



ANNUAL PERFORMANCE REPORT - 2019

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 2019. During the year under review, SLC has been able to achieve its goals amidst various challenges.

Securing a tax revenue of Rs. 813.10 Billion despite the decline in international trade during the year due to various socioeconomic factors, is one of the key achievements in this regard.

Another key accomplishment of this endeavor is, the progress achieved in reducing the import and export cargo clearance times in terms of facilitation of legitimate international trade. As time is consistently associated with cost, any quantifiable reduction is complementary and facilitative in economic terms. The WCO Time Release Study (TRS) which was conducted in Sri Lanka in 2018 (with the participation of key stakeholders in the Sri Lankan border context) and published in 2019, provided a wide-ranging insight in this regard. According to the TRS Survey conducted by SLC in 2018, the average time taken to clear import consignments has been remarkably reduced. An integral part of these accomplishments is the progress achieved in the area of automation.

Simultaneously, measures taken with regard to social protection during the year, in par with national and international obligations, had contributed towards much more effective Customs control.

Both the Facilitation and Enforcement domains remained eminent with the adoption of international best practices and effective control initiatives recommended by the World Customs Organization (WCO) and the World Trade Organization – Trade Facilitation Agreement (WTO –TFA) for effective Customs control. These initiatives encompass both the “Automation of Customs processes under the latest update of ASYCUDA – WORLD” and also the “Application of newly-fangled Risk Based Examination” criteria. Thereby, SLC has been able to achieve multiple goals in increasing predictability and transparency and an escalation in compliance ratios of the traders was witnessed. A key pillar in this success was the substantial contributions made via Public-Private Partnerships.

I thank Hon. Mahinda Rajapaksha; Prime Minister and Minister of Finance, Economic and Policy Development Ministry, the Secretary to the Treasury along with all officials in the Treasury and also the Trading Community together with various Chambers, for their unstinted cooperation extended in achieving such a triumph.

My heartiest appreciation extends to my staff who had immensely contributed to this achievement and for the compilation of this report amidst an arduous situation whilst coping with this pandemic environment.

Retired Major General G. V. Ravipriya

Director General of Customs





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CHAPTER 01 - INSTITUTIONAL PROFILE

1.1 INTRODUCTION

Sri Lanka Customs is one of the oldest government departments in Sri Lanka as well as one of the oldest Customs Administrations in the world, established in the year 1806. It's a full-pledged state organization mainly responsible for the collection of revenue and the enforcement of law.

1.2 VISION, MISSION AND OBJECTIVES OF THE INSTITUTION

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.”

Main objectives of Sri Lanka Customs

- **Collection of Revenue**

Sri Lanka Customs is the leading government agency in collecting revenue in Sri Lanka. Sri Lanka Customs is responsible for more than 50% of the government tax revenue collection.

- **Social Protection**

Acting as a shield to prevent the penetration of illegal drugs and other harmful goods into the country and smuggling of biological resources and other treasures from the country, Customs fulfills the imperative task. Since Sri Lanka is biodiversity hotspot, Cultural and National Heritage Branch of Sri Lanka Customs performs tireless duty to protect treasures to the nation. Narcotics Control Unit also plays key role among other enforcement agencies in Sri Lanka.

- **Trade Facilitation**

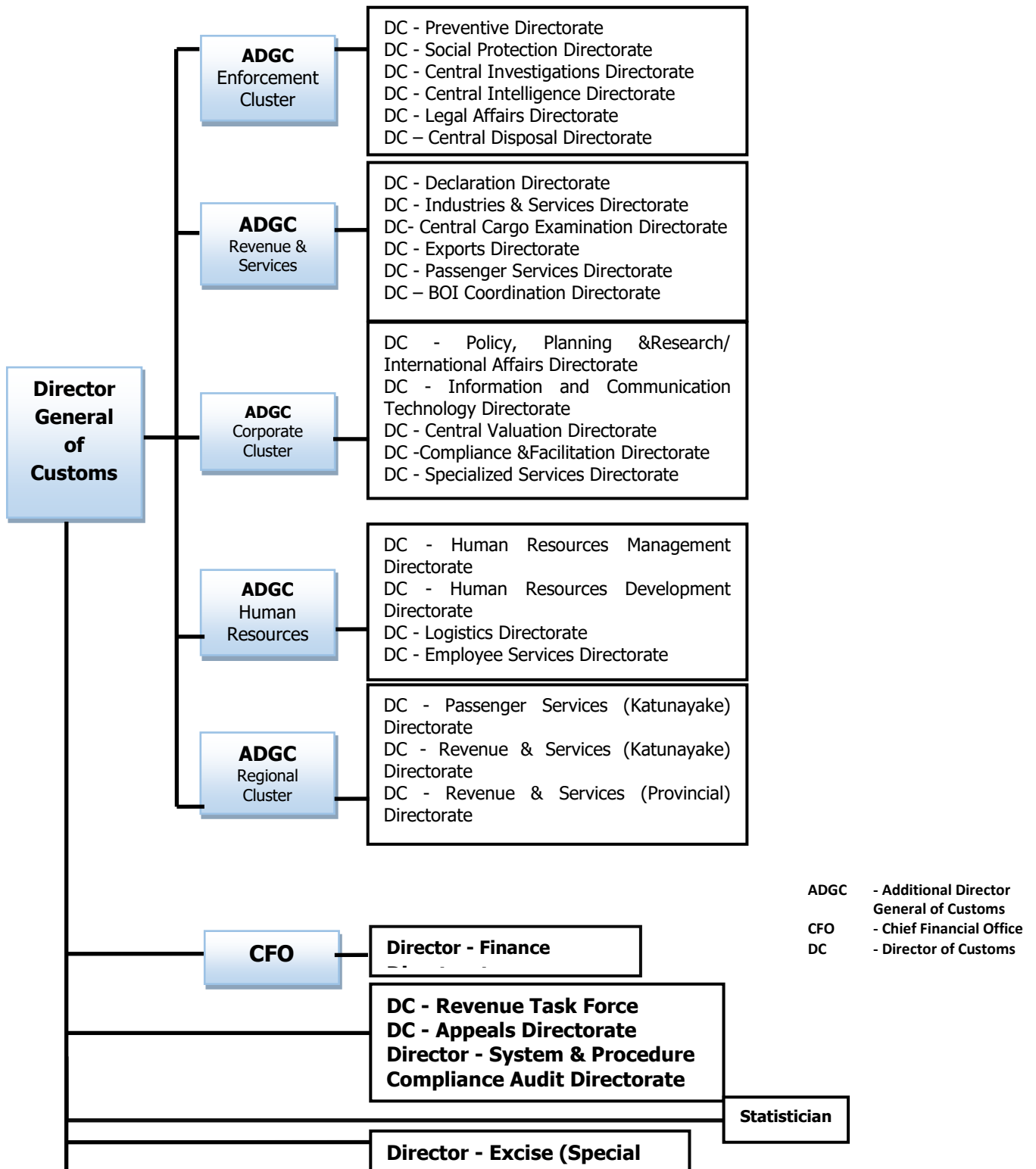
The automation of Sri Lanka Customs in 1993 opened the pathway to introduce several measures to simplify its procedures. Initiation of Risk Management system and Single Window and streamlining of procedures, explicitly helped to save the time and costs trade. After ratifying the WTO Trade Facilitation Agreement, Sri Lanka Customs is moving forward for further facilitation of trade by making striking changes in procedures and legislative framework.

