



ANNUAL PERFORMANCE REPORT - 2018

SRI LANKA CUSTOMS

Compiled by: Policy, Planning and Research Directorate

Message from the Director General of Customs

It is with great pleasure I present the Annual Performance Report of Sri Lanka Customs (SLC) for the year 2018. During the year under review SLC has been able to secure a tax revenue of Rs. 919.05 billion. This contributes to 53.7% of the total government tax revenue of Rs.1, 712.31 billion.

SLC was able to accomplish such an achievement despite the slowdown in trade including the drop-in import quantity, high duty waivers granted and rapid exchange rate fluctuation etc. This achievement displays outcomes of the adoption to international best practices and effective Customs control initiatives recommended by the World Customs Organization (WCO) in both enforcement and facilitation domains. These encompass automation of customs processes and the introduction of Risk Based Examination criteria. While collecting the due revenue to the government, Customs was also effective in preventing the importation and exportation of restricted and prohibited goods such as narcotics and also effective in safeguarding the socio-economic, cultural and ecological interest of the society, at the same time facilitating legitimate trade.

I thank the Honorable Minister of Finance and Mass Media, the State Minister of Finance and Mass Media, the Secretary of Ministry of Finance and Mass Media and all officials in the Treasury, SLC and the Trading Community for their unstinted cooperation extended to me in achieving such an endeavor.

P.S.M. Charles

Director General of Customs

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SRI LANKA CUSTOMS – INTRODUCTION

Vision

To be recognized as the “best practice” Customs Administration in Asia that enhances the security and prosperity of Sri Lanka.

Mission

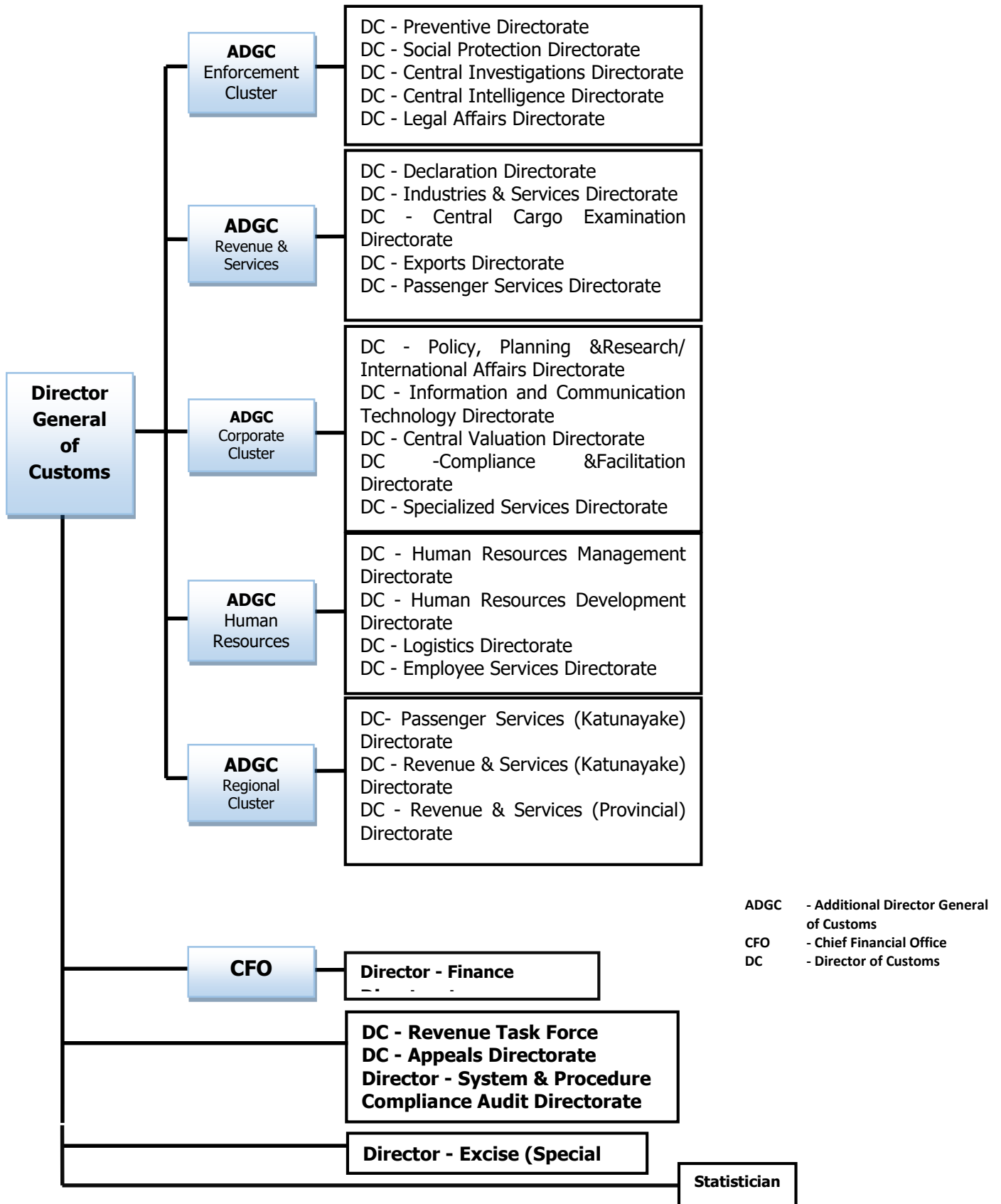
We are committed to enforce and enhance compliance of the Customs Law and related Laws Concerning revenue, social and environmental protection, whilst facilitating legitimate trade, travel and industry with due recognition to National and International Customs Standards.

- To ensure proper enforcement of tariff, trade and social protection laws of the State, at the frontiers.
- To ensure uninterrupted revenue generation for the State, collection of due revenue and timely and proper accounting thereof.
- To co-operate with world counter-terrorism security measures in order to protect the State at the frontiers and strengthen internal security.
- To ensure revenue and social safety by combating drug trafficking and money laundering without disrupting legal trade.
- Ensuring the uniform interpretation and application of the World Trade Organization’s Trade Facilitation Agreement in the Trade.
- To be an advisory body to policy makers in determining the revenue and trade policies of the State, to be implemented at the frontiers.
- Facilitate flow of passengers, goods and related means of transport at the frontiers, while ensuring compliance of Customs and other related laws.
- To enhance Customs operations at frontiers using tools and instruments, and programmes and initiatives developed and introduced by World Customs Organization.
- To comply with all international obligations with regards to the flows of passengers, goods and related means of transport; exchange of information and other related matters.
- To disseminate information and provide trade statistics to the State and public.
- To be a “Partner in Progress” in all State endeavors; a client friendly, specialized and professional services.
- To work towards the progress of Customs Service through the better administration, based on audit methodologies and affirming transparency.

Main functions

- Implementation of Government Policies relating to tariff, trade and social protection laws.
- Assessment and collection of import and export Customs duties.
- Assessment and collection of duties / taxes and other levies on behalf of other acts and State agencies.
- Implementation (granting) of duty (tax) waivers, exemptions and concessions.
- Securing of duties and other levies and accounting of the same.
- Refunds, drawbacks and rebates of Customs duty.
- Prevention and detection of smuggling, commercial frauds and trafficking of narcotic drugs.
- Enforcement of laws relating to prohibited and restricted goods.
- Investigating and inquiring into offences committed under the Customs Law and other related Laws.
- Penalizing offenders / seizure of forfeited goods.
- Disposal of goods forfeited.
- Clearance of import and export cargo.
- Clearance of passengers and passengers' baggage.
- Computerization of cargo and passenger clearance procedures.
- Implementing fiscal measures for the protection of local industries and agricultural products.
- Management of Export Facilitation Schemes.
- Management of Warehousing of Goods (Bonds Scheme).
- Monitoring of export oriented industrial schemes.
- Compilation and issue of Trade Statistics.
- Providing information / classification rulings etc.
- Regular dialogue with Trade Chambers – Forwarding Agents – CHAA
- Conducting training / awareness programmes.
- Regular communication with the World Customs Organization on matters relating to Nomenclature, Classification, Valuation and Enforcement Techniques.
- Coordination of work with line agencies and government Departments for exchange of information: Ministry of Finance and Planning, Inland Revenue Department, Export Development Board, Excise Department etc.

ORGANIZATION STRUCTURE OF SRI LANKA CUSTOMS



PRINCIPAL OFFICIALS

Mrs. P. S. M. Charles
Director General of Customs

Mr. H. P. Jayananda
Additional Director General of Customs (Human Resources)

Mr. S. Mahesan
Additional Director General of Customs (Corporate)

Mr. K. H. U. J. Keerthi
Additional Director General of Customs (Revenue & Services)

Mr. L. Gajadeera
Additional Director General of Customs (Enforcement)

Mr. P. S. Senarathna
Additional Director General of Customs (Regional)

Mrs. M. A. K. P. Wijewantha
Chief Financial Officer

Mr. D. G. Senanayake
Director of Customs (Compliance and Facilitation)

Mr. W. K. Randeniya
Director of Customs (Cargo Examinations)

Mr. R. A. J. Buddhadasa
Director of Customs (Preventive)

Mr. K. H. Dharmakeerthi
Director of Customs (Central Intelligence)

Mr. S. Anendeeswaran
Director of Customs (Specialized Services)

Mr. R. M. S. D. Ranawana
Director of Customs (Central Valuation)

Mr. R. K. Jayalath
Director of Customs (Logistics)

Mrs. D. C. Jayadeva
Director of Customs (Employee Services)

Mr. I. A. M. Arthanayake
Director of Customs (Special Tasks and Vigilance)

Mr. T. Ravindraraja
Director of Customs (Passenger Services - Colombo)

Mrs. W. G. Chandrika
Director (Internal Audit)

Mr. G. Sarath Kumara
Chief Accountant

Mr. J. H. L. K. Jayathilake
Director of Customs (Central Investigation)

Mr. H. K. M. S. Jayarathna
Director of Customs (Policy, Planning and Research)

Mr. M. A. Karunarathna
Director of Customs (Passenger Services - Katunayake)

Mr. O. M. Jabeer
Director of Customs (Revenue & Services -Katunayake)

Mr. M. H. K. Priyarathna
Director of Customs (Industrial Services)

Mr. S. K. De Silva
Director of Customs (Declarations)


Mr P. G. Sumanapala
Director of Customs (Social Protection)

Mr. S. D. Sunil
Director of Customs (Export)

Mr. C. Peripanayagam
Director of Customs (ICT)

Mr. H. R. N. C. Herath

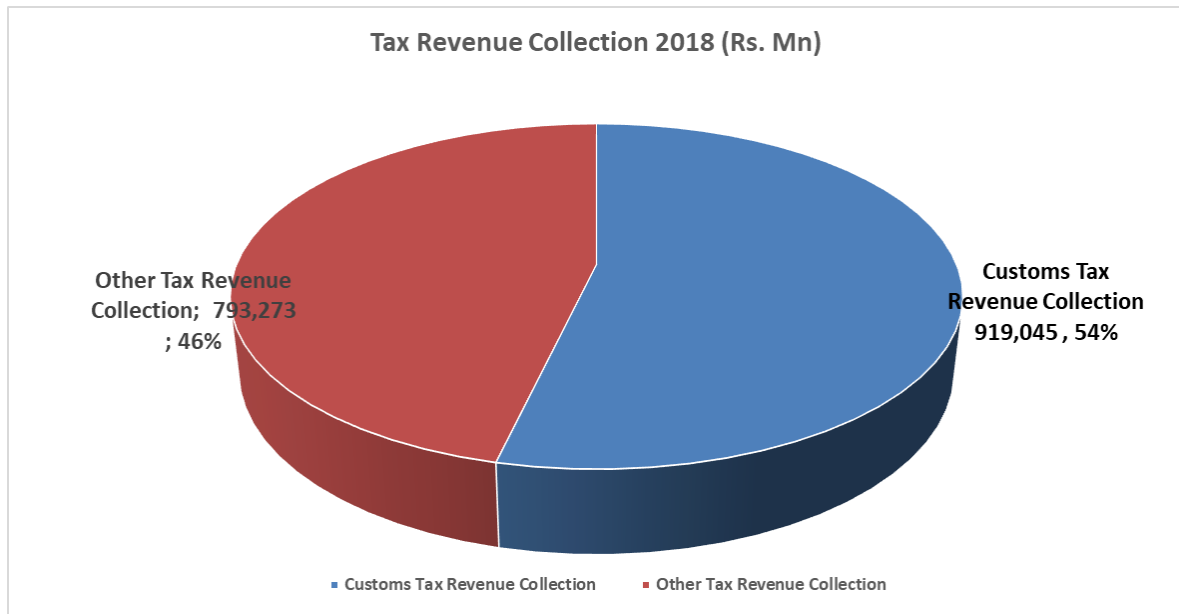
Director of Customs (Legal Affairs)
Mr. H. A. V. P. Hapangama
Director of Customs (Human Resource Management)
Mrs. E. M. N Edirisingha
Director of Customs (Human Resource Development)
Mr. U. Lokusooriya
Director of Customs (Passenger Services - Provincial)
Mr. H. R. V. P. Wijewardhana
Director (Excise)
Mr. W. A. U. Abeywardhana
Director of Customs (Appeals)
Mr. W.A. K. Abeywardhana
Director of Customs (Revenue & Services - Provincial)
Mr. R. D. N. Premawansa
Deputy Director (Statistics)
Mr. A. P. N. A. Abeyrathna
Director of Customs (Industries & Services-Provincial)



OVERALL
PERFORMANCE

REVENUE COLLECTION -2018

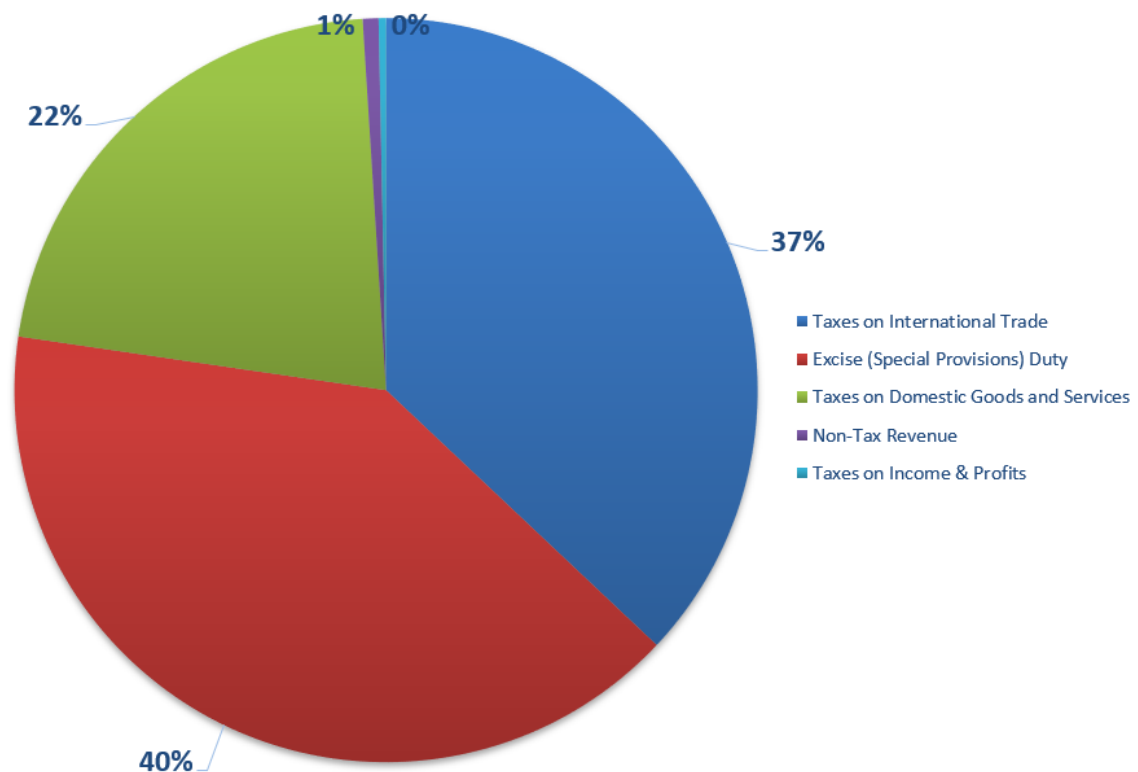
As a Percentage of National Tax Revenue*



*Provisional Data

IMPORT REVENUE COLLECTION – 2018: TAX COMPOSITION
Sri Lanka Customs Revenue Collection – 2018

Category	Revenue - SLR Mn.	As a percentage of Total Revenue
Taxes on International Trade	340,156	37.01%
Excise (Special Provisions) Duty	370,351	40.30%
Taxes on Domestic Goods and Services	199,328	21.69%
Non-Tax Revenue	6,287	0.68%
Taxes on Income & Profits	2,923	0.32%



Revenue Code	Description	Performance from 01st January - 31st December 2018 (SLR Mn.)				
		Estimates	Actual	% of Performance	Deviation	% of Deviation
Taxes on International Trade						
1001.01.00	Import Duty	175,000	96,991	55%	(78,009)	-45%
1001.02.00	Export Duty	40	40	99%	(0)	-1%
1001.04.00	Port & Airport Dev. Levy	115,000	113,950	99%	(1,050)	-1%
1001.05.01	Import Cess Levy	47,000	50,777	108%	3,777	8%
1001.05.02	Export Cess Levy	2,500	2,592	104%	92	4%
1001.08.00	Special Commodity Levy	80,000	75,807	95%	(4,193)	-5%
Excise (Special Provisions) Duty						
1002.05.01	Excise Duty on Cigaretts	90,000	92,198	102%	2,198	2%
1002.05.02	Excise Duty on Liquor	-	53	-	53	-
1002.05.03	Excise Duty on Petroleum	80,000	66,318	83%	(13,682)	-17%
1002.05.04	Excise Duty on Motor Vehicles	230,000	204,081	89%	(25,919)	-11%
1002.05.99	Other Excise Duty	10,000	7,701	77%	(2,299)	-23%
Taxes on Domestic Goods and Services						
1002.01.04	Value Added Tax (VAT)	210,000	179,163	85%	(30,837)	-15%
1002.12.03	National Building Tax (NBT)	25,000	20,165	81%	(4,835)	-19%
1002.10.00	Social Responsibility Levy (SRL)	-	-	-	-	-
Taxes on Income & Profits						
1004.04.02	Economic Service Charge (ESC)	1,200	2,923	244%	1,723	144%
Non-Tax Revenue						
2003.02.17	Fees on Local Sale on Garments	150	306	204%	156	104%
2003.03.01	Fines and Forfeits	1,600	5,464	342%	3,864	242%
2003.02.99	Sundries	315	349	111%	34	11%
2003.99.00	Other Receipt	70	167	239%	97	139%
TOTAL		1,067,875	919,045	86%	(148,830)	-14%

TOP FIFTY REVENUE EARNING COMMODITIES (HS -WISE)

	HS Code	Description	2018	
			Qty	Revenue
1	27101221, 27101220, 27101222	Petrol	1,133,424,918	80,699,045,792
2	87032169	Other Motor cars including station wagons and racing cars <1 yr	32,896	51,784,212,320
3	87112010	Motor cycle, >55 cc & =< 200 cc, not more than 3 years old, reciprocating internal comb	347,307	40,491,201,770
4	27101942, 27101940, 27101941	Gas oil including Diesel	1,453,056,958	39,125,225,545
5	87034028	Other , not more than three years old	32,199	26,640,816,714
6	15119030	Crude Palm Olein	173,748,709	22,128,346,376
7	87032250	Motor cars including station wagons and racing cars, not more than three years old	14,033	16,547,122,178
8	22071000	Undenatured ethyl alcohol, of alcoholic strength >=80%	13,676,787	13,082,055,758
9	04022100	Milk & cream, not containing added sugar or other sweetening matter, of fat contnt > 1.5	85,914,494	13,029,216,886
10	17019910	White crystalline cane sugar	350,792,191	11,626,430,642
11	69072190	Other	13,745,156	9,083,020,410
12	87032154	Other Three Wheelers less than 1 yr	20,279	8,494,829,612
13	10019910	Wheat grain	1,098,708,050	8,310,619,235
14	87043193	Other, Not more than four years old	6,230	8,305,320,465
15	25232930	Other Portland cement imported in packing of over 50 kg or in bulk	2,193,082,246	7,552,076,409
16	72071110	Billets	504,734,865	6,309,863,164
17	17019920	White crystalline beet sugar	190,200,385	6,108,554,384
18	27011200	Bituminous coal, not agglomerated	2,058,408,788	6,069,578,239
19	07031020	B' Onions	246,731,359	5,467,748,024
20	87034035	Motor cars including station wagons and racing cars, not more than three years old	4,293	5,414,679,090
21	87036058	Other , not more than three years old	660	5,196,311,351
22	25231000	Cement clinkers	2,302,661,666	5,022,887,354
23	25232920	Other Portland cement imported in packing of 50kg and below	1,095,424,317	4,861,001,769
24	85176290	Machines for the reception, conversion & transmission or regenerating of voice etc, nes	219,283	4,843,802,005
25	23040000	Oil-cake and other solid residues, of soya-bean	213,730,589	4,388,118,656
26	27101980	Lubricants	22,083,767	4,211,447,589
27	07019000	Potatoes, fresh or chilled excl. seed potatoes.	159,304,034	4,169,386,431
28	87042261	Not more than five years old	3,892	3,934,241,800
29	27090010	petroleum oils	1,578,546,629	3,870,726,850
30	15119090	Palm oil, not chemically modified, excl crude oil, palm sterin, pack of =<210 l	27,835,127	3,733,478,432
31	39172100	Tubes, pipes and hoses, rigid, of polymers of ethylene	13,631,840	3,491,943,606

32	87042191	Other, not more than 3.5 years old	1,233	3,362,200,462
33	40111000	Of a kind used on motor cars (including station wagons and racing cars)	654,818	3,219,521,925
34	39011000	Polyethylene having a specific gravity <0.94, in primary forms	73,035,924	3,186,348,361
35	27111910	Liquified Petroleum Gas	410,879,319	2,999,171,325
36	39041000	Polyvinyl chloride, not mixed with other substances, in primary forms	55,000,668	2,900,294,195
37	73030000	Tubes, pipes and hollow profiles, of cast iron	21,943,618	2,893,950,220
38	87042193	Other Not more than four years old	635	2,870,851,550
39	87042163	Cargo carrying capacity of 800 kg. or more , Not more than four years old	3,882	2,736,411,487
40	14049010	Beedi leaves	770,133	2,707,487,653
41	27101970	Lubricating oils (Base-oils) for the preparation of lubricants	39,351,452	2,639,179,658
42	39021000	Polypropylene, in primary forms	44,578,340	2,603,159,414
43	48010000	Newsprint, in rolls or sheets	63,507,137	2,475,027,757
44	72259200	Flat-rolled alloy steel, >=600mm wide, plated or coated with zinc (excl. electro-plated)	80,130,907	2,462,123,778
45	72107000	Rolled iron/steel, width >=600mm, painted, varnished, or coated with plastics	75,778,855	2,395,754,001
46	15179000	Other	10,796,099	2,243,594,335
47	40112019	Other	176,608	2,124,647,325
48	87032359	Motor cars/ station wagons/ racing cars, cylinder capacity =< 2000 cc, other, =< 1 ye	2,318	2,105,151,976
49	85171220	Other cellular mobile telephones	4,932,074	2,069,733,391
50	85176210	Transmission apparatus with or without reception apparatus	967,145	2,026,046,199

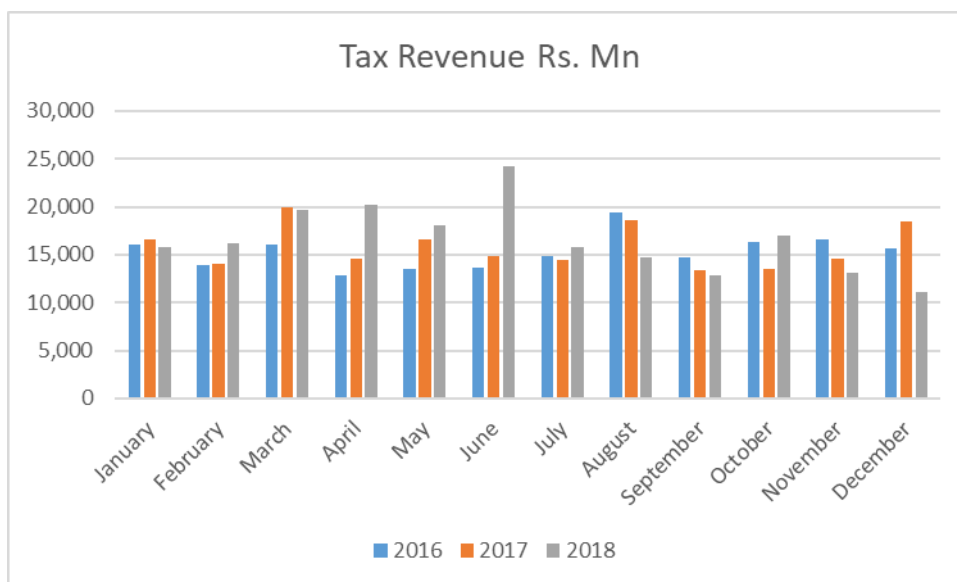
COMPARISON OF REVENUE COLLECTION - 2017 AND 2018 (Rs. Mn)

Revenue Code	Description	2018	2017	Deviation	Percentage
1001.01.00	Import Duty	96,991	136,501	(39,511)	-28.95
1001.02.00	Export Duty	40	30	9	31.38
1001.04.00	Ports & Airports Dev. Levy	113,950	102,360	11,590	11.32
1001.05.01	Cess Levy - Import	50,777	56,574	(5,797)	-10.25
1001.05.02	Cess Levy - Export	2,592	2,980	(388)	-13.03
1001.07.00	Regional Infrastructure Dev. Levy	-	-	-	-
1001.08.00	Special Commodity Levy	75,807	71,402	4,404	6.17
	Total Customs Tax Revenue	340,156	369,848	(29,693)	-8.03
1002.05.01	Excise Tax - Cigaretts	92,198	85,956	6,242	7.26
1002.05.02	Excise Tax - Liquor	53	470	(416)	-88.66
1002.05.03	Excise Tax - Petroleum	66,318	73,983	(7,665)	-10.36
	Excise Tax - Petroleum - Imports	54,426	66,943	(12,517)	-18.70
	Excise Tax - Petroleum - Local	11,893	7,040	4,853	68.93
1002.05.04	Excise Tax - Motor Vehicle	204,081	189,740	14,341	7.56
1002.05.99	Excise Tax - Others	7,701	6,091	1,609	26.42
	Excise Tax - Others- Imports	1,636	-	1,636	-
	Excise Tax - Others - Local	6,065	6,091	(26)	-0.43
	Total Excise Tax Revenue	370,351	356,240	14,111	3.96
1002.01.04	Value Added Tax on Imports	179,163	168,393	10,770	6.40
1002.10.00	Social Responsibility Levy	-	2	(2)	-100.00
1002.12.03	National Building Tax	20,165	19,320	845	4.37
1004.04.02	Economic Service Charge (ESC)	2,923	2,160	764	35.36
	Total Tax Revenue	202,252	189,875	12,377	6.52
2003.02.17	Fees on Local Sale on garments	306	218	88	40.32
2003.03.01	Fine & Forfeits - Customs	5,464	1,964	3,500	178.21
2003.02.99	Sundries	349	326	24	7.33
2003.99.00	Other Receipts	167	126	41	32.07
	Total Other Tax Revenue	6,287	2,634	3,653	138.66
	Total Revenue	919,045	918,597	448	0.05

COMPARISON OF TAX REVENUE COLLECTION ON MOTOR VEHICLE IMPORTS 2016-2018

Rs. Mn

Month	2016	2017	2018
January	16,063	16,605	15,793
February	13,868	14,097	16,171
March	16,017	19,961	19,653
April	12,911	14,549	20,247
May	13,548	16,588	18,134
June	13,713	14,902	24,250
July	14,847	14,470	15,786
August	19,399	18,600	14,749
September	14,698	13,411	12,883
October	16,337	13,511	16,946
November	16,612	14,578	13,081
December	15,711	18,441	11,076
Grand Total	183,723	189,713	198,770





ENFORCEMENT
CLUSTER

Preventive Directorate

Introduction

Preventive Directorate is the main law enforcement arm of Sri Lanka Customs, having surveillance over all operational areas of Customs, particularly the seaports, waterfronts, waterways and territorial-waters, international airports, Free Trade Zones, Export Processing Zones, Goods Examination Yards and inland clearance depots.

It consists of several branches, namely, Administration, “P” Branch, Operations, Investigations, Marine, Mega-port Surveillance, Sales, Central Disposal Unit and several sub preventive offices established around the Island at strategically located coastal cities.

Major Functions

1. Preventing smuggling, commercial frauds, and drug trafficking.
2. Receiving information on Customs Offences, and acting on such information.
3. Detecting Customs Offences on its own initiative, seizure of impugned goods, conducting investigations and inquires and prosecution of offenders.
4. Ensuring collection of due revenue.
5. Safeguarding socio economic, cultural and ecological/environmental interests of the country and enforcement of related laws and regulations.
6. Surveillance of Colombo seaport and other seaports, Bandaranaike International Airport and Mattala Mahinda Rajapaksha International Airport.
7. Control of vessel movements and border operations.
8. Disposal of goods forfeited by Sri Lanka Customs.

1. Preventing smuggling, commercial frauds, and drug offences.

The Location of the Fort Preventive office has been changed and the Branches situated in the main office were shifted to 03 places inside and outside of the Colombo port. Currently the Preventive Administration Branch and the Director of Preventive office are located in the Customs Head Quarters. The Central Disposal Unit (CDU) which was in the Times Building has also been transferred to the Headquarters. In addition to that, there are several “Sub-preventive Offices” located in major coastal cities, namely, Trincomalee, Galle, Koggala, Negombo and Sinnapadu.

Preventive Officers stationed in those offices have actively and effectively taken steps to prevent smuggling of goods, commercial frauds and drug offences, inwards and outwards. Further to that, preventive officers stationed in Free Trade Zones also have carried out operations to prevent leakage of dutiable goods from those zones.

After restoration of peace, the Department has taken steps to re-open the sub preventive offices at Jaffna and Mannar. Nevertheless, the Department was unable to re-commence marine enforcement activities due to the lack of seaworthy Customs Patrol crafts and trained officers. However, a committee has been appointed to look into this matter and a comprehensive report has already been submitted.

Preventive operations are being carried out at Hambantota seaport and the Mahinda Rajapaksha International Airport as well.

2. Detections, seizures, investigations and prosecutions.

Preventive Directorate receives information about various Customs-offences (smuggling, commercial frauds, and drug offences) mainly from the following two sources:

- a) Private informants of the officers attached to the Preventive Directorate.
- b) Public informants

In addition to those, the Preventive Officers were able to detect on their own initiative several frauds by perusing the cargo manifests and imports clearance documents. The use of online facility to detect the fraudulent consignees has reached a higher level compared to the perusal of hard copies of manifests as well as the CusDecs.

Acting on intelligence gathered the Preventive Directorate has conducted raids and seizures and was able to detect un-customed goods which have been smuggled or imported without declaring to Customs. Investigations and prosecution of cases were conducted by the preventive officers.

The request to obtain technical assistance for developing a proper Risk Management Program enabling Customs Enforcement Units to enhance the effectiveness of the scarce human resources still needs to be implemented. Further, it is necessary to conduct capacity building programs for the Preventive Officers with a special emphasis on the tasks and duties related to the Enforcement.

3. Ensuring the collection of due State revenue

One of the main objectives of Customs is collecting State revenue from imports and exports. Far reaching trade facilitation measures introduced by the Customs Department to facilitate genuine traders have given unscrupulous elements a slight opening to creep through Customs, defrauding State revenue. While the majority of traders are law abiding and prefer voluntary compliance, an unscrupulous minority resort to incorrectly describe (misdescribed), undervalue or non-declare their imported goods.

The details of the cases conducted by the preventive division during the year 2018 are as follows.

Only the cases conducted in the below mentioned branches of the Directorate are included.

1. SPO - Negombo
2. SPO - Koggala
3. SPO - KKS
4. SPO - Trinco
5. SPO - Sinnapadu
6. SPO - Naikanda
7. Marine
8. Gate Office
9. I Branch
10. P- Admin
11. P- Examination
12. P Branch
13. O Branch

01. DETECTIONS			
1.1	NEW CASES		
1.1.1	Cases initiated/ detected by the staff		356
1.1.2	Cases produced by other agencies		34
1.1.3	Total No. of Cases Registered (1.1 + 1.2)		390
1.1.4	No. of Cases finalized		
	1.1.4.1	<i>Cases finalized with no customs offences</i>	67
	1.1.4.2	<i>Cases handed over to other units/branches</i>	6
	1.1.4.3	<i>Cases released to proceed under normal channel</i>	-
	1.1.4.4	<i>Taken delivery prior to detain</i>	1
	1.1.4.5	Cases finalized successfully	
		1.1.4.5.1	<i>Cases finalized with penalties/ forfeitures/ AE</i>
		1.1.4.5.2	<i>Cases finalized with A/E only (by Valuation)</i>
		1.1.4.5.3	<i>Cases finalized with A/E only (by Preventive)</i>
	(A)	<i>Total No. of Cases finalized (sum 1.1.4.1 to 1.1.4.5.3)</i>	262
1.1.5	Cases pending finalization		
	1.1.5.1	<i>Cases where customs inquiry not finalized</i>	81
	1.1.5.2	<i>Cases where investigation not finalized</i>	22
	1.1.5.3	<i>Cases where appeals are pending for mitigation</i>	-
	1.1.5.4	<i>Cases where notices of action are submitted</i>	1
	(B)	Total No. of Cases pending finalization (sum 1.1.5.1 to 1.1.5.4)	104

02. RECOVERIES (in Rupees)		
2.1	Value of goods forfeited	507,384,749.00
2.2	Penalties/ forfeitures to be recovered at the beginning of the Year	137,240,062.00
2.3	Penalties/ forfeitures imposed during the Year	314,960,112.14
2.4	Penalties forfeitures recovered during the Year	286,889,465.14
2.5	Penalties/ forfeitures to be recovered at the end of the Year	211,202,938.00
2.6	A/E recovered at the Valuation Division	59,624,959.00

4. Safeguarding socio economic, cultural, ecological and environmental interests of the country, and enforcement of related laws and regulations.

Preventive Directorate has been able to safeguard socio economic, cultural, ecological and environmental interests of the country through its operations.

In addition to the regulations under the Customs Ordinance, officers of the Preventive Directorate ensure the compliance with other laws and regulations such as–

1. Arms & Ammunitions Act
2. Flora & Fauna Act
3. Import & Export Control Act
4. Cosmetic, Devices & Drugs Act
5. Telecommunication Regulatory Commission Act
6. Food and Drug Act
7. Exchange Control Act
8. Intellectual Property Act

5. Surveillance of Colombo seaport, other seaports, Free Trade Zones and Bandaranaike International Airport

Surveillance of Colombo seaport is done by two of the divisions of the Directorate, namely, the Fort Preventive Office and the Kochchikade Preventive Office, which are in charge of the surveillance of Fort area and Kochchikade area respectively. In the port of Colombo, the Land Duty Officer stationed in the Fort Preventive Office, and the Kochchikade Duty Officer stationed in the Kochchikade Preventive Office man those offices round the clock daily, so much so that those offices are never closed. These Officers visit the gates of the respective areas to ensure that those are properly manned and functioning well.

Bandaranaike International Airport and the Katunayaka Free Trade Zone are supervised by the Sub-preventive Office at Naikanda, while the Biyagama Sub-preventive Office supervises the Biyagama Free Trade Zone.

However, export processing zones located at Pallekale, Horana, Meerigama etc, are not under the surveillance of the Preventive Directorate. Hence it is necessary to establish Sub-preventive Offices at those zones, or deploy officers from other Sub-preventive Offices to look after the Customs related interests.

Although requests have been made to make avail the office and accommodation facilities at Dikovita Fisheries harbor which has commenced its operations recently, such facilities have not been provided so far. Hence the Preventive operations have not been commenced in the Dikovita Fisheries Harbor.

6. Control of vessel movements and border operations

Supervising the movement of vessels at the four main harbors (including Hambantota port) is one of the responsibilities of the Preventive Directorate. While those activities in Colombo Harbor are supervised by the Fort Preventive Office, such activities in Galle, Trincomalee and Hambantota are supervised by the sub preventive offices established at those respective ports.

Harbor Duty Officer is deployed at the Fort Preventive Office round the clock to carry out the functions of controlling the vessel movements. He boards the vessels that calls over at the Colombo port and makes sure that those vessels have obtained the clearance from the “last port of call” to enter the Colombo port. Further, he checks the IMO crew declaration etc. It is one of the responsibilities of the vessel’s local agent (acting as the representative of the captain of the respective vessel) to declare and submit the inward cargo manifest, transshipment cargo manifest and the details of transit cargo contained in each vessel calling over at port of Colombo.

Each departing vessel is granted “Outward Clearance” by the Harbor Duty Officer, having satisfied that all the related requirements are fulfilled by the vessel’s local agent who is acting as the representative of the captain of the respective vessel.

As at present, ships’ agents do not submit the export cargo manifest to the preventive office. Therefore, the officer giving the Outward Clearance is not aware of the details of export cargo loaded on the outgoing vessel.

7. Disposal of goods forfeited by Sri Lanka Customs

Central Disposal Unit is entrusted with the disposal of seized and forfeited goods of various Directorates and Units of the whole Department. The provisions of the Customs Ordinance authorize the disposal of forfeited goods by public auction, and the Tender Sales Procedure established under the Financial Regulations is followed at such auctions.

Social Protection Directorate

Introduction

A separate Directorate was established for Social Protection activities amalgamating allied units hitherto operated under different Directorates in the Customs for the same purpose. The areas, namely Narcotic Control Division, Port Control Division, Consumer and Environment Protection Division and Biodiversity, Cultural & National Heritage Protection Division have been identified for the purposes of stringent enforcement of the Customs Law and other related laws.

Major Functions

The functions of the directorate are prevention / interdiction of smuggling of narcotic drugs and psychotropic substances, protection of Environment, Biodiversity, Cultural, National Heritage and Consumer rights while ensuring due revenue by enforcement of relevant laws to facilitate the trade at Customs Points.

