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December 01, 2022

Shri Gaurav Masaldan, IRS
Joint Secretary – Customs
Ministry of Finance

Sub: Challenges faced by industry reg. Faceless Assessment

Respected Sir,

Greetings from MAIT!

This bears to reference to MAIT's representation No.MAIT/PY/2568 dated October 26, 2022 (attached) reg. challenges faced by industry in Import Shipments Clearance for Components for further manufacturing. Further, the representation highlighted numerous challenges being faced by member companies under the Faceless Assessment while importing of components.

Sir, we would like to bring to your kind attention that the challenges are still persisting and issues reg. import shipment clearance are getting more severe.

Some of our members, who are also PLI applicants, have been facing queries due to which the materials are lying with Custom Warehouse/office for the last 10-12 days, which is hampering the vision of Make in India & creating hurdles in ease of doing business.

While industry appreciates CBIC for taking necessary measures¹ for expediting Customs clearance like Enhancement of Facilitation levels, Reorganization of FAGs for optimization of workload, Enhancing Direct Port Delivery, Automated generation of examination orders; however, the following suggestions are much required in order to enable ease of doing business:

- a. There is a very short window allowed for port clearance (2 days free of storage cost) and the non-filing of Bills of Entry (BOE) has a penalty of INR 10,000² (per BOE per day) FAG delays which is an unnecessary burden on the importer, besides this, FA takes over 3 days and it also comes with associated costs apart from clearance delays with line losses.
- b. Turn Around time (TAT) should be fixed:
 - i. If FAG (Faceless Assessment Group) does not assess the BOE within 24hrs, there should be a provision of auto transfer to PAG (Port Assessment Group) so that it can be dealt and closed in person.
 - ii. After 36 hours, if the assessment is incomplete, it should automatically move to PAG for faster resolution.

¹ <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2021/Circular-No-14-2021.pdf>

² <https://taxinformation.cbic.gov.in/view-pdf/1006265/ENG/Notifications>

- c. The “**to and fro**” has to be limited from the assessing officer, as it takes a lot of time for a query to reach the importer and the same when the justification is provided, as it flows through the same channel, the assessing officer should have the authority to raise the query to the importer and it can go for approval to the Assistant/Deputy Commissioner at the final stage, for the ease of process, rather than going to AC/DC on each step.
- d. There should be a provision of a **green channel** for regular importers, as the AI enables the ICEGATE portal to check the past record and the assessing officer should abstain themselves from raising the similar/repeated queries.
- e. BOE processing over the weekend works at a slower pace, which adds to the cargo detention, fine/penalty costs to the importer which is unfair to the industry.

Therefore, we request your good office to consider **formulating exclusive guidelines** w.r.t defining Turn Around Time (TAT) for smooth & early customs clearance process, which will encourage the industry and boost the trading across borders.

We also request your good office to **expedite the early clearance of the impugned consignments** as it is adversely impacting the manufacturing strategy of organizations which are making in India.

We look forward to your favourable consideration of our request.

Warm regards,



Col. AA Jafri, Retd.
Director General

CC: Shri R Ananth, IRS, Dy. Secretary – Customs, Ministry of Finance