

# **Implementation of Customs Single Window: Experiences and Lessons Learnt**



**Pakistan Customs Computerized System**

**Web Based One Customs (WeBOC)**

Syed Tanvir Ahmad  
Director Automation/  
Director Risk Management Unit

# Evolution of Customs Single Window

- In Aug 2002, a document “The Vision” was prepared by R&D cell of Pakistan Customs for modernization (single window & paperless)
- The software Pakistan Customs Computerized System (PaCCS) was designed by customs team launched in March, 2005 - developed by a foreign IT company M/s Agility Micro Clear
- Agreement terminated with M/s Agility which demanded 100 million dollar for the soft ware and services
- Pakistan Revenue Automation Ltd (PRAL)- private company owned by Federal Board of Revenue – started development in 2009 of:  
*WeBOC (Web based One Customs), a home grown customs single window paperless system, developed in less than \$ one million*
- April 2012 WeBOC rolled out as pilot at one terminal of Karachi port
- November, 2011 work expansion started - WeBOC – rolled out in two terminal – in total covering 70% of imports/exports of country

## Pre – SWI Problems (Prior to 2005)

- Each Goods Declaration 34 signatures & 62 verifications
- Multiple copies & multiple mandatory documents
- Documents had to be carried from desk to desk by the declarant
- For shipping lines 27 documents to 8 government departments including 3 Customs offices
- Multiple Customs offices depending on whether Imports, temporary imports, baggage, exports etc.
- Average Customs clearance time minimum 3 days

# Objectives of Customs SWI

- Increase Customs Efficiency and efficient deployment of resources
- Minimize Dwell Time (clearance time at port till clearance -- under 24 Hours)
- Minimize Customs Processing Time (Under 04 Hours)
- Paperless and single window environment (at customs level and then at national level)
- Reduced cost of doing business (less demurrages, no non-receipted expenses, less clearing/handling charges, JIT possible, better cash flows)
- Simplified procedures (No of steps reduced, no duplications)
- Transparency and Integrity (no surprises for trade, less interaction with the customs and less discretion of customs)
- Correct Revenue (strict controls, RMS, post release verifications)

# Salient Features of Pakistan Customs SWI

- Cargo information received before vessel arrives
- On-line manifest filing by shipping lines
- Communication with terminal operators through EDI messaging
- Web-Based GD filing, online interaction and on line payment of duty and taxes
- Risk Management System (maximum processing in Green and Yellow (only online assessment - no examination/inspection) channel
- All routine custom processes performed online by customs without involvement of trader or agent:
  - Assessment
  - Examination/ inspection conducted round the clock (attaching of photograph)
- Loading and gate out events computerized
- Automation of manifest clearance

# SWI Components

SWI comprises of four essential components:

- ACCESS (Automated Customs Clearance System)
- TARIP (Tariff & Integrated Policy)
- ECHO (Enhanced Cargo Handling & Port Optimization)
- INTRA (Integrated Regulatory Authorities)

# ACCESS (Automated Customs Clearance System)

■ ACCESS covers a number of modules for automated customs processes **such as:**

Automated  
Custom  
Clearance

Tariff &  
Integrated  
Policy

Enhanced  
Cargo  
Handling &  
Port  
Optimization

Integrated  
Regulatory  
Authorities

- Carrier declaration
- Goods declaration
- e-Payments
- Inspection and Examination
- Risk Management System
- Assessments
- Clearance and release
- Status Reporting
- Law and Adjudications
- Tariff Management
- Statutory Regulatory Order Management
- Valuation Ruling monitoring System
- Post Clearance Audit
- User Management
- Refund and Rebate
- Quota Management
- Recovery **etc**

# TARIP (Tariff & Integrated Policy)

- TARIP is the complete picture of Pakistan's regulations for import or export of cargo. Following details are linked with each HS code:

Automated  
Custom  
Clearance

**Tariff &  
Integrated  
Policy**

Enhanced  
Cargo  
Handling &  
Port  
Optimization

Integrated  
Regulatory  
Authorities

- The Import Tariff rates. This includes all import levies like customs duty, regulatory duty, sales tax, additional sales tax, excise duty, withholding income tax, anti-dumping duty, countervailing duty, various surcharges & cess etc
- The export drawback rates
- Details of Import & export restrictions of import policy and imposed by other departments (quarantine, drug, agriculture, livestock, defence, nuclear)
- Controls of banned items
- Details of exemptions
- Details of documentary requirements
- List of declaration requirements
- Linkage of all exemptions, concessions, certifications, restrictions



