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Shri Santosh Kumar Sarangi, IAS Director General Directorate General of Foreign Trade

Sub: Request to exclude Air Freighted Items for PIMS Registration under Paper and incorporation of policy condition in Chapter 48 of ITC (S), 2022, Schedule-I (Import Policy)

Respected Sir,

Greetings from MAIT!

At the outset, MAIT takes this opportunity to compliment DGFT for its valuable support and guidance to the electronic industry.

As per notification No 11/2015-2020 Dated 25-05-2022¹, the DGFT amended the import policy from "Free" to "Free subject to compulsory registration under Paper Import Monitoring System (PIMS)" under Chapter 48 of ITS (HS), 2022, Schedule-I (Import Policy) and inserted a new policy condition under this chapter for 201 tariff lines

As per amendment in the Import policy for import of Papers from "Free" to "Free subject to compulsory registration under Paper Import Monitoring System (PIMS)", the importers shall require to submit advance information in an online system for import and obtain an automatic Registration Number by paying a registration fee of Rs.500. Also, the importer can apply for registration not earlier than 75th day and not later than 5th day before the expected date of arrival of import consignment.

In this regard, we would like to draw your kind attention to the challenges faced by the industry while Importing Papers via Air mode. Sir, as you would appreciate that usually urgent orders are imported via air mode with very quick turnaround time, which takes 1 or 2 days to reach India from the rest of the world, thus, it is difficult for an importer to register under PIMS during the stipulated timeline.

Providing details under PIMS for import shipment by air mode may create further delay of clearance in Import shipment via air mode and heavy detention cost to importers and not to mention the delay in delivery of product on time as committed to Vendors.

We would also like to mention here that a similar clarification was issued by CBIC in case of Amendment in Import policy of Iron & Steel vide Circular No. 38/2019-Customs², dated 21st November, 2019, where it was clarified that "SIMS registration will not be applicable on airfreighted goods as this mode is used for emergency/small volume-high value goods required at short notice."

Industry Ask

 In view of the above, we request your good office to exempt the clause for compulsory registration under Paper Import Monitoring System (PIMS) for import of shipment

¹ https://dpiit.gov.in/sites/default/files/Notification_11_-_IMPORT_PAPER_POLICY_2022_06June2022.pdf
² https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2019/Circular-No-38-2019.pdf

- "intended for non-commercial aspects" by Air mode to enable ease of doing business for the industry.
- Also, the intended purpose of PIMS is to monitor and curb the 'Others' category of HSN. However, the time limit to register has been fixed as not earlier than the 75th day and not later than the 5th day before the expected date of arrival of import consignment, which increases the burden to the importer if the registration is missed out. As it is only to monitor the import of paper and other related goods, therefore we request to allow registration at any time before the clearance of the consignment in case of import via "sea mode".

Look forward to your positive consideration of our request.

With regards,

Col. AA Jafri, Retd.

Acting Director General - MAIT