

MANUAL VISION CUSTOMS

Our Mission

Our mission is to achieve excellence in the formulation and implementation of Customs initiatives.

These initiatives are aimed at:

- ⇒ ⇒ Realizing the revenues in a fair, equitable and efficient manner.
- ⇒ ⇒ Administering the Government's economic, tariff and trade policies with a practical and pragmatic approach.
- ⇒ ⇒ Facilitating trade and industry by streamlining and simplifying Customs processes and helping Indian business to enhance its competitiveness.
- ⇒ ⇒ Creating a climate for voluntary compliance by providing guidance and building mutual trust.
- ⇒ ⇒ Combating revenue evasion, commercial frauds and social menace in an effective manner.

Our Commitment

We shall carry out our tasks with

- ⇒ ⇒ Integrity and judiciousness.
- ⇒ ⇒ Courtesy and understanding.
- ⇒ ⇒ Objectivity and transparency.
- ⇒ ⇒ Promptness and efficiency.

We shall encourage and assist voluntary tax compliance by our clients.

Our Strategy

To achieve our mission, we would focus on –

- ⇒ ⇒ Enhancing the use of Information Technology.
- ⇒ ⇒ Streamlining Customs procedures.
- ⇒ ⇒ Encouraging voluntary compliance.
- ⇒ ⇒ Evolving co-operative initiatives.
- ⇒ ⇒ Assisting in the formulation of Tariff policies.
- ⇒ ⇒ Combating revenue evasion, commercial frauds and social menace effectively.
- ⇒ ⇒ Measuring conformance to service delivery standards.
- ⇒ ⇒ Developing professionalism and responsibility.

Enhancing the use of Information Technology:

1. The use of Information Technology has brought about a revolution in the manner in which business operations are carried out throughout the world. More and more operations are being carried out 'on-line', reducing the time taken and taking the world towards 'paperless' operations. Thus, use of 'Electronic Data Interchange' (EDI) has come to be accepted widely as the means of interface between business partners as also Government agencies.
2. Indian Customs is also committed to adopt this new deal so as to attain global standards in speeding up flow of goods, thereby reducing the turn-around and inventory carrying costs, imparting vital competitive edge to the Indian trade and industry.
3. Building on the success of the pilot EDI project at Delhi Air Cargo, we could seek to promote electronic commerce and facilitate expeditious clearance of cargo through the following measures:
 - a Automated processing of import and export entries and cargo declarations, with least paper work and human intervention, at the sea ports, airports, inland container depots, container freight stations and land border stations.
 - b Enabling EDI with businesses, shipping lines, Sea Port, airlines, carriers, customs agents, custodians and other agencies concerned with cargo clearance and international trade.
 - c Providing access to customs electronic infrastructure to enable business partners to obtain information required by them for making compliance.
 - d Computerization of all the other Customs operations and management activities to provide better services to all stake holders and enhance our performance.

Encouraging Voluntary Compliance:

Compliance with tax laws is the shared responsibility of the tax payer and the tax collector. Nevertheless, a tax system can be effective only if it can systematically obtain voluntary compliance of the tax laws by the assesseees. To encourage voluntary compliance, the tariff levels should be moderate, the procedures simple, and the cost burden of compliance minimal. There should be certainty about the assessments made and duty liability so as to eliminate retroactive burdens on the assesseees. Further, we believe mutual trust should be the foundation on which the relationship between us and our clients are built.

To Win business confidence and create a climate for voluntary compliance, we would institute the following measures:

1. Prior consultation with concerned trade interests and field formations before introducing changes in laws and procedures.
2. Having a system of advance rulings on classification and valuation of goods and the applicability of specific duty exemption schemes.
3. Improving the quality of service and providing information to the trade and the tax payers by establishing Guidance units at various Customs formations. Such Guidance Centers would furnish information to the trade on issues of specific interest and also provide general information regarding laws and procedures, and the admissibility of benefits under various

	exemption schemes.
4.	Make more effective use of Seminars 'Open Houses', Publicity materials, and Audio Visual Media for dissemination of information.
5.	Restructure the existing Grievance Redressal Machinery by setting up an independent ombudsman at each Customs Station.
6.	Evolve a common business identification number in place of separate identifiers being issued for Customs purposes.

Evolving Co-operative Initiatives

In the sphere of facilitation and regulation of International trade several agencies apart from Customs, have a role to play. We believe that trade with other countries can be enhanced only when these agencies act in concert and mutual cooperation. Similarly, in the area of border control we recognize the role of the Border Security Force and the Coast Guard.

