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प्रधान मुख्य आयुक्त सीमा शुल्क का कार्यालय,
OFFICE OF THE PR. CHIEF COMMISSIONER OF CUSTOMS,
 मुंबई जोन -I, दूसरी मंजिल, नवीन सीमा शुल्क भवन ,बेलाई इस्टेट,
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05-08-2022

MINUTES OF THE MEETING HELD AT 03.30 PM ON 29.07.2022 BY THE CO-CONVENERS OF NAC-FAG-6 WITH THE MEMBERS OF THE NAC-FAG-6 Gr.

The meeting was conducted in online mode by Shri P. K. Agrawal, Pr. Chief Commissioner of Customs, Mumbai Zone – I and Smt Jane K. Nathaniel, Chief Commissioner of Customs, Thiruvananthapuram Zone, as Co-conveners of NAC-FAG-6 with the Nodal Pr. Commissioners/Commissioners of NAC-FAG-6.

2. The following Members of NAC (FAG-6) and officers have attended the meeting:

Sr.	Name of the Member of NAC-FAG	Designation	Email
1	Shri S.A. Usmani	Principal Commissioner of Customs, Chennai	sausmani@nic.in commr2-cuschn@gov.in
2.	Shri P.V.N. Suresh Babu	Pr. Commissioner of Customs, Mumbai Customs Zone-III	import.acc@gov.in
3.	Shri Sanjay Gupta	Commissioner of Customs, ICD, Tugalakabad, New Delhi	commrtdimp-cusdel@nic.in
4.	Shri R. K. Singh	Additional Commissioner of Customs, Mumba Customs Zone-I	rks.irs@gov.in
5	Shri Puyush	Joint Commissioner,	

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	Katiyar,	Kolkata Customs	
6.	Eishvaryesh Bhardwaj	Deputy Commissioner, PCCO, Mumbai Zone-1	eishvaryesh.b@gov.in
6.	P M Rao	Kandla Customs	
7.	Ruchi Bisht	Joint Commissioner	

3. At the outset, Shri P. K. Agrawal, Pr. Chief Commissioner of Customs, Mumbai Zone-I welcomed the members of NAC(FAG-6) present in the web meeting. Shri R. K. Singh, Addl. Commissioner, PCCO, Mumbai Customs Zone-I, presented a power point presentation related to Comparative Analysis of data of two fortnight of the month of July, 2022 with respect to no. of 1st, 2nd & 3rd queries, no. of First Checks given, time taken for assessment of Bills of Entry and Assessment Targets achieved by the Nodal Member of NAC-FAG-6.

4. The Pr. Chief Commissioner, Shri P. K. Agrawal expressed concern over the no. of B/Es that were assessed after 72 hours of filing. He intimated the members of FAG-6 that CBIC desires that Bills of Entry should be assessed within 12 hours and therefore, directed the members to work on it. He appreciated the efforts undertaken by all Nodal members of FAG-6 and stated that though the performance has increased in all areas but still a lot remains to be achieved, especially in terms of time taken for assessment of Bills of Entry. He noted that the number of 2nd and 3rd Queries have been reduced at all ports of FAG-6. He reiterated his directions that though CBIC requires that 3rd query be given after approval of JC/ADC, all members of FAG-6 should issue a Public Notice in their respective jurisdictions whereby approval of JC/ADC should be required even before raising 2nd query.

5. Thereafter, agenda Points of the meeting forwarded by Chennai Customs were discussed as detailed below:

1	Point for Discussion:	<p><u>Claim of Sl. No. 607A of Customs Notification No. 50/2017: Life savings drugs and medicines</u> are classifiable under CTH 98041000 with BCD @35%.</p> <p>In this regard, please refer to the serial number 607A of Notification 50/2017, wherein BCD exemption on life saving drugs is applicable only when the same are supplied free of cost by overseas</p>
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		<p>supplier.</p> <p>In certain cases, it is observed that the terms of invoice generated by overseas supplier are per-paid, but still the importers are filing/availing BCD exemption under serial number 607A of Notification 50/2017.</p> <p>Some instances of such imports are observed vide B/E no. 9543684, 9544086 and 9544611 all dated 14.07.2022.</p> <p>In case of facilitated BE's, it has been suggested that an alert can be incorporated in RMS to suitably instruct the officers to verify the payment details given in the invoice before giving OOC.</p>
Point Raised By: FAG-6 Chennai.		
	<p>Discussion: Shri S. A. Usmani, Pr. Commissioner of Customs, Chennai raised the issue of improper availment of benefit of Notification No. 50/2017 at Sr. No. 607A. Sr. No. 607A of Notification 50/2017, says that BCD exemption on life saving drugs is applicable only when the same are supplied free of cost by overseas supplier. What they were coming across that in number of cases the price of medicine was paid in advance. Invoice raised shown price of medicine Nil as prices has paid in advance. Therefore, they are in the view that if the money is paid in advanced, then it cannot be considered to supply free of cost. Therefore, benefit of Sr. No. 607A is not applicable to such medicine. He suggested that if the Bills of Entry are getting facilitated through RMS then instruction should be put to Out of Charge Officer to look into the invoice, and if he noticed that any payment in respect of such medicine has been made in advance, then he should send such Bills of Entry to Group for proper assessment. Other members of FAG-6, agreed with the suggestion offered by S.A. Usmani, Pr. Commissioner of Customs, Chennai.</p> <p>Co-conveners of FAG-6 discussed the issue at the length and it was decided that Chennai Customs will refer the said matter to NCTC with the above suggestion with copy to both the Co-Conveners of FAG-6 and other members of FAG-6.</p>	
2.	Point for Discussion:	BIS requirement for VR (Virtual Reality) headsets used for projection and gaming like VR motorbike racing, car racing, VR Gatling (shooting) and other

