

# India Considers Mutual Recognition Agreement To Expedite Cargo Clearance Process

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The Customs Commissioners from India's leading ports, namely Jawaharlal Nehru Port and the Mumbai Port shared various digitisation initiatives to expedite the EXIM cargo clearance process at an Open House Meeting organised by WTC Mumbai and All India Association of Industries (AIAI).

"The Jawaharlal Nehru Customs House (JNCH), India's largest customs house in terms of container handling, has initiated the process to introduce Universal Seal Reader (USR) to expedite processing of shipping bills. Such a Universal Seal Reader will streamline the processing of shipping bills by facilitating the paperless process and smooth processing of export cargo. It also has the potential to eliminate the need for registration of self-sealed containers at the customs when they arrive at the Centralised Parking Plaza (CPP)," said Rajesh Pandey, Chief Commissioner of Customs, JNCH, Mumbai Customs Zone – II at the Open House Meeting.

Pandey also said that the JNCH has tasked the Custodian of its Centralised Parking Plaza (CPP) to create a software application for the integration of all the vendors of electronic self-seal, thereby eliminating the need for scanning the different types of electronic seals individually. Further, this is envisaged to be taken forward so that the data of the self-sealed export containers can be automatically integrated with the Customs ICEGATE, he added.

The average time taken by the Indian customs for clearance of import cargo has declined to 85 hours in 2023 because of various digitisation and paperless initiatives undertaken to process import consignments, Pandey informed.

Vivek Pandey, Commissioner (Import- I), Mumbai Customs Zone – I suggested importers opt for the Anonymised Escalation Mechanism (AEM) in case their Bill of Entry is not assessed within 24 hours under the Faceless Assessment system. Importers can also raise their grievances at the Turant Suvidha Kendra to expedite cargo clearance.

RK Singh, Commissioner Zone I, Mumbai informed the trade about the system-driven trade facilitation to importers and exporters accredited under the Authorised Economic Operator (AEO) program. He explained the major incentives given to such accredited importers and exporters, namely deferred payment of Duty, reduced Bank Guarantee, and facilitation of their cargo under the Mutual Recognition Agreement (MRA).

Singh also informed that India has signed MRA with South Korea, Hong Kong, Taiwan and the USA and is in the process of signing similar agreements with other countries like the UK, Malaysia, Indonesia etc. He urged the trade to join the Indian AEO Program to reduce the clearance time and cost and to ease the Trading Across Borders and asked AEO T1 clients to upgrade to AEO T2 to avail higher benefits. Rajesh Pandey Chief Commissioner, JNCH informed that the processing time of AEO application has been substantially reduced and for T2 accredited AEO units, it has been brought to under 100 days.

In his remarks, RK Mishra, Additional Director General of Foreign Trade, DGFT, Mumbai informed that his office has introduced an online mechanism for applying for Export Obligation Discharge Certificate (EODC). Therefore, the need for exporters to visit the DGFT office for this certificate has been reduced to the minimum. Also, the integration of software between DGFT and customs is in place for seamless transfer of shipping bill data. The Mumbai Regional DGFT Authority is constantly in touch with the customs office to address technical glitches, if any, in the transfer of shipping bill details between the two systems. As a result of these steps, in the last few months, the Mumbai DGFT office has doubled the number of EODC issued from 500 per month to 1,000 per month."

Earlier in his welcome remarks, Vijay Kalantri, Chairman, MVIRDC WTC Mumbai suggested, "India needs to streamline customs procedures to attain USD 1 trillion export target by 2030 and USD 5 trillion economy by 2027. The customs authorities may expedite cargo clearance of genuine importers based on their past track records. They should also implement single window clearance in letter and spirit, simplify compliance procedure and reduce cargo dwell time."

Kalantri also called for a predictable foreign trade policy, which avoids frequent bans, restrictions or imposition of duties on exports and imports.

Kalantri suggested that the DGFT and customs authorities may engage with industry frequently through such Open House meetings to address customs-related grievances and facilitate trade.