# ECHO (Enhanced Cargo Handling & Port Optimization)

■ ECHO connects the carriers (shipping agents and co-loaders), customs and custodians (port authorities)

■ It provides following advantages:

- One electronic document for the carriers
- Real time inventory and monitoring of ports
- Terminal Operators/Port Authorities linked with EDI
- No customs staff at the gates (e-gates)
- No requirement by customs for export manifest
- Risk screening prior to arrival of the cargo under customs controls
- Instant duty drawbacks with the sail of vessel

Automated  
Custom  
Clearance

Tariff &  
Integrated  
Policy

Enhanced  
Cargo  
Handling &  
Port  
Optimization

Integrated  
Regulatory  
Authorities

# INTRA (Integrated Regulatory Authorities)

Connects the regulatory authorities involved in imports/exports:

## LINKS DEVELOPED:

- Federal Board of Revenue and its wings
- All VAT and Direct Tax Commissionerates
- Central Bank and Scheduled Banks
- Transport Sector (registered with customs)
- Plant and Animal quarantine
- Ministry of Commerce
- Ministry of Production

## UNDER DEVELOPMENT:

- Government Ministries & Department:

such as: Agriculture, Oil and Gas, Health, Environment, National Tariff Commission (Anti-dumping, Countervailing, safeguards), IPR, other ministries/departments

