

The Federation of Pakistan Chambers of Commerce & Industry – Karachi

Central Standing Committee on: Shipping Affairs

Minutes of the Meeting

Title:	1 st meeting of FPCCI Central SC on Shipping Affairs		Meeting Date:	22.04.2024
Meeting Time	3:00 pm	Meeting Began:	3:00 pm	Meeting Ended: 4:00 pm
Venue:	Sardar Yasin Malik Room B2		Issue Date:	30.04.2024
Convened by:	Mr. Aasim Siddiqui, Convener of the Committee		Status (Draft / Final)	Final
Concerned VP			Attended (Yes/No)	-
Minutes Recorded by:	Mr. Irfan Hussain, Manager (Coordination Wing)		Signature	-
Attendees:	<ol style="list-style-type: none"> 1. Mr. Aasim A. Siddiqui, Convener of the Committee 2. Mr. Imran Bawani, Member 3. Mr. Naved Nab, Member 4. Capt. Farrukh, Member 5. Capt. Zaheer, SG of APSA 6. Mr. Abid Aziz, Member 7. Mr. Raheel Monis, Member 8. Mr. Kashif Waheed, Member 9. Mr. Asad R. Chandha, Member 10. Mr. Farrukh S. Ansari, Member 11. Mr. Taha Paracha, Member 12. Ms. Samar Waqas 13. Mr. Salahuddin Khoro, Member 14. Mr. Irfan Hussain, Manager (Coordination Wing) FPCCI 			
Agenda of the meeting:	<ul style="list-style-type: none"> • Opening remarks by Mr. Aasim A. Siddiqui, Convener of the Committee • Introduction of Members of the Committee • Custom letter for audit and other information • Letter from KPT and asking provision of information/documents from our various senior members • Advisory from customs for violating Custom Rule 665 1(p) & 661 1(r) which may lead to suspension/revocation of license and previous judgment of High Court • To discuss meeting request from Karachi Chamber of Commerce, KCCA and PIFFA • To discuss various training to be identified and to be given for the Shipping Industry • Any other matter • 			



PROCEEDINGS ON THE AGENDA ITEMS:

The meeting commenced with recitation of Holy Quran.

Agenda #	Agenda Item	Discussions	Action to be taken
1	Opening remarks by Mr. Aasim A. Siddiqui Convener of the Committee	<ul style="list-style-type: none"> • Mr. Aasim thanked all the members, for their participation in the committee of the FPCCI. • The convener emphasized the need for collaboration between the associations and the federation to address emerging issues effectively. They acknowledge the importance of engaging the entire business community and relevant stakeholders through their platform to garner support. 	-

		<p>Despite previous reservations regarding the federation's effectiveness, the speaker expresses gratitude for being entrusted with a leadership role. They stressed the importance of using the federation to address government-related concerns, while also highlighting the ongoing work of the All Pakistan Shipping Association (APSA).</p>	
2	Introduction of Members of the Committee	<ul style="list-style-type: none"> By the permission of the Chair, each participant introduced himself briefly, stating his name, designation, and role within the organization. This allowed everyone to become familiar with one another and establish a good coordination. 	-
3.	Address of Mr. Aman Paracha, Vice President FPCCI	<p>Mr. Aman Paracha, Vice President of FPCCI joined the meeting and introduced himself and congratulated Mr. Aasim A. Siddiqui. He then raised concerns about the escalating charges for delivery orders and the difficulty of receiving payments in Pakistani rupees despite transactions being conducted in dollars. Mr. Aman Paracha, VP FPCCI pointed out discrepancies in exchange rates and expressed frustration over its impact on operational costs. However, Mr. Paracha highlighted significant deviations from the bank rate, suggesting potential issues with the exchange rate mechanism.</p> <p>Additionally, Mr. Paracha brought up the issue of having to pay detention and demurrage charges even on government-announced holidays when banking services are unavailable, highlighting the logistical challenges faced by the company during such periods. He assured that FPCCI will assist in all matters with State Bank of Pakistan.</p>	<p>Mr. Aasim clarified the company's use of a dollar-denominated rate for payment, which is remit table.</p> <p>Mr. Aasim acknowledged these concerns, attributing such practices to forwarders in the industry.</p>