- **Law enforcement**

1.3 KEY 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.

1.4 ORGANIZATIONAL CHART



1.5 MAIN DIVISIONS OF SRI LANKA CUSTOMS

Enforcement Cluster

1. Preventive Directorate
2. Social Protection Directorate
3. Central Investigation Directorate
4. Central Intelligence Directorate
5. Legal Affairs Directorate
6. Central Disposal Directorate

Revenue & Services Cluster

7. Declaration Directorate
8. Industries & Services Directorate
9. Central Cargo Examination Directorate
10. Exports Directorate
11. Passenger Services Directorate
12. BOI Coordination Directorate

Corporate Cluster

13. Policy, Planning & Research Directorate
14. Information and Communication Directorate
15. Central Valuation Directorate
16. Compliance & Facilitation Directorate
17. Specialized Services Directorate

Human Resources Cluster

18. Human Resources Management Directorate
19. Human Resources Development Directorate
20. Logistics Directorate
21. Employee Services Directorate

Regional Cluster

22. Passenger Services (Katunayake) Directorate
23. Revenue & Services (Katunayake) Directorate
24. Revenue & Services (Provincial) Directorate

Directorates directly under Director General Customs

25. Finance Directorate
26. Revenue Task Force Directorate
27. System & Procedure Compliance Audit Directorate
28. Excise (Special Provisions)
29. Statistics Division

1.6 PRINCIPAL OFFICIALS

(As at 31.12.2019) not in seniority order

Mr. A. V. Janadara (Cover up duties)

Director General of Customs

Mr. H. P. Jayananda

Additional Director General of Customs (Human Resources)

Mr. I. A. M. Arthanayake

Additional Director General of Customs (Corporate)

Mr. H. K. M. S. Jayarathne

Additional Director General of Customs (Revenue & Services)

Mr. L. Gajadeera

Additional Director General of Customs (Enforcement)

Mr. D. G. Senanyake

Additional Director General of Customs (Regional)

Mr. M. J. R. Puviraj

Chief Financial Officer

Mr. J. L. H. K. Jayathilake

Director of Customs (Compliance and Facilitation)

Mr. C. Perinpanayagam

Director of Customs (Cargo Examinations)

Mr. S. A. S. P. Senanayake

Director of Customs (Preventive)

Mr. M. R. Ranarajah

Director of Customs (Central Intelligence)

Mr. K. G. Jayawardena

Director of Customs (Specialized Services)

Mr. K. H. Dharmakeerthi

Director of Customs (Central Valuation)

Mr. P. C. M. Nandagopalan

Director of Customs (Logistics)

Mrs. C. Mummullage

Director of Customs (Employee Services)

Mr. H. R. N. C. Herath

Director of Customs (Special Tasks and Vigilance - RTF)

Mr. S. Anandeeswaran

Director of Customs (Passenger Services - Colombo)

Mrs. W. G. Chandrika

Director (Internal Audit)

Mr. G. Sarath Kumara

Chief Accountant

Mr. A. P. N. H. Aberathna

Director of Customs (Central Investigation)

Mr. H. M. Rajarathne

Director of Customs (Policy, Planning and Research)

Mrs. R. Gankewala
Director of Customs (Passenger Services - Katunayake)

Mr. R. Rushandan
Director of Customs (Revenue & Services -Katunayake)

Mr. P. G. Sumanapala
Director of Customs (Industries & Services)

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

Mr S. P. I. Balasooriya
Director of Customs (Social Protection)

Mr. W. K. Randeniya
Director of Customs (Export)

Mr. W. L. D. R. De Alwis
Director of Customs (ICT)

Mr. S. Niyaz
Director of Customs (Legal Affairs)

Mrs. M. A. M. Arifa
Director of Customs (Human Resource Management)

Mrs. E. M. N. Edirisinghe
Director of Customs (Human Resource Development)

Mr. M. D. J. C. Murage
Director (Excise)

Mr. G. V. U. D. Silva
Director of Customs (Appeals)

