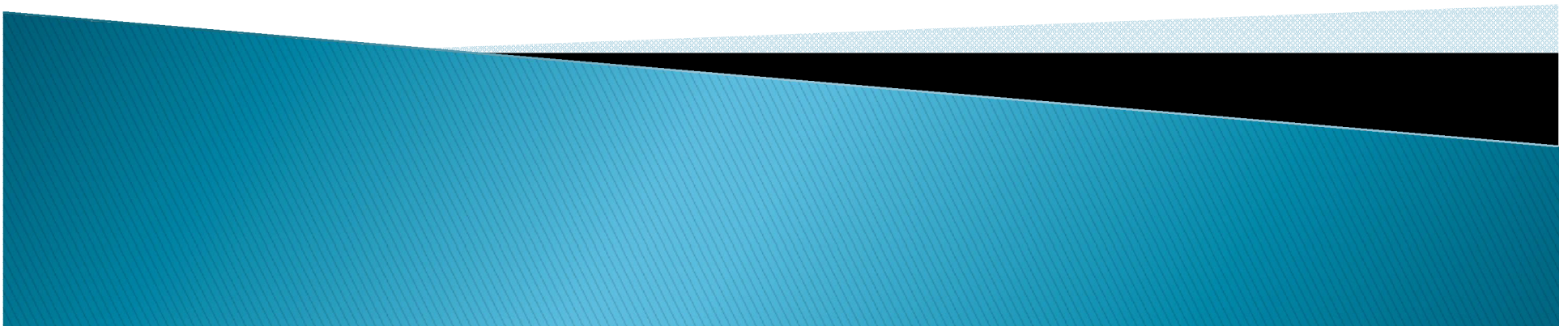


# OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS

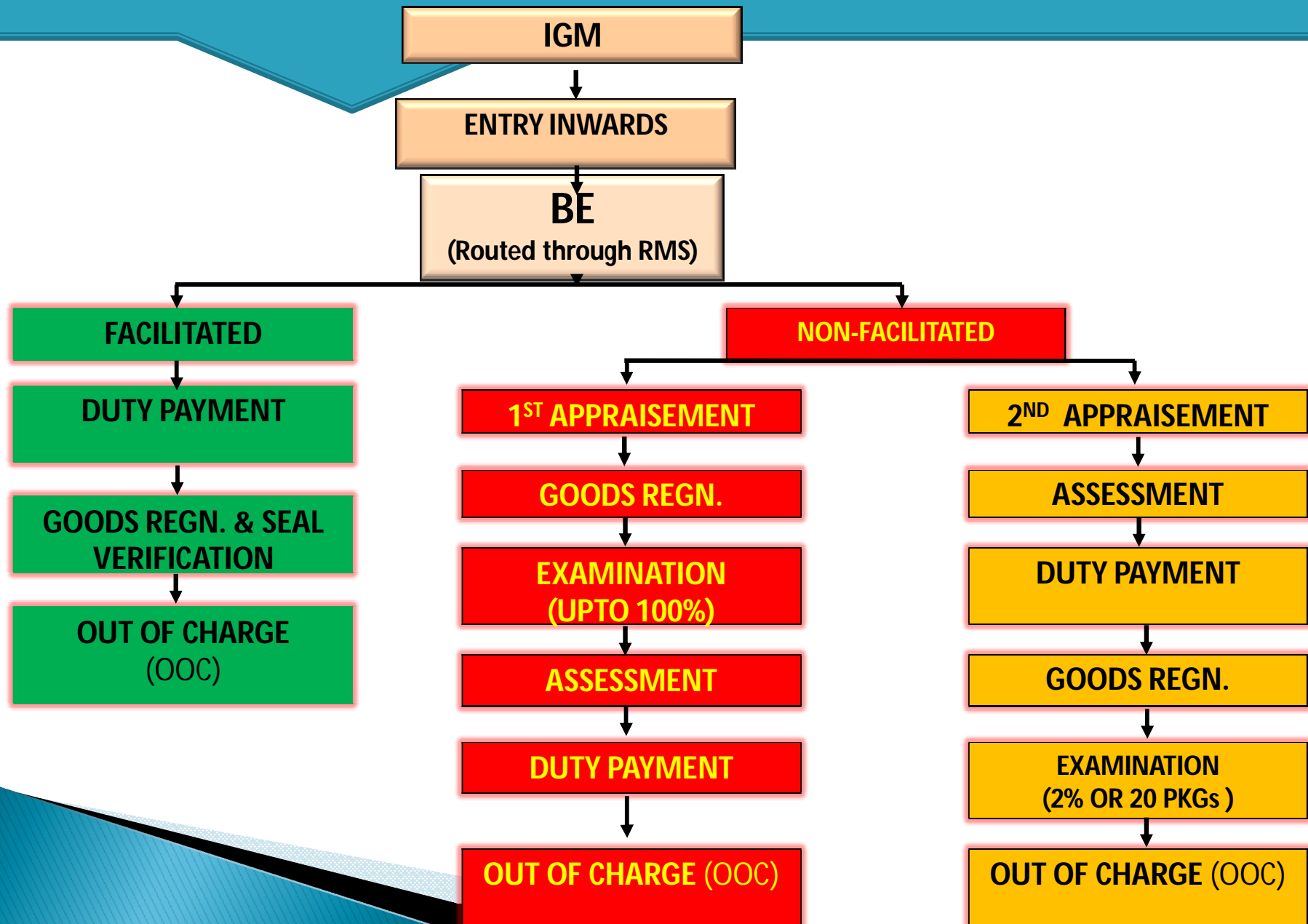
Visakhapatnam





**TIME RELEASE STUDY OF  
IMPORT CLEARANCE  
AT VISAKHAPATNAM SEAPORT  
APRIL - 2017**

# FLOW CHART OF CLEARANCE OF IMPORTED GOODS



# OBJECTIVE of TRS

To measure the average time taken for each activity of the release process

To identify the weaknesses and suggest ways to remove them, if any.

# SCOPE of TRS

Measures the mean average time taken in each process of Customs clearance from arrival of goods to the release of the goods (Out of Charge – OOC).

Is based on the declarations filed and processed electronically.

More than 99% of import declarations are filed electronically in Custom House.

# METHODOLOGY ADOPTED

Based on [sampling method](#).

As per WCO guidelines, the sample should ideally include all the declarations processed in a period of at least seven consequent working days.

It should also be one of the normal traffic periods.

Time period of one week from [03/04/2017](#) to [09/04/2017](#) was undertaken for this study.

During this period, there was no slowdown or break down of EDI System. Hence data collected reflects a fairly representative sample.

