

Sri Lanka Shippers' Council Meeting with Sri Lanka Customs - Minutes for the meeting held on 26th July 2013

	Subject	Trade concern	Trade suggestion	Custom's view
1	Notice to All Exporters and Customs House Agents regarding the Changes to the Export Cargo Clearance Procedure by Sri Lanka Customs 01.07.2013	Time lines of full implementation	Need further clarifications on the highlighted points & to keep the trade informed of the developments	SLC is ready to go online. The delay is that Sri Lanka Customs (SLC) is awaiting the new Gazette to be implemented. As pointed out timeline can be given as soon as the Gazette notification is published. (Roughly 1st of September 2013)
2	Customs Penalties are too often	Penalties are too often & exorbitant amounts & shipments are stuck for longer times nucleated missing trading opportunities	Draw samples release on company or BG depending on the case - avoiding clearance delays	SLC will establish Risk Management Unit to streamline the process. To inform DC Imports sea cargo / Long Room Supervisor to deal with then and there. Revised Penalty levels and charges to be published on the SLC website. A copy of which to be forwarded to Shippers' Council to inform the trade. Customs wanted examples of penalties imposed recently on Importers. (Two ways of submitting manifest through web/old system (Slow & frequent breakdown) and through AW (fast). SLC encourage to use AW system when submitting manifest. The issue is there were many users who don't have user name and Pass Word and they tend to use the web. CASA/SLFFA to encourage members to register with AW system. SLSC suggested to give advance notice and stop web based system)
3	HS number clarifications	Checking the HS number at every stage during the cusdec passing process & request the cusdec to amend	Draw samples release on company or BG depending on the case - avoiding clearance delays	Once the declared HS code is checked & confirmed by the Appraiser and if any query comes up at a later stage of processing the cusdec, DG requested Importers to report to the DDC or DC at Long Room or Air Cargo.
4	Stats on "on line submissions" & online payments - weekly / monthly to Chambers.	Usage of facilities is low & need to identify the reasons for trade improvements	educate trade with benefits & through research improve usage.	It is infact very high. Nearly 99%. Online but from BOC to Customs.
5	Declarations issue - Export cusdec	Exporters have to mention either SLPA/SAGT in the cage no 30 of Cusdec - At the time of framing the cusdec we do not know the exact location or change of vessel .	Suggest ion - To provide facility to select the location when submitting E-CDN.	SLC to discuss and come back to the Council on this.
6	Customs / BOI approval locations	After handing over cargo to the yard, If require to change the Yard, we obtain permission from BOI and get the endorsement from SL Customs, Colombo on the letter.	We request to arrange facility to obtain the endorsement from any SL Customs office at Katunayake instead of Colombo. (For BOI Katunayake enterprises)	SLSC to provide further information
7	E-CDN	Do we require Shipping Note/Boat Note to be passed when E CDN implemented & when will it be fully implemented	Need a time line & clarification	Implementing the e Shipping note will be handled at a later stage.
8	Delay - Import processing of cusdec	At present all import Customs declarations are being submitted to Sri Lanka Customs through Asycuda system which is a very efficient and fast mode to submit cusdec. But due to the long and time consuming procedure at the Long Room & at Cargo Village Katunayake, importers are unable to get the real benefit of the Asycuda system due to long delay in clearing consignments. Steps refer below attachment	To shorten the procedure at both Long Room & Cargo Village in order to expedite the process to get the benefit of Asycuda system to importers for clearance without a delay.	DG has already suggested to identify major importers who are having good track records and give them the green channel cusdec passing facility. Once this will be implemented, most of the manual processors will be eliminated and will be shorten the current process including examination free clearance. Customs is in the process of re engineering the long room process as directed by DGC. This will simplify the process further.