Mr. D. L. Banduthilaka
Director of Customs (Revenue & Services - Provincial)

Mr. R. D. N. Premawansa
Deputy Director (Statistics)

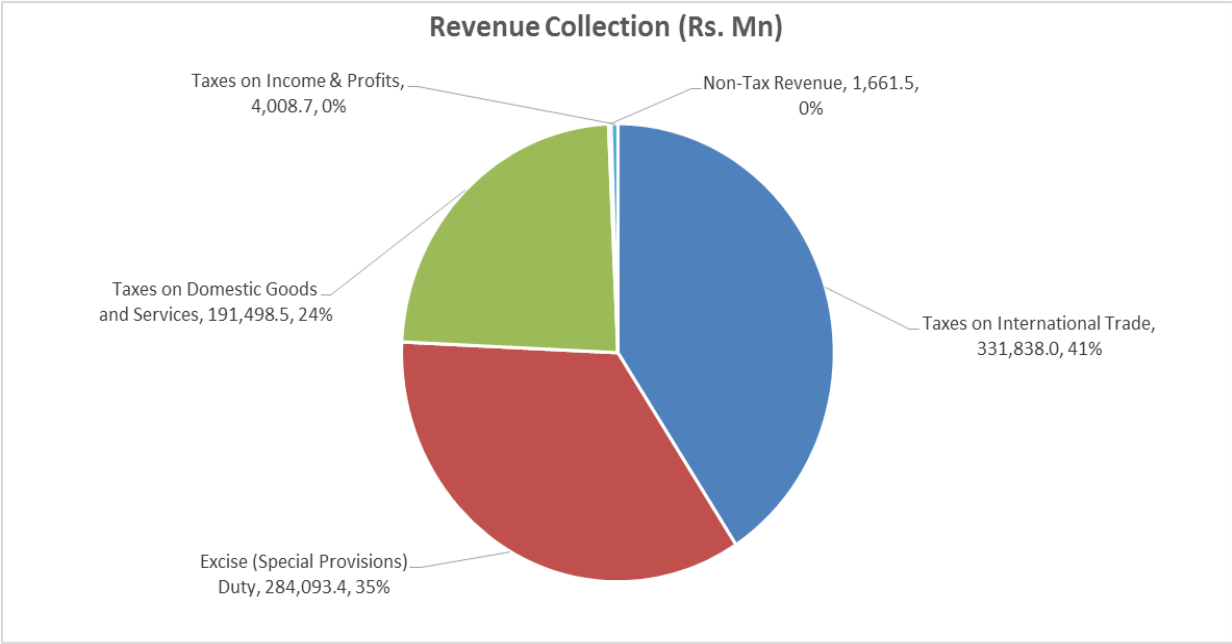
CHAPTER 02 - PROGRESS IN YEAR 2019

2.1 FINANCIAL PERFORMANCE

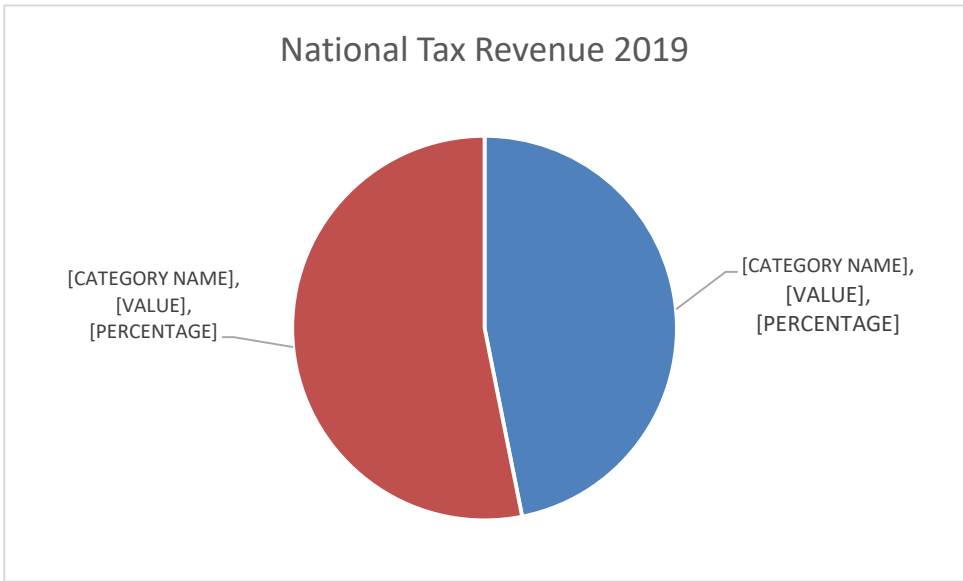
Performance of Customs Revenue 2019

Revenue Code	Description	Performance from 01st January - 31st December 2019 (SLR Mn.)				
		Estimates	Actual	% of Performance	Deviation	% of Deviation
Taxes on International Trade						
1001.01.00	Import Duty	140,000	98,427.38	70%	(41,572)	-30%
1001.02.00	Export Duty	40	170.44	425%	130.	325%
1001.04.00	Port & Airport Dev. Levy	115,000	112,174.18	98%	(2,825)	-2%
1001.05.01	Import Cess Levy	52,000	48,403.02	93%	(3,597)	-7%
1001.05.02	Export Cess Levy	2,000	2,299.69	115%	299.69	15%
1001.08.00	Special Commodity Levy	90,000	70,363.87	78%	(19,636)	-22%
Excise (Special Provisions) Duty						
1002.05.01	Excise Duty on Cigarettes	115,000	87,367.37	76%	(27,632.6)	-24%
1002.05.02	Excise Duty on Liquor		58.76		58.8	
1002.05.03	Excise Duty on Petroleum	90,000	61,740.30	69%	(28,260.0)	-31%
1002.05.04	Excise Duty on Motor Vehicles	240,000	130,377.88	54%	(109,622.2)	-46%
1002.05.99	Other Excise Duty	13,000	4,549.40	35%	(8,450.6)	-65%
Taxes on Domestic Goods and Services						
1002.01.04	Value Added Tax (VAT)	205,000	169,914.09	83%	(35,086)	-17%
1002.12.03	National Building Tax (NBT)	26,000	18,226.84	70%	(7,773)	-30%
1002.10.00	Social Responsibility Levy (SRL)	-	-			
1003.01.00	Luxury Vehicle Tax		1,859.52		1,859	
1003.07.10	Vehicle Entitlement Levy	2,200	1,498.60	68%	(702)	-32%
Taxes on Income & Profits						
1004.04.02	Economic Service Charge (ESC)	8,000	1,661.56	21%	(6,338)	-79%
Non-Tax Revenue						
2003.02.17	Fees on Local Sale on Garments	350	145.95	42%	(204)	-58%
2003.03.01	Fines and Forfeits	5,425	3,379.83	62%	(2,046)	-38%
2003.02.99	Sundries	350	312.0	89%	(38)	-11%
2003.99.00	Other Receipt	175	172.0	98%	(3)	-2%
TOTAL		1,104,540	813,100.1	74%	(291,439)	-26%

Category	Revenue - SLR Mn.	As a percentage of Total Revenue
Taxes on International Trade	331,838.58	40.81%
Excise (Special Provisions) Duty	284,093.71	34.94%
Taxes on Domestic Goods and Services	191,499.05	23.55%
Non-Tax Revenue	4009.78	0.20%
Taxes on Income & Profits	1,661.56	0.49%



As a percentage of the National Tax Revenue (Rs. Mn)



*Based on Provisional data. Central Bank Annual Report 2019

2.2 TOP FIFTY REVENUE EARNING COMMODITIES (HS -WISE)

HS CODE	HS Description	Revenue (Rs)
27101220,21,22,29	Petrol	82,425,193,584
87032169	Other Motor cars including station wagons and racing cars <1 yr	36,201,067,180
87112010	Motror cycle, >50 cc & =< 200 cc, not more than 3 years old, reciprocating internal c	34,494,112,521
27101940,41,42,49	Diesel	31,082,678,864
15119030	Crude Palm Olein	21,031,677,358
87032250	Motor cars including station wagons and racing cars, not more than three years old	15,437,160,281
