



LOCAL TIME RELEASE STUDY 2022

**AIRPORT AND AIR CARGO COMPLEX COMMISSIONERATE:
DEVANAHALLI: BENGALURU - 560300
Email ID: commrapacc-cusblr@nic.in**

Table of Contents

1. Executive Summary for Local Time Release Study 2022 at ACC, Bengaluru	3
2. Objective of TRS 2022.....	4
3. About Air Cargo Complex, Bengaluru	5
4. Import – Methodology, Procedure and Scope.....	6
5. Import Data Analysis	8
6. Import – Stage wise Analysis.....	10
7. Imports – ART Comparision.....	17
8. Imports – BE involving Examination.....	21
9. Imports – BE involving PGAs	23
10. Imports – Fastest vs Slowest 10% BE.....	24
11. Imports – Multiple IGM.....	25
12. Exports - Methodology, Procedure and Scope.....	26
13. Export Data Analysis:.....	28
14. Summarised Recommendations for both Import and Exports:.....	30
15. Tables Summary	32
16. Acronyms.....	33
17. Bibilography	34

1. Executive Summary for Local Time Release Study 2022 at ACC, Bengaluru

- 1.1 National Time Release Study (NTRS) is conducted every year to identify the processing of import / export goods at specific stages. Such study contributes in easy understanding of the bottlenecks and specific recommendations for reform.
- 1.2 The objective is to assess the distance already covered towards targeted overall time release for cargo in imports and exports as per National Trade Facilitation Action Plan (NTFAP) 2020-23 target which for ACC is 48 hours for imports and 24 hours for exports.
- 1.3 The study is to ensure uniform practice, increase the share of advance BE filing, promote the acceptance of Authorised Economic Operators (AEO) program, specifying timeline for Participating Government Agency (PGA) activity, automating or scheduling of customs examinations and introducing category of self-amendment of already filed Bills of entry which can further speed up release time in imports.
- 1.4 In exports, after Customs clearance, logistics operation is most time consuming. It is dependent on number of factors such as operational delay, mixed cargos, flight schedules etc. Increased coordination among the stakeholders with an objective to reduce the dwell time is the need of the hour.
- 1.5 TRS was conducted on Bills of entry (BE) and Shipping Bills (SB) filed between 1st to 7th January 2022 for imports and exports at Air Cargo Complex (ACC), Bengaluru. The methodology and scope is as per the NTRS 2022.

2. Objective of TRS 2022

2.1 Main objective of the TRS is to bring down the overall cargo release time for Imports and exports. For ACC, the target is as follows:

Target for Imports and exports - Table 1

	Target
Imports	overall 48 to 24 hours
Exports	overall 24 to 12 hours

2.2 The World Customs Organisation (WCO) refers to Time Release Study (TRS) as –

“tool to measure the actual time required for the release and /or clearance of goods, from the time of arrival until the physical release of cargo, with a view to finding bottlenecks in the trade flow process and taking the corresponding necessary measures to improve the effectiveness and efficiency of border procedures.”

2.3 The TRS data can be used to analyse the distance covered towards desirable targets. It is desired that the study should aim at identifying areas of movements which could be improved. For this-

- The dwell time for cargo release is measured on sample basis, from the time of arrival of goods till the physical release of cargo by the custodian. In export, the dwell time is measured from arrival of cargo to custodian facility till departure of the goods by aircraft.
- The overall or Average Release Time (ART) is calculated for import and export.
- The share or percentage of the release times are calculated which meet the targeted overall cargo release time.

2.4 The sample study is undertaken for BE / SB filed from 1st to 7th January 2022 for which Out of Charge (OOC)/ Let Export Order (LEO) is granted on or before 7th February 2022, in respect of both custodians viz. M/s. Air India Sats Airport Services Pvt. Ltd., and Menzies Aviation Bobba Bengaluru Pvt. Ltd. at ACC, Bengaluru.

3. About Air Cargo Complex, Bengaluru

- 3.1 The ACC, Bengaluru, caters to the clearances of import and export for most of the South Indian region. In 1972, the ACC was formed at Bangalore to unload Aircraft parts, accessories and materials for the Aircraft industry vide Notification No.125/72 dated 25.11.1972. In 1979, the 'Customs Division' was formed followed by the opening of the Inland Container Depot in 1981. Bangalore Airport was opened for International Passengers on 1st January 1995 at the HAL Airport which was later shifted to Devanahalli with the formation of the greenfield Bangalore International Airport in 2008.
- 3.2 At present there are two custodians viz M/s. Air India Sats Airport Services Pvt. Ltd., and Menzies Aviation Bobba Bengaluru Pvt. Ltd. Both the custodians are having Cool ports for the facilitation of perishable cargo. Cool ports at Bengaluru are considered as one of the major Cool Ports in India catering to one third of the perishable cargo handled in India.