Narcotic Control Division

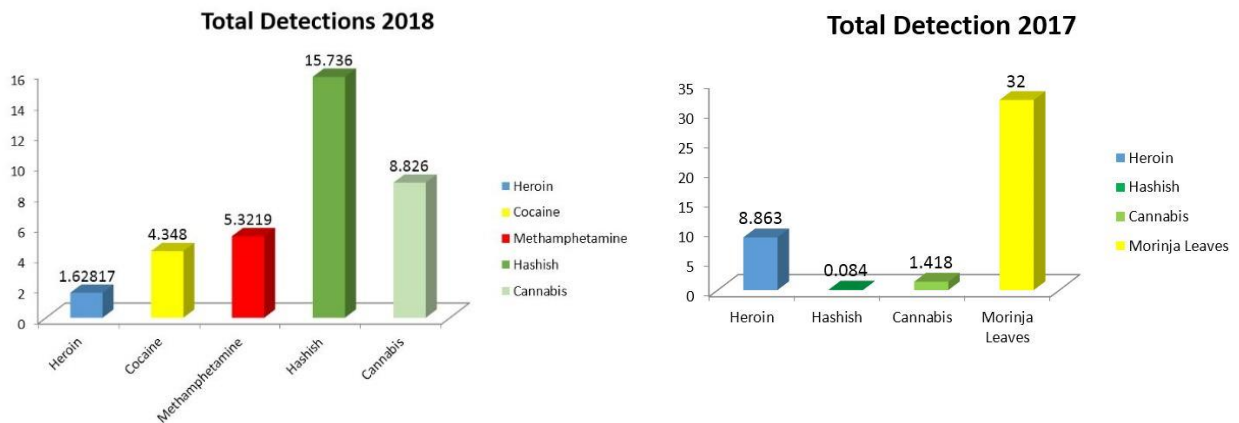
Narcotic Control Division is established to enforce the Customs law and the related laws to prevent smuggling of Narcotic Drugs and psychotropic substances on imports, exports, gifts at parcel post, Courier Services, passengers and passenger baggage while safeguarding socio economic, health and cultural interests.

Major Functions

- 1 24 hours surveillances at Air Port.
- 2 Random Surveillances at Air Cargo, Sea Cargo, Mail and Courier etc.
- 3 Identification and prevention of smuggling narcotic drugs and psychotropic substance through the commercial imports and exports by air and sea.
- 4 Investigating on reliable information.
- 5 Conducting awareness and training programs.
- 6 Monitoring precursor chemical imports, transshipments and exports.
- 7 Carrying out joint operation with PNB.

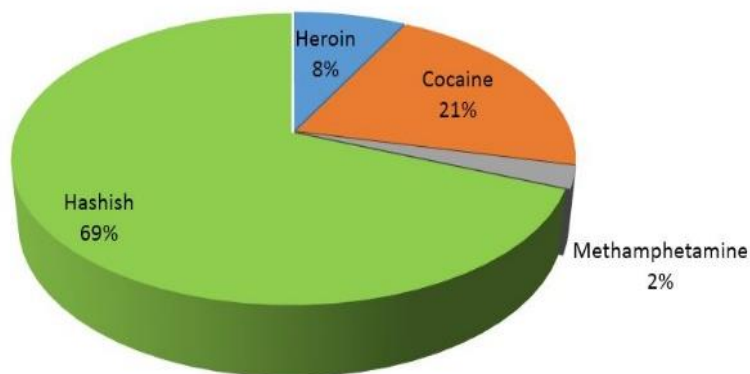
Performance at a Glance

Dedicated staff at NCU gives yet another success year to Sri Lanka Customs in seizing of Narcotics, in various entry points. Total of **36 cases** were reported in Airport, Seaport, Central mail exchange and courier points.



Out of 36 cases, 09 were detected at Airport in connection with Air Passengers. 24 seizures were reported at Central Mail Exchange. This is a significant achievement of Customs, in relating to seizing of Narcotics substances. It has observed that the trend has shifted from Semi-Synthetic drugs to Synthetic drugs.

Detections at BIA, 2018



Key Activity 1: Designing a risk management framework – a systematic application of management procedures and practices providing Customs Narcotics Control Unit with the necessary information to address the movements or consignments which present risks.

Main Steps	Target Due on	Completion
1. Establish the context	Throughout the year	In progress
2. Assess the risks	Throughout the year	In progress
A. Identify risks		
B. Analyze risks		
C. Assess and prioritize risks		
3. Treat risks	Throughout the year	In progress
4. Monitor and revise compliance measurement	Throughout the year	In progress
Communicate and consult	Throughout the year	In progress

Key Activity 2: Implementation of Demand Reduction Strategies.

Main Steps	Target Due on	Completion
1. Develop cooperation with the national agencies of countries identified as major risk countries to step up the level of vigilance at borders	Throughout the year	Initiated to communicate with the countries
2. Develop cooperation with international agencies to share intelligence in respect of narcotics smuggling	Throughout the year	completed
3. Educate the target groups susceptible to engage in illegal narcotics smuggling activities.	Throughout the year	completed

Key Activity 3: Implementation of supply reduction strategies – seizure techniques

Main Steps	Target Due on	Completion
1. Carry out surveillance duties at Airports (BIA & Mattala)	Throughout the year	completed
2. Carry out surveillance duties at Ports (Colombo, Galle Hambanthota & Trincomalee)	Throughout the year	completed
3. Surveillance duties along the coastal belt of Sri Lanka	Throughout the year	In process
4. Examination of Cargo from risk countries (Air Cargo terminal, UPB Warehouses)	Throughout the year	completed
5. Examination of parcels & other postal articles that arrived from risk countries (Parcel Post Examination Unit, Examination of Courier Agencies)	Throughout the year	completed
6. Examination of containers from risk countries – with the cooperation & guidance of Port Control Unit, CIU, CIB, HRC etc.	Throughout the year	In progress

Key Activity 4: Educating the general public and the non – customs staff with a view to reduce the demand for drugs as well as supply of drugs.

Main Steps	Target Due on	Completion
1. Designing programs to educate the target groups about the drastic legal implications of illegal trafficking of drugs and the effects of abusing narcotics drugs.	Throughout the year	In progress
A. Implementing universal programs, selective programs and indicated programs to educate the general public and non-customs staff	Throughout the year	In progress
2. Organizing and providing training for the Customs Staff		
A. Identification of natural, semi-synthetic and synthetic drugs	Throughout the year	completed
B. Understanding major trafficking routes	Throughout the year	completed
C. Learning about concealment method of drugs.	Throughout the year	completed
D. Learning about various methods of testing drugs.	Throughout the year	completed
E. Proper usage of X- ray scanners and CT scanners	Throughout the year	completed
F. Training in personnel search procedures and techniques.	Throughout the year	completed
3. Providing training to Customs Narcotics Control Unit in order to develop it into a striking unit.	Throughout the year	
A. Providing firearms training	Throughout the year	Not completed
B. Techniques of developing informants	Throughout the year	Not completed

Key Activity 6: Amendments to the Poisons, Opium and Dangerous Drugs Ordinance		
Main Steps	Target Due on	Completion
1. Coordinating with NDDCB	Throughout the year	In progress

Key Activity 5: Development of new techniques and procedures to combat the threat from drug trafficking.		
Main Steps	Target Due on	Completion
1. Sharing CCTV monitoring facility with Airport & Aviation Security.	Throughout the year	completed
2. Deployment of officers in plain clothes.	Throughout the year	Not completed
3. Development of a communication network with organizations of similar objectives	Throughout the year	completed
4. Development of an advance passenger information system	Throughout the year	Not completed
5. Establishment of a passenger name record system	Throughout the year	Not completed

Key Activity 7: Develop communication and cooperation among organization of similar objectives. Maintain a good rapport with such organizations.		
Main Steps	Target Due on	Completion
1. Sharing of intelligence	Throughout the year	completed
2. Steps to minimize legal barriers.	Throughout the year	In progress
3. Steps to minimize procedural barriers	Throughout the year	In progress
4. Conducting joint operations	Throughout the year	completed

Key Activity 8: Commencement the operations of the body scanner at BIA, Katunayake.		
Main Steps	Target Due on	Completion
1. Obtaining approval for the operation of the body scanner (Drafting the necessary DOPLs & Amendments to the C.O.)	1st quarter to end of the 2nd quarter	In progress
2. Commencement of the operations of the body scanner	3rd quarter to end of the year	In progress

Key Activity 9: Implementing the Canine Unit for Narcotics		
Main Steps	Target Due on	Completion
1. Obtaining approval to establish a canine unit from authorities	1st quarter	Not completed
2. Acquiring required infrastructure.	1st quarter to end of the 2nd quarter	Not completed
3. Obtaining approval to recruit necessary staff	1st quarter to end of the 3rd quarter	Not completed
4. Prepare the legal background (DOPLs if necessary)	1st quarter to end of the 3rd quarter	Not completed
5. Implementing the Canine Unit.	Throughout the year	Not completed

Biodiversity, Cultural and National Heritage Protection Division

BIODIVERSITY PROTECTION

One of the goals of the Sri Lanka Customs Department is protection of the society and its Heritage. Protection of the environment is an important activity of this exercise. Many international as well as national agencies are involved and has good rapport with Sri Lanka Customs in this endeavour. Sri Lanka Customs is bound to enforce various statutes relating to biodiversity at the point of importation and exportation.

Being a tropical island, Sri Lanka is very rich in Flora & Fauna, and is considered as one of the richest countries in Biodiversity and also among one of the eight “Hottest Hot Spots of Biodiversity”. As a result, a very high demand has been generated the world over for our species which have attracted big time animal and plant hunters. High percentage of endemism, rare species, ornamental value, texture and quality of our species also enhanced this over exploitation. In the meantime, introduction of modern technology and sophisticated method in smuggling activities has posed serious challenges to Sri Lanka Customs in monitoring and containing the illegal disposal of bio diversity related items.

Having regard to the need of achieving this goal a **Biodiversity Protection Unit** has been established. According to the information, this is the world’s first **Customs Biodiversity Protection Unit**.

CULTURAL AND NATIONAL HERITAGE PROTECTION

Sri Lanka is inherited with a rich culture and national heritage over two thousand five hundred years of written history and another two thousand five hundred years of prehistoric evidence together which continues over hundred thousand years.

One of the goals of Customs Department is to protect invaluable cultural heritage of the country and prevent the illegal disposal of movable artefacts of that heritage.

During the process of customs reformation, in the year 2010 **Biodiversity, Cultural and National Heritage Protection** (BCNP) branch was created and placed within Social Protection Directorate. Hence the scope of the bio diversity unit was enhanced in order to accommodate Cultural and national heritage activities also.

Biodiversity, Cultural and National Heritage Protection Division

OUR VISION

To be the best Customs division in south Asia on biodiversity and cultural heritage protection

OUR MISSION

Enforce the law in order to protect Biodiversity, Cultural & National heritage and ensure due revenue while facilitating the trade.

Major Functions

1. Enforce National and International laws relating to the movement of biodiversity related products.
2. Check on description, classification and valuation of all biodiversity related imports and exports.
3. Check on licensing requirements governing the import and export of fauna and flora and related products and any other irregularities affecting the functioning of Customs operations.
4. Promote the development programs of the country through sustainable imports and exports of fauna and flora in a manner which not harm biological heritage of the country.

SIGNIFICANT DETECTIONS

Detection of Live Reptiles

On 14th of June 2018, 32 Numbers of Lizards were smuggled in to Sri Lanka from Australia through Singapore as a courier package. The courier package was declared as second-hand computer. It was examined by the appraiser on duty at DHL Air Cargo Unit at Katunayaka. Inside this package one computer unit (CPU) was found. Thirty-two numbers of Lizard species were concealed in this computer unit, they were wrapped in clothes and stuffed in the CPU to mislead Customs. None of the animals had the required license and health certificates issued from the country of origin. Hence, this is a violation of Customs Ordinance (Chapter 235) read with Fauna and Flora Protection Ordinance.

The Animal Quarantine Services of the Department of Animal Production and Health recommended the re-exportation of the 32 numbers of lizard species considering the possible harmful effects of those such as their possible invasiveness. Taking all those factors in to account, it was decided to re-export the 32 numbers of lizard species back in to Australia. After six days all 32 numbers of lizards were successfully re-exported from Sri Lanka back to the exporting country.



Detections of Precious endemic wood - Wallapatta (*Gyrinops walla*)

The largest amount in the history, 119 kg of Wallapatta chips (*Gyrinops walla*) were detected at BIA Departure Passenger terminal on 14th of April 2018 while being attempted to smuggle out to Dubai by four Sri Lankan nationals. As a summary 539.13 kg of Wallapatta chips and two attempts of exporting Wallapatta oil were stopped and the goods were forfeited at the BIA departure in the year of 2018. These goods were forfeited when they were attempted to smuggle to destinations such as Dubai, India, and Bahrain.

Wallapatta chips and its extracted essential oils are used in the international market as raw materials in perfume and incense products industry. These products have very high demand in the international market; therefore, smugglers illegally collect them from natural forests of Sri Lanka and export them to earn large sums of money. These practices are very harmful to the existence of the natural forests of Sri Lanka.

Wallapatta is considered as a forest product; hence, its exportation is restricted. Exportation without a valid permit from Department of Wildlife is violation of Customs Ordinance (Chapter 235) read with Forest Conservation Ordinance.



Detections of Pangolin Scales (*Manis crassicaudata*)

1.70kg of Pangolin Scales (*Manis crassicaudata*) were detected at BIA Departure Passenger terminal on 20th July 2018 while attempted to smuggle out to China by a Chinese national.

Pangolins are identified as the world's most trafficked animal; hence, the international trade of all pangolin species is prohibited by the CITES convention. These animals are poached for traditional Chinese medicine and to make ornaments. Pangolin scales are illegally exported from Sri Lanka to countries like China and India.

In addition to the international restrictions; exportation of Pangolin Scales (*Manis crassicaudata*) is a violation of Customs Ordinance (Chapter 235) read with Fauna and Flora Protection Ordinance.



Detection of Live fish species

On September 13 of 2018 a Sri Lankan passenger, who had arrived from Singapore, was apprehended for attempting to smuggle 10 Arowana and 14 Koi carp into the country without a valid permit and health certificates. The consignment was valued Rs 320,000. The consignment was re-exported back to the origin country.

4435 Nos of undeclared Live Fish import was detected at the Katunayaka Air Cargo Import Terminal on 15th of September 2018. The consignment was valued at LKR 155,000/-. A penalty was imposed on the importer and goods were released.



Detections of Kothala Himbutu (*Salacia reticulata*)

Total of 99 number of *Salacia reticulata* mugs were forfeited at BIA Departure Passenger terminal on in the year of 2018. These were stopped while being attempted to smuggle out to China by a Chinese Nationals.

3.2kg on 20.18.06.16, 7.4kg on 20.07.2018, 2kg on 15.08.2018, and 5kg on 07.09.2018 of *Salacia reticulata* chips were forfeited at BIA Departure Passenger terminal on out of Sri Lanka. Chinese passengers were the culprits of all these cases.

Salacia reticulata (Kothala Himbutu) is an indigenous plant to Sri Lanka that contains high specific medicinal value in healing diabetes, hepatitis, digestion, etc. This plant has around 150 patents and pending patent applications. Majority is obtained by Japanese. Japan is the one of the foremost producers of drugs using this plant. Due to the growing demand for this in the international trade, many attempts are being made to smuggle it. *Salacia reticulata* is considered as a forest produce and protected under Fauna and Flora Protection Ordinance.

Exportation any product of *Salacia reticulata* is a violation of Customs Ordinance (Chapter 235) read with Fauna and Flora Protection Ordinance and Forest Conservation Ordinance.



Detection of Live Birds

On 17th November 2018, 28 Numbers of Live Birds were detected by the officers at BIA while attempted to smuggle in to Sri Lanka from Singapore without valid permits and health certificates. Penalties were imposed on the smuggler and live birds were re-exported to Singapore.

This is a violation of Customs Ordinance (Chapter 235) read with Fauna and Flora Protection Ordinance.



Investigations done by BCNP division in the year of 2018

#	Date	Description	Value (LKR)	Case No	Case Status
1	2018-01-01	Wallapatta Chips - 24.7 Kg	LKR 2,140,000.00	ENSP/BPU/01/2018 (BIA/D/CASE/04/2018)	Goods were forfeited after the inquiry. A penalty of 100,000/- was imposed and it was sold.
2	2018-01-02	Sandalwood Powder - 5 Kg		ENSP/BPU/02/2018	Goods forfeited and Donated to Ayurveda on 04/04/2018
3	2018-01-02	Dried Sea Cucumber - 1 Kg	LKR 5,000.00	ENSP/BPU/03/2018	Goods were forfeited
4	2018-01-06	Granite Blocks - 75 MT	LKR 1,274,023.00	ENSP/BPU/04/2018	Penalty of 100,000/- was imposed and goods were released
5	2018-01-30	Container Examination (LCL)	LKR 6,975,102.04	ENSP/BPU/05/2018	Goods were forfeited and released after recovering a forfeiture of 5,000,000/-
6	2018-02-03	Red Dry Chillies (Container Examination)	LKR 2,306,288.00	ENSP/BPU/06/2018	Goods were forfeited

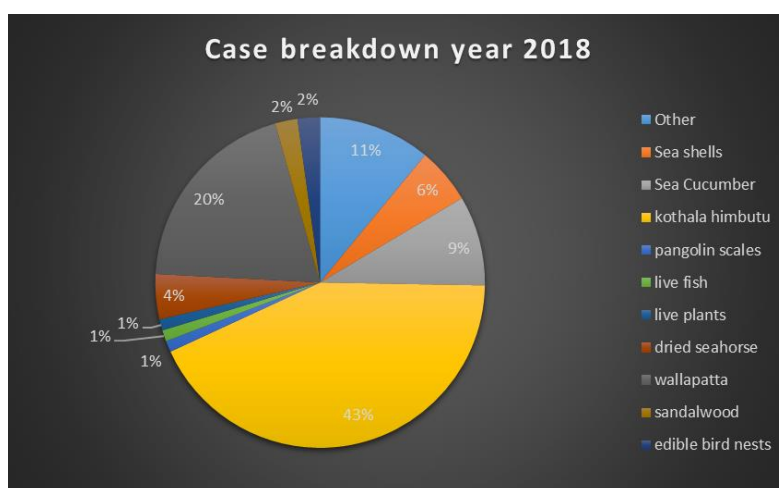
7	2018-01-11	Kothala Himbutu Mugs - 02 Nos		ENSP/BPU/07/2018	Goods were forfeited
8	2018-01-18	Kothala Himbutu Mugs - 06 Nos, Kothala Himbutu Chips - 4.5 Kg		ENSP/BPU/08/2018	Goods were forfeited
9	2018-02-02	Dried Fruit Pieces - 8.6 Kg		ENSP/BPU/09/2018	Goods were forfeited
10	2018-02-05	Kothala Himbutu Mugs - 03 Nos	LKR 30,000.00	ENSP/BPU/10/2018	Goods were forfeited
11	2018-02-07	Kothala Himbutu Mug - 01 Nos		ENSP/BPU/11/2018	Goods were forfeited
12	2018-02-07	Kothala Himbutu Mugs - 02 Nos		ENSP/BPU/12/2018	Goods were forfeited
13	2018-02-09	Kothala Himbutu Mugs - 07 Nos, Peacock Feathers - 2 bundles, Eagle Feathers		ENSP/BPU/13/2018	Goods were forfeited
14	2018-02-10	Dried Sea Cucumber - 1.5 Kg	LKR 15,000.00	ENSP/BPU/14/2018	Goods were forfeited
15	2018-02-21	Kothala Himbutu Mugs - 08 Nos		ENSP/BPU/15/2018	Goods were forfeited
16	2018-02-27	Pack of Peacock feathers		ENSP/BPU/16/2018	Goods were forfeited
17	2018-03-04	Frozen Sea Cucumber - 4.6Kg		ENSP/BPU/17/2018	Goods were forfeited
18	2018-03-05	Wallapatta Chips - 116.3 Kg	LKR 1,764,000.00	ENSP/BPU/18/2018	Suspects failed to pay the penalty & Remanded
19	2018-03-09	Kothala Himbutu Mug - 01 Nos		ENSP/BPU/19/2018	Goods were forfeited
20	2018-03-15	Sea Shells -100 Nos		ENSP/BPU/20/2018	Goods were forfeited
21	2018-03-16	Wallapatta Chips - 24.5 Kg	LKR 1,404,500.00	ENSP/BPU/21/2018 (BIA/D/CASE/31/2018)	Goods were forfeited. A penalty of Rs.100,000/- was imposed on suspect after the inquiry.
22	2018-03-18	Kothala Himbutu Mugs - 01 Nos, Kothala Himbutu Chips - 7.3 Kg	LKR 40,000.00	ENSP/BPU/22/2018	Goods were forfeited
23	2018-03-20	Wallapatta Chips - 7.4 Kg	LKR 740,000.00	ENSP/BPU/23/2018 (BIA/D/CASE/33/2018)	Goods were forfeited, after the inquiry, a penalty of Rs.100,000/- was imposed.
24	2018-03-23	Import of Tuna		ENSP/BPU/24/2018	Case on going
25	2018-03-25	Kothala Himbutu Mugs - 04 Nos		ENSP/BPU/25/2018	Goods were forfeited
26	2018-03-29	Chank Shell - 01 Nos, Horned Helmet - 01 Nos, Cowrie - 01 Nos		ENSP/BPU/26/2018	Goods were forfeited
27	2018-03-29	Kothala Himbutu Mugs - 04 Nos		ENSP/BPU/27/2018	Goods were forfeited
28	2018-03-30	Kothala Himbutu Mugs - 01 Nos	LKR 15,000.00	ENSP/BPU/28/2018	Goods were forfeited
29	2018-03-31	Kothala Himbutu Chips - 0.8 Kg		ENSP/BPU/29/2018	Goods were forfeited

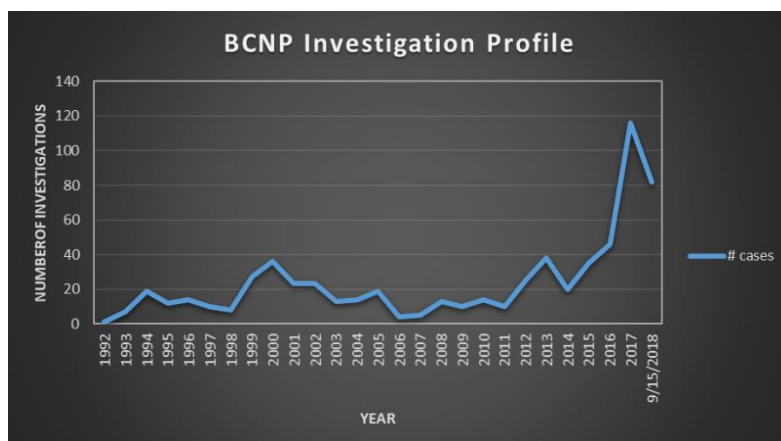
30	2018-04-14	Wallapatta Chips - 29 Kg	LKR 2,910,000.00	ENSP/BPU/30/2018 (BIA/D/CASE/55/2018)	Goods were forfeited. A penalty of 300,000/- was imposed after the inquiry.
31	2018-04-14	Wallapatta Chips - 25.5 Kg	LKR 1,912,500.00	ENSP/BPU/31/2018 (BIA/D/CASE/56/2018)	Goods were forfeited. A penalty of 100,000/- was imposed after the inquiry.
32	2018-04-14	Wallapatta Chips - 39.5 Kg	LKR 2,650,000.00	ENSP/BPU/32/2018 (BIA/D/CASE/57/2018)	Goods were forfeited. A penalty of 100,000/- was imposed after the inquiry.
33	2018-04-14	Wallapatta Chips - 25 Kg	LKR 2,000,000.00	ENSP/BPU/33/2018 (BIA/D/CASE/58/2018)	Goods were forfeited. A penalty of 200,000/- was imposed after the inquiry.
34	2018-04-14	Kothala Himbutu Mugs - 01 Nos, Edible Birds Nests - 350 g		ENSP/BPU/34/2018	Goods were forfeited.
35	2018-04-14	Dried Sea Hourse - 100 g, Dried Sea Cucumber - 1.9 Kg		ENSP/BPU/35/2018	Goods were forfeited
36	2018-06-16	Salacia reticulata Mugs- 03Nos, Dried Seahorse- 350g		ENSP/BPU/36/2018	Goods were forfeited
37	2018-06-14	Undeclared Reptile - 32 Nos		ENSP/BPU/37/2018	Re exported to the origin country
38	2018-04-29	Edible Birds Nest - 2.2 Kg		ENSP/BPU/38/2018	Goods were forfeited
39	2018-04-30	Cowrie Shells - 29 Kg, Cowrie Shells - 19 Kg		ENSP/BPU/39/2018	Goods were forfeited
40	2018-05-10	Wallapatta Chips - 19.6 Kg	LKR 149,500.00	ENSP/BPU/40/2018 (BIA/D/CASE/71/2018)	Goods were forfeited and no penalty was imposed.
41	2018-05-16	Kothala Himbutu Mugs - 07 Nos		ENSP/BPU/41/2018	Goods were forfeited
42	2018-05-17	Kothala Himbutu Mugs - 06 Nos		ENSP/BPU/42/2018	Goods were forfeited
43	2018-05-19	Wallapatta Oil - 0.68 Kg	LKR 1,164,000.00	ENSP/BPU/43/2018 (BIA/D/CASE/84/2018)	Goods were forfeited. A penalty of 100,000/- was imposed after the inquiry. Sold at the tender sale.
44	2018-05-20	Wallapatta Chips - 15 Kg	LKR 150,000.00	ENSP/BPU/44/2018 (BIA/D/CASE/86/2018)	Goods were forfeited and no penalty was imposed.
45	2018-05-21	Wallapatta Oil		ENSP/BPU/45/2018	Goods were detained.
46	2018-05-23	Kothala Himbutu Mugs - 07 Nos		ENSP/BPU/46/2018	Goods were forfeited. No penalty was imposed.
47	2018-05-24	Orchid Plants - 1185 Nos	LKR 4,320.00	ENSP/BPU/47/2018	Duty was recovered and goods were released.

48	2018-06-03	Kothala Himbutu Mugs - 05 Nos		ENSP/BPU/48/2018	Goods were forfeited
49	2018-06-16	Kothala Himbutu Mugs - 02 Nos		ENSP/BPU/49/2018	Goods were forfeited
50	2018-06-16	Kothala Himbutu Mugs - 02 Nos, Kothala Himbutu Chips - 100g		ENSP/BPU/50/2018	Goods were forfeited
51	2018-06-16	Kothala Himbutu Chips - 3.2Kg, Horned Helmet Shells - 01 Nos		ENSP/BPU/51/2018	Goods were forfeited
52	2018-06-26	Wallapatta Chips - 18kg	LKR 1,260,000.00	ENSP/BPU/52/2018	Goods were forfeited. A penalty of 500,000/- was imposed after the inquiry.
53	2018-07-05	Wallapatta Chips - 61.8kg	LKR 6858,000.00	ENSP/BPU/53/2018	Goods were forfeited. A penalty of 400,000/- was imposed after the inquiry.
54	2018-07-05	Wallapatta Chips - 20.75kg, Sandalwood Chips - 10g, Sandalwood Oil - 600g	LKR 2,075,000.00, LKR 150.00	ENSP/BPU/54/2018	Goods were forfeited. A penalty of 100,000/- was imposed after the inquiry.
55	2018-07-07	Wallapatta - 2kg	LKR 20,000.00	ENSP/BPU/55/2018	
56	2018-07-20	Pangolin scales - 1.7kg, Ebony wood - 3kg, Salacia reticulata - 7.4kg		ENSP/BPU/56/2018	Goods were forfeited. A penalty of 50,000/- was imposed.
57	2018-08-08	Parts of Deer Antlers		ENSP/BPU/57/2018	Goods were forfeited
58	2018-08-07	Salacia reticulata mugs - 02 Nos	LKR 15,000.00	ENSP/BPU/58/2018	Goods were forfeited
59	2018-08-08	Salacia reticulata mugs - 01 Nos		ENSP/BPU/59/2018	Goods were forfeited
60	2018-09-08	Salacia reticulata mugs - 04 Nos, Dried Seahorse - 200g, Dried Seacucumber - 0.6kg		ENSP/BPU/60/2018	Goods were forfeited
61	2018-08-13	Wallapatta Chips - 7.40kg, Kokum Pothu - 17.4kg	LKR 500,000.00, LKR 75,000.00	ENSP/BPU/61/2018	Goods were forfeited. A penalty of 100,000/- was imposed.
62	2018-08-15	Salacia reticulata mugs - 02 Nos, Salacia reticulata chips 2kg		ENSP/BPU/62/2018	Goods were forfeited
63	2018-08-19	Salacia reticulata mugs 04 Nos, Seahorses - 0.5kg		ENSP/BPU/63/2018	Goods were forfeited
64	2018-08-25	Salacia reticulata mugs 02 Nos, Salacia chips 100g, Dried Sea Cucumber 400g		ENSP/BPU/64/2018	Goods were forfeited
65	2018-09-02	Salacia reticulata mugs 04 Nos		ENSP/BPU/65/2018	Goods were forfeited
66	2018-09-07	Sea Cucumber - 01kg		ENSP/BPU/66/2018	Goods were forfeited
67	2018-09-17	Salacia reticulata chips - 20 bags (each 100g)		ENSP/BPU/67/2018	Goods were forfeited

68	2018-09-17	Salacia reticulata mugs - 01 Nos		ENSP/BPU/68/2018	Goods were forfeited
69	2018-09-17	Sea Cucumber - 500g		ENSP/BPU/69/2018	Goods were forfeited
70	2018-09-17	Sea Shells - 01Nos		ENSP/BPU/70/2018	Goods were forfeited
71	2018-09-17	Peacock feathers - 02Nos		ENSP/BPU/71/2018	Goods were forfeited
72	2018-09-17	Salacia reticulata - 50bags (100g each)		ENSP/BPU/72/2018	Goods were forfeited
73	2018-09-17	Salacia reticulata mugs - 02Nos		ENSP/BPU/73/2018	Goods were forfeited
74	2018-09-17	Sea Shells - 01Nos		ENSP/BPU/74/2018	Goods were forfeited
75	2018-09-17	Salacia reticulata mugs - 02Nos		ENSP/BPU/75/2018	Goods were forfeited
76	2018-09-17	Salacia reticulata chips 4packets, powder 01 packet and mugs 05 Nos		ENSP/BPU/76/2018	Goods were forfeited
77	2018-09-17	Buffalo horn - 01Nos and horns - 02 Nos		ENSP/BPU/77/2018	Goods were forfeited
78	2018-09-17	Sea cucumber - 01kg		ENSP/BPU/78/2018	Goods were forfeited
79	2018-09-17	Salacia reticulata mugs - 02Nos		ENSP/BPU/79/2018	Goods were forfeited
80	2018-09-17	Salacia reticulata mugs - 01 Nos		ENSP/BPU/80/2018	Goods were forfeited
81	2018-05-18	Salacia reticulata mugs - 06 Nos		ENSP/BPU/81/2018	Goods were forfeited.
82	2018-09-13	24 Nos of live fish.		ENSP/BPU/82/2018	Goods were re-exported.
83	2018-09-15	Live fish - 4435 Nos	LKR 200,000.00	ENSP/BPU/83/2018	Penalty of 200,000/- was imposed and goods were released

Cases Analysis of the year 2018





Participated meetings, Active Collaborations, Trainings, Workshops and Awareness Programs

Month of January

✓ 16/01/2018

Inception workshop on preparation of Sixth National Report to the Convention of Biological Diversity. Organized by Ministry of Mahaweli Development. Held at Nelum Hall of Waters Edge.

✓ 26/01/2018

Technical Advisory Committee for the Management of Industrial Chemicals (TACNIC) in Sri Lanka for the implementation of Rotterdam Convention. Organized by Central Environment Authority and held at Central Environment Authority.

✓ 06/01/2018

Meeting on Identification of Competent Authorities for Streamlining the EUROPHYT and RASFF notification contact network in Sri Lanka. Organized by, and held at Department of Commerce.

Month of February

✓ 19-20/02/2018

Two-day residential workshop for the preparation of the report for the Sixth National Report to the Convention of Biological Diversity. Organized by Ministry of Mahaweli Development. Held at Hotel Jet Wing Blue Nigambo.

✓ 08/02/2018

Customs Brand Identification Workshop. Organized by Lacoste and held at Hilton Colombo.

✓ 14/02/2018

Validation project on BIOFIN Project in Sri Lanka. Organized by Ministry of Mahaweli Development. Held at Taj Samudra Hotel.

✓ 26/02/2018

Nature based landslide risk management stakeholder consultation workshop. Organized by National Building Research Organization and held at Waters Edge Hotel.

Month of March

- ✓ 05-06/03/2018
South Asian Regional CITES shark and ray Implementation Workshop. Organized by Ministry of Sustainable Development and Wildlife and was held at Movenpick Hotel Colombo.
- ✓ 09/03/2018
Product identification program for combatting against infringement of intellectual property rights was held at Galle Face Hotel. It was organized by SNB REACT (Sudath Perera Associates).
- ✓ 13/03/2018
National Invasive Alien Species Specialized Group (NISSG) meeting 2018. Organized by Ministry of Mahaweli Development and Environment and held at Sobadam Piyasa, Battaramulla.
- ✓ 13/03/2018
Capacity building workshop for Customs Officers by National Ozone Unit. Held at HRD auditorium. It was organized by Human Resources Directorate of SL Customs.
- ✓ 14/03/2018
Import of Rocks and Sand. It was organized by Ministry of Mahaweli Development and Environment and it was held at Sobadam Piyasa, Battaramulla.
- ✓ 28/03/2018
Media workshop for safe use of genetically modified organisms in Sri Lanka and the launch of the Biodiversity Newsletter, was organized by Ministry of Mahaweli Development and Environment and it was held at Waters Edge Hotel Battaramulla.

Month of May

- ✓ 31/05/2018
Assembly of the subcommittee for “Regulating of Exporting of Plant and Animal Samples for Research Purposes”. Organized by Ministry of Mahaweli Development and Environment and held at the auditorium of Ministry of Mahaweli Development and Environment.

Month of June

- ✓ 22/06/2018
Exports development meeting. Organized by Exports Development Board. Held at the 2nd floor conference room of Ministry of Mahaweli Development and Environment.
- ✓ 25/06/2018
The second working group meeting for component activities (strengthening policy, instrumental and regulatory framework for biosafety) in the project “Implementation of the national biosafety framework in accordance with the Cartagena protocol on biosafety”. Organized by Ministry of Mahaweli Development and Environment and held at the 2nd floor conference room of Ministry of Mahaweli Development and Environment.

Month of August

- ✓ 28/08/2018

Stakeholder consultation workshop on future directions of research and development on seed certification and plant protection sector. I was organized by Seed Certification and Plant Protection Center of Department of Agriculture. It was held at ISTI, Gannoruwa.

Month of September

✓ 17-18/09/2018

Workshop on Development of Illegal Wildlife Trade Training Module; WCO INAMA project mission. Organized by HR Directorate of SL Customs at Movenpick Hotel, Colombo.

Month of October

✓ 11/10/2018

Draft: Guidelines for Importing Dessert Sand and Quarried Rocks. Organized by and held at the Environmental Ministry.

✓ 19/10/2018

National Action Plan for Conservation and Management of Sharks 201-2022. Organized by and held at Department of Fisheries and Aquatic Resources.

✓ 23/10/2018

Validation Workshop on Biodiversity Finance Plan under Biodiversity Financing Initiative (BIOFIN) project UNDP. Organized by Ministry of National Policies and Economic Affairs. Held at Taj Samudra Hotel.

Special Activities

25th anniversary of the Biodiversity, Cultural and National heritage Protection division of Sri Lanka Customs

“25 years of Excellence, protecting biodiversity for a sustainable economy”

The hard-working officers of Sri Lanka Customs managed to start the very first Customs Unit in the world which was dedicated to protecting the biodiversity and its country's resources. This enormous first step as the “Biodiversity Task Force” was taken on 17th July, 1993. This Task Force was renamed as “the Biodiversity Protection Task Force, in 1997 and quickly became famous in the country due to its’ successful and impactful detections.

Year 2018 marked the 25th Anniversary of the world's first Customs Biodiversity Cell.

In the last 25 years, the BCNP division of Sri Lanka Customs had done an immeasurable service in protecting our biodiversity and national heritage and still actively safeguarding the country at border.

In commemoration of the 25th anniversary of the Biodiversity, Cultural and National heritage Protection division of Sri Lanka Customs, a special event was organized and held on 24th July, 2018 at Sri Lanka Customs Headquarters with the initiation of Mrs. P. S. M. Charles, the Director General of Customs. The former Customs officials who were with the BCNP division through thick and thin since the start, the representatives from the other departments and institutes who supported the division in this endeavor, the professionals in biodiversity and related fields, University students and media were invited to this distinctive occasion. Special speeches were delivered by the eminent environmentalist, Mr. Jagath Gunawardana (AAL) and the former Deputy Director of Customs, the founder of BCNP division, Mr. Samantha Gunasekara. A donation of forfeited sea shells to the University of Ruhuna and Ocean University for the scientific studies of the students was also took place at the

event. Furthermore, a distribution of awareness posters created by Sri Lanka Customs to the Postal Department to educate the public on the prohibited and restricted biodiversity and national heritage related items which may send out of / bring into the country through post and courier services, was also organized.

In addition, “Green wall” - an awareness and educational publication with the contribution of the professionals on different fields and former and current Customs officers has been launched at the event, in celebration of the silver jubilee of the BCNP division.



Prepared by



**BIODIVERSITY, CULTURAL & NATIONAL HERITAGE PROTECTION
DIVISION**

SRI LANKA CUSTOMS

E-mail: bpu@customs.gov.lk

Consumer and Environmental Protection Division

The Consumer and Environmental Protection Unit (CPU) was established in 2011 with a view of controlling and monitoring of the quality of imported cargo to be compliance with the existing regulations and standards of the country. Consumer and Environmental Protection Unit is the focal point of Sri Lanka Customs for enforcing Intellectual Property Rights (IPR) related issues on imported and exported cargo. It also contributes to protect the environment through the enforcement of obligations arising out of international Conventions through collaboration with other related agencies.

Major Functions

1. Implementing Control of requirements such as Intellectual Property Act (IPR), Sri Lanka Standard Institute Act (SLSI), National Medicines Regulatory Authority Act, Consumer Affairs Authority Act (CAA), Health Department and Defense Ministry stipulated with regard to Customs related laws in order to combat any violations or frauds, it becomes necessary that all the imports covered by above authorities should be referred to CPU prior to release of the consignments out the Customs premises.
2. For this purpose, maintain registers of guarantees furnished in respect of above authorities by individual consignee.
3. Update Customs procedures in keeping with regulations of respective authorities.
4. Deploy staff from CPU at examination points whenever if necessary.
5. Review regulations made under the Ordinances and Acts of Customs related laws which have been so far identified.
6. Enforce the law in terms of Customs Ordinance read with other related Acts and Ordinances related to above activities.