17019910	White crystalline cane sugar	14,664,758,684
04022100	Milk & cream, not containing added sugar or other sweetening matter, of fat contnt > 1.5	14,315,237,000
22071000	Undenatured ethyl alcohol, of alcoholic strength >=80%	12,553,457,558
69072190	Other	8,125,654,394
87043193	Other,Not more than four years old	7,942,219,017
10019910	Wheat grain	6,843,193,374
25232930	Other portland cement imported in packing of over 50 kg or in bulk	6,741,098,505
7019000	Potatoes, fresh or chilled excl. seed potatoes.	6,176,742,151
27011200	Bituminous coal, not agglomerated	5,559,959,770
87032154	Other Three Wheelers less than 1 yr	5,266,270,972
25231000	Cement clinkers	5,124,907,209
72071110	Billets	5,102,405,690
25232920	Other portland cement imported in packing of 50kg and below	4,976,721,943
7031020	B' Onions	4,771,704,322
27101980	Lubricants	4,708,618,312
23040000	Oil-cake and other solid residues, of soya-bean	4,249,699,083
27090010	petroleum oils	4,138,330,382
85176290	Machines for the reception, conversion & transmission or regenarting of voice etc, nes	3,853,262,041
14049010	Beedi leaves	3,747,302,680
39041000	Polyvinyl chloride, not mixed with other substances, in primary forms	3,201,037,220
27111910	Liquified Petrolium Gas	3,053,458,525
87042191	Other, not more than 3.5 years old	2,942,819,617
85176210	Transmission apparatus with or without reception apparatus	2,708,037,137
40111090	Other	2,697,554,255
39021000	Polypropylene, in primary forms	2,638,517,848
87036058	Other , not more than three years old	2,550,181,012
87034028	Other , not more than three years old	2,502,990,890
17011400	Other cane sugar	2,470,023,374
39011000	Polyethylene having a specific gravity <0.94, in primary forms	2,403,581,504
15179000	Other	2,337,599,471
72107000	Rolled iron/steel, width >=600mm, painted, varnished, or coated with plastics	2,300,329,277
48025790	Other uncoated paper etc, of kind use for writing, pri etc, weight =<40g/m2& >=150	2,039,183,303
85171220	Other cellular mobile telephones	2,016,201,041
87042193	Other Not more thanfour years old	1,976,357,500
74081100	Wire of refined copper, maximum cross-sectional dimension >6mm	1,919,886,175
40112019	Other	1,897,671,482
15119090	Palm oil, not chemically modified, excl crude oil, palm sterin, pack of =<210 l	1,819,683,395
84181090	Combined refrigerators fitted with seperate external doors, not used or reconditioned	1,794,078,567

27101970	Lubricating oils (Base-oils) for the preparation of lubricants	1,782,616,695
73089000	Other	1,758,881,200
87034035	Motor cars including station wagons and racing cars, not more than three years old	1,748,006,745
87042163	Vhcles with frontleafsprings Cargo carry cap. of 800 kg or more,Not more than 4y old	1,690,912,500
72259200	Flat-rolled alloy steel,>=600mm wide,plated or coated with zinc (excl. electro-plated)	1,690,246,228
48025590	Paper, weight >= 40g/m2 and =< 150 g/m2, excl cabonised paper	1,685,566,185