# WORKFLOW OF CUSTOMS CLEARANCE

Customs clearance can be broadly classified into following stages:

1. Filing of IGM

**ACTION OWNER : SHIPPING LINER**

2. Filing of BE

**ACTION OWNER : IMPORTER / CB**

3. Processing of declaration automatically by Risk Management System (RMS), which decides to facilitate the BE or send the BE for scrutiny by Assessment Group.

**ACTION OWNER : ICES 1.5**

4. Scrutiny is done either through 1<sup>st</sup> check or 2<sup>nd</sup> check assessment, which is done at the behest of importer or Customs;

**ACTION OWNER : CUSTOMS**

5. 1<sup>st</sup> check assessment

**ACTION OWNER: CUSTOMS**

# WORKFLOW OF CUSTOMS CLEARANCE

Cntd...

6. 2<sup>nd</sup> Check Assessment

**ACTION OWNER : CUSTOMS**

7. Payment of Duty

**ACTION OWNER : IMPORTER / BANK**

8. Goods Registration

**ACTION OWNER : IMPORTER / CB**

9. Examination of goods

**ACTION OWNER : CUSTOMS**

10. Out of Charge (OOC) in ICES.

**ACTION OWNER : CUSTOMS**

Of the stages mentioned above, time attributable to processing by Customs officers would be aggregate of time taken for assessment and examination (stages 3 to 6 and 9 & 10). However, the total time for an imported Consignment lies in Customs Area is aggregate of stages 1 to 10.