4. Import – Methodology, Procedure and Scope

Methodology and Procedure

- 4.1 The import cargo release time is taken as arithmetic mean of time taken between arrival of cargo and its release into the economy. The definition of release time remains the same for advance/prior/normal BE.
- 4.2 IT driven Risk Management System (RMS) determines the level of facilitation for goods associated with the BE/SB filed. Facilitation may be categorised either as ‘no examination and no assessment’ or ‘no examination’. There may be interdiction such as First Check assessment - in which the goods are examined prior to assessment, or Second Check assessment – in which the BE is first assessed and then a specified level of examination of the cargo carried out.
- 4.3 In case of AEO clients, eligible for deferred payment facility, the release time will be calculated from entry inwards to the grant of OOC by Customs.
- 4.4 However, where Customs OOC has been granted without payment of duty, and goods can actually be taken from customs area after payment of duty, the release time would be calculated with reference to the time of payment of duty.
- 4.5 Primarily, the Customs IT System is the data source for import study. Wherever necessary, data has been obtained from Custodians.
- 4.6 Study covers measurement of the impact of deferred payment of duty, or facility for grant of OOC, without payment of duty. Computation of median release time, since medians are less impacted by outliers; and comparing it with the arithmetic mean. Movement of goods involving PGAs is also studied.

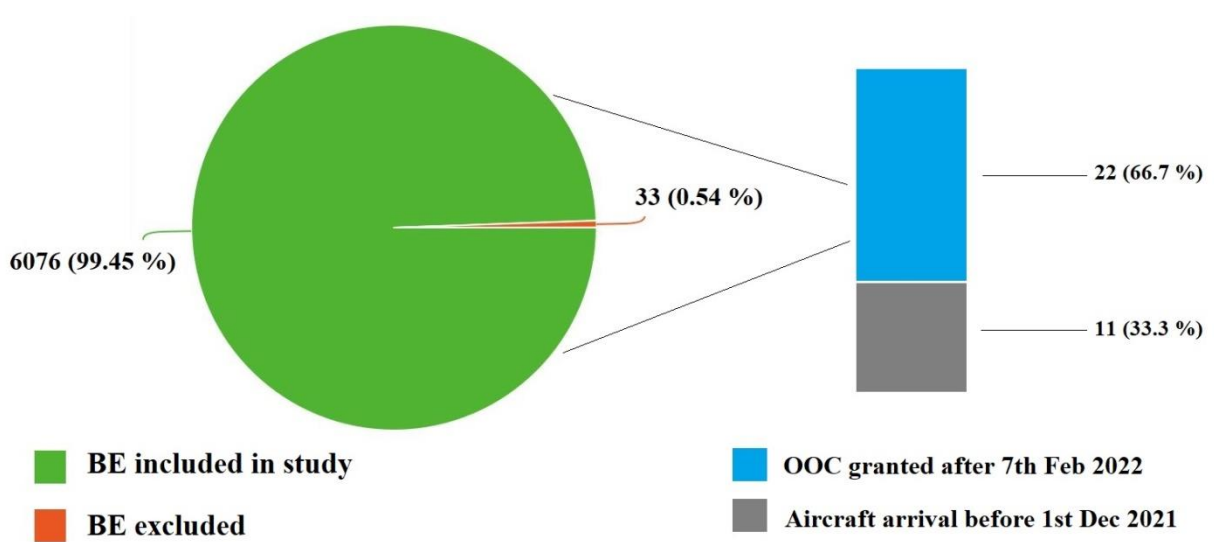
Scope

- 4.7 Scope includes BE filed during the sample period from 1st to 7th January 2022 for which OOC is granted on or before 7th February 2022. Resultant data obtained was analysed. The study is based on 6076 (out of the 6109) BE filed during the sample period. A total of 33 BE (0.64 percent) were excluded from the study as per the exclusion criteria.
- 4.8 Exclusions in the study are as below which are in line with NTRS 2022:

- BE where OOC was not granted on or before 7th February 2022. (Number of such BE: **22**)
- BE filed during the study period but relate to vessel granted entry inwards before 1st December 2021. (Number of such BE: **11**)
- Ex-bond BE. (Number of such BE: **0**)

Excluded BE - Table 2

Reason for Exclusion	No of BE
OOC granted after 7th Feb 2022	22
Aircraft arrival before 1st Dec 2021	11
Ex-bond	0
Total BE	33
%age of total BE	0.64



5. Import Data Analysis

5.1 BE tracked along with categorization of Advance/prior, facilitated, AEO, PGA etc., are as below:

Comparison by type of BE (Percentage) - Table 3

Year	No. of BE Tracked	Advance BE (%age)	Facilitated BE (%age)	AEO BE (%age)	Advance facilitated AEO BE (%age)	PGA BE (%age)	BE involving examination (%age)
NTRS2021	5139	22.0	88.0	50.0	13.0	2.4	9
LTRS 2022	6076	65.9	92.2	48.0	30.5	3.5	7.8

- Observation:** The advance BE filing has increased to 66% as compared to 22% last year attributable to the changes in Section 46 of Customs Act,1962 by issue of Notification No.34/2021-Customs(N.T.), dated 29.03.2021 to encourage filing the BE well in advance. Also, advanced facilitated BE have increased from 13% to 30.5%. RMS facilitated BE stands at 92%, the BE selected for examination has reduced by 1.2%.
 - Recommendation:** Although there is increase in advance BE, but percentage BE of AEO client have reduced and is less than 50%. AEO facility may be expanded and more outreach programs can be conducted to increase the ambit of AEO clients.
- 5.2 Average release time (ART) is the arithmetic mean of release time for each BE taken separately.

Comparison of ART with NTRS 2021 - Table 4 (time in hrs.)

