



सत्यमेव जयते

भारत सरकार / GOVERNMENT OF INDIA

पोत परिवहन मंत्रालय / MINISTRY OF SHIPPING

नौवहन महानिदेशालय / DIRECTORATE GENERAL OF SHIPPING

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F. No. MTO-2(1)/2015

Dated : 26.12.16

## **Clarification to DGS Circular No 1 of 2016**

**Sub.: Advisory for bringing in transparency in transaction costs in EXIM trade- Clarification-reg.**

Whereas an advisory was issued by the DGS vide its Circular No 1 of 2016 dtd 7.9.2016 which aimed to redress the grievances of the EXIM traders regarding the lack of transparency and the arbitrariness of the transaction charges;

2. Whereas representations were received from various stakeholders seeking clarifications regarding the said advisory;

3. Whereas a meeting was held in the office of the DGS on 29.11.2016 and the issues emerging from the Advisory were discussed with the stakeholders;

4. Now, therefore, after detailed consultation with the stakeholders and the consensus emerging therein, following clarifications are issued in respect of the said Advisory:

**4.1 Winter Season Surcharge :** These charges are leviable only when peculiar geographical conditions at ports in West Bengal reduce the river draft leading to the destabilization of the load factor. Such a charge may be levied with prior declaration by the Shipping Line to the EXIM trader.

**4.2 Survey Charges :** These charges are leviable only if it is established by way of survey that the damage was caused by the Shipper.

**4.3 Lo Lo Charges (Lift On Lift Off Charges) and Empty Yard Offloading Charges :** It is seen that Shipping Lines charge Lo Lo charges while Yards charge Empty Offloading charges for the same activity leading to duplication of the charge. Therefore, only one of these charges is leviable.

**4.4 Vessel Traffic Charges :** These charges are not leviable except in cases of ports falling within the purview of Gujarat Maritime Board.

**4.5 Container Monitoring Charges:** These charges are not leviable except in case of refrigerated containers.

**4.6 E.N.S Charges:** These charges are ordinarily not leviable. However, these can be levied only for exports in case of countries where advance custom manifest has been made mandatory by the country of origin.

**4.7 Late Delivery Order release Charges:** These charges are not leviable.

**4.8 D.O. Revalidation Charges:** It is the considered view of the DGS that at times D.O expires due to restrictions imposed by the traffic authorities on the movement of heavy vehicular traffic in metro cities like Mumbai and Delhi. Heavy vehicles are allowed to operate only from 23:00 hrs to 8:00 hrs while the D.O expires at 24:00 hrs. Under such circumstances, charges levied under this head may not be imposed. However, in other cases, D.O Revalidation charges may be imposed at rates disclosed on the website.

**4.9 Empty Return at Different Port Charges:** These charges are not leviable if the Importer is asked by the Shipping Line to deliver the container at a depot other than the designated one.

**4.10 Inland Haulage Charges (IHC):** In case of Direct Port Delivery (DPD) contracts, Importers shall pay directly to the Rail Operator or Port Operators as the case may be and in such cases, Shipping Lines shall not levy IHC.

**4.11 Terminal Handling Charges (THC):** In case of Direct Port Delivery (DPD) contracts, Importers shall pay directly to the Port Operators and in such cases, Shipping Lines shall not levy IHC.

**4.12 Change of Destination (COD) Charges:** These charges are not leviable if the request for the change of destination is received prior to the filing of the IGM. Further, these charges are also not leviable if Shipping Line does not incur any extra charges on account of the change of destination.

5. Stakeholders are also advised that no new charges should be levied or the charges held as not leviable in this Advisory should not be re-introduced with a different nomenclature.

6. This issues with the approval of the Director General of Shipping, and the Additional Secretary to the Govt of India.

  
Vatsalya Saxena 26/12/2016

Deputy Director General of Shipping(MTO)

To;

1. All the stakeholders concerned, through the official website of the DGS, Gol.
2. Member [Customs] & Special Secretary to the Govt. of India, Central Board of Excise & Customs, Department of Revenue, Ministry of Finance, North Block, Central

Secretariat, New Delhi-110001, with a request to please arrange to disseminate this order amongst all the field formations concerned under the CBEC, GoI.

3. Chairmen of all major & non-major ports.
4. MD & CEO, Indian Ports Association / Indian Private Ports & Terminals Association.
5. CEOs of all State Maritime Boards & Secretaries [Shipping] of all Maritime States/Union Territories.
6. CEO, Indian National Ship-owners Association [INSA], Mumbai.
7. President, ICC Shipping Association [ICCSA], Mumbai.

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