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# TRADING ACROSS BORDERS

A Report on Improving 'Ease of Doing Business' in India

December 2014

Directorate General of Foreign Trade  
Department of Commerce and Industry  
Government of India



## Foreword

A Committee to recommend reduction in number of mandatory documents required for exports and imports was constituted on July 15, 2014 by Secretary, Department of Commerce, Govt. of India. The scope of the Committee was subsequently widened to study and recommend measures for reduction of not only the number of documents but also cost and time of exports and imports, in order to improve Ease of Doing Business in 'Trading Across Borders'.

The Committee studied issues relating to 'Trading Across Borders' part of 'Doing Business' Report of World Bank, interacted with the experts and did its own survey for ascertaining number of documents, time and cost required for exports and imports from India.

An inter-ministerial team of officials led by DGFT also visited Jawaharlal Nehru Port to study the field conditions. During this visit the team interacted with Port and Customs officials, Custom House Agents (CHAs) as well as representatives of the industry.

This report draws from the deliberations in the Committee, field visit to JNPT, interactions with the stakeholders and also the 'Second Task Force on Transaction Cost in Exports' released by Department of Commerce in July, 2014.

This report makes actionable recommendations for reducing number of documents required for exports and imports. It also makes recommendations, relating to Customs, Ports as well as other related departments/agencies, for reduction in cost and time for exports and imports.

I would like to express my gratitude to representatives of Industry, CHAs, JNPT officials, Customs officials, officers of DGFT at HQ and at Mumbai and all others who have contributed directly or indirectly and provided useful feedback and inputs for preparation of this report.

I hope the implementation of the recommendations of this Report will lead to overall improvement in India's export and import regime and the procedures/processes being followed which, in turn, will also lead to improvement of India's ranking in the 'Trading Across Borders' indicator of World Bank's Doing Business Report.



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Chairman, Committee to recommend measures for improving  
Ease of Doing Business in 'Trading Across Borders'

Director General of Foreign Trade



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# Chapter 1-Trading Across Borders – Background and India’s ranking

## 1.0-Background

It is well established that higher levels of Trade activities give a boost to the economy, create wealth, provide employment and lead to improved standards of living. Therefore, it is imperative for any country that aspires to benefit from the Trade activities and have a larger share of the World trade, to improve its trading environment and facilitate trading. Historically, India was the largest Trading country in the World and Indian goods were traded all across the globe, bringing in wealth and gold in exchange for the goods exported by Indian craftsmen. As such, India owed its wealth to its International Trade. However, in recent times India has come down from the heights it had achieved in its glorious past and presently India’s total share in global merchandise trade is only 1.7 %. If India has to regain its lost glory, then not only will it have to improve the quality and competitiveness of its manufactures but also improve its trading environment and make it easy for the entrepreneurs to import raw materials and capital goods, wherever required, and export their value added and finished products. In short, we have to improve the ‘Ease of Doing Business’ in respect of ‘Trading Across Borders’.

This report identifies issues that impact our trading environment and proposes actionable recommendations for improving ‘Ease of Doing Business’ in India, in respect of ‘Trading Across Borders’ indicator, in order to improve India’s trading competitiveness. The report focuses on making recommendations that will simplify trading procedures and cut down transaction costs and time. These recommendations are based largely on process simplification, weeding out of unnecessary documents, integrating and automating procedures across the Departments/Agencies involved and to minimise human interface, with 24x7 online operations and handling of consignments.

## 1.1-World Bank’s ‘Doing Business’ (DB) Report

‘Doing Business’ (DB) Report published every year by World Bank is one of the best available compilation of international indicators that compares the ease and cost of doing business in most countries. It provides very good indicators for measuring and comparing the Business Processes adopted by various countries in the field and can also be used for assessing the results of any process improvements undertaken by any country over a time. The DB Report compares and ranks various countries on the ease of doing business index on the following indicators, namely, (i) starting a business, (ii) dealing with construction permits, (iii) getting electricity, (iv) registering property, (v) getting credit, (vi) protecting minority investors, (vii) paying taxes, (viii) trading across borders, (ix) enforcing contracts and (x) resolving insolvency. DB Report also measures labour market regulation, but that indicator is not included in the rankings of DB 2015 Report. In this report, however, we are dealing only with the ‘Trading Across Borders’ indicator of the DB Report.

## 1.2-India's ranking in Ease of Doing Business (DB) 2015 Report of World Bank

Doing Business (DB) 2015 Report ranked 189 economies on measures and regulations affecting 10 areas relevant to a business. India's ranking in DB 2015 Report is 142 which is a decline of 2 places as compared to DB 2014 Report. India's rankings in 10 areas/indicators identified and listed by the World Bank are as under:

S. No.	Description of Indicator	DB 2015 Rank	DB 2014 Rank
	Over all Rank	142	140
1	Starting a Business	158	156
2	Dealing with Construction Permits	184	183
3	Getting Electricity	137	134
4	Registering Property	121	115
5	Getting Credit	36	30
6	Protecting Minority Investors	7	21
7	Paying Taxes	156	154
8	Trading Across Borders	126	122
9	Enforcing Contracts	186	186
10	Resolving Insolvency	137	135

## 1.3-Ranking methodology for 'Trading Across Borders' indicator and India's ranking

'Trading Across Borders' component of 'Doing Business' 2015 Report ranks India 126 out of 189 economies. The ranking for 'Trading Across Borders' indicator is done by the World Bank on the basis of 3 parameters, namely (i) Number of documents required for Export/Import, (ii) Time taken in the process of Export/Import and (iii) Cost of exporting/importing a consignment. The report mentions that in India (Mumbai) exporting a standard container of goods requires 7 documents, takes 16 days and costs US \$1120. Importing the same container of goods requires 10 documents, takes 20 days and costs US \$1250.

The World Bank has arrived at its findings on the basis of export/import taking place at JNPT Port, Mumbai. The items of export and import considered by the World bank for their Report were 'Textiles - Readymade garments' for exports and 'Electronic items - Mobile phones' for imports.

The DB 2015 Report mentions India's ranking in 2014 as 122, whereas the DB 2014 Report mentioned India's ranking for this indicator in the year 2014 as 132. This seeming discrepancy has happened as the World Bank has changed the criteria for deciding the rankings this year (DB 2015). Since DB 2014 report ranked India in 'Trading Across Borders' on 132, whereas DB 2015 Report ranks India at 126, apparently there should have been a jump of 6 ranks in India's ranking. However, on account of changed methodology there is a decline of 4 ranks from 122 in year 2014 to 126 in DB 2015. Following Table summarises the situation:

As per DB 2015 report		As per DB 2014 Report
2015 Rank	2014 Rank	2014 Rank
126	122	132

## **1.4-Initiatives taken by Department of Commerce (DoC) for improving ‘Ease of Doing Business’ in ‘Trading Across Borders’**

Taking cognizance of India’s relatively poor ranking in DB 2014 Report, Department of Commerce set up an Inter-Ministerial Committee under the Chairmanship of Director General Foreign Trade (DGFT) vide OM 01/02/36/AM-15 dated July 15, 2014 ([Annexure-I](#)) to analyse the status of various mandatory documents required for export/import and to give recommendations about possible reduction in their numbers. Later, the Committee was also entrusted with the task to analyse and suggest measures for reducing Transaction cost and Transaction time for exports/imports, so that not only the proposed measures lead to sustainable improvement in ‘Ease of Doing Business’ in respect of ‘Trading Across Borders’ and result in trade facilitation but also in the process, improve India’s DB ranking as a natural outcome.