		Mr. Aman Paracha, VP FPCCI, raised following issues , discrepancies in ex rate + All local charges in USD + D&D exempted from Gazetted holiday not week end.	Mr. Asim clarified about ex rates + local charges, discussing with members for D&D mechanism for gazetted holidays.
4.	Custom letter for audit and other information	<p>Mr. Aasim briefed about a letter issued by Customs.</p> <p>In APSA only Port Link and Marine services got Custom Audit letter.</p> <p>In PIFFA (Pakistan International Freight Forwarders Association), Many members have received the letter.</p> <p>In PSAA (Pakistan Ship Agent Association), 4 members have received the letter, including GreenPak.</p> <ul style="list-style-type: none"> The discussion is likely about how to address this issue and its implications for the associations and their members, while those who received notices have obtained stay orders. In the APSA meeting, we decided that if someone has a personal inquiry from custom or from audit department, we won't get involved, but if it's a general issue across the industry, then APSA will get involved. As per Captain Ibraheem Zaheer Khan, We took precautions and had our legal consultant Aga Zafar advice, he drafted a letter for us, which we submitted. The customs got reluctant, saying that we just issued the letter and you have taken the legal action against it. We told them that you are asking for unnecessary documents, but Custom said that we are authorized by the government or audit department to investigate. Mr. Aasim added If there is a genuine investigation, or if customs generalizes it, then we will take it up accordingly. 	
5.	Letter from KPT and asking provision of	<ul style="list-style-type: none"> Mr. Aasim addressed that we received a letter from KPT asking 	

	<p>information/documents from our various senior members</p>	<p>information/ documents for which we had asked for an extension, but they didn't grant it. As a result, the association asked its members to voluntarily provide the required information if they have it and are comfortable sharing it. He advised Captain Zaheer Khan to visit along with 2,3 members of APSA., especially, Vice Chairman Mr. Tahir.</p>	
	<p>Advisory from customs for violating Custom Rule 665 1(p) & 661 1(r) which may lead to suspension/revocation of license and previous judgment of High Court</p>	<p>Mr. Aasim Siddiqui initiated the discussion by highlighting an ongoing issue (Custom Rule 665 1 (p) & 665 1 (r) regarding the 2022 tariff (SRO) that has not been properly gone through the rules. Despite multiple attempts to arrange a meeting, no progress has been made in this regard. Mr. Aasim emphasized the importance of addressing this matter promptly.</p> <p>He suggested verifying whether the public tariff is available on the website. If it is, no further action is required. However, if the tariff is not accessible online, it is imperative to escalate the issue to the next person in charge for resolution.</p> <p>The conversation also emphasized the significance of adhering to customs regulations and ensuring the timely publication of tariffs on respective websites. Mr. Aasim proposed sending an email advisory to members, reminding them to comply with these regulations.</p> <p>For this we need to:</p> <ol style="list-style-type: none"> a. Verify the availability of the public tariff on the website. If not available, escalate the issue to the next person in charge. 	

		<p>b. Draft an email advisory reminding members to publish tariffs on their websites in accordance with customs regulations.</p> <p>c. Send the email advisory to members and attach a copy to customs, affirming compliance with regulations.</p> <p>d. Share the advisory in the WhatsApp group for wider dissemination.</p>	
6.	To discuss meeting request from Karachi Chamber of Commerce, KCCA and PIFFA	<ul style="list-style-type: none"> Mr. Aasim Siddiqui initiated a discussion regarding an upcoming meeting with the Karachi Chamber of Commerce (KCCI), where custom agents hold significant influence. He expressed concerns that our side's narrative is not adequately heard in such forums. He emphasized the need to assert our position as representatives of foreign international reputable shipping companies and terminal operators, committed to adopting best practices. <p>Regarding the email matter suggested to APSA, it was agreed to inform members about our compliance with customs regulations and share this information with both customs authorities and the Karachi Chamber of Commerce. The email content was reviewed and approved for dissemination.</p> <p>He proposed reverting to a previous practice of taking a container detention deposit instead of re-invoicing to address issues with customs agents. This approach aims to streamline the process and prevent unnecessary invoicing.</p> <p>For the above point, we would like to:</p>	

