



प्रधान मुख्य आयुक्त सीमा शुल्क का कार्यालय,
OFFICE OF THE PR. CHIEF COMMISSIONER OF CUSTOMS,
 मुंबई जोन -I, दूसरी मंज़िल, नवीन सीमा शुल्क भवन , बेलाई इस्टेट,
MUMBAI ZONE-I, 2nd FLOOR, NEW CUSTOMS HOUSE,
BALLARD ESTATE, मुंबई/ MUMBAI- 400 001
Phone No. 22620091, Email: ccu-cusmum1@nic.in

13-05-2022

**MINUTES OF THE MEETING OF FACELESS ASSESSMENT GROUP-6
 (FAG-6) OF THE NATIONAL ASSESSMENT CENTRE (NAC) ON 09.05.2022**

A meeting of the members of Faceless Assessment Group-6 (FAG-6) of the National Assessment Centre (NAC) was held on 09.05.2022 virtually via webex portal under the Chairmanship of Co-conveners Shri P. K. Agrawal, Pr. Chief Commissioner of Customs, Mumbai Zone - I and Shri S. R. Prasad, Chief Commissioner of Customs, Thiruvananthapuram Zone.

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

Sr. No.	Name of the Member of NAC	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	Commissioner of Customs, Mumbai Zone-III	import.acc@gov.in
3.	Shri Sanjay Gupta	Commissioner of Customs, ICD, Tugalakabad, New Delhi	Commrtkdimp-cusdel@nic.in
4.	Shri Manoj Kumar Kedia	Commissioner of Customs (Import& II), Mumbai Customs Zone-I	import-1nch@gov.in
5.	R. K. Singh	Additional Commissioner of Customs, Mumbai	rk Singh.irs@gov.in

		Customs Zone-I	
6	Dipin Singla	Additional Commissioner of Customs, Mumbai Customs Zone-I	dipin.singla@nic.in
7.	Shri Vishwanath	Additional Commissioner, of Customs, Kolkata	vishwanath.verma2007@gov.in
8.	Shri Dinesh Kumar Fuldiya	Deputy Commissioner of Customs, O/o Chief Commissioner of Customs	dinesh.fuldiya@gov.in

3. Shri P. K. Agrawal, Pr. Chief Commissioner of Customs, Mumbai Zone-I and Shri S. R. Prasad, Chief Commissioner of Customs, Thiruvananthapuram Zone, both the Co-Conveners of NAC (FAG-6) welcomed the members of NAC (FAG-6) present in the meeting and expressed their strong displeasure at the absence of nodal members Pr. Commissioner of Customs, Kolkata and Commissioner of Customs, Mundra without prior intimation.

4. At the outset, the Co-convener, Shri S. R. Prasad, briefed the members about the importance and relevance of meeting of FAG Nodal Principal Commissioner/Commissioners in wake of recent conference of Pr. Chief/Chief Commissioner Conference, wherein Board has anticipated 100% compliance of all circulars and notification issued with regards to Faceless Assessment. Further, he hoped that a uniform examination order practice must have been devised under the FAG-6 and the same are being uniformly followed by the officers of FAG across all Zones under FAG-6.

5. Minutes of last meeting of FAG-6 was duly reviewed by the Co-conveners. Issues related to improper IGST Notification benefit claimed by the importers in respect of Furniture made of without Bamboo, cane or rattan; and Quilted textile materials were reviewed by the Co-conveners of FAG-6. During the last meeting of FAG-6, it was brought to notice that some unscrupulous importers are claiming 12% IGST rate under Sr. No. 222A of Schedule -II of Notfn No. 01/2017 by declaring incomplete description of goods i.e not declaring whether the furniture is wholly made of bamboo, cane or rattan. Similarly, some unscrupulous importers are claiming lower IGST rate of 12% under Sr. No. 224 of Schedule-II of Notfn No. 01/2017 by simply suffixing/pre-fixing words 'quilted/quilted textile'. In such cases, Co-Conveners of FAG-6 directed that wherever declaration in respect of description of goods is found improper, proper examination order is warranted.

I/599347/2022

I/599347/2022

Further, it was also requested that all Nodal Pr. Commissioner/Commissioner of FAG-6 issue a Public Notice requesting the trade to furnish correct declaration in respect of description of the above mentioned goods to avoid undue delay in clearance of such goods.