Performance 2018

Key Action	Target	Actual	If not achieved, the reason
Key Activity 01: Increase the effectiveness in enforcing regulations relating to imports of ozone layer depleting substances covered by Montreal Protocol			
1. Obtain an Official list of commodities requiring prior registration with the National Ozone Unit, Ministry of Environment, and requiring an Import Control License before importation, and disseminate that data to all CusDec processing Officials and Enforcement Officials.	100%	100%	
2. Initiate an awareness programme to educate Cusdec processing and Enforcement Official on the Ozone Depleting Substances and the ICL requirements in (2) above for better compliance/enforcement.	100%	100%	
3. Improve the Wharf Clearing Agent's training curriculum by adding the requirements in (2) above for better voluntary compliance.	100%	100%	

4. Provide importation data of Ozone Depleting Substance to National Ozone Unit as per the Requests made.	100%	100%	
Key Activity - 02: Increase the effectiveness in enforcing regulations relating to trans-boundary movement of hazardous wastes covered by the Basel Convention.			
1. Obtain official lists of commodities •Included in Annexes I and III to the Basel Convention; •The importation of which is prohibited in Sri Lanka; •Requiring an Import Control License before importation and disseminate that data to all Cusdec processing Officials and Enforcement Officials;	100%	100%	Imports are at a very minimal level
2. Initiate an awareness programme to educate Cusdec processing and Enforcement Officials on the •Hazardous Wastes coming under the Basel Convention; •Other hazardous goods the importation of which is prohibited in Sri Lanka; •Other environmentally sensitive commodities the importation of which requires obtaining an Import Control License before importation; •Safety measures and permitted action that should be taken in the event of detecting a hazardous goods consignment; for better compliance / enforcement.	100%	100%	
3. Improve the Wharf Clearing Agent's training curriculum by adding the requirements in (2) above for better voluntary compliance.	100%	100%	
Key Activity - 03: Increase the effectiveness in enforcing regulations relating to importation of persistent organic pollutants covered by the Stockholm Convention.			
1. Obtain official lists of persistent organic pollutants – • Listed in Annexes A, B and C of the Stockholm Convention; • The importation of which is prohibited in Sri Lanka; • Requiring an Import Control License before importation (Annex B: restricted usage); and disseminate that data to all Cusdec processing Officials and Enforcement Officials.	100%	100%	
2. Initiate an awareness programme to educate Cusdec processing and Enforcement Officials on persistent organic pollutants – • Listed in Annexes A, B and C of the Stockholm Convention; • The Importation of which is prohibited in Sri Lanka;	100%	100%	

<ul style="list-style-type: none"> Requiring an Import Control License before importation (Annex - B; restricted usage); for better compliance / enforcement 			
3. Improve the Wharf Clearing Agent's training curriculum by adding the requirements in (2) above for better voluntary compliance.	100%	100%	
Key Activity - 04: Increase the effectiveness in enforcing PIC (Prior - Informed Consent) covered by Rotterdam Convention.			
1. Obtain official lists of hazardous chemicals and pesticides - <ul style="list-style-type: none"> Covered in the Rotterdam Convention; The importation of which is prohibited in Sri Lanka; Requiring prior registration with the Registrar of Pesticides (ROP) Requiring an Import Control License issued on the recommendation of ROP before importation; and disseminate that data to all Cusdec processing Officials and Enforcement Officials 	100%	100%	Imports are at a very minimal level
Key Activity - 05: Increase the effectiveness in enforcing regulations relating to the Commodities falling under the Chemical Weapons Convention (CWC) (Convention on the Prohibition of the Development, Production, Stockpiling and use of Chemical Weapons and on their Destruction).			
1. Obtain official lists of chemicals – <ul style="list-style-type: none"> Chemical Weapons Convention; The importation of which is prohibited in Sri Lanka; Requiring an Import Control License before importation; and disseminate that data to all Cusdec processing Officials and Enforcement Officials 	100%	100%	Imports are at a very minimal level
2. Initiate an awareness programme to educate Cusdec processing and Enforcement Officials regarding regulations and requirements relating to the importation of harmful chemicals.	100%	100%	Imports are at a very minimal level
3. Improve the Wharf Clearing Agent's training curriculum by adding the requirements in (2) above for better voluntary compliance.	100%	100%	Imports are at a very minimal level
Key Activity - 06: Increase the effectiveness in enforcing regulations relating to commodities falling under the Intellectual Property Rights (IPR)			
1. Obtain official list of Right holders – <ul style="list-style-type: none"> Obtaining Registered Trademarks; The importation of which is prohibited in Sri Lanka; and disseminate that data to all Cusdec processing Officials and Enforcement Officials 	100%	100%	
2. Initiate an awareness programme to educate Cusdec processing and Enforcement Officials regarding	100%	100%	

regulations and requirements relating to the importation of IPR related goods.			
3. Improve the Wharf Clearing Agent's training curriculum by adding the requirements in (2) above for better voluntary compliance.	100%	100%	
4. Increase the knowledge of Right owners of Customs Officers by giving access to WCO IPM tool.	100%	100%	
Key Activity - 07: Increase the effectiveness in enforcing regulations relating to the commodities falling under the Sri Lanka Standards (SLS)			
1. Obtain official list of goods – <ul style="list-style-type: none"> • Sri Lanka Standard Institution; • Requiring an SLSI certification for importation; • Requiring an Import Control License before importation; and disseminate that data to all Cusdec processing Officials and Enforcement Officials	100%	100%	
2. Initiate an awareness programme to educate CusDec processing and Enforcement Officials regarding regulations and requirements relating to the importation of SLS related goods.	100%	100%	
3. Improve the Wharf Clearing Agent's training curriculum by adding the requirements in (2) above for better voluntary compliance.	100%	100%	
Key Activity - 08: Joint operation against Counterfeiting & Piracy "Operation Pangea XI"			
1. Awareness programmes for Customs staff on IPR Law Enforcement.	100%	100%	
2. Interception of suspected import consignments of suspected pharmaceuticals.	100%	100%	
3. Report of seizures of IPR infringed goods.	100%	100%	
4. Reporting the time of results to Interpol & WCO.	100%	100%	
5. To follow up actions on the results of "Action IPR".	100%	100%	
Key Activity - 09: Increase the coordination with other state holders and Government Agencies			
1. Arrange meetings with SLSI, NIPO, Health Ministry and Agriculture Department.	100%	100%	
2. Arrange awareness programmes for State Holders.	100%	100%	
3. Organize joint operations with other Agencies in consumer protection activities.	100%	-	Was unable to co-ordinate
4. Public awareness programmes on consumer protection activities through mass media	100%	100%	

Summary

SLSI Cases of Year 2018

Total No of SLSI Cases	159
Total Penalty imposed for SLSI Cases (LKR)	167,387,186.00

IPR Cases of Year 2018

Total no of IPR Cases	21
Invoice Value of forfeited Quantity (LKR)	13,732,923.80

Port Control Unit

Introduction

The Port Control Unit of Sri Lanka Customs was established under the Container Control Programme (CCP) of United Nations Office for Drugs and Crime (UNODC)/World Customs Organization (WCO) in view of Combating trans-border crimes. Presently this unit comes under the purview of Central Investigation Directorate. Further, this unit receives advance cargo information from the vessel operators/ cargo reporters and is expected to receive passenger information from the Aircraft operators and initiate investigations based on the risk analysis performed and suitable measures are taken accordingly. Also, PCU is in the progress of receiving advanced information from the aircraft operators for the air cargo consignments.

Major Functions

1. Receive and streamline advance electronic cargo manifests for Air & Sea and also control and monitor port activities.
2. Obtain Advanced Passenger Information (API) from relevant aircraft operators.
3. Identify containers, other consignments using electronic manifests and analyze the same and with the tools available to the PCU and examine those deemed high risk for further investigation and physical examination.
4. Identify the passengers with Customs risk using API data, check such passengers and the baggage and cause further investigations where necessary.
5. Monitor and maintain Cargo Targeting System (CTS) provided by the World Customs Organization (WCO).
6. Build up cooperation with other agencies.

Progress Report

1. Monitor the Electronic Manifesting in Advance for Sea Cargo.
Monitor the Shipping Agents / NVOCC Operators / Freight Forwarders on Advance Cargo electronic manifesting.
2. Enforce the legislation in regard to Sea Cargo Reporting.
Gazette (Extraordinary) Notification No. 1886/55 dated 31.10.2014 was published to regulate the electronic manifest submission to ASYCUDA. Sea cargo reporters were instructed to submit the e-manifest to Sri Lanka Customs as stipulated in the said gazette notification. With effect from 27.10.2016, amendment of e-manifests were empowered to 'D' Branch.

4. Monitor the Electronic Manifesting in Advance for Air Cargo.
Monitor the Air Lines / Freight Forwarders on Advance Air Cargo electronic manifesting.

5. Investigate into suspicious cargo.

The details are as follows:

No. of cases registered	-	59
No. of cases completed	-	35
No. of cases not completed	-	24
Total amount of imposed penalty/mitigated forfeiture -	Rs.	65,631,990.00

6. Awareness and training programs.

1. CCP Advance Training (Drugs & Precursor Detection), from 6th to 10th August 2018, Colombo
2. UNODC-WCO Container Control Programme with a special focus on Air Cargo, from 4th September to 6th September 2018, Dhaka, Bangladesh

Central Investigations Directorate

Introduction

The Central Investigation Directorate is responsible in conducting investigations into the violations of Customs Law and other related laws, detected by other operational directorates, in line with the objectives of the Customs Department. It is also responsible in maintaining the Central Case Register (CCR)

Therefore, the main objectives of the Directorate are to:

- 1) Centralize all Customs investigations and conduct them in a professional manner
- 2) Maintain the Central Case Register more efficiently and effectively
- 3) Centralize reward distribution and attend to them in transparent manner

Major Functions

- 1) Investigation into the cases detected by other Directorates (other than Special Task Force & Vigilance and Preventive Directorates.
- 2) Detection and investigating into Customs Violations
- 3) Maintaining Central Case Register (CCR)
- 4) Monitor the progress of the investigations conducted by Special Task Force & Vigilance and Preventive Directorates.
- 5) Update the finalized cases in CCR
- 6) Distribute rewards of all finalized cases in the department.

Progress Report – January to December 2018

Central Investigation Bureau

A. Investigations of CIB from 01/01/2018 to 31/12/2018

1. No. of cases registered- 291
2. No. of cases finalized- 105
 - a. Amount of penalty/ mitigated forfeiture/ further forfeiture- Rs. 216,174,246.00
 - b. A/E recovered- Rs. 9,348,615.00
 - c. Sales Proceeds- Rs 10,425,597.00
3. Progress of the Central Case Register
 - a. No. of cases registered in CCR- 3755
 - b. No. of files updated in CCR- 1077

B. Investigations of other divisions

1. No. of files sent to CIB for investigation from other branches- 00
2. No. of files sent to other branches from CIB for investigation- 00

C. Maintenance of Central Case Register (CCR)

1. No. of files produced to be registered in CCR- 3755
2. No. of cases updated in CCR- 1077
3. No. of reward lists recommended- 225

Progress Report – January to December 2017

Central Investigation Bureau

D. Investigations of CIB from 01/01/2017 to 31/12/2017

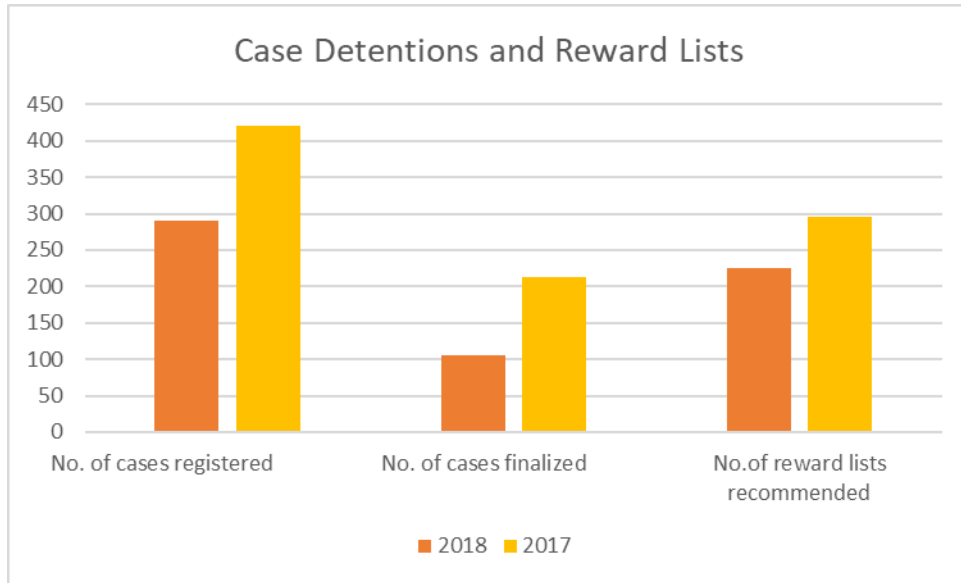
1. No. of cases registered- 420
2. No. of cases finalized- 213
 - a) Amount of penalty/ mitigated forfeiture/ further forfeiture- Rs. 371,629,914.00
 - b) A/E recovered- Rs. 11,606,265.00
 - c) Sales Proceeds- Rs. 12,029,531.00
3. Progress of the Central Case Register
 - a) No. of cases registered in CCR- 5,464
 - b) No. of files updated in CCR- 3,055

E. Investigations of other divisions

1. No. of files sent to CIB for investigation from other branches- 01
2. No. of files sent to other branches from CIB for investigation- 00

F. Maintenance of Central Case Register (CCR)

4. No. of files produced to be registered in CCR- 5,464
5. No. of cases updated in CCR- 3,055
6. No. of reward lists recommended- 296

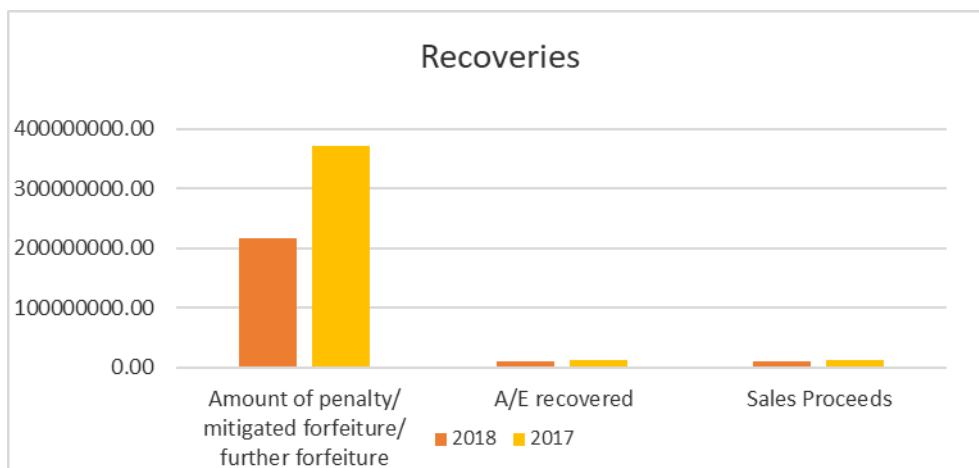


Significant Cases

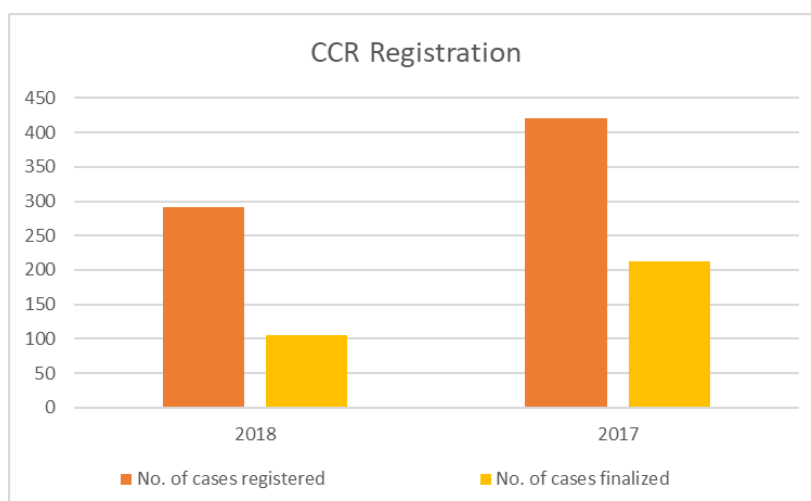
CIB/INV/198/2018 –As per the information received by the CIB officers the case was initiated. An amount of Rs. 73,000,000.00 was recovered as mitigated forfeiture.

CIB/INV/125/2018 –As per information received, excess goods and undeclared goods were found in the consignment. An amount of Rs.11, 000,000.00 was recovered as mitigated forfeiture and a penalty of Rs.100, 000.

CIB/INV/124/2018 - CIB officers detected a consignment of Non-Alloy Steel coils declared as alloy steel coils with the intention of evading taxes and levies due to the state. An amount of Rs.9, 300,000.00 was recovered as mitigated forfeiture and a penalty of Rs.200, 000.



Comparison of 2018 with 2017



HR Development

Training and Workshops

A. Overseas

Field	Place	No. of Days	No. of Officers
1.WCO Asia/Pacific regional workshop on the compliance and enforcement package	Japan	5 days	1
2. Operation Pangea-Asia Pacific region SPOC meeting	Singapore	3 days	1
3.Seminar of Customs statistics and revenue management for officials Sri Lanka	China	11 days	1
4.Global Security Conference	Belgium	3 days	1

B. Local

Field	Place	No. of Days	No. of Officers
1.Product training programme for Customs Officers by LACOSTE S.A.	Hilton Colombo	1 Day	6
2.Capacity building workshops for Customs Officers	HRD auditorium	1 day	6
3.Product identification training for Customs officers	Galle Face Hotel Colombo	1 day	4
4.Training programme for implementation nCEN	ICT division	1 day	2
5.IPR border enforcement workshop	Lotus pond conference hall,Taj Samudra	2 days	7
6.Risk management workshop for customs officers	Main auditorium	3 days	8
7. Workshop on prosecution and investigation	Cinnamon Lakeside Hotel	2 Days	11
8.National workshop on Post Clearance Audit	Movenpick hotel	5 days	2

Legal Affairs Directorate

Introduction

Legal Affairs Directorate is responsible for the administration and supervision of the prosecution of Court cases and correspondence with Attorney General's Department. This Directorate is headed by a Director who is assisted by one Deputy Director, one Superintendent, two Deputy Superintendents and two Assistant Superintendents.

Major Functions

- 1) Ensure required Legal opinions provided to other divisions
- 2) Ensure all legal matters and Litigation matters of the department are attended.

Supreme Court & Court of Appeal Applications 2018

Number of Cases Registered in 2018	48
Supreme Court Applications	22
Court of Appeal Applications	21
High Court Applications	5

Running cases from year 2017	125
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Finalized Applications in the Year 2018	46
Supreme Court Applications	8
Court of Appeal Applications	38

Other Legal Matters

Number of Internal Legal Opinion Provided	35
Number of International Agreements Assisted	1
Number of Domestic Agreements Assisted	37
Number of Legal Opinions Obtained from the Attorney General's Department	5
Number of High Court/ District Court/ Magistrate Court Applications Assisted	47
Number of Consultations Attended with the Attorney General's Department	59

Central Intelligence Directorate

Introduction

The Central Intelligence Directorate is responsible to provide more effective, timely, accurate and relevant intelligence to operational units and to senior management to achieve the Department goal of facilitating genuine trade without sacrificing revenue or the “Social Protection” obligations.

In general, the major objectives of the directorate can be listed out as follows:

- Assisting in the highest-level decision making by furnishing necessary intelligence.
- Emphasizing the operation of intelligence led control system in cargo and passenger clearance.
- Ensuring national security in cross border cargo movement.
- Be the National Contact Point (NCP) and the focal point for sharing of intelligence locally and internationally, and for providing enforcement assistance.

Major Functions of the directorate can be listed as follows:

1. Gathering information.
2. Maintaining and managing a 24-hour Public Information Receiving Desk (*PIRD*).
3. Analyzing and developing intelligence.
4. Dissemination of Intelligence, locally among the Directorates, and internationally with the approved designated agencies.
5. Coordinate with International Customs Information Systems.
6. Acting as the NCP for Regional Liaison Office of the Asia and Pacific (*RILO A/P*) and as the “focal point” for international enforcement coordination.
7. Operating Container Security Initiative (*CSI*) project at the Colombo Port.
8. Participating as a member of the Department’s Risk Management Committee (*RMC*)
9. Intercepting high risk cargo consignment based on intelligence, by reviewing cargo manifests and cause investigations.
10. Conducting Customs inquiries and prosecuting offenders.
11. Maintaining Previous Offence Database (*POD*).
12. Maintaining nCEN Database.

PERFORMANCE IN YEAR 2018

Table 1: Information received and distributed

	2016	2017	2018
No. of information received through the PIRD	32	42	55
From other sources (fax, e-mails, letters, news)	03	02	13
Total	35	44	67
No. of intelligence disseminated to other branches for action.	28	43	50

Table 2: No. of Intelligence Alerts Distributed:

	2016	2017	2018
Operational Intelligence Alerts		06	07
Intelligence Reports		05	
WCO CEN Alerts	16	14	05

Table 3: No. of Previous Offence Details disseminated to other branches:

	2016	2017	2018
Number of POD records	62	124	114

Table 4: No. of CHA & VAT Registrations:

	2016	2017	2018
Custom House Agent Permit Renewal	5825	6611	6885
SLPA wharf license (A Pass)	1942	1424	1431
Importers VAT registration screening documents	nil	1777	1963

Table 5: Number of containers scanned under Container Security initiative

(CSI) Program

		2017	2018
No. of Transshipment Containers		455	469
No. Local Export containers		07	26
Total number of containers		462	435

Table 6: Liaisons with Local & Foreign Investigation and Intelligence Agencies:

Agency	No. of requests			No. of Replies Received		
	2016	2017	2018	2016	2017	2018
DRI-India	09	13	16	04	12	16
Sri Lanka Embassy in Japan	15	03	17	11	4	15

Sri Lanka Embassy in UK			01			
HM Customs UK						
Sri Lanka Embassy In Singapore						
Dubai Embassy	01					
UK Embassy	01			01		
Thailand Customs						
Malaysia Customs	01		02	01		01
Vietnam Customs						
Thailand Embassy						
RILO Korea	05	02		01		

Table 7: Performance in Law Enforcement

	2018
No. of cases initiated/detected by the staff during the year	46
No. of cases finalized during the year	17
No. of cases in the inquiry stage	59
No. of cases which needs to collect sales proceeds	41
No. of cases in the pending investigation stage	207
Total amount recovered (Rs.)	49,324,643



REVENUE AND
SERVICES CLUSTER

Declaration Directorate

Introduction

The Declarations Directorate is the place where the Customs Declarations (known as CusDecs) are submitted by the representatives of importers (known as declarant) in respect of all sea cargo. Processing CusDecs in respect of motor vehicles is now exclusively entrusted to the motor vehicle unit which comes under this directorate. The declarations Directorate consisting the following units.

- ❖ “D” Branch,
- ❖ Long Room,
- ❖ Motor Vehicle Unit
- ❖ Industries and Services Documents Processing Unit
- ❖ Document Centre (DOC Centre)

All these units operate within the cluster of Revenue and Services. The Brief hierarchy of the directorate is shown on the Organization Structure of the Declaration Directorate is as at Annex (A)

Scope of the Directorate

The main scope of the directorate is, providing facilities to process declarations for import Cargo and Cargo to be bonded. To fulfill this scope, the Directorate has specially made the arrangements to

- i. Receive the CusDec through DTI
- ii. Confirmation of updated manifest and payment of duties and other levies of CusDecs
- iii. Provide Fast Track facilities for Selected Importers
- iv. Process the CusDec by SC/Appraiser
- v. Issuing internal passes for removal of FCL containers from the SLPA, SAGT, CICT yards
- vi. Clearance of Cargo FCL at container yards and LCI at ware houses.
- vii. The Automation of processing has been now fully implemented through; “Asycuda World” to facilitate the importers to process the CusDec without delay. All details of the CusDec are now being captured in the “Asycuda” System at Long Room (2nd Floor) which permits users to lodge their CusDecs directly from their officers using DTI facilities.

- viii. Only the commodity classifications aspects are handled manual by knowledgeable Staff consisting SCC/Appraisers.

Objectives of the Directorates

- i. Facilitation of clearance of imported cargo.
- ii. Facilitation of Cargo to be bonded.
- iii. Minimize the revenue leakages / foreign exchange losses through classification aspects of the goods.
- iv. Conduct enforcement activities in terms of Customs Ordinance and related laws through “D” Branch.
- v. Assess and collect the due revenue to the state on imported Cargo.
- vi. Facilitate for project cargo clearance by waiving off the Levies approved by the M/Finance.
- vii. Facilitate to permit holders/legitimate importers to speedy clearance of their vehicles/cargo.
- viii. Facilitate for various Government Department/other organizations /General Public to clear the goods against provisional CusDecs. Duty waivers/exemption and suspend of duty and taxes as per the state policy are granted.
- ix. Effect enforcement of prohibition and restriction.

Responsibilities of the Staff of the Declaration

The long room staff ensures the speedy CusDec processing and clearance of imported cargo without undue delay while collecting the due revenue to the state. These officials are vigilant on the commodities which requires permits and/or/special authorization for inward clearance from local Authorities such as Import and Export Controller, Food and Drugs Authority, Sugar cane research Institute, Cosmetics Devices and Drugs Authority, Sri Lanka Standards, Atomic Energy Authority, Telecommunications and also the certificates issued by the exporting country such as phytosanitary certificate, fumigation certificate, spice board certificate and Load Port survey report, Special attention to be carried out by the importer for the following aspects.

- The authorization from the carrier (the ship) to claim clearance of the consignment:
- Full description of the consignment using the appropriate codes used in the system;
- Classification of the goods correctly in the Harmonized System Nomenclature based on which the Customs Imports Tariff based;
- Declaration of the true transaction value of the consignment:
- Declaration of the values using the applicable kind of currency; at the applicable rate (exchange rate);
- Transmit the payment (foreign exchange) for the consignment through the accepted/permitted banking channels;
- Attach the necessary authorization documents, licenses, permits, certificate etc as applicable.

If all above Aspects are in order the Officers concerned may process the CusDec for clearance of goods.

As mentioned above this Directorate consists of 05 major Branches/Units. Those are branches/unites divided according the functions they perform.

“D” Branch

“D” Branch can be considered as the Secretariat of the Directorate. Historically, when the Controller General of Customs was appointed 200 years ago, reportedly there had been four (4) clerks working under him, handling four subjects known as the ‘A’ subject, ‘B’ subject, ‘C’ subject, ‘D’ subject and so on. In time to come, ‘A’ subjects grew up to become the current Human Resource Management Directorate, formerly known as the “Admin Branch” “c” subject clerk was handling “Port Dues” and later it grew up to be the entire Sri Lanka Ports Authority, now a separate organization in itself. The old “d” Branch, which was historically coordinating between the Treasury and the Customs, granting duty waivers and exemptions, receiving cargo manifests etc, still continue to do more or less the same job, and continues to be known by its original name.

“D” branch has various units to facilitate the importers/general public. Those are

- DRA Unit
- Bank Guarantee Unit
- Duty Waiver Unit
- Bulk Cargo Monitoring Unit
- Carnet Unit
- Manifest Unit
- Investigation Unit
- Motor Vehicle permit screening writing off unit/headed by DDC(D)

Some of the important and prominent functions handled by the “D” Branch

1. Register Duty waivers granted by the Ministry of Finance and facilitate the clearance of those goods on Duty Free basis.
2. Grant duty exemptions and Concessions as per Revenue protection order approved by the parliament.
3. Permit the clearance of Diplomatic cargo and Personal Baggage of Diplomatic staff based on the Clearance Certificate issued by the Ministry of External Affairs.
4. Grant Duty free or preferential rates of Duty for the Goods imported under various Trade Agreements.
5. Facilitate the clearance of Goods consigned to Government Institutions under Deferred Payment Terms in accordance with the instructions of Ministry of Finance and Media.
6. Facilitate the clearance of Goods on Provisional Basis where CusDecs cannot be finalized immediately due to various reasons or require re-export of goods after the completion of event for which they are imported.
7. Register and Monitor Project cargo requiring re-export, as decided by the Ministry of Finance and Planning.

8. Receive Cargo Manifests and also amendments to them as submitted by shipping Agents.
9. Secure Bank Guarantees/Corporate Guarantees where necessary in respect of Provisional CusDecs and other matters as decided by the Director of Customs (Declarations).
10. Register vehicles and equipments temporary imported under CPD Carnet or ATA Carnet for monitoring purposes.
11. Monitoring Bulk Cargo Imports and make additional recoveries where necessary.
12. Prepare Reports Cargo Imports and make additional recoveries where necessary.
13. Detection of possible violations of Import Control/Regulations/Customs Regulations and act accordingly in terms of the provisions of Customs Ordinance such as detection of ethanol and motor vehicle cut portions.
14. Attend to correspondence with other government and non-government Agencies.

Long Room

Historically “Long Room” was virtually a long room in Customs administration and even in this modern day it is seen as a long room. This is a feature common in most Asian colonies of the Great Britain, and some of very old Customs Organization is Europe – for example – Denmark and Netherlands. Customs being primarily a revenue collector government organization, the importance of the long room cannot be under scored. Even though the overall macro level of objectives has gradually evolved to encompass social protection obligations, the priority to collect due revenue has not diminished.

Section 10 of the Customs Ordinance empowers Customs to charge Customs duties, and other levies Section 47 requires consignees of imported goods to make a true and correct declaration of goods received or imported by them and pay all levies (duties etc) payable on such goods.

Customs has facilitated to collect not **only Customs duties but also several other taxes and levies, namely**

- Value Added Tax (VAT)
- Port and Airport Development Levy (PAL)
- Nation Building Tax (NBT)
- Special Commodity Levy (SCL)
- Excise (special Provisions) Duty (XID)
- CESS on behalf of other government institutions

CusDec process officers are divided into 05 units in Long room for the processing of CusDecs according to the HS Code for the easiness of monitoring and handling. Those are mentioned below.

- Unit A - HS Code 01-44

- Unit B - HS Code 45-73
- Unit C - HS Code 74-84
- Unit D - HS Code 85-97 (except for Motor Vehicles)
- Unit E - Perishable items, Food Items, Medicine, Bulk Cargo etc.

Submission of CusDecs

CusDecs is an acronym of Customs Declaration. The importer is supposed to submit four copies of the CusDecs (ie: Warrant copy, Delivery copy, Exchange copy and Parties copy) as stipulated in the Gazette Notification published under Section 47 of the Customs Ordinance and CusDec should be submitted along with the following supportive documents.

- Bill of Lading
- Delivery Order
- Invoice (manually signed and endorsed by the Bank other than in instances where goods have been imported on NFE basis)
- Packing list
- Any technical information required to clarify the HS
- Documents to prove the Country Origin
- If the goods imported are restricted, necessary Licenses/permits such as ICL, SLSI, CDDA etc
- Duly filled value declaration form in two copies
- Proof for the mode of remittance such as Letter of Credit, Telegraphic transfer etc
- Any special certificate (DPL, Duty Waiver, Phytosanitary certificate, Fumigation certificate, spice board certificate, Load Port Survey Report, Sugar cane research institute)

When there are number of items entered in a single CusDec and classified under various HS codes, the relevant unit should be decided on the basis of the item on which highest amount of duty and the other levies are payable.

Section 12, 43 and the Schedule “B” of the Customs Ordinance require the Customs to enforce the power on all the restrictions and prohibitions in force in terms of other law empowered to the Customs, at the time of importation of the goods. As a result of these very wide provisions, Customs has to enforce over 33 Acts, Enactments and Ordinance currently in force. The first and foremost out of these is, “the Import and Export Control Act No. 01 of 1969”

Motor Vehicle Unit

The “ASYCUDA World” software now Employed in the ACCESS network enable Customs to link with individual banks to check the foreign exchange remitted on importing goods. The imported vehicle details

are sent through the links with the Department of Motor Traffic to facilitate the registration of vehicles so imported, thereby preventing registration of non-customs motor vehicles. The officials make special attention to the following aspects: When CusDecs are processed.

- ✓ ICL (Import Control License) for gift vehicles and over age vehicles
- ✓ Concessionary and conditional import permits for the Government Servant, members of Parliament and BOI
- ✓ Duty free certificates issued by the Ministry of External Affairs to the DPL and NGO
- ✓ Provisional CusDecs for the vehicles imported for projects.

While processing the CusDecs for vehicles the officers at the unit should ensure the correctness of the under mentioned facts whether the,

- Goods have been properly described as per the
 - ◆ Certificate or Registration
 - ◆ Inspection certificate
 - ◆ Invoice
 - ◆ Examination report of the Appraiser who examines the vehicle at the yard
- Age of the vehicle has been correctly calculated
- Customs valuation is correctly given for the subject vehicle
- Currency has been correctly entered as per the invoice
- Country of Origin is correctly declared
- Freight chargers are correctly declared
- Options declared tally with the inspection certificate
- Due Permit is granted for the concessionary imports; the clearance of the vehicle shall be allowed by the DDC (M/V)

Industries and Services document Processing Unit

The processing of To-Bond CusDecs is the main function of this unit which was a part of the Bonds Division prior to the reforms being implemented. Though there is a separate Directorate for the Industries and Services, the processing of related CusDecs is done by the Declaration Directorate.

Doc Center

This center is located in the Charms quay and it is proposed to amalgamate with long room at 2nd floor of new headquarters in near future. The Main Functions of this center is as follows:

- ✓ Issuing Customs Gate Passes (Internal) for all FCL consignments. (Imports, BOI, INFAC, Bonds, PUB, Containers detained by various investigation branches including RTF).

- ✓ Issuing of instructions to issue SLPA/SAGT/CICT gate passes for removing containers from their terminals.
- ✓ Documents receiving to the Doc Centre.
 - Screened CusDecs from the Screening Units in Long Room and Bonds Division are forwarded to DOC Centre to enable him to issue Customs Internal Gate Passes.
 - Pink Copy of the Delivery Order along with copies of Invoice and B/L are submitted to SC-DOC Centre to enable him to authorize SLPA/SAGT/CICT to issue gate passes for removal of containers from the respect container terminals. Above mentioned Pink Copy of the Delivery Order is submitted to the Customs for the first time at the Doc Center (The same is not attached to the set of documents processed at the Declaration Directorate/Long Room and it does not carry any of endorsements made by the Customs)
- ✓ Procedure followed at the Doc Centre.
 - Delivery Copy of the screened CusDec and Pink Copy of Delivery Order registered at the Doc Centre (attended by ICC I)
 - Registered Documents are submitted to SC (Doc Centre)
 - Once the documents are authenticated by SC (Doc Centre, Pink copy of the DO is submitted to SLPA/SAGT/CICT to be entered into the system and to get a Gate Pass to remove the container from the container terminal
 - Delivery Copy of the CusDec is forwarded to the ASC (Doc Centre) along with the SLPA/SAGAT/CICT gate pass to be entered to the system and Customs Internal Gate Pass are issued by ASC (Doc Centre)
- ✓ After issuing the Customs Gate Pass Photo copies of the Delivery Copy of the related CusDec and the CHA pass of Wharf Assistant along with the Green Copy of the Customs Internal Gate Pass are filed and registered by CICC (Doc Centre)
- ✓ After obtaining those two gate passes [SLPA/SAGT/CICT) and Customs Internal Gate Pass] containers are allowed to remove from the container terminals and moved up to the New Container Gate where Customs Out Pass is issued and allowed to remove the container form the port premises.
- ✓ At the New Container Gate container is sealed with customs container seal and the seal number is printed in the Customs Gate Pass.

Carnet

1. There are two types of Carnet, namely ATA and CPD
2. Carnet – “ATA” is an acronym of the French and the English words “Admission Temporary / Temporary Admission.
3. The ATA Carnet covers, temporary imports of commercial samples, exhibition goods and professional equipment into a country.
4. CPD Carnet – “Carnet De Passages EN Douane” for motor vehicles & trailers.

5. Triptique – for motor cycles
6. This Carnet, which has been drawn up in accordance with the provisions of the Customs Conventions on the Temporary Importation of Private Road Vehicles (1954) and Commercial Road Vehicles (1956), both amended in 1992, may be used in the listed countries/Customs territories.
7. The A.T.A. procedure can be applied to any temporary operations involving goods to be re-exported in the same state as that in which they were imported.
8. It is issued on condition that the holder re-exports the vehicle within the specified period of validity and complies with the Customs laws and regulations relating to the temporary admission of motor vehicles.
9. Where an A.T.A. Carnet is accepted it does not replace any other export documents (exchange Control Permit or an Export License) that may be required. Such requirements must be accomplished independently.
10. The Carnet to be correctly discharged, the exportation voucher corresponding to the importation voucher which was stamped by the Customs on entry must be stamped by the Customs when the vehicle leaves the country.
11. When making application for the Carnet, the Carnet holder should sign a declaration & agreement with the respective issuing authority as per the directions given for the use of Carnet.
12. Any breach of provisions of the convention, any substitutions, false declaration or act may render the offender liable in the country, where the offence was committed subject to the penalties prescribed by the laws of that country.
13. The A.T.A. Carnet can be used for the following operations provided the Customs authorities are Contracting Parties to these Conventions in addition to the A.T.A. Carnet Convention.
 - 13.1 Professional Equipment Convention
 - 13.2 Exhibitions and fairs Convention
 - 13.3 Commercial Samples Convention
 - 13.4 Packing Convention
 - 13.5 Sea fares Convention
 - 13.6 Scientific Equipment Convention
 - 13.7 Pedagogic Material Convention
 - 13.8 Private Road and Commercial Road Vehicles Convention
 - 13.9 Aircraft and Pleasure Boat Convention

Procedure of Carnet De Passage

1. The Carnet consists of a cover and sheets for each movement of the goods covered by the Carnet.
 - 1.1 Issuing Association
 - 1.2 Internal Guarantee Chain

- 1.3 Name of Holder
 - 1.4 Period of Validity
 - 1.5 Countries in which it will be valid and corresponding Guaranteeing Associations in those countries: and
 - 1.6 Where the Carnet is to be used by a representative of the holder, the Name of that representative
2. The intended use of the goods is also stated on the front cover (e.g. samples for exhibition, etc.) The full details of all the goods to be covered by the Carnet are inserted in the general list on the reverse of the cover. Continuation sheets may be inserted if the space provided on the cover and the sheets are insufficient to accommodate particulars of all the goods to be covered by the Carnet. The required of issue of the Carnet and Country of Origin. Where the items do not bear distinct identifying numbers, the Customs will affix identification marks.
 3. DC approves the processing of Carnet and decides the validity period.
 4. DDC instructs SC "D" to register the Carnet.
 5. SC instructs ASC to register the carnet and to retain copy documents.
 6. ASC registers the Carnet and allow the consignee to process the CusDec at motor vehicle Division.
 7. SC places his signature and stamp on the filed up import slip and instruct the importers to sign an agreement in the presence of DC (Declaration) assuring that the said vehicle imported under carnet should be re-exported within 03 months.
 8. Maintains the master register and keeps a tab on the date of validity.
 9. Carnet is then sent to Motor Vehicle Unit along with the CusDec to enable the DDC to grant delivery of the said vehicle.
 10. The Carnet will not cover exhibitions organized for private purposes in shops or business premises with a view to the sale of foreign goods.
 - 10.1 Goods granted temporary admission should be re-exported within three (3) months from date of importation unless the period of validity is for a lesser period.
 - 10.2 When Carnets are presented to the Customs as points of Entry, the Customs officer should examine the goods against the General list of items given in the Carnet, place identification marks on the goods if possible, note identification marks on the counterfoil of the carnet and retain that portion of the Importation Voucher meant for Customs. The Customs will endorse the necessary particulars on the counterfoil. The voucher should

be sent to the 'D' Branch to be filed and kept safety for re-checking when goods are being re-exported.