The DGFT Committee held several rounds of Inter-Ministerial consultations and also undertook a multi-disciplinary (with representatives of Customs, Ministry of Agriculture, DIPP, FSSAI, Plant quarantine etc.) site visit to JNPT port at Mumbai on 2nd December 2014 to interact with various stakeholders e.g. JNPT Port officials, Industry representatives, Customs officials, Customs House Agents (CHAs) etc. The DGFT Committee also took note of the recommendations of the ‘2nd Task Force on Transaction Cost in Exports’

However, the approach of the present Committee was to widen the scope of its study by going into various issues related to not only exports but also import processes that impact India’s trade adversely and reduce the competitiveness of Indian Traders. India needs to not only improve its export related procedures but also import procedures, as a very large part of Indian exports is dependent on imports and therefore higher transaction costs, time and number of documents for import also adversely affect India’s trade and manufacturing competitiveness. Therefore, the Committee decided to take a more holistic view of the matter and not restrict itself to export related issues or issues raised in DB report alone. Accordingly, this report tries to identify the export as well as import related issues that need to be tackled and related processes that need to be simplified.

## **1.5-Sensitivities of the various restrictions presently in place**

The Committee, while fully appreciating the urgent need to simplify and rationalise the various import and export related processes and reducing the number of documents, was also sensitive to the fact that many of the restrictions or processes that are in place today were introduced with an apparently good reason, in order to safeguard certain national interests. There are certain areas and aspects like health concerns, food safety related issues, environmental hazards, terrorism and security related threats etc. which cannot and must not be ignored or compromised in our zeal and eagerness to improve DB ranking. India faces threats that are typical in nature for our country, on account of our geo-political sensitivities (e.g. terrorism related) or climate, environment, health related vulnerabilities. These issues become especially important when dealing with the imports. We simply cannot afford to compromise on safety and security of the country and let our guard down as importation of a deadly virus (Ebola, bird flu etc.) or a dangerous weed may wipe out our entire poultry, live-stock or take heavy toll of human lives or destroy our agricultural crops. While a risk assessment based Risk Management System (RMS) may be acceptable for Customs as the only risk involved is that of loss of revenue, which may be recovered/compensated by heavy penalty and larger benefits of faster clearance of goods, the same would not be the case where serious environmental or health issues/risks are involved.

## **1.6-Deliberations of the Committee, Visits, Activities and Reports used in making recommendations**

Recommendations have been prepared using the deliberations/ outcome of the following activities/Reports:

- Deliberations of the Committee set up by Department of Commerce under chairmanship of DGFT to recommend reduction in number of mandatory documents required for exports and imports.
- Interaction with the World Bank team during Workshop held at New Delhi on November 12, 2014 and inter-ministerial meeting held on November 13, 2014 in DGFT office.
- Issues identified in the Report of 2nd Task Force on Transaction Cost in Exports.
- Analytical report of DGCI&S on 'Exports through EDI ports on Sundays and other working days'
- Analysis of India's ranking in 'Trading Across Borders' component of 'Doing Business' Reports of World Bank.
- Visit of Inter-Ministerial team led by DGFT to Jawaharlal Nehru Port, Mumbai on December 2, 2014 and interactions with Port and Customs officials, Industry representatives and Custom House Agents (CHAs) etc.

## Chapter 2- Mandatory documents for export/ import

### 2.1-Export Documents

'Doing Business' 2015 Report lists 7 documents (9 in DB 2014) as mandatory documents for exports from India (Table 2.1). In most developed economies the number of mandatory documents required for exports is 3 only. The Committee feels that with the measures recommended in this Report, it is possible to reduce the number of mandatory documents to 3 in India also. Table 2.2 lists 4 export documents that can be dispensed with and the action required to dispense these. Table 2.3 lists the 3 documents that will be the only mandatory documents required for exports, once the recommendations are implemented.

S. No.	DOCUMENT	STATUS	DB 2015	DB 2014
1	Bill of Lading	Mandatory Document	Y	Y
2	Certificate of Origin	Required in specific cases	N	Y
3	Commercial Invoice	Mandatory Document	Y	Y
4	Foreign Exchange Control Form (SDF)	Mandatory Document	Y	Y
5	Inspection Report	Required in specific cases	N	Y
6	Packing List	Mandatory Document	Y	Y
7	Shipping Bill	Mandatory Document	Y	Y
8	Technical Standard Certificate	Required in specific cases only	Y	Y
9	Terminal Handling Receipts	Mandatory Document	Y	Y

It would be seen from above table that DB 2014 listed 9 documents as mandatory for exports but 2 documents (Certificate of origin and Inspection Report) that were shown as mandatory documents in DB 2014 have now been dropped by the World Bank in DB 2015 on its own. However, Technical Standard Certificate is still being shown by World Bank as a mandatory document, even though it is required only in specific cases.

<b>TABLE 2.2- EXPORT DOCUMENTS THAT CAN BE DISPENSED WITH</b>			
S. No.	DOCUMENT NAME	ACTION REQUIRED	AGENCY
1	Foreign Exchange Control Form (SDF) of RBI	SDF declaration can be merged with Shipping Bill. Both RBI and CBEC have agreed in-principle for this integration. CBEC has to effect this change in its ICEGATE System by including the declaration in the Shipping Bill itself and forwarding it to RBI through electronic message exchange.	CBEC
2	Packing List	Packing List can be merged with Commercial Invoice. CBEC may notify the combined document as preferred and acceptable document format for exports/imports.	CBEC
3	Technical Standard Certificate	Required in specific cases only. Government needs to take it up with World Bank for dropping it as a mandatory document	DIPP
4	Terminal Handling Receipts	Issuance of Terminal Handling Receipt/ Form-13/ Form-11 (in case of JNPT) can be done away with by automating the process and integrating it with Customs system (as explained in Para 2.3)	Ministry of Shipping/CBEC

After completion of the above exercise by March 31, 2015 (As decided in the meeting held at PMO on November 22, 2014 and at Cabinet Secretariat on November 26, 2014), India, like most other developed countries, will have only following 3 mandatory documents for exports:

<b>TABLE 2.3- MANDATORY DOCUMENTS FOR EXPORTS</b>	
S. No.	DOCUMENT NAME
1	Bill of Lading
2	Commercial Invoice including details of Packing list.
3	Shipping Bill containing Foreign Exchange Control Form (SDF) declaration

## **2.2-Import Documents**

'Doing Business 2015 Report' lists 10(11 in DB2014) documents as mandatory documents for imports from India (Table 2.4). The Committee feels that this number can be reduced to 4. Table 2.5 lists 6 Import documents that can be dispensed and the action required to dispense these documents. Table 2.6 lists the 4 documents that will be the only mandatory documents required for Imports, once the recommendations are implemented.

S. No.	DOCUMENT NAME	STATUS	DB 2015	DB 2014
1	Bill of Entry	Mandatory Document	Y	Y
2	Bill of lading	Mandatory Document	Y	Y
3	Cargo release order	Mandatory Document	Y	Y
4	Certificate of Origin	Required in specific cases only	N	Y
5	Certified Engineer's report	Required in specific cases only	Y	Y
6	Commercial invoice	Mandatory Document	Y	Y
7	Foreign exchange control form	Mandatory Document	Y	Y
8	Inspection report	Required in specific cases only	Y	Y
9	Packing list	Mandatory Document	Y	Y
10	Product manual	Required in specific cases only	Y	Y
11	Terminal handling receipts	Mandatory Document	Y	Y

S.No.	DOCUMENT NAME	STATUS	AGENCY
1	Cargo Release Order	Can be dispensed with through enhanced EDI operations at Customs and its integration with the Port's system and CFS, so that Bill of entry processing details are available at the gate of the terminal through electronic message exchange.	CBEC, Terminal Operators, Ministry of Shipping and DOC
2	Product Manual	Required in specific cases only. Government needs to take it up with the World Bank for dropping these documents as mandatory documents for imports	DIPP
3	Certified Engineer's report		
4	Inspection Report		
5	Packing List	Packing List can be merged with Commercial Invoice. CBEC may notify the combined document as preferred and acceptable document format for exports/imports.	CBEC
6	Terminal Handling Receipts	Issuance of Terminal Handling Receipt must be automated and integrated with Customs system (as explained in Para 2.3)	Ministry of Shipping/ CBEC

After completion of the above exercise, India will require only the following 4 mandatory documents for imports:

S. No.	DOCUMENT NAME
1	Bill of Lading
2	Commercial Invoice along with details of Packing list
3	Bill of Entry
4	Foreign exchange control form

