Circular No. 13/2015-Customs

F. No. 450/01/2011-Dir (Customs) (Pt.)

Government of India Ministry of Finance Department of Revenue (Central Board of Excise and Customs)

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New Delhi, dated the 13th April, 2015

To,

All Chief Commissioners of Customs / Customs (Preventive)

All Chief Commissioners of Customs and Central Excise

All Commissioners of Customs / Customs (Preventive)

All Commissioners of Customs and Central Excise

Sir / Madam,

Subject: Setting up of 'Customs Clearance Facilitation Committee' (CCFC) - reg.

The Government has in recent times taken a number of measures to create an environment for ease of doing business and trade facilitation. The measures include the simplification of Customs procedures, reduction of documents, message exchange between Government agencies engaged in Customs clearance, and use of digital signature for electronic submission of Customs process documents. Continuing in this direction, it has now been decided with the approval of the Cabinet Secretary to establish a high-level administrative body at each seaport and airport with the responsibility of ensuring expeditious Customs clearance of imported and export goods.

2. In this regard it is seen that in terms of the Customs Act, 1962 read with the relevant rules and regulations, imported and export goods are subjected to certain legal and procedural formalities before being permitted clearance by Customs. These requirements include the submission of prescribed documents and adherence to laid down procedures before an appropriate legal order is given by the Customs officer permitting the importer/exporter to clear the goods for the intended purpose. If provisions of other Allied Acts are attracted in respect of the imported/export goods, permission to clear the goods is given by the Customs only after getting the suitable clearance/response/NOC from the Government Department/agency concerned. Some of the major Departments/agencies that are involved in Customs clearance process are as follows:

(i) Food Safety and Standards Authority of India (FSSAI)/Port Health Officer (PHO)

(ii) Plant Quarantine Authorities

(iii) Animal Quarantine Authorities

(iv) Drug Controller of India (CDSO)

(v) Textile Commissioner

(vi) Wild Life Authorities

3. In addition, the Port Trusts/Airport Authority/Custodians and Railways play a critical role in the Customs clearance process by providing the required infrastructure and facilities. Other local agencies concerned with logistics, manpower etc. which operate in the seaports and airports also facilitate the Customs clearance process.

4. Since the aforementioned regulatory agencies are critical contributors to the Customs clearance process of imported and export goods, a delay in receipt of a clearance from one regulatory agency holds up the Customs clearance of the said goods. Lack of adequate infrastructure in the seaport or airport or testing laboratories etc. also contribute to delay in the clearance of imported and export goods. Any other deficiency on account of other stakeholders also enhances the dwell time of cargo as well as the overall turnaround time of carriers. Another important reason for the delay is the improper coordination or absence of efficient coordination amongst Government agencies and other stakeholders involved in the Customs clearance process. Therefore, a view has emerged that these deficiencies can be best removed by institutionalizing at each seaport and airport an administrative mechanism with responsibility of expeditious Customs clearance of imported and export goods and for resolving related trade grievances in a time bound manner.

5. Accordingly, **the Board has decided to set up a Customs Clearance Facilitation Committee (CCFC) at every major Customs seaport and airport with immediate effect**. The CCFCwould beheaded by the Chief Commissioner of Customs/Commissioner of Customs in charge of the seaport and airport concerned. Its membership would include the senior-most functionary of the following departments/agencies/stakeholder at the particular seaport/airport:

(i) Food Safety Standards Authority of India/Port Health Officer (PHO)

(ii) Plant Quarantine Authorities

(iii) Animal Quarantine Authorities

(iv) Drug Controller of India (CDSO)

(v) Textile Committee

(vi) Port Trust / Airport Authority of India / Custodians

(vii) Wild Life Authorities

(viii) Railways/CONCOR

(ix) Pollution Control Board

(x) Any other Department / Agency / stakeholder to be co-opted on need basis.

6. **Terms of Reference** for the CCFC are as follows:

(i) Ensuring and monitoring expeditious clearance of imported and export goods in accordance with the timeline specified by the parent ministry/Department concerned;

(ii) Identifying and resolving bottlenecks, if any, in the clearance procedure of imported and export goods;

(iii) Initiating Time Release Studies for improvement in the clearance time of imported and export goods;

(iv) Having internal consultations to speed up the clearance process of imported and export goods and recommending best practices thereto for consideration of CBEC / Departments / Agencies concerned; and

(v) Resolving grievances of members of the trade and industry in regard to clearance process of imported and export goods.

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The CCFC shall meet once a week or more frequently, if considered necessary by the chair.

7. The Board desires that Chief Commissioners of Customs/Customs and Central Excise shall immediately establish the CCFC at each seaport and airport in their jurisdiction. The CCFC shall be headed by the Chief Commissioners of Customs/Customs and Central Excise at the place of headquarters of these officers. At other places it would be headed by the Commissioners of Customs/Customs and Central Excise in charge of the seaport/airport.

8. The establishment of the CCFC and its terms of reference may be given wide publicity by issue of suitable Trade Notice/Public Notice. The said Trade Notice/Public Notice should indicate the contact numbers of the chair of the CCFC. A copy of the order establishing the CCFC may be endorsed to the Board latest by 24-04-2015. The first meeting of the CCFC would take place on 01-05-2015.

9. Chief Commissioners of Customs/Customs and Central Excise are also required to periodically review the working of the CCFC and its impact on reducing delays in the Customs clearance time of imported and export goods and in resolving related trade grievances. The outcome of the first such review should be reported to the Board latest by 5-6-2015 and thereafter on quarterly basis.

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10. A copy of this Circular is being sent to all administrative Ministries/Departments concerned for issue of suitable directions to their officers at the seaport and airports to inform the Chief Commissioners of Customs/Customs and Central Excise concerned of the senior most functionary who shall be a member of the CCFC. Further, the concerned Ministry/Department are also being requested to prepare a Standard Operating Procedure (SOP) and specify a time line for according clearances.

11. Any difficulty noticed in this regard may be immediately brought to the notice of the Board.

Yours faithfully,

(Pawan Khetan)
OSD (Cus -IV)