11. When goods imported on a Carnet are re-exported, the Customs will examine the goods with the importation particulars and death the Custom portion of the re-exportation voucher and make necessary endorsements on the counterfoil. The detached portion of the re-exportation voucher will be sent to "D" Branch.
12. The use of the Carnet for the import and / or export of goods is subject to the National Laws of the country.
13. The Customs has the right to take action against any carnet-holders for any fraud, contravention or abuse of the provisions of the Carnet or the National Laws of the country ad to impose penalties for such contraventions.

Performance of the Declaration Directorate during the year 2018

01. **Facilitation** to the trade through Automation System called "Asycuda World" so far has been successfully received by the imports for the purpose of speedy clearance of their cargo specially DTI direct Trader input increased the speed of key in by traders and eventually it added value for trade facilitation.
02. **DTI** has now reduced the workload of the Customs officials as well, while their effectiveness and efficiency have been raised.
03. **Manual record keeping function has been eliminated** in this directorate through new arrangements while quality and timeliness gathering of information has now been an easier task for the officials as well for the public.
04. **Total revenue** collected by this directorate in 2018 is Rs. 605,318,350,758 while a sum of Rs. 605,252,979,902 has been collected as total Customs duty to the state. Other than the said recoveries of duty & other levies sum of Rs. 55,370,856 have been collected by the "D" Branch as penalty /forfeiture/recoveries respectively in 2018.
05. **Green Channel facility** for the selected Golden car holding Traders were introduced in the past years. In 2014 Customs introduced "**Fast track clearance systems**" for the Golden card holding traders and some more traders. Now the number of traders fall in this category is 218. Two DDCC specially posted to handle these special traders.

06. **“Electronic Manifesting”** system has now been introduced. The shipping agents submit their manifest online to Customs without providing hard copy ship-wise. This system is now being successfully supporting the department users.
07. **The vehicle permits** are now being written off electronically by the DDC attached to “D” Branch.
08. **Introducing electronic DTI System** and the E-manifest, successfully effected to improve the efficiency & the effectiveness of the Long Room.

09 **Figure wise summary** of performance during the year 2018

- | | | |
|------|--|---------|
| i. | Organization Chart – Declaration Directorate | Annex A |
| ii. | Monthly Progress Report 2018 – Motor Vehicle Branch | Annex B |
| iii. | Total Revenue 2018 – Declaration Directorate | Annex C |
| iv. | Revenue Compression - Long room & Motor Vehicle Unit | Annex D |
| v. | Revenue Classification – Long Room & Motor Vehicle | Annex E |
| vi. | Progress Report 2018 - D Branch | Annex F |
| vii | Other D Branch Activities | Annex G |
| viii | Progress Report for the Year 2018 | Annex H |

Industries & Services Directorate

Introduction

The Industries & Services Directorate performs the Customs functions related with importation of cargo for temporary storage on security/bonds to facilitate clearance for the needs of trade and industry under specified procedures, and promote manufacturing/export industry aiming to explore the avenue for diversification of the traditional trend of exports in Sri Lanka with proper coordination between the relevant line authorities, especially with the Board of Investment of Sri Lanka.

Main Branches and their Units

- Administration & Bank Guarantee Branch
- Bank Guarantee Unit
- Export Facilitation & Project Branch
- Export Facilitation Unit
- Project Unit
- Warehouse Keeping Unit
- Feeder Bond Unit
- Investigation & Verification Branch
- Bonding Investigating Unit
- Customs BOI Coordinating Unit
- Investor Facilitation Centre (INFAC)
- Monitoring & System Audit Branch
- Monitoring & Refund Unit
- Postal Appraising Branch

Major Functions

- 1) This Directorate is entrusted with the implementation/administration of trade facilitation policies of the Government. The main functions of the Directorate are given below.
- 2) Manage Customs Bonded Warehouses.
- 3) Manage Export Facilitation Schemes, namely, Temporary Imports for Export Processing (TIEP) and Duty Rebate Scheme.
- 4) Manage activities related to Duty Free Shops.
- 5) Coordinate with the BOI in clearance of goods imported/exported by BOI Enterprises.
- 6) Liaise with the ICT Directorate in maintaining IT systems for warehousing, stock control, cargo control and BOI imports/exports.
- 7) Liaise with the Declarations Directorate in processing “Suspense Regime” CusDecs.

Bond Investigation Unit

Cases from 2017	33
Cases Initiated in 2018	22
total finalized including previous year	14
pending cases for 2018	12
pending cases for 2017	29
Total Forfeiture	Rs. 72,205,561.00

Project Unit

Bonded Warehouse Operation

Bond Renewals	107
Recommended New bonds	10
De-bonding	01
Renewal of Bonded Carriers	14

Corporate/Personal Guarantees

Guarantee Renewals	131
New Guarantees	13

Bank Guarantees

Accepted Guarantees	1147
Guarantees Demanded	2321
Guarantees Released	2900

Investigations

Cases initiated from 2017	25
Cases initiated	10
Cases finalized	8
Pending cases	27
Penalty/Forfeiture recoveries	Rs. 215,536,142.00

Local Sale

Number of CusDecs	16405
CID	Rs.278,307,425.00
PAL	Rs.356,104,988.00
VAT	Rs.1,087,505,031.00
NBT	Rs.129,376,152.00
XID	Rs.17,192,838.00
EIC	Rs.408,784,275.00
SCL	Rs.303,993,943.00
CON	Rs.255,436,490.00
Verification Charges	Rs.8,442,500.00

EFU (TIEP Unit)

TIEP-1 New	79
TIEP-1V New	17
IBG New	22

TIEP-1 Renewal	391
IBG Renewal	330

Charges Collected:

O/E	Rs.3,448,000.00
Registered	Rs.354,000.00
Renewal	Rs.782,000.00

Postal Appraising Branch.**Colombo Branch:**

1. Total number of PODs (Consignments)

AIR	18345
SEA	12612
CD	969
BULK	8878
EMS	6334

2. Total Value of the Goods Released: **Rs.225,610,465.00**

3. Total Taxes Recovered:

CID	Rs.4,197,181.00
PAL	Rs.9,518,734.00
VAT	Rs.9,518,734.00
CESS	Rs.7,559,031.00
EXD	Rs.13,934.00
NBT	Rs.3,682,911.00
COM	Rs.11,496.00
PTY	Rs.2,448,973.00
Total	Rs.35,627,550.00

4. Total Penalties Recovered: **Rs. 244,085.00**

5. Total Taxes Recovered from Out port Postal Appraising Branches:

Trincomalee	Rs. 3,204,894.00
Galle	Rs. 6,821,409.00
Jaffna	Rs. 4,649,022.00
Kandy	Rs. 4,500,100.00
Total	Rs.19,175,425.00

6. Cases handled in 2018:

Number of Cases initiated during the year	20
Number of Cases handed over to BCNP	03
Number of Cases handed over to NCU	17

ANNUAL PROGRESS REPORT 2018										
	PA					Trincomalee	Kandy	Galle	Jaffna	TOTAL
	AIR	SEA	CD	BULK	EMS					
No. of POD	18345	12612	969	8878	6334	3223	7017	5534	6987	69899
No. of Parcels Examined & Delivered	18835	13906	1141	9525	6920	3485	7401	5904	7838	74955
No. of Parcels Detained	45	92	NIL	NIL	10	NIL	NIL	NIL	65	212
No. of POD Pending at the end of the month	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Value	55,311,046	24,244,386	27,026,752	3,184,666	115,843,615	23,699,042	37,675,235	22,427,952	39,143,328	348,556,023
CID	1,073,302	445,872	489,128	600	2,188,279	56,735	319,652	526,951	189,241	5,289,760
PAL	3,058,427	1,214,282	1,481,109	8,283	3,756,633	895,664	2,058,394	1,148,658	1,285,141	14,906,591
VAT	2,201,489	720,530	1,013,207	4,407	4,255,657	441,909	1,059,444	1,265,726	607,370	11,569,739
CESS	2,691,925	1,687,118	812,334	5,841	2,361,813	1,166,066	2,362,415	1,113,519	1,507,019	13,708,050
EXD	11,020	40	1,489	0	1,385	1,763	3,526	11,399	0	30,622
NBT	1,136,313	468,950	627,210	3,417	1,447,021	554,407	870,468	521,319	890,529	6,519,634
EX FEES	0	0	0	0	0	0	0	0	0	0
COM	10,496	0	0	0	1,000	0	0	6,600	0	18,096
PTY	1,335,206	224,583	29,727	985	858,472	5,200	131,310	0	8,000	1,890,230
SR	0	0	0	0	0	83,150	16,200	54,850	12,800	58,950
TOTAL TAXES	11,518,178	4,761,375	4,454,204	23,533	14,870,260	3,204,894	6,821,409	4,649,022	4,500,100	54,802,975

Cargo Examinations Directorate

Introduction

Examination of sea cargo imported into the country for Customs purposes, prior to release them to the respective consignee, is the main responsibility of the Central Cargo Examination Directorate. Inspection & Examinations are carried out to ensure the recovery of correct revenue on the commodity imported and also to ensure the strict compliance on restrictions and prohibitions placed by the Customs Ordinance and other related laws using the technology and physical validation. In the process, facilitation of legitimate trade is a key responsibility of the directorate.

The scope of the sea cargo examination cover consignments imported for home use, for export-oriented industries operating under the Board of Investment (BOI), and Customs Temporary Import for Export Processing (TIEP) and Customs Bonded Scheme. Sea Cargo comes in the term of Full Container Load (FCL), Less Container Load (LCL) and break bulk. Two container yards namely Grayline -1, Grayline – 2 are operated outside the port to examine medium risk and high-risk cargo in full container, and third container yard namely Rank Container Terminal (RCT) is operated to examine low risk cargo. LCL consignments are examined at the two examination points inside the port and one warehouse situated outside the port. A separate yard namely Central Verification Terminal (CVT) is operated to examine FCL cargo imported by the enterprises operating under BOI but located outside the Free Trade Zones. Two X-ray scanning sites, one inside the port and the other one at RCT (outside the port) are in in place.

Major Functions

- 1) Screening of all import CusDecs to further verify the accuracy of declaration made by the importers.
- 2) Directing of consignments for examination at different examination yards under different examination levels.
- 3) Implementation of Risk Management based on cargo selectivity method in examinations and release of cargo.
- 4) Physical examination of cargo to detect and prevent the deliberate non-compliance of cargo declaration.
- 5) Physical examination on targeted cargo consignments to ensure the collection of due revenue.
- 6) Examination of cargo to ensure the application of other boarder control regulations on movement of restricted and prohibited goods.
- 7) Usage of X-ray scanners to detect concealments and undeclared goods as well as facilitation tool for expedition's clearance.

PERFORMANCE REPORT - 2018

GENERAL CARGO

1	No. of Cusdecs registered	293,051
2	Type of Examinations	
	Amber	163,151
	Detail	11,791
	HRC	3,221
	Red	6,588
	BOI	100,025
	Others	8,275
3	No. of containers registered (FCL)	273,636
	No. of containers released under	
	Low Risk cargo	122,807
	RCT Examination Point	14,393
	Out Panel	108,389
	Green Channel	25
4	No. of A/E processed	7,550
5	No. of recoveries (Val) Rs.	788,869,705
6	No. of recoveries (Others) Rs.	229,188,963
7	No. of cases detected	30
8	Penalty recovered Rs.	48,711,394
9	Value of the goods forfeited	53,741,206
10	Overtime recoveries	18,989,896
11	S/R charges recoveries	6,400
12	Seal charges	-

CVT & INFAC

	CVT		INFAC	
	Import	Export	Import	Export
No. of CusDecs.	21,831	41,807	113	1
No. of containers	32,945	17,896	30	-
No. of LCL cleared	1,583	15,627	-	-
A/E Recoveries (Rs.)	27,164,356	6,654,226	-	-
Penalties & forfeitures (Rs.)	494,778	-	-	-
Value of goods forfeited	-	-	-	-
No. of cases detected	01	-	-	-

Passenger Services (Colombo) Directorate

Objectives:

To provide courteous and satisfactory service efficiently and effectively to passenger and other stakeholders in their baggage clearance at the port of Colombo and Unaccompanied Personal baggage Warehouses in Colombo while giving special consideration to expatriates and professionals, who work abroad.

Major Functions

1. Facilitation of passenger and baggage clearance, both inward and outward
2. Safeguarding revenue, prevention of importation and exportation of restricted and prohibited items.
3. Safeguarding socio-economic, cultural and ecological interests of the society.
4. Controlling and monitoring UPB warehouses.

Comparable Baggage Movements for year 2016/2017

	No of Packages 2017	No of Packages 2018
BO(PANEL)	-	-
BO(COUNTER)	-	-
BO(SALES)	-	-
BO(NNR)	91,781	20,969
LAKSIRISEVA - COLOMBO	106,971	78,847
LAKSIRISEVA – NINTHAVUR	-	10,852
TRANSCO – WATTALA	71,756	57,120
TRANSCO – DAMBULLA	-	7,435
MIDCO	62,130	61,045
TRICO – COLOMBO	80,734	66,615
TRCO – KURUNAGALA	-	39,781
TRICO – GALLE	-	18,745
CSL – COLOMBO	85,703	64,898
CSL – KANDY	-	310-,088
TOTAL(RS)	499,075	457,395

Comparable Penalty Recoveries for year 2017/2018

	2017	2018
BO(PANEL)	269,999	1,338,300
BO(COUNTER)	-	-
BO(SALES)	-	-
BO(NNR)	6,646,372	4,666,214
LAKSIRISEVA - COLOMBO	3,284,339	864,990
LAKSIRISEVA – NINTHAVUR	-	118,550
TRANSCO – WATTALA	2,157,466	1,287,887
TRANSCO – DAMBULLA	-	76,972
MIDCO	1,033,235	550,089
TRICO – COLOMBO	1,787,238	3,110,159
TRCO – KURUNAGALA	-	996,800
TRICO – GALLE	-	325,590
CSL – COLOMBO	2,338,536	2,034,345
CSL – KANDY	-	202,528
MATALEA	-	-
BIA	-	97,993,767
TOTAL (RS)	17,567,185	113,566,191

Comparable Overtime Recoveries for year 2017/2018

	2017	2018
BO(PANEL)	-	-
BO(COUNTER)	-	-
BO(SALES)	-	-
BO(NNR)	-	-
LAKSIRISEVA - COLOMBO	7,834,686	8,606,906
TRANSCO – WATTALA	2,157,466	4,992,294
TRANSCO – DAMBULLA	-	984,396
MIDCO	-	5,671,996
TRICO – COLOMBO	4,916,581	5,344,364
TRCO – KURUNAGALA	-	9,087,150
TRICO – GALLE	-	8,348,520
CSL – COLOMBO	2,388,536	6,995,625
CSL – KANDY	-	7,395,206
BIA	-	6,987,455
TOTAL (RS)	23,153,015	64,413,912

Comparable Taxes Recoveries for year 2017/2018

	2016	2017
BO(PANEL) – IMPORT	6,230,368	27,772,190
BO(COUNTER)	-	-
BO(SALES)	49,703,647	-
BO(NNR)	51,201,175	44,643,611
LAKSIRISEVA - COLOMBO	41,288,349	37,303,386
LAKSIRISEVA – NINTHAVUR	-	2,870,375
TRANSCO – WATTALA	42,061,139	35,590,859
TRANSCO – DAMBULLA	-	4,361,145
MIDCO	27,846,524	26,189,170
TRICO – COLOMBO	56,591,639	45,144,924
TRCO – KURUNAGALA	-	16,540,245
TRICO – GALLE	-	8,601,293
CSL – COLOMBO	48,569,538	56,737,224
CSL – KANDY	-	12,778,117
BIA	-	245,579,583
TOTAL (RS)	323,492,379	564,112,122

Final performance of the year 2018 (Rs)

	No of Packages	Penalty	Over Time	Taxes
BO(PANEL) – IMPORT	-	1,338,330	-	27,772,190
BO(COUNTER)	-	-	-	-
BO(SALES)	-	-	-	-
BO(NNR)	20,969	4,666,214	-	44,643,611
LAKSIRISEVA - COLOMBO	78,847	864,990	8,606,906	37,303,386
LAKSIRISEVA – NINTHAVUR	10,852	118,550	-	2,870,375
TRANSCO – WATTALA	57,120	1,287,887	4,992,294	35,590,859
TRANSCO – DAMBULLA	7,435	76,972	984,396	4,361,145
MIDCO	61,045	550,089	5,671,996	26,189,170
TRICO – COLOMBO	66,615	3,110,159	5,344,364	45,144,924
TRCO – KURUNAGALA	39,781	996,800	9,087,150	16,540,245
TRICO – GALLE	18,745	325,590	8,348,520	8,601,293
CSL – COLOMBO	64,898	2,034,345	6,995,625	56,737,224
CSL – KANDY	31,088	202,528	7,395,206	12,778,117
BIA	-	97,993,767	6,987,455	245,579,583
TOTAL (RS)	457,395	113,566,191	64,413,912	564,112,122

Total Recoveries for the Baggage Division for the year 2018

	2018(Rs)
BO(PANEL) – IMPORT	35,648,090
BO(PANEL) – EXPORT	1,706,900
BO(COUNTER)	-
BO(SALES)	-
BO(NNR)	49,329,175
LAKSIRISEVA - COLOMBO	47,008,432
LAKSIRISEVA – NINTHAVUR	3,041,739
TRANSCO – WATTALA	42,091,739
TRANSCO – DAMBULLA	5,465,578
MIDCO	32,620,655
TRICO – COLOMBO	53,939,047
TRCO – KURUNAGALA	26,702,045
TRICO – GALLE	17,458,053
CSL – COLOMBO	66,086,594
CSL – KANDY	20,404,251
BIA	345,113,655
TOTAL (RS)	755,615,454

Exports Directorate

Introduction

Exports Directorate facilitates the clearance of the outright exports and re-exports by simplifying its procedures and introducing e-processing of Export Cusdecs, promoting the international legitimate cargo movement through transshipment. The Directorate is also responsible to safeguard cultural, ecological and social interests of the country.

Main Functions

1. This Directorate attends to all matters related to exports from the country through the Seaports and Airports as well.
2. Dealing with all matters related to exports of all commodities from the country.
3. Examination of export cargo for Customs purposes and for security reasons.
4. Collection of Export duty, Cess, Royalty on commodities exported.
5. Management of Container Freight Station located in Colombo and suburbs.
6. Maintaining MCC warehouses.
7. Facilitation of temporary importation through Carnet.
8. Approving the refund claims.
9. Issuing shipment certificates.
10. Certification of duty rebate documents.
11. Registration of Free Re-Importation Certificates.
12. Certification of shipments to Department of Commerce in respect in respect of Rules of Origin.
13. Facilitation of Transshipment operations.
14. Providing National Trade statistics.
15. Safeguarding socio-economic, cultural and ecological interests of the nation.
16. Develop co-operative relationships with all stakeholders including other Government agencies and private sector.
17. Implementing systems and procedures which strive to continually improve the Efficiency and effectiveness of business processes.
18. Making maximum use of information and communication technology to facilitate the exports trade.

Exports Revenue Figures – 2018

	Revenue of Exports Office, EFC and CFS yards (CBEX1) (Rs.)	Air Cargo Export Office (KTEX1) (Rs.)	Total (Rs.)
Export Duties	121,173,458		121,173,458
Export Development Board Cess	888,495,116	65,383	888,560,499
Cess-Rubber	637,635		637,635
Cess-Tea	227,953,584		227,953,584
Tea Medical Aid Cess	1,122,259		1,122,259
Cess-Coconut	72,038,887		72,038,887
Examination Fees	5,970,100	18,111,866	24,081,966
Outside Examination Fee	402,000	2,147,203	2,549,203
Royalty	43,808		43,808
• Import Duty (1/10)*	14,224,206		14,224,206
• PAL (1/10)*	28,677,222		28,677,222
Other	11,534,006		11,534,006
Amendment Chargers, Amendment Penalties and Cancellation Chargers	4,376,529	4,258,426	8,634,955
Penalties and Further Forfeitures			-
Overtime Fee	34,113,701	3,496,060	37,609,761
Shipment Certificate Charges	161,000		161,000
Computer Fee	15,462,150	1,264,950	16,727,100
Total	1,426,385,661	29,343,888	1,455,729,549

* Recovered at the time of Re-exportation.

Performance Report for the year of 2018

01. No of Cusdecs Submitted and Finalized.

I. Export Office	
a. Cash	- 70,519
b. Current Account	- 15,305
Sub Total	- 85,824
II. Air Cargo	
a. Cash	- 78,034
b. Current Account	- 4,942
Sub Total	- 82,976
III. Sri Lankan Cargo	- 2,228

Total **- 168,800**

02. Panel Applications

No. of Examination **- 7,304**

03. Examination Fees collected

Export Office - Rs. 5,970,100/-

Air Cargo Export Office - Rs. 20,259,069/-

Sri Lankan Cargo Office - Rs. 402,000/-

Total **- Rs. 26,631,169/-**

04. Computer Fees Collected

Export Office - Rs. 15,462,150/-

Air Cargo Export Office - Rs. 893,950/-

Sri Lankan Cargo Office - Rs. 371,000/-

Total **- Rs. 16,727,100/-**

05. Export Levies Collected

Export Duty - Rs. 121,173,458/-

Royalty - Rs. 43,808/-

Cess

- a) EEC - Export Development Board Cess - Rs. 888,560,499/-
- b) CC1 - Coconut Deve, Authority Cess - Rs. 72,038,887/-
- c) TC1 - Tea Board Cess - Rs. 227,953,584/-
- d) TC2 - Tea Medical Aid Cess - Rs. 1,122,259/-
- e) RC1 - Rubber Cess - Rs. 637,365/-
- f) RC4 - Rubber Medical Aid Cess - Rs. -
- g) Import Duty (1/10) - Rs. 14,224,206/-
- h) PAL - Rs. 28,677,222/-
- i) Other - Rs. 11,534,006/-

Total

- Rs. 1,365,965,564/-

06. Over Time Payment

Export Office	- Rs. 429,661/-
Air Cargo	- Rs. 34,520,060/-
CFS Yards	- Rs. 15,879,250/-
Sri Lankan Cargo	- Rs. 446,000/-
Export Facilitation Centre (EFC)	- Rs. 17,804,790/-
Total	- Rs. 69,079,761/-

07. Current Accounts

i. No. of Current Account holders	- 47
ii. No. of Current Account operated	- 47
iii. Deposit during the period	- Rs. 1,338,091,343/-
iv. Total amount debited during the period	- Rs. 1,485,485,635/-

08. No. of FRIC issued to request - 1064

09. No. of Shipment certificates issued - 644

10. Shipment Certificate fees collected - Rs. 161,000/-

11. Ships/Flights amendment penalties, amendment charges and cancellation chargers recovered

Export Office	- Rs. 894,250/-
Air Cargo Office	- Rs. 4,256,426/-
Sri Lankan Cargo Office	- Rs. 2,000/-
Exports Facilitation Center	- Rs. 3,482,279/-
Total	- Rs. 8,634,955/-

12. Transshipments

Total No. of Deposit (Containers)	- 1,184,462
Total No. of Containers Re-Shipped	- 1,717,805

13. Penalty Recovered for Customs offences -

14. Total No. of Containers Exported - 173,774



CORPORATE CLUSTER

Policy, Planning and Research Directorate

Introduction

Policy, Planning and Research Directorate is mainly responsible for policy issues, tariff issues and international affairs. Its broad objectives can be summarized as follows:

- 1 Assisting the Director General of Customs in developing the Departmental Policies and converting same to procedures to be implemented by respective Directorates; conveying such decisions to the officers for information and compliance.
- 2 When requested, assisting the line Ministries and Departments in;
 - (i) Developing economic / trade policies
 - (ii) Converting such policies to tariff measures;
- 3 Conveying Tariff Measures to the officers and the public as relevant for information and Implementation.
- 4 Ensuring that the National Customs Tariff is maintained in the most updated status; attending to all Tariffs related inquiries.
- 5 Ensuring that the information required by public for promoting self-compliance is available through the Customs information center.
- 6 Representing the Sri Lanka Customs Department at WCO, its Regional Bodies, and other International Organizations (WTO and Secretariats for MEAs) and at Bi-lateral and Multi-lateral Trade Negotiations.
- 7 Adopting the WCO's recommendations and best practices by converting to policies and procedures in order for the Department to achieve its vision.

Major Functions

1. Implementation of Tariff policy decisions, formulated by the Treasury through departmental orders (DOPLs).
2. Formulation and implementation of Customs policy decisions through departmental orders (DOPLs).
3. Update and maintain the Import Tariff Guide.
4. Publish National Import Tariff Guide in both book form and CD form for the benefit of public and staff.
5. Assist Treasury in creating national subdivisions in the Harmonized System as and when necessary in formulating the tariff policy.
6. Preparation of the Annual Action Plan of the Department.
7. Preparation of Annual Performance Report of the Department by reviewing the progress of the respective Directorates.
8. Act as the contact point for the World Customs Organization (WCO), WCO Asia-Pacific Office, World Trade Organization (WTO), other International organizations and Customs Administrations by attending to correspondence and related matters
9. Attend to matters relating to Customs Corporation and Mutual Administrative Assistance Agreements with other Customs Administrations.
10. Attend to matters related to Preferential Trade Agreements (PTAs) and Free Trade Agreements (FTAs).
11. Attend to Secretarial functions of the Nomenclature Committee, Trade Facilitation Committee and Risk Management Committee and coordinate activities of other technical committees.
12. Conduct research on matters related to tariff, trade and clearance procedures etc.
13. Preparation and updating of Manual of Procedure.
14. Preparation and publishing of Rates of Exchange notifications.
15. Attend to Public Relations and Customs Information Centre.
16. Organizing and coordinating the World Customs Day which falls annually.

Customs Tariff Guide

Sri Lanka Customs is entrusted with the collection of all the taxes imposed on the international trade. During the year 2017, the Customs Department collected the following on the imported commodities: Import Duty, Excise (Special Provisions) Duty, Import Cess, Port and Airport Development Levy (PAL), Special Commodity Levy (SCL), Value Added Tax (VAT) and Nation Building Tax (NBT). Export Duty and Export Cess are payable on some of exported goods. In addition, certain selected commodities are assigned with Preferential Duty Rates, applicable for commodities originating from countries which Sri Lanka has entered into bi-lateral or multi-lateral trade agreements. Sri Lanka Customs had been publishing an annual Tariff Guide, incorporating in one book, all the taxes and tax rates payable on commodities. Furthermore, the latest edition of Explanatory notes for year 2017 are published by the same directorate.

National Sub Divisions (NSD)

Sri Lanka Customs make Proposals on National Sub Divisions (NSD) in the Harmonized Commodity Description and Coding System (HS) to Trade and Investment Policy Department to be included in the Budget Proposals.

Departmental Circulars

Departmental circulars are frequently issued, as and when it becomes necessary to convey a policy decision, and the resulting changes occurring in the existing procedures, or to convey new procedures, or changes in the manuals of procedure. As a result, Departmental Circulars represent an important official news channel. Policy concepts originate in respective Directorates and are channeled to the Policy, Planning and Research Directorate where at the content is vetted for inconsistencies with existing procedures and circulars, and the final text is prepared and the circular takes the official shape and format. Once it is approved by the Director General, it is printed and circulated among the staff. Revenue Protection Orders (RPOs) are another kind of a circular, published to convey changes in the taxes and levies, enabling the officers to collect revenue applicable under the new rates from the effective date and time. Those changes originate from the General Treasury, and the circulars play an essential part in taxation.

Rates of Exchange Circulars

Unlike the ever-changing (floating) parity rates used by the banks and money changers, Sri Lanka Customs apply a parity rate applicable for one working week as instructed by the Central Bank. The "Exchange Rates" as determined by the Director General of Customs is applicable for the payment of all duties of Customs as well as other charges, penalties and forfeitures incurred under the Customs Ordinance (chapter 235) are published on Friday each week, and circulated by the Policy, Planning and Research Directorate to all CusDec processing units & the ICT Directorate to publish in the Customs Website. That circular is an essential guide for all the officers as well as the traders.

International Affairs

Policy, Planning and Research Directorate is also entrusted with Customs related international affairs. With a view to strengthen and better manage the international affairs of Customs, Customs International Affairs Division (CIAD) has been established. Its functions include coordinating and communicating matters related to Customs international affairs with the World Customs Organization and its Regional Office for Asia and Pacific, foreign Customs Administrations and other relevant international bodies and act as the Customs contact point. WCO sends frequent communiqués and the Directorate responds to those suitably. When Sri Lanka Customs finds it impossible to resolve classification disputes, such disputes are referred to the WCO. The changes in the Harmonized System Nomenclature are conveyed by the WCO and adopted by the Directorate. In addition, the Policy, Planning and Research Directorate is responsible for attending the matters related to the Bi-lateral and Multi-lateral Trade Agreements and Memorandum of Understandings on Customs Co-operation Agreements. Sri Lanka has made three bilateral agreements with Thailand, Vietnam and Nepal.

Departmental Orders issued during the year 2018

DOPL	Date	Related to	Subject
1205B	10.01.2018	Excise	Errata to DOPL 1205
1196A	10.01.2018	CESS (Import)	Errata to DOPL 1196
1207	10.01.2018	Export	Revision of Maximum Value limit of Export Trade Samples
1208	12.01.2018	VAT	Exempting VAT for HS Code 8704.22.51
1209	18.01.2018	SCL	SCL
1210	01.02.2018	SCL	SCL on Maize
1211	02.02.2018	Suspension	Suspension of Customs Facilities for M/S A Star Building Products Private Limited
1212	15.02.2018	CIU	Implementation of National Customs Enforcement Network (nCEN)
1213	16.02.2018	SCL	SCL
1192E	16.02.2018	Excise	Amendment to Dopl 1192
1192F	16.02.2018	Excise	Amendment to Dopl 1192
1214	16.02.2018	Export	Value and Quantity limits of Export Trade Samples
1215	21.02.2018	Excise	Excise Notification 07/2018
1216	23.02.2018	SCL	SCL On Potatoes
1211 A	05.03.2018	Restoration	Restoration of Customs Facilities for M/S A Star Building Products Private Limited
1217	08.03.2018	SCL	SCL
1218	19.03.2018	RPO	RPO 01/2018
1219	19.03.2018	SCL	SCL on Black Gram
1220	21.03.2018	ICT	Automation of the Asycuda Container Pass
1018 F	02.04.2018	NMRA	License to Import of Medicines and NMRA Registration
1221	02.04.2018	SCL	Special Commodity Levy
1222	03.04.2018	Suspension	Suspension of Customs Facilities for M/S MYD Auto Trading
1223	04.04.2018	CCED	Committee to Monitor the Speedy Clearance of Containerized Cargo (FCL)
749 E	06.04.2018	Valuation	Valuation Committee
562 H	06.04.2018	NC Committee	Nomenclature & Classification Committee
1191 A	06.04.2018	SCL	Amendment to DOPL 1191
1224	09.04.2018	PAL	Port & Airport Development Levy

1201 B	11.04.2018	PAL	Amendment to DOPL 1201
1225	12.04.2018	Excise	Gazet Notification Published under the Excise (Special Provisions) Act no. 13 of 1989
1226	18.04.2018	RPO	02/2018 RPO
1227	19.04.2018	Admin	Appeal Committee
1228	23.04.2018	Export Cess	Calculation of Export Cess on Cetrifuged Latex
1229	24.04.2018	Excise	Gazet Notification Published under the Excise (Special Provisions) Act no. 13 of 1989
1230	26.04.2018	NMRA	Withdrawing of the Registration Certificate
1231	26.04.2018	NMRA	Withdrawing of the Registration Certificate
1232	26.04.2018	NMRA	Withdrawing of the Registration Certificate
1233	26.04.2018	NMRA	Withdrawing of the Registration Certificate
1234	01.05.2018	RPO	03/2018 Revenue Protection Order
1235	02.05.2018	SCL	Special Commodity Levy
1236	03.05.2018	RPO	04/2018 Revenue Protection Order
1212A	08.05.2018	CIU	Operating Instructions for Implementing nCEN
1237	08.05.2018	SCL	Special Commodity Levy
1238	09.05.2018	SCL	SCL on Dhal
1239	16.05.2018	RPO	05/2018 Revenue Protection Order
1240	16.05.2018	Duty Waiver	Waiver Petrol Diesel
1241	16.05.2018	Excise	Gazette Notification Published under the Excise (Special Provisions) Act, No.13 of 1989
1242	22.05.2018	SCL	Special Commodity Levy
1243	28.305.2018	Suspension	Suspension of Customs Facilities forM/s Fargo Splendid Pvt Ltd
1244	30.05.2018		Importation of Refrigeration and Air Conditioning (RAC) Equipment
1245	31.05.2018	SCL	SCI on Crude Oil
1246	01.05.2018	Excise	Gazette Notification Published under the Excise (Special Provisions) Act, No.13 of 1989
1240A	04.06.2018	Duty Waiver	Recovery of Import Taxes on Petrol and Diesel Imported During the period between 10.05.2018 and 16.05.2018

1192G	08.06.2018	Excise	Gazette Notification Published under the Excise (Special Provisions) Act, No.13 of 1989
1247	14.06.2018	SCL	Special Commodity Levy
1048B	14.06.2018	Admin	Operational Instructions- Canned Fish
1246A	14.06.2018	Excise	Excise Duty
1215A	18.06.2018	Excise	Excise No.10/2018 under Excise Ordinance
1248	09.07.2018	Admin	Gazette notification under Customs ordinance (Chapter 235)- Regulations for the purpose of governing business to consumer (B2C) transactions on the e-commerce platform.
1249	06.07.2018	ASYCUDA	AUTOMATION OF IMPORT CARGO PROCESS AT THE KTIM2 OFFICE
1250	06.07.2018	ASYCUDA	Currency Declaration At The Bandaranayake International Airport (Bia), Mahinda Rajapaksha International Airport (Mria), Colombo Port, Magam Ruhunupura Mahinda Rajapaksha Port (Mrmrp), Galle Port And Trincomalee Port
1251	11.07.2018	RPO	05/2018 Revenue Protection Order
1201C	11.07.2018	PAL	Amendment to DOPL 1201-Ports and Airports Development Levy
1252	13.07.2018	Admin	Visits by Supervising Officers during overtime hours at Port of Colombo and it's Suburb area and Air Cargo, Katunayake
1253	17.07.2018	Excise	Gazette Notification Published under the Excise (Special Provisions) Act, No.13 of 1989
1254	18.07.2018	SCL	Special Commodity Levy
1192H	19.07.2018	Excise	Gazette Notification Published under the Excise (Special Provisions) Act, No.13 of 1989
1255	19.07.2018	SLSI	Amendments of Sri Lanka Standards Specifications for Compulsory Import Inspection Scheme - Food and Non-Food Items
1234A	19.07.2018	RPO	06/2018 Revenue Protection Order
1256	31.07.2018	NBT	Implementation of Nations Building Tax (Amendment) Act, No.20 of 2018
1043 C	27.07.2018	Export Cess	Export Cess on Tea

1253 A	26.07.2018	Excise	Errata to DOPL 1253 Gazette Notification Published under the Excise (Special Provisions) Act, No.13 of 1989
1192 I	31.07.2018	Excise	Excise on Motor Vehicles
1192 J	01.08.2018	Excise	Excise on Cigarettes
1257	01.08.2018	SCL	SCL on Fish
1258	09.08.2018	SCL	SCL on Maze
1192 K	10.08.2018	Excise	Amendment to DOPL 1192 I Excise on Motor Vehicles
1259	10.08.2018	Bonds	Bonded Warehouse Scheme
1260		DOPL not issued	
1261	15.08.2018	Fishery	Import of Fishery related Electronic Equipment
1262	16.08.2018	SCL	SCL on Sugar
1263	21.08.2018	Admin	Operating instructions onn Emission Standards and Safety Measures/Standards for Motor Vehicles
1264	16.08.2018	VAT	Removal of VAT exemptions
1265	25.08.2018	SCL	SCL on crude oil
1266	07.09.2018	SCL	Amendment to SCL 1217 - Mackerel,Peas,Chick peas,Seeds
1222A	06.09.2018	Removal of Suspension	Request to remove the suspension of the Cutsoms Facilities - MYD Auto Trading
1267	12.09.2018	Commodity Classification	Introduction of a new format for an Internal Classification Advice
1262A	18.09.2018	SCL	Removal of SCL (Sugar)
1268	18.09.2018	Excise	Excise on Sugar
1220 A	18.09.2018	NCT gate	Procedure at the NCT gate
1269	18.09.2018	VAT	Revision of Value Added Tax applicable on Sugar
1270	17.09.2018	VAT	VAT 5% on Fabrics
1271	19.09.2018	Duty Waiver	General Waiver of Customs Duty on Sugar
1272	19.09.2018	Duty Waiver	General Waiver of Customs Duty on Milk powder
1196B	26.09.2018	CESS	Export Cess on Sanitary towels
1273	01.10.2018	SCL	SCL on fish and other items
1274	01.10.2018	OT	DOPL on over time increase by 50%
1275	01.10.2018	Admin	Regulations for appointment of Inland Clearance Depot for LCL

