

TURANT CUSTOMS PAVING WAY FOR EASE OF DOING BUSINESS



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India is a developing country that ranks as the world's 5th largest global economy where the Government aims to reach a target of USD 5 trillion by the FY 2024-25. However, this cannot be possible until there is an ecosystem where ease of doing business exists which ultimately aims to increase production and help the businesses to sell their products globally. To achieve this the focus should be on easing the export and import process.

Earlier, the process of export and import involved a myriad of obligations in the forms of documentation that are manually operated, complex, sequential and time-consuming. The importers, exporters and others (shipping lines, freight forwarders, etc) engaged in international trade were required to prepare and submit a plethora of information to custom agencies. Where, it was seen that despite a centralized automated IT framework for carrying out Customs assessment, the varying assessment structures in the Zones and Commissionerates were not in sync with the Central Board of Indirect Taxes and Customs (CBIC) mission of having a uniform and standardized Customs assessment practices which ultimately led to a serious burden both on the Government and the trade.

So the migration of the core Customs process to a technology platform requires ripples of reform in the border clearance ecosystem. Thereby, the early initiatives of Customs were focussed on the expeditious transmission of documents between Participating Government Agencies (PGA) such as Food Safety and Standards Authority of India (FSSAI) as well as parallel processing of documents that led to the introduction of Single Window Interface For Facilitating Trade (SWIFT) in 2016 which is complemented with e-SANCHIT which allows traders to submit electronic digitally signed copies of supporting documents thus dispensing with the hard copies that were physically submitted earlier. This enabled traders to file their documents for clearance through a common electronic Integrated Declaration on the ICEGATE portal which harmonized the regulatory compliance system by simplification of information flows between government and trade.

However, the digital evolution journey of Indian Customs demanding more measures to make the department a frontrunner of e-Governance initiatives in the country. Thereby, in early June this year, the Indian customs introduced the Turant Customs programme as a key initiative of CBIC to enable faster clearance at a lesser cost to the trade and transparent decision making leading to enhanced ease of doing business. Components of the programme are characterized by three key attributes, that are Faceless, Contactless and Paperless Customs clearance processes. The programme radically re-imagines extant processes by leveraging technology for greater transparency, efficiency and accountability.

Since August 2019, the CBIC is running a pilot project, the first formal phase of Faceless Assessment commenced in

Bengaluru and Chennai in June 2020. Which was followed by other phases covering new ports. The phased launch helped CBIC to evaluate the responsiveness of Customs officers and trade representatives in front of the technology platform in a real-trade practice. Accordingly, based on the findings of this exercise, the PAN India rollout of Faceless Assessment has begun on 31st October 2020 paving the path for a more modern, efficient, and professional Customs administration.

Faceless Assessment also referred to as virtual assessment, a component of the Turant Customs programme is an initiative aimed at introducing anonymity and uniformity in Customs assessments. Under the new mechanism, a Bill of Entry (BE) that is identified for scrutiny is assigned to an assessing officer who is physically located at a Customs station, which is not the Port of Import in the Customs Automated System. It separates the assessment process from the physical location of Port of Import, using a technology platform.

Anonymity in assessment is a core feature of the Faceless Assessment initiative which aimed to reduce the unnecessary need for face-to-face interaction with a Customs Official. This measure will also encourage specialization and uniformity in the assessment of identified goods, as officers in a Faceless Assessment Group (FAG) would no longer be required to work on the assessment of all goods. Key objectives of the Faceless Assessment include:

- (i) Anonymity in assessment aims to reduce the physical interface between traders and officials,
- (ii) Speedier Customs clearances through efficient utilization of manpower and technology,
- (iii) Greater uniformity of assessment across all the locations in Indian Customs stations, and
- (iv) Promoting sector-specific and functional specialization in the assessment.

From an importers perspective, there will be no changes to the process of filing a BE. The Importer will continue to file documentation including BE and other supporting documents (such as invoice, packing list, bill of lading) on the ICEGATE portal. The major changes are done on the part of the assessing officer, before Faceless assessment, the selection of a BE for verification of self-assessment shall primarily be based on risk evaluation through appropriate selection criteria. But now the Customs Automated System will assign the BE to a FAG based on an inbuilt logic considering tariff entries in terms of either duty payable or highest assessable value. Accordingly, FAG may opt to,

- assess and verify BE basis documents available in e- Sanchit , or
- seek additional information, or documents and/or
- identify BE for examination or testing for the determination of duty liability for ensuring the compliance of restriction and prohibition.

In cases where the FAG is of the opinion that additional information or documents are required for proceeding with the verification of assessment, the FAG shall raise query electronically for additional information or seek additional documents, preferably in a consolidated manner, through the ICEGATE portal. The importer shall respond to the query electronically through e- Sanchit . Based on evaluation and clarification, the FAG may either accept or re-assess the BE.

While accepting the self-assessment or re-assessing the BE, the FAG may provide instructions for 2nd check examination of goods along with directions to shed officers at the Port of Import. Illustratively, instructions may include verification of originals, defacement of documents, taking custody of certain documents, seeking NoC from PGAs, etc. Where authenticity of a document is in doubt and verification by an external agency is required, the same shall be communicated to shed officers at the Port of Import, for necessary action. In such case, if the importer requests for storage of the imported goods in warehouse pending clearance or removal, such request shall be processed by officers of the port of import promptly via the Turant Suvidha Kendra at the Port of Import who will be responsible for all documentary processes requiring physical submission/verification at the Port of Import.

Further, in case of any further dispute, the assessment/ speaking order passed by FAG, shall be appealable to the Commissioner of Customs (Appeals) at the Port of Import. To illustrate, Commissioners of Customs (Appeals) at Bengaluru would decide appeals filed for imports at Bengaluru though the Faceless Assessment officer is located at any other port of the country, say Mumbai.

One should also take note here, that the Faceless Assessment also promotes electronic communication. All communication whether external (i.e. between FAG and the importer) or internal (i.e. between FAG and the officers of TSK or jurisdictional Commissionerate) shall be exclusively by electronic medium. Which should be authenticated by the originator by affixing his Digitally Signed Certificate. Communication initiated by a non-customs individual such as the assessee or his representative may use e-sign or other modes of electronic authentication as permitted under the Information Technology Act.

The synchronizing of technology to modern trust-based processes has led to the realization that trade facilitation can significantly build-up without compromising national interest (including economic, social and environmental). Further, recent uncertainty ushered by the Covid-19 pandemic has fast-tracked the move towards a new normal based on the heightened use of technology.

Over the years, CBIC has been instrumental in improving the overall business environment and our global rankings in the category of Trading Across Borders. This can be evidence significantly improving on multiple independent global indexes that evaluate the efficiency of cross-border transactions including the World Banks Logistics Performance Index and doing a business assessment on the trading across borders indicator as well as the UN Global survey on digital and sustainable trade facilitation.

Believing the Turant Customs will going to further this agenda in the coming years by augmenting the efforts to ensure an objective, free, fair and just assessment. It is estimated that the Faceless Assessment initiative will help slash release time to only a few hours, substantially lower than the present clearance times of upto four days. Accordingly, the Faceless Assessment is expected to have a considerable impact on the Indian economy, performance on the various independent global index and enhance the countrys trade competitiveness, including ease of doing business.

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