Performance Management in Customs

ACHIEVING EXCELLENCE
Achieving Excellence framework

TRADE FACILITATION AND SECURITY
- Modernised procedures
- Enhanced Use of ICT
- Single Window & CBM
- AEO

FAIR AND EFFECTIVE REVENUE COLLECTION
- Classification
- Valuation
- Origin
- Advance Ruling
- PCA

PROTECTION OF SOCIETY
- Risk Management
- Preventive Infrastructure
- Anti-smuggling Operations
- Passenger Control

INSTITUTIONAL AND HUMAN RESOURCE DEVELOPMENT
- Strategic Planning
- HR Policies
- Training/Skill Development
- Preventive Vigilance

Performance Indicators
 Reform – Perform – Transform
A Journey towards achieving excellence

✓ Brought cargo release time as centre of focus in addition to Revenue Collection
✓ Enhanced process efficiency by implementing several modernised procedures
✓ Renewed and intensive focus on Digital Customs - New Investment into IT Infrastructure and Applications – Technology Refresh
✓ Better coordination amongst various stakeholders in the border clearance ecosystem
✓ Extensive outreach, perception survey and capacity building efforts
Indian Customs - Main Initiatives

- Single Window (SWIFT)
- Coordinated Border Management
- Revamped AEO
- Trade Facilitation Agreement

Move to paperless environment
Network with other Customs Administrations

Training and Communication strategy
Introduced Customs Single window - SWIFT

SWIFT

Importers
Exporters
CHAs

Banks
RBI

Airlines
Shipping lines
Freight Forwarders

Ports, Airports
Air cargo complexes
ICD/CFS

Other Government Agencies

Other Customs Administrations

24/7 integrated system
Single Window – Partner Government Agencies

Key drivers:
• Competency based specialization
• Advances in information technology
• Integrated Risk Assessment driven targeting with fewer interdictions
• Eliminate redundancies and maximize resource use
Coordinated Border Management

Customs Clearance Facilitation Committees
- Customs-led Standing/permanent interagency bodies
- Local and National levels

Delegation of authority to Customs by other government agencies, wherever feasible

Integrated Risk Assessment
- Customs to manage automated selectivity criteria for Participating Government Agencies

Integrated time release studies

Integrated Check Posts
Revamped AEO - Essential features

- Legal compliance norms rationalized
- Substantial benefits have been provided
- Open to all economic operators, low threshold
- Mutual Recognition Agreements
- Three Tier scheme as opposed to One earlier
- Special conditions of SME/MSME’s to be taken into account
- Proven compliance trusted and rewarded
In India, a three-tier mechanism for implementation envisaged:

- **National Committee on Trade Facilitation (NCTF)** to be chaired by Cabinet Secretary
- **Steering Committee** to be chaired by Member (Customs), CBEC
- **Ad-hoc Working Groups** to assist with specific provisions.

NCTF would approve an annual implementation plan as well as an outreach feedback program.
Collaboration between Central and State tax systems to combat fraud and tax evasion

Customs – Tax Cooperation – GST Implementation
Managed by the Private Sector: Example of Customs – Business Partnership

Polled around 40,000 entities including individual business, Industry Associations, Tax law fraternity and consultants

Feedback ranged from
- legal and procedural hurdles in Customs – refunds, delays in matters of dispute resolution
- areas which need infusion of information and detection technology
- behavioral / attitudinal challenges of officers
- wish list of trade and industry in Customs
Focus on Delivery of Services

Control based approach

Shift in perception about Taxpayer to promote voluntary compliance

Trust based approach

Strategy for Service Delivery - Keep PACE with all Stakeholders

Publicity  Assistance  Communication  Education

Compliant  Fence sitters  Non - Compliant
Indian Customs – Trajectory of growth

- EDI System (1996)
- Self Assessment Regime (2011)
- Single Window (2016)
Performance Indicator - WEF Global Competitiveness Report

Rank and Score of Indian Customs

Higher the Score – Higher the Competitiveness

Lower the Rank – Higher the Competitiveness
Performance Indicator - LPI Rank and Score of Indian Customs

Lower the Rank – Higher the Performance

Higher the Score – Higher the Performance
The woods are lovely, dark and deep. But I have promises to keep, and miles to go before I sleep.

~ Robert Frost
Thank You