# ANALYSIS

<b>TOTAL NUMBER OF BILLS OF ENTRY FILED</b>	<b>620</b>
<b>NUMBER OF BILLS OF ENTRY FACILITATED</b>	<b>286 (46.13%)</b>
<b>NUMBER OF BILLS OF ENTRY NON FACILITATED</b>	<b>334 (53.87%)</b>
<b>FIRST CHECK BILLS OF ENTRY</b>	<b>60 (9.68%)</b>
<b>SECOND CHECK BILLS OF ENTRY</b>	<b>274 (44.19%)</b>

# ANALYSIS OF STAGES 1 & 2

## A. VESSEL ARRIVAL TO FILING OF BE - Action Owner : Importer / CB

Time taken in Hours	No. of Bs/E	Cumulative %age of Total Documents Filed
<08	142	30.94
<16	24	36.17
<24	12	38.78
<32	27	44.66
<40	19	48.80
<48	13	51.63
<72	61	64.92
>72	161	35.08
<b>Total</b>	<b>459</b>	

### Analysis

It can be noticed that importers have filed **38.78%** BsE within **24 hrs** from grant of entry inwards, **26.14%** in the next **48 hours**, and **35.08%** have filed BE after **72 hrs**. The % of BsE filed within 24 hrs **decreased** from **60.59%** to **38.78%**

### How do we move forward

The Importer / CB needs to be ready with all the documents and file maximum possible BsE within 24 hrs. They can also avail the facility of filing prior entry BsE upto 14 days prior to arrival of vessel

# ANALYSIS OF STAGES 2 TO 6

## B. TIME TAKEN IN FILING TO ASSESSMENT - Action Owner : CUSTOMS

Time taken in Hours	No. of Bs/E	Cumulative %age of Total Documents Filed
<08	274	59.69
<16	30	66.23
<24	32	73.20
<32	13	76.03
<40	3	76.69
<48	22	81.48
<72	31	88.24
>72	54	11.76
<b>Total</b>	<b>459</b>	

### Analysis

It can be noticed that **73.20%** BsE have been assessed within **24 hrs**, **15.03%** in the next **48 hours**, and **11.76%** have been assessed after **72 hrs.**, The % BsE assessed within 24 hrs have **decreased** from **90.00%** to **73.20%** compared to previous study. The % BsE assessed after 72 hrs increased from **5.00%** to **11.76%**.

### How do we move forward

\* Mostly on account of the BsE filed in the evening of last working day of the week. If maximum number of BsE are filed in the early hours of the day, there is a likelihood of the %age of assessment of BsE in the first 8 hours to go up.

# ANALYSIS OF STAGES 6 & 7

C. TIME TAKEN IN FOR PAYMENT OF DUTY AFTER ASSESSMENT - Action Owner : IMPORTER/ CB

Time taken in Hours	No. of Bs/E	Cumulative %age of Total Documents Filed
<08	130	51.59
<16	33	64.68
<24	2	65.48
<32	12	70.24
<40	17	76.98
<48	0	76.98
<72	39	92.46
>72	19	7.54
<b>Total</b>	<b>252</b>	

## Analysis

It can be noticed that in case of **65.48%** BsE, duty payment has been made within **24 hrs**, **26.98%** in the next **48 hours**, and **7.54%** have paid after **72 hrs**. The % of duty paid BsE within **72 hrs** has **increased** from **64.97%** during the previous study to **92.46%** during the present study.

## How do we move forward

As e payment is made mandatory and the facility is available 24x7, the Importers/CBs are advised to plan duty payment well in time to avoid payment of Interest, detention and demurrage charges.