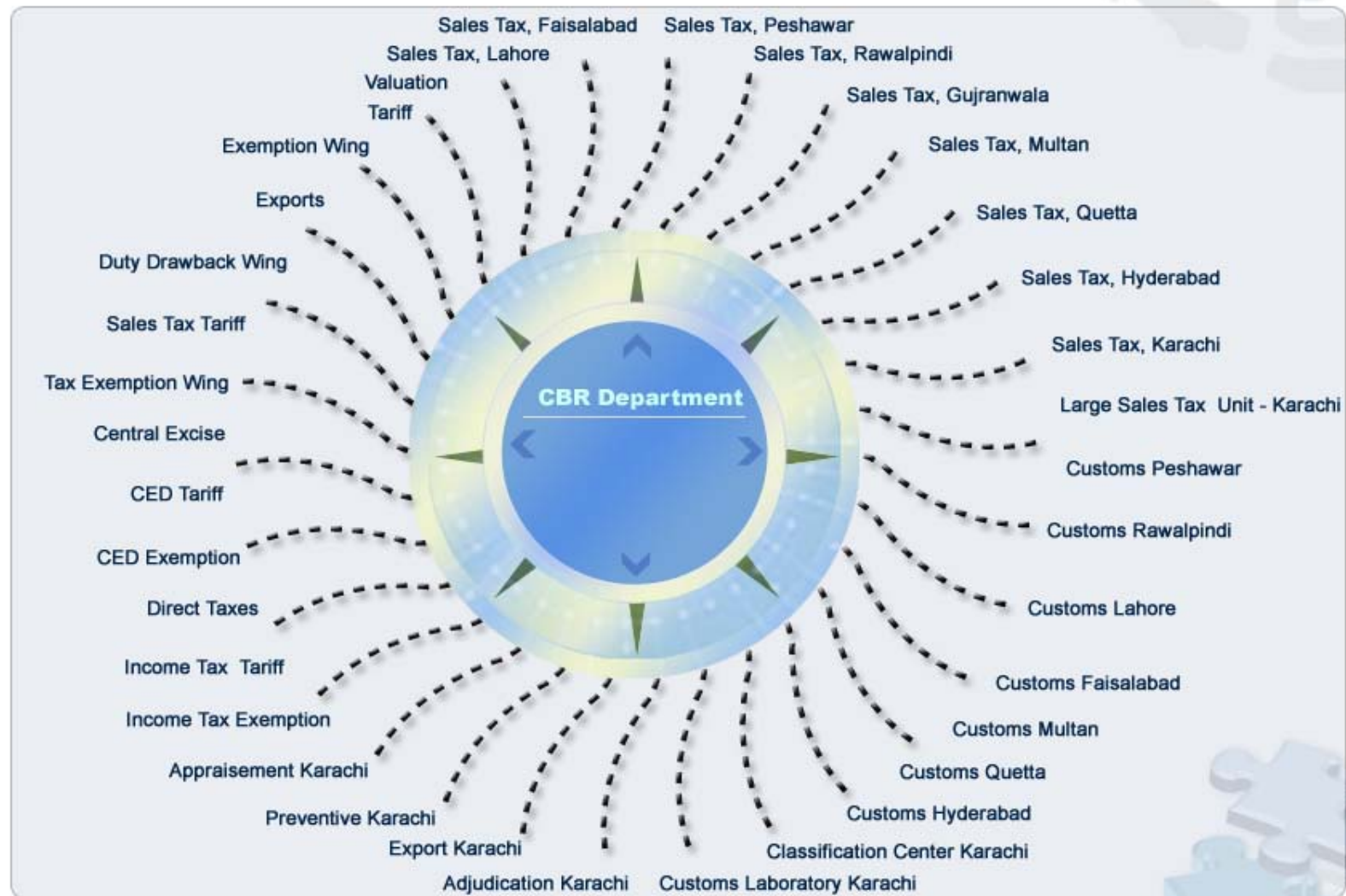
Automated  
Custom  
Clearance

Tariff &  
Integrated  
