

A joint knowledge initiative by **Vizag Industrial Scan & Vizag Customs**

Digital Customs: Progressive Engagement - Customs annual theme for 2016- International Customs Day

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As many as 180 Customs Administrations across the globe, being members of the World Customs Organization (WCO) organize various national events and celebrate International Customs Day on 26th January every year. As 26th January is devoted to Republic day celebrations, a suitable date is generally fixed after 26th January for celebrating the International Customs day. It has been decided that this year the International Customs Day shall be celebrated on Wednesday, the 27th January 2016 by Indian Customs.

International Customs Day - significance of 26th January :

World Customs Organization (WCO) is an independent inter-governmental body. It was 1947, the same year in which India has become an independent nation that thirteen European Countries representing the Committee for European Economic Co-operation set up a Study Group. In the year 1948 This Group set up two committees- one Economic Committee and another Customs Committee. These are :

(1) Organisation for European Economic Co-operation (OEEC) and

(2) Customs Committee - the Customs Co-operation Council (CCC).

The Organisation for European Economic Co-operation (OEEC) reformed into the Organisation for Economic Co-operation and Development (OECD).

The second one, Customs Co-operation Council (CCC), was formally established in 1952, and The official inaugural Session of the Council was held in **Brussels, Belgium** on 26th January 1953 with the participation of representatives of 17 countries. Thus, it was 26th January the day on which the inaugural Session of the Council was held is celebrated as International

Customs Day every year. It was nearly 40 years later, in 1994, Customs Co-operation Council (CCC), adopted a new name **World Customs Organization (WCO)**. The World Customs Organization (WCO) permits legitimate international trade to effectively act for economic development. WCO chooses, every year a specific theme and slogan to mark the progress of its member Customs administrations. Accordingly, this year the WCO has decided to dedicate International Customs Day, 26th January, 2016 to the **'Digital Customs'** theme with the slogan **'Progressive Engagement.'**

The following list of themes with the slogans indicates the commitment of Customs Administration for an improvement:

- 2009 - "Customs and the environment: protecting our natural heritage".
- 2010 - "Customs and Business: improving performance through partnerships".
- 2011 - "Knowledge, a catalyst for Customs Excellence".
- 2012 - "Borders divide, Customs connects".
- 2013 - "Innovation for Customs progress".
- 2014 - "Communication: sharing information for better cooperation".
- 2015 - "Coordinated Border Management: an inclusive approach for connecting stakeholders".
- 2016 - "Digital Customs: Progressive Engagement".

Digital Customs: This year, 2016 will be dedicated to promoting the

digitalization of Customs processes under the slogan "Digital Customs: Progressive Engagement." The concept of the theme with slogan was explained by the Secretary General of the WCO, Sri. Kunio Mikuriya, that WCO Members will have the opportunity to showcase and further promote their use of Information and Communication Technologies (ICT). The term Digital Customs refers to any automated or electronic activity that contributes to the effectiveness, efficiency, and coordination of Customs activities, such as automated Customs clearance systems, the Single Window concept, electronic exchange of information, websites to communicate information and promote transparency. It is a matter of fact that, in India, Indian Customs, in the recent years, marched towards digitalization and this has transformed the way that Customs operates. Indian Customs continuous efforts ensured progression - the enhanced ability of Customs to communicate, process clearances, receive and exchange information, and to promote transparency.

Customs progress in Digitalisation: Over the years, Indian Customs liberalised the procedures and introduced electronic mode of processes (implemented in Visakhapatnam Customs during 1998) where-in entire process of assessment and clearance is done on system on the basis of electronic declarations. Even in EDI clearances, the physical verification inspection/examination continued. In 2005, Customs department, further liberalised the procedures and implemented **Risk Management System (RMS) in Imports** which has been one of the most significant steps in the ongoing Business Process Re-engineering initiative of the department. Introduction of Risk Management System (RMS) in imports during

