

Steps taken by Indian Customs for ensuring “Ease of Doing Business”

Various trade facilitation measures have been taken by Indian Customs in recent times. Some of the major initiatives include:

1. Facility of deferred payment

Customs, Deferred Payment of Import Duty Rules, 2016 have been notified to come into effect from 16.11.2016. Further, importers certified under AEO Programme (Tier-Two) and (Tier-Three) respectively have been notified for availing the benefit of these Rules.

[Refer: Cir.No.52/2016-Cus, Noti. No. 134/2016-Cus(N.T.), Noti. No. 135/2016-Cus(N.T.)

2. Introduction of Revised Authorised Economic Programme(AEO):

As a further step towards trust based compliance, Indian Customs has introduced the new Authorised Economic Operator(AEO) Programme wherein extensive benefits, including greater facilitation and self certification, have been provided to those entities who have demonstrated strong internal control system and compliance with CBEC.

(Refer. Cir.33/2016-Cus)

3. Relaxation in Insurance cover/Bond/BG

Requirement of Insurance cover to be taken by Customs Cargo Service Providers (CCSP) in respect of goods stored in Customs Areas has been brought down from 30 days to 10 days.

Similarly, requirement of submitting a Bond equal to the value of imported goods stored in a Customs Area for a period of 30days has been brought down to 10 days. Due to this measure, the Bank Guarantee(BG) amount to be tendered was linked to duty of goods likely to be stored for 30 days. By reducing the period to 10 days, the BG amount would also come down thereby, reducing the transaction cost.

(Refer: Cir.42/2016-Cus)

4. Setting Up of Customs Clearance Facilitation Committee (CCFC)

High level administrative Committee i.e. ‘Customs Clearance Facilitation Committee’ (CCFC) has been set-up at every major Customs seaport and airport under the chairmanship of Chief Commissioner of Customs/Commissioner of Customs. Its membership includes the senior-most functionary of all the departments/agencies/ stakeholder at the particular seaport/airport. CCFCs have now been ordered to be set up for ICDs and Land Customs Stations.

(Refer: Cir.33/2015-Cus, Cir No. 44/2016-Cus)

5. Amendments in Warehousing provisions for introducing record based controls:

The department has made significant amendments in warehousing provisions to leverage the benefits of automation for facilitating trade and to enable the department to monitor the permitted period for which goods remain in the warehouse. The amended provisions provide a single point for the importer or owner to seek extension of the warehousing period and pay duties online.

(Refer: Cir.No.21/2016-Cus to Cir. No. 25/2016- Cus.)

6. Indian Customs Single Window Project –Online message exchange

Indian Customs has introduced SWIFT (Single Window Interface for Facilitating Trade) for ensuring ease of doing business. Under Indian Customs Single Window Project, the importers electronically lodge their Customs clearance documents at a single point only with

the Customs. The required permission, if any, from other regulatory agencies (such as Animal Quarantine, Plant Quarantine, Drug Controller, Textile Committee etc.) is obtained online without the importer/exporter having to separately approach these agencies. Benefits of Single Window Scheme include:

- a. Reduced cost of doing business;
- b. Enhances transparency;
- c. Integration of regulatory requirements at one common platform reduces duplicity and cost of compliance;
- d. Optimal utilization of man power;

(Cir. 10/2016-Cus)

7. Reduction in mandatory documents for imports and exports :

In order to simplify procedures to facilitate genuine trade, CBEC has reduced the number of mandatory documents and prescribed only three mandatory documents for general import/export. Packing list and commercial invoice has been merged into a single document for Customs purposes. Also SDF form required to be submitted along with shipping bill (export declaration) is no longer required. However, for import and export of special nature under preferential agreements etc, other documents may be required to be submitted by the importer/exports.

(Refer. Cir.No. 1/2015-Cus, Cir. No. 15/2015-Cus.)

8. Adoption of Digital Signature:

In order to encourage paper less working and dispense with the requirement of physical submission of documents 'Digital Signature' has been introduced for importers, exporters, airlines, shipping lines etc

(Refer. Cir. No.26/2015-Cus)

9. 24x7 Customs Clearance

CBEC introduced the facility of 24x7 Customs clearance in the year 2012 for 'facilitated' Bills of Entry and factory stuffed containers and goods exported under free Shipping Bills at **19 sea ports and 17 air cargo complexes**. The 24X7 Customs clearances have now been extended to all Bills of Entry (and not just facilitated Bills of Entry) at 19 seaports and 17 Air Cargo Complexes. Further, no MOT charges are required to be collected in respect of the services provided by the Customs officers at 24X7 Customs Ports and Airports.