Policy

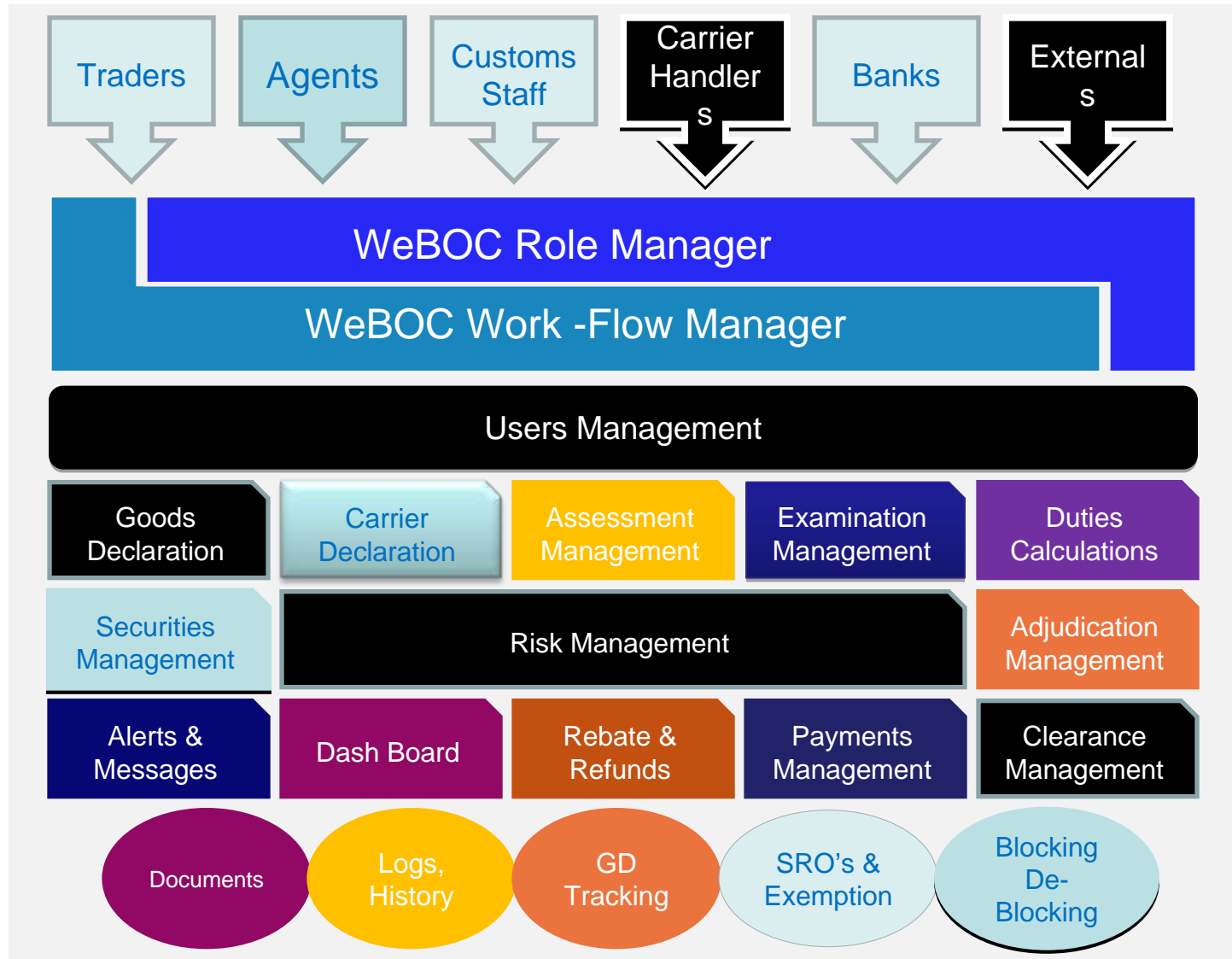
Enhanced  
Cargo  
Handling &  
Port  
Optimization

