



# Performance Management in Customs

ACHIEVING EXCELLENCE



# Achieving Excellence framework

- ✓ Modernised procedures
- ✓ Enhanced Use of ICT
- ✓ Single Window & CBM
- ✓ AEO

TRADE  
FACILITATION  
AND SECURITY

FAIR AND  
EFFECTIVE  
REVENUE  
COLLECTION

- ✓ Classification
- ✓ Valuation
- ✓ Origin
- ✓ Advance Ruling
- ✓ PCA

- ✓ Risk Management
- ✓ Preventive Infrastructure
- ✓ Anti-smuggling Operations
- ✓ Passenger Control

PROTECTION  
OF SOCIETY

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

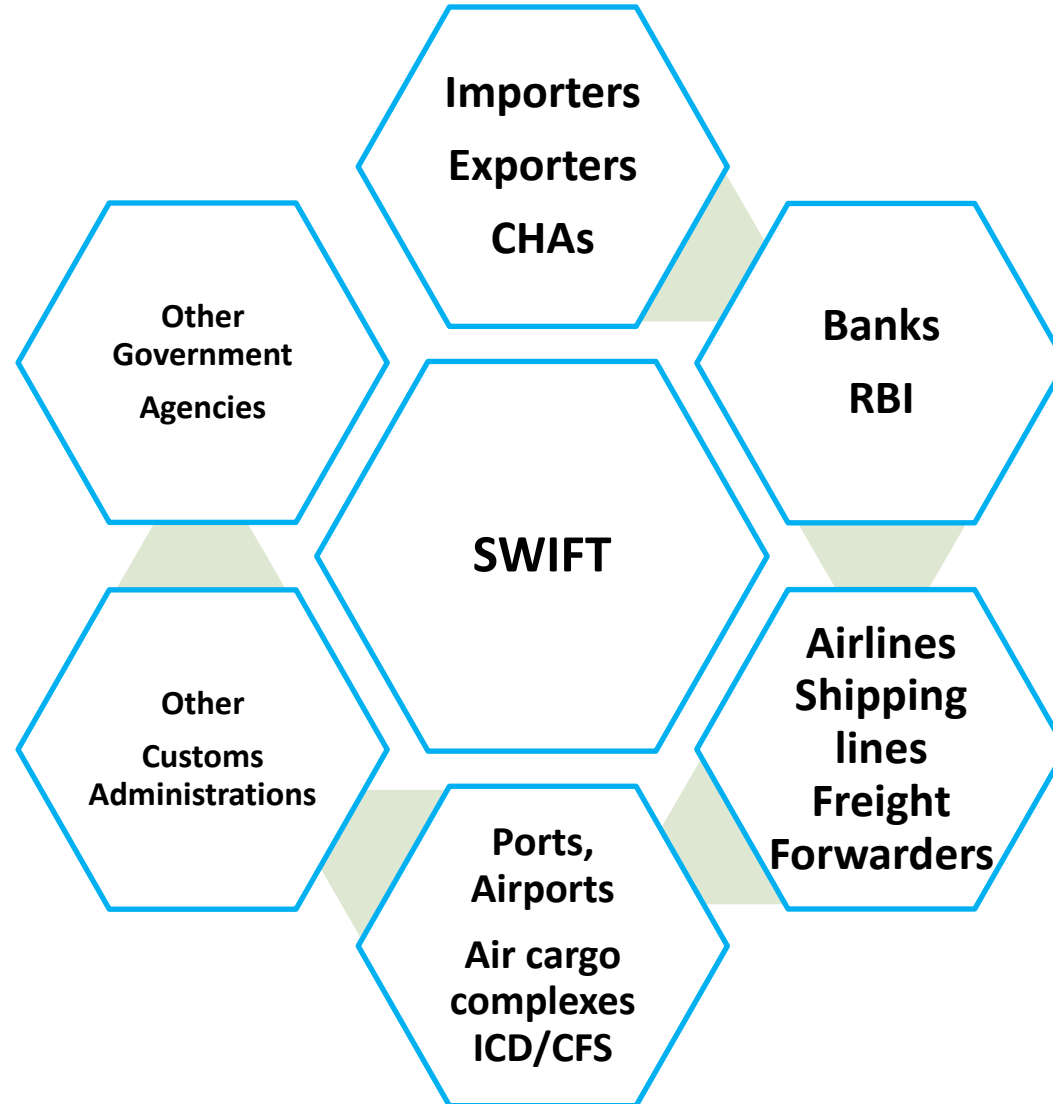
Trade Facilitation Agreement

Move to paperless environment  
Network with other Customs Administrations

Training and Communication strategy



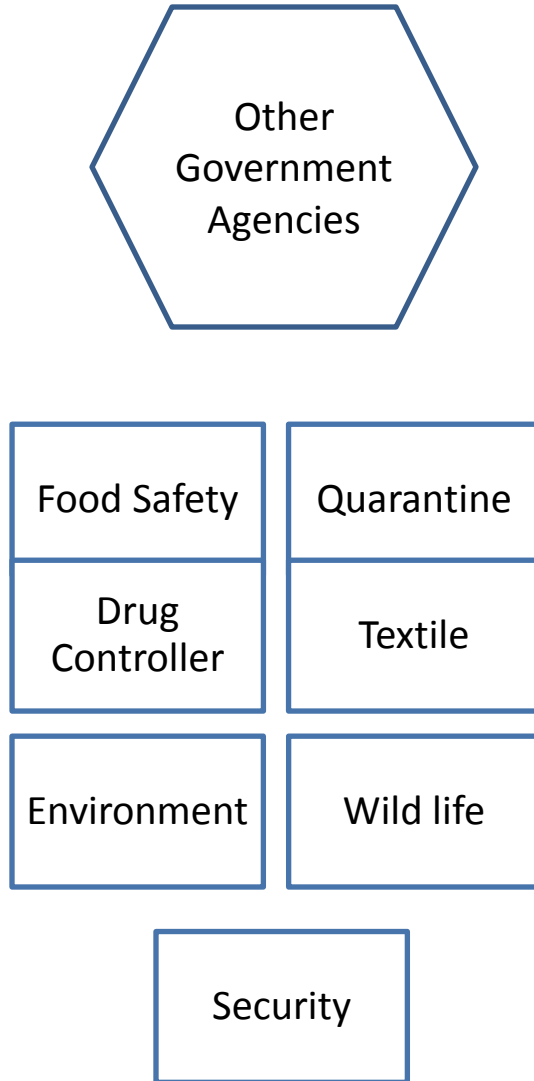
# Introduced Customs Single window - SWIFT



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

24/7 integrated system



# 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



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**Legal compliance norms rationalized**

