



A Study On Problems Faced By Customs Clearance Agency With Reference To Act Link Logistics (P) Limited

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ABSTRACT

Customs clearance is a necessary procedure before goods can be imported or exported internationally. If a shipment is cleared, then the shipper will provide documentation confirming customs duties that are paid and the shipment can be processed. Every imported goods should paid the customs duty. Customs duty is a kind of an indirect tax that is imposed on every imported goods. For example last week also we import Tractor tyre from sri lanka so that tyres having some percentage of tariff, so we paid that customs tariff. And also these goods coming under HS code. Once cleared, the shipper is provided with a document that confirms that all customs duties have been paid

and that the shipment of goods may proceed. A freight forwarder will usually handle the customs clearance process, but you may also choose to hire a customs broker.

KEYWORDS

Customs Clearance, Customs Duties, Documentation, Customs Tariff, Freight Forwarder

INTRODUCTION

Customs clearance is the act of taking goods through the customs authority to facilitate the movement of cargo into a country (**import**) and outside the country (**export**). Also, the customs clearance means a document issued by the customs authority to a shipper indicating that all duties have been paid and the shipper's goods is cleared for export.

Freight Forwarders who coordinate the international transportation also provide customs clearance services to the clients. The activity is called **customs brokerage**. Customs clearance work involves preparation and submission of documentations required to facilitate export or imports into the country,



representing client during customs examination, assessment, payment of duty and co taking delivery of cargo from customs after clearance along with documents. Customs clearance agents are also called Carrying and Forwarding agents. They are registered and licensed by Customs to operate. Their role is limited to acting on behalf of and representing clients as third party agencies engaged in customs clearance.

Customs Agents are linked through **EDI** with customs in most of the countries and use documentation software to facilitate entire process.

Cargo imported into the country from any point of entry is warehoused at **Customs bonded area under customs jurisdiction** until it is released after clearance.

Trade facilitation operation is performed at different environments. The efficiency of these environments significantly either retards or hastens the movement of border crossing goods. Countries those attempted to improve the environments where trade facilitation can undertake significantly benefited from the movement of border crossing goods.

OBJECTIVES OF THE STUDY

1. To study the basic information about clearing and forwarding agents in Chennai.
2. To analyze the influence of experience on various types of problems faced by clearing and forwarding agents
3. To find out major problem faced by customs clearance agency.
4. To suggest effective measure for the problem identified by the customs clearance.

Hypothesis

1. There is significance among explanatory variables of cost for importers.
2. There is a correlation between cost and time of customs procedures.
3. There is significance among the costs of imports of customs procedure for importers.
4. There is significance among mean time of import customs procedures for importer

SCOPE OF THE STUDY

1. Identifying the needs of stevedoring in shipping and importance of cargo handling while loading and unloading.



- Identify importance of equipment's and labour to handle the cargo.
- The foreign trade policy that changes after every five years also has the impact of the working of import and export.
- Here we can understand that how the CHA customs House Agents and the co leaders are interrelated to each other.
- Suggest that the nature of cargo and reducing the damages which causes by cargo.

GENDER	Number of Respondent	PERCENTAGE
Male	21	52.6 %
Female	19	47.4 %
Total	40	100%

Interpretation

It is interpreted from above chart that; maximum number of respondents are male of about 52.6 and 47.4% are female.

Showing the age

S.no	Age category	Percentage
1	18-30	57.9%
2	30-58	42.1%
Total		100%

LIMITATION OF THE STUDY

- The studies were restricted to collect the information as they were busy by shipment.
- Short span of time was another limiting factor for conduction the survey from the respondents.
- This result will be valid to particular time period only because the act and regulation might change in future.
- Sometime respondents have fear with top level management to give their own options.
- Limitation of time.

Interpretation

It is interpreted from above chart that maximum numbers of respondents are 18-30 age category of about 57.9% and 42.1% are 30-58 age category.

Qualification

S.no	Particulars	Percentage
1	SSLC	3
2	HSC	1
3	Diplomo	20
4	Undergraduate	26
5	Postgraduate	50
Total		100%

Interpretation

It is interpreted from above chart that maximum number of respondents are Post Graduates that is 50%, 26% are

DATA ANALYSIS AND INTERPRETATION

Percentage analysis Showing the gender



Undergraduate, 20% are Diploma, 3% are SSLC 1% are HSE.

11.8% say that those who are undergraduate.