### **2.3 Terminal Handling Receipt:**

During the DGFT team's visit to JNPT, it was informed by Port officials that at JNPT, being essentially a container port, the procedures are slightly different from other ports that handle Bulk cargo. At JNPT, the Port authorities do not deal directly with the exporters/ importers in majority of cases. The Port charges are paid electronically by the concerned Shipping line transporting the cargo to the port directly and deducted from the account of shipping line. Therefore, no Terminal Handling Receipt is issued by the Port authorities to the exporter/importer. However, JNPT has prescribed Form -13 (for Cargo coming through Road)([Annexure IV](#)) and Form -11 (for Cargo coming through Rail), which are mandatory documents for entry into the Port area. Presently these forms are issued in physical form by the Port authority to the Shipping line, on the basis of vacancies intimated by the Shipping line. The Shipping line in turn issues these forms to the exporters (who wish to export their consignments in their ship) through CFSs/ICDs or directly (to those exporters who have brought factory stuffed consignments to the Port without going through CFS/ICD). Once the exporter has completed the Customs formalities and has been issued the 'Let Export Order' (LEO) by the Customs, the exporter or his Customs House Agent (CHA) fills up this Form-13 or Form-11 as the case may be, gets it stamped by the Customs and thereafter proceeds to the Port area. This Form-13/Form-11 is to be presented at the Port gate at the time of entry of the container in the Port Area. During the presentation before the DGFT team it was informed by the Port officials that they have recently introduced Form e-13, which is the electronic form of Form-13 and the exporters/CHAs have to fill up Form e-13 in electronic form as well. However, since the Port system has not been integrated with the Customs system as yet, they are still insisting on Form-13/Form-11 in paper form also, in order to verify that the Container has been issued LEO by the Customs and the goods are Custom cleared. For release of import cargo also the importer has to submit the physical copy of the receipt issued by the Shipping line, as proof of payment of Port charges as well as Shipping charges paid by him, in order to get his cargo released. The Committee feels that if these processes can be automated by the Port authority (under Ministry of Shipping) and integrated with the Customs and CFS/ICD systems, then it would be possible to dispense with this mandatorily required document. Similar action can be taken in respect of Terminal Handling Receipt for other Ports that handle Bulk cargo.

## Chapter 3-Transaction Cost and Time for exports/ imports

### 3.1-Time and Cost data as per 'Doing Business' 2015 Report:

DB 2015 states that in Mumbai the cost incurred on sending a container from factory to ship is US\$ 1120. The time taken in this process is mentioned as 16 days. The last year's data showed the cost incurred as US\$ 1170. World Bank brought it down to US\$ 1120 after it agreed to reduce number of mandatory documents in exports from 9 in DB 2014 to 7 in DB 2015. For imports the corresponding figures for Mumbai are US\$ 1250 and 20 days.

Following tables summarize World Bank data for India relating to time and cost required for complying with import and export procedures.

#### 3.1.1-Export Procedures

S. No.	Export Procedures	DB 2015 Data				DB 2014 Data	
		Delhi		Mumbai		Mumbai	
		Duration (days)	US\$ Cost	Duration (days)	US\$ Cost	Duration (days)	US\$ Cost
1	Documents preparation	8	365	8	365	8	415
	A-Total cost of various export documents (e.g. Shipping bill)		165		165		195
	B- Cost of obtaining a certificate of origin		NA		NA		20
	C- Cost of obtaining a letter of credit		200		200		200
2	Customs clearance and inspections	2	130	2	130	2	130
3	Ports and terminal handling	3	225	3	225	3	225
4	Inland transportation and handling	5	800	3	400	3	400
	<b>Total</b>	<b>18</b>	<b>1,520</b>	<b>16</b>	<b>1,120</b>	<b>16</b>	<b>1170</b>

### 3.1.2-Import Procedures

S. No.	Import Procedures	DB 2015 Data				DB 2014 Data	
		Delhi		Mumbai		Mumbai	
		Duration (days)	US\$ Cost	Duration (days)	US\$ Cost	Duration (days)	US\$ Cost
1	Documents preparation	8	400	8	400	8	400
	A-Total cost of various import documents (Bill of entry etc.)		200		200		200
	B- Cost of obtaining a letter of credit.		200		200		200
2	Customs clearance and inspections	4	200	4	200	4	200
3	Ports and terminal handling	5	250	5	250	5	250
4	Inland transportation and handling	5	800	3	400	3	400
	<b>Total</b>	<b>22</b>	<b>1,650</b>	<b>20</b>	<b>1,250</b>	<b>20</b>	<b>1250</b>

### 3.2-Time and Cost data: Results of the DGFT's Survey of exporters and importers

World Bank relied on feedback from 28 participants for calculating trading across borders details for India. During interaction, exporters pointed out that the charges mentioned in the World Bank Report are generally on the higher side. DGFT wrote to World Bank for providing details of the feedback so the issue could be understood in detail.

DGFT simultaneously requested exporters to provide feedback on the average cost and time required in taking a container from factory to ports for exports and from ports to factory for imports. 50 exporters and importers from Agriculture, Chemical, Leather, Plastic, Textile, Engineering sectors from across the country took part in this survey and provided feedback in August-September 2014. The survey questionnaire broadly used the same methodology as followed by World Bank.

Although, the sample of 50 used by DGFT is relatively small and cannot be said to be fully representative, however it is larger than the World Bank sample size of 28 (DB 2014 'Trading Across Borders' Report).

**The following table compares the findings of DGFT survey with Doing Business Data 2015**

Country	Export			Import		
	Documents to export (number)	Time to export (days)	Cost to export (US\$ per container)	Documents to import (number)	Time to import (days)	Cost to Import (US\$ per container)
<b>DGFT Survey Data</b>	6	13	762	7	14	692
Doing Business 2015 Data	7	16	1120	10	20	1250

The above table highlights that there is measurable difference between the World Bank report and that of the feedback obtained by DGFT. However, in the absence of item-wise details from World Bank of costs incurred and time consumed in the export/import processes, it is not possible to pin-point the differences and resolve the same, in order to arrive at agreed figures.

However, there can be no denying that there is a crying need to improve our own processes, in order to cut down the transaction costs and time and facilitate the trade. Accordingly, an exercise has been done to list the various processes involved in the export/import and identify the concerned departments and agencies that would be required to take appropriate action in this regard.

### 3.3-Listing of Activities for calculating Cost and Time required for export and imports

DGFT study on improving Trading Across Borders competitiveness identified specific processes that need to be improved. Specific processes in relation to time and cost have been listed in the following 4 tables for actions by the concerned Departments.

#### 3.3.1-Exports - Details of Activities for calculating transaction time

<b>Table 3.4- Exports - Details of Activities for calculating transaction time</b>		
<b>Broad Activity</b>	<b>Activities for calculating Time</b>	<b>Agency</b>
1-Documents preparation	A- Total time taken in preparing of various export documents (Bill of entry etc.)	CBEC and Other concerned agencies (as detailed in Para 2.1)
	B- Time taken in obtaining a letter of credit.	DFS
2-Customs clearance and inspections	Time for export customs clearance/controls(from the moment documents have been submitted to Customs until cargo is cleared)	CBEC
	Time for technical/health inspections by other government agencies	Allied Agencies (major ones are: Additional Drug Controller, Textiles Committee, WLRO, FSSAI, Plant Quarantine (Department of Agriculture and Cooperation)
	Time for security inspections (X Ray etc.)	CBEC
	Time for Pre-shipment Inspections (PSI)	NA for most cargo, PSI usually mandated by importing country agencies. Most of PSI is carried out in factory premises
3-Port and terminal handling	Port and terminal handling (e.g., movement of container, any waiting time or delays at the port, etc.)	Port Operator/CFS (Ministry of Shipping)
	Loading of the container onto the vessel	Port Operator (Ministry of Shipping)
	TOTAL time for all port and terminal processes (not limited to those mentioned above)	
	Port closing time—how much time in advance do port authorities or shipping lines require the container to be delivered to the port (e.g., 2	Port Operator, Shipping Lines (Ministry of Shipping)