		<ul style="list-style-type: none"> a. Arrange a meeting with the President of KCCI. Seek an appointment with either the Chamber's President or Vice President. Contact Mr. Younus Soomro, who oversees all affairs related to the Karachi Chamber, to facilitate coordination and ensure a fruitful discussion. b. Send the email to APSA members informing them of compliance with customs regulations and sharing the information with customs authorities and the Karachi Chamber of Commerce. c. Develop a policy for handling container detention charges, including the procedure for taking deposits and invoicing if payment is not received within three days. d. Implement the agreed-upon policy and communicate it to relevant stakeholders. e. Schedule the meeting with the Karachi Chamber of Commerce and prepare talking points to assert our position effectively. <p>1. As for PIFFA, we'll deal with their issues separately as they are already in touch with us.</p>	
7.	To discuss various training to be identified and to be given for the Shipping Industry	<ul style="list-style-type: none"> • Captain Zaheer emphasized on the importance of training and capacity building for the association's members, particularly in areas related to fraud prevention and detection in shipping and documentation (BL). This suggests that the association wants to enhance its members' skills and knowledge to tackle fraudulent activities and minimize risks. He will send further email to members to advise the topics. 	

<p>8.</p>	<p>Any other item: To expedite the implementation of Electronic / Digital Bill of Ladings mechanism in order to facilitate the trade and reduce delays/ cost of doing business.</p>	<p>Mr. Aasim Siddiqui highlighted the global trend of adopting electronic bills of lading (BL) due to the increasing digitization of documentation processes. However, he expressed concern over the State Bank's reluctance to accept EBL, insisting on printed bills of lading. He emphasized that while the rest of the world has transitioned to eBL, the outdated requirement for printed bills of lading hampers efficiency and adds unnecessary paperwork to the logistics process.</p> <p>For the provision of the eBL, we need to;</p> <ul style="list-style-type: none"> • Communicate and send further letter to the State Bank urging them to accept electronic bills of lading and cease challenging their validity. • Explore the possibility of arranging a meeting with representatives from the State Bank to discuss the feasibility and benefits of adopting EBL. <p>MBL /HBL issue</p> <p>Mr. Imran Bawani raise the issue which other members also support the views to " IFF /FFW responsible for the OBLs issued by Them at origin / Destination " whereas , at the stage , mainly Import to Pakistan – whether lines to recovery forwarders OBL/negotiable BL</p> <p>Short Detail: presently shipping practice prevalent in Pakistan. Shipping lines require forwarders OBL/negotiable BL to surrender before releasing delivery orders (DO) whereas the line's BL is surrendered at origin/network of line, the Question here is "why</p>	
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9.	<p>To discuss the alternate options for Franking Machine used for BLs. Like electronic / digital solution. The stamping fees can be paid via online basis BLs issued like Sales tax paid monthly via PSIDs</p>	<p>The matter was discussed where if there is a strike or any unexpected holidays in the city, they faces issues in obtaining the Original BL since all the offices, banks are closed and franking machines cannot be loaded.</p> <p>Mr. Aman Paracha, Vice President of FPCCI joined the meeting and introduced himself and congratulated Mr. Aasim. He then raised concerns about the escalating charges for delivery orders and the difficulty of receiving payments in Pakistani rupees despite transactions being conducted in dollars. Mr. Paracha pointed out discrepancies in exchange rates and expressed frustration over its impact on operational costs. Mr. Aasim clarified the company's use of a dollar-denominated rate for payment, which is remit table. However, Mr. Paracha highlighted significant deviations from the bank rate, suggesting potential issues with the exchange rate mechanism. Mr. Aasim acknowledged these concerns, attributing such practices to forwarders in the industry. Additionally, Mr. Paracha brought up the issue of having to pay detention and demurrage charges even on government-announced holidays when banking services are unavailable, highlighting the logistical challenges faced by the company during such periods. He assured that FPCCI will assist in all matters with State Bank of Pakistan.</p> <p>After introduction of Aman Paracha , raised following issues , discrepancies in ex rate + All local charges in USD + D&D exempted from Gazette holiday not week end , Mr. Aasim clarified about ex rates +</p>	

		local charges , discussing with members for D&D mechanism for gazette holidays.	
5.	Conclusion	<i>The meeting ended with Aman Paracha saying that we need to communicate and sit together to resolve issues. Mr. Paracha will instruct his colleague to attend meetings and highlight issues, and thanked Convener for today's meeting.</i>	