Initial Capital Investment

S.no	Particulars	Percentage
1	Less than 5 lakhs	50.0
2	More than 10 lakhs	44.4
3	5-10 lakhs	5.6
Total		100

Interpretation

It is interpreted from above chart that maximum number of respondents saying that the initial capital investment of their company is less than 5 lakhs that is 50.0% more than 10 Lakhs 44.4% 5-10 Lakhs 5.6%.

Licensed Clearing Agents

S.no	Particulars	Percentage
1	Undergraduate	11.8
2	Pass H card	47.1
3	Experience in Customs Clearance	41.2
Total		100

Interpretation

It is interpreted from above chart that maximum no of respondents say that those who pass H card can become a Licensed clearing agent that is 47.1% about 41.2% say that those who are experience in customs clearance about

Problems in CFS Operations

S.No	Particulars	Percentage
1	Cargo inspection	15
2	Let export order	12
3	Shipping bill filing	45
4	Gate pass	23
5	Others	5
	Total	100

Interpretation

In this observation 45 percentage people said they are having problem shipping bill filing, 23 percentage people said gate pass.

Area wise Problems faced by agents

S.No	Particulars	Percentage
1	Import	33
2	Export	27
3	Both	40
	Total	100

Interpretation:

In this study 40 percentage people facing problem in import and export, 33 percentage people facing problem in import.

Problems do you face Certification

S.No	Particulars	Percentage
1	Bill of entry	20
2	Certification	18
3	Fumigation	27
4	All the above	35
	Total	100

Interpretation



For the question 35 percentage of people answered for the option all the above that means they are facing problem in bill of entry, certification, fumigation, 28 percentage people said facing problem in fumigation.

Annual Export and Import for Sea Shipment

S.no	Particulars	Percentage
1	500-1000	32.1
2	More than 1000	50.9
3	Less than 500	17.0
Total		100

Interpretation

It is interpreted from above chart that maximum no of respondents say that their annual export import shipment is more than 1000 that is 50.9%, 32.1% of respondents say that 500-1000, 17.0% of respondents say that less than 500.

Annual Export and Import for Air Shipment

S.no	Particulars	Percentage
1	100-500	5.3
2	More than 500	63.2
3	Less than 100	31.6
Total		100

Interpretation

It is interpreted from above chart that maximum no of respondents say that annual export and import for air shipment for their company is more than

500 that is 63.2% , less than 100 that is 31.6% 100-500 that is 5.3%.

Mode of Transports

S.no	Particulars	Percentage
1	Sea	50.0
2	Air	16.7
3	Multimodel	33.3
Total		100

Interpretation

It is interpreted from above chart that maximum no of respondents say that Sea transport is mostly used for shipment that is 50% , Multimodal transport is used by 33.3% ,Air transport is used by 16.7%.

Showing that Role of Clearing Agent is Difficult

S.no	Particulars	Percentage
1	Agree	5.6
2	Strongly agree	55.6
3	Neutral	5.6
4	disagree	11.1
5	Strongly disagree	22.2
Total		100

Interpretation

It is interpreted from above chart that maximum no of respondents Agree that role of clearing agent is difficult 55.6% , Strongly Disagreed by 22.6%, Disagreed by 11.1% , Agreed by 5.6% Neutral Response by 5.6%.

Clearing Agents Responsibilities



S.no	Particulars	Percentage
1	Yes	22.6
2	No	45.3
3	May be	32.1
Total		100

the liability of LCL cargos get damage, and 33 percentage of answered CHA

CONCLUSION

Interpretation

It is interpreted from above chart that maximum no of respondents say No that the clearing agents are responsible for damaged goods 45.3% and 32.1% have responded may be 22.6% have responded yes.

Hence by implementing the suggestion given, the major difficulties in customs clearance of import and export in CFS can be reduced. Thus the customers can be satisfied with the various process and procedures in CFS. Only once when the customer and the CFS coordinate among themselves they could finish the procedure of customs clearance without any difficulties. All the activities of customs clearance which is done by CHA has to be done in a systematic procedure to make the customers satisfied for their clearance of goods.

Liability of container in FCL shipment

S.No	Liability of container in FCL shipment	Percentage
1	Shipper	20
2	CHA	22
3	Steamer agent	30
4	Forwarder	28
Total		100

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Interpretation:

In this study 30 percentage people said their liability of mis routing for FCL shipment steamer agent, 28 percentage people said their liability with forwarded

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Liability of LCL cargos get damage

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S.No	Liability of LCL cargos get damage	Percentage
1	Consolidator	17
2	CHA	33
3	Shipper	35
4	Steamer agent	15
Total		100

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Interpretation:

In this observation 35 percentage respondents said that shipper will take



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