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**Substantial benefits have been provided**

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**Open to all economic operators, low threshold**

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**Mutual Recognition Agreements**

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**Three Tier scheme as opposed to One earlier**

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**Special conditions of SME/MSME's to be taken into account**

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**Proven compliance trusted and rewarded**





# TFA Implementation

## Setting up of Institutional Mechanism - NCTF

In India, a three-tier mechanism for implementation envisaged:

**National Committee on Trade Facilitation (NCTF) to be chaired by Cabinet Secretary**

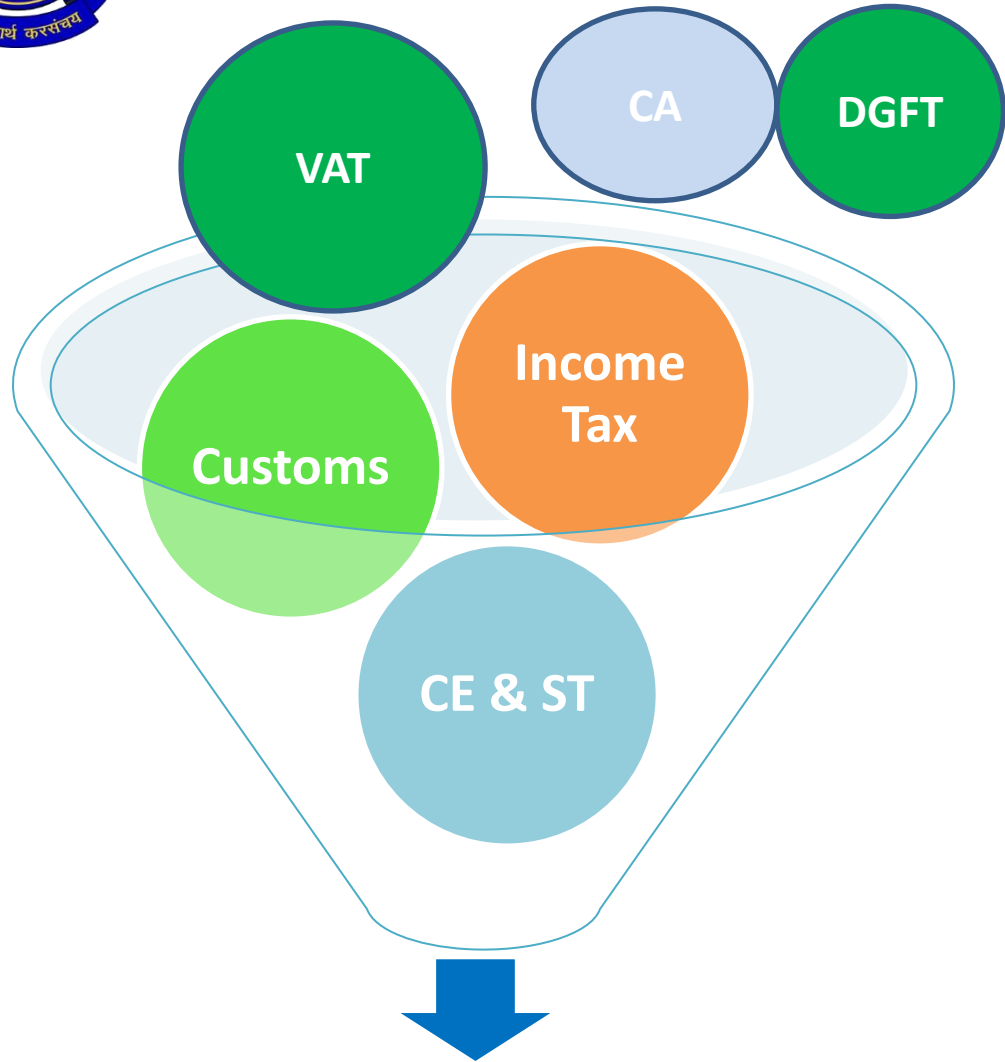
**Steering Committee to be chaired by Member (Customs), CBEC**