**Integrated  
Regulatory  
Authorities**

# SWI Internal Users – FBR Departments

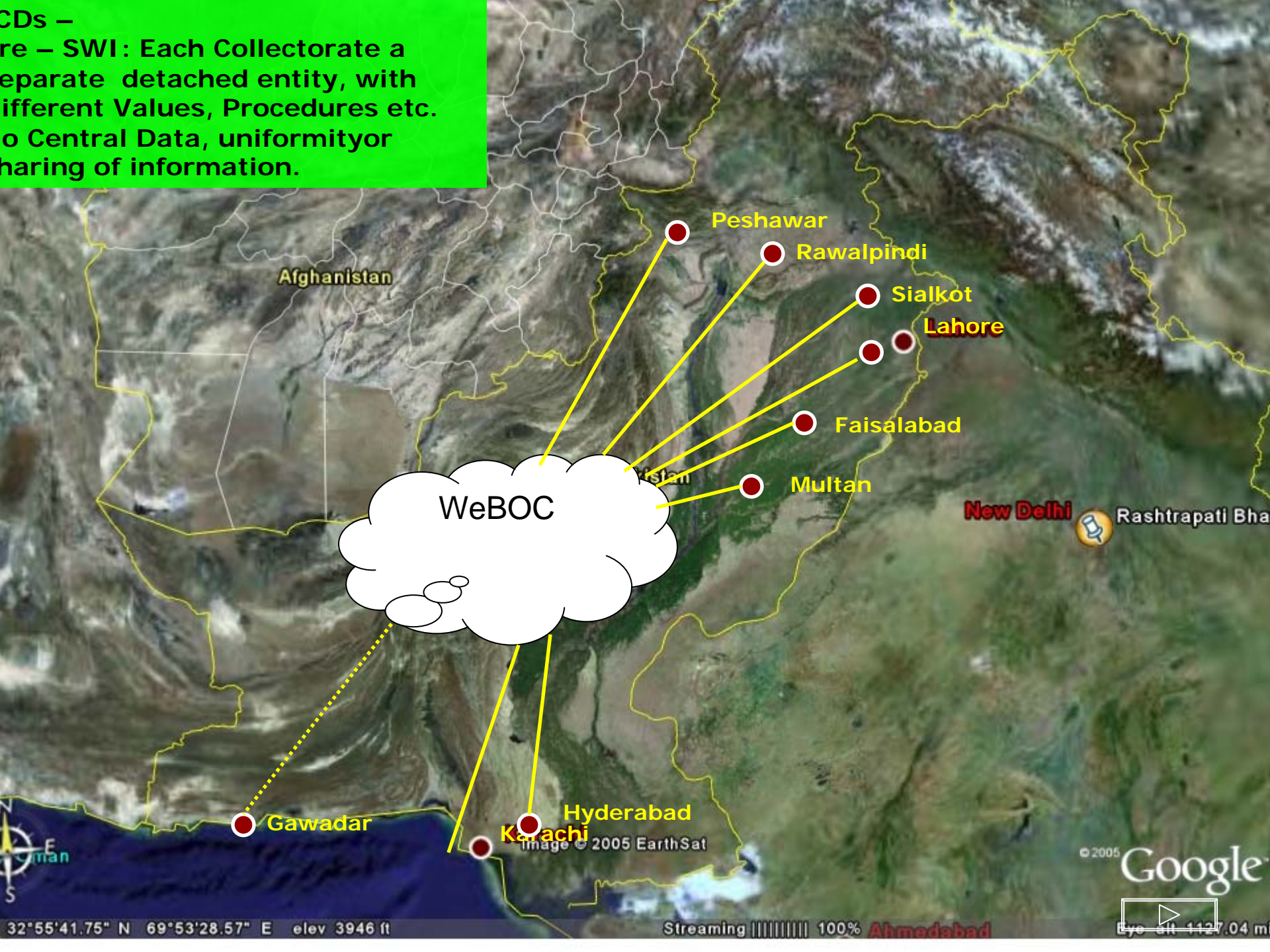


# Existing Customs Single Window Model





CDs –  
re – SWI: Each Collectorate a  
separate detached entity, with  
different Values, Procedures etc.  
o Central Data, uniformity or  
sharing of information.



# SWI External Users – Ministries to be connected



# Achievements

- Introduction of online and paperless custom procedures
- Predictability to a greater extent achieved
- Ownership for system development gradually evolved
- Uniformity enforced through similar system/processes across all Customs Stations.
- Centralized Data base for Customs valuation
- Readiness achieved for implementation Container Security Initiative (On line joint examination by US Customs and Pakistan customs)
- Improved clearance and inspection procedure is generating faster, more certain and resulting in reduced cost of trade transactions.
- IT literacy increased through Training and Support
- introduction of good business practices such as 'just in time inventory'.



# Lessons Learnt

- Ownership of the reform by customs (we have initial opposition which slowed down development process – now gradually developing)
- There should be a dedicated reform team from beginning to end (frequent changes in team was a severe blow initially -with no ownership)
- Strategic planning (long term and short term planning document developed at much later stage for indigenous system – initially not focused and directionless)
- Clear cut Objectives and Policy goals (our emphasis keep on changing with new government and top management from automation to trade facilitation then to control corruption and to maximize revenues)
- Liberate the reform team from red tape (project office set up, purchasing/tendering process, incentives for attracting brains, motivation to perform, hiring of IT consultants from private sector etc)
- Customs must re-engineer its business processes (not necessarily automate old archaic manual process)



# Lessons learnt

- Must get all stakeholders on board
- Policy makers and senior management must support and own reform process (initial automation driven by junior officers and opposed by majority)
- Administrative impediments (It has not been declared as project as yet - no approval from Planning Commission and Ministry of Finance)
- Legislative Inertia (difficult to get through legislation and procedural approvals relating to other ministries/departments)
- Appropriate remuneration and special allowance for reforms project team
- Lack of Succession Planning (new officers posted – legacy not passed on)
- Resistance to change (small customs agents and traders opposed fearing they will be out of business after automation – opposition from junior staff for fear of transparency)

