

# Prez award for customs officers

TIMES NEW NETWORK

Mumbai: Additional commissioner (valuation) Shaikh Khader Rahman and assistant director (DRI, Mumbai) J S Shanshanwal were among the 23 officers belonging to the Customs and Central Excise department who will receive the President's Award of Appreciation for Specially Distinguished Record of Service.

The directorate of valuation is a customs unit that researches values of goods worldwide to compare duty rates, and avoid evasion of tax.

An engineering degree holder from BITS, Pilani, Rahman has worked mainly in anti-smuggling and computerisation wings of the customs.

## DISTINGUISHED SERVICE

While in the anti-smuggling department, he has booked over 70 narcotics traffickers and arrested 30 people. His work in the directorate of valuation has contributed to the collection of additional duty of around Rs 625 crore in 2006-07 alone. Rahman also won a DG's commendation medal from the Narcotics Control Bureau (NCB) in 1995.

Claudius Fernandes, a superintendent with the Narcotics Control Bureau (NCB), has also been conferred the Presidential award for meritorious service. Fernandes, who was posted in the city for many years, has been presented the award for his clean service records and for busting many drug rackets in Mumbai.

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Times of  
India

28-1-08

Times of India 26-1-08



# INTERNATIONAL CUSTOMS DAY

## 26<sup>th</sup> JANUARY 2008



### Emerging Challenges Before Indian Customs

Way back in the early 70s, there were basically two broad categories of functions for the Customs Department. The first one predictably was collection of Customs duties by plugging revenue leakages, and the second was prevention of smuggling of various sensitive items like gold, diamonds, wrist watches, textiles and electronic items. The perspective has changed over the years, - with rapid industrialization, and particularly after the liberalization and globalization policies initiated in the early 1990s. The environment in which Customs operates has changed further in the past few years. Today, international trade is the key driver of economic development and the Customs has been called upon to play a significant role in the free flow of international trade. Besides, over the past few years, a new concern has arisen in the form of threat to national security emanating from across the border for which again the Customs has taken the call. Thus, contributing in matters relating to national security and facilitation of the international trade supply chain has now become an important responsibility bestowed upon Customs besides its original function of revenue collection.

The response of the Indian Customs to the emerging challenges as outlined above has been manifold. As for the challenge regarding facilitating flow of trade without compromising interest of revenue, the Indian Customs has moved to a system of assessment based on risk parameters. The concerns relating both to revenue and security have been incorporated as risk parameters in the Risk Management System (RMS). About 90 per cent of Customs assessment work is now undertaken through the Electronic Data Interchange (EDI) and around 80 per cent of imported goods are assessed through RMS. The goods get cleared the same day, if it is not hit by any of the aforesaid risk parameters. In order to minimize subjectivity and arbitrariness in the case of valuation disputes, the Directorate of Valuation has developed valuation database viz. National Import Database (NIDB) and Export Commodity Database (ECDB). The Database is used in Valuation Risk Assessment Module (VRAM).

The emerging areas of concern also include 'Country of Origin' frauds, Trade Based Money Laundering (TBML) through overvaluation of exports, and violation of Intellectual Property Rights. The legislations like

Prevention of Money Laundering Act, 2005, Export Valuation Rules, 2007 and IPR Enforcement Rules are answers to some of these concerns.

While activating the trade facilitation machinery, the Customs simultaneously has focused on proactive intelligence targetting, intelligence sharing and intelligence tasking. Emphasis is also being given on international cooperation in respect of exchange of information on specific Customs issues through Customs Mutual Assistance Agreements (CMAA).

On Anti smuggling front, new dangerous areas of concern have emerged. The most disturbing amongst them is smuggling of Fake Indian Currency Notes (FICN) from across the border. The seizure figure of roin, using India as a conduit has recently been of a particular concern because of its magnitude. While in 2004-05, the DRI had seized only about 72 Kgs. of Heroin of Afghan-Pakistan origin, seizure quantity rose to about 290 Kgs. in the last calendar year 2007. Customs plays a vital role in protecting flora and fauna of the country. In the last three years, Customs has seized around 1210 MT of Red Sanders (Rakta Chandan) and a huge number of Star Tortoises while being smuggled

FICN with face value of Rs. 4.12 crore in 2007 on DRI intelligence alone underlines the danger. The age-old profession of smuggling of drugs, mainly Heroin, using India as a conduit has recently been of a particular concern because of its magnitude. While in 2004-05, the DRI had seized only about 72 Kgs. of Heroin of Afghan-Pakistan origin, seizure quantity rose to about 290 Kgs. in the last calendar year 2007. Customs plays a vital role in protecting flora and fauna of the country. In the last three years, Customs has seized around 1210 MT of Red Sanders (Rakta Chandan) and a huge number of Star Tortoises while being smuggled out.

Indian Customs has risen to the occasion in responding to the emerging challenges suitably. Given the rate at which new challenges are emerging, Customs needs to be alert and it has to be prepared in shouldering more and more responsibility as the call keeps coming.

Sumit Dutt Majumder  
Director General Revenue Intelligence

# Database helps customs lap up Rs 514 cr extra



**BIG CATCH**

Pranati Mehra | TNN

**Mumbai:** A huge database of the import values of goods, gathered from 64 customs stations in the country, have helped Indian customs collect a whopping Rs 514 crore extra in duties between April 1 and December 31, 2007. "The figure is likely to go up in the next quarter," sources in the department said.

The database has also helped the department honour its commitment made in last year's Budget that the "transaction value" of goods will be accepted to levy duty instead of the highly controversial "deemed" value of goods.

The National Import Database has helped customs reduce the risk of importers cheating on values. At the same time, a small but crucial amendment to section 14 of the Customs Act to incorporate the concept of "transaction value" has helped collect higher revenue without the usual acrimony involved in booking cases.

Since last October, the department has been bound to take into account the actual value at which goods enter the country's borders instead of the value at which goods are "normally bought or offered."