

Ahead of law but worth noting



EXIM MATTERS

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The Jawaharlal Nehru Customs House (JNCH) at Nhava Sheva, near Mumbai, has said all Bills of Entry (B/E) pertaining to 'Full Container Load' (FCL) cargo, must be compulsorily filed in the ICES system as advance/prior B/E. It has also advised that even B/E pertaining to 'Less than Container Load' (LCL) Cargo be filed in advance. This is to ensure faster clearance and reduce dwell time of cargo, as all advance/prior B/E will be granted enhanced facilitation, says the JNCH.

This follows a dwell time study (of time elapsed from the time cargo arrives in the port to the time the goods leave the premises, after all permits and clearances), undertaken by the Customs at various ports, airports and Inland Container Depots (ICDs). The result of the study at two ports, four airports

and two ICDs are on the website of the Central Board of Excise and Customs (CBEC).

The study for October 2016 reveals that of the total dwell time for imports, the percentage of time attributable to clearance by the Customs varies from 5.7 per cent at the airport in Bengaluru to 13 per cent at JNCH. It is importers who cause delay in filing the B/E after arrival of cargo and delay in duty payment, etc, says the study. The total dwell time varies from four days, three hours and 10 minutes at Delhi airport to 15 days, five hours and 52 minutes at ICD Delhi. The other Customs Houses might follow the example of JNCH, although the latter's directions do not seem in accordance with law.

Also, to promote healthy competition, JNCH has directed cargo service providers at Container Freight Stations (CFS) to compute and publish on their websites, the 'cargo dwell time' (separately for export and import consignments) on a monthly basis. The dwell time should reflect the average of the difference between 'gate in time' and 'gate out time' in respect of export/import cargo cleared from CFS during the month, in respect of normal clearances. The CFS achieving least aver-

age dwell time will be given a Certificate of Recognition.

Section 46 of the Customs Act gives the option of B/E filing 30 days before expected arrival of goods. This enables the issues of classification, valuation, exemption, duty rates, etc, to be sorted before the goods arrive. As soon as the Import General Manifest is filed by the carriers, the importer can present the advance noting copy of B/E for final noting. Unless there is any change in the duty rates or specific requirement to examine the cargo or to incorporate the feeder vessel name, the B/E is processed immediately. Any amendment in an advance/prior B/E is done within two hours of the request being filed by the importer/Customs broker, generally without any penalty. Where the vessel does not arrive within 30 days of filing the B/E, a fresh one has to be filed after arrival.

In sum, the importer has an option to file the B/E before or after arrival of the vessel. So, JNCH cannot compel anyone to file an advance or prior B/E. Even so, importers should take the well-intentioned advice of JNCH, in their own interest.

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