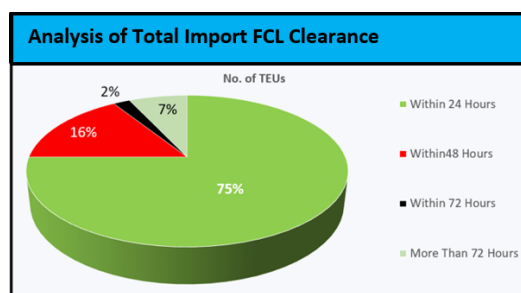
2.3 SPECIAL ACHIEVEMENTS

2.3.1 WCO TIME RELEASE STUDY

Reduction of cargo clearance time is a key requirement in terms of facilitation of legitimate trade, since it influences the efficiencies of the Supply Chain and ultimately impacts on the cross-border trade cost. The Time Release Study (TRS) is a remarkable diagnostic tool developed by the WCO for the measuring of the average time taken by the Customs to release an import/export cargo consignment, and is recognized as a mean-for identifying bottlenecks as well as improving performance in import/export/Transit processes accordingly. Additionally, it measures the average time taken by Other Governmental Authorities (OGA) to provide their services in this regard as well. The main objective of such exercise is to formulate remedial actions in order to further improve the efficiencies of Customs and OGAs working at the border in view of the “Cost-to-Trade” factor accumulating in moving goods across borders. The findings of these TRS surveys reflect and portray the performance of each country and their position when pitted against each other, in terms of cross-border performance. Since entry into force of the WTO Trade Facilitation Agreement (TFA) in February 2017, members have been required to measure and publish average release times of import/export goods (Article 7.6 of the TFA).

Accordingly, Sri Lanka Customs conducted its second comprehensive TRS survey in 2018 with the participation of key OGAs at the border and the private sector, the report in January 2019. It was observed that a considerable reduction in the average Full Container Load (FCL) throughput time had taken place, while the excessive idle times-at certain processes (which were identified as bottlenecks during the first TRS in 2014) had been remedied accordingly. Ultimate findings of the survey disclosed the substantial improvement in the reduction of import and export cargo clearance times had occurred as a result of streamlining of the Customs procedures, especially due to the advancements in Customs automation surrounding ‘ASYCUDA World’ etc. An eminent factor in this regard is the strengthened partnerships amongst Customs, OGAs and the private sector, who had collectively worked towards achieving a seamless flow in cross-border trade.

As the initial TRS of SLC, in 2014 the TRS was conducted focusing only on the Import Sea Cargo FCL process (and only within the Customs context). The TRS 2018 revealed that the average time from arrival to the release, with respect to Import sea cargo FCL, was 16 hours and 29 minutes. This is an improvement of 11 hours and 31 minutes when compared with the TRS 2014 findings. Another key finding of the survey is that the clearance of 75% import FCLs were done within 24 hours for which previously took two days in 2014.



(Source: Time Release Study 2018, SLC)

In particular, the average Customs throughput times for various types of cargo, from Customs Declaration Submission-to ultimate release from Customs control, is as follows. It is eminent that each element has greatly improved and are consequences of efforts aimed at trade facilitation.

Summary of Throughput times of Key Categories

Category	Process Time	Idle Time	Total Throughput Time	Total Throughput Time of TRS 2014	Improvement
Import Sea Cargo FCL	8 hours 31 min	7 hours 59 min	16 hr 29 min	28 hr	11 hr 31 min
Import Sea Cargo LCL	5 hr 05 min	3 hr 05 min	8 hr 10 min	Not Considered	-
Import Air Cargo	1 hr 50 min	1 hr 37 min	3 hr 27 min		
Export – EFC	9 min	41 min	50 min		
Export Air Cargo	1 hr 14 min	42 min	1 hr 56 min		
Motor Vehicle	Colombo	3 hr 06 min	4 hr 10 min	7 hr 16 min	
	Hambantota	5 hr 26 min	1 hr 25 min	6 hr 51 min	

Key Findings and recommendations.

SLPA grants a grace period on container demurrage for three (03) working days, from vessel berthing to the clearance of containers. It is eminent that most of the importers lodge their Customs Declaration (CusDec)s on the last day of this grace period. This leads to severe container, outward traffic on the 03rd day. It is recommended that sufficient awareness may be made for CHAs/importers to make use of the unutilized pre-declaration time, which will lead to reduce the container exit traffic on the third day of the demurrage free period. Remedial actions are being reviewed.

The following recommendations were put into action.

The DOC Centre function was abolished and amalgamated to the Import Declaration process having shifted the physical location of the office to the Long Room premises. It has been able to save approximately 1 hour and 38 ms, as a result of the removal of this redundant function.

NCT gate function was streamlined having introduced a different strategy for passage through the import containers under Departmental Order (DOPL) 1220A of 18.09.2018 and accordingly the average throughput time of an import container at the NCT gate reduced from 15 minutes to 4 minutes.

Traders are deliberately delaying the removal of cargo according to lack of space in their warehouses despite the Customs Clearance is provided and consequently such actions had adversely been impacted to the average release times. Accordingly, a decision was taken to impose a fee for the containers not removed after 1 hour once the Customs formalities are over which has been resulting in an effective reduction of excess time spent at examination yards.

The next TRS of Sri Lanka Customs which is supposed to be conducted in more comprehensive and effective manner will be a crucial tool for the future improvements in border procedures. All such endeavors will create avenues in order to form a transparent environment which will provide mutual benefits to the country through-enhanced efficiencies and effectiveness in Customs control while reducing costs-to-trade.