1276	03.10.2018	Duty Waiver	General waiver on Milk Powder
1277	08.10.2018	Admin	Import/Export of Precursor Chemicals and its monitoring mechanism
1278	09.10.2018	RPO	RPO No.08/2018
1279	09.10.2018	Excise	Excise on Palm oil fatty acids
1280	04.10.2018	ESC	ESC Amendment - Motor Vehicles
1281	05.10.2018	VAT	Exempting VAT for HS Code 8705.90.21
1282	17.10.2018	Duty Waiver	Customs Duty Waiver on Milk powder
1196C	18.10.2018	Cess (Export)	Cess on Fabrics
1283	16.10.2018	Duty Waiver	Customs Duty Waiver on Sugar
1283A	26.10.2018	Duty Waiver	Customs Duty Waiver on Sugar
1284	02.11.2018	Excise	Excise on Petrol
1285	01.11.2018	VAT	VAT on wood
1286	01.11.2018	VAT	VAT on Fabrics
1287	02.11.2018	Duty Waiver	Duty waiver on wheat grain and petrol
1288	02.11.2018	SCL	SCL on Sugar,dhal,Chick peas
1289	02.11.2018	SCL	SCL on B onions and Potatoes
1290	08.11.2018	SCL	SCL on Sprats,Pears,Kiwi fruits etc
1291	12.11.2018	Excise	Excise on beverages
1292	16.11.2018	RPO	09/2018 Revenue Protection Order
1293	16.11.2018	Duty Waiver	Duty Waiver on Petrol
1294	20.11.2018	Duty Waiver	Duty Waiver on Diesel
1295	24.11.2018	SCL	SCL on Peas
1296	03.12.2018	SCL	SCL on B onions and Potatoes
1297	04.12.2018	Excise	Excise on beverages
1298	06.12.2018	Suspension	Suspension of Customs Facilities for M/s Chameero Warters (Pvt) Ltd
1299	06.12.2018	NFE	Goods Imported Under No Foreign Exchange (NFE) Basis
1300	31.12.2018	VEL	Vehicle Entitlement Levy

Departmental subject files opened

Date	PL No.	Remarks
08/01/2018	PL786	International Customs Day 2018
30/01/2018	PL787	2017 Explanatory Notes Distribution
07/02/2018	PL788	Borderline Products Evaluation Committee
	PL789	Cabinet appointed committee to make recommendations on the 75% of PAL waiver for the import of High-Teck automated machinery and equipment
	PL790	Working Group Meeting on Specification for Colognes and Perfumes
	PL791	Technical Expert Committee for Implementation of the Basel Convention
	PL792	Cosmetics Evaluation Sub-Committee
28/02/2018	PL793	Revenue Report
02/03/2018	PL794	Time Release Study (TRS) 2018
16/03/2018	PL795	Committee on container traffic
18/05/2018	PL796	Standard Operating Procedure (SOP) on International Relief Assistance
22/05/2018	PL797	Committee on Revenue management and cash flow analysis
20/06/2018	PL798	Restriction of the Importation of HPDE raw material under the HS code 39012000
21/06/2018	PL799	IKF mission on high level assessment of Customs administration & advice on reforms strategy
24/07/2018	PL800	Performance Report – 2017
25/07/2018	PL801	Montreal Protocol on substances that deplete the Ozone layer
01/08/2018	PL802	Correspondence with WCO regarding HS codes
09/08/2018	PL803	Policy Framework for appointing Inland Clearance Depot
02/08/2018	PL804	Sri Lanka Trade Information Portal
	PL805	Establishment of Enquiry point at Sri Lanka Customs
08/11/2018	PL806	Issuing of non-manipulation certificates. Technical discrepancy in the Gazette Notification no 1947/49 dated 01/01/2016 referred in DOPL 1051 of 14/01/2016
06/12/2018	PL807	International Customs Day - 2019

Events organized by Policy, Planning & Research Directorate

1. International Customs day Celebration
2. Awareness Programs for the WTO Trade Facilitation Agreement
3. WCO Time Release Study

International Affairs

Departmental subject files opened

PP&R/CIAD/01/2018	EU - Sri Lanka Joint Commission
PP&R/CIAD/02/2018	Establishment of a Diplomatic Post Office - US Embassy in Colombo
PP&R/CIAD/03/2018	United Nations Security Council Resolutions
PP&R/CIAD/04/2018	7th SASEC Customs Subgroup
PP&R/CIAD/05/2018	SASEC Nodal Officials & Working Group
PP&R/CIAD/06/2018	SASEC - Miscellaneous
PP&R/CIAD/07/2018	Workshop to Develop 5 Year National Actional Plan for the Implementation of INTERNATIONAL HEALTH REGULATIONS (2005)
PP&R/CIAD/08/2018	US Executive Orders Related to North Korea
PP&R/CIAD/09/2018	Sri Lanka Iran Joint Commission for Economic Cooperation
PP&R/CIAD/10/2018	MOU Between Sri Lanka and India on Cooperation for preventing and combating the crime of trafficking in persons
PP&R/CIAD/11/2018	WCO Working Group on Accessions
PP&R/CIAD/12/2018	ROCB - India Communications
PP&R/CIAD/13/2018	Programme Global Shield (PGS)

Compliance and Facilitation Directorate

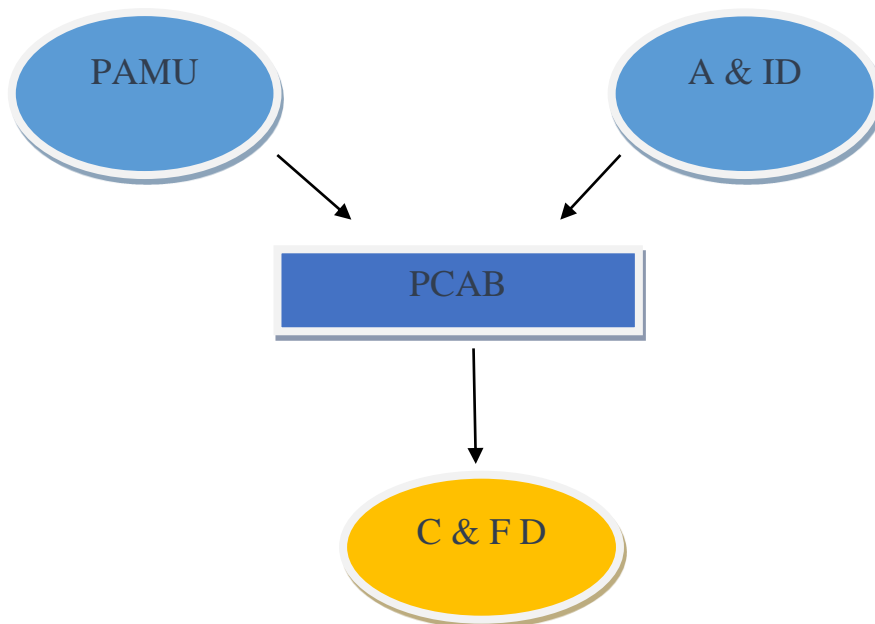
Introduction

Post clearance audit means audit-based Customs control performed subsequent to the release of the cargo from Customs' custody.

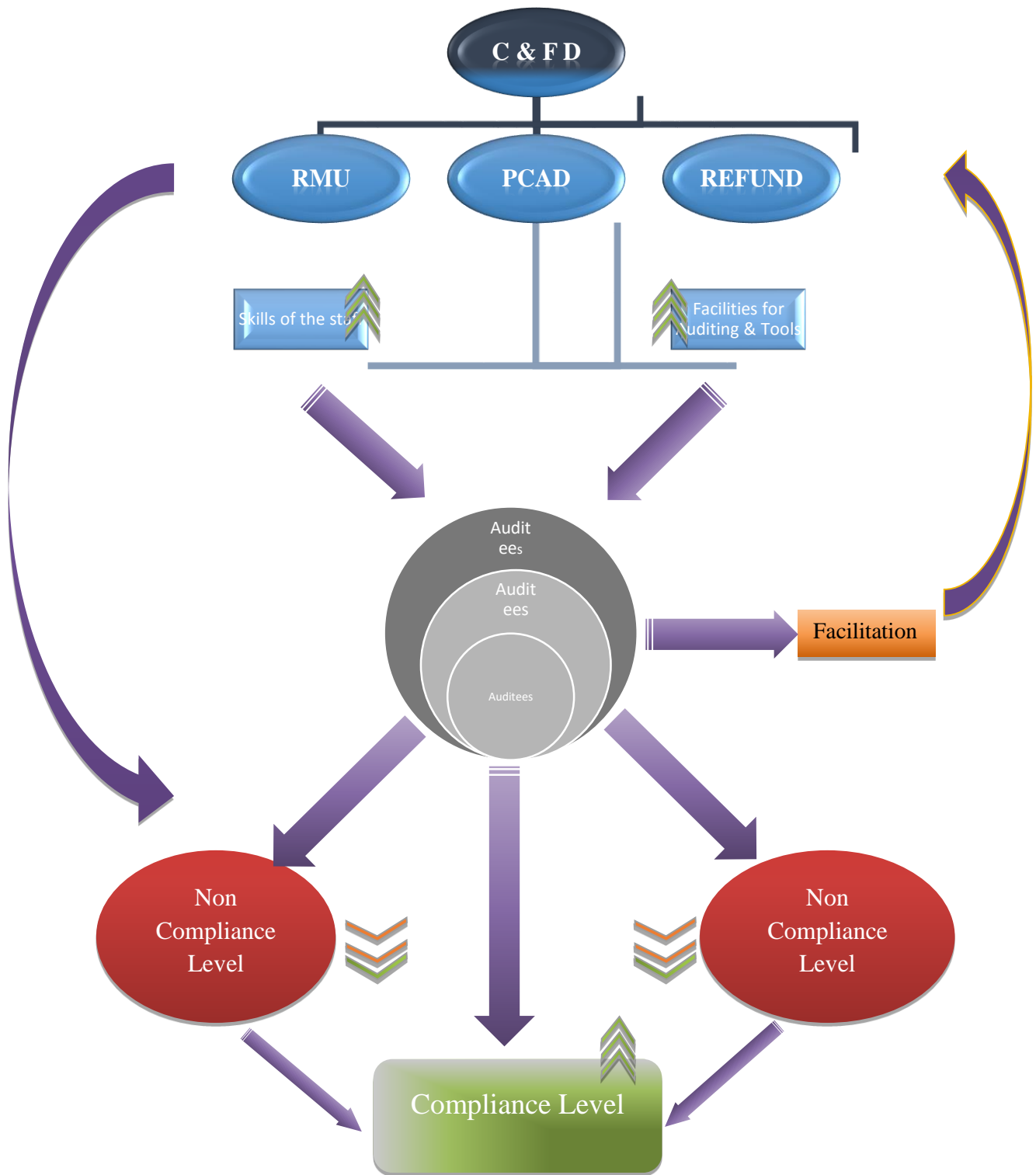
In view of the vision Post Clearance & Audit Branch (PCAB) was first established in year 2000, under the Directorate of Valuation in order to facilitate the successful implementation of WTO Valuation Agreement. This branch was established by absorbing Post Audit and Manifest Unit (PAMU) and Audit & Inspection Branch (A&ID).

With the implementation of the new organizational structure under the customs reforms and modernization program in the latter part of 2010, PCAB functioning under the Directorate of Valuation was upgraded to a Directorate under a Director of Customs within the Enforcement Cluster and known as Directorate of Post Clearance Audit (PCA). Considering the need to facilitate the complaint traders and to control lapses and fraud in customs clearance process, it has been decided to improve the existing systems by establishing a Risk Management Unit (RMU) in Customs. Recognizing that the implementation of the principles of risk-management and compliance measurement and introduction of procedures for facilitation programmes in Customs clearance process are important factors that would contribute to enhance the level of compliance among the trading community, it has been decided to bring the functions of the Post Clearance Audit and Risk Management under one Directorate within the Corporate Cluster.

Henceforth Post Clearance Audit and Risk-management are functioning as two branches under the directorate which is names as "Compliance and Facilitation Directorate" with effect from 26th September 2013 in terms of DOPL883. With the inclusion of Refund Branch presently C&FD has three branches. Namely, Post Clearance & Audit, Risk Management and Refund.



C & F D & Compliance level of Auditees



Post Clearance Audit

Post clearance audit (PCA) or audit-based controls are defined by the Revised Kyoto Convention as measures by which the Customs satisfy themselves as to the accuracy and authenticity of declarations through the examination of the relevant books, records, business systems and commercial data held by persons concerned. Post-clearance audit is a critical control methodology for Customs and other border regulatory authorities as it enables them to apply a multi-layered risk-based control approach by moving from a strictly transaction-based control environment to a stronger audit-based administration. Transaction-based controls are those controls applied to each individual shipment at the time of crossing the border, such as physical examination, verification of value, origin and classification of goods, sampling, verification of certificates, licenses and permits, etc.

Source: World Customs Organization (WCO)

Post-clearance audits can be conducted on a case-by-case basis, focusing on targeted operators, selected on the grounds of risk analysis of the commodity and the trader or in a planned, regular way, set out in an annual audit programme. Furthermore, the audit could also be used as criteria to offer special treatment to certain economic operators.

Main Objectives of PCA

- (a) To verify accuracy and authenticity of Customs declarations over the past certain period;
- (b) To recommend auditees to take necessary measures for amendment of their incorrect declarations.
- (c) To encourage auditees to enhance their compliance with Customs laws and regulations;
- (d) To provide input for the risk management process.

Items to be verified in PCA

Every particular required for an important declaration outlined in the following table can be verified in PCA:

Duty Base	Date Rate	Duty Amount	Others
Related Items	Related Items	Related Items	
<ul style="list-style-type: none"> • Value • Quantity • Currency • Exchange Rate 	<ul style="list-style-type: none"> • Classification • Application of General Rates • Preferential Rates 	<ul style="list-style-type: none"> • Exemptions • Justifications • Amount • Accuracy of duty calculation 	<ul style="list-style-type: none"> • Restrictions • Prohibitions • Import License • IPR • CITES • Royalty • Exchange Control

It should be noted that the above items can be examined in customs clearance and / or pre-clearance verification stages before PCA. The approach in PCA should be different from one in customs clearance (pre-clearance verification) to avoid unnecessary duplication between them and to maximize the merits and minimize the demerits of PCA. As one of the merits, PCA enables PCA officers to examine not only documents attached to customs declarations but also relevant books and records, such as account books, retained by auditees over the past certain period at the auditee's premises.

Post Clearance Audit Division

Performance during the year 2018

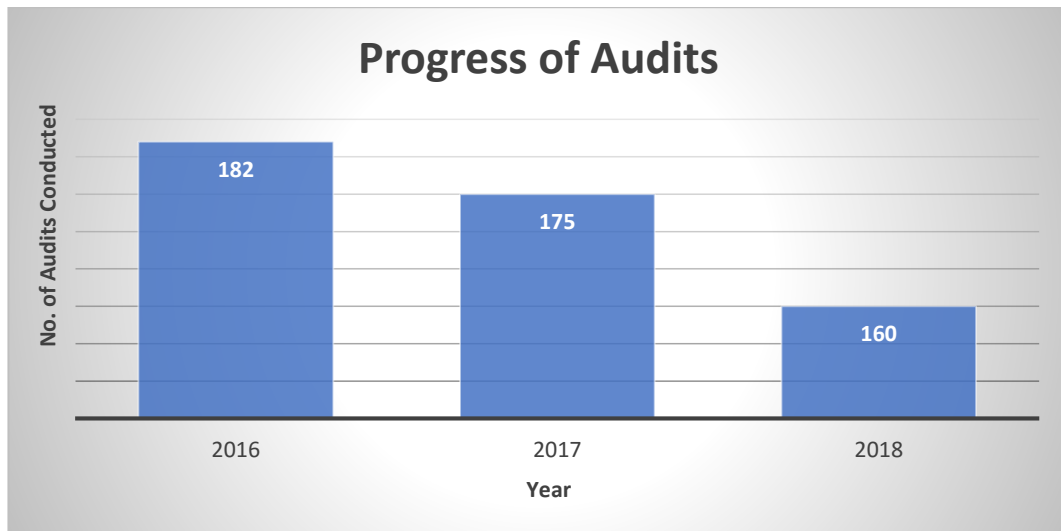
	2018
Number of audits registered during the year	160
Number of post audit cases registered during the year	102
Number of post audit cases concluded (including previously registered)	61
Number of post audit cases established offences and imposed forfeiture/penalties	61
Total amount of forfeiture/penalties recovered (Rs.)	604,850,139
Total amount of sales proceeds collected (Rs.)	-
Total amount collected as A/E (Rs.)	56,653,753
Total amount recovered (Rs.)	661,503,892

Performance during the year 2014, 2015 & 2016

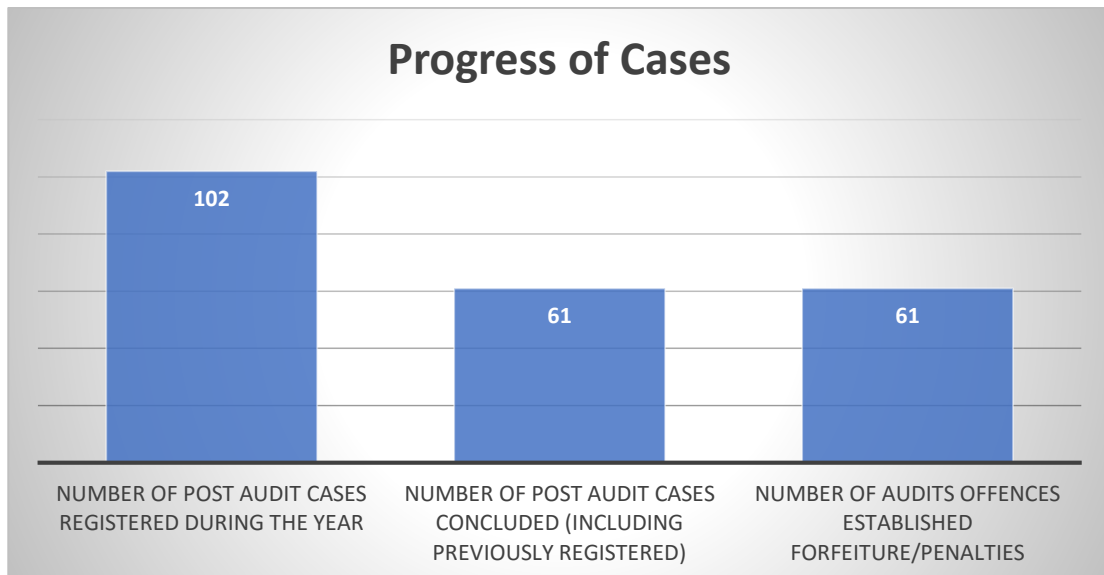
	2016	2017	2018
Number of post audit cases registered during the year	103	112	102
Number of post audit cases concluded (including previously registered)	77	54	61
Number of audits offences established forfeiture/penalties	69	48	61
Total amount of forfeiture/penalties recovered	938,538,574	1,120,608,249	604,850,139
Total value of the goods forfeited	NIL	NIL	NIL
Total amount collected as A/E	61,512,281	894,548	56,653,753
Total Recovered	1,000,050,855	1,121,502,797	661,503,892

1) Progress of Audits

Year	No. Of Audits Conducted
2016	182
2017	175
2018	160

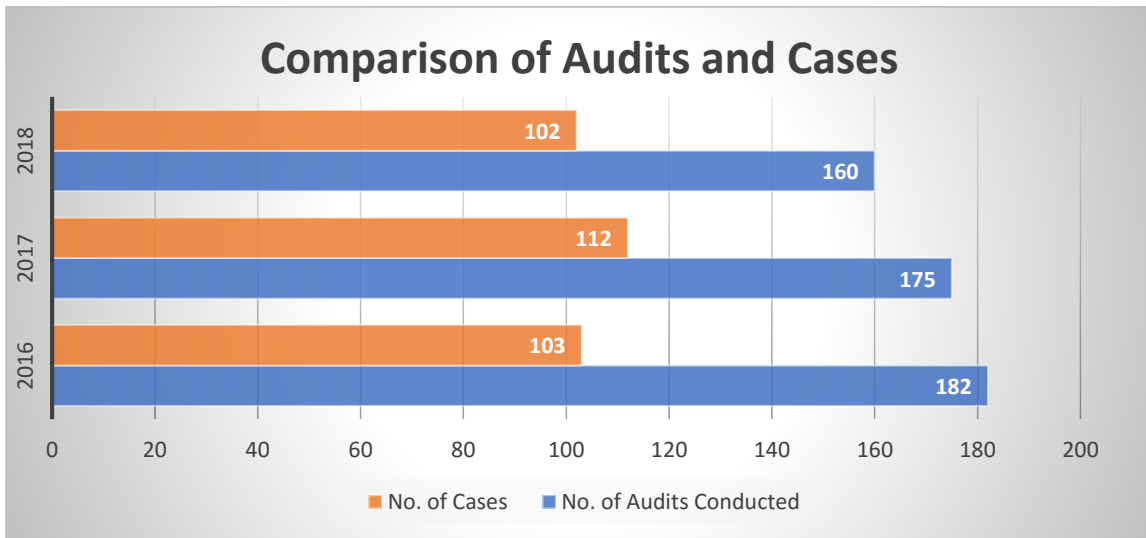


2) Progress of Subsequent Cases during the Year 2017



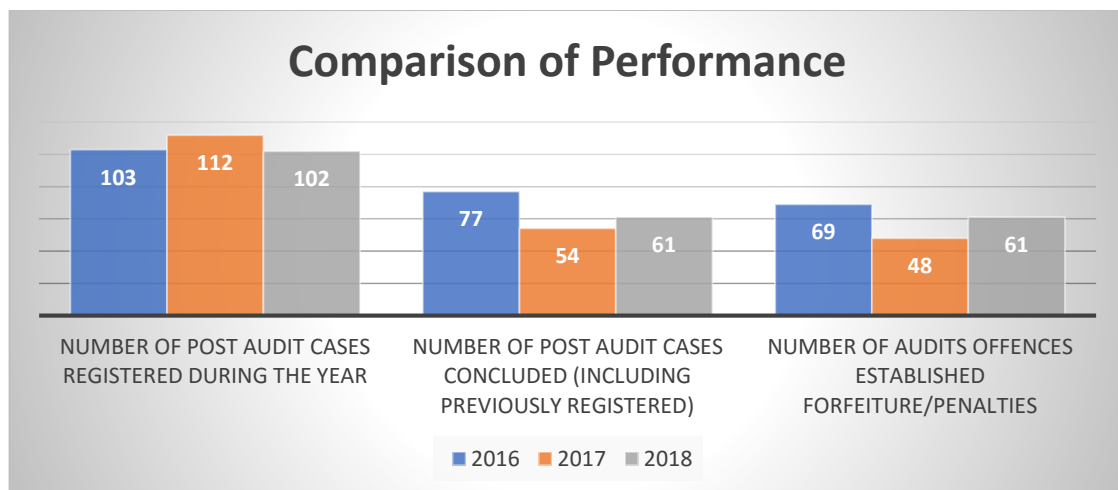
3) Comparison between Audits and Cases

Year	No. Of Audits Conducted	No. of Cases	%
2016	182	103	57%
2017	175	112	64%
2018	160	102	64%



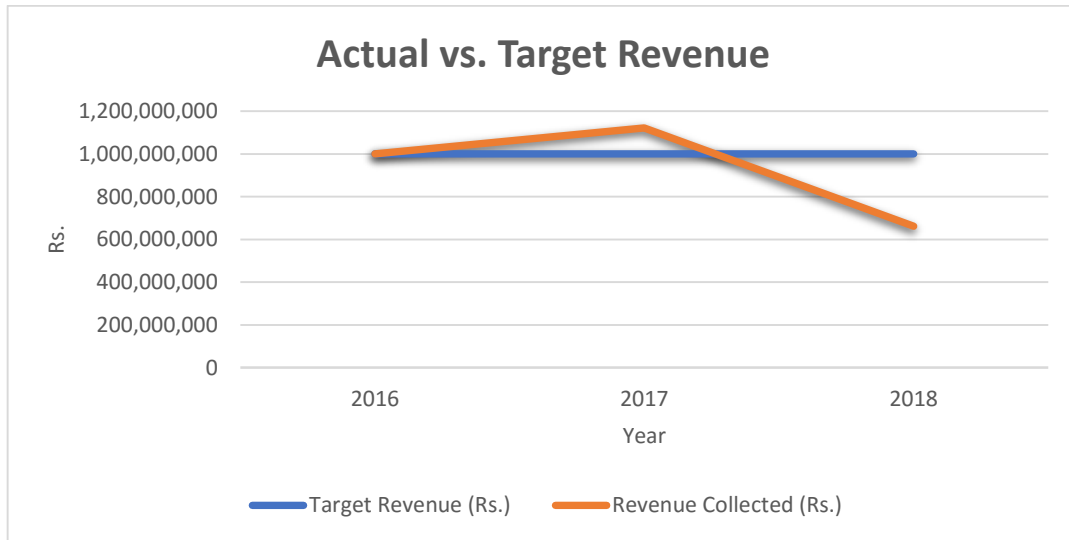
4) Comparison of Performance

Year	No. of post audit cases registered during the year	No. of post audit cases concluded (including previously registered)	No. of audits offences established forfeiture/penalties
2016	103	77	69
2017	112	54	48
2018	102	61	61



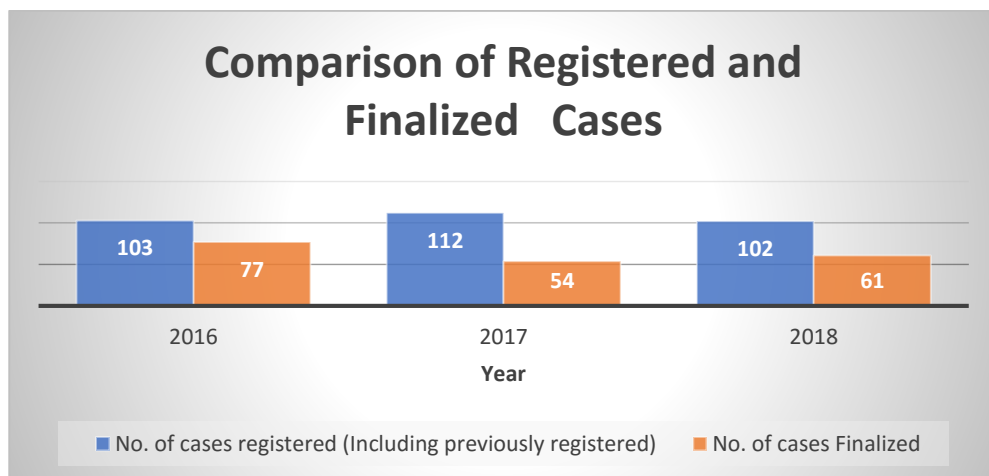
5) Target and Actual Revenue Collection

Year	Revenue Collected (Rs.)
2016	1,000,050,855
2017	1,121,502,797
2018	661,503,892



6) Number of Cases Registered and Finalized during the Year 2016, 2017 and 2018

Year	No. of cases registered (Including previously registered)	No. of cases Finalized
2016	103	77
2017	112	54
2018	102	61



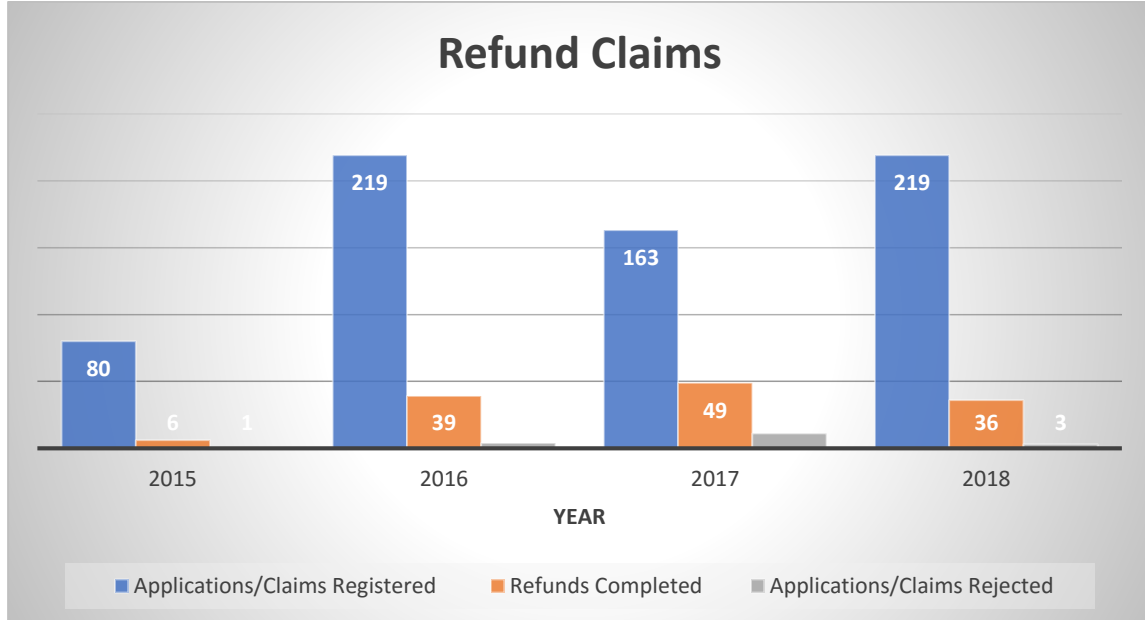
Refunds Division

1) Status of the Refund Claims - 2018

	Number
Application/Claims Registered	219
Refunds Completed	36
Applications / Claims Rejected	03

2) Status of Refund Claims - Previous Years (2015 to 2018)

Year	2015	2016	2017	2018
Applications / Claims Registered	80	219	163	219
Refunds Completed	06	39	49	36
Applications / Claims Rejected	01	04	11	03



3) Number of Staff

Year	Number of Officers (SCC, DSCC, ASCC)
2016	38 (Average)
2017	50 (Average)
2018	39 (As at 31.12.2018)



Risk Management Unit

When World Customs Organization adopted the SAFE Framework of Standards in 2005 to enhance the supply chain security and to better facilitate the international trade, like many other Customs administrations all over the world Sri Lanka Customs also struggled to come to terms with this paradigm shift from the role of gatekeeper to facilitator. With gradual increase in the technical expertise and the increased understanding that it is not quite possible to successfully cope up with the modern day volumes of international trade with the traditional gate keepers approach, Sri Lanka Customs finally took the initiative to establish a separate unit for Risk Management in 2013, under the Compliance & Facilitation

Directorate. However, due to the lack of political will, lack of coordination between the key stakeholders and bureaucratic red tapes prevailed at the time has prevented the unit from achieving its objectives and reaching its true potential. When the present Director General Mrs. P.S.M. Charles took over the helm as the leader of Sri Lanka Customs, she understood the difficulty of effectively balancing the seemingly incompatible concepts of enforcement and facilitation and realized the prospective gains of using Risk Management as a modern Customs tool to bring about an equilibrium in facilitation and the control. With such gallant objective in mind, she has taken the initiative to expand the operations of the Risk Management Unit into the status of a directorate and invited a team who she believed is capable of delivering the core objectives of implementing a sound Risk Management Framework and incorporating modern day Customs practices into the core operations of Sri Lanka Customs.

With the restructuring and the expansion of the unit, it has been identified that the major operational areas to be addressed by the Risk Management Unit within the administration of Sri Lanka Customs to be threefold.

- (i) to conduct detailed risk assessments into each of the core Customs operations to identify the inherent risks that lie within each core processes and then to come up with recommendations and to re-engineer the processes if necessary.
- (ii) to apply the principles of compliance-based risk management in identifying the both high and low risk cargo, passengers and operators (importers, exporters, customs brokers, forwarding agents and other logistics operators) and treat such cargo and operators based on their compliance and/or risk level.
- (iii) to identify the prevailing trends in illegal Customs related operations and to take measures to prevent such activities and to mitigate the risks arising out of such situations. Based on the above threefold mission statement of Risk Management Unit, risk assessments were conducted on a set of prioritized core processes.

Detailed risk assessments conducted on Customs operational areas

Risk assessment on LCL cargo clearance

LCL cargo clearance process is one of the areas which is not given a very high level of priority by Sri Lanka Customs due to the perception that the volume of cargo and the revenue generated is less compared to the other operational areas. However, during a detailed risk assessment conducted by the Risk Management team, it was identified that there are some major procedural flaws inherent in the present LCL clearance process and such procedural flaws have led to significant revenue leakages and smuggling-in of prohibited and restricted goods. A detailed report along with the recommendations was prepared and presented to the DGC and implementation of these recommendations are presently in progress.

Risk assessment on bonded liquor operations

At present, there are three types of bonded liquor operations within and close to the Port of Colombo. Those are, 1. *Duty free shops operated within Colombo Port selling bonded liquor to ship crew and ship passengers*; 2. *STC duty free shop operated outside the Colombo Port area selling bonded liquor to diplomatic missions and their staff*; 3. *Ship stores operation selling bonded liquor to the ships arriving at the Colombo Port*; A detailed risk assessment was conducted by the Risk Management Unit into all three of the above mentioned areas and during the study it was identified that there are numerous malpractices that are taking place in these operations and there is an estimated annual revenue loss of more than Rs. 2.5 billion due to such malpractices. It was also observed during the study that there are many irregularities with regard to the operational framework in these areas. Therefore, Risk Management Unit has documented a detailed risk assessment into the above-mentioned operations and strict regulations (DOPL) are being drafted to govern the mentioned operations. Risk Management team has also taken temporary measures to ensure the malpractices do not continue until the implementation of newly drafted regulations.

A detailed risk assessment on air cargo clearance process

At present a detailed risk assessment is being conducted to map the processes associated with the Air Cargo imports operations and to identify the major risks associated with the present process.

In addition to the above projects initial planning and documentation phases of the following projects are also completed and these projects are scheduled to be launched during the first half of the 2019.

Re-registration of traders and clearing agents and re-engineering of trader registration process

It has been long noted that there are number of procedural lapses in the process of registration of new traders and clearing agents and as a result of continuation of such practices the records kept by the Customs on traders and customs brokers is inadequate for the purpose of profiling them. Therefore, re-registration of all the traders and customs brokers will be conducted within the first half of 2019, in order to gather all the information that is required to assess their risk levels and prepare the profiles.

Launching of the Authorized Economic Operator (AEO) programme

Risk Management Unit is planning to launch a comprehensive Authorized Economic Operator (AEO) programme within the first half of the 2019. With the introduction of this programme, the present Compliant Trader Programmes (such as Fast Track and Green Channel) will be discontinued and those traders who are enjoying the said facilities will be given the opportunity to be drafted into the new programme, depending on their willingness and subjected to the fulfilling of the entry requirements. Importers,

exporters, Customs Brokers, Bondsmen and other types of logistics operators will also have the opportunity to apply for the proposed AEO programme. The regulatory framework that would govern the new AEO programme is being drafted and upon approval of the same by the DGC, applications will be called upon in the very near future.

Re-visit the present selectivity criteria and re-structure the cargo examination process

Since the present percentage of cargo subjected to physical examination in Sri Lanka is considered to be extremely high compared to internationally accepted standards, present selectivity criteria and the effectiveness of them are presently being analysed and looking at the possibility of reducing the percentage of cargo subjected to physical examination by using more effective selectivity criteria along with advanced non-intrusive examination methods.

Action Plan for 2018 Risk Management Unit

Key Activity: Risk Management				
Main Steps	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Identification of new High Risk Scenarios & implementation of selectivity criterion	X	X	X	X
Monitor and evaluate of HRC list	X	X	X	X
Update HRC list frequently	X	X	X	X
Audit Fast-Track Consignees periodically to check their compliance level	X	X	X	X
Audit Green-Channel consignees randomly to check their compliance level	X	X	X	X
Random Post Audit on newly registered consignees to check their Compliance Level	X	X	X	X

Key Activity: Trade Facilitation				
Main Steps	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Accept Fast-Track requests and evaluate the requests	X	X	X	X
Monitor & Evaluate the Fast-Track Consignee list	X	X	X	X

Scrutinize the Application and related documents for the registration of Importers and Exporters in term of Section 115 of the Customs Ordinance, submitted at the TIN/VAT Registration Unit	X	X	X	X
Adapt Selectivity concepts from global examples	X	X	X	X
Identify selectivity criterion for Automatic Selectivity	X	X	X	X
Implement and test selectivity criterion in ASYCUDA World.	X	X	X	X
Study and implement feedback mechanism from examination points for selectivity criteria development	X	X	X	X
Evaluate and Update selectivity criterion	X	X	X	X

Progress of the Plan for 2018 Risk Management Unit

Function	Activity	Results
Managing Fast Track Programme	Identification of compliant traders	206 companies presently operational in Fast Track Programme. Fast Track facility of 18 companies have been terminated due to non-compliance with Customs Ordinance.
	Office visits	
	Add and remove companies from Fast Track list	
Selection of High-Risk Cargo	Identification of High-risk Cargo	Additions to the list have been done regularly from data analysis/ CIU reports and newly registered companies.
	Identification of RED criteria	
	Update HRC and RED criteria	
Automated Selectivity Program	Conducting Feasibility studies	Risk factors as uncommon imports, country of import etc. were considered and if successful, automated selectivity criteria were implemented for the prepared profiles.
	Identification of risk parameters	
	Setting risk levels	
	Collating appropriate test data	
	Perform test runs	
Managing Green Channel Programme	Development of criteria	38 companies are operational in Green Channel programme.
	Identification of companies	Green Channel facility of 1 company has been terminated due to non-compliance with Customs Ordinance.
	Analyzing of the companies (Green Channel Questionnaire)	
	Office Visits/ Feasibility studies	Continuous monitoring of Green channel companies on their import patterns and offences.
	Update company risk profiles	

Information & Communication Technology

Directorate

Introduction

Objectives of the ICT Directorate are to provide technology, services and facilitations to the Department in commissioning the CusDecs processing and furnishing web services around the clock constantly. Total automation of CusDecs processing ensures speedy quality and reliable information systems for effective and efficient Customs administration. ICT Directorate is instituting new more efficient and fail-safe computer-based systems and processes to keep up the submission of all the Customs Declarations and supportive documents, electronically.

Major Functions

1. Support to achieve organizational goals through Automation.
2. Maintain the systems network, computer peripherals and databases successfully
3. Provide timely and accurate information system and reports to Customs Management, other Customs Divisions, other government agencies and stakeholders
4. Conduct evaluations and effect upgrades to existing systems: 'ASyCuDa', 'Cargo Control system', 'Motor Control System', and 'Thineth System', with global advancements.
5. Enhance professional quality with the ICT Skills of the staff of the ICT directorate to achieve the desired operational goals.
6. Expand trainings in ICT literacy and operations of the ICT modules to the Department.

Key Activity:	TECHNICAL UNIT
Main Steps	Achieved % on 31/12/2017
1. Automating the write off of the import Sea Manifest at the CBHQ1 office	100% completed
2. Capturing the scan images of the invoice to the AsyCuda system	100% system ready. Awaiting legal approval
3. Completing the automation of the KTIM1 office	ICT part 100% completed
4. Connecting the immigration department with the Sri Lanka Customs to facilitate door to Door UPB delivery	Tender awarded. Committee appointed to look into improvements
5. Migration of the current THINETH System to AsyCuda World system	5% Migration of the companies done (pilot project)
6. Implementing the paperless exports trade with digital signatures.	System 100% ready. Awaiting Attorney General's (legal) approval
7. Implementing paperless imports trade	System 10% ready. Awaiting Attorney General's (legal) approval
8. Publishing an Updated Exports Tariff Guide	100% completed
9. Automating the selection of exports cargo for examination	Awaiting selectivity criteria from the exports division
10. Capturing the Export Cargo manifest to the system	100% completed AsyCuda system. Schemes given to ADGC (C) to discuss with CASA
11. Implementing the PIV electronic payment system	5% completed. Implemented at Colombo Parcel post (Pilot Project)
12. Providing the data to the ITMIS system	ICT part 100% completed, awaiting from the other entity completion.

