

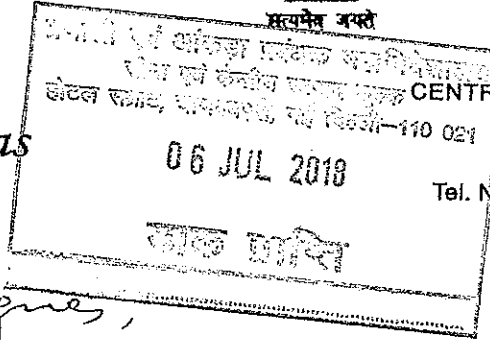


प्रणब कुमार दास

विशेष सचिव एवं सदस्य

Pranab Kumar Das

Special Secretary & Member



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D. O. F. No. 450/80/2013-Cus IV

18th June, 2018

Dear *Colleagues,*

Subject: Proposal to implement a scheme similar to DPD at ICDs-reg.

Direct Port Delivery (DPD) has been in operation at JNCH for quite some time now. From a modest start of around 5% of the overall CFS clearances two years ago, the current DPD figures have crossed 40%. Statistically, the jump may be about 35 percentage points, however, in absolute terms the figures are much more given the growth in the import trade over the two-year period.

2. DPD, as a Customs reform, has been very successful. It has drastically cut down the dwell time, reduced the logistics cost by diluting the role of intermediary CFSs. This reform has been well received by the World Bank which evaluates Economies on 'Ease of Doing Business' scale annually. CBIC has, therefore, directed implementation of DPD at all the gateway ports.

3. Going by the success of DPD at JNCH and encouraging figures at other gateway ports, CBIC intends to implement a similar concept at ICDs under the name *Direct Inland Delivery (DID)*. This procedure would be applicable for the ICD bound containers only after entry inwards has been granted at the gateway port.

For smooth operation of DID, it is tentatively envisaged that the importers would be required to file the import declaration (s) before the arrival of the goods from the gateway ports at the ICD. The importer would pay the duties accordingly or on deferred payment basis as the case may be. Customs on its part would grant OOC (depending upon the RMS instructions) before the actual arrival of the containers. Importers would, however, have to undertake the activity of goods registration for the said containers which are enroute from gateway port to ICDs under SMTP procedure until suitable changes are made in ICES application.

4. Presently, custodians at ICDs are extending a certain duration of free period to importers before clearance of containers carrying imported goods. There is a need to take up this aspect with the respective custodians so as to devise a tariff structure (which acts as a financial incentive) where under the importers voluntarily opt for DID clearance for pre-identified containers rather than avail the free period at ICD as non-DID container. The tariff structure could provide that if the DID container is not picked up within 24 hours of the OOC by the Customs, the custodian may impose an additional graded fee depending upon the number of days, the DID container overstays.

5. Another issue which is frequently experienced at ICDs is phased arrival of containers. In other words, all containers mentioned in any particular Bill of Lading may not arrive in one go. However, in such cases also, if the Bill of Entry sails through the RMS without any intervention, then OOC would be granted for all the containers including those yet to arrive. It would be the custodian's responsibility to give the delivery of the remaining containers as per the DID.

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6. It is therefore requested to examine the issue in depth and identify the challenges, if any, in implementation of the above proposal in consultation with respective custodians. Your comments should reach us by 25.6.18.

7. Your comments would be a valuable input for moulding the policy framework of DID.

With

warm regards,

Yours *S. Das*

(Signature)

(Pranab Kumar Das)

All Chief Commissioners of Customs/ Customs (Preventive).