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VR simulators etc.	
IS616:2010 covers audio, video, and similar electronic apparatus which covers “video games and flipper games”. Importers are not accepting the BIS requirement for VR headset-based video consoles stating that they are not covered under the compulsory BIS requirement. VR headsets are generally classified under any of the following CTH :-	
8528	Monitors And Projectors, Not Incorporating Television Reception Apparatus; Reception Apparatus For Television, Whether
85285900	Other
8529	Parts Suitable For Use Solely Or Principally With The Apparatus Of Headings 8525 To 8528
85299090	Other
9004	Spectacles, Goggles And The Like, Corrective, Protective Or Other
90049090	Other
8525	Transmission Apparatus For Radio-Broadcasting Or Television, Whether Or Not Incorporating Reception Apparatus Or Sound
85258090	Other
9504	Video Game Consoles And Machines, Articles Of Funfair, Table Or Parlor Games, Including Pintables, Billiards, Special
95045000	Video game consoles and machines, other than those of sub-heading 9504 30
IS616:2010 talks about only video projectors, video games, video cameras, video monitors, and electronic gaming and scoring machines. There is no clarity on the requirement of BIS on VR headsets and VR based equipment. It is also seen that these devices are sometimes misclassified under CTH: 9004 which is only for “Spectacles, Goggles and the Like, Corrective, Protective or Other “.	
It is suggested to get the issue clarified from the BIS about the applicability of the standard IS616:2010 on Virtual reality-based devices.	
Point Raised By: FAG-6 Chennai.	
Discussion: Shri S. A. Usmani, Pr. Commissioner of Customs, Chennai intimated that they have come across of import of Virtual Reality Head Set which are used for basically for gaming application. For example, car racing, motor bike racing, shooting, games, etc. The	

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issue is about applicability of BIS on these VR Head Sets. He pointed out that as per common sense BIS should be applicable to these VR Head Sets because it is a wearable gadget, if it is not meeting the specification, it would definitely harm the eyes of the user wearing such gadgets. Therefore, It should come under the IS616:2010 specification. It covers video projector, video camera, video games and video flipper. The said issued was raised with the importers. They are arguing that it cannot get covered under the IS616:2010. He further, find that argument of Importers is also valid, as it is not a video monitor, video Camera, video game. Therefore, he wanted to flag this issue. He also requested to refer this matter to BIS Authority for proper examining of applicability of BIS Norms for such gadgets.

Co-conveners and nodal members of FAG-6 deliberated on the issue. Pr. Chief Commissioner, Mumbai Customs Zone-I Shri P. K. Agrawal asked opinion of Members of NAC6 on the classification of the subject goods. The member requested for detail of the goods and time to give their view. Pr.CC Mumbai Zone-1 directed that the said issue be deferred for next meeting and asked Commr Chennai to circulate the said matter along with catalogue and yechnical literature of the subject goods amongst the nodal Pr. Commissioner /Commissioner of NAC-6 for their views/comments on the issue. He further directed the Pr. Commissioner, Shri S. A. Usmani, Chennai Customs to refer the said matter to BIS Authority along with all details of the said items and a copy to Co-convener and members of FAG-6.

6. The meeting ended with a vote of thanks to the Chair.

7. This issues with the approval of the Co-Conveners of NAC-FAG-6.

EISHVARYESH BHARDWAJ
DEPUTY COMMISSIONER

Copy to:

1. The Under Secretary, Customs-IV, CBIC, New Delhi
2. All nodal Pr. Commissioner/ Commissioner of NAC-FAG-6
3. EDI, NCH for uploading the Minutes on website of Zone-I