Year	ART for all BE
NTRS 2021	57:12
LTRS 2022	54:47

- Observation:** Compared to previous year, the ART has decreased by 2 hours and 25 minutes. However, the ART is still higher than the NTFAP target. The reasons for the same are analysed in the proceeding paras.

5.3 Distance covered to NTFAP target as defined in point 2.1 is as below:

Distance covered to NTFAP target for Imports - Table 5

Year	All BE	Advance BE	AEO BE	Facilitated BE	AAF BE*
NTRS 2021	65%	94%	82%	72%	99%
LTRS 2022	67%	73%	74%	71%	80%

*AAF denotes combination of advance BE filed by AEO and facilitated by RMS

5.4 ART for 10% (606 BE) fastest (ART arranged in ascending order) and slowest (ART arranged in descending order) BE is as below:

Fastest vs Slowest BE - Table 6 (time in hrs.)

Fastest 10% BE	05:52
Slowest 10% BE	243:03

- a) **Observation:** On analyzing types of BE it is found that among fastest 10% BE, 84% are advance/prior BE and 99% are RMS BE. 61% of importers are AEO clients. It is to be noted that for all BE payment of duty was done before arrival of goods.
- b) The slowest 10% BE witnessed most of the stages of - assessment, amendment, examination, clearance from PGAs and payment of duty.

6. Import – Stage wise Analysis

6.1 In the earlier time release studies, the following stages were generally considered for stage-wise analysis of a BE. The time taken during these stages as per present data analysis, are reflected as under:

Stage wise Average Time taken - Table 7 (time in hrs.)

Stage	Average Time (in hrs)
Arrival of goods to Submission of BE	6:09
Submission of BE to Assessment of BE	6:20
Assessment of BE to Payment of Duty	49:13
Payment of Duty to Goods Registration	7:36
Registration of Goods to OOC	16:18
Cumulative time taken in above stages	85:36
ART	54:47

6.2 However, as a result of continuous efforts in trade facilitation measures, the above stages related to documentary and physical movement of goods overlap with each other. To have better clarity of stage wise movement analysis in present scenario, the following six tables broadly depict the categorization of BE as per duty payment criteria.

A. BE where duty payment is made before assessment of BE (Duty paid on self-assessment basis)

Stage wise analysis (Duty and Assessment) - Table 8 (time in hrs.)

Type of BE	Submission to Assessment	Assessment of Payment of Duty	Payment of Duty to OOC	ART
Duty paid before assessment (23 BE – 0.38%)	260:43	Nil (Duty paid before assessment)	184:20	367:03

• **Observation:**

- a. In the above 23 BEs, the importer had paid duty based on self-assessment after filing the BE. However, these BE were recalled for re-assessment due the reason such as amendment, Free Trade Agreement (FTA) benefit, issue related to implementation of Customs Administration of Rules of Origin under Trade Agreements (CAROTAR) Rules and in some cases, BE were assessed to first check by the concerned Faceless Assessment Group (FAG) as these were re-imported goods. In some of the cases, there were repeated

alerts in every subsequent BE of the same IEC holder and the OOC was disabled from the system. In these cases, the BE had to be pushed to PAG for removal of alerts in each case which consumed a considerable amount of time.

- b. In general, the duty is paid by the importer only after assessment of BE (by officer in case of non-facilitated and by System in case of facilitated BEs).

- **Recommendations:**

- a. It is recommended that OOC with-holding by the system should be restricted to limited BE for a particular IEC. As the issue involved remains similar for subsequent BEs of an importer, the necessary action desired can be taken by PAG suo motu in these cases.
- b. In case of Re-bond and execution of Bank Guarantee, after completion of assessment, prescribed percentage of Bank Guarantee may be notified across all FAG location. For eg. For Notification 153/94 there is no Bank Guarantee prescribed in the notification.

B. BE where duty payment is made after assessment of BE

Stage wise analysis (Duty and Assessment) - Table 9 (time in hrs.)

Type of BE	Submission to Assessment	Assessment to Payment of Duty	Payment of Duty to OOC	ART
Duty paid after assessment (4537 BE – 74.7%)	06:27	65:39	17:07	60:52

- **Observation:**

- a. It is noticed the stage of Payment of duty is taking more time i.e., 65 hours when compared to any other stages. This is owing to the fact that completion of assessment time is calculated even before actual arrival of goods in case of advance/prior BE which are system assessed.
- b. *The importers wait for arrival of goods or OOC for effecting payment of Duty.* Firstly, this may be due to apprehensions of transit loss or issue of short shipments leading to refund of duties. Secondly, the delay in

communicating the duty to be paid after assessment to the importer as the communication details in ICES are of Customs Broker. Thirdly, a general delay is seen for shipments transshipped from Courier. Locally there are 3 broad categories of BE – **a.** Cargo BE converted from Courier; **b.** Cargo handled by Freight Forwarder / Consol Agents; **c.** BE filed by Customs Broker on behalf of direct importer. In the first two categories there is considerable delay in communication of duty assessed to the importer. The concerned Customs Broker informs the Courier Agency or Freight Forwarder/Consol Agents, who in turn informs the concerned importer. For Courier consignments which are converted to cargo, several instances of disputes and several levels of communications, increases the delays in clearances.