Key Activity:	ICT Help Desk
Main Steps	Achieved % on 31/12/2017
1. Scrutinizing of documents for MOU signing	100%
2. Issuance of AsyCuda World system logins to all stakeholders	100%
3. Troubleshooting AsyCuda World System issues (onsite and remote)	100%
4. Troubleshooting THINETH System issues	100%

5. Installation assistance with regards to AsyCuda World System (onsite and remote)	100%
6. Responding to general queries from internal and external stakeholders.	100%
7. Generating reports for internal and external stakeholders	100%
8. Providing CusDec copies for vehicle permit holders	100%
9. Troubleshooting issues with regard to IRD and DMT data link	100%
10. Troubleshooting issues with regard to Bank remittance	100%
11. Troubleshooting issues related tp Colombo Port Terminal Data link	100%
12. Troubleshooting issues with related to the Bank Parament severs	100%
13. Assisting the ICT technical team in technical matters such as sever upgrades, ongoing system testing etc.	100%
14. Training apprentices from Universities and Technical Institutions	2 Gradates got trained in 2018
15. Training with regard to AsyCyda usage to stakeholders	100%
16. Maintenance of AsyCuda World User database (Clearing and forwarding agents, Freight Forwarder, Shipping lines, etc.)	100%
17. Issuance and renewal of VPN accounts for stakeholders.	100%

Key Activity:			Audit Unit
<p>Audit Unit of ICT division is responsible for issuing user profiles and passwords for the Customs officers and other government institution which connects with AsyCuda system.</p> <p>Further it is responsible for handling VOTE accounts, providing recommendations for renewal of boding facilities, system audit and handling legal issues.</p>			
Customs Investigations			
Number of cases initiated	Number of finalized	Total penalty imposed	Total sales Proceeding
51	10	945,100 Rs.	63,921,624.50 Rs

Key Activity:	STATISTICS UNIT
<p>The Statistics Unit of the ICT is responsible for providing standard Statistical reports; Evolving and maintaining statistical Standard including supporting to National Income Accounting; conduct of survey of Industries, providing information for investigation and prosecutions; dissemination of statistical information, work relating to trade, energy, construction and environment statistics etc.</p>	
<p>Statistical Unit of Sri Lanka Customs provides reports to following institutions/ departments.</p>	
Auditor General of Sri Lanka	120
Internal Audit	12
External Enforcements Agencies (Police, SIS, CID etc.)	150
Internal Investigations	600
Internal Other (Facilitation for Policy Planning & Risk Management)	265
Report for decision supporting process in Finance Ministry	650
Other government institutes (EDB, Agri Department, CAA, Tea Board, IRD, BOI, RMV, Coconut Development Department)	150
Private Companies	4800
For academic Purposes (universities & Research Institutes)	60

Central Valuation Directorate

Introduction

Central Valuation Directorate accomplishes the functions related to the verification and determination of declared values of the imported goods as per the Articles of Schedule E of the Customs Ordinance.

Overall decisions associated with the Valuation processes are carried out under the provisions of sections 51 and 52 of the Customs Ordinance, that contribute for achieving the expected objectives of the department.

Objectives

- Enhance efficiency and effectiveness through valuation tools and techniques and capacity building formalities thereby contributes to departmental goals.
- Contribute for proper facilitation of legitimate trade.
- Enhance the level of compliance of stakeholders and the staff using best practice approaches in line with WCO, WTO and other International Instruments and Tools.

Major Functions

- Ensure proper application of the provisions of article VII of WTO GATT 1994 empowered by Section 51 of the Customs Ordinance;
- Developing valuation tools (i.e. Updating valuation data base, issuing periodical alerts) and best practices for the effective and uniform application of valuation law;
- Verification of declared values and determination of Customs Values of the imported commodities in line with the Articles of schedule E;
- Assisting the Valuation Committee in Policy matters concerning Customs Valuation;
- Foster public-private partnership in solving valuation issues and invite public participation in carrying out value Research;
- Monitoring valuation trends of sensitive commodities, carrying out valuation inspections, research and investigations for taking necessary actions as far as revenue is concerned;
- Coordinating Customs valuation matters with relevant international organizations/sources through ADGC(C) and DC (CIAD);

Monthly Statistics of Central Valuation Directorate 2018

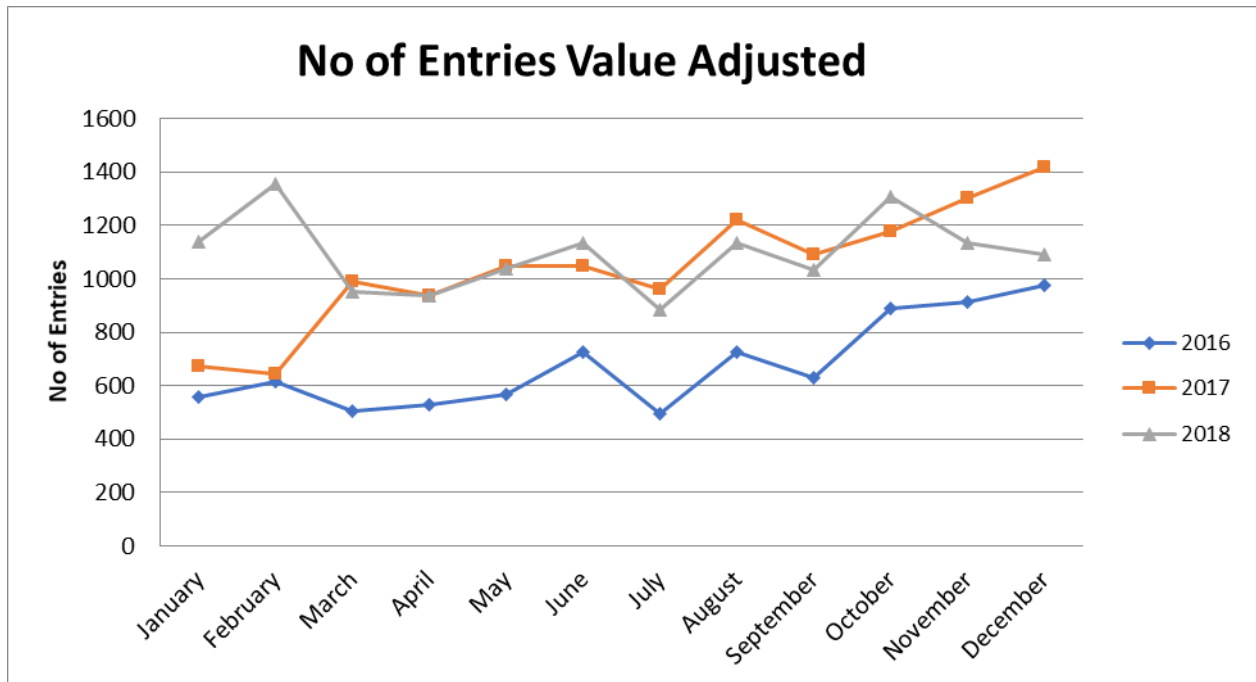
Month	No. of Entries Received	No. of Entries Value Revised	Percentage of Adjustments	Amount Recovered
January	2,689	1,137	42.28%	162,436,213.20
February	2,750	1,356	49.31%	197,606,167.74
March	2,111	951	45.05%	139,270,365.00
April	2,343	936	39.95%	172,654,159.00
May	2,432	1,037	42.64%	145,106,782.00
June	2,117	1,133	53.52%	174,176,732.00
July	2,013	885	43.96%	118,414,464.37
August	2,470	1,133	45.87%	156,252,561.00
September	2,523	1,032	40.90%	138,100,571.00
October	4,799	1,309	27.28%	176,677,684.00
November	3,612	1,136	31.45%	146,612,176.04
December	3,571	1,090	30.52%	155,126,605.00
Total	33430	13135	39.29%	1,882,434,480.35

No. of CusDecs received : 33430
 No. of CusDecs Value Adjusted : 13135
 Percentage of Adjustment : 39%

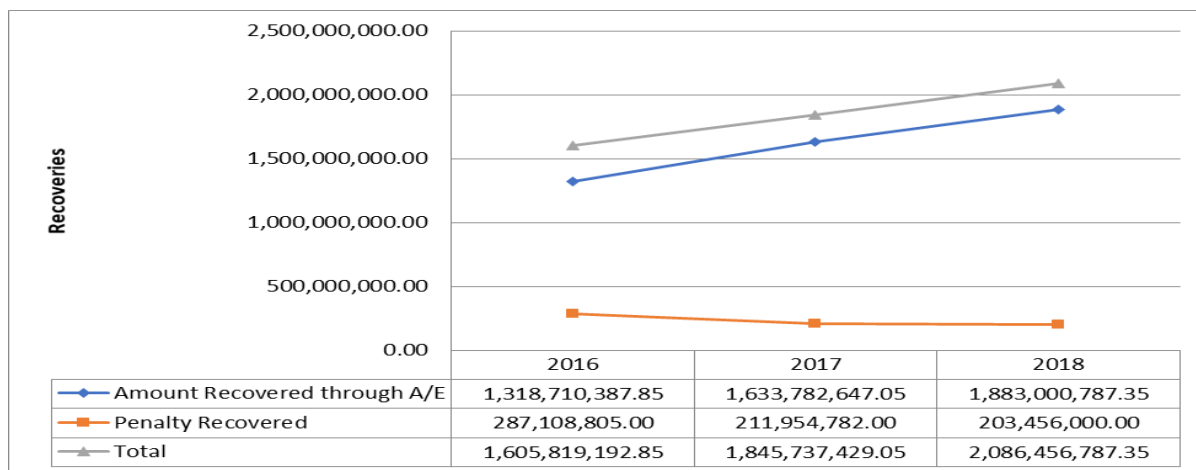
Performance Report for the Years 2015 & 2016 & 2017 & 2018				
Month	Amount Recovered through A/E			
	2015	2016	2017	2018
January	54,449,710.00	84,498,414.00	96,976,771.01	162,436,213.20
February	91,402,400.00	103,263,972.00	92,588,732.00	197,606,167.74
March	63,774,886.00	90,903,711.00	124,223,659.00	139,270,365.00
April	51,392,966.00	85,868,619.00	115,021,167.83	172,654,159.00
May	64,329,233.00	99,738,181.00	133,249,396.00	145,106,782.00
June	87,569,600.55	132,070,090.00	137,691,728.00	174,176,732.00
July	78,257,088.00	84,129,484.00	124,688,097.00	118,414,464.37
August	65,483,265.00	123,306,222.00	156,586,925.58	156,252,561.00
September	84,140,105.00	82,950,641.00	144,727,507.37	138,100,571.00
October	79,746,391.00	127,316,886.00	156,768,427.00	176,677,684.00
November	106,194,920.00	138,543,377.00	169,522,592.00	146,612,176.04
December	93,567,883.00	166,120,790.85	181,737,644.26	155,126,605.00
	920,308,447.55	1,318,710,387.85	1,633,782,647.05	1,882,434,480.35

Number of CusDecs Value Revised

	2016	2017	2018
January	556	673	1137
February	616	646	1356
March	506	992	951
April	527	936	936
May	565	1047	1037
June	725	1047	1133
July	497	959	885
August	726	1220	1133
September	628	1091	1032
October	889	1176	1309
November	915	1303	1136
December	977	1416	1090
Total	8127	12506	13135



	2016	2017	2018
Amount Recovered through A/E	1,318,710,387.85	1,633,782,647.05	1,883,000,787.35
Penalty Recovered	287,108,805.00	211,954,782.00	203,456,000.00
Total	1,605,819,192.85	1,845,737,429.05	2,086,456,787.35



Performance of Valuation Research and Investigation Unit (VRIU) in 2017

1	Number of cases registered	222
2	Number of cases completed	211
3	Number of cases where offences established and forfeitures/penalties imposed	69
4	Total amount of forfeitures/penalties collected (LKR)	203,456,000.00
5	Total number of incomplete case files	11

Comparison of performance of VRIU with the performance of year 2016, 2017 & 2018

		2016	2017	2018
1	Number of cases registered	217	134	222
2	Number of cases completed	228	126	211
3	Numbr of cases where offences established and forfeitures/penalties imposed	82	62	69
4	Total amount of forfeitures/penalties collected (LKR)	287,108,805.00	211,954,782.00	203,456,000.00
5	Total number of incomplete case files	3	8	11

Abbreviations:

RMU : Risk Management Unit

VRIU : Valuation Research & Investigation Unit

CVD : Central Valuation Directorate

CVDB : Central Valuation Database

Specialized Services Directorate

Introduction

The objective of the Specialized Services Directorate is providing services to the department and its stakeholders. The services are in respect of determining the appropriate harmonized system codes of the commodities Imported/Exported, analyzing of chemicals Imported/Exported, valuing of gems, precious metals and jewelry for Import or Export, issuing of licenses to the Customs House Agents and registering Importers and Exporters in the ASYCUDA system in order to facilitate processing of Import/Export Customs declaration.

Major Functions

1. Commodity / Goods classification
2. Identification & Classification of chemicals and allied products
3. Identification, Classification and Valuation of gems, precious metals and jewelry
4. Issue of licenses to the Customs House Agents and Registration of importers and exporters.

The specialized services directorate functions under the Corporate Cluster of the Customs department and comprising of four branches.

Commodity Classification Branch

Performance for 2018

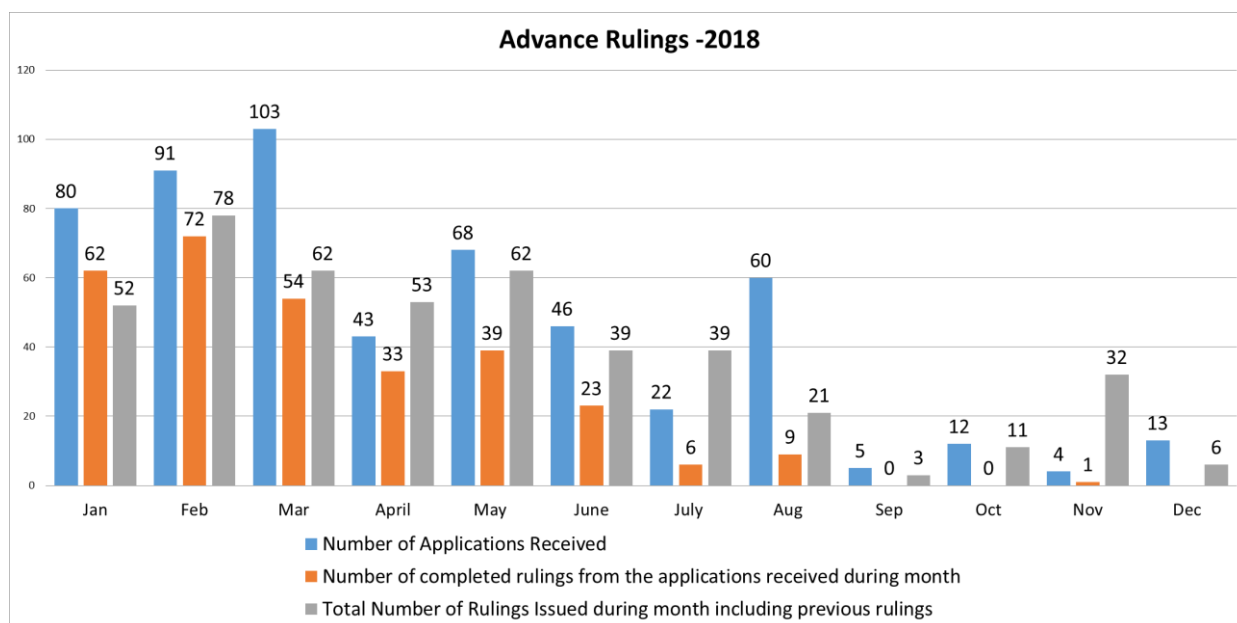
This unit is responsible for determining the most appropriate Harmonized System Codes for the products Imported/Exported. When there are disputes in respect of H.S. Code of a particular product in the CusDec, from CusDec Processing units or Cargo Examination units, CusDecs are referred to this unit for the clarification of the classification dispute. In such a situation this unit issues an Internal Advice proposing the most appropriate HS code for the disputed item having gone through the MSDS and other relevant literature.

Apart from that as a measure of facilitation to the trade, this branch issues advance tariff classification ruling for the commodities to be Imported or Exported. Importers/Exporters could obtain this ruling by submitting duly filled application form available in the Customs website. Once this ruling is issued it is valid for a period of one year from the date of its issuance for the same item imported from the same manufacturer.

Anyway, if the officers who refer the CusDecs from any of the entry points or the importers / exporters who are not satisfied with the issued rulings can refer their items to the Nomenclature Committee or even to the WCO Harmonized System Committee for further clarifications through the Department of Customs.

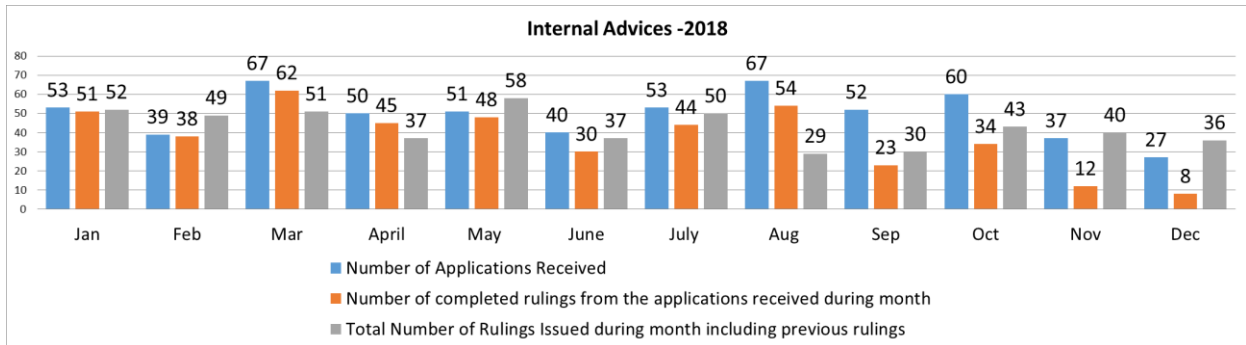
Advanced Classification Rulings

	Jan	Feb	Mar	Apr	Ma y	Jun	Jul	Aug	Sep	Oct	No v	De c	Total
Number of Applications Received	80	91	103	43	68	46	22	60	5	12	4	13	547
Number of completed rulings from the applications received during month	62	72	54	33	39	23	6	9	0	0	1		299
Total Number of Rulings Issued during month including previous rulings	52	78	62	53	62	39	39	21	3	11	32	6	458

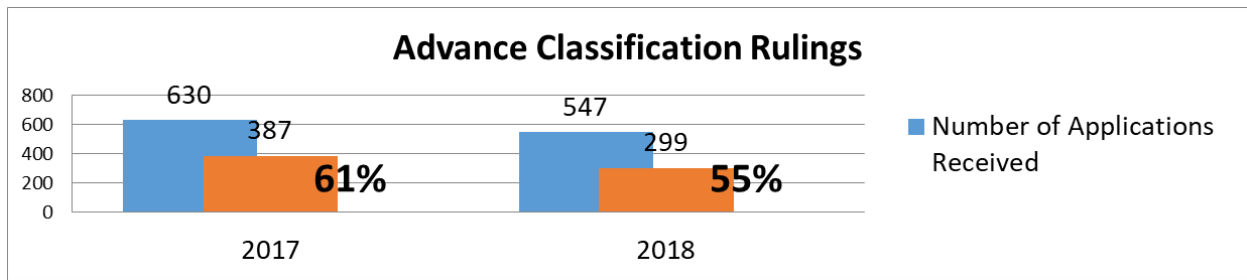


Internal Classification Advices

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Number of Applications Received	53	39	67	50	51	40	53	67	52	60	37	27	596
Number of completed rulings from the applications received during month	51	38	62	45	48	30	44	54	23	34	12	8	449
Total Number of Rulings Issued during month including previous rulings	52	49	51	37	58	37	50	29	30	43	40	36	512

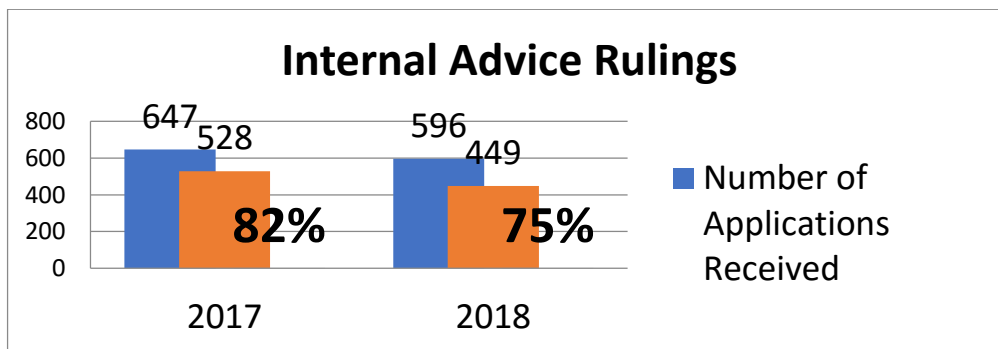


In comparison to previous years			
1. Advanced Classification Rulings - 2017			
Year	Number of Applications Received	Number of Rulings Issued	Rate of Completion
2017	630	387	61%
2018	547	299	55%



In comparison to previous years

2. Internal Classification Advices - 2017			
Year	Number of Applications Received	Number of Rulings Issued	Rate of Completion
2017	647	528	82%
2018	596	449	75%



Customs Laboratory Branch

The Customs Laboratory is established in order to assist the department and the stakeholders in identifying chemicals and allied products Imported/Exported. When there are doubts on identifying chemicals and allied products Imported/Exported, the samples of them are referred to this laboratory for analyzing and when there are disputes with regard to the classification of chemicals and allied products the documents relevant to the products are referred to this branch for their opinion.

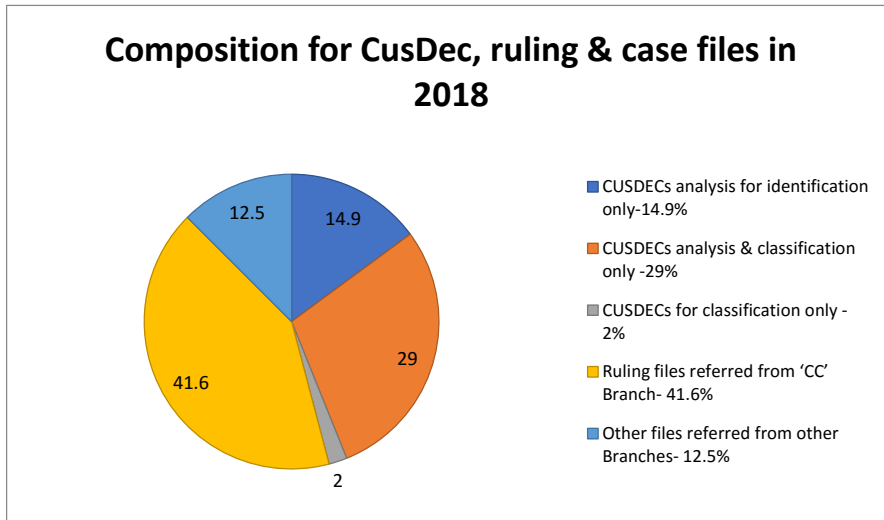
As a technical unit, it would coordinate with other relevant stakeholders in implementing various conventions and existing regulations.

Performance for 2018

		Received	Finalized	Completion rate
Total Number	CUSDECs analysis for identification only	74	69	93%

Of	CUSDECs analysis & classification only	144	132	92%
CUSDECs	CUSDECs for classification only	10	10	100%
Total Number of	Ruling files referred from 'CC' Branch	207	199	96%
Ruling & other files	other files referred from other Branches	62	61	99%
	Totals	497	471	95%

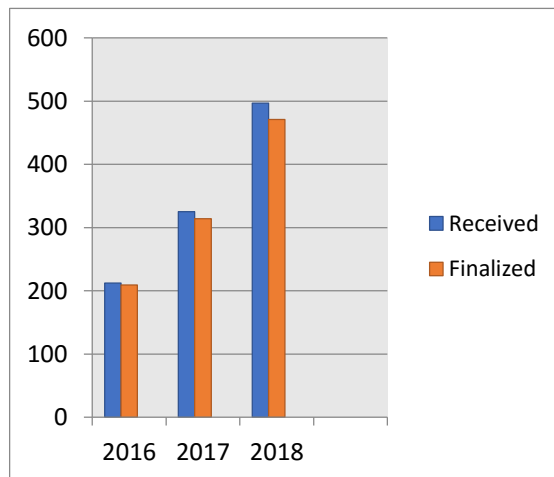
Amount due to be recovered as A/E for 2016 (Rs):- **46,586,006.00**



In comparison to previous years

CusDecs, Ruling & Case files

	Received	Finalized	Complete Rate
2016	212	209	99%
2017	325	314	97%
2018	497	471	95%



	2016	2017	2018
Amount of duty as A/E (Rs.)	16,124,800	37,084,599	6,586,006

Amount of Duty due to be recovered

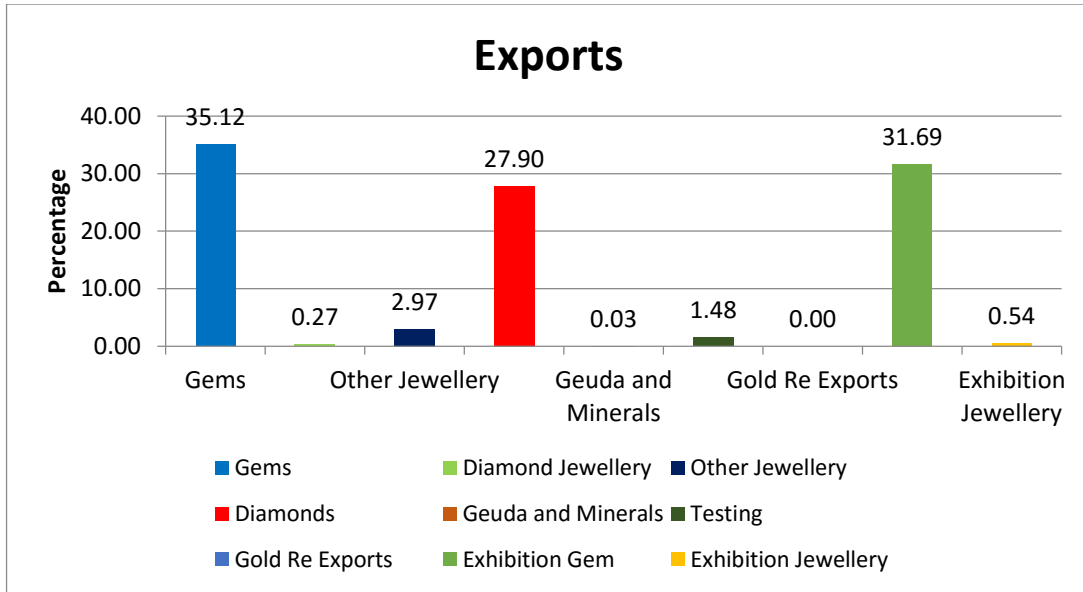
Gem Branch

Officers who are specialized in gem and jewelry field do processing of documents for import and export of gems, precious metals and jewelry in this branch. The officers with the coordination of the national gem and Jewelry Authority officers do the valuation.

- The Summary for all the Imports and Exports for the Calendar year 2017 is as follows
- All Values are mentioned in LKR

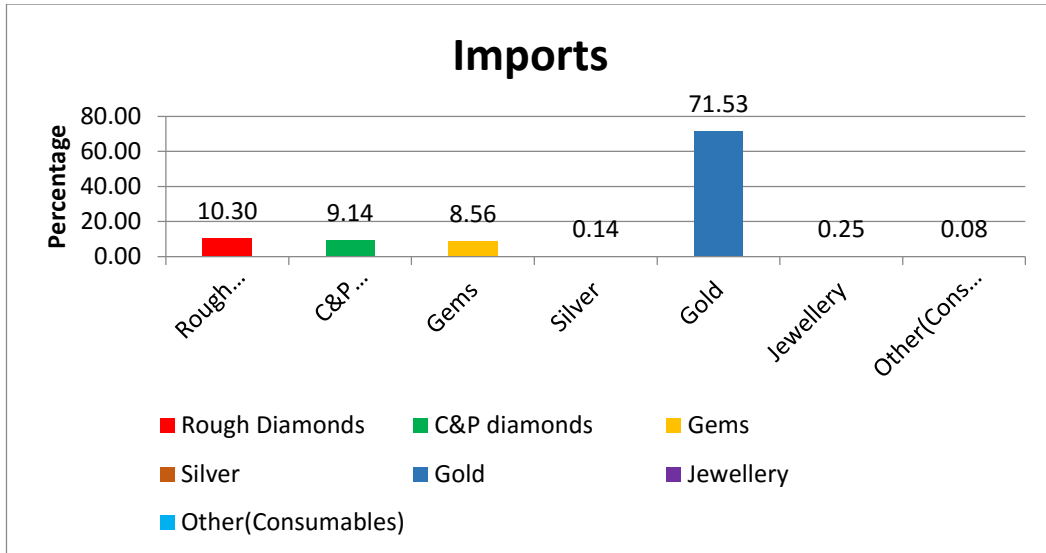
Exports

Exports	Total Value	Percentage
Gems	24,419,455,423	35.12%
Diamond Jewellery	190,274,622	0.27%
Other Jewellery	2,062,185,271	2.97%
Diamonds	19,393,239,496	27.90%
Geuda and Minerals	18,875,695	0.03%
Testing	1,032,615,721	1.48%
Gold Re Exports	-	-
Exhibition Gem	22,031,440,796	31.69%
Exhibition Jewellery	372,781,346	0.54%
Total	69,520,868,370	



Imports

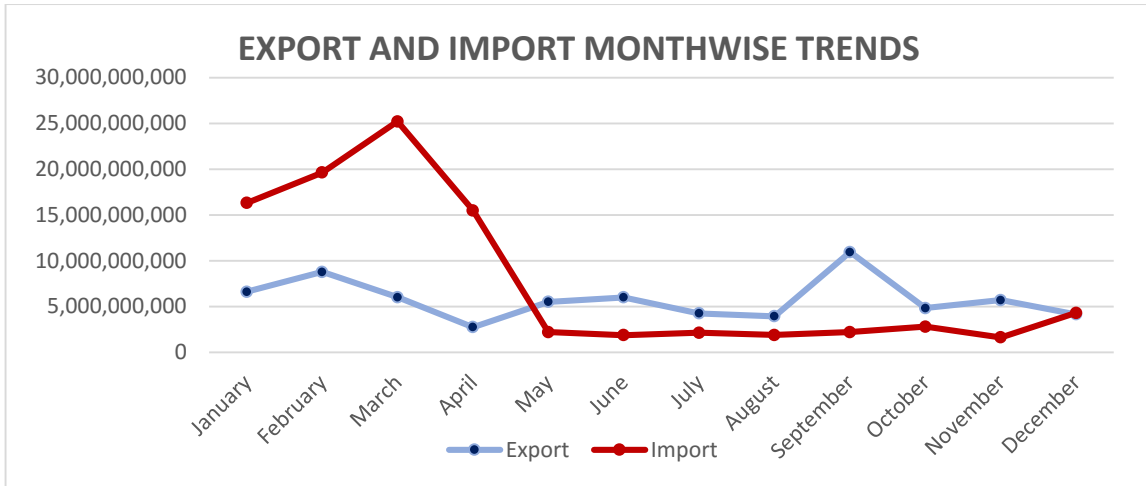
Imports	Total Value	Percentage
Rough Diamonds	9,863,893,861	10.30%
C&P diamonds	8,749,669,957	9.14%
Gems	8,196,137,778	8.56%
Silver	135,175,697	0.14%
Gold	68,487,205,514	71.53%
Jewelry	236,901,689	0.25%
Other (Consumables)	74,858,259	0.08%
Total	95,743,842,755	



- Reimports Total – Rs. 7,349,099,658
- Reimports Percentage – 7.7%

Number of Exports & Imports

	Number of Declarations
Export	8532
Import	4620



TIN/VAT Registration Unit

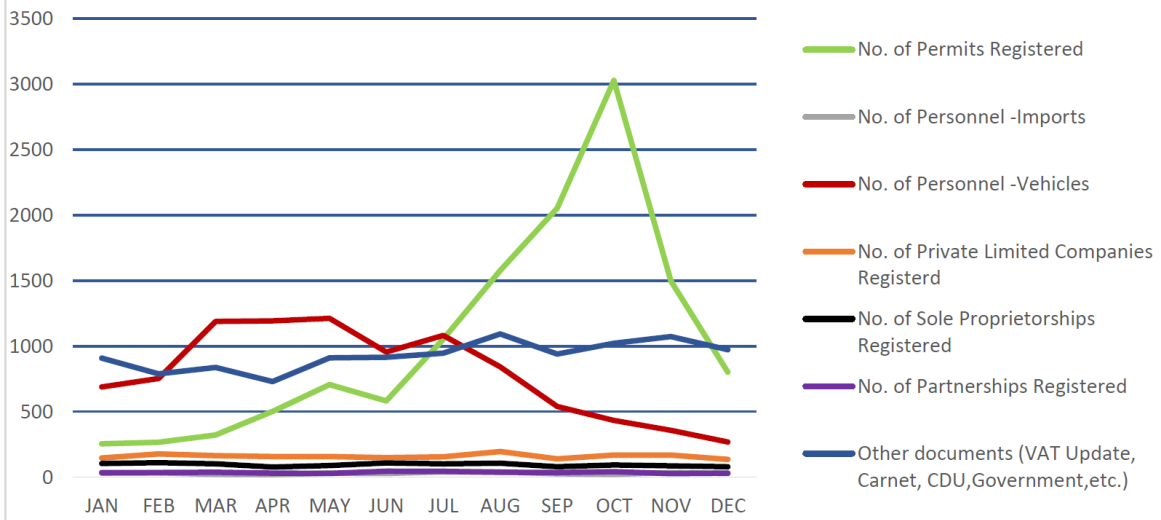
In terms of section 115A of the Customs Ordinance no goods shall be imported into or exported out of Sri Lanka except by a registered Importer or Exporter. Importer or Exporter should submit duly filled application form along with the required documents at this unit in order to register them. The application form and the instructions are available in the Customs website.

TIN/VAT Performance for the year 2018

- TIN/VAT Performance for the year 2018**

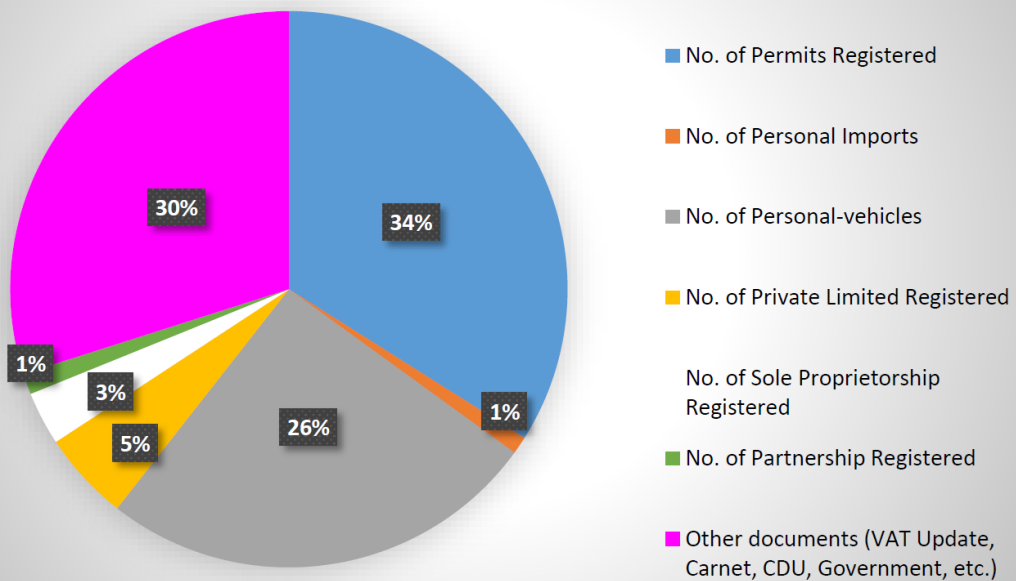
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1	No. of Permits Registered	256	269	323	504	708	584	1055	1579	2053	3028	1498	804	12661
2	No. of Personal Imports	33	34	24	21	33	31	42	41	29	24	38	30	380
3	No.Of Personal Vehicle	690	754	1189	1194	1213	956	1084	842	542	434	360	270	9528
4	No. of Private Limited Registered	149	178	165	158	160	151	157	197	141	170	171	137	1934
5	No. of Sole Proprietorship Registered	106	112	104	79	91	110	103	109	81	94	87	81	1157
6	No. of Partnership Registered	36	37	40	33	30	47	46	40	36	43	29	33	450
7	Other documents (VAT Update, Carnet, CDU, Government, etc.)	910	789	839	731	913	917	947	1094	940	1023	1074	975	11152
	Total No. of Documents Received	2180	2173	2684	2720	3148	2796	3434	3902	3822	4816	3257	2330	37262

ANNUAL PERFORMANCE-2018 (JAN-DEC)



		TOTAL
1	No. of Permits Registered	12661
2	No. of Personal Imports	380
3	No. of Personal-vehicles	9,528
4	No. of Private Limited Registered	1934
5	No. of Sole Proprietorship Registered	1157
6	No. of Partnership Registered	450
7	Other documents (VAT Update, Carnet, CDU, Government, etc.)	11152
Total No. of Documents Received		37262

Composition of Documents Received in 2018





HUMAN RESOURCES
CLUSTER

Human Resource Management Directorate

Introduction

The prime responsibility of this directorate is to manage human resources to carry out the functions of the Department of Customs efficiently and effectively in order to achieve its objectives.

This directorate is engaged in making recruitment of skilled and qualified individuals who could achieve the vision by accomplishing mission of the Department and formulating the strategic plan required for that purpose. HRM directorate strives to gain the fullest contribution of the work force while motivating them and identifying their capabilities and providing solutions for the issues confronted in course time.