# ANALYSIS OF STAGES 7 & 8

D. TIME TAKEN FOR REGISTRATION AFTER PAYMENT OF DUTY -  
 Action Owner : Custodian/ CB  
 Terminal Operator / IMPORTER

Time taken in Hours	No. of Bs/E	Cumulative %age of Total Documents Filed
<08	1	0.40
<16	8	3.57
<24	42	20.24
<32	4	21.83
<40	41	38.10
<48	41	54.37
<72	41	70.63
>72	74	29.37
<b>Total</b>	<b>177</b>	

## Analysis

It can be noticed that incase of 20.24% BsE goods have been registered within 24 hrs, 50.40% in the next 48 hours and 29.37% have been registered after 72 hrs. Compared to previous study, the % of BsE registered within 24 hrs **increased** from 15.82% that of Previous study to 20.24% during the present study.

## How do we move forward

1. Keep all documents ready as per CCRs.
2. The CB / Custodian / Terminal Operator may work in tandem so as to reduce the dwell time and stagnation in Terminal / CFS
3. Effective message exchange among

# ANALYSIS OF STAGES 8 TO 10

E. TIME TAKEN FOR OUT OF CHARGE FROM REGISTRATION - Action Owner : CUSTOMS

Time taken in Hours	No. of Bs/E	Cumulative %age of Total Documents Filed
<08	425	92.59
<16	1	92.81
<24	20	97.17
<32	6	98.47
<40	1	98.69
<48	1	98.91
<72	2	99.35
>72	3	0.65
<b>Total</b>	<b>459</b>	

## Analysis

It can be noticed that Out of Charge has been granted in **97.17%** of cases within **24 hrs**, and **2.18%** cases are cleared in the next 48 hours and **0.65%** of BsE were granted out of charge after 72 hrs. The **% of BsE** out of charged within 24 hrs **increased** from **88.24%** during previous study to **97.17%** during the current study.

## How do we move forward

1. Keep CCR documents ready.
2. The 13.07% after 24 hours is mainly related to 1<sup>st</sup> check and amendment of Bills.
3. Importers / CBs are suggested to maintain data quality so that amendments can be reduced and OOC is given within 24

# INTEGRATED ANALYSIS OF THREE STUDIES CONDUCTED ON TIME RELEASE

S. N	Process/ Action Owner	Frame (in Hrs)	1 <sup>st</sup> Study (21.07. 14 to 28.07. 14	2 <sup>nd</sup> Study (15.12. 14 to 22.12. 14	3 <sup>rd</sup> Study (13.04. 15 to 20.04. 15	4 <sup>th</sup> Study (21.07. 15 to 27.07.15	5 <sup>th</sup> Study (21.08. 15 to 27.07.15	6 <sup>th</sup> Study (07.09. 15 to 14.09.15	7 <sup>th</sup> Study (12.10. 15 to 19.10.15
1	A. VESSEL ARRIVAL TO FILING OF BE - Action Owner : <b>Importer / CB</b>	72	71.47	61.31	65.44	63.45	64.81	66.99	64.39
2	B. FILING TO ASSESSMENT - Action Owner : <b>CUSTOMS</b>	24	72.94	81.25	79.20	70.11	82.52	82.40	83.02
3	C. PAYMENT OF DUTY AFTER ASSESSMENT - Action Owner : <b>IMPORTER/CB</b>	72	45.17	50.30	51.68	89.92	85.52	91.04	87.78
4	D. REGISTRATION AFTER PAYMENT OF DUTY Action Owner : <b>Custodian/ CB Terminal Operator / IMPORTER</b>	72	28.41	29.76	26.38	70.90	63.35	64.18	58.37
5	E. OUT OF CHARGE FROM	24	87.06	96.13	97.55	94.48	83.98	86.80	85.85