- **Recommendation:**

- a. The assessed duty to be directly communicated to the importer to hasten the process of duty payment, by allowing multiple e-mail addresses/mobile number for sending SMS in ICES.
- b. Customs Clearance Verification (CCV) as per Circular No. 09/2019-Custom which appears to be available only to RMS facilitated BE, can also be made applicable to Non facilitated BE also.
- c. A standard operating procedure for conversion of courier consignments to Cargo may be issued to regularize and monitor such conversions and the Custodians can have a more robust system for proactive communications with importers in place to address grievances therein.

C. BE where duty payment is made after assessment of BE

Stage wise analysis (No payment of duty) - Table 10 (time in hrs.)

Type of BE	Submission to Assessment	Assessment to OOC	ART
BE involving no payment of duty (1516 BE – 24.95%)	02:09	75:04	31:49

- **Observation:** The BE where no payment of duty is involved, the time taken from Assessment to OOC is very high. This may be due to selection of these BE for examination first check and the fact that completion of assessment time is calculated even before actual arrival of goods in case of advance/prior

BE which are system assessed, however, the importers wait for arrival of goods or OOC for effecting payment of Duty.

- **Recommendation:** First Check Assessment involving Examination for Export Oriented Unit (EOU) BE has increased after introduction of FAG. Such BE can be excluded from the first check since those units are monitored by different departments such as Special Economic Zone (SEZ) under Ministry of Commerce, STPI under MEITY, etc. At present, the detection of cases of wrong utilization of EOU status is very minimal.

D. BE where differed duty payment is availed on Arrival of goods (cases of deferred duty payment)

Stage wise analysis (Deferred duty Payment) - Table 11 (time in hrs.)

Type of BE	Submission to Assessment	Assessment to OOC	ART
Deferred duty payment (RMS) (503 BE – 8.3%)	01:34	57:50	33:16
Deferred duty payment (Non RMS) (6 BE – 0.1%)	129:23	22:39	152:03

- **Observation:** The time for Submission to Assessment is minimal as a major number are facilitated BE.

E. BE where duty is paid after Arrival and Registration of goods (where duty payment is made after goods registration)

Stage wise analysis (Duty payment and Registration) - Table 12 (time in hrs.)

Type of BE	Arrival of Goods to registration	Registration of goods to payment of Duty	Payment of duty to OOC	ART
Duty payment after Goods Registration (2856 BE – 47.0%)	37:17	48:29	35:22	63:22

- **Observation:**
 - a. Time taken after arrival of goods till registration is 37:17 hours which is considerably high. The major reason being the time taken by custodians in Bonding and linking in the ICES system.
 - b. Time taken for Duty payment from Registration of goods is considerably high.

- **Recommendation:**
 - a. Conversion of Courier to Cargo may be regulated.
 - b. Custodians, should be sensitized to fasten the process of bonding the goods to warehouse and linking the shipments in the ICES system.

- c. Better co-ordination may be effected by the Freight forwarders/console agents, airlines and Custodians to fasten the process of IGM amendments.
- d. The CHAs/importers should adopt a round-the-clock system in place for registration of goods immediately on arrival of goods.
- e. Direct communication of duty amount to be paid to the importer`s registered mail and mobile numbers. In regular intervals, a system generated reminders for payment of duty may also be sent to importer`s registered mail and mobile numbers.

F. BE where duty is paid before goods registration

Stage wise analysis (Duty payment and Registration) - Table 13 (time in hrs.)

Type of BE	Arrival of Goods to registration	Payment of Duty to Registration of goods	Payment of duty to OOC	ART
Duty payment before Goods Registration (1704 BE – 28.0%)	50:04	26:39	35:49	60:48

- **Observation:** Although the duty is paid in advance for 1704 BE of Entry before the Goods Registration, the time taken from arrival of goods to registration is almost 50 hours which is one of the major bottleneck.
- **Recommendation:** Custodians, Freight Forwarders, Console Agents and Customs Brokers may be sensitized to fasten the process of goods registration as detailed in preceding para.

G. ART for BE where duty payment is done before or after OOC

Stage wise analysis (Duty payment and OOC) - Table 14 (time in hrs.)

Type of BE	No. of BE	ART
Duty Payment done after OOC or at the time of OOC (except Deferred duty BE)	1915	61:56
Duty Payment before OOC + No Duty payment involved	3652	53:49

- a. **Observation:** From above table, it is reflected that cases where BE were waiting duty payment after OOC, have higher release time (approx. 15%

higher) owing to delay in prompt duty payment.

- b. The delay in communication of duty to be paid after assessment should be reduced and the assessed duty to be directly communicated to the importer to hasten the process of duty payment.
- c. CCV (Customs Clearance Verification) which is available in the RMS facilitated BE can be made applicable to Non facilitated BE also. So that customs dwell time gets reduced.

7. Imports – ART Comparison

7.1 Comparison of ART in hrs for Advance/Prior Vs. Normal BE, Facilitated (RMS) vs Non-Facilitated (Examination), AEO vs Non-AEO and BE involving PGA is as below:

ART Comparison by type of BE - Table 15 (time in hrs.)