<b>Table 3.4- Exports - Details of Activities for calculating transaction time</b>		
<b>Broad Activity</b>	<b>Activities for calculating Time</b>	<b>Agency</b>
	Hours, 24 hours)?	
4-Inland transport and handling	Arranging for inland transport and loading cargo onto a truck or train at the warehouse and inland transport from Mumbai to the seaport	RTO, 17 other legislations for which trucks can be stopped by various state authorities (State Governments, Ministry of Surface Transport)

### 3.3.2-Exports - Details of Activities for calculating transaction cost

(Excluding tariffs)

<b>Table 3.5- Exports - Details of Activities for calculating transaction cost</b>		
<b>Broad Activity</b>	<b>Cost Components</b>	<b>Agency</b>
1-Documents preparation	A-Cost incurred in preparing various export documents (Bill of entry etc.)	CBEC and Other agencies (as detailed in Para 2.1)
	B-Cost of obtaining a letter of credit.	DFS
2-Customs clearance and inspections	Administrative charges for customs clearance	CBEC
	Customs broker charges	CHA /Freight Forwarder/Custodian /Integrator
	Inspection fees (if applicable)	Concerned Agencies
	Other (please specify in comments)	Lab charges/in case using CFS/Custodian facilities then charges thereof
3-Port and terminal handling	Terminal handling fees charged to exporter	Port/terminal operator/airport operator (Ministry of Shipping)
	Stevedoring charges—for loading of the ships (if paid by exporter)	Port operator/terminal operator, or included in the freight forwarder comprehensive fees (Ministry of Shipping)
	Wharfage charges—for use of the wharf (if paid by exporter)	Port/terminal operators (Ministry of Shipping)
4-Inland transport and handling	Cost of inland transport (from warehouse in Mumbai to seaport) and handling (loading and unloading)	Freight forwarders/transporter RTO, 17 other legislations for which trucks can be stopped by various state authorities (State Governments, Ministry of Surface Transport)

### 3.3.3-Imports-Details of Activities for calculating transaction time

<b>Table 3.6- Imports - Details of Activities for calculating transaction time</b>		
<b>Broad Activity</b>	<b>Activities for calculating Time</b>	<b>Agency</b>
1-Documents preparation	A- Time taken in preparation of various import documents (Bill of entry etc.)	CBEC and Other agencies (as detailed in Para 2.2)
	B- Time taken in obtaining a letter of credit.	DFS
2-Customs clearance and inspections	Time for import customs clearance/controls at the seaport (from the moment documents have been submitted to Customs until cargo is cleared).	CBEC/Allied agencies if relevant
	Time for technical/health inspections by other government agencies at the seaport	Allied agencies
	Time for security inspections at the seaport	CBEC
3-Port and terminal handling	Vessel waiting time outside the seaport before entry	Port/Terminal Operator (Ministry of Shipping)
	Vessel berthing and unloading at the seaport	Port/terminal operator (Ministry of Shipping)
	Port and terminal handling (e.g., movement of container, warehousing, etc.)	Port/terminal operator
4-Inland transport and handling	Arranging for inland transport and loading cargo onto a truck or train at the seaport and inland transport from the seaport to the warehouse in Mumbai	Freight Forwarder

### 3.3.4-Imports -Details of Activities for calculating transaction cost

<b>Table 3.7- Imports - Details of Activities for calculating transaction cost</b>		
<b>Broad Activity</b>	<b>Cost Components</b>	<b>Agency</b>
1-Documents preparation	A- Total cost of various import documents (Bill of entry etc.)	CBEC and Other agencies (as detailed in Para 2.2)
	B- Cost of obtaining a letter of credit.	DFS
2-Customs clearance and inspections	Administrative charges for customs clearance	CBEC
	Customs broker charges	CHA/Freight Forwarder
	Inspection fees (if applicable to a majority of cargo containers)	Concerned Agencies
	Other (please specify in comments)	
3-Port and terminal handling	Terminal handling fees charged to importer	Port/terminal operator/airport operator (Ministry of Shipping)
	Stevedoring charges—for loading of the ships (if paid by importer)	Port operator/ terminal operator, or included in the freight forwarder comprehensive fees (Ministry of Shipping)
	Wharfage charges—for use of the wharf (if paid by importer)	Port/terminal operators (Ministry of Shipping)
4-Inland transport and handling	Cost of Inland Transport-From sea port to ware house	Freight Forwarder

### **3.4-Actions required:**

In order to cut down the transaction costs and time the Departments / Agencies listed in the above 4 tables have to take concerted action at their end and will have to be made responsible for studying their respective processes with a view to make them more efficient or obliterate them altogether through automation or integration wherever possible. Some of the major areas of concern identified by the DGFT Committee and the corresponding actionable recommendations about them are listed in the forthcoming Chapters. These concern primarily CBEC and other related Agencies/Departments who are required to grant NOCs/Clearances etc. (Chapter 4) and Ministry of Shipping/JNPT (Chapter-5).

## Chapter 4-Recommendations for Customs and other related Agencies/Departments

Although, Customs is the main agency involved in regulation of exports/imports at the Ports, there are several other agencies/departments also involved, whose clearances/NOCs under their respective Acts/Rules are required by exporters/importers. The 2nd task Force on Transaction Costs in its Report has identified 34 such Acts/Rules concerning 18 departments/agencies (List [Annexure - III](#)). This Chapter lists some of the major actionable recommendations that can significantly reduce the Transaction cost and time for exports/imports and improve India's ranking in 'Trading Across Borders' indicator of DB Report.

### 4.1-Conversion of Non EDI ports to EDI ports and extension of ICEGATE to SEZs

**Present Status** – At present there are 344 Ports or Customs points through which India's exports and imports take place. But due to infrastructural constraints only 126 of these Ports are Electronic Data Interchange (EDI) enabled and the rest of the 218 Ports are still operating on manual system or in Non EDI mode. As a result, at present only a part of India's Export and import data is captured through EDI mode at Customs (For exports, 88.61% transactions accounting for 65.19% of value). However, remaining data (For exports, 11.39% transactions accounting for 34.81% of value) called Non EDI data is still transmitted with a greater time lag (One month).

In order to ensure faster clearances of export and import goods and for reducing transaction costs and time, all the remaining Non EDI Ports also need to be converted to EDI Ports in a time bound manner. It would also result in capturing of import and export data on real time basis and would lead to better regulation as well as uniform policy and procedures in handling of consignments.

Similarly the exports and imports taking place from Special Economic Zones (SEZs) are presently captured through SEZ Online system, which is not integrated with the ICEGATE system of Customs. There is an urgent need to integrate the SEZ Online system with the ICEGATE or better still, extend the ICEGATE system to all SEZs also.

One of the most critical constraint that was pointed out by CBEC officials (DG Systems) during presentation before Commerce Secretary was that the present ICEGATE system of CBEC had almost reached its full capacity (about 97 %), therefore it was not possible for them to extend the ICEGATE system to new Port locations and convert them into EDI Port without upgrading their system and enhancing the capacity of their server. It was informed that a proposal had been submitted to the Government in this regard that was awaiting approval.

**Recommendations** – (i) All non EDI ports should be converted into EDI ports at the earliest. A time line for doing this must be finalised by CBEC. (ii) The proposal for capacity enhancement/ up gradation of ICEGATE system should be cleared on priority. (iii) SEZ Online system should be integrated with ICEGATE or ICEGATE system should be extended to SEZs also.

**(Action - CBEC/ Department of Revenue/Department of Expenditure/Department of Commerce)**

## **4.2-Extension of 24x7 customs clearance facility for all types of export/import clearances**

**Present Status** -Customs clearance of all export goods takes place on 24x7 basis from four major Air Cargo Complexes/airports i.e., Bangalore, Chennai, Delhi and Mumbai. In addition, clearance of specified import and export items or exports made under Free Shipping Bills is allowed from four ports i.e. Chennai, JNPT, Kolkata and Kandla and also from thirteen 13 Air Cargo Complexes in the country. The facility is set to be extended to 14 more sea ports. As a result 17 Air Cargo complexes and 18 Sea Ports would become operational on 24x7 basis.