At the International level too, cooperation with the World Customs Organization and the World Trade Organization to bring about greater harmonization of Customs procedures and other trade related policies is identified as a clear need. Another area where cooperation amongst various countries involved in International Trade is called for is combating commercial frauds and smuggling or narcotics.

The initiatives identified in order to achieve these objectives are:

1.	Establishing durable working partnership with Airlines, Shipping Lines, Custodians and other Agencies and Organizations involved in cargo clearance.
2.	Evolving minimum standards through mutual consultations with various Agencies to reduce delays in the release of Import/Export Cargo (such as standards for time taken for filing of Manifests by the carriers, prior notice of arrival of goods to importers, for filing of goods declaration by Customs Agents, presentation of goods for examinations by the custodian, etc.).
3.	Co-operating with custodians at airports in setting up separate facilities for clearance of express consignments imported/exported through the courier mode.
4.	Co-operating with State Governments and other concerned agencies in developing and improving the infrastructure facilities for clearance of cargo at land Customs stations and other inland locations.
5.	Evolving a uniform nomenclature based on the Harmonized system for levy of Customs, export and import trade policy and trade statistics.
6.	Instituting and operating formal consultative mechanism with Director General of Foreign Trade/Ministry of Commerce for introducing or making changes in export and import trade policies.
7.	Entering into Mutual Administrative Assistance Agreements with the Customs Administrations of other countries in terms of the Nairobi Convention.

Streamlining Customs Procedures

1.	Customs procedures are perceived by the trade as cumbersome involving time consuming documentation, scrutiny and physical examination of goods, divergent practices and a high degree of individual discretion, resulting in impediments to the smooth movement of trade and acting against the interests of genuine importers, exporters and manufacturers. Appreciating this concern we are committed to streamlining and simplifying the procedure and setting a climate for voluntary compliance. The introduction of electronic processing of documents also entails a change in approach and re-engineering of Customs Processes based on selectivity, risk assessment and reduced intervention.																										
2.	We envisage the following measures to achieve this objective: <table border="1" data-bbox="256 1553 1437 2179"> <tr> <td>1.</td> <td>Minimize pre-clearance scrutiny of import/export declarations and examination of goods.</td> </tr> <tr> <td>2.</td> <td>Introduce systems assessment i.e. without any human intervention for specified commodities/identified importers and exporters.</td> </tr> <tr> <td>3.</td> <td>Introduce audit-based post-clearance scrutiny for identified importers/exporters, industry groups. Combine post-clearance audit for Customs in respect of manufacturer-importers/exporters wherever possible.</td> </tr> <tr> <td>4.</td> <td>Accept periodic declarations instead of individual declarations for each consignment for identified importers/exporters.</td> </tr> <tr> <td>5.</td> <td>Introduce a system of deferred duty payment for identified assesseees subject to revenue safeguards.</td> </tr> <tr> <td>6.</td> <td>Minimize physical examination of goods by effectively using 'risk assessment' based targeting techniques.</td> </tr> <tr> <td>7.</td> <td>Introduce a system of release of goods even where the documentation is incomplete or there has been contravention of Customs laws, subject to adequate safeguards.</td> </tr> <tr> <td>8.</td> <td>Eliminate divergent practices in the application of Customs laws and procedures at different Customs stations by effective monitoring and analysis of the computerized database.</td> </tr> <tr> <td>9.</td> <td>Move towards a single window clearance wherever possible.</td> </tr> <tr> <td>10.</td> <td>Provide 24 hours or 'extended time' Customs clearance facility, wherever required.</td> </tr> <tr> <td>11.</td> <td>Implement the provisions of International Conventions on Customs techniques(Revised Kyoto Convention).</td> </tr> <tr> <td>12.</td> <td>Examine all extant procedures and eliminate those not compatible with trade facilitation.</td> </tr> <tr> <td>13.</td> <td>Undertake a continual review of Customs procedures so as to be responsive to changing situations.</td> </tr> </table>	1.	Minimize pre-clearance scrutiny of import/export declarations and examination of goods.	2.	Introduce systems assessment i.e. without any human intervention for specified commodities/identified importers and exporters.	3.	Introduce audit-based post-clearance scrutiny for identified importers/exporters, industry groups. Combine post-clearance audit for Customs in respect of manufacturer-importers/exporters wherever possible.	4.	Accept periodic declarations instead of individual declarations for each consignment for identified importers/exporters.	5.	Introduce a system of deferred duty payment for identified assesseees subject to revenue safeguards.	6.	Minimize physical examination of goods by effectively using 'risk assessment' based targeting techniques.	7.	Introduce a system of release of goods even where the documentation is incomplete or there has been contravention of Customs laws, subject to adequate safeguards.	8.	Eliminate divergent practices in the application of Customs laws and procedures at different Customs stations by effective monitoring and analysis of the computerized database.	9.	Move towards a single window clearance wherever possible.	10.	Provide 24 hours or 'extended time' Customs clearance facility, wherever required.	11.	Implement the provisions of International Conventions on Customs techniques(Revised Kyoto Convention).	12.	Examine all extant procedures and eliminate those not compatible with trade facilitation.	13.	Undertake a continual review of Customs procedures so as to be responsive to changing situations.
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Assisting in the formulation of Tariff Policies