S.N	Process/ Action Owner	Time Frame (in Hrs)	8 <sup>th</sup> Study (02.11.15 to 09.11.15)	9 <sup>th</sup> Study (07.12.15 to 14.12.15)	10 <sup>th</sup> Study (04.01.16 to 11.01.16)	11 <sup>th</sup> Study (15.02.16 to 22.02.16)	12 <sup>th</sup> Study (07.03.16 to 14.03.16)	13 <sup>th</sup> Study (11.04.16 to 18.04.16)
1	A. VESSEL ARRIVAL TO FILING OF BE - Action Owner : <b>Importer / CB</b>	72	62.77	63.56	62.87	71.06	68.14	53.06
2	B. FILING TO ASSESSMENT - Action Owner : <b>CUSTOMS</b>	24	80.43	75.82	79.04	73.25	65.10	69.21
3	C. PAYMENT OF DUTY AFTER ASSESSMENT - Action Owner : <b>IMPORTER/CB</b>	72	92.75	83.09	91.00	81.53	87.08	77.85
4	D. REGISTRATION AFTER PAYMENT OF DUTY Action Owner : <b>Custodian/ CB Terminal Operator / IMPORTER</b>	72	64.73	67.15	60.77	66.55	66.51	67.41
5	E. OUT OF CHARGE FROM REGISTRATION - Action Owner : <b>CUSTOMS</b>	24	86.41	89.89	81.64	77.46	85.04	77.95



S.N	Process/ Action Owner	Time Frame (in Hrs)	14 <sup>th</sup> Study (09.05. 16 to 15.05. 16)	15 <sup>th</sup> Study (13.6.1 6 to 19.6.16 )	16 <sup>th</sup> Study (11.7.16 to 17.7.16)	17 <sup>th</sup> Study (08.08.16 to 14.08.16)	18 <sup>th</sup> Study (05.09.16 to 11.09.16)	19 <sup>th</sup> Study (17.10.16 to 23.10.16)	20 <sup>th</sup> Study (21.11.16 to 27.11.16)
1	A. VESSEL ARRIVAL TO FILING OF BE - Action Owner : <b>Importer / CB</b>	72	65.04	68.09	58.07	71.77	59.76	61.67	65.60
2	B. FILING TO ASSESSMENT - Action Owner : <b>CUSTOMS</b>	24	85.37	79.65	79.52	88.79	85.80	83.33	82.26
3	C. PAYMENT OF DUTY AFTER ASSESSMENT - Action Owner : <b>IMPORTER/CB</b>	72	93.04	89.47	88.13	84.64	76.60	72.94	93.24
4	D. REGISTRATION AFTER PAYMENT OF DUTY Action Owner : <b>Custodian/ CB Terminal Operator/ IMPORTER</b>	72	75.65	55.79	68.35	75.00	54.79	66.27	76.13
5	E. OUT OF CHARGE FROM REGISTRATION - Action Owner : <b>CUSTOMS</b>	24	79.95	90.45	89.16	90.95	87.87	87.86	88.89

S.N	Process/ Action Owner	Time Frame (in Hrs)	21 <sup>st</sup> Study (05.12. 16 to 11.12. 16)	22 <sup>nd</sup> Study (16.01.1 7 to 22.01.1 7)	23 <sup>rd</sup> Study (06.02.17 to 12.02.17)	24 <sup>th</sup> Study (06.03.17 to 12.03.17)	25 <sup>th</sup> Study (03.04.17 to 09.04.17)		
1	A. VESSEL ARRIVAL TO FILING OF BE - Action Owner : <b>Importer / CB</b>	72	67.00	51.61	60.10	73.24	64.92		
2	B. FILING TO ASSESSMENT - Action Owner : <b>CUSTOMS</b>	24	86.25	82.72	82.19	90.00	73.20		
3	C. PAYMENT OF DUTY AFTER ASSESSMENT - Action Owner : <b>IMPORTER/CB</b>	72	87.73	85.12	88.89	81.92	92.46		
4	D. REGISTRATION AFTER PAYMENT OF DUTY Action Owner : <b>Custodian/ CB Terminal Operator / IMPORTER</b>	72	72.20	55.36	70.74	66.67	70.63		
5	E. OUT OF CHARGE FROM REGISTRATION - Action Owner : <b>CUSTOMS</b>	24	85.50	79.26	84.56	88.24	97.17		

**SUGGESTIONS/RECOMMENDATIONS**

**THANK YOU**