The main constraints in this regard are the non-availability of infrastructure and manpower of Customs as well as other regulatory agencies. This issue is being regularly monitored by a Committee under the Chairmanship of Revenue Secretary.

**Recommendation**- The facility of 24x7 customs clearance facility should be extended for all type of export/Import clearances to all ports. This would require working out manpower and logistics arrangement for Customs and Allied agencies (Drug Controller, FSSAI, Textile Committee etc.)

**(Action - CBEC/ DoR/ other regulatory agencies)**

## **4.3-Enabling of Custom's EDI system to accept secure online submission of all Export /Import documents**

**Present Status** -While exporting, a firm is required to file Shipping Bill, Export Invoice, Packing list, declaration and may other documents. Of these, Customs EDI system allows online filing of only shipping bill and not the remaining documents that are to be filed manually. The current procedure requires manual signing of documents (Commercial invoice, Packing List, Examination Report, Excise Invoice, ARE1).

Non-acceptance of 'pdf' images and non-implementation of widespread use of digital signature at Customs is leading to duplication of efforts and use of paper. This adds to transaction costs in terms of additional staff to deliver/receive/process paper documents and creates a paper trail that leads to delays.

**Recommendation**-Customs EDI should be enabled to accept pdf images of Authorisations, Invoices, Packing List etc. so that the requirement for any physical paper copy is dispensed with. In order to ensure the legal validity of such documents, customs can insist that formal digital signature of the party submitting a specific document is used.

**(Action - CBEC, DoR)**

## **4.4-Integration of customs and excise in a common IT platform**

**Present Status** -Central Excise and Customs are not linked through a common EDI system. This leads to avoidable transaction costs and delays due to following procedures:

- As goods destined for exports are exempt from Central Excise, no excise is chargeable on such goods. However, an exporter has to follow detailed procedure (ARE-1) and there is an obligation cast on the exporter to provide proof of export to the Central Excise authorities. Current ARE-1 procedure requires a lot of documentation and also duplication in the procedures involved.
- Although, there are different procedures for removing export consignments from the factory for the Port, factory stuffing under Excise Supervision is preferred by most exporters so that physical inspection by Customs authorities at the Port can be avoided. However the need to submit documentation at the Customs in this regard leads to duplication of efforts at both ends i.e. Customs and Excise.

### **Recommendations-**

(i) Current procedures can be easily replaced by bringing customs and excise on a single integrated EDI platform. It will dispense with the need for submission of physical copies of ARE-1.

(ii) In case of factory stuffing in presence of excise officers, an integrated document submitted online to customs EDI should suffice as the final customs clearance as well. This would mean that such a factory cleared and sealed shipment would have no further requirement for any document submission at port/airport/ICD custom and procedures at the gateway port/airport/ICD (only check would be to see that the seals are intact). An RMS can flag particular shipments for random physical inspection. Factory sealed and cleared shipments would be handed over directly to the custodian/shipping line and Let Export Order (LEO) can be generated online, based on the confirmation of handover to shipping line/custodian.

**(Action - CBEC, DoR)**

## **4.5-Implementation of Single Window Project of CBEC**

**Present Status** - A firm has to comply with product specific compulsory compliances at the time of export/import at the ports. These are mandated under various Acts and Rules. Currently, a concerned department grants 'No Objection Certificate' for clearance of the export/import consignments after following a due process, usually involving physical submission and examination of documents, drawing of samples and laboratory testing etc. However, in many a cases, delay takes place due to shortage of technical manpower and in some cases the concerned agency may not have the testing/examination facility at the port/airport concerned. This increases time and cost of doing business.

Hon'ble Finance Minister (FM) in his budget speech spoke about implementing Single Window Project, "Under this, importers and exporters would lodge their clearance documents at a single point only. Required permissions, if any, from other regulatory agencies would be obtained online without the trader having to approach these agencies," "This would reduce interface with governmental agencies, dwell time and the cost of doing business"

**Recommendations** - The system being developed by CBEC/DoR, in compliance of announcement by FM may incorporate the following elements:

(i) **Prior Submission of Documents Online:** Since the initial check by agencies is based on documents, provision must be made for submission of all such documents online, in advance. Scanned PDF versions of originals (for e.g. medicine labels, license copy etc.) can be emailed/submitted online to the concerned agency. Since all of the documentation check would be

available online to the concerned agency, this would eliminate the need for large manpower deployment in ports and airports by different agencies. The submission would include a cross-reference to EDI file for the consignment.

**(ii) Clearance Based on Message Exchange with EDI:** Based on uploaded documents, the agency concerned can either issue an NOC (low risk), or ask for a sample to be collected.

**(iii) NOC based on post-clearance audit subject to bank guarantee**

**(iv) Clearance of Goods based on Bond/Legal Undertaking:** Wherever samples are drawn, all allied agencies should consider clearance subject to submission of Bond/Legal Undertaking.

**(Action - CBEC, Additional Drug Controller (ADC), under the Drug Controller General of India (DCGI), Ministry of Health, Textiles Committee under the Ministry of Textiles, Food Safety and Standards Authority of India (FSSAI) under the Ministry of Consumer Affairs and Wildlife Regional Office (WLRO) under the Ministry of Environment and Forests)**

#### **4.6-Steps for quicker clearance by Regulatory Agencies other than Customs**

**Present Status-** Many a times clearance of a consignment gets delayed on account of delay in grant of approval/NOC by regulatory agencies other than Customs. Mostly, the process of application for obtaining these clearance/NOCs starts only after the arrival of Goods at the port. For example, clearance of an import consignment may be delayed as the labels do not conform to the requirements of FSSAI/DCGI or other concerned agency. In some cases the list of ingredients does not match with the label or some discrepancy is noticed by FSSAI at the time of arrival of goods. Moreover, samples are drawn in large number of cases irrespective of risk profile. This delays the clearance and adds to cost.

#### **Recommendations**

While the Single Window System as proposed in Para 4.5 above would be the ideal solution for quick clearance of consignment, evolution of integrated Single Window system is likely to take some time. Therefore, as an immediate and intermediate measure, various regulatory agencies may be asked to provide facility for online submission of application and documents etc. on their websites and grant online approval in order to facilitate quicker clearance. Following measures may be considered:

**(i) Review of NOCs/Clearances:** All concerned agencies should review the Acts/Rules being implemented by them to see whether the NOCs/Clearances being issued by them are still required/relevant in today's world. If the clearance/NOC is still relevant and necessary, then to see whether the process of submission of application for grant of NOC and its processing and approval can be made online and integrated with the Single Window system of CBEC, so that human interface and delay could be avoided/minimized.

**(ii) Uploading of documents in advance:** Till such time, the Single Window System, as proposed in paragraph 4.5 above becomes operational, FSSAI/DCGI and other agencies should introduce a system of pre-approval of labels and list of ingredients etc. by allowing uploading of scanned copies of labels and list of ingredients in advance by the importer or exporter at their respective departmental website. This may be done in advance, even before the shipment starts from the country of origin/moves from the factory. This will eliminate uncertainty and risk for the importer/exporter. The actual samples, if necessary, may be drawn by the authorised officer at the time of arrival of goods at the Port.

**(iii) Delegation of Powers to Customs officers:** If possible, the power of drawing samples may also be delegated to the Customs officials only by authorising them for it under the relevant Act/Rules. At the same time, the possibility of clearing the consignment on the basis of a Legal Undertaking/Bond etc. from the importer/exporter (at least for Status Holders), without waiting for the test report of the sample drawn may also be explored. In case the sample fails, the Legal Undertaking/Bond may be enforced, in addition to other legal action, as considered necessary.

**(iv) Adoption of Risk based checking by all regulatory agencies:** Presently, samples are drawn in large number of cases irrespective of the risk profile. This delays the clearance and adds to transaction time and cost. FSSAI/DCGI and other regulatory agencies may also consider adopting a suitable Risk based Management System (RMS) like Customs and draw samples in a random manner, based on RMS. The agencies should also prepare a positive and negative list of items based on risk perception and subject only those for examination.