Further, the Human Resource Management Directorate is carrying out the functions related to recruitment, promotions, transfer, sending on retirement and maintaining the performance adhering to orders, guidelines and rules issued time to time by the Government Institutions such as Public Service Commission, Ministry of Public Administration etc.

Major Functions

1. Recruitments to fill the vacancies and promotions in compliance with recruitment procedures.
2. Employee record Keeping and confidentiality
3. Performance Management
4. Carry out the functions related to the retirement of the officers
5. Implementation of internal transfer policy
6. Payment of compensation and management of employee's incentives
7. Preparation of Institutional Plans

Human Resources Management – Performance Report 2018

Main Activity	Target	Actual Position
1. Recruitment	Recruitment of Assistant Superintendent of Customs to 70 posts	Recruitment completed
	Holding examination to fill 55 vacancies in the post of Inspector of Customs	Recruitment completed
	Recruitment of Customs Guard to fill 61 vacancies	Recruitment completed
	Recruitment of Assistant Superintendent of Customs to 103 posts	Examination has been held
	Holding examination to fill 140 vacancies in the post of Inspector of Customs	Examination has been held
2. Promotion	Promotion: - Additional Director General of Customs -03 Director of Customs - 18 Deputy Director of Customs -37 Superintendent of Customs - 62	Action has been taken to update the promotion by recruitment for acting and to obtain approval subsequently
	Deputy Superintendent of Customs Assistant Superintendent of Customs Chief Inspector of Customs	Duly promoted
3. Keep Record of the Officers	Keeping records properly by way of using a data base	Initial arrangements have been made
4. Obtaining Performance Reports	Obtaining Performance Reports related to last Quarter of the year 2017	Completed
	Obtaining Performance Reports related to First and Mid Quarters of the year 2018	Completed
5. Employees Incentives	Granting incentives for the last term of 2017 and first term of 2018	Incentives of the officers who fulfilled the requirement have been approved
	Granting Language Allowance, overtime and Insurance benefits	Completed
6. Functions related to Retirement of officers	Completion of files related to the retirement of officers on the stipulated date	Completion of activities related to the pensions on due date
7. Implementation of Internal Transfer Policy	Transferred within stipulated periods	Completed

	Name of the Examination	No. of Application	Date of Examination
1	1 st Efficiency Bar Examination 2017 (1) (2018) (New Syllabus) for Assistant Superintendent of Customs	216	16.01.2018
	1 st Efficiency Bar Examination 2017 (11) (2018) (New Syllabus) for Assistant Superintendent of Customs	176	30.06.2018
2	2 nd Efficiency Bar Examination 2017 (1) (2018) (New Syllabus) for Assistant Superintendent of Customs	163	25.01.2018
	2 nd Efficiency Bar Examination 2017 (11) (2018) (New Syllabus) for Assistant Superintendent of Customs	164	28.06.2018
3	1 st Efficiency Bar Examination 2017 (1) (Old Syllabus) for Inspector of Customs Grade 11	08	30.11.2018
	2 nd Efficiency Bar Examination 2017 (1) (2018) (Old Syllabus) for Inspector of Customs Grade 1	03	09.01.2018
	1 st Efficiency Bar Examination 2017 (1) (2018) (New Syllabus) for Inspector of Customs Grade 11	155	27.01.2018
	1 st Efficiency Bar Examination 2017 (11) (2018) (New Syllabus) for Inspector of Customs Grade 11	155	23.06.2018
4	1 st Efficiency Bar Examination 2017 (1) (2018) for Inspector of Customs Guard Grade 111	82	25.07.2018

Human Resource Development Directorate

Vision:

Acquire, train and retain quality, accountable, professional and diverse workforce to meet the future demands of the department.

Introduction:

Human Resources Development (HRD) Directorate of Sri Lanka Customs executes training programs for employees to enhance their knowledge, skills and attitudes to achieve the department's goals and objectives.

Major Function of the Directorate:

HRD Directorate executes training programs mainly for the employees of the department. This can be categorized as Local training, and foreign training which is specially aligned with the scholarships from foreign countries in the realm of Customs matters in transnational nature. Local training is aligned with the competency development and enhancing the knowledge & awareness in the relevant field, together with identification of skills and inborn talents. Furthermore, HRD Directorate was able to successfully organize an in-country workshops on Post Clearance Audit with the assistance of WCO. Apart from the HRD functions of the Department, this Directorate is entrusted with to assist capacity development and training related matter of stakeholders. The major functions of the Directorate are,

Objectives

- To prepare a dynamic forward-looking group of officers to enhance the quality and productivity of the Department.
- To improve officers' skills, knowledge to meet the future challenges according to the Departmental requirements.
- Collaborates with local and international bodies including WCO and WTO providing most up to date training for the employees.
- Facilitate officials to identify appropriate training opportunities.
- To provide facilitation including financial assistance for the Customs Staff to pursue their higher studies.
- To provide training for outside institutions & stakeholders on their requirements.
- Formulation and deliverance of specific training programs to meet the Departmental aspirations.
- Conduct Customs House Agents training Program to introduce skilful, disciplined Customs House Agents

Staff Allocation

Grade	Approved Carder	Available at present
DC	01	01
DDC	02	02
SC	03	01
DSC	08	00
ASC	08	07
PMA	03	03
Total	25	14

Achievements of the Directorate for 2018:

In accordance with the Training Plan 2018 and other special programs which were directed by D.G.C., HRD Directorate has conducted Local Training Programs and Foreign Training Programs. We have trained 3,100 participants under these programs.

Participation for Training 2018

Grade wise

Grades	Local	Foreign
DGC	-	8
Addl. DGC	2	13
DC	22	33
DDC	56	75
SC	131	58
DSC	1,317	37
ASC		78
Others	1,244	26
Total	2,772	328

Training Local/Foreign– 2018

Local Training Programme – Total: 48	
Foreign Training Programme – Total: 194	
Participants -Local	
• SCC and above programmes	- 211
• ASCC and above programmes	- 1,317
• Others	- 1,244
Participants -Foreign	
• Seminars	13
• Workshops	36
• Programs	17
• Training Course	24
• Meetings	59
• Post Degree Programmes	5
• Conferences	18
• Others	22

Tamil Language Workshop for Customs Officers

HRD Directorate has conducted Tamil Language Workshop for following numbers of officers in collaboration with the National Institute of Language Education and Training (NILET)

Year	ASC	IC	CG
2018	364	108	140

Customs House Agent Training & Examination

Examination	Participants	passes	percentage
Group I	118	90	76.3 %
Group II	125	108	86.4 %
Group III	119	In progress	

Customs Library

The Customs Library, an important tool for Human Resource Development, was established on 26.01.2005 and same was established under the purview of Director HRD as an affiliated unit.

The Library has received unexpected positive response from the staff and presently the membership has reached and the number of books has increased up to the funds allocated by the Customs Officers Management and Compensation Fund facilities the purchase of books for the library.

The Library facilities is available for all the staff of the department and even non-members can use the library. Addition to the books, various magazines available, the library collects the department Orders, reports made by the officers attended for foreign training and other publications made by the department for future reference.

Though there is no permanent Librarian, the functions of the library are being smoothly managed.

It has been observed that the membership of the library is been increased so that it is required to provide more facilities for the library such as.

- (a) Qualified librarian along with skilled other staff to be attached
- (b) Tailor made library software to be introduced
- (c) Internet facilities to be provided with sophisticated more computers
- (d) Implementation of issuing and returning books under cards systems

Library Service

Description	2017	2018
No. of new members	85	95
No. of books purchased	448	-
No. of books received as donation	01	06
No. of books	7675	7681

Employee Services Directorate

Objectives

To provide an enabling environment for the employees to contribute innovatively and creatively in the process of achieving the goals of the Department.

Major Functions

- I. Answering Government Audit queries:
Coordinate with all the directorates and reply for the queries raised by the Auditor General
- II. Welfare management:
Identify all welfare amenities currently being provided and their current standards to take steps to render a quality welfare service. Devise and implement welfare plans in consultation with employees at all levels.
- III. Disciplinary Management:
Conduct preliminary investigation and Disciplinary inquiries if charges available against the officers concerned and implementation of Code of Ethics incorporating the disciplinary procedure of the Customs. Monitor that employees follow the Code of Ethics and make the implementation of Code of Ethics effectively by using disciplinary procedure as far as possible against those who breach the Code of Ethics.
- IV. Grievance management:
Handling grievances to foster satisfaction and minimize dissatisfaction among employees over the management. Hold regular discussions with recognized Trade Unions to build up a rapport. Establish Negotiation Committees to take decisions on disputed matters and identify employee issues and hold negotiation for settlement.
- V. Implementation of Productivity Improvement Program:
Conduct awareness programs for the staff at each level in the Customs and implementation of required procedures and techniques in consultation with National Productivity Secretariat towards achieving productivity improvement standards.

Performance

- **Disciplinary Management**

Preliminary Investigations:

No. of preliminary investigations held	No. of preliminary investigations completed	No. of preliminary investigations pending
06	04	02

* Preliminary investigations are completed on 02 files and disciplinary order is pending

Disciplinary Inquiries:

No. of Disciplinary inquiries held	No. of Disciplinary inquiries completed	No. of Disciplinary inquiries remaining
03	00	03

- **Answering audit queries**

Number of Audit queries received	Number of Audit queries answered	Number of Audit queries pending
39	36	03

- **Welfare**

In order to ensure that quality service is provided by the canteen, two meetings of the committee were held and the management of the canteen was informed to follow the instructions given by the committee base on the identified issues.

- **Productivity**

The productivity improvement program launched in line with the government policy to improve productivity in the public sector by introducing a systematic approach to enhance efficiency and effectiveness of the services provided by Sri Lanka Customs.

Since most of the officers were transferred out to other directorates or retired from the department a decision was taken to appoint a fresh steering committee. At the same time fresh nominations were called for auditing, training and implementing committees as well.

Logistics Directorate

Introduction

The objectives of the Logistics Directorate are to supply all the requisites including the maintenance and services, productivity and transparently to every directorate of the department.

Major Functions

1. Provision of supply and services to the required Directorate on time while assuring the quality in order to ensure the uninterrupted functions of the Department.
2. Procurement of goods and services in a transparent manner, adhering to treasury circulars and the National procurement guidelines.
3. Proper storage and inventorying of purchases procured in order to ensure their security and optimum utilizations while ensuring proper stock control and efficient stores management system.
4. Assets Management to all movable and immovable assets of the Department.
5. Satisfactory completion of the construction work in the new Customs Headquarters Building as per the schedule and ensuring the implementation of the proper premises Management plan.
6. Ensuring the appropriate steps in maintaining the motor fleets of the Department with optimum running condition.

key action of the directorate in the year 2018.

Key Action	Target	Actual	If not achieved, The reasons
Purchase of required goods, works and services	Purchase of goods works and services	80% completed	-
Maintenance and service activities of the Headquarters Building and outside premises	Clean and clear environment for staff of the department	100% completed	-
Develop the proper stores control and assets management system	Monitoring and maintaining all inventory items through the system	95% completed	Ongoing
Annual verification of goods for the year 2018	Maintain proper assets management	25% completed	Ongoing
Procurement of a new container scanning system for Sri Lanka Customs	Scan all import and export containers properly	Contract awarded. Civil construction works are being progress	Project is ongoing
Procurement of developing a software to capture passenger details from the Immigration and Emigration	Obtaining passenger details for duty free verification	Contractor selected	Project is ongoing
Maintaining the motor vehicle fleet of the Department	Monitoring all the vehicles in good running condition by servicing regularly and repairing, dispose all uneconomical and outdated vehicles under approvals of MoF. Procuring new vehicles under NBD Cir. No. 3/2018	100% completed (Repairing and Services) 70% completed (disposal activities.) 95% completed (New purchases)	



REGIONAL CLUSTER

Passenger Services (Katunayake) Directorate

The Passenger Services (Katunayake) Directorate is based at the Bandaranaike International Airport, Katunayake and bears the control /surveillance over the Airport. Customs at the Airport is the country's first line of defense against smuggling activities. The Directorate is responsible for,

- ❖ Facilitating the free movement of bona-fide passengers.
- ❖ Ensure protection of government revenue and safeguarding socio-economic, cultural and ecological interest of the society.
- ❖ Conduct enforcement activities entrusted under a Customs Ordinance and other related laws.
- ❖ Regulate and monitor the border control operations in relation to the air travelling.
- ❖ Implementing the powers vested into Customs by other Acts and Regulations of other authorities and institutions such as Ministry of Defense, TRC, SLSI, NMRA, Department of Import & Export Control, Department of Exchange Control, National Gem and Jewelry Authority etc.

Major functions

- Facilitate the movement of inward and outward bona-fide passengers and their baggage without difficulties.
- Collection of due government revenue and prevention of importation and exportation of restricted and prohibited goods.
- Facilitation of VIP and VVIP movements at BIA.
- The processing of crew and aircraft arriving and departing Sri Lanka.
- Granting duty free baggage allowance on passenger baggage while monitoring and take measures on misusing of such facility.
- Release goods on ATA Carnet, Guarantees and special deposits, when required.
- Handling Gem/Jewelry and parcels approved by Customs/National Gem and Jewelry Authority.
- Examine and approve foreign currency declarations made by inward/ outward passengers.
- Endorsing remaining baggage allowance on the Power of Attorney enabling as authorized persons to clear the unaccompanied baggage after the departure of the passenger.
- Examination of accompanied baggage on suspicion or when required.
- Conduct personal searches when necessary. Detect offences and conduct investigations and inquiries into the detected Customs cases. Issue clearance to the outgoing Air Crafts. Collecting duty and other levies from the passengers who bring the goods in commercial nature.

Revenue Collection

Duty and other levies													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Duty	1,021,110	906,589	749,406	987,671	992,393	877,841	1,211,418	982,458	1,390,045	1,642,734	1,630,036	867,384	13,259,085
VAT	5,510,486	8,175,080	10,547,186	5,836,890	9,491,510	7,535,919	9,054,828	9,008,760	12,739,866	10,827,638	8,689,846	6,349,593	103,767,602
PAL	1,004,305	1,027,398	849,899	822,325	981,967	1,027,919	1,512,798	2,274,184	2,343,492	1,528,467	1,587,227	942,558	15,902,539
XID		-	-	8,150									8,150
Im. Cess	7,248,640	11,887,811	16,244,072	7,581,180	13,457,167	10,277,043	10,062,672	9,296,856	12,410,199	12,562,534	9,571,148	7,458,365	128,057,687
Penalty	7,285,376	9,740,993	12,821,261	7,053,561	11,483,485	9,373,966	9,492,675	7,551,769	10,684,414	10,834,309	8,725,519	7,743,799	112,791,127
SCL	16,760	34,252	31,500	14,000	42,620	27,480	18,000	11,132	5,775	53,090	40,400	30,000	325,009
NBT	908,011	1,220,191	1,653,770	873,852	1,569,491	1,273,376	1,330,505	2,133,255	1,752,110	1,582,628	1,323,042	987,588	16,607,819
Others	1,200	-	900	3,000	2,100	300	3,695	1,695	2,533	6,458	21,000	1,050	43,931
ESC	828	1,585	1,453	1,100	1,869	2,938	4,765	1,623	1,253	14,625	54,428	1,500	87,967
Total	22,996,716	32,993,899	42,899,447	23,181,729	38,022,602	30,396,782	32,691,356	31,261,732	41,329,687	39,052,483	31,642,646	24,381,837	390,850,916
Other charges													
SR Charges	68,750	59,000	38,200	31,800	31,750	34,250	34,400	29,650	53,500	42,250	51,850	37,300	512,700
Overtime	788,225	678,900	841,875	490,500	681,525	736,375	626,480	717,400	541,200	663,400	712,075	623,300	8,101,255
DFS Customs Charges	65,000	61,550	55,150	39,900	46,000	59,000	55,000	51,000	37,000	44,000	63,900	55,000	632,500
Computer Fees	351,000	425,000	501,000	357,500	421,750	355,000	387,000	312,250	402,500	419,000	507,600	328,500	4,768,100
Total	1,272,975	1,224,450	1,436,225	919,700	1,181,025	1,184,625	1,102,880	1,110,300	1,034,200	1,168,650	1,335,425	1,044,100	14,014,555
Grand Total	24,269,691	34,218,349	44,335,672	24,101,429	39,203,627	31,581,407	33,794,236	32,372,032	42,363,887	40,221,133	32,978,071	25,425,937	404,865,471

Detections													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
No. of cases detected	12	11	20	15	39	23	32	16	23	24	31	10	256
Value of goods forfeited -Rs.	2,140,000	Nil	2,144,500	9,472,500	1,463,500	1,260,000	133,487,294	58,134,415	67,942,835	46,191,206	114,930,435	55,373,522	492,540,207
Value of Currency forfeited- Rs.	305,000	Nil	13,472,643	Nil	17,957,846	61,247,679	89,714,619	10,061,615	41,292,026	13,903,880	52,052,529	1,141,410	301,149,247
Value of cases forwarded to CIB Rs.	Nil	Nil	NIL	Nil	Nil	Nil	Nil	Nil	Nil	22,994,365	Nil	Nil	22,994,365
Value of duty free items forfeited	Nil	Nil	49,733	Nil	269,809	190,742	178,431	78,994	Nil	Nil	Nil	105,672	873,381
Value of gems forfeited - Rs.	Nil	Nil	24,121,917	Nil	Nil	8,400,000	15,137,828	4,913,600	1,075,600	382,766	644,010	Nil	54,675,721
Value of gold forfeited - Rs.	18,375,537	7,897,020	13,689,115	18,034,810	224,920,908	72,085,205	103,751,685	51,419,421	49,449,235	35,842,440	97,411,425	16,536,600	709,413,401
Value of silver forfeited - Rs.	Nil	Nil	NIL	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	-
Value of Tobacco products forfeited Rs.	1,194,000	3,810,000	9,580,900	7,184,000	7,916,000	3,341,000	Nil	1,147,400	980,000	6,580,000	15,325,000	4,873,000	61,931,300
Quantity of drugs detected(grms)	Nil	1,204	NIL	13,272	Nil	850	628	Nil	Nil	1,018	Nil	1,990	18,962
Value of other goods forfeited -Rs	Nil	19,602,000	NIL	13,272,000	Nil	1,300,000	Nil	575,000	16,060,000	2,368,000	1,550,000	4,008,250	58,735,250
No of Inquiries held	12	11	20	15	39	23	32	16	23	24	31	10	256
No of restricted items detained	2	1	2	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	5
No. of Cigarette cartons forfeited	119	381	939	851	767	333	604	97	98	784	1,522	443	6,938
No. of other packages detained (Liquor etc)	Nil	Nil	12	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	12

Services provided (At Arrival Terminal)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
No. of flights arrived	2,906	2,631	2,812	2,697	2,694	2,552	2,612	2,536	2,410	2,651	2,365	2,675	31,541
No. of passengers arrived	515,483	455,158	479,151	448,741	428,070	421,155	467,740	441,709	411,483	416,504	386,959	575,962	5,448,115
No. of passengers cleared through Red Cha.	10,673	9,197	9,846	9,506	8,610	10,486	10,614	10,124	7,986	8,464	8,495	7,645	111,646
After payment of duty & O/L	1,404	1,700	2,004	1,430	1,691	1,420	1,548	1,249	1,610	1,676	2,030	1,314	19,076
Under Duty Free Allowance	9,269	7,497	7,842	8,076	6,919	9,066	9,066	8,875	6,376	7,235	6,465	6,331	93,017
No. of VIP movements - Arrival	195	158	251	303	215	240	240	324	352	401	180	152	3,011
No. of VIP movements - Departure	196	199	234	279	233	227	227	265	439	260	144	181	2,884
No. of mishandled baggages cleared	3,309	2,452	2,544	2,159	1,949	3,211	4,200	3,708	3,414	3,618	1,926	3,884	36,374
No. of Gem & Jewellery parcels received	27	53	58	22	40	69	55	41	69	31	38	60	563
No. of Carnet registered	18	13	14	12	10	30	9	10	11	29	18	7	181
No. of ships spares consignment cleared	8	9	22	12	15	14	11	18	16	17	20	12	174
No. of Currency Decla. Certificates issued	87	73	105	92	91	92	153	124	122	142	109	152	1,342
Services provided (At Departure Terminal)													
No. of flights departed	2,977	2,706	2,764	2,712	2,752	2,586	2,646	2,658	2,576	2,471	2,410	2,721	31,979
No. of passengers departed	258,103	466,429	460,954	463,060	425,405	408,602	431,076	419,316	127,317	168,459	246,795	433,073	4,308,589
No. of Gem parcels handled	255	184	243	174	223	205	240	175	254	47	241	187	2,428
No. of Declaration received	13	16	19	15	16	30	21	31	30	14	10	18	233
No. of Power of Attorneys endorsed	110	88	91	80	133	92	127	118	171	70	57	70	1,207
No. of FRIC endorsed	5	12	10	8	5	10	12	9	8	8	9	1	97
No. of Carnet registered	25	18	44	30	22	50	22	31	32	47	59	32	412

Staff Positions												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Day												
DC	1	1	1	1	1	1	1	1	1	1	1	1
DDC	3	3	3	3	3	3	3	3	3	3	3	3
SC	6	6	6	6	6	5	5	5	5	5	5	5
ACO	31	31	31	31	31	30	28	28	28	28	28	-
CIC	3	2	2	2	2	2	2	2	2	2	2	2
IC	22	22	22	22	22	16	16	16	16	16	16	16
PMA	2	2	2	2	2	2	2	2	2	2	2	2
KKS	3	3	3	3	3	3	3	3	3	3	3	3
Driver	2	2	2	2	2	2	2	2	2	2	2	2
Shroff	2	2	2	2	2	2	2	2	2	2	2	2
CG	9	9	9	9	9	8	12	12	8	8	8	8
Night												
SO	3	3	3	3	3	3	3	3	3	3	3	3
SC	5	5	5	5	5	5	5	5	5	5	5	5
ACO	33	33	33	33	33	33	33	-	33	33	33	33
CIC	3	2	2	2	2	2	2	2	2	2	2	2
IC	22	22	22	22	22	16	16	16	16	16	16	16
Shroff	2	2	2	2	2	2	2	2	2	2	2	2
KKS	3	3	3	3	3	3	3	3	3	3	3	3
CG	17	9	9	9	9	8	12	12	8	8	8	8

Revenue & Services Directorate (Katunayake)

Introduction:

The Directorate of Revenue & Service Katunayake is based at the Air Cargo Terminal of Bandaranaike International Airport, Katunayake. The Directorate is responsible for collection of due revenue and facilitate clearance of import Air Cargo ensuring the border control regulations are enforced under the provisions of the Customs Ordinance and other related laws and regulations.

Sri Lankan Air Lines Ltd functions as the major cargo handling agent at the Air Cargo Terminal. SLFFA Cargo Service Ltd and Expo Aviation Ltd operate as other cargo handling agents and self-handling service provider at Cargo Terminal II to provide service under the control of Silence Customs. Speedy clearance of courier cargo is attended on priority basis at the bonded warehouses operated by M/S DHL (Pvt) Ltd and M/S Colombo Cargo Express (Pvt) Ltd.

Major Function

1. Assessing and collecting Custom Duty, Cess and other charges on goods imported by air
2. Processing of goods declarations and permit clearance
3. Grant approvals for clearance of goods imported under various export-oriented facilitation schemes operated under Industries and Services Directorate
4. Grant approvals for clearance of goods import cargo consigned to enterprises registered under Board of Investment Sri Lanka
5. Effect round the clock speedy clearance of urgent air cargo imported by air including perishable, Courier Cargo, Diplomatic Cargo and mails etc.
6. Facilitate transfer of unaccompanied passenger baggage of returning passengers to various unaccompanied passenger baggage warehouses.
7. Processing Import CusDecs and grant clearance for Import shipments related to BOI, Non BOI, Courier and perishable Cargo.

S/No	DESCRIPTION	CODE	AIR CARGO	DHL	CO. CARGO	TOTAL
1	Customs Imports duty	CID	2,039,985,371.00	238,670,841.00	127,802,504.00	2,406,458,716.00
2	Value Added Tax	VAT	6,137,433,120.00	738,043,981.00	394,144,185.00	7,269,621,286.00
3	Ports & Air port development Levy	PAL	5,194,110,989.00	427,834,219.00	227,352,897.00	5,849,298,105.00
4	Social Responsibility Levy	SRL	-	-	-	-
5	Special commodity Levy	SCL	123,067,742.00	197,942.00	71,142.00	123,336,826.00
6	Consolidated Levy	CON	2,656,450.00	-	-	2,656,450.00
7	Customs Imports Surcharge	SUR	-	-	-	-
8	Excise Duty	XDO	12,807,146.00	227,620.00	192,153.00	13,226,919.00
9	Economic Service Charge	ESC	-	8,545.00	2,876.00	11,421.00
10	Nation Building Tax	NBT	2,504,467,362.00	160,730,705.00	83,491,710.00	2,748,689,777.00
11	Import Cess (EDB)	EIC	925,523,661.00	124,028,559.00	61,302,587.00	1,110,854,807.00
12	Computer fees	COM	15,876,000.00	7,436,000.00	5,196,750.00	28,508,750.00
13	Examination fees	EXM	15,175,800.00	8,909,600.00	6,236,700.00	30,322,100.00
14	Over Payment	OVP	933,196.00	-	-	933,196.00
15	Overtime Charges	OTC	71,851,404.00	7,080,000.00	1,732,500.00	80,663,904.00
16	Seal Chargers	SEL	557,850.00	-	300.00	558,150.00
17	Penalty	PTY	44,855,935.00	41,611,421.00	12,561,985.50	99,029,341.50
18	Verification fees	VCS	-	8,826,198.00	1,616,896.56	10,443,094.56
19	Miscellaneous	MISC	13,408,414.00	-	-	13,408,414.00
20	Special Deposit	SPD	-	-	-	-
21	Other(Ammendment Charges)	AMD	-	14,500.00	66,500.00	81,000.00
	TOTAL (Rs.)		17,102,710,440.00	1,763,620,131.00	921,771,686.06	19,788,102,257.06
22	No of Cusdecs Received		6753	29785	20787	57325
23	No of Cusdecs passed at Bonding, Infac & TIEP		2929	0	229	3158
24	No of Cusdecs Passed at BOI		10295	28719	10037	49051
	as Entreport	05	227	0	0	227
25	No Of S.R.Applications (DRA)		1	0	5	6
26	No of Cusdecs Passed under Provisional		1	0	49	50
27	No. Cusdec Passed under exemptions /19 A		1079	0	0	1079
28	No of Applications Passed under Transshipme		5479	0	714	6193
29	No of Dip/DPL Cargo Consignments		370	0	0	370
30	No of Cusdecs Passed under Carnet	04	80	0	0	80
31	No of Cusdecs Passed under B.G(ACT/DHL/00)		124	0	0	124
32	No of Cusdecs Passed under ISAF TA/SAFTA 08		164	0	0	164
33	No of Cusdecs Passed under P.G(ACT/DHL/00)		15	0	0	15
34	Gem Register		670	0	0	670
	TOTAL		21434	58504	31821	111759
35	No of Pkgs delivered		0	0	0	0

Revenue and Services (Provincial) Directorate

Introduction

Revenue and Services (Provincial) Directorate is responsible for managing all Customs related functions of out-ports namely Galle, Jaffna Trincomalee and Magampura in providing services for the clearance of Cargo, Unaccompanied Personal baggage and mail parcels and ensuring the collection of due revenue.

Major Functions

1. Collect due revenue on imports and exports.
2. Maintain border controls to ensure the protection of socio-economic safety of the country.
3. Examine and release import and export cargo
4. Facilitate clearance of unaccompanied personal baggage and mail parcels at the regional level

Revenue Collection							
Duty and Other Levies	Galle	Trinco Postal	Trinco Port	Hambantota	Jaffna Postal	Jaffna Port	Total
Import Duty (CID)	21,144.00	54,080.00	37,053.00	1,011,029.87	181,241.00	-	1,304,547.87
Value Added Tax (VAT)	450,388.40	406,667.00	171,299.78	10,178,049.94	594,257.00	-	11,800,662.12
Ports & Airport Develop. Levy	190,117.50	818,630.00	70,459.50	805,562.25	1,275,816.00	-	3,160,585.25
Excise Duty (EXD)	-	-	-	-	-	-	-
Nation Building Tax (NBT)	71,056.96	534,198.00	22,955.71	304,728.72	892,383.00	-	1,825,322.39
Import Cess (EDB) (EIC)	51,070.00	1,132,709.00	1,100.00	61,600.00	1,564,443.00	-	2,810,922.00
Special Commodity Levy	-	-	-	-	-	-	-
Total (Duty & other Levies)	783,776.86	2,946,284.00	302,867.99	12,360,970.78	4,508,140.00	-	20,902,039.63
Other Charges							
Computer Fees (COM)	-	-	-	-	-	-	-
Examination Fees (EXM)	550.00	-	1,776,000.00	4,800.00	-	-	1,781,350.00
SR Chargers (SRC)	1,498,400.00	86,050.00	-	5,200.00	12,800.00	-	1,602,450.00
Over time Chargers (OTC)	18,627,264.50	-	17,639,686.00	260,510.00	-	734,152.00	37,261,612.50
Documentation Chargers	-	-	-	-	-	-	-
Photocopy Chargers/Others	-	-	-	-	-	-	-
Penalty	480,903.00	-	10,000.00	192,900.50	8,000.00	4,050,000.00	4,741,803.50
Special Deposit	-	-	-	-	-	-	-
Discharging & loading Charges	-	-	-	-	-	-	-

Port clearance charges	-	-	-	-	-	-	-
Other Chargers	-	-	1,867,136.00	10,693,576.82	-	-	12,560,712.82
Total (Other Charges)	20,835,967.50	86,050.00	21,292,822.00	11,156,987.32	20,800.00	4,784,152.00	58,176,508.82
Grand Total for the Year	21,619,474.36	3,032,334.00	21,595,689.99	23,517,958.10	4,528,940.00	4,825,940.00	79,078,548.45
Value of the	-	-	-	-	-	450,223,030.30	

DIRECTORATES
DIRECTLY UNDER
DIRECTOR GENERAL
OF CUSTOMS

System and Procedure Compliance Audit

Directorate

Objectives

Systems and Procedure Compliance Audit Directorate is functioning directly under the Director General of Customs. It is headed by a class I Accountant of the Sri Lanka Accountant's Service. The expectations of creating this new Directorate were to assist the operational management in systematic improvement to prevent recurrence of irregularities and lapses in integrity and maintain and improve internal controls in accordance with risks involved.

The scope is to conduct audits assessing the effectiveness and economy of resource initialization in all core processes and supporting processes which including in all divisions throughout the Department.

Major Functions

1. Effectively manage the internal audit activity to ensure it adds value to the organization by promoting audit service wherever possible.
2. Evaluate the adequacy and effectiveness of controls encompassing the organizations governance, operations and information system including;
 - A. Reliability and integrity of financial & operational information
 - B. Effectiveness & efficiency of operations
 - C. Safeguarding of Assets
 - D. Compliance with laws, regulations and contracts
3. Establish audit plans based on risk assessment to improve management of risk, and improve the organization operations.
4. Reporting significant risk exposures and control issues and other matters needed or requested by the senior management.
5. Review operations & programs to ascertain the extent to which results are consistent with established goals and objectives to determine whether operations and programmers are being implemented or performed as intended.
6. Assess and make appropriate recommendations for improving the governance process in its accomplishment of the following objectives
 - Promoting appropriate ethics and values within the organization.
 - Ensuring effective organizational performance management and accountability

Key Action	Target	Actual	If not achieved, the reasons
1. Collection of maximum revenue in line with government expectations	33	33	<p style="text-align: center;">Overall Performance is 100%</p>
2. Ensure proper enforcement of the customs law and other related laws and rules concerning revenue, social and environmental protection whilst facilitating trade	09	09	
3. Enhance performance/productivity of the staff and change of attitudes to create positive working environment	02	02	
4. Timely provision of required assistance including technical support and guidance in order to smooth functioning of total customs processes with technological solution	03	03	
5. Control over the expenditure in line with Annual Budget Estimates and effective management of various funds	13	14	
Total	60	61	

Finance Directorate

Introduction

Department of Sri Lanka Customs is the main bread winner of the Government that contributes more than 53% of the total Tax Revenue of the Government. The Finance Directorate has a major role in this regard and they are responsible for the following key areas in respect of the financial operations for the achieving of objectives of the department.

Major Functions

- a. Preparing of Annual Budget Estimates for Expenditure and Tax Revenue.
- b. Collecting, Recording and Reporting of tax revenue and expenditure
- c. Manage the expenditure within the approved Budget.
- d. Furnish financial information to the General Treasury, the Auditor General and other interested parties as per the time frames given.
- e. Administration of the Customs Deposit Accounts, Customs Reward Fund, Customs Overtime Fund, External Examinations Fees Fund, Information and Communication Fees Fund, Custom Officers Compensation and Management Fund, Seized & Forfeited Goods Advance Account and the Public Officers Advance Account.
- f. Preparation and rendering of the Annual Appropriation Account, Revenue Account, the Customs Deposit Accounts, Customs Reward Fund Account, Customs Overtime Fund Account, External Examinations Fees Fund Account, Information and Communication Fees Fund Account, Custom Officers Compensation and Management Fund Account, Seized & Forfeited Goods Advance Account and the Public Officers Advance Account.

The Finance Directorate is responsible for the issuing and monitoring of guarantees and administration of PAYE Tax Data Base for the Employees of the Department.

Finance Directorate is under purview of the Chief Financial Officer (CFO) who is a Special Grade Officer of Sri Lanka Accountants Service. CFO is assigned the responsibility of strategic financial management of the department while the Director of Finance has been entrusted the supervision, coordination and administration of financial management functions of the department. For his assistance four Deputy Directors and one Administrative Officer being assigned. In addition, supportive staff amounting to 115 being assigned to the Finance Directorate.

With the view of performing of above functions, the finance directorate of the Department of Sri Lanka Customs has been organized under following sub Divisions.

- Revenue Division
- Payments Division
- Salaries and Overtime Division
- Shroff Division
- Fund Management Division
- Tax Division

Performance

Revenue Division

Revenue Division is responsible for the collection of revenue through 41 collection centers by operating of 11 sub collection Bank Accounts of which linked with main revenue account maintained at the Taprobane Branch of the Bank of Ceylon. Furthermore, the revenue collections are remitted electronically to the Account of Deputy Secretary to the Treasury on daily basis to enable the Treasury to meet the commitments of the Government.

The actual revenue collected by the Department in comparison with the budgeted revenue for the year as 2017 and 2016 are mentioned below.

Performance of Customs Revenue – SLR Mn.					
Revenue Code	Description	2018		2017	
		Budgeted	Actual	Budgeted	Actual
1001-01-00	Import Duty	175,000	96,991	158,000	136,501
1001-02-00	Export Duty	40	40	30	30
1001-04-00	Port & Airport Dev. Levy	115,000	113,950	100,000	102,360
1001-05-01	CESS Levy - Import	47,000	50,777	57,000	56,574
1001-05-02	CESS Levy - Export	2,500	2,592	3,000	2,980
1001-07-00	Regional Infrastructure Dev. Levy	-	-	-	-
1001-08-00	Special Commodity levy	80,000	75,807	70,000	71,402
	Total Customs Tax Revenue	419,540	340,156	388,030	369,848
1002-05-01	Excise Tax – Cigarettes	90,000	92,198	86,000	85,956
1002-05-02	Excise Tax-Liquor	-	53	430	470
1002-05-03	Excise Tax-Petroleum	80,000	66,318	75,000	73,983
	Excise Tax-Petroleum - Imports	66,000	54,426		66,943
	Excise Tax-Petroleum-Local	14,000	11,893		7,040
1002-05-04	Excise Tax – Motor Vehicles	230,000	204,081	200,000	189,740
1002-05-99	Excise Tax Others	10,000	7,701	6,500	6,091
	Excise Tax Others - Import	-	1,636		-
	Excise Tax Others - local	10,000	6,065		6,091
	Total Excise Tax Revenue	410,000	370,351	367,930	356,240
1002-01-04	VAT on Imports	210,000	179,163	165,000	168,393
1002-10-00	Social Responsibility Levy	-	-	-	2
1002-12-03	Nation Building Tax	25,000	20,165	20,000	19,320
1004-04-02	Economic Service Charge	1,200	2,923	1,000	2,160
	Total Tax Revenue	236,200	202,252	186,000	189,875
2003-02-17	Sale of Garments	150	306	140	218
2003-03-01	Fine & Forfeits - Customs	1,600	5,464	1,700	1,964
2003-02-99	Sundries	315	349	310	326
2003-99-00	Other Receipt	70	167	73	126
	Total Other Tax Revenue	2,135	6,287	2,223	2,634
Total Revenue		1,067,875	919,045	944,183	918,597

Payment Division

Payment division is responsible for making all payments under the financial provisions made in the annual estimates as sanctioned by the Parliament. In addition, payments are made under provision in the Custom Officers Compensation and Management Fund, Seized & Forfeited Goods Advance Account and Public Officers Advance Account and payment of rewards under Customs Reward Fund and Deposit Accounts. Payments made under annual estimates during year 2017 and 2016 as compared with that of the respective Budgets are described below.

Expenditure Management (SLR Mn.)				
Description	2018		2017	
	Budgeted	Actual	Budgeted	Actual
Recurrent Expenditure	3,269.07	2,167.95	2,116	2,083
Capital Expenditure	346.33	109.97	566	219
TOTAL	3,615.40	2,277.92	2,682	2,302

Salaries and Overtime Division

This Division has been assigned with the responsibilities of paying salaries and overtime for approximately 2200 employees of the department. Therefore, they have to recover and account of overtime charges from the importers and exporters who wish to obtain the services of the customs after normal office hours to get their import and export activities expedited. The amounts so recovered are distributed among the Customs Overtime Fund and Cargo Examinations Fees Fund Account and officers as per the approved payment schemes.

Accordingly, the overall financial performance of Customs Over Time Fund and Other Funds for the last two years are tabulated below.

(a) Customs Overtime Fund

	2018	2017
	Rs	
Receipt of Overtime Income	1,013,305,174	1,004,229,364
Government Contribution	101,330,517	(100,422,936)
Overtime Expenditure	621,407,526	(592,337,707)
Surplus	334,904,166	311,468,721
Accumulated Fund	2,331,074,672	1,995,823,686

(b) Other Funds

	External Examination Fees Fund		Information and Communication Fund	
	2018	2017	2018	2017
Income	335,848,525	326,695,183	13,728	14,976
Payments	335,848,525	280,629,641	13,728	14,976

Fund Management Division

This division is responsible for the receiving, recording and accounting of all receipts received by way of deposits except the customs duties. These receipts include the penalties, sales proceeds, and other various deposits. The receipt of penalties and sale proceeds, in the first instance, are credited to the main deposit account and once inquiry and appealing process is finalized, such, receipts are transferred to the Customs Reward Fund, Custom Officers Compensation Fund and the Pool Funds in terms of the schemes approved under Section 152 of the Customs Ordinance.

