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April 05, 2023

Smt. Nirmla Sitharaman
Hon'ble Minister for Finance & Corporate Affairs
Government of India

Sub: Challenges faced by Industry in Customs duty payment and proxy error at ICEGATE

Hon'ble Minister,

Greetings from MAIT!

At the outset, MAIT would like to take this opportunity to thank the Ministry of Finance for its continued support to the Indian industry. We deeply appreciate Gol for presenting a holistic budget which envisions prosperous and inclusive India.

Madam, we are writing this to apprise you of the challenges faced by the industry w.r.t implementation of Electronic Cash Ledger for the industry. ECL facility is still not activated in the ICEGATE portal due to which the industry is not being able to initiate payments. Moreover, the other provision for NEFT/RTGS through e-payment also not working and it is under proxy error.

We would like to inform you that the industry was provided with **zero transition time or training** to comply with this requirement. While the requirement was announced in FY22, the timeline for compliance was not announced till March 30, 2023. In effect, the industry had only **one day** to prepare for compliance with the requirement. Please note that such a transition, especially in global companies, requires time to be firmed up due to the involvement/approvals of multiple teams. It is not only impacting imports but also manufacturing/production because of non-availability of inputs utilized for manufacturing.

Additionally, it has been observed that currently there is no grievance mechanism available where the industry can flag their concerns w.r.t payments and hence, the industry is under distress to make timely payments in accordance with the law of the land.

As the industry is facing tremendous challenges due to non-payment of Customs duty, it is impacting in Customs clearance delays with huge detention and storage charges.

Request

1. Request to kindly intervene and **restore the old duty payment option** till the new facility of ECL is restored fully.
2. Duty Challans are not visible for the making of duty payment. Further, considerable duty payments are pending for the last 2-3 days. Therefore, we request Customs duty **interest waiver** be given to the industry till the issue is fully resolved.
3. Request for instructing Airport / Seaport/CFS to **waive off the demurrage charges**.
4. Request to give clear instructions to the shipping lines to **waive off the detention charges** or if it is payable, allow the clients to initiate the payments after holidays considering the long weekend.

We also request you to kindly facilitate a Webinar to apprise the industry stakeholders on the new ICEGATE system.

We look forward to your favourable consideration of our request.

Warm regards,

Col. AA Jafri, Retd.
Director General