Commerce Secretary has already written a letter to the concerned Secretaries requesting action on the above issues.

**(Action - Additional Drug Controller (ADC), under the Drug Controller General of India (DCGI), Ministry of Health, Textiles Committee under the Ministry of Textiles, Food Safety and Standards Authority of India (FSSAI) under the Ministry of Consumer Affairs and Wildlife Regional Office (WLRO) under the Ministry of Environment and Forests)**

#### **4.7-Implementing change of system or examination norms with sufficient notice**

**Present Status-** Many a times, the regulatory agencies change their system or examination norms without any advance notice, which puts the consignments in transit into problems. In recent past importers suffered on account of sudden implementation of a new system of examination by FSSAI.

**Recommendation-** Whenever any change in procedure or system is involved, a lead time of at least one month should be given to exporters/importers. Stakeholders should be communicated of these changes well in advance through Public notice/ Notification etc.

**(Action - Additional Drug Controller (ADC), under the Drug Controller General of India (DCGI), Ministry of Health, Textiles Committee under the Ministry of Textiles, Food Safety and Standards Authority of India (FSSAI) under the Ministry of Consumer Affairs and Wildlife Regional Office (WLRO) under the Ministry of Environment and Forests)**

#### **4.8-Implementation of the existing rules for examination of Export Cargo**

**Present Status-** CBEC Circular No. 6/2002 specifies that no examination would be carried out for export shipments being processed under Free Shipping Bills. However, exporters at JNPT mentioned that these orders are not complied strictly and such shipments are being examined in large number.

**Recommendation -** Free shipping bills do not allow any incentive to the exporter and hence should be examined only in case of specific intelligence.

**(Action - CBEC)**

#### **4.9-Abolition of stamp duty on delivery orders**

**Present Status-** Maharashtra Government collects stamp duty on delivery orders. Sometimes, it takes more than 2 days to complete the process.

**Recommendation-** Stamp duty practices should be same across the country. Maharashtra Government should consider waiving it.

**(Action - Government of Maharashtra)**

## Chapter 5-Recommendations regarding JNPT Port and Shipping agencies

### 5.1-Visit to the Jawaharlal Nehru Port

The Jawaharlal Nehru Port (JNPT Port), the largest in India, ranks 33rd globally in terms of Container volume, handled 4.12 million TEUS in 2013. JNPT Port handles approximately half of India's containerized throughput. World Bank also, for these very reasons, takes note of the procedures and practices prevalent at JNPT for doing India's ranking for the DB Report. Therefore, any process improvements undertaken at JNPT would not only benefit the maximum number of exporters/importers but would also lead to improvement in India's ranking in DB Report. Once the procedural reforms have been successfully implemented at JNPT, the same can be replicated at other Ports as well. Keeping in view the above considerations, a team of officers from DGFT, Departments of Revenue, Agriculture, Animal Husbandry and FSSAI led by DGFT Mr. Pravir Kumar (List of the team members - [Annexure-II](#)) visited JNPT on Dec 2, 2014 to assess the ground level difficulties faced by the stakeholders and also to make an assessment of the documentation required, time taken and costs incurred in effecting export and imports. The team visited Container Terminal (JNPCT) and Jawahar Custom House and interacted with Officers of the Port, Customs, Customs House agents and Exporters.

### 5.2-Nature of Cargo handled at JNPT Port

It was informed by JNPT officials that JNPT port is essentially a Container Port and almost 98% of the Cargo handled here is containerized. The cargo clearance procedures adopted at JNPT, therefore, are slightly different from other Ports that also handle Bulk cargo. Out of the total export/import cargo at JNPT nearly 20% of the cargo is handled through Railways and around 80 % of the cargo is handled by Road. For imports, nearly 60-70% cargo is handled through CFS, nearly 25-30 % through ICD and the balance 5-10 % is directly delivered to the importers. Further, out of the total export cargo nearly 70% of the cargo is factory stuffed that comes with the Excise seal and the balance 30% cargo comes first to CFSs and after Custom clearance (obtaining LEO) there, it enters the Port.

### 5.3-Streamlining of traffic movement at JNPT Port

At present there is no separate dedicated Parking area for the factory stuffed export cargo that need not go to CFS. It was informed that the factory stuffed Cargo containers do not want to go to CFS as they have to incur extra Buffer charges there for parking, unloading and reloading of container and transportation of container by CFS trailer. Consequently, these trucks join the long queue at the Port gate, while their Custom clearances are done and LEO is issued by the Customs and Form -13 of JNPT is filled and stamped by the Customs authorities. This results in considerable avoidable delays, because if the formalities of the Container trailer ahead in the queue are not completed then the Container trailers behind that also cannot move forward, even if their formalities get completed. It was informed by JNPT officials that they were developing Parking sites where the factory stuffed containers can remain parked (at relatively much lower parking charges) and proceed to the Port gate only when the Customs and Port formalities are complete. It was informed that the Phase-1 of proposed parking at so called Y Point would be ready and operational by September 2015 whereas the Phase-2 would be ready by March 2016. In addition to above, 3 parking sites, developed by JNPT (about 18 hectares area) are already in use.

**(Action - JNPT/ Ministry of Shipping)**

#### **5.4-Easing of Road congestion around JNPT**

It was also informed by the JNPT officials that several illegal parking areas, weigh-bridges and repair workshops on agricultural lands had mushroomed on the road leading to the Port (NH-4B) that often resulted in congestion and blocking of traffic leading to unnecessary delays in movement of export/import cargo. This area is under the control and management of CIDCO and Government of Maharashtra and remedial measures need to be taken by Maharashtra Police and CIDCO authorities. **(Action - CIDCO, Govt. of Maharashtra)**

#### **5.5-Road widening project to ease congestion**

It was further informed by JNPT officials that they had submitted a project for widening of National Highway - NH 4B into a 8 lane road for a length of 43 Kms, including two Flyovers, costing about Rs. 2800 crore. The project is to be executed in EPC mode. In addition, there was a proposal for construction of 2 side-lanes along State Highway SH-54. Once completed, these projects would considerably cut down the delays and congestion on the roads leading to JNPT Port resulting in reduction of transaction time and costs for the exporters/importers.

**(Action - JNPT, Ministry of Shipping, Ministry of Road Transport and Highways)**

#### **5.6-Congestion at the port caused by CFSs**

During presentations it was informed that as many as 31 Container Freight Stations (CFSs) were feeding the JNPT Port and there was stiff competition amongst them because of over-capacity. There were complaints that many of the CFSs had violated the licence conditions and converted the Parking areas inside the CFS into their Operational area, thus leaving very little or no Parking area inside the CFS. This encroachment of Parking area also resulted in congestion. It was pointed out that although the Customs officials did have some powers to regulate the functioning of CFSs they did not look into licence condition violations, as the licences were issued by Department of Commerce (DoC). Presently, no officer of DoC was available at the Port to enforce compliance of licence conditions by the CFSs and regulate their functioning. It was suggested that DoC should either entrust the DGFT officials at Mumbai with this responsibility or delegate it to Customs officials, who are present there all the time.

**(Action - DoC)**

#### **5.7-Institutional Mechanism for dealing with JNPT issues**

It was informed that there was no institutional mechanism for coordination between various agencies and stakeholders. After the visit of Sri Madhusudan Prasad (Spl. Secy. Commerce) to JNPT on Sep 3, 2014 a decision was taken to constitute an Oversight Committee under the Chairmanship of Chairman JNPT with representation from all stakeholders. It was suggested that this arrangement could be formalised to create a suitable institutional framework for coordination. This Committee should also include representatives from Government of Maharashtra and CIDCO.

**(Action - DoC, Customs, JNPT, Ministry of Shipping, CIDCO, Govt. of Maharashtra)**

## **5.8-Facilitating inter-terminal Movement at JNPT**

It was informed by JNPT officials that one cause of delays at the Port was Inter-terminal movement of containers and trailers, within the Port area. At present a trailer has to come out of the Port area after unloading the container and then re-enter the Port, in order to reach another Terminal. This resulted in unnecessary delay in movement of cargo and also congestion within the Port and at the gate. It was informed that JNPT was developing a software of "Virtual Gate" for keeping track of the Inter-terminal movement of container trailers and allowing/registering "In" and "Out" entries for the trailers, without their physically going out of the Port area and then re-entering the Port area.