5.1 During the last meeting of NAC-FAG-6 issues related to non-compliance of PGAs requirement by the SWIFT system for the goods originating from Pakistan was also discussed and it was noticed that due to single entry in CTH i.e 98060000, it is not feasible to map this CTH with all PGAs for NOC purpose. The Chairman requested Commissioner, TKD, Thugalakabad to retrieve the data of such imports, for the last one year, related to the goods originating from Pakistan and required NOC from PGAs, so that we could liaise with NCTC for suitable remedy. Till receipt of specific instructions from NCTC, he directed all nodal Pr. Commissioner/Commissioner of FAG-6 to direct their officers to refer the matter to concerned PGAs for NOC if it attracts any PGA requirement.

(Action: TKD Delhi & FAG-6)

6. Sri Sanjay Gupta, Nodal Commissioner, TKD, New Delhi shared the data of the last quarter of previous financial year (2021-2022) related to Bills of Entry assessed, First Check demanded by the Importer, cases where First check was granted by Department, value loaded by officers under FAG- 6 across all Zones. From the said data it was seen that out of 7768 bills of entry, only 3380 i.e 45% bills of entry were assessed without raising any query which left scope for monitoring of assessment of bills of entry by the nodal member Pr. Commissioner/Commissioner of FAG-6 with respect to the queries raised by the officers of FAG-6 across all locations. The Co-conveners of NAC (FAG-6) appreciated Sri Sanjay Gupta for his efforts in reviewing and analyzing the data of NAC (FAG-6) and expressed hope that all nodal Pr. Commissioner/Commissioner would follow the practice of analyzing the data of NAC (FAG-6) at their own level and take necessary action for improvement and betterment of FAG assessment.

7. Co-conveners of NAC (FAG-6) also shared the data of total bills of entry assessed by the officers of FAG-6 from 25th March 2022 to 24th April, 2022 in which it is noticed that out of 2575 bills of entry, 2182 bills of entry were assessed with queries which was found unacceptable and avoidable. The Co-conveners expressed displeasure over frivolous queries being raised by the officers of FAG-6 across all Zones and requested all nodal Pr. Commissioner/Commissioner of FAG-6 to monitor the queries raised by the

I/599347/2022

I/599347/2022

FAG officers on daily basis to avoid frivolous queries which cause undue delay in assessment and clearance of bills of entry, thus increasing the dwell time for clearance of goods. All members were requested to develop a mechanism to analyse the daily queries raised by the officers as was being done in Mumbai Customs Zone-I and further instructed to issued a Standing Order, as issued in Mumbai Customs Zone-I, for the guiding officers in correct assessment of bills of entry filed under NAC-FAG-6.

8. Thereafter, agenda Points of the meeting were discussed as detailed below:

1	Point for Discussion:	IS 15885(Part2/Sec13) and 16104: 2012 is applicable for D.C. or A.C. Supplied Electronic Control Gear for LED Modules commonly known as LED Drivers; Since LED drivers are being parts of LED Lamps, importers may claim Sl. 471 of Notification No. 50/2017 with concessional rate of duty @10% without BIS requirement. Hence, a suitable RMS risk parameters may be inserted for Assessment and Examination of such consignment to address the possibilities of import of LED drivers mentioning as 'parts of LEDS' without BIS under the Sl no.471 /472.
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. 471 & 472 for the items which are used for manufacturing of LED items. Sr. No 471 of Notification No. 50/2017 is applicable for parts and Sr. No. 472 is applicable for the inputs used for the manufacture of goods mentioned at Sr. No. 471. Import of LED Driver attracts BIS requirement. However, they have come across the mis-declaration of Drivers as a part of Drivers. Importers are importing Drivers but they are declaring it as a part of Driver to avoid the requirement of BIS. He suggested that RMS instruction may be inserted for Assessment and Examination of such consignment to address the possibilities of import of LED drivers by mentioning the same as "parts of LEDs" without BIS under the Sl No.471 /472 of Notification No. 50/2017.</p> <p>Co-conveners of FAG-6 discussed the issue and it was decided that a letter be written to NCTC communicating the need to insert a suitable RMS instruction in this regard. Meanwhile, Chennai Customs and members of FAG-6 shall issue a Public Notice regarding such instances of mis-</p>		

