but hold so much amount of knowledge and ability in routine Custom clearance but will never get F card as they are 12th pass. Logistics as professional is not getting that respect which sector needs in normal society. As there is no document to prove the ability hence the Logistics Skill Council decided to certify every person who is capable in the logistic sector. There was question how to bring these people into the main stream of the Indian Society.



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Government of India is working along with few members and has come with NSQF (National Standards of Quality Framework). The person who is 8th pass can sit for the exam and after qualifying can get NSQF4 certificate or NSQF 6 certificate depending upon the industry the person is working. As this certificate will be issued by Government of India every Institution in India and 9 countries across the world and by 2021 there will be 108 countries who will recognize NSQF4 certificate as equivalent to 10th pass, NSQF5 equivalent to 12th pass and NSQF6 equivalent to graduation and keeps going on until person completes MPhil or PHD.

He stated with the permission of dias Commitment has been given to Government of India that as Federation will get at least 6000 people certified this year. The scheme works as follow:-

- Any person who has been working in logistics sector for more than 3 months can attend this program
- It is one day program from 09:30 am to 05:00 pm or 10:00 am to 05:30 pm.
- Participant needs to submit his/ her Aadhar card, bank details, photograph and certificate from employer stating that person is working in the organization
- As the program is called Recognition to prior learning hence we are certifying what he already knows. At the end of the day written test will be taken and whoever qualifies the test will get certificate, an accident insurance of Rs. 2 lakh from Government for three years, T-shirt (stating he/ she has certified logistician) and more importantly within 70 days of passing the examination participants bank account will be credited with Rs.500/-.

He added that this has been worked out to encourage everyone in logistic sector to take the certificate.

The Logistic Skill council expect from the organizing association as below:-

- Hall with capacity to accompany around 150 participant per batch
- Batches in multiple of 125 or 150 participants per batch
- Secretarial Help to carry out registration etc.
- Tea/ Coffee and lunch
- Basic AV system and mike

Each Association who will organize the program will get Rs. 600/- per qualified participant by which expenses incurred can be recovered.

He requested Member Association to inform the Logistics Skill Council 10-15 days in advance to conduct the program. NSQF is an Act of Parliament due to which every University, Departments has to accept, even the CBLR will get amended in due course of time to say 12th pass or NSQF certified.

He requested the house to applause for Mr. S. Ramakrishna and Mr. P. S. Atree for conducting the program at New Delhi. Mr. Dushyant Mulani said that wide publicity will be given through Member Associations.





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Agenda no.10: **To discuss Indian Institute of Freight Forwarders matters: (IIFF)**

Mr. Tej Contractor stated that he was going through one publication of HRD Ministry and as per the publication there is going to be 30% shortage of skill manpower in the logistics industry. IIFF is about to complete 3rd batch of the distance learning and 10th batch of classroom session. The examination will be in the month of March 2020 and new batch will start from April 2020. The email is being forwarded by FFFAI on regular basis. He requested Member Association to take up the program at their locations.

Agenda no.11: **To approve applications received from Associate and Allied membership of FFFAI**

Mr. Dushyant Mulani informed members that FFFAI had received 13 new applications for Associate membership 7 new applications for Allied membership. He said that the applications were in order and requested the approval of the house for their admittance to the membership of FFFAI.

The house unanimously approved applications received for Associate and Allied membership of FFFAI.

Agenda no.12: **To announce date and venue of 4th EC Meeting.**

Mr. A. V. Vijayakumar informed that 4th Executive Committee Meeting will be held in on 8-9th May 2020 at New Delhi. The venue details of the meeting will be forwarded shortly.

Agenda no.13: **Any other matter with the permission of the Chair.**

Mr. S. Nanda Prakash informed that there should be practice that whenever new client approaches the Custom Broker before doing the business should ask for NOC from the previous Custom Broker so that it is know that client has approach another Custom Broker for better service.

Mr. Puneet Jain opined to have standard logo for Custom Broker similar like Chartered Accountants, Doctors, and Lawyers. He said if the house permits he can provide some suggestions for the logo.

Vote of Thanks

Mr. Dushyant Mulani thanked Mr. A.V. Vijayakumar for chairing the meeting and all the Executive Committee Members for attending the 3rd Executive Committee Meeting for the term 2019-2021. He thanked Nashik Customs Brokers Associations for their splendid arrangements for the Executive Committee Meeting and arranging the Shirdi VIP Darshan, Trimbakeshwar for the members and their families.

The meeting concluded with recital of the National Anthem.

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

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