**(Action - JNPT)**

## **5.9-Automating "Gating" procedure**

It was informed by JNPT officials that they were in the process of further streamlining the "Gating" procedure. Presently, when the container reaches the Port gate, it is checked by 3 agencies, namely, Port authorities (Form-13 or 11, as the case may be), Customs (LEO) and CISF (Driving Licence) and every container takes about 5-7 minutes at the Gate, which has a ripple effect down the line and causes avoidable delay in entry of containers into the Port. However, recently the JNPT Port authorities have introduced electronic Form e-13 (that uploads the relevant container information in advance) and also installed 8 cameras on every gate, which capture the container information through images when it arrives at the gate and co-relate the same with the information fed in the system. This has shortened the time spent at the Gate to nearly 2-3 minutes per container trailer. However, there is still a need to integrate the Form e-13/e-11 of JNPT with the LEO issued by Customs and converge the images captured by the cameras with the integrated system, in order to achieve total gate automation and facilitate quicker "Gating" process. CISF too has to agree to the proposed process and do away with the practice of checking Driving licences of all drivers or evolve a quicker and simpler alternate procedure e.g. scanning of the Driving Licence. Once implemented this procedure would significantly cut down the long queues and waiting time for the containers at the Port gate.

**(Action - JNPT, Ministry of Shipping, Customs, CISF)**

## **5.10-Action against arbitrary charging of fee by shipping lines**

Shipping lines charge many types of additional fees while making the final bill. These fees are not declared in advance. Quite a few international ports make it mandatory for the shipping lines to load all fee/ charges at the time of loading the cargo in country of origin and prohibit them from adding any new charges on arrival. Ministry of Shipping may decide the best practices for India.

**(Action - Ministry of Shipping)**

## **5.11-Automate issuance of Delivery Orders**

Presently obtaining manual Delivery Order from Shipping Lines / NVOCC (Non Vessel Operating Common Carrier) takes 24 – 96 hours.

Requirement of manual Delivery Order should be done away with and all transactions with Shipping Lines, NVOCC and CFSs and Ports should be mandatorily be ONLINE in order to reduce dwell time for clearance.

**(Action - JNPT, Ministry of Shipping, Customs)**

## Annexure I

No.01/02/36/AM-15  
Ministry of Commerce and Industry  
Directorate General of Foreign Trade  
Udyog Bhavan, New Delhi  
Dated: July 15, 2014

### Office Memorandum

Subject: Constitution of Committee to recommend reduction in number of mandatory documents required for exports and imports.

A Committee to recommend reduction in mandatory documents required for exports and imports is hereby constituted as under:

- |     |  |                                 |
|-----|--|---------------------------------|
| i   | Director General of Foreign Trade  | Chairman                        |
| ii  | Representatives/Nominees from Department of Revenue /Reserve Bank of India/Bureau of Indian Standards/ Export Inspection Council | Official members                |
| iii | DG-FIEO, Representatives from CII & FICCI  | Members from Trade and Industry |
| iv  | Sri Pritam Banerjee and Sri Vasudevan Rajagopalan, DHL   | Members                         |
| v   | Additional Director General of Foreign Trade (Policy)  | Member Secretary                |

#### Terms of Reference:

- i To study and analyse the documents mentioned in the “Trading Across Borders” section of the “Doing Business Report 2014” published by World Bank.
  - ii To study the mandatory documents required for exports and imports in India.
  - iii Compare documentary requirements for exports and imports between India and other major economies
  - iv Identify documents, in the list of mandatory documents, which can be removed/merged/ rationalized.
2. The Committee will submit its recommendations by 31st of August, 2014.

3-This issues with the approval of Commerce Secretary

(Ajay Srivastava)  
Joint Director General of Foreign Trade  
Tel -011-23062484  
[sajay@nic.in](mailto:sajay@nic.in)

## Annexure II

### Members of the Team that visited JNPT and Customs on Dec 2, 2014

S No	Name of the officer	Designation	Department
1	Sri Pravir Kumar	DG	DGFT
2	Sri Shailendra Singh	JS	DIPP
3	Dr. Kavita Gupta	Zonal DGFT	DGFT
4	Sri Sandeep Kumar	JS(Customs)	DoR
5	Sri Utpal Kumar Singh	JS(PP)	Ministry of Agriculture
6	Sri Bimal Kumar Dubey	Director(imports)	FSSAI
7	Sri Shobhit Jain	Director	DOC
8	Sri Ajay Sahai	DG & CEO	FIEO
9	Sri Ajay Srivastava	Joint DGFT	DGFT

### Annexure III

<b>List of Acts /Rules under which clearances/NOCs are required for exports/Imports</b>				
Sl. No.	Act/Rules	Relevant Provisions	Export/Import	Concerned Ministry/ Department
1	The Aircrafts Act 1934	Notification issued under Section 5 of the Aircraft Act for Import/Export of Aircraft, Spares, items of the equipment etc. for use on aircraft.	Import and Export	Civil Aviation/DGCA
2	The Antiquities and Arts Treasures Act, 1972	Implementation of prohibitions under section 3 not to allow export of any antiquities or art treasure to any person except the central government and anybody authorized by the central government	Import and Export	Ministry of Culture
3	The APEDA (Agricultural and Processed Food Products Export Development Authority) Act, 1985	Section 19 of the APEDA Act.	Import and Export	Department of Commerce
4	The Arms Act, 1959	Implementations of provisions relating to licensing and prohibitions under section 3 to 11. Provision of EXIM Policy	Import and Export	MHA/ Department of Internal Security
5	The Atomic Energy Act, 1962	Information to the competent authority in case of detection of any offered goods. Implementation of provision regarding any related material, substance, plant, equipment etc. under section 14,16 etc. DGFT notifications/circulars including one for SCOMET items	Import and Export	Department of Atomic Energy
6	The Bureau of Indian Standards Acts 1986 and Rules 1987	Implementation of notifications, circulars by the BIS and the CBEC Mandatory Indian Standards of BIS as per note 2 of General Notes of EXIM Policy	Import	Department of Consumer Affairs
7	The Cigarettes and other Tobacco products (Prohibition of advertisement and regulation of trade and commerce,	Implementations of provisions regarding statutory health warning under sections 7 to 10 Implementations of provisions regarding contents of nicotine and tar under section 11	Import	Department of Health & Family Welfare

<b>List of Acts /Rules under which clearances/NOCs are required for exports/Imports</b>				
Sl. No.	Act/Rules	Relevant Provisions	Export/Import	Concerned Ministry/ Department
	production, supply and distribution) Act, 2003			
8	The Cinematograph Act, 1952	The importer of film shall obtain a certificate of	Import	M/I&B
9	The Coffee Act	Section 20 for exports Section 21 for imports	Import and Export	Department of Commerce
10	The Design Act, 2000	Enforcement of various provisions to protect the rights of the Registered Proprietor, Assignee, and Person Authorized to import and protected goods	Import	DIPP
11	The Destructive Insects and pests Act, 1914	PLANT QUARANTINE ORDER (REGULATION OF IMPORT INTO INDIA), 2003 issued under section 3 The plants, fruits and seeds (Regulation of import in India) order, 1989 issued under section 3	Import	Department of Agriculture & Cooperation
12	The Drugs and Cosmetics Act, 1945	Related provisions inter-alia Section 8 to section 15 (chapter 3) for imports Section 12(2) of the Acts and Rules 94 of Drugs and cosmetics Rules, 1945 for exports	Import and Export	Department of Health & Family Welfare
13	The Environment Protection Act, 1986	Rule 18 of manufacture, storage and import of hazardous chemicals rules, 1989 and rule 11,12,13,14 and 15 of the hazardous waste (management and handling) rules, 2001	Import and Export	Ministry of Environment & Forest
14	The Essential Commodities Act, 1958	Provisions of section 3 DGFT notification and circulars	Import and Export	Department of Consumer Affairs
15	The Explosives Act, 1984, Rules 1983	Rules 21, 22, 30, 31 of the explosive rules, 1983	Import and Export	DIPP
16	The Food Safety and Standards Act, 2006	All relevant provisions with authority of section 25 and impositions of penalties as per section 67	Import	Department of Health & Family Welfare
17	The Foreign Exchange Management Act, 1999	Section 46 and Rules made there under for carrying FOREX at the time of inward and outward travel	Import and Export	Finance, Department of Economic Affairs
18	The Foreign Trade (Development	All relevant provisions and Exim Policy	Import and Export	Department of Commerce