I/599347/2022

I/599347/2022

		declaration and request the trade to make proper and correct declaration of driver of LED to avoid delay in clearances of such bills of entry.
2.	Point for Discussion:	Parts of electronic toys for manufacture of electronic toys are eligible for concessional duty under Sl. 591 of Notification No. 50/2017 with IGCR compliance. Many Toy importers are importing 'parts of Toys' by availing concessional rate. However, there is no system to verify whether such importers are registered with BIS and clear their end product i.e. Toys with BIS compliance in to the domestic market. A suitable mechanism may be incorporated to address such risk.
		Point Raised By: FAG-6 Chennai.
	Discussion:	Shri S. A. Usmani, Pr. Commissioner of Customs, Chennai raised the above issue wherein he pointed out that there is no mechanism to verify whether importers importing toys in CKD condition under IGCR, 2017 availing concessional rate of duty without BIS requirement are registered with BIS and clear their end product in domestic market after fulfilling the requirement of BIS compliance. Co-conveners and nodal members deliberated over the issue. Co-conveners found that if such importer is fulfilling the conditions of IGCR,2017, then it is out of our jurisdiction to ensure that end product is being cleared domestic marked in compliance with BIS provisions. It would be the responsibility of BIS authorities to ensure that final product being sold in the domestic market after fulfilling the requirement of BIS compliance.

9. After discussion of agenda points, co-conveners of NAC-FAG-6 informed the nodal members that some issues have been noticed by Mumbai Customs Zone-I related to classification of FAG-6 items and requested Shri Manoj Kumar Kedia, Commissioner (Import), Mumbai Zone-I to elaborate further on the subject issue. Shri Manoj Kumar Kedia, Commissioner (I), Mumbai Customs Zone-I informed that some mis-classification issue related to birthday items in the nature of Balloons and decorative items have been noticed. These items are being imported by importers by classifying them under CTH 9505 and it is opined that these items should be appropriately classifiable under 9503 as toy Balloons. NCTC has also raised the same concern regarding these toy balloons. Shri R. K. Singh, Additional Commissioner, Mumbai Zone-I, informed that there are specific entries in 9503 for the balloon made of Latex and Explanatory Notes to CTH 9503 also suggest that these items are appropriately classifiable under 9503, however, trade is of the view

I/599347/2022

I/599347/2022

that these are entertainment articles, birthday/party articles and not balloons and are disputing the classification of these toy balloons.

9.1 Next issue highlighted by the Commissioner (I), Zone-I, Mumbai was classification of "Mould Clay". The importers are importing Clay which are basically use by the children for creating certain figures. Along with the clay, mould is also included in the same packages . The importers are classifying these goods as "Mould" under Chapter 38. It is opined that these items are basically educational toys use by the children so the same should be classified under toys attracting BIS compliance. However, importers do not agree with the opinion and are classifying the subject article under Chapter 38.

9.2 Third issue highlighted by Commissioner (I), Zone-I, Mumbai was regarding import of toy by declaring the article as "skin of soft toys without foam" by importers. He stated that this Zone is of the view that these articles also require BIS compliance being toys. However, trade is declaring it as part of toys, and are of the opinion that BIS compliance is not required for these items.

9.3 All issues highlighted by Commissioner (Import), NCH, Mumbai Zone I were discussed in detail and Co-convenors and Members of FAG-6 unanimously agreed that Clay with Mould should be classified as toy since it is nothing but a toy used by the Children for education purpose and should be appropriately classifiable under Chapter 95 with compliance of BIS.

9.4 In respect of "toy balloons", it was once again unanimously agreed by all the members of NAC (FAG-6) that such goods should be correctly classified under CTH 9503 as "toy balloon" and that a uniform practice of classification of such goods should be invariably followed by all the member of FAG-6 across all zones.

9.5 With regard to requirement of BIS for import of goods declared as skin of soft toy, the Co-conveners as well as members of NAC (FAG-6) were of the opinion that "skin of soft toy" may be considered as "a part of toys". Therefore, skin of soft toys does not attract requirement of BIS registration.

10. Co-conveners of NAC-FAG-6 informed the members that as per instruction and guideline issued under Board Circular 40/2020-Cus dated 04.09.2020 for conducting FAG meeting, now a monthly meetings of FAG-6 will be conducted to monitor the issues relating to FAG-6.

I/599347/2022

I/599347/2022

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

12. This issues with the approval of Shri P. K. Agrawal, Pr. Chief Commissioner of Customs, Mumbai Zone-I and Shri S. R. Prasad, Chief Commissioner of Customs, Thiruvananthapuram Zone, both the Co-Conveners of NAC (FAG-6).

FULDIYA

DINESH KUMAR

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