# Lessons learnt

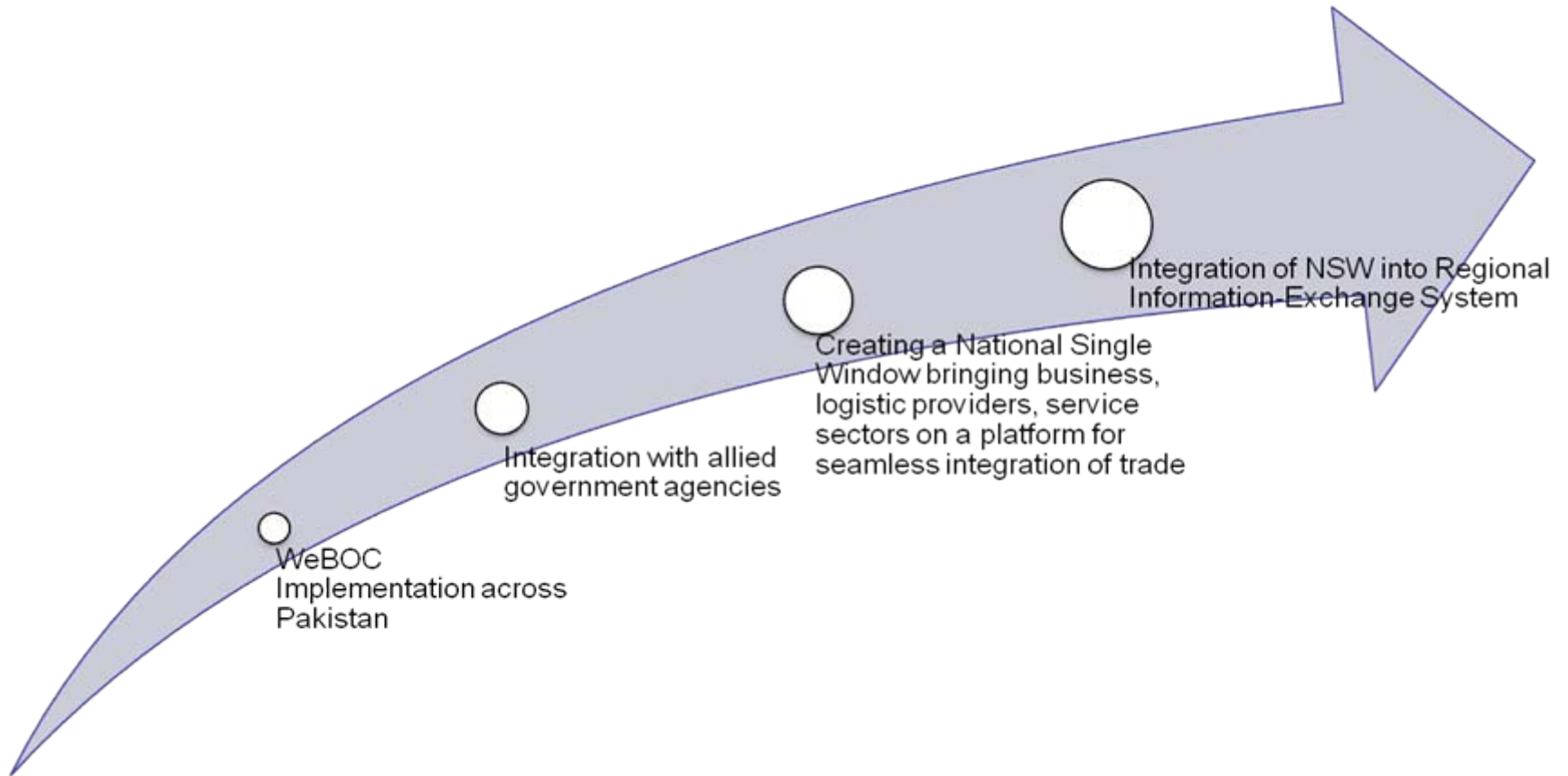
- Strong political will and support from higher management their commitment for reforms (we had political will and management support initially but faded away with change in political set up and management and again getting support from new management)
- Lack of Self Reliance – government and customs have no funds to finance expenses of reform project
- Indigenous solutions much cheaper (Foreign co demanded \$ 100million – indigenous solution in less than one million dollar)
- Customs must think out of the box (Question everything and include diverse stake holders in thinking process – planning as well minute details of processes)
- Effective Capacity Building (still facing capacity issues for junior staff)
- Delayed Support and Troubleshooting (problem with foreign company)
- Requirement of IT staff not properly gauged (customs and business analyst completed many modules but software could not be developed due to lack of shortage of IT personnel)

# Way Forward

## From Customs single window to National single Window

- Development of Pakistan Automated Commercial Community System (PACCS) a single window for B2B and B2G electronic communication
- Automation exist in many departments but needs to be connected

# Way Forward



# Thank You

Contact:

[syed.tanvir@fbr.gov.pk](mailto:syed.tanvir@fbr.gov.pk)

[syedtanvirahmad@yahoo.com](mailto:syedtanvirahmad@yahoo.com)