<b>List of Acts /Rules under which clearances/NOCs are required for exports/Imports</b>				
Sl. No.	Act/Rules	Relevant Provisions	Export/Import	Concerned Ministry/ Department
	and regulation) Act, 1992			
19	The Indian Copyright Act, 1957	Enforcement of various provisions to protect the rights of the registered proprietor and person authorized to import the copies of protected work	Import	HRD/ Department. of Higher Education
20	The Indian Post Office Act, 1898	Section 24A for receiving postal articles from postal authorities Section 25 for intercepting and suspect imported if exportable goods	Import and Export	Department of Post
21	The Indian Wireless Telegraphy Act, 1933	Communication equipments are permitted to be imported only against license to be issued by the WPC wiring of the Ministry of Communications & information Technology as per section 5 of The Indian Wireless Telegraphy Act, 1933	Import	Department of Telecommunications
22	The Information Technology Act, 2000	Confiscation of any computer, computer system, floppies, compact disks, tape drivers or any other accessories containing materials contravening any provision of IT Act	Import	Department of Telecommunications
23	The Insecticides Act, 1968	Compliance of registrations, licenses and prohibitions under section 9, section 13 and section 17	Import	Department of Agriculture & Cooperation
24	The Legal Metrology Act, 2009	Provisions regarding retail packaging and MRP	Import	Department of Consumer Affairs
25	The Livestock Importation Act, 1898 as amended	Section 3 and 3A for imports	Import	Department of Animal Husbandry & Dairying
26	The Motor Vehicles Act, 1988	Provisions and rules applicable to a vehicle Conditions of EXIM Policy	Import	Ministry of Road Transport & Highways
27	The Narcotic Drugs & Psychotropic Substances Act, 1985	Administration of provisions regarding cultivation etc. by the narcotics commissionerate Implementation of various restrictions and prohibitions under various schedules Provision of EXIM policy	Import and Export	Department of Revenue
28	The Patent Act, 1970 and Rules 1972	Enforcement of various provisions to protect the rights of the registered proprietor, assignee and persons authorized to import	Import	DIPP

<b>List of Acts /Rules under which clearances/NOCs are required for exports/Imports</b>				
Sl. No.	Act/Rules	Relevant Provisions	Export/Import	Concerned Ministry/ Department
		the patented goods		
29	The Prevention of Cruelty to Animals Act, 1960	Section 14, 15 and 19 of prevention of cruelty to animals act, 1960	Import and Export	Ministry of Environment & Forest
30	The Rubber Act, 1947	Implementation of any prohibition on import or export of rubber under section 11 Collection of any cess under section 12 at the time of import	Import and Export	Department of Commerce
31	The Seed Act, 1966	Implementation of prohibition under section 17 regarding minimum germination, purity and labelling of section 6	Import and Export	Department Of Agriculture & Cooperation
32	The Tea Act, 1953	Section 17 and section 18 for exports Section 24 for imports	Import and Export	Department of Commerce
33	The Trademark Act, 1999	Section 139 and section 140 of the trademark act, 1999	Import	DIPP
Additional Acts/ Conventions mentioned in PN 12-2006 of Customs <a href="http://www.jawaharcustoms.gov.in/jnch/pn/pn2006/PN-12-06.htm">http://www.jawaharcustoms.gov.in/jnch/pn/pn2006/PN-12-06.htm</a> C I T E S - (Convention of International Trade in Endangered Species of Wild Fauna Plants, Fruits and seeds(Regulation of Import into India) Order,1989 Prevention of Food Adulteration Act, 1954 and Rules, 1955. Breast Milk Substitutes(Advertisements and Labelling) Act.1982 Standards of Weights and Measures Act, 1976. Copyright Act,1957 and Rules,1958 Gas Cylinder Rules, 1981 and S&MPV (unfired) Rules, 1981. BIS applicable as per DGFT NOT.44 (RE) 2000 DT. 24.11.2000				

**Annexure IV**

 ज न प ट JNPT	<b>जवाहरलाल नेहरू पोर्ट ट्रस्ट</b> Jawaharlal Nehru Port Trust कंटेनर टर्मिनल, वातावात विभाग Container Terminal, Traffic Department प्रशासन भवन Administration Building. शेवा, ता. उरण, नवी मुंबई 400 707 Sheva, Tal. Uran, Navi Mumbai 400 707
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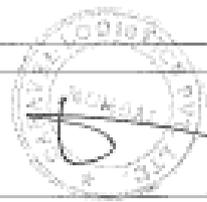
फॉर्म-13 FROM TYPE 13

प्र.कं.ट:बीजना:21 F:CT:PLAN:21

<b>कं. व. स्थानक / शिपिंग एजेंसी द्वारा ज.ने.प. त्वास को कंटेनर पावती</b> <b>CONTAINER RECEIPT FROM CFS/SHIPPING AGENCY TO JNPT</b>
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कं.सं. SERIAL NO. <b>A 230278</b>	दिनांक DATE <b>7/9/14</b>	समय TIME
वाहन सं. VEHICLE NO. <b>MHWH 5561</b>	चालक लाइसेंस सं. Driver (Name & Licence No.) <b>Yogesh 48155</b>	हाउस Inout
एजेंट (कूट) AGENT (CODE) <b>CAR 1</b>	लाइन LINE <b>Caravel</b>	वातवात सं. VIA NO. <b>E 1306</b>
जलयान का नाम VESSEL NAME <b>CIMBRIA</b>	आयात / निर्यात IMPORT/EXPORT	आईएम/ईएम सं. IGM/EGM NO.
कंटेनर सं. CONTAINER NO. <b>GESU</b> <b>4331573</b>	सील सं. SEAL NO. <b>022851</b> <b>360625</b>	जेपीएल सं. OGL NO. <b>1240</b>
	आईएसओ रजिटर ISO CODE <b>4510</b>	भरा हुआ/खाली LOADED/EMPTY <b>✓</b>
		भार(मी.टन) WEIGHT (MT) <b>21864</b>
सुदृष्टी आदेश सं. Delivery Order No.	सीमांतुक भवन एजेंट CUSTOM HOUSE AGENT <b>Vishay</b>	एचएजेड/आईएमओ HAZIMCO <b>GEN</b>
		पीओडी/पीओएल POD/POL <b>SEA</b>
आवश्यक तापमान Temp to be maintained	वोल्टेज VOLTAGE	बीई सं./नौचल बिल सं. B.E. NUMBER/SHIPPING BILL NO.

चालक का फोटो या फोटोसहित ड्राइविंग लाइसेंस की फोटोकॉपी या जनेप न्यास के पास का नंबर Photo of Driver OR Xerox Copy of Driving Licence containing Photo OR JNPT Pass No.	<b>FORBES &amp; COMPANY LIMITED</b> Web Access Preadvise Transaction ID <b>8223</b>
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कं.ओ.सु. बल अधिकारी CISF AUTHORITY/GATE WC रजिस्टर क्रम सं. REGISTER S. NO. अंदर आने का समय IN TIME बाहर जाने का समय OUT TIME कं.ओ.सु.बल कर्मी के हस्ताक्षर CISF SIGN	पी.ओ.जवाहर सीमा शुल्क P. O. JAWAHAR CUSTOMS 	 सुदृष्टी आदेश की मुहर और एजेंसी के प्राधिकृत व्यक्ती के हस्ताक्षर Order Stamp and Signature of Authorised Person of Agency
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