2005, changed the whole clearance process scenario. Accordingly, importers/exporters can make declarations regarding classification, value and the Electronic Data Interchange System processes the bill for assessments on the basis of these self-declarations. Duty is assessed in less than three minutes on the basis of the declarations and the Challan indicating the amount of customs duty payable would be generated. The duty amount indicated has to be paid through online banking system and then importers/exporters to proceed to the Customs area (port/CFS/Airport) for presenting the documents and for obtaining the clearance from Customs. The RMS procedure was also extended to **Exports** during 2013. The Indian Customs EDI Gateway (ICEGATE), the gateway portal provides several services for the stake holders and provides facilities for e-filing of documents from anywhere at any time (24/7). ICEGATE and ICES 1.5 are serving about 7 lakhs importers/exporters and handling nearly 98% of India's International trade.

Some of the significant IT initiatives by Indian Customs :

- E-filing of Bills for Import/Export, IGM/EGM with electronic acknowledgements
- Connectivity with 17 types of Stakeholders such as Custodian, Port Authorities, Shipping Lines, Airlines, Custom Brokers, DGFT, Banks and other Government Agencies, through electronic messages. This eliminates the need for paper movement across agencies and across locations.
- Facility of electronic payment of Customs duties
- Selective appraisal and examination through the Risk Management System (RMS)
- Document processing on a First-Come-First-served basis and tracking facility status

➤ Direct credit of Drawback to exporters' bank accounts.

➤ Introduction of Centralized Bond Management and elimination of Transfer Release Advices (TRA) enabling trade to file bond at any location and effect clearance from any other location in India.

➤ Electronic transmission of Shipping Bills to DGFT and online receipt of licences

➤ Round the clock Helpdesk with toll-free number

➤ Automated Recording and Targeting System (ARTS) providing protection of Intellectual Property Rights (IPR)

Apart from the above, Indian Customs initiated several measures indicating the progress in digitalization of processes.

Adoption of Digital Signature : One of the significant measure is adoption of Digital Signature on par with the international trading standards. To dispense with requirement of physical submission of documents and encourage paper less working, with effect from 01.04.2015 on an optional basis the facility of 'Digital Signature' has been introduced for importers, exporters, airlines, shipping lines etc. With effect from **January 1st, 2016** obtaining digital signatures has been made as mandatory. This is with an intension to maintain data integrity and to reduce cost of compliance.

Introduction of SMS - Query :

In order to find out the status of export clearances, SMS- Query and answering system has been introduced at four major places - Delhi Air Cargo, Bangalore Customs, Jawahar Customs and Sahar Air Cargo. This is likely to be introduced at other locations in near future. For more details, trade may visit <http://www.cbec.gov.in/htdocs-cbec/online-services#>.

Interactive Voice Response System (IVRS) (Tele-enquiry System): Indian Customs has provided tele-enquiry

facility at some of the major Customs locations which may be used for making enquiries related to processing of Import and Export documents through telephone from anywhere.

Software for Remote Filing (RES Package) free download: Remote EDI System (RES) is a software package to facilitate the Customs Brokers / Importers/Exporters in preparation of Bill of Entry and Shipping Bill declarations in the format acceptable to ICES for submission at Customs House through ICEGATE. This can be done from <http://ices.nic.in/Ices/home.aspx>.

Help mail : CBEC provided the details of officers who can be contacted directly on their respective E-mails for any clarification/ query on the Customs and Central Excise related issues. Trade is requested to go through the Frequently Asked Questions (FAQ) available at <http://www.cbec.gov.in/htdocs-cbec/faq> and relevant statutory Sections of The Customs Act, 1962 to check if the answer to their queries are available there before sending the query to the designated officers. For the queries relating to Customs matters such as Customs Tariff, Customs Procedure, Customs Baggage, Drawback & Export Promotion etc, the details of officers designated are given at <http://www.cbec.gov.in/htdocs-cbec/helpmail>.

Trade / Industry is also expected to equip themselves with the modern facilities so as to have a smooth integration with Customs processes. With a new hope for prosperity in the New Year 2016, let us all hope for the best and support for the progress of digitalization in the international trade processes being initiated by Customs.

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