Category	No. of BE	%age	ART
Advance	4002	65.87	42:34
Normal	2074	34.13	78:21
Facilitated	5600	92.17	48:09
NFAC	476	7.83	132:43
Amendment BE (FAC+NFAC)	2687	44.22	70:55
Amendment BE (FAC)	2395	39.42	60:38
AEO	2918	48.03	43:01
Non AEO	3158	51.97	65:39
PGA BE	213	3.51	96:00

- a. **Observations:** The difference between the ART of on-arrival BE and advance BE is almost 36 hours. Thus, a substantial portion of the difference in ART of the two types of BE is contributed only by the time taken in filing of on-arrival BE.
- b. Although facilitated BE filed are at 92%, the time taken is more than desired target. Non-facilitated BE although form small portion of total BE filed (7.8%), but the time taken by them is very high (around 132 hrs). Reasons for such very high time are due to BE movement to Assessment, Examination, PGA etc.
- c. Number of BE filed by AEO and Non-AEO clients is almost equal. There is need to enhance AEO client percentage.
- d. 213 number of PGA BE excludes Textile articles which are not part of the SWIFT of ICES. The dwell time of Textile committee reports are usually higher than the regular PGA coming under SWIFT. However, number of

such BEs being small and data not being readily available, the PGA not reflected in SWIFT is excluded in the calculation of dwell time of PGA.

- e. In BE involving amendment, ART is close to 71 hours, which is 16 hours more than ART involving all BE. In case of RMS BE involving amendment, ART is 60.5 hours which is 12 hours more than ART of RMS BE.

- **Recommendation:**

- a. Advance filing of BE is to be encouraged by conducting outreach programmes. Facilitation Centre may be effectively utilized to spread the information for filing advance BE.
- b. The bottlenecks involved in NFAC BE movement have to be reduced.
- c. AEO outreach programs may be conducted to increase AEO share of BE.
- d. PGA -Textile may be brought under SWIFT.

ART Comparison of Advance and Normal BE - Table 16 (time in hrs.)

Year	All BE	Advance BE	Normal BE
NTRS 2021	57:12	31:24	64:18
LTRS 2022	54:47	42:34	78:21

- **Observation:** The number of Advance BE filed is 3997 as compared to 2066 normal BE out of total of 6063 BE. However, the higher dwell time compared to previous year is attributed mainly to the large share of time consumed in stage involving payment of duty.
- **Recommendation:** As stated in the preceding paras, Advance filing of BE is to be encouraged by conducting outreach programmes. Also, Customs Facilitation Centres may be effectively utilized to spread the information for filing advance BE.

7.1 Analysis for Goods registration to OOC stage.

- **RMS BE**

GR to OOC Stage Analysis for RMS BE - Table 17 (time in hrs)

Stage: GR to OOC	No. of BE (%age)	Average Time
No. of RMS BE	5600 (100%)	12:00
BE cleared within 24 hours in GR to OOC stage	4899 (87.6%)	02:34

BE cleared form 24 hours to 48 hours in GR to OOC stage	300 (5.36%)	31:35
BE cleared beyond 48 hours in GR to OOC	401 (7.11%)	114:43

- **Observation:** Out of the 6076 BE taken for study, 5600 BE are pertaining to facilitated BE. And out of these for 87.6% of the BE ART is 2.5 hours. It is also noted that around 35% of the BE are filed beyond normal working hours. This shows the effectiveness of the Customs Working on 24x7 basis.

- **Non-RMS (Examination) BE**

GR to OOC Stage Analysis for Non RMS BE - Table 18 (time in hrs)

Stage: GR to OOC	No. of BE (%age)	Average Time
No. of non RMS BE	476 (100%)	60:57
BE cleared within 24 hours in GR to OOC stage	137 (28.8%)	09:56
BE cleared form 24 hours to 48 hours in GR to OOC stage	132 (27.8%)	32:59
BE cleared beyond 48 hours in GR to OOC	207 (43.5%)	121:41

- **Observation:** Out of the 6076 BE taken for study, only 476 BE are pertaining to non-facilitated BE. And out of these, for 29% of the BE, ART is within 10 hours. This shows the potential possessed by Customs to process the BE within the NTFAP target. However, 339 BE took more time to get cleared due to reasons such as non-production of required documents under Allied Acts, PGA clearance, amendments in CTH, regularization of short shipment or excess goods found during examination, delayed and partial responses to queries, etc.

a. **Recommendation:**

- CHA/importers to be sensitized to reply to queries aptly and with relevant details in a timely manner. Further, direct communication channels with importers can be established by capturing their email id in the ICES system, to avoid delay in communication of queries, discrepancy noticed during examination, etc.
- AEO-CRM may take proactive measures to facilitate AEO clients and guide them to reduce time taken in clearance of non-facilitated BE.

- d. A mechanism can be evolved to get repetitive documents of Allied Acts such as BIS, WPC-ETA, LMPC, AEC.
 - e. Regular training on requirements of Allied Acts to officers at shed and CHAs/importers.
 - f. Importer educational Material can be placed in CBIC website such as tutorial video, requirements for imports, etc.
- 7.2 Computation of median release time, since medians are less impacted by outliers; and comparison with the arithmetic mean:

Median Release Time - Table 19 (time in hrs)

	ART
Median Release Time	29:11
Average Release Time	54:47
Difference between ART and MRT	25:36

8. Imports – BE involving Examination

- 8.1 As indicated in point 4.2 above, the goods under a BE which has been interdicted can be subjected to examination. ART for BE involving examination is as below:

ART comparison for Examination BE - Table 20 (time in hrs)