(Refer Circular No. 01/2016-Customs & 04/2017-Customs)

10. Abolition of Mate Receipt

With the automation of Customs procedures, manual issuance of mate receipt for containerized cargo has become redundant and therefore dispensed with.

(Refer: Cir. No.56/2016- Cus)

11. : Reducing/eliminating printouts in Customs Clearance

With the aim of ease of doing business' and promoting paperless clearance, Board has decided to do away with routine print-outs of several documents including GAR 7 Forms/ TR 6 Challans, TP copy, Exchange Control Copy of Bill of Entry and Shipping Bill, and Export Promotion copy of Shipping Bill.

(Refer: Cir. No. 55/2016-Cus)

12. The Courier Imports and Exports (Clearance) Amendment Regulations,2016

Several reforms have been initiated in Courier regulations including liberalization of norms for outsourcing and CSB form.

(Refer. Noti. No.142/2016-Cus(N.T.), Cir No. 59/2016-Cus)

13. National Committee on Trade Facilitation(NCTF)

NCTF has been constituted for implementation of WTO Trade Facilitation agreement. Its first meeting was held on 28-10-2016. The Cabinet Secretary and the Chairman of the NCTF, Mr.P.K.Sinha in his key note address stressed the need to continuously move towards higher standards of excellence so that the trade eco system becomes more growth oriented. He emphasized that since the TFA may become a binding Agreement shortly, India had to be in a state of readiness, especially for the Category 'A' commitments. He summed up the significant areas of TFA as simplification of procedures, reduction in time and cost, augmentation of infrastructure and greater use of technology. He also directed that the Steering Committee, working under NCTF, will be co-chaired by the Revenue Secretary and the Commerce Secretary. 4 ad-hoc working groups have been formed under the aegis of Steering Committee on key areas of Outreach, Legislative changes, Time Release Studies and Infrastructure.

14. **Import Data Processing and Management System (IDPMS)** has been jointly launched with RBI to facilitate efficient data processing for payment of imports and effective monitoring.

15. **Email notification** service to importers for all important stages related to import clearances has been initiated.

16. Single Window Interface for Facilitation of Trade has now been extended to Export

The online-release from Partner Government Agencies (PGAs) for exports has been implemented from 05/1/2017 onwards for CITES/ **wildlife items**.

(Refer- Circular No. 01/2017-Customs)

17. Roll Out of Express Cargo Clearance System (ECCS) at Courier Terminal, Sahar Mumbai

Express Cargo Clearance System (ECCS), an automation programme, doing away the manual filing of documents for clearance of Courier parcels, gifts and documents has been made operation at Courier Terminal, Sahar Mumbai w.e.f. 05.12.2016 on pilot basis. The ECCS would carry out automated assessment and clearance under Courier Imports and Exports (Electronic Declaration & Processing) Regulations, 2010.

(Refer Circular No. 58/2016-Customs)

18. Amendments introduced in Customs Act, 1962 by Union Budget-2017 for "ease of doing business"

With the aim to reduce the dwell time, **sub-section(3) of section 46** of the Customs Act, 1962 has been substituted thereby, making it mandatory to file a Bill of Entry before the end of the next day(excluding holidays) on which the vessel or aircraft or vehicle carrying the goods arrives at a customs station at which goods are to be cleared for home consumption or warehousing .A late charge for delayed filing of bill of entry has also been prescribed.

Changes have also been introduced in **sub-section (2) of Section 47** by virtue of which the importers now have to make payment of duty in the same day in case of self-assessed bill of entry and in case of re-assessment or provisional assessment the importers have one day after the bill of entry is returned.

Further, **sub-section (2) of section 27** has been amended to allow a simplified regime of refund of customs duty paid in excess in specified cases by providing that such refunds shall be outside the scope of *unjust enrichment*.

(Refer: Circular No.12/2017-Customs dated 31.03.2017)

19. Streamlining of process of IGM amendment for import through sea

For streamlining and simplifying the process of IGM amendment in case of goods imported through sea route, Board has issued fresh guidelines for IGM amendment in order to ensure that all requests for amendment in IGM are disposed off within prescribed time limits. Further, all requests for minor amendments shall be decided administratively without recourse to adjudication or levy of penalty.

(Refer : Circular No.14/2017-Customs dated 11.04.2017)