Accordingly, following financial statements are prepared in accordance with the Public Sector Accounting Standards and render such statements to the Auditor General for auditing.

- Custom Reward Fund
- Custom Officers Compensation and Management Fund

Further, an Advance Account namely “Seized & Forfeited Goods Advance Account” is also maintained by this division to meet the expenses in respect of disposing the goods and articles imported or exported illegally and forfeited by the Customs. These expenses are recovered from their sales proceeds of the respective forfeited goods.

	Customs Reward Fund Rs. Mn		Custom Officers Managements & Compensation Fund Rs. Mn	
	2018	2017	2018	2017
Income	2,462	2,316	885	919
Expenditure	2,339	2,290	232	190
Surplus	123	25	653	729
Fixed Assets	-	-	-	153
Fund Balance	939	816	6,735	6,050
Rewards Payable	1,209	1,072	-	-

Tax Division

The employees of the department of Sri Lanka Customs are principal taxpayers among public service since they are privileged to receive various financial benefits such as Overtime, incentives, rewards, panel and pool payments in addition to the normal salaries. The Tax division computes PAYE Taxes for every employee and remit such recoveries to the Department of Inland Revenue regularly.

Revenue Task Force

Introduction

Main objective of this directorate is to provide DGC with an arm of control and to be vigilant over all activities of the department. RTF performs various enforcement activities of upon intelligence gathered by the staff as information received from the public.

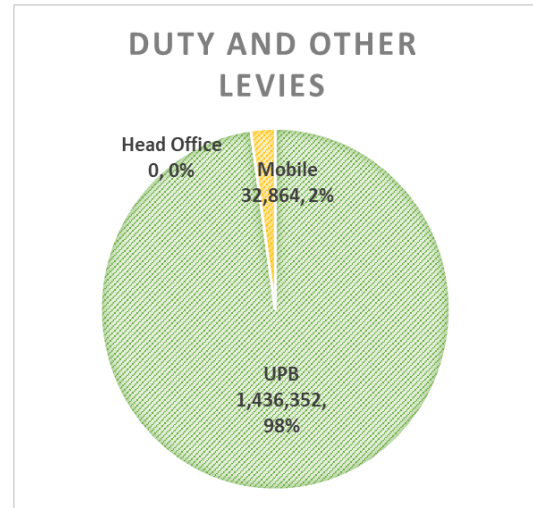
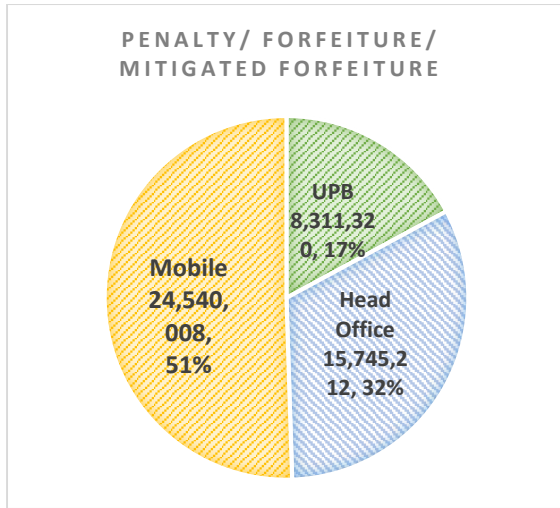
Maintain vigilance over the clearance of goods in the long room, warehouses, air cargo, parcel post, courier services and other special procedures for clearance of goods.

Main functions

1. Promoting integrity and eliminating irregular practice within the department.
2. Responding promptly in case of complaints and allegations.
3. Assisting DGC to manage crisis situations by mobilizing resources.
4. Intercept and re-examine any goods imported or exported and verification of the correctness of the procedures followed.
5. Intercept or search passengers and passenger baggage at airport or UPB warehouses.
6. Maintain vigilance over the clearance of goods in the parcel post, courier services and other special procedures for clearance of goods.

Total Recoveries at Revenue Task Force For - 2018 (In Rs.)

	UPB	Head Office	Mobile Unit	Total
Penalty/ Forfeiture/ Mitigated Forfeiture	115,988,062	248,068,926	231,026,528	595,083,516
Duty and Other Levies	10,756,383	39,490,570	23,734,304	73,981,257
Sales Proceeds	29,348,829	15,165,573	61,572,192	106,086,594
Total	156,093,274	302,725,069	316,333,024	775,133,367



Head Office : Duty & Levies, Penalty and Sales Proceeds - 2018 (In Rs.)

Month	Duty and Other Levies	Penalty/ Forfeiture/ Mitigated Forfeiture	Sales Proceeds	Total
January	6,085,995	27,777,000	0	33,862,995
February	3,635,202	8,978,786	1,211,231	13,825,219
March	8,244,587	21,311,586	94,589	29,650,762
April	3,008,544	16,870,340	0	19,878,884
May	5,115,572	24,536,628	276,058	29,928,258
June	8,350,608	11,679,080	0	20,029,688
July	240,076	18,115,374	12,457,570	30,813,020
August	195,617	21,597,117	0	21,792,734
September	663,478	33,465,761	0	34,129,239
October	331,931	26,937,268	0	27,269,199
November	3,618,960	21,054,774	0	24,673,734
December	0	15,745,212	1,126,125	16,871,337
Total	39,490,570	248,068,926	15,165,573	302,725,069

UPB : Duty & Levies and Penalty - 2018 (In Rs.)

Month	Duty and Other Levies	Penalty/ Forfeiture/ Mitigated Forfeiture	Sales Proceeds	Total
January	56,114	11,702,325	0	11,758,439
February	134,266	6,893,813	0	7,028,079
March	310,302	15,861,116	0	16,171,418
April	1,005,155	15,107,997	0	16,113,152
May	580,791	12,316,993	0	12,897,784
June	38,220	15,640,322	2,486,634	18,165,176
July	450,798	1,479,120	24,866,344	26,796,262
August	1,792,154	5,521,142	0	7,313,296
September	252,482	6,637,656	0	6,890,138
October	766,816	6,933,782	0	7,700,598
November	3,932,933	9,582,476	1,173,622	14,689,031
December	1,436,352	8,311,320	822,229	10,569,901
Total	10,756,383	115,988,062	29,348,829	156,093,274

Mobile Unit : Duty & Levies and Penalty - 2018 (In Rs.)

Month	Duty and Other Levies	Penalty/ Forfeiture/ Mitigated Forfeiture	Sales Proceeds	Total
January	5,824,684	20,330,888	0	26,155,572
February	3,326,042	19,485,612	0	22,811,654
March	3,553,772	22,407,500	23,581,808	49,543,080
April	1,246,345	9,122,000	4,783,350	15,151,695
May	2,497,823	15,705,460	0	18,203,283
June	5,126,024	6,327,559	7,753,348	19,206,931
July	574,252	15,331,576	968,115	16,873,943
August	687,677	15,173,676	99,904	15,961,257
September	0	32,243,634	1,798,630	34,042,264
October	720,276	28,301,487	12,984,821	42,006,584
November	144,545	22,057,128	3,344,715	25,546,388
December	32,864	24,540,008	6,257,501	30,830,373
Total	23,734,304	231,026,528	61,572,192	316,333,024

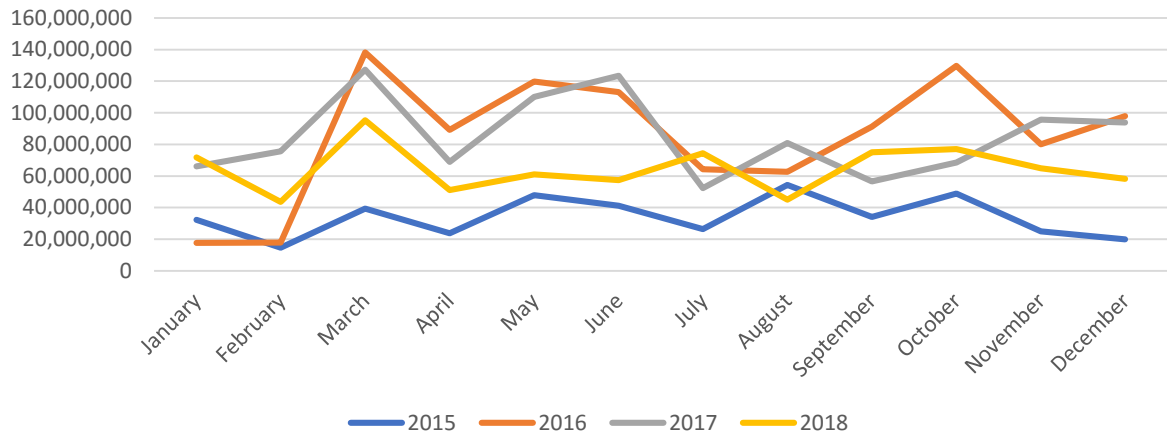
RTF Performance During the Year 2018 (In Rs.) monthly wise

Month	Duty and Other Levies	Penalty/ Forfeiture	Sales Proceeds	Total Recoveries
January	11,966,793	59,810,213	0	71,777,006
February	7,095,510	35,358,211	1,211,231	43,664,952
March	12,108,661	59,580,202	23,676,397	95,365,260
April	5,260,044	41,100,337	4,783,350	51,143,731
May	8,194,186	52,559,081	276,058	61,029,325
June	13,514,852	33,646,961	10,239,982	57,401,795
July	1,265,126	34,926,070	38,292,029	74,483,225
August	2,675,448	42,273,935	99,904	45,049,287
September	915,960	72,347,051	1,798,630	75,061,641
October	1,819,023	62,172,537	12,984,821	76,976,381
November	7,696,438	52,694,378	4,518,337	64,909,153
December	1,469,216	48,596,540	8,205,855	58,271,611
Total	73,981,257	595,065,516	106,086,594	775,133,367

Performance comparison : 2015, 2016, 2017 and 2018 (in Rs.)

	2015	2016	2017	2018
January	32,300,966	17,698,812	66,144,454	71,777,006
February	14,704,630	17,811,346	75,714,798	43,664,952
March	39,443,499	138,286,404	127,269,787	95,365,260
April	23,677,169	89,141,272	69,029,645	51,143,731
May	47,758,109	119,850,551	110,082,914	61,029,325
June	41,244,469	113,060,721	123,500,044	57,401,795
July	26,346,018	64,182,599	52,390,280	74,483,225
August	54,401,513	62,556,875	80,939,513	45,049,287
September	34,046,516	91,189,599	56,554,884	75,061,641
October	48,930,650	129,781,900	68,507,892	76,976,381
November	24,993,097	80,145,852	95,581,361	64,909,153
December	19,879,682	97,893,847	93,856,568	58,271,611
Total	407,726,318	1,021,599,778	1,019,572,140	775,133,367

PERFORMANCE COMPARISON : 2015, 2016, 2017 AND 2018



Excise (Special Provisions) Division

Introduction

Excise (Special Provisions) Act, No: 13 of 1989 amended by Act, No: 40 of 1990 and Act, No: 08 of 1994 is the legal source of the implementation of the Excise (Special Provisions) policies of the government of Sri Lanka.

Excise (Special Provisions) Division, which is operating under the Department of Sri Lanka Customs, comes under the Ministry of Finance, performs an important national role as the government agency mandated with the responsibility of enforcement of the provisions of the Excise (Special Provisions) Act and regulations made there under for the well-being of the nation.

Major Functions:

- (1) Inspection of Company Premises and Check the Production and Issues records.
- (2) Check whether the documents submitted by the Companies with regard to Production Issues and Stocks are correct.
- (3) Compare the tax paid by the Companies with previous and current records.
- (4) Take legal action against the Companies which do not submit the relevant documents

Comparison of Performance with the Action Plan for 2018

Key Action	Target Mn.	Actual Rs.	If not achieved, the reasons
Tobacco	94,500	92,939	Sales has not been increased to the expected level
Petroleum (Petrol, Diesel)	14,000	13,165	Due to more Imports of purified Petrol/Diesel
Local Assembled Vehicles	2,000	321	Excise duty of local assembled vehicles (by micro cars company) charged by bonds division
Others (Soft Drinks, Race publications, Electrical Items (local assembled) & recoveries from Court Cases	3,800	6123	

File No.	Name of the Institute	Revenue (Rs)	Revenue (Rs)	Revenue (Rs)	Revenue (Rs)	Annual Revenue (Rs)
		1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	Total
M/40	Ceylon Tobacco Co. Ltd.	22,818,146,610.00	25,006,471,185.00	21,107,701,300.00	24,013,113,850.00	92,939,432,945.00
Petroleum						
M/56	Ceylon Petroleum Corporation	1,775,545,694.00	4,629,532,051.00	4,030,640,659.00	2,729,927,549.00	13,165,645,953.00
Soft Drinks						
M/757	Ceylon Cold Stores Ltd,	688,903,211.20	405,912,623.88	433,814,707.83	329,343,847.53	
M/756	Coca Cola Beverages Sri Lanka Ltd.	748,159,409.00	653,496,770.00	802,354,827.00	553,163,773.00	
M 642	Ole Springs Botler s (Pvt.) Ltd.	229,094,412.00	152,444,412.40	148,987,178.00	77,395,061.00	
M/765	Pet Packaging (Pvt.) Ltd	60,990,326.49	22,268,877.92	22,164,956.97	15,533,765.51	
M/891	Bevoco Lanka	479,282.28	514,932.26	659,485.35	536,113.60	
M/866	Sanro Lanka					
M/897	Reliauce Beverages	181,104.75	284,686.26	309,916.01		
M/773	Mega Way marketing					
M/889	Max Cola	215,643.00	235,443.00	243,720.00	159,022.00	
M/899	Mirage FoodProduct (pvt) Ltd	416,024.50	410,159.75	345,809.75	369,041.25	
M/872	Varun Beverages Lanka	170,948,737.26	209,086,578.00	205,921,607.00	94,730,323.00	
		1,899,388,150.48	1,444,654,483.47	1,614,802,207.91	1,071,230,946.89	6,030,075,788.75
Fruit Drinks						
M/900	Dabare Lanka Pvt	3,731,306.00	5,391,532.00			
		3,731,306.00	5,391,532.00			9,122,838.00
Race Publications						
M/761	Sporting Star	526,412.00	514,120.00	544,804.00	538,404.00	
M/763	Super Sports	187,800.00	185,204.00	191,852.00	216,792.76	
M/764	RR printers (Racing Special)	2,452,440.00	2,418,680.00	2,513,660.00	2,465,860.00	
M/760	Sporting Times	882,400.00	893,000.00	911,800.00	902,400.00	
M/775	New Grand Sports	206,400.00	201,600.00	213,600.00	206,400.00	
M/890	Our Sandlers Special	68,800.00	67,200.00	71,200.00	68,800.00	
M/898	Darmasiri & Sons	43,200.00	43,200.00	43,200.00	43,200.00	
		4,367,452.00	4,323,004.00	4,490,116.00	4,441,856.76	17,622,428.76
Electrical Items						
M/797	Abans Electricals Ltd.	15,863,162.30	19,193,807.83	4,613,773.27	20,141,475.31	
M/877	Regnis Appliance (Pvt)Ltd	711,318.75	2,822,145.00			
M/885	D.R.Home Appliance (Pvt)Ltd					
M/15	Regnes Lanka Ltd Mr.				19,155.00	
		16,574,481.05	22,015,952.83	4,613,773.27	20,160,630.31	63,364,837.46
Locally Assembled Vehicles						
M/772	Vehicles Lanka (Pvt.) Ltd,	576,000.00	864,000.00			
M/767	Micro Cars (Ltd.)					

M/860	Unimo Enterprises	74,317,875.00	61,219,125.00	131,262,375.00	53,277,225.00	
		74,893,875.00	62,083,125.00	131,262,375.00	53,277,225.00	321,516,600.00
Pati Acid						
M/906	Pyramid Lanka (PVT) Ltd				2,914,860.00	
					2,914,860.00	2,914,860.00
GRAND TOTAL		26,517,753,693.53	31,112,388,208.30	26,762,248,056.18	27,841,789,692.96	112,549,696,250.97

Appeals Division

Introduction

Appeals Directorate is a newly formed directorate, after considering the importance of Appeal Procedure indicated in the Revised Kyoto Convention (RKC) of the World Customs Organization (WCO), and the Trade Facilitation Agreement (TFA) of the World Trade Organization (WTO).

This directorate functions directly under the Director General of Customs.

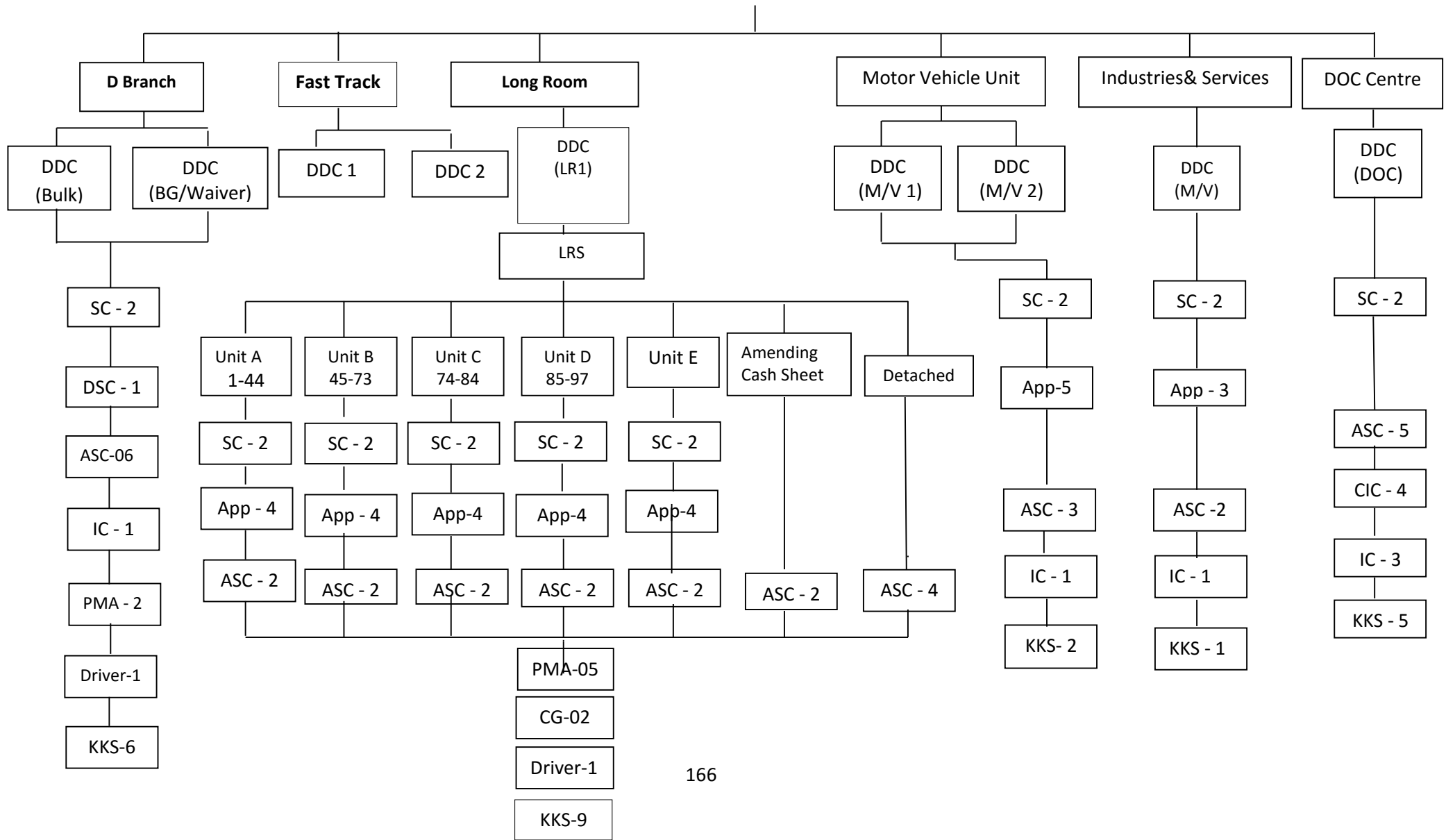
Its objective is to facilitate the trade by considering the appeals lodged in writing to the DGC, make suitable recommendations after having verified the facts, and to take follow up actions.

Appeals received	-	113
Appeals finalized	-	37
Appeals pending	-	76

ANNEX

Organization Structure & Cadre of the Declaration Directorate

Annex A



Annex B

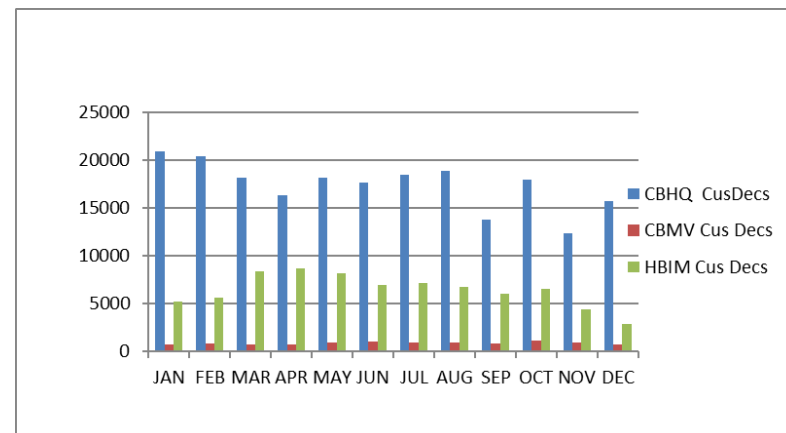
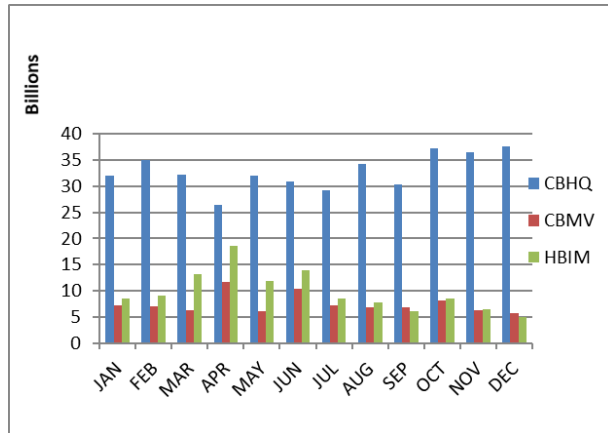
MOTOR VEHICLE BRANCH– 2018

MONTH	NO OF CUSDECS	RECOVERY	NO OF CUSDECS	RECOVERY	TOTAL RECOVERY
		CBMV1		HBIM1	
JANUARY	738	7,158,670,982.00	5,257	8,591,527,566.00	15,750,198,548.00
FEBRUARY	869	7,017,581,154.00	5,624	9,010,892,425.00	16,028,473,579.00
MARCH	765	6,255,580,211.00	8,404	13,155,208,433.00	19,410,788,644.00
APRIL	704	11,660,367,253.00	8,694	18,581,161,393.00	30,241,528,646.00
MAY	933	6,001,643,632.00	8,208	11,967,690,092.00	17,969,333,724.00
JUNE	1,035	10,298,041,261.01	6,968	13,891,492,929.00	24,189,534,190.01
JULY	909	7,164,824,255.00	7,195	8,443,903,881.00	15,608,728,136.00
AUGUST	971	6,808,085,004.00	6,781	7,844,269,609.00	14,652,354,613.00
SEPTEMBER	815	6,807,410,350.00	6,069	6,033,305,241.00	12,840,715,591.00
OCTOBER	1,104	8,166,626,715.00	6,558	8,583,146,674.00	16,749,773,389.00
NOVEMBER	973	6,358,438,727.00	4,392	6,521,853,725.20	12,880,292,452.20
DECEMBER	731	5,744,007,457.00	2,814	5,062,732,022.00	10,806,739,479.00
TOTAL	10,547	89,441,277,001.01	76,964	117,687,183,990.20	207,128,460,991.21

Annex C

Total Revenue - Declarations Directorate-2018

MONTH	CBHQ	CBHQ	CBMV	CBMV	HBIM	HBIM	MV TOTAL	TOTAL
	CusDecs		CusDecs		CusDecs			
JAN	20937	32,063,326,569.69	738	7,158,670,982.00	5,257	8,591,527,566.00	15,750,198,548.00	47,813,525,117.69
FEB	20363	34,964,778,869.62	869	7,017,581,154.00	5,624	9,010,892,425.00	16,028,473,579.00	50,993,252,448.62
MAR	18153	32,126,424,731.20	765	6,255,580,211.00	8,404	13,155,208,433.00	19,410,788,644.00	51,537,213,375.20
APR	16330	26,397,399,095.00	704	11,660,367,253.00	8,694	18,581,161,393.00	30,241,528,646.00	56,638,927,741.00
MAY	18184	31,936,063,898.97	933	6,001,643,632.00	8,208	11,967,690,092.00	17,969,333,724.00	49,905,397,622.97
JUN	17698	30,915,906,680.35	1,035	10,298,041,261.01	6,968	13,891,492,929.00	24,189,534,190.01	55,105,440,870.36
JUL	18520	29,319,967,964.69	909	7,164,824,255.00	7,195	8,443,903,881.00	15,608,728,136.00	44,928,696,100.69
AUG	18841	34,320,773,072.96	971	6,808,085,004.00	6,781	7,844,269,609.00	14,652,354,613.00	48,973,127,685.96
SEP	13763	30,373,046,206.09	815	6,807,410,350.00	6,069	6,033,305,241.00	12,840,715,591.00	43,213,761,797.09
OCT	17949	37,275,505,636.00	1,104	8,166,626,715.00	6,558	8,583,146,674.00	16,749,773,389.00	54,025,279,025.00
NOV	12362	36,546,941,448.99	973	6,358,438,727.00	4,392	6,521,853,725.20	12,880,292,452.20	49,427,233,901.19
DEC	15684	37,583,278,083.52	731	5,744,007,457.00	2,814	5,062,732,022.00	10,806,739,479.00	48,390,017,562.52
TOTAL	208784	393,823,412,257.08	10547	89,441,277,001.01	76964	117,687,183,990.20	207,128,460,991.21	600,951,873,248.29



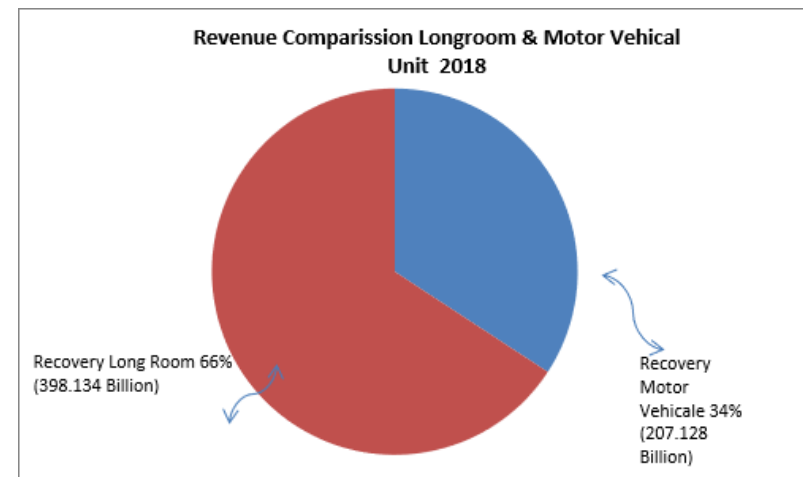
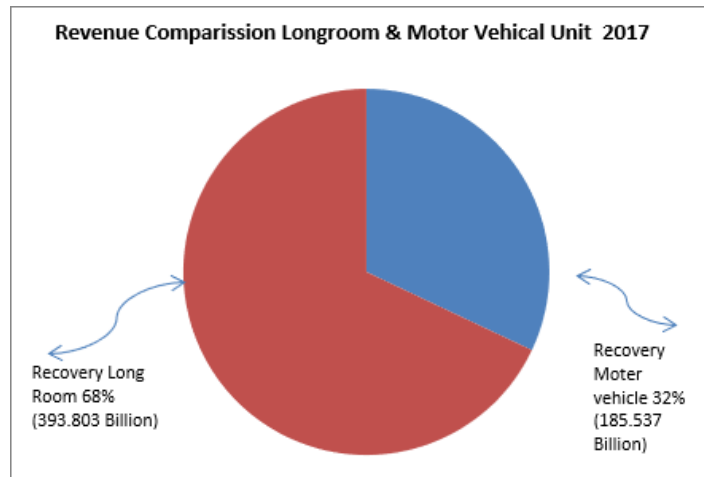
Annex D

**Revenue comparison Longroom & Motor Vehicle Unit
2017**

Month	Recovery Motor Vehicle	Recovery Long Room	Total Recovery MV and LR
Jan	16,483,780,692.00	34,847,170,650.00	51,330,951,342.00
Feb	13,873,754,665.00	30,736,830,878.00	44,610,585,543.00
Mar	19,262,843,052.00	39,702,474,194.80	58,965,317,246.80
Apr	14,388,673,706.00	28,459,278,488.01	42,847,952,194.01
May	16,531,471,680.00	33,186,872,707.60	49,718,344,387.60
Jun	14,625,848,161.00	30,138,082,174.66	44,763,930,335.66
Jul	14,360,205,067.00	31,041,295,368.00	45,401,500,435.00
Aug	17,741,219,148.00	33,031,888,049.00	50,773,107,197.00
Sep	12,394,338,241.00	29,240,451,148.01	41,634,789,389.01
Oct	13,219,834,496.00	32,253,379,751.01	45,473,214,247.01
Nov	14,637,063,162.00	35,181,178,132.14	49,818,241,294.14
Dec	18,018,209,160.00	35,984,165,108.87	54,002,374,268.87
Total	185,537,241,230.00	393,803,066,650.10	579,340,307,880.10

**Revenue comparison Longroom & Motor Vehicle Unit
2018**

Month	Recovery Motor Vehicle	Recovery Long Room	Total Recovery MV and LR
Jan	15,750,198,548.00	32,067,668,787.69	47,817,867,335.69
Feb	16,028,473,579.00	34,969,104,896.62	50,997,578,475.62
Mar	19,410,788,644.00	32,129,645,580.20	51,540,434,224.20
Apr	30,241,528,646.00	26,399,830,257.00	56,641,358,903.00
May	17,969,333,724.00	31,939,953,662.97	49,909,287,386.97
Jun	24,189,534,190.01	31,751,546,563.35	55,941,080,753.36
Jul	15,608,728,136.00	32,496,872,762.69	48,105,600,898.69
Aug	14,652,354,613.00	34,326,345,862.96	48,978,700,475.96
Sep	12,840,715,591.00	30,633,431,087.09	43,474,146,678.09
Oct	16,749,773,389.00	37,278,563,523.00	54,028,336,912.00
Nov	12,880,292,452.20	36,550,539,394.99	49,430,831,847.19
Dec	10,806,739,479.00	37,591,016,532.52	48,397,756,011.52
Total	207,128,460,991.21	398,134,518,911.08	605,262,979,902.29



Annex E

Revenue Classification - Long Room & Motor Vehicle for Year 2018

Month	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
No of CusDecs	27,529	27,870	28,019	26,426	28,052	26,382	27,452	27,384	21,277	26,367	18,501	19,932	305,191
CID	6,332,536,411	7,516,652,589	7,057,529,194	5,676,437,301	6,336,175,397	8,185,565,153	8,012,217,478	8,915,251,201	7,202,302,582	8,514,103,963	7,486,640,024	6,723,676,984	87,959,088,277
SUR													-
PAL	7,719,108,695	8,925,790,398	7,914,235,186	6,715,919,418	7,407,680,652	8,112,736,412	8,340,410,488	7,639,411,090	8,045,889,600	8,826,447,747	8,971,597,511	8,333,715,124	96,952,942,321
CESS(EIC)	3,916,107,765	4,474,104,260	3,633,802,056	2,942,627,928	3,441,963,562	3,311,826,025	3,544,785,823	5,083,750,535	3,368,867,658	4,373,908,891	4,093,113,701	4,089,104,925	46,273,963,129
MCL(ESC)	210,709,225	227,492,336	260,264,966	211,852,440	216,410,211	241,232,131	196,430,929	187,110,324	175,409,864	223,261,647	184,158,904	151,960,506	2,486,293,483
EEC													-
SCL	4,306,684,667	5,964,601,303	6,104,854,131	3,327,458,745	5,639,053,083	5,865,994,734	4,956,039,025	5,120,537,394	4,234,406,188	3,639,570,832	5,438,629,936	5,726,899,555	60,324,729,593
XID	21,234,602,751	23,015,835,024	26,730,420,380	24,093,740,620	21,362,200,162	30,057,641,593	21,043,001,461	19,349,691,100	18,235,131,895	22,388,663,317	17,740,046,685	13,895,330,033	259,146,305,021
VAT	12,371,125,240	13,814,985,294	12,563,374,691	10,014,267,723	11,417,319,229	10,872,807,579	12,224,283,835	129,911,919,750	11,210,029,743	14,625,128,303	14,595,446,693	14,397,815,588	268,018,503,668
SRL													-
NBT	1,836,344,352	1,993,488,454	1,788,496,920	1,554,379,707	1,757,870,955	1,667,169,283	1,805,395,903	1,942,133,703	1,674,540,841	2,169,950,803	2,014,847,547	2,236,907,722	22,441,526,190
OVP	440,871	258,598	273,268	276,543	207,700	116,252	240,682	168,726	208,515	116,005	79,103	107,874	2,494,137
SEL	3,661,300	3,868,220	3,384,300	2,717,000	3,231,100	2,827,600	3,039,000	3,119,500	2,730,300	2,993,700	2,784,300	3,119,600	37,475,920
COM	6,497,500	6,983,500	7,095,500	6,326,750	6,951,450	6,313,500	6,692,250	6,825,750	5,871,250	6,810,000	5,898,000	5,487,750	77,753,200
EXM	11,264,900	12,026,700	11,633,200	10,062,600	11,312,900	10,153,800	10,756,400	11,007,600	9,549,400	10,898,300	9,631,000	9,460,800	127,757,600
OTC	28,388,400	31,121,600	31,500,000	28,042,000	30,267,200	27,568,800	29,059,200	29,687,600	25,415,200	29,624,400	25,705,600	24,001,200	340,381,200
PTY													-
TOTAL	57,977,472,077	65,987,208,276	66,106,863,792	54,584,108,775	57,630,643,601	68,361,952,862	60,172,352,474	178,200,614,273	54,190,353,036	64,811,477,908	60,568,579,004	55,597,587,661	844,189,213,739

Annex F

**Manifest Amendments and Late Manifest Penalty
Progress Report for the Year 2018 - D Branch**

Month	No.of Amendments	Penalty Recovered (Rs.)
January	371	6,320,500.00
February	235	3,964,500.00
March	218	3,581,000.00
April	245	4,180,500.00
May	308	5,249,040.00
June	240	4,560,500.00
July	221	4,038,500.00
August	259	5,391,500.00
September	211	5,761,500.00
October	167	4,353,000.00
November	168	3,938,000.00
December	188	4,032,316.00
Total	2831	55,370,856.00

Annex G

Data Related to other D Branch activities - 2018

Unit	Description	Amount
DRA Unit	Number of registered DAR files	1,514.00
	No of Finalized DAR file	677.00
Bank Guarantee	Number of registered Bank Guarantee files	689.00
	Number of finalized files Bank Guarantee file	424.00
	Total Value of guarantee secured	2,299,116,956.00
	Total Value of guarantee leased	865,418,191.00
Duty Waiver Unit	Number of CusDecs registered under ISFTA	7,817.00
	Number of CusDecs registered under PSFTA	622.00
	Number of CusDecs registered under other trades agreements	955.00
Bulk Cargo monitoring unit	Number of Bulk Cargo registered	612.00
	Number of Bulk Cargo DusDec finalized	351
Carnet Unit	Number of registered Carnet applications	35

Annex H

PERFORMANCE OF THE DOCUMENT CENTRE

NUMBER OF GATE PASSES ISSUED (NO. OF CONTAINERS MOVED) TO RESPECTIVE YARDS

Destination	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Grand Total
BOI BEPZ	401	433	396	347	392	434	442	406	374	426	368	418	4,837
BOI HREPZ	90	72	85	71	76	79	69	58	60	62	42	41	805
BOI KEPZ	718	584	576	634	700	668	751	640	732	855	606	685	8,149
BOI KOEPZ	6	23	15	30	18	16	14	21	13	18	19	21	214
BOI MIRIGAMA	58	99	154	149	59	114	69	95	121	88	120	51	1,177
BOI MWEPZ	4	7	10	6	11	5	5	24	4	6	9	8	99
BOI ORUGODA	2,559	2,452	2,386	2,260	2,468	2,377	2,438	2,765	2,469	2,468	2,051	1,999	28,692
BOI PKEPZ	1				1							2	4
BOI SEETHAWAKA	188	161	155	162	189	182	207	187	146	211	153	222	2,163
BOI THUL	45	36	37	26	46	34	32	41	39	32	44	56	468
BOI WPEPZ	65	34	44	42	48	44	79	75	60	70	42	44	647
CSF 5		1											1
CSL	83	77	106	102	111	124	122	136	76	82	94	100	1,213
EXEMPTED	3,171	2,804	2,456	1,608	2,102	1,434	1,576	1,894	1,690	1,736	1,816	1,835	24,122
GRAYLINE1	2,169	2,245	1,730	1,883	2,222	2,183	2,079	2,168	1,917	2,202	1,952	2,149	24,899
GRAYLINE2	2,725	3,068	2,352	1,893	2,183	2,200	2,138	2,387	1,992	2,478	2,289	2,163	27,868
HRC	272	276	204	210	268	233	377	501	742	522	372	400	4,377
LAKSIRI	63	49	68	60	82	83	91	85	41	51	53	60	786
MIDCO	43	40	44	51	55	65	64	64	23	35	35	37	556
NNR	445	407	373	381	402	361	386	423	403	395	378	412	4,766
OUTPANEL	11,663	12,616	11,136	9,304	10,848	9,982	9,179	9,626	9,267	9,338	7,944	11,493	122,396
RCT	17,595	17,073	16,784	13,562	15,487	14,133	14,880	15,738	12,691	14,871	13,192	15,361	181,367
RELEASE	1,722	1,361	1,153	1,275	1,720	1,506	1,515	1,731	1,559	1,685	1,395	1,352	17,974
TRANSCO	43	45	51	65	60	67	61	57	45	48	44	62	648
TRICO	97	93	129	113	116	133	142	142	82	100	72	115	1,334
TRS KATUNAYAKE	102	172	207	209	156	158	209	310	260	305	213	152	2,453
VHBPH	8												8
Grand Total	44,336	44,228	40,651	34,443	39,820	36,615	36,925	39,574	34,806	38,084	33,303	39,238	462,023