Year	All BE	BE involving examination
NTRS 2021	57:12	116:03
LTRS 2022	54:47	132:43

- a. **Observation:** BE involving examination is taking more than double time as compared to the ART of all BE.
- b. Majority of BE are not subjected to examination by RMS. Breakup percentage of BE subjected to examination and facilitated by RMS is as below:

Breakup of tracked BE FAC vs NFAC - Table 21 (time in hrs)

Year	No. of BE Tracked	Facilitated BE (%age)	BE involving examination (%age)	No of BEs
NTRS 2021	5139	88.0	9	463
LTRS 2022	6076	92.2	7.8	476

- 8.2 First check BE involve examination after GR stage and based on examination report fed by examining officer, assessment takes place. While in second check BE, assessment has taken place prior to examination. Time taken by First Check and Second Check examination BE is as below:

ART breakup of Examination BE - Table 22 (time in hrs)

	No. of BE Tracked	ART in hrs
First Check	98	169:30
Second Check	378	123:10

- 8.3 It is noted that part of the time involved in examination of goods is related to scheduling the examination in the shed and coordinating with the custodians to place the goods in examination area. *Scheduling of examination may be considered for automation.*
- 8.4 Bangalore being an IT hub engaged in R&D, huge numbers of medical and electronic goods are imported by leading companies such as Wipro GE, Qualcomm, HAL, Flextronics, many goods are repair and return, and FOC.

Also, used and refurbished goods form approximately 25-30% of daily examinations and require Chartered engineer Certificate which add to dwell time.

9. Imports – BE involving PGAs

9.1 Overall, as seen from point 5.1, about 3.5% of the sample BE involved PGAs. The ART for BE involving PGAs was higher by 40% as compared to the overall average for all BE, as depicted below:

ART for PGAs BE - Table 23 (time in hrs)

Year	ART for All BE	ART for BE involving PGAs	ART for PGAs BE higher by
NTRS 2021	57:12	151:24	165%
LTRS 2022	54:47	96:00	69%

9.2 Further, among PGAs the ART varied across as follows:

PGA wise ART - Table 24 (time in hrs)

PGA	No of BE	ART in hrs
Animal Quarantine (AQCS)	7	153:04
Drug Controller (CDRUG)	165	80:03
FSSAI	12	314:09
Plant Quarantine (PQIS)	3	224:27
WCCB	26	66:16

- **Observation:** From point 9.1 it can be seen that though there has been considerable decrease in ART for BE involving PGAs as compared to previous year, there exists existence of room for PGAs to rearrange their functioning in relation to provision of their services.
- **Recommendation:** Improvement can be made through more suitable location of their resources, as well as by enhanced monitoring, so as to deliver the activity within specified time limits to enable improvement in cargo release time.

10. Imports – Fastest vs Slowest 10% BE

10.1 ART for 10% (606 BE) fastest (ART arranged in ascending order) and slowest (ART arranged in descending order) BE is as below:

Fastest vs Slowest BE - Table 25 (time in hrs)

Fastest 10% BE	05:52
Slowest 10% BE	243:03

10.2 On analyzing types of BE it is found that among fastest 10% BE, 84% are advance/prior BE and 99% are RMS BE. 61% of importers are AEO clients. It is to be noted that for all BE payment of duty was done before arrival of goods.

10.3 On analyzing slowest 10% BE, it is found that 88 (15%) BE are examination BE. From stage wise time taken it can be concluded that more than 50% of time has been consumed in Assessment stage to payment of duty stage. While Payment of duty stage to GR stage and GR stage to OOC stage have consumed on average 24 hours (i.e 28% of total time – breakup as given in point 6.1) which also includes time taken for examination.

11. Imports – Multiple IGM

11.1 Among 6076 BE, there are 204 BE (3.29) involving multiple Import General Manifest (IGM).

ART for BE involving Multiple IGM – Table 26 (ART in hrs)

Multiple IGM	No. of BE	ART in hrs
BE involving Multiple IGM	204	99:30
RMS BE	189	96:33
AEO BE	112	100:11
Non-AEO BE	77	91:15
Non RMS/Examination BE	15	136:37

- **Observation:** BE involving multiple IGM results in increased ART since Customs House Agent (CHA) /importer does not have facility to add IGM and they have to approach Examination Officer to get IGM added to BE. BE involving multiple IGM have ART which is 81% higher than ART of all BE.
- **Recommendations:** CHA/Importer may be given option to add IGM in system so that they do not have to approach Examination Officer for addition of IGM.

12. Exports - Methodology, Procedure and Scope

Methodology and Procedure

- 12.1 Export procedure requires filing of electronic self-declaration (Shipping Bill) by exporter before the goods move from exporter's premises. The RMS allows the lowest risk category to be cleared as facilitated without subjecting the cargo to assessment or examination.
- 12.2 Generally, the Shipping Bill (SB) processing by Customs is accomplished before arrival of goods at the Customs area, hence this domestic stage is not considered and time is measured from arrival of export goods at a custodian's premises.
- 12.3 Next, the process requires exporter to present the goods to Customs by undertaking goods registration on the customs Electronic Data Interchange (EDI) system. This is followed by customs clearance or permission to export through grant of LEO. In between, the customs officer also carries out examination or inspection, if the goods are selected for this purpose.
- 12.4 Once export goods have received customs LEO, they are ready for export. Hence, one measure of release time is from arrival of goods to LEO. However, with objective of obtaining a fuller picture, the methodology adopted also measures time taken post - LEO, till departure of aircraft, on basis of respective custodian's time stamps i.e. outside of the standardized customs EDI system.
- 12.5 In NTRS, ART from filing of the SB till grant of LEO would also be reported. This measure is proposed to be phased out once the methodology at point 12.4 stabilizes.