The TRS-2018 Report can be downloaded from the Sri Lanka Customs website:
http://www.customs.gov.lk/public/files/ppr/Time_Release_Study_Report_final.pdf

2.3.2 INITIATIVES UNDER TRADE FACILITATION BY SRI LANKA CUSTOMS DURING 2019

Implementation progress of World Trade Organizations Trade Facilitation Agreement (WTO -TFA)

History's biggest multilateral trade agreement was formalized at the Bali Ministerial Conference in 2013 and entered into force on 22nd February 2017. Sri Lanka, ratified the WTO Trade Facilitation Agreement (TFA) in May 2016. The full implementation of the TFA provisions will improve transparency, facilitate the movement, release and clearance of goods by reducing transaction time and cost, and will support enhanced dialogue between the public and private sectors. Sri Lanka has notified its implementation plan as per the three categories (15 measures under Category - A, 2 measures under Category - B and 23 measures under Category- C). Implementation progress and achievements during the year under reference are as follows.

1. Elimination of bottlenecks identified by WCO –TRS 2018 Survey (Article 7.6 - Establishment and Publication of Average Release Times)

Sri Lanka Customs conducted WCO - Time Release Study (TRS) in 2018 with the participation of key border agencies and the private sector, thus released its results in January 2019, by achieving numerous goals as required under Article 7.6 of the WTO – TFA

2. De-Minimis concessions (Article 7.8 – Expedited Shipments)

E-commerce has become a popular means of buying and selling in the international trade arena where expedited clearance and delivery of low value and small parcels is vital.

Minimized documentation requirements and expedited release of goods is a key requisite in terms of

Trade facilitation for which WTO – TFA sets forth the corresponding disciplines under Article 7:8.2 (a) and (b) – on expedited shipments.

Sri Lanka Customs has refined the subject process in fully implementing the said Article and has published the de-minimis values accordingly.

Procedure codes have been created to grant De-Minimis concessions to the personal imports (including gifts) and Trade samples. Consignments for which taxes are waved below a defined value with regard to personal items and trade samples will be considered as consignments that are eligible for de-Minimis concessions. De-Minimis concessions are stipulated in the government gazette notifications and the concessions and relevant National Procedure Codes for parcel post, courier and UPB consignments such as personal items and trade samples are available in the official website of Sri Lanka Customs. (www.customs.gov.lk).

3. Initiatives Taken for the Establishment of the Enquiry Point and SME Information Centre at Sri Lanka Customs (Article 1.3 – Enquiry Point)

Initiation of the project of Establishment of the Enquiry Point and SME Information Centre at Sri Lanka Customs was taken place at the end of 2019 in order to establish the new 24/7 Customs Enquiry Point and SME Information Centre celebrating the World Customs Day on 28th of January 2020, in-line with the national obligation to the article 1.3 of WTO-Trade Facilitation Agreement. The new Centre facilitates traders (local, foreign), importers, exporters, etc. by providing any information and documentations relating to imports, exports and transits, providing essential information and coordination for SMEs, etc.

A detailed report of the performances and special performances of each Directorate under Sri Lanka Customs can be found in Chapter 08.

CHAPTER 03 – OVERALL FINANCIAL PERFORMANCE

Year ended 31st December 2019

3.1 STATEMENT OF FINANCIAL PERFORMANCE

ACA-F

Statement of Financial Performance for the period ended 31st December 2019

Rs.

Budget (Current Year)		Note	Actual	
			Current Year	Previous Year
-	Revenue Receipts		619,458,070,988	716,277,377,520
-	Income Tax	1		
458,000,000,000	Taxes on Domestic Goods & Services	2	284,093,715,009	370,351,175,024
439,000,000,000	Taxes on International Trade	3	331,838,575,975	340,155,619,009
5,775,000,000	Non Tax Revenue & Others	4	3,525,780,004	5,770,583,488
902,775,000,000	Total Revenue Receipts (A)		619,458,070,988	716,277,377,520
-	Non-Revenue Receipts			
-	Treasury Imprests		1,445,240,000	(885,279,637,684)
-	Deposits		27,814,765,405	30,294,894,379
-	Advance Accounts - 1		74,880,599	78,517,987
-	Advance Accounts - 2		7,235,589	
-	Other Receipts		190,418,103,400	170,999,096,126
-	Total Non Revenue Receipts (B)		219,760,224,993	(683,907,129,191)
902,775,000,000	Total Revenue Receipts & Non Revenue Receipts C = (A) + (B)		839,218,295,981	32,370,248,329
	Less Expenditure			
	Recurrent Expenditure			
1,802,000,000	Wages, Salaries & Other Employment Benefits	5	1,795,330,535	1,466,843,695
962,150,000	Other Goods & Services	6	778,282,222	684,661,486
18,350,000	Subsidies, Grants and Transfers	7	18,211,362	16,447,557
	Interest Payments	8		
	Other Recurrent Expenditure	9		
2,782,500,000	Total Recurrent Expenditure (D)		2,591,824,119	2,167,952,738
	Capital Expenditure			
236,000,000	Rehabilitation & Improvements of Capital Assets	10	42,019,870	56,230,951
108,600,000	Acquisition of Capital Assets	11	48,301,258	52,791,978
	Capital Transfers	12		
	Acquisition of Financial Assets	13		
13,850,000	Capacity of Building	14	1,261,878	949,350
	Other Capital Expenditure	15		
358,450,000	Total Capital Expenditure (E)		91,583,006	109,972,279
	Main Ledger Expenditure (F)			
	Deposit Payments		25,859,735,860	29,992,512,872
	Advance Payments-1		87,463,872	107,350,545
	Advance Payments- 2		9,932,292	

3,140,950,000	Total Expenditure G = (D+E+F)	25,957,132,024 28,640,539,149	32,377,788,434
899,634,050,000	Imprest Balance as at 31st December 2019 H= (C-G)	810,577,756,832	(7,540,105)

