TIME RELEASE STUDY 2018

CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS
JAWAHARLAL NEHRU CUSTOM HOUSE

Vivek Johri
Chief Commissioner of Customs

October 31, 2018

JNCH – Light House

- The largest container port in India
- Accounts for about 21% of national customs revenue
- Covered under the World Bank Ease of Business Index survey
- Pioneer in conducting TRS since 2013
- Completed a comprehensive and path-breaking TRS 2018: Adopted by WCO as a case study.

Objectives: *Best Foot Forward*

- Measuring distance to National Trade Facilitation Action Plan target of release time of three days for import of sea cargo and two days for export of sea cargo

- Spreading awareness about time release: among all stakeholders and their role

- Highlighting the *"Path to promptness"*

- Identifying relatively more time-consuming categories of bills of entry, commodities and sub-processes

- Improving coordinated border management

- Tool for evidence based policy making

Scope

- Covered both imports and exports (for the first time)
- Sample period: January 1-7, 2018: to generate time series of annual comparable data

Imports

- All 14,973 import declarations filed
- Tracked till February 7, 2018: freezing data
- 1.4% import declarations excluded

Exports

- Based on sample study
- Six major commodities with five top exporters for each

Methodology

- Multiple data sources (with Customs IT data as the primary source)

- Coupled with data from Port terminals, Partner government agencies, CFS, along with select sample surveys

- Definition of release time

- **Imports**: Entry Inward to Out of Charge – standard definition

    : Before the beginning & after out of charge (31 minutes)

    : Advance bills of entry - time upto entry inwards is ignored (35 hrs)

- **Exports:**

    : Gross release time – departure from manufacturers' premises to departure of vessel

    : Net release time – GRT *less* domestic transportation time to customs area

Essence of the efforts:

Average release time reduced from 181 hours to 144 hours

Average Release Time in Hrs
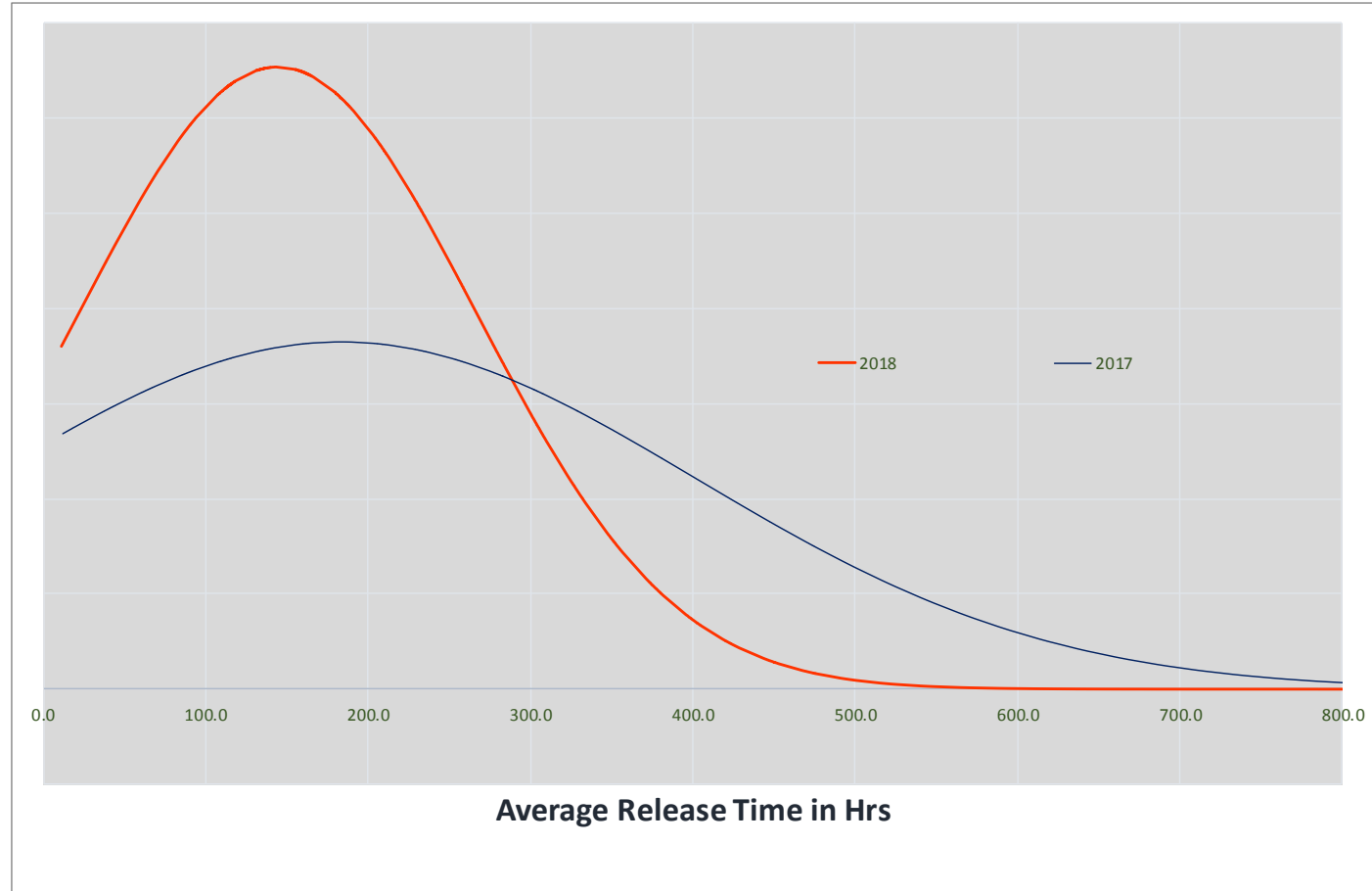
Highlights and Challenges

- **Conducting TRS in-house vs engaging a third party**
- **Involvement of PGAs in data analysis and recommendations**
- **Live tracking of bills of entry:**

    Involving customs brokers

- Significant policy learnings – an on-going exercise

Challenges:

- Limitations of live tracking
- Gap between perception and statistics
- Time and resource constraints
- Limiting the scope of study

Focus of multi-dimensional analysis

- Pre-arrival processing vis-à-vis normal documentation

- Level of risk based facilitation

- Client status: AEO and DPD

- Commodity level analysis

- Partner Government agency role: SWIFT

- Time consuming processes

- Impact of four policy initiatives:

    Time of filing bill of entry – Advance vs Normal : Administrative

    Requirement to encourage early filing of bill of entry: Statutory

    Direct Port Delivery Scheme: Administrative

    Prompt payment of customs duties after assessment: Statutory

Lessons Learnt

- TRS - an effective tool for bridging the gap between perception and reality

- Paves way for result-oriented policy making

- Identifying sub processes, commodities, stakeholders which need to be the focus of concerted efforts

- Prioritising areas of infrastructure development

- Insights into misplaced doubts amongst stakeholders; designing tailored outreach programmes

- Significant enforcement potential

Thank You
Email: vivekjohri63@gmail.com