Scope

- 12.6 Scope includes all SB filed between 1st to 7th January 2022, where aircraft has departed on or before 7th February 2022 are taken into consideration. Resultant data obtained was analysed. The study is based on 5592 (out of the 5627) SB filed during the sample period. A total of 35 SB (0.62 percent) were excluded from the study as per the exclusion criteria.
- 12.7 Exclusions in the study are as below which are in line with NTRS 2022:
 - SB where LEO is not granted or aircraft has not departed, as the case may be, on or before 7th February, 2022.
 - SB filed but subsequently purged due to non-presentation of goods by the system.

- Where LEO is not granted / aircraft not departed, as the case may be. (Number of such SB: **0 SB**)
- SB where there is inconsistency in data shared by custodian and data shared by customs IT system (Number of such SB: **35 SB** – 0.62% of SB under study).

Excluded SB - Table 27 (time in hrs)

Reason for Exclusion	No of SB
LEO is not granted or aircraft has not departed	0
Inconsistency in data shared	35
Total SB	35
%age of total SB	0.62

13. Export Data Analysis:

13.1 Average Release Time (ART) is the arithmetic mean of release time for each SB taken separately. Table takes into account both considerations as discussed at point 12.4.

Distance covered to NTFAP target and for Exports - Table 28 (time in hrs)

Year	Goods arrival - registration - Customs LEO		Goods arrival -LEO + post LEO logistics of custodian gate out - port terminal gate in - loading - departure	
	ART	Distance covered to target	ART	Distance covered to target
NTRS 2021	2:30	100%	40:24	25%
LTRS 2022	2:11	100%	35:32	50%

13.2 It is evident from the above that the post - LEO logistics process till departure of export goods involves time which is many times multiple of the release time till grant of customs LEO.

13.3 Perishables are one of the important export commodity at ACC, Bangalore as discussed above at point 3.2. Hence, it is pertinent that analysis of ART for perishable cargo is carried out.

13.4 Perishables mainly include Mixed vegetables, fruits, Flowers, tissue culture plants etc. being exported mainly to Singapore, Maldives, UAE, Sri Lanka but also include Germany, UK, France etc.

13.5 ART for perishable cargo is as presented below:

ART comparison for Normal Cargo vs Perishable Cargo - Table 29 (time in hrs)

Type of SB	No. of SB	Goods arrival - registration - Customs LEO	Goods arrival -LEO + post LEO logistics of custodian gate out - port terminal gate in - loading - departure
Normal Cargo	5592	02:11	35:32
Perishable Cargo	277	01:14	17:00

* Time taken for Perishable Cargo from Goods Arrival to Registration and Customs LEO is 1 Hour and 14 Minutes. When the perishable goods

are subjected to assessment and examination, then time taken is more when compared to the RMS facilitated Perishable Cargo. It is also pertinent to note that perishable cargo is situated in a cool port building which is different from the normal place of working. With the limited number of examining officers, the visit is scheduled covering the examination and Inspection.

14. Summarised Recommendations for both Import and Exports:

- 14.1 **Amendments for MBL/MAWB filed on-arrival or later:** For the NTRS time period it was observed that the dwell time for BEs involving amendments of RMS facilitated BEs was 60:38 hours whereas the same for all RMS facilitated BEs was **48 hours**. i.e the dwell time for BEs involving amendments of RMS facilitated BEs is 12 hours more than that for all RMS facilitated BEs. *It is recommended that to have prompt filing of amendments for MBL/MAWB, the late amendment charges be imposed for amendments made after a certain delay.*
- 14.2 **Examination area.** Some occasions involve CHA/Importer not presenting goods on time or presenting the same at late hours in the day. Early hours in the day are light and a rush hour is created in later hours of the day. Scheduling of examinations as envisaged with predetermined time slots can lead to better queue management in examinations. If CHA doesn't present goods during scheduled time or has not rescheduled the same, *an enabling legal provision can be made to raise a query or impose late presentation fees.*
- 14.3 **Multiple IGM amendments.** Unique challenge of multiple IGM has been witnessed in ACC, Bangalore since April 2021. The importer/CHA doesn't have the option to file BE with Multiple IGMs. In Aircargo Bangalore, Courier shipments are converted to Cargo. Most of these Courier to Cargo transshipments involve BEs with Multiple IGMs. With the present ICES system, the second IGM is added by the examination officer in the shed. Considering the dynamics of the business, *a provision for filing a BE with multiple IGM online by CHA/importer may be provided.*
- 14.4 **BE re-allocate issue:** In the Import & Export shed, the round the clock nature of the work has required allocation of officers at night and holidays. A unique problem at ICES is that the replies to queries raised by an officer returns back to the ssoid of the same officer irrespective of whether he has the role or not. This leads to a situation where the BE lies unattended until the same is manually re-allotted to officers with said roles, hence adding to dwell time of the BE. Proposal is that *the BE may come in the common queue after query reply if the officer who raised the query does not have the roles allotted.*
- 14.5 **Alert removals:** Scenario involving Alert wherein OOC is disabled at SUP role such as those involving CAROTAR verification, the process involves alert to be removed in ADN role in ICES after verification. Further Alert can be removed only when the BE is in the queue of SUP role (Shed Superintendent) which is a limitation leading to delays. It is recommended that the option for alert removal can be enabled at ACL roles along with BE movement. *The ICES functionality can be made similar to the process of Manual NOC removal for PGAs in ACS role, sl no 12- SW Manual NOC*

(wherein Manual NOC removal arises when the items in BE are out of scope of PGA or when the same is not reflected in the PGA's IT system and the PGA has issued a Manual NOC upon request of CHA/importer.)