3.2 STATEMENT OF FINANCIAL POSITION

ACA-P

Statement of Financial Position as at 31st December 2019

	Note	Actual	
		Current Year Rs	Previous Year Rs
Non-Financial Assets			
Property, Plant & Equipment	ACA-6	11,888,828,533	11,839,151,053
Financial Assets			
Advance Accounts	ACA-5/5(a)	283,637,596	268,357,620
Cash & Cash Equivalents	ACA-3	816,012	7,427
Total Assets		12,173,282,141	12,107,516,100
Non Assets / Equity			
Net Worth to Treasury		(22,888,022,459)	(22,948,272,890)
Property, Plant & Equipment Reserve		11,888,828,533	11,839,151,053
Rent and Work Advance Reserve	ACA-5(b)		
Current Liabilities			
Deposits Accounts	ACA-4	23,171,660,055	21,216,630,510
Imprest Balance	ACA-3	816,012	7,427
Total Liabilities		12,173,282,141	12,107,516,100

Detail Accounting Statements in above ACA format Nos. 1 to 6 presented in pages from 14 to 15 form an integral parts of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Financial Statements, Notes to accounts and the relevant accounts were reconciled with the Treasury Books of Accounts and found to in agreement.

.....
Chief Accounting Officer
Mr. S. R. Attygalle
Secretary to the Treasury
Date:.....

S. R. Attygalle
Secretary to the Treasury and
Secretary to the Ministry of Finance
The Secretariat
Colombo 01



.....
Accounting Officer
Rtd. Major General G. V. Ravipriya
Director General of Customs
Date: 21.06.2020
Retired Major General G. V. Ravipriya
Director General of Customs
Sri Lanka Customs

.....
Chief Financial Officer
Mr. N. J. R. Puviraj

M. J. R. PUVIRAJ
CHIEF FINANCIAL OFFICER
SRI LANKA CUSTOMS

3.3 STATEMENT OF CASH FLOWS

ACA-C

Statement of Cash Flows for the Period ended 31st December 2019

	Actual Rs.	
	Current Year	Previous Year
<u>Cash Flows from Operating Activities</u>		
Total Tax Receipts	(380,515,676)	716,277,377,520
Fees, Fines, Penalties and Licenses		
Profit		
Non-Revenue Receipts	139,845,769	170,999,096,126
Revenue collected for the Other Heads		
Imprest Received	1,695,240,000	
Total Cash generated from Operations (a)	1,454,570,093	887,276,473,646
<u>Less-Cash disbursed for:</u>		
Personal Emoluments & Operating Payments	2,588,799,789	2,165,216,031
Subsidies & Transfer Payments		
Expenditure on Other Heads		
Imprest Settlement to Treasury	250,816,012	885,279,637,683
Total Cash disbursed for Operations (b)	2,839,615,801	887,444,853,714
NET CASH FLOW FROM OPERATING ACTIVITIES (C) =(a)-(b)	(1,385,045,708)	(168,380,068)
<u>Cash Flows from Investing Activities</u>		
Interest		
Dividends		
Divestiture Proceeds & Sale of Physical Assets		
Recoveries from On Lending	80,128,968	
Recoveries from Advance	159,361	
Total Cash generated from Investing Activities (d)	80,288,330	
<u>Less-Cash disbursed for:</u>		
Purchase or Construction of Physical Assets & Acquisition of Other Investment	91,124,006	109,972,279
Advance Payments - 247011	89,945,906	
Advance Payments – 247020 (ARABA)	8,583,527	
Total Cash disbursed for Investing Activities (e)	189,653,439	109,972,279
NET CASH FLOW FROM INVESTING ACTIVITIES (F)=(d)-(e)	(109,365,109)	109,972,279)
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (g)=(c)+(f)	(1,494,410,817)	(278,352,347)
<u>Cash Flows from Financial Activities</u>		
Local Borrowings		
Foreign Borrowings		
Grants Received		
Deposits Received	4,756,791,671	
Total Cash generated from Financing Activities (h)	4,756,791,671	
<u>Less - Cash disbursed for:</u>		
Repayment of Local Borrowings		
Repayment of Foreign Borrowings		
Deposits Payments	3,262,380,854	278,606,555
Total Cash disbursed for Financial Activities (i)	3,262,380,854	278,606,555
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(h)-(i)	1,494,410,817	(278,606,555)
Net Movement in Cash (k) = (g)-(j)	0	
Opening Cash Balance as at 01 st January	0	
Closing Cash Balance as at 31 st December	0	

3.4 PERFORMANCE OF THE REVENUE COLLECTION

Rs. 000

Revenue Code	Description of the Revenue Code	Revenue Estimate		Collected Revenue	
		Original (Rs)	Final (Rs)	Amount (Rs)	as a % of Final Revenue Estimate
1001.01.00	Import Duty	140,000,000	140,000,000	98,427,379	70%
1001.02.00	Export Duty	40,000	40,000	170,443	426%
1001.04.00	Port & Airport Development Levy	115,000,000	115,000,000	112,174,180	98%
1001.05.01	Import Cess Levy	52,000,000	52,000,000	48,403,019	93%
1001.05.02	Export Cess Levy	2,000,000	2,000,000	2,299,688	115%
1001.08.00	Special Commodity Levy	90,000,000	90,000,000	70,363,866	78%
1002.05.01	Cigaretts	115,000,000	115,000,000	87,367,370	76%
1002.05.02	Liquor			58,762	
1002.05.03	Petroleum	90,000,000	90,000,000	61,740,304	69%
1002.05.04	Motor Vehicle	240,000,000	240,000,000	130,377,882	54%
1002.05.99	Other Excise	13,000,000	13,000,000	4,549,397	35%
2003.02.17	Fees on Local Sale of Garment	350,000	350,000	145,948	42%
2003.03.01	Fine & Forfeits	5,425,000	5,425,000	3,379,832	62%