9	Appointing counter close at 3.30 pm - Imports	Shipments get held up avoiding same day clearance.	Request to accept Cusdecs at least up to 4.30 pm.	DG will be discussing this with the DC at Cargo Village.
10	DTI / EDI System breakdown or updating. (Not a frequent issue)	Delay in Clearance due to System breakdown or updating. (Not a frequent issue) In the event of breakdown or updating the system, unable to pass/process cusdecs at the long room and at cargo village Katunayake. Due to this unable to clear consignments on time and going on demurrage.	To accept and process cusdecs manually when there are breakdowns & updating the system in order to clear consignments on time.	Very rare occurrence. Most of the time the system is up and running but there are communication failures. DC- ADP confirmed that a backup line will be installed soon and there will not be any breakdown thereafter. However said that Manual Cusdec processing will be entertained at Customs in the event of breakdown of the system until such time.
11	Non- availability of Customs officers	Earlier we used to get the clearance after 4 pm from CFS-1, with the fire, most of the cargo related to CFS-1 moved to BQ-1, But now , there is no facility to get the LCL clearance after 4 pm due to non-availability of Customs officer (specially when apply D/D clearance & de-stuff between 4-6 pm)	Need a solution	DG said that they will have to discuss this with SLPA and make arrangements to extend the delivery facility till 6.00 pm with the availability of Customs officers. DGC confirmed that SLC is ready to provide Customs officers if SLPA is ready to open W/H.
12	Policy	The enforcement of the Licensing of Freight Forwarders for customs document processing	Need a solution	This to be discussed at a separate forum. SLC to provide a list of non license FF's who are submitting manifests. SLC to get a list of licensed holders from DGMS. SLFFA to organise a joint meeting with DGMS, SLPA, SLC and SLSC to discuss this further.
13	ASYCUDA	Status / progress of ASYCUDA system and the possibility of going fully online.	Need a time plan	The full implementation is hindered due to the lack of infrastructure and the hardware. Customs is in the process of acquiring the necessary resources.
14	Policy	Status of amendments to Customs ordinance	Obtain trade associations inputs	SLC confirmed that they are in the process of amending the Customs ordinance according to the revised KYTO convention, WCO. The draft is ready. Trade to provide inputs other than the points in KYTO Convention to be included. SLFFA pointed out that there is no provision for Freight Forwarders. Will be discussed at a separate forum.
15	Customs clearing procedures in Hambanthota port	Going forward what are the new developments in customs clearing procedures with regard to car clearance in Hambanthota port	Need an update	DGC has allowed clearance on scanned copies of the documents.
16	Saturday clearance	In view of these recent incidents have written to the Director of Customs and requested Saturday clearance for cargo de-stuffed at BQ warehouse. But we were refused completely even after explaining the nature of our business and loss due to delay.	we urge allowing Saturday clearance even on case by case basis for speedy clearance.	DG stated that it is difficult to open warehouses & keep Customs officers on Saturdays for delivery. Instead he is looking at the possibility of extending the delivery time till 6.00 pm on weekdays. Still it is needed, DGC requested Trade to inform SLC in advance to open on week ends/holidays
17	Examination	At the screening Unit only average number of cusdecs was selected for Red & detailed examination, but now more than 60% of the cusdecs is referred for detailed examination and Red Channel.	Reduce examination speed up the clearance process	Customs stated that only 10% of shipment (per day) are being examined at present according to their statistics. This will be further checked whether the accuracy of their statistics. SLSC to provide evidence.
18	Policy	. Even though there are recent D Branch rulings attached with the import entry H.S.codes are challenged, very often by many officers in the full process. Unusual delays in issuing rulings	Ensure proper focus on relevant activity	This will be checked by the Customs. SLSC to provide specific examples. To contact Mr. Puviharan for further assistance.
19	Payment Link	. Air cargo system is still not linked with BOC, payment has to be done manually and the cash book update this causes about an hour's delay.	Connection to be given ASAP	ADP Director confirmed that Air cargo will be linked with BOC from this week. It will become operational within the week. Other banks can be linked via People's Bank.

20	Time limits	At Air Cargo Terminal officers stop screening import entries at 5.00 pm this results in not being able to take delivery cargo on the same day.. At Air Cargo Terminal all officers vacate their seats around 4.45 pm, and Warf personnel are asked to come the following day.	Air cargo is always urgent and must facilitate up to 12 midnight	DGC stated that this need to be discussed with DC Air Cargo.
21	Officers availability	. DHL Express / Colombo Cargo - officers are changed every two months, officers not familiar in the operation are stationed and this causes delays in clearance, extending up to 1-2 days.	Need a mix of officers	DGC is looking at the possibility of retaining at least one officer without transferring
22	Restriction	There was a express Unit at customs which accommodated food cargo, but since of this Unit has been restricted to only perishable cargo, the nonperishable food items to be processed at the A Unit, this causes a huge backlog in the A unit causing delays which result in not being able to clear cargo on the same day.	Accommodate food cargo also	To be discussed further. SLC agreed to looking into this.
23	Customs statistic	If customs import statistic details of flexible packaging materials for a certain period of time is obtained, this data will show the two categories of importers who have imported under value of cargo and at reasonable value. According to these import information, it is seen that a group of importers of flexible packaging materials declare lower values and pay lower duties in comparison to yet another group of importers of similar product and declare a more reasonable value and pay a higher quantum of duty. For example, A biscuit manufacturer imports a kg of PKM at Rs 743.64 and pays Rs 148.73 while another s at Rs 326.22 and pays Rs 65.24 as duty. Yet another third company who imports on behalf of another larger biscuit manufacturer imports at Rs 216.68 and pays Rs 43.34 as duty. We notice some have imported finished products of printed flexible packaging materials at prices that seems even lesser than the cost of raw materials going in to manufacture of these and cleared paying very low duty.STOP UNDER VALUATION TO PROTECT THE LOCAL INDUSTRY	Establish a committee consisting of officials from Treasury Customs And from our Association. Our association will provide technical information. As a part of the strategy propose that import statistics from the customs dept are made available to the public. If the information is public then the relevant local manufacturing chambers, be it packaging or other, can easily identify the fraudulent import transactions. The negative impact that has in under invoicing for the local industry is substantial as these same goods can be made locally.	ICT will submit a comprehensive report to DGC after obtaining further details. Mr. Anton Hemantha to provide further details on HS codes to SLC