14.6 **Manual NOC removal for PGAs.** It is seen that for PGAs like FSSAI and PQ, in some cases, NOC are not reflected in their IT portal. Therefore, the concerned PGA issues a Manual NOC, CHA uploads the same in E-sanchit, and upon verification NOC is removed in ACS role in ICES system. It is recommended that *the resolution of the systemic issue of non-reflection of NOC in PGAs may reduce dwell time of BEs.*

14.7 **BE involving Country of Origin (COO) certificate:** Comparison was made within the category of facilitated BE not involving PGA, of BE with COO requirement and those not involving COO certificate. ART comparison is as below:

ART for specific COO BE - Table 30 (time in hrs)

Category	ART in hours
ART for all BE	54:47
ART for BE of apparel brand that require COO certificate	307:35

It is recommended that Government consider replacing the present framework/arrangement of honouring preferential imports at airport (involving production of physical paper COO certificates and their verification/debiting at time of import) with electronic documentation to achieve paper less clearance.

When Dwell time isn't a concern to importer!

It was observed in certain occasions of electronic imports, that though the OOC was issued by Customs, there were delays either in payment of duty, Gate pass or physical clearance by the importer. Two such regular importers dealing with imports of electronics goods were contacted and they opined that they kept the goods longer in the Customs bonded warehouse as they *greatly outweighed the advantage of safety and non-pilferage of goods in the Customs bonded warehouse over the disadvantages of slight delays and the demurrage incurred in the process.*

15. Tables Summary

Table No.	Table Title	Page No.
Table 1	Target for Imports and exports	4
Table 2	Excluded BE	7
Table 3	Comparison by type of BE (Percentage)	8
Table 4	Comparison of Average Release Time with NTRS 2021	8
Table 5	Distance covered to NTFAP target for Imports	9
Table 6	Fastest vs Slowest BE	9
Table 7	Stage wise Average Release Time	10
Table 8	Stage wise analysis (Duty and Assessment)	10
Table 9	Stage wise analysis (Duty and Assessment)	11
Table 10	Stage wise analysis (No payment of duty)	12
Table 11	Stage wise analysis (Deferred duty Payment)	13
Table 12	Stage wise analysis (Duty payment and Registration)	13
Table 13	Stage wise analysis (Duty payment and Registration)	13
Table 14	Stage wise analysis (Duty payment and OOC)	15
Table 15	ART Comparison by type of BE	16
Table 16	ART Comparison of Advance and Normal BE	17
Table 17	GR to OOC Stage Analysis for RMS BE	17
Table 18	GR to OOC Stage Analysis for Non RMS BE	18
Table 19	Median Release Time	19
Table 20	ART comparison for Examination BE	20
Table 21	Breakup of tracked BE FAC vs NFAC	20
Table 22	ART breakup of Examination BE	20
Table 23	ART for PGAs BE	22
Table 24	PGA wise ART	22
Table 25	Fastest vs Slowest BE	23
Table 26	ART for BE involving Multiple IGM	24
Table 27	Excluded Shipping BE	26
Table 28	Distance covered to NTFAP target and for Exports	27
Table 29	ART comparison for Normal Cargo vs Perishable Cargo	27
Table 30	ART for specific COO BE	30

16. Acronyms

ACC	Air Cargo Complex
NTFAP	National Trade Facilitation Action Plan
AEO	Authorised Economic Operators
PGA	Participating Government Agency
TRS	Time Release Study
NTRS	National Time Release Study
LTRS	Local Time Release Study
BE	Bills of entry
SB	Shipping Bills
RMS	Risk Management System
OOC	Out of Charge
LEO	Let Export Order
ART	Average release time
FTA	Free Trade Agreement
CAROTAR	Customs Administration of Rules of Origin under Trade Agreements
FAG	Faceless Assessment Group
PAG	Port Assessment Group
CCV	Customs Clearance Verification
EOU	Export Oriented Unit
SEZ	Special Economic Zone
AQCS	Animal Quarantine and Certification Service
CDRUG	Controller of Drugs
FSSAI	Food Safety and Standard Authority of India
PQIS	Directorate of Plant Protection, Quarantine and Storage
WCCB	Wildlife Crime Control Bureau
IGM	Import General Manifest
EDI	Electronic Data Interchange
MAWB	Master Airway Bill
CHA	Customs House Agent
COO	Country of Origin

17. Bibilography

1. Data received from NIC team stationed at ACC, Bengaluru
2. Data provided by Custodians at ACC, Bengaluru
3. Data provided by NTRS Cell
4. NTRS team, ACC, Bengaluru.