**Ad-hoc Working Groups to assist with specific provisions.**

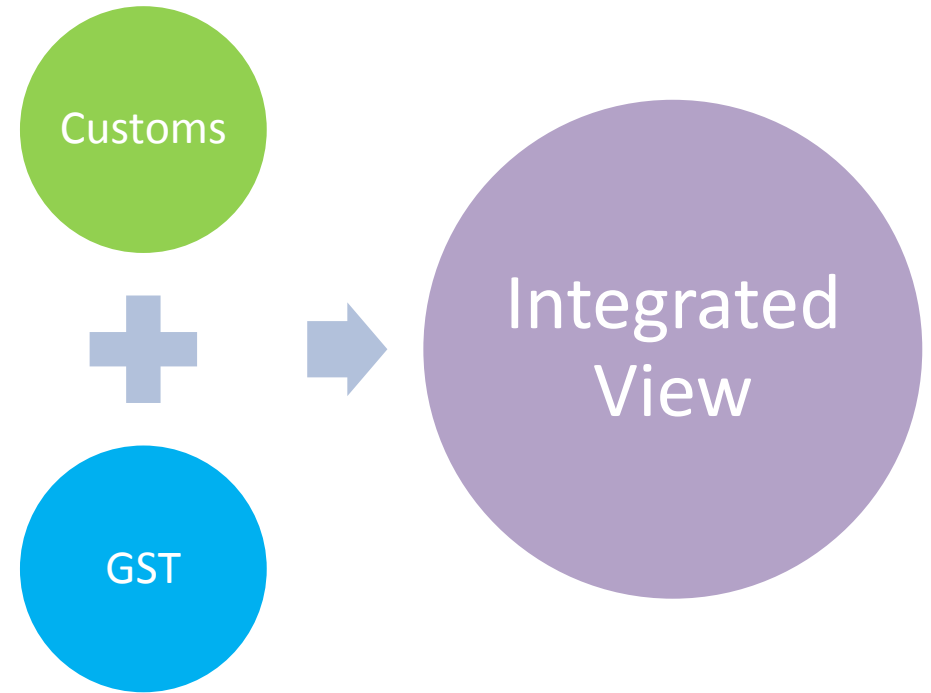
NCTF would approve an annual implementation plan as well as an outreach feedback program