* Note – Above revenue details does not include the revenue collected by the Director General of Customs on behalf of other agencies such as Inland Revenue Dept., Treasury Operation Dept., Commissioner of Motor Traffic

3.5 PERFORMANCE OF THE UTILIZATION OF ALLOCATION

Rs. 000

Type of Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
	Original	Final		
Recurrent	2,814,100	2,782,500	2,591,824	93.14%
Capital	326,850	358,450	91,583	25.54%

3.6 IN TERMS OF F.R. 208 GRANT OF ALLOCATIONS FOR EXPENDITURE

To this department as an agent of the other ministries/departments

Rs. 000

Serial No.	Allocation Received from Which Ministry/ Department	Purpose of the Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
			Original	Final		
-	-	-	-	-	-	-

3.7 PERFORMANCE OF THE REPORTING OF NON-FINANCIAL ASSETS

Rs. 000

Assets Code	Code Description	Balance as per Board of Survey Report as at 31.12.2019	Balance as per financial Position Report as at 31.12.2019	Yet to be Accounted	Reporting Progress as a %
9151	Building & Structures	Report still not completed due to the delay occurred because of COVID – 19 pandemic outbreak			
9152	Machinery & Equipment				
9153	Land				
9154	Intangible Assets				
9155	Biological Assets				
9160	Work in Progress				
9180	Lease Assets				

3.8 AUDITOR GENERAL'S REPORT

ATTACHED HEREWITH.

CHAPTER 04 - PERFORMANCE INDICATORS

4.1 PERFORMANCE INDICATORS OF THE INSTITUTE

(Based on the Action Plan)

Specific Indicators	Actual output as a percentage (%) of the expected output		
	100% - 90%	75% - 89%	50% -74%
Revenue Collection		x	
Social Protection Measures	x		
Trade Facilitation Measures	x		

CHAPTER 05 - PERFORMANCE OF THE ACHIEVING SUSTAINABLE DEVELOPMENT GOALS (SDG)

5.1 IDENTIFIED RESPECTIVE SUSTAINABLE DEVELOPMENT GOALS

Goal/ Objective	Targets	Indicators of the achievement	Progress of the Achievement to date		
			0%-49%	50%-74%	75% - 100%
Still on the process of defining sustainable development goals					

CHAPTER 06 - HUMAN RESOURCE PROFILE

6.1 CADRE MANAGEMENT

	Approved Cadre	Existing Cadre	Vacancies
Senior	329	323	06
Territory	1152	880	272
Secondary	987	788	199
Primary	505	483	22
Total	2973	2474	499

6.2 HUMAN RESOURCE DEVELOPMENT

Programme Name	Duration	No of Staff	Total Investment Rs.	Nature of the Programme	Output/Knowledge Gained
56th Standing Committee Meeting & 05 th Working Group Meeting of the Asia Pasific Trade Agreements (APTA) 02.10th Meeting of committee of Expert on Agreement of South Asian Free Trade Area (SAFTA)	15.01.19-18.01.19	2	Value needs to be taken from Finance Directorate based on the foreign leaves	Foreign	Discussed about the related subject matters representing Sri Lanka
05th Meeting of the WCO Working Group on the Comprehensive Review of the Revised Kyoto Convention	03.06.19-06.06.19	2		Foreign	Discussed about the related subject matters representing Sri Lanka
11th Meeting of the WCO Working Group on the WTO Trade Facilitation Agreement	04.03.19-05.03.19	3		Foreign	Discussed about the related subject matters representing Sri Lanka
133rd/134rd Sessions of the Customs Co-Operation Council	27.06.19-29.06.19	3		Foreign	Policy decision and continuation of development of subjects internationally related to customs
13th Meeting of the Technical Experts Group on Air Cargo Security	29.04.19-30.04.19	2		Foreign	Discussed about the related subject matters representing Sri Lanka
14th PICARD Conference	22.10.19-24.10.19	5		Foreign	Discussed about the related subject matters representing Sri Lanka
16th WCO Counterfeiting & Piracy Group Meeting	30.09.19-01.10.19	1		Foreign	Discussed about the related subject matters representing Sri Lanka
18th Session of the Intergirty Sub-Committee	11.04.19-12.04.19	2		Foreign	Policy decision and continuation of development of subjects internationally related to customs
19th Session of the WCO Integrity Sub-Committee (ISC)	20.02.20-21.02.20	1		Foreign	Policy decision and continuation of development of subjects internationally related to customs
1st Intersessional join Meeting of the Bureaus Elected by COP8 & MOPI	13.03.19-15.03.19	2		Foreign	Discussed about the related subject matters representing Sri Lanka
2019 Regional Cooperation Meeting, Container Control Programme	24.09.19-26.09.19	5		Foreign	Discussed about the related subject matters representing Sri Lanka
2019 Seminar in IT Bases Customs Statistics for Developing Countries	31.07.19-20.08.19	3		Foreign	Knowledge Acquisition
2019 Training Course on Computer Software/Hardware/Network technology for Developing Countries	27.08.19-25.09.19	1		Foreign	Career Development
20th CBCTI Seminar on Customs Capacity Enhancement for African & Asia Pacific Customs Officials	11.03.19-20.03.19	1		Foreign	Knowledge Acquisition
21st Meeting of the Revised Kyoto Convention Management Committee (RKC/MC)	18.11.19-20.11.19	1		Foreign	Discussed about the related subject matters representing Sri Lanka
21st Meeting of the SAFE