Since 1991, several steps have been taken to lower import tariffs and also reduce dispersion in the duty rates. Exemption schemes have also been considerably rationalized. This is an on going process and to enable the Government to take well considered decisions on the tariff/duties levels as also other concessions, it is proposed to:

1.	Undertake continual review of import tariffs, keeping in view our international commitments (WTO bindings, if any) and their impact on domestic production.
2.	Conduct specific sectoral/commodity studies for imposing safeguard duties, anti-dumping duties and the like, so that domestic industry is able to raise its competitiveness.

Combating Revenue Evasion, Commercial Frauds and Social Menace Effectively

Despite the trade liberalization and reduction in tariffs, the problems of duty evasion through under evaluation, misdeclaration, misuse of duty exemption schemes and other violations of laws including drug trafficking would need to be addressed. There are still substantial monetary advantages to encourage the ever growing number of economic offenders to circumvent law. The modus-operandi of smuggling has also undergone significant changes in step with the changing economic scenario and the growing ingenuity of the operators.

We propose the following measures to combat revenue evasion, commercial frauds and social menace effectively:

- ⇒ ⇒ Make better use of intelligence systems and emerging technologies:
 - by refocusing on information sourcing and analysis.
 - by enhancing our strategic assessment of threats from smuggling and risk prone commodities.
 - by improving the balance between central and local risk assessments across all businesses.
 - by developing and maintaining links with international agencies on intelligence, investigation and enforcement activities.
 - by developing a new risk assessment system to ensure a better balance between resources and risk.
- ⇒ ⇒ Strengthen the Directorate General of Revenue Intelligence so as to enhance its capability in tackling commercial frauds.
- ⇒ ⇒ Strengthen the Directorate of Valuation to enable it to provide information and guidance to field formations on price-trends, commodities prone to under valuation, suspect imports and modus-operandi relating to valuation frauds.

Measuring Conformance to service delivery standards

In the context of lubrication of trade, the service delivery levels of the Customs Administrations have to be substantially enhanced. It is accordingly proposed to first develop the standards for delivery of service to the trading community; then evaluate performance of Administration to bring about accountability. To improve the service delivery standards, the initiatives we have in mind are:

1. Publication of Citizen's Charter, setting out service standards.
2. Undertaking a survey of satisfaction levels of traveling public passing through Customs at various Ports, Airports and other border stations; also conduct survey of satisfaction levels of businesses, industry and individuals involved in manufacture and clearance of goods and institute measures to improve service delivery conformance.
3. Undertake on on-going-basis an assessment of the degree of conformance to standards and publish periodical reports for the information of the trading community.

Developing Professionalism and Responsibility

Any system is as perfect as the human being behind it. It is therefore, necessary that an important state holder is our realizing the vision of the organization, namely our employees are motivated to deliver their best. We believe that it is not merely enough that they are trained in Customs procedures; they should be infused with the positive attitude, empathy and an innate urge to help realize the desiderate of a responsive Government. We envisage the following measures to bring about greater professionalism in our approach and also raise the efficiency and effectiveness of our work force:

1. Enhancing professionalism, skills and technical knowledge, so that the officials are adequately informed about their work and are ready to meet the expectations of those with whom they deal.
2. Providing quality training to all supervisory and managerial level officers in management techniques, inter-personal relations, communication skill, conflict resolution, stress management, attitude building and crisis management.
3. Ensuring the highest level of integrity and Professional Standards within the service.