# Customs – Tax Cooperation – GST Implementation



**Collaboration between Central and State tax systems to combat fraud and tax evasion**





# Indian Customs – Perception Survey by KPMG

- 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

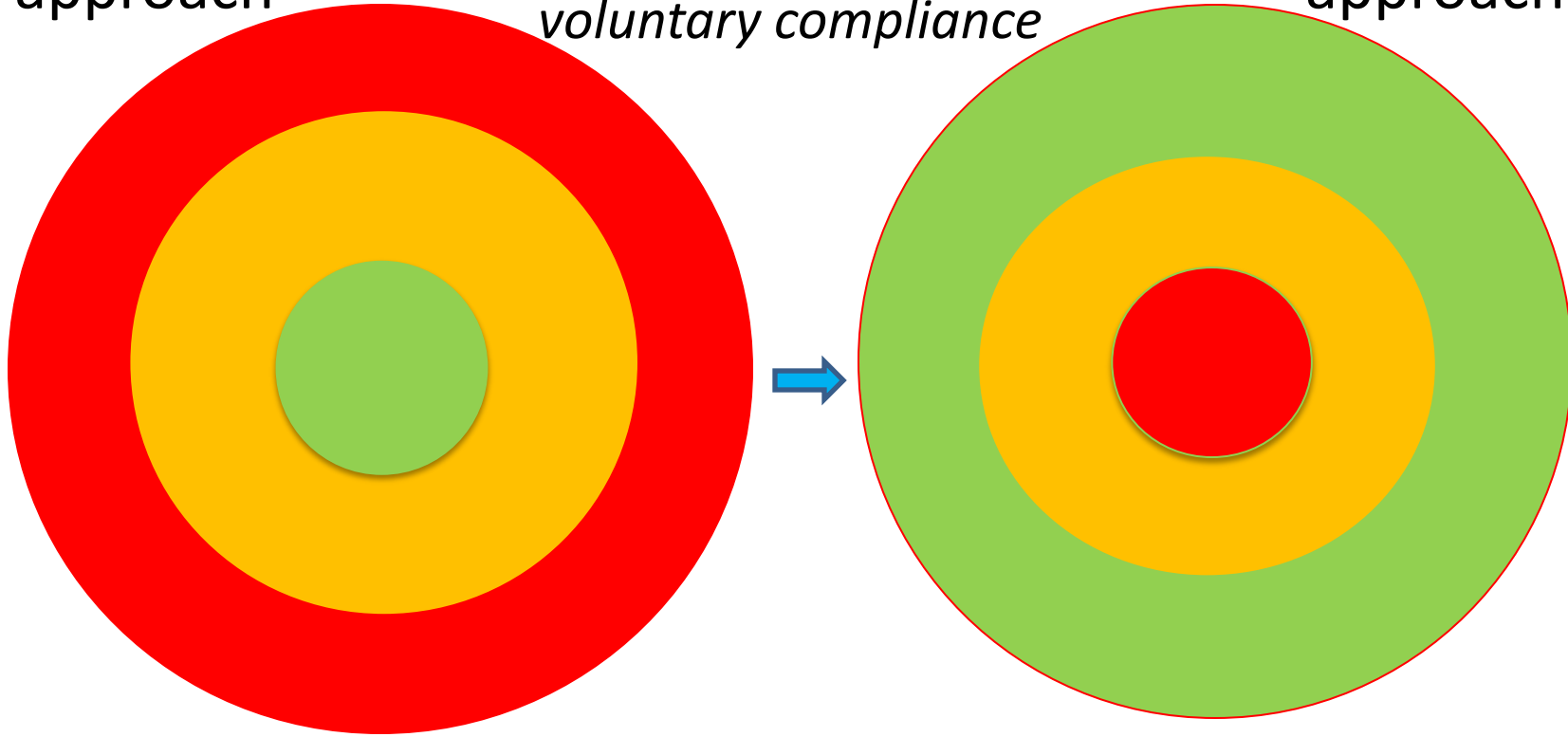


# Focus on Delivery of Services

Control based approach

*Shift in perception about Taxpayer to promote voluntary compliance*

Trust based approach



Publicity

Assistance

Communication

Education

**Strategy for Service Delivery - Keep PACE with all Stakeholders**



Compliant



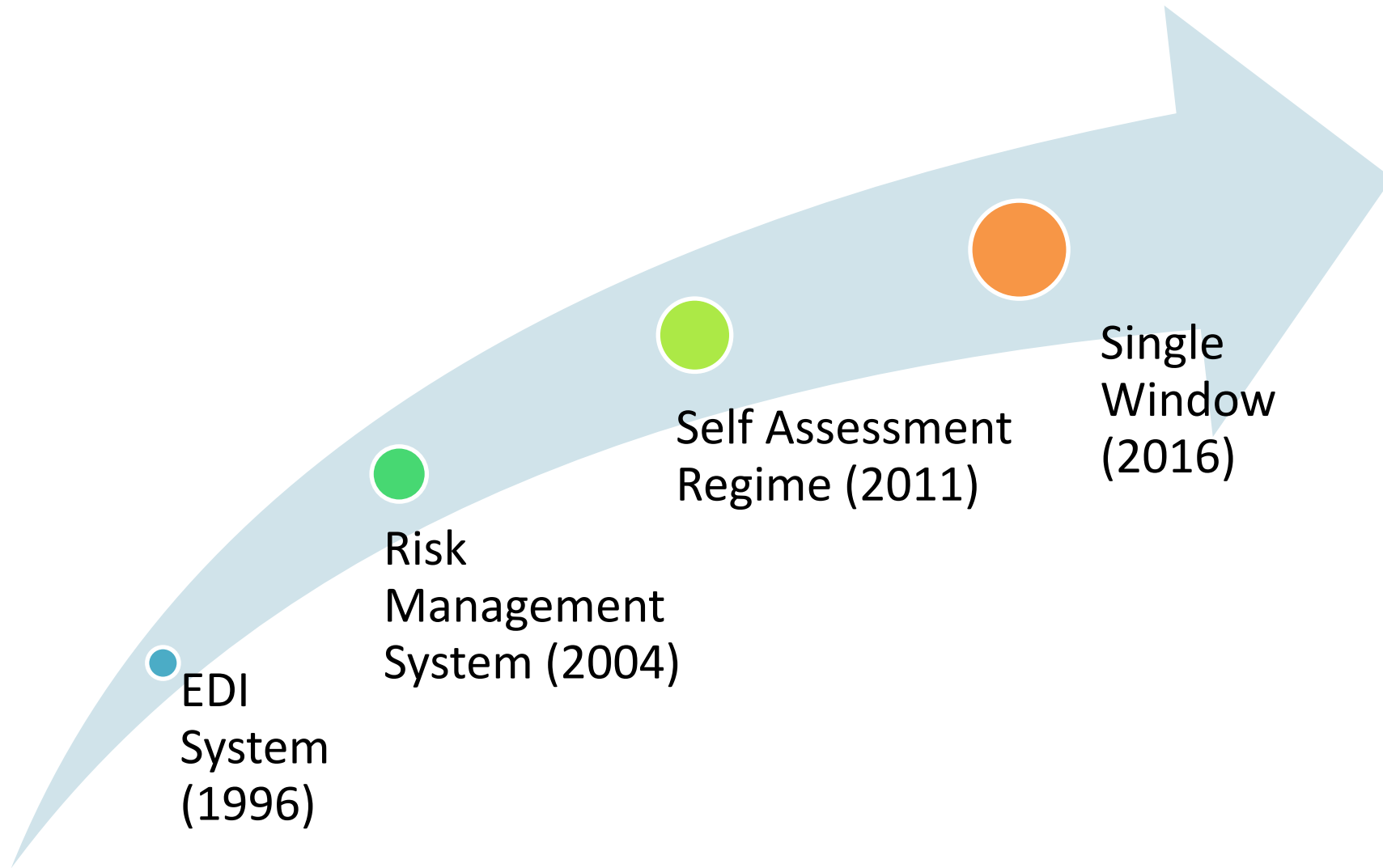
Fence sitters



Non - Compliant



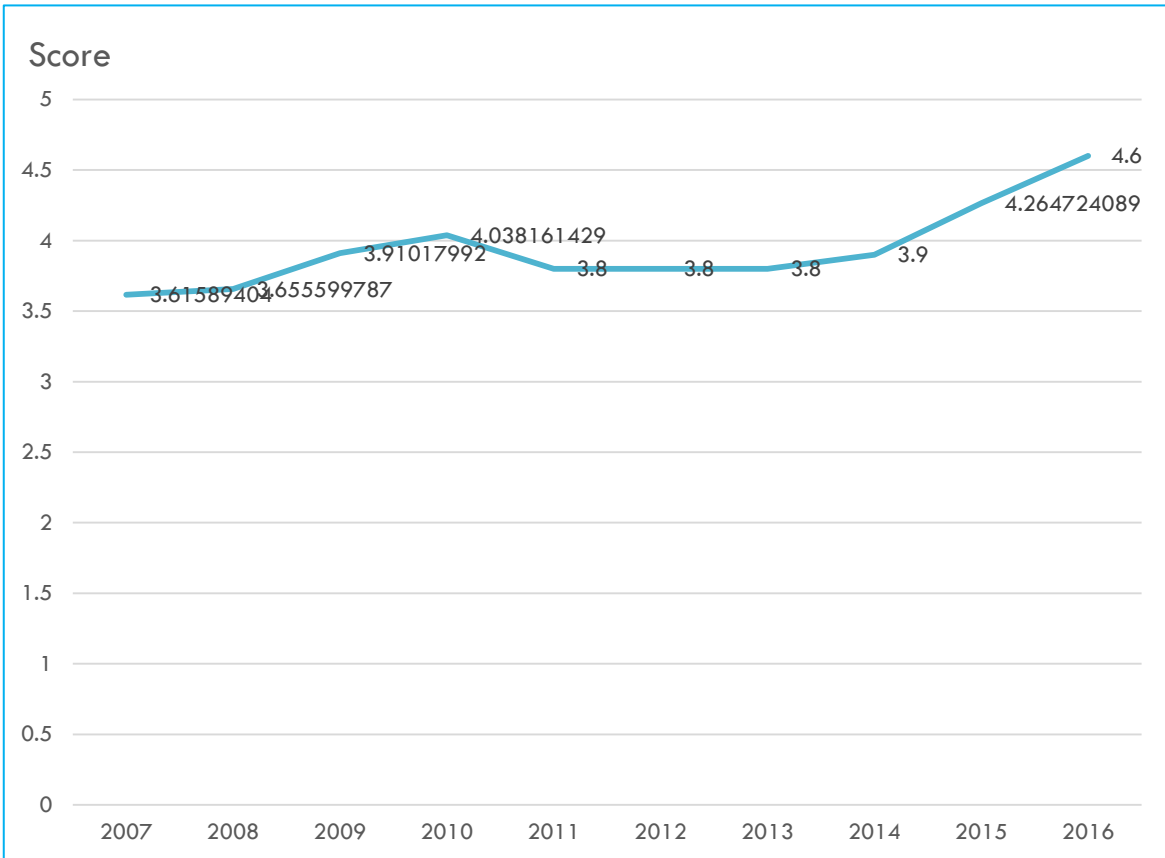
# Indian Customs – Trajectory of growth



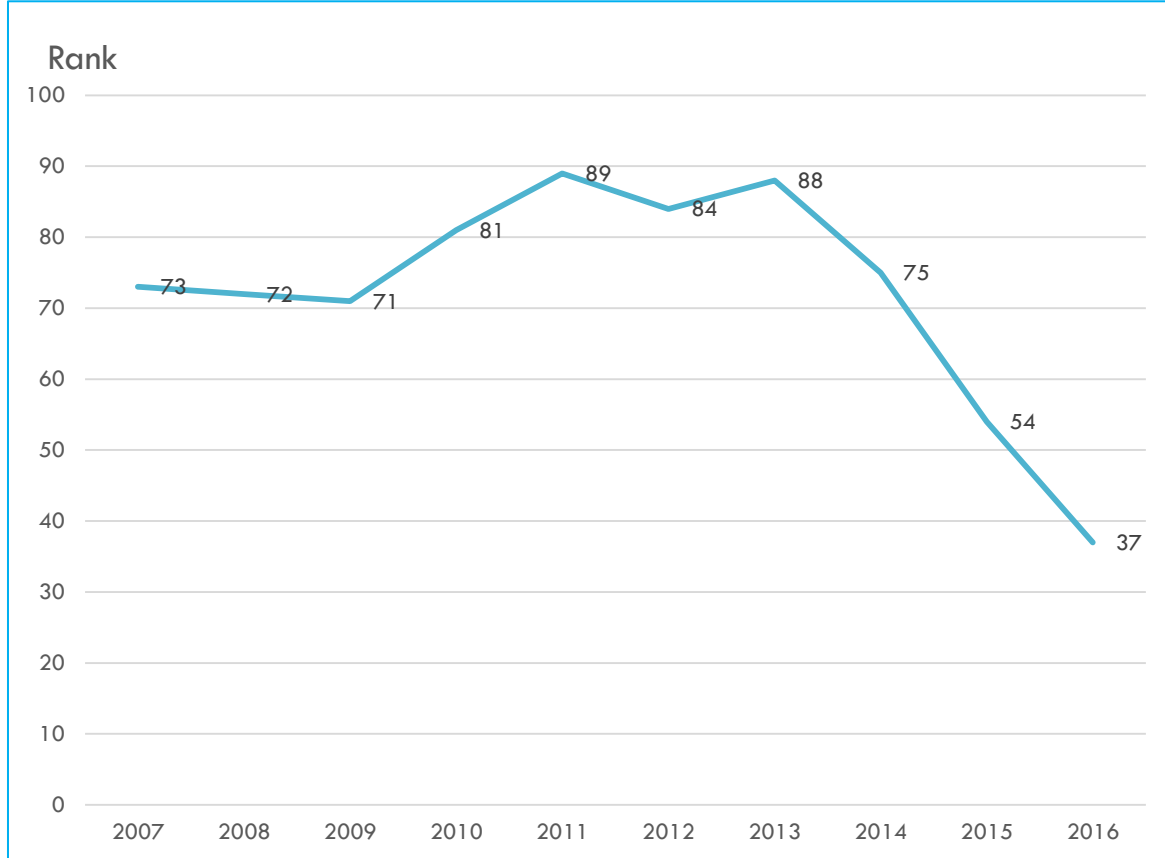


# Performance Indicator - WEF Global Competitiveness Report

## Rank and Score of Indian Customs



**Higher the Score – Higher the Competitiveness**

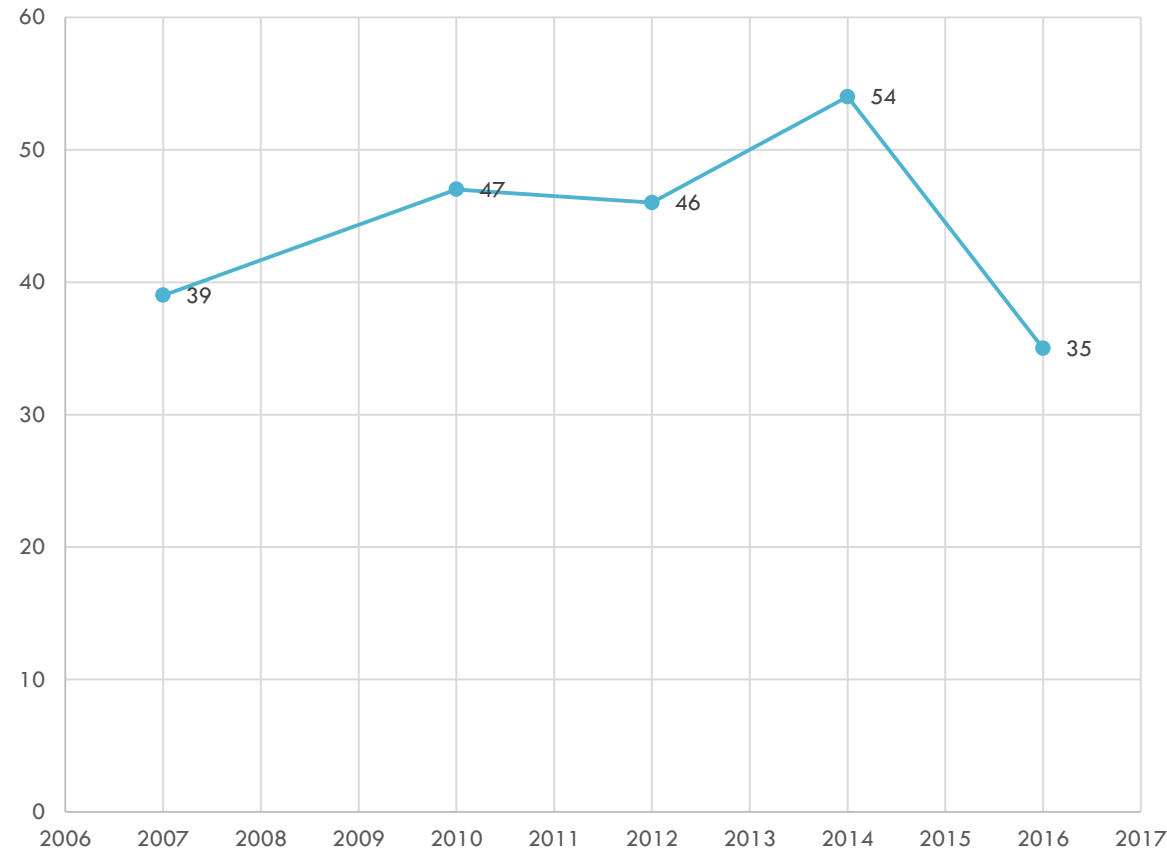


**Lower the Rank – Higher the Competitiveness**

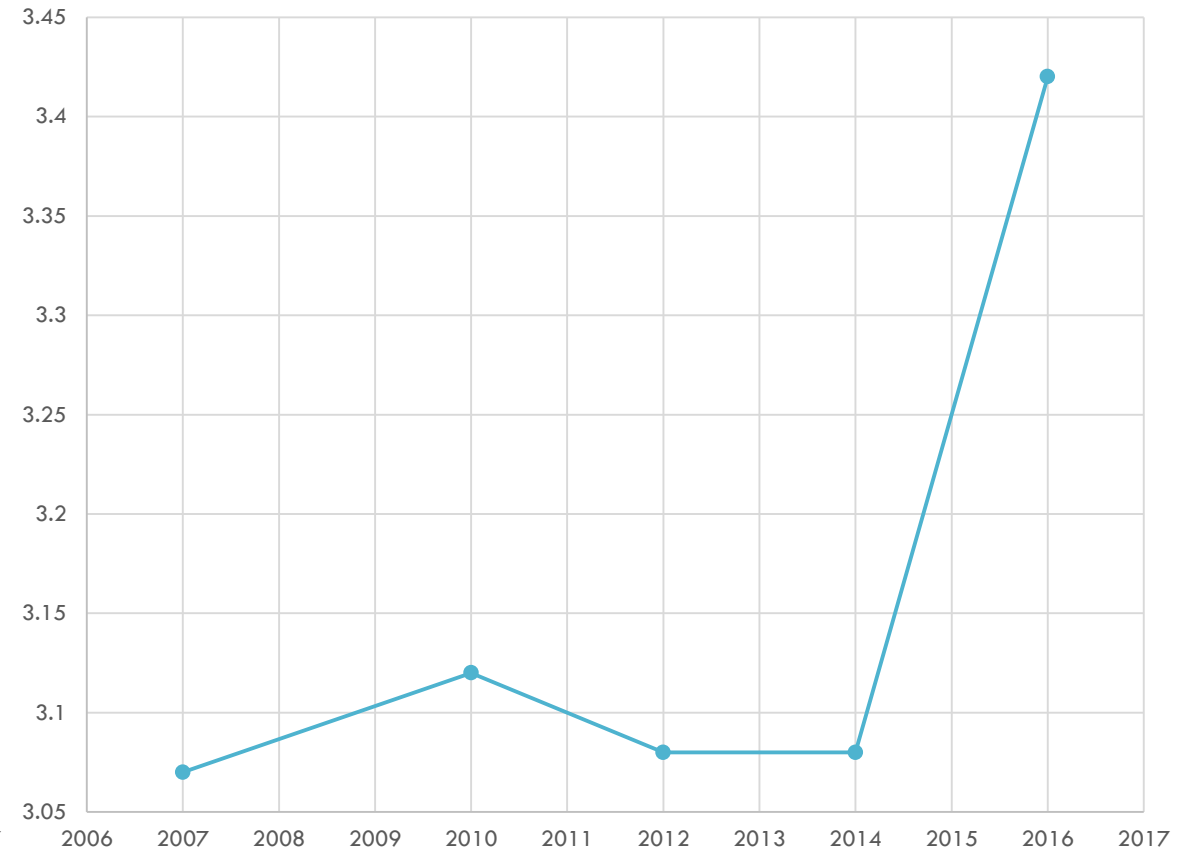


# Performance Indicator - LPI Rank and Score of Indian Customs

LPI Rank India



LPI Score India

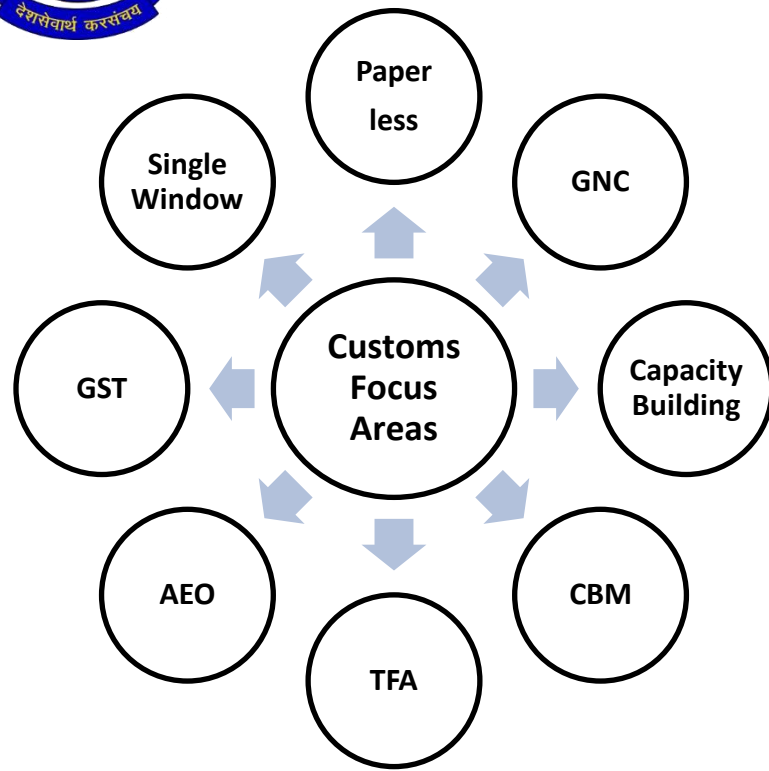


**Lower the Rank – Higher the Performance**

**Higher the Score – Higher the Performance**



# Blueprint – Present and future endeavor



TRADE FACILITATION AND SECURITY

FAIR AND EFFECTIVE REVENUE COLLECTION

PROTECTION OF SOCIETY

INSTITUTIONAL AND HUMAN RESOURCE DEVELOPMENT

Facilitation



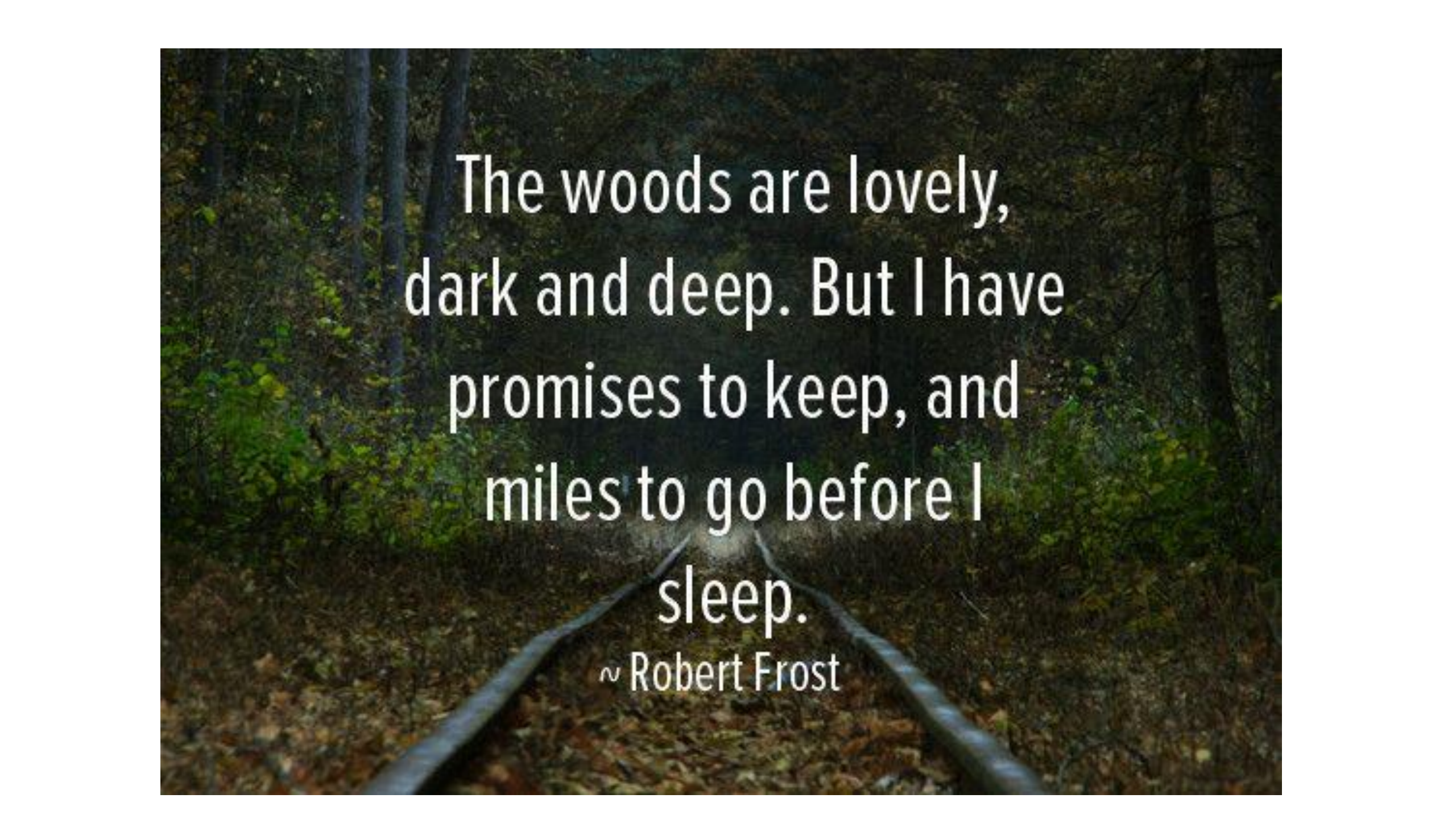
Enforcement

Customs to Business Partnership

Customs to Customs Network

Customs to Other Government Agencies Cooperation



A photograph of a forest path with a quote overlaid. The path is made of dirt and fallen leaves, leading into a dense forest of tall trees. The lighting is dim, suggesting a dark or overcast day. The quote is written in white text, centered on the path.

The woods are lovely,  
dark and deep. But I have  
promises to keep, and  
miles to go before I  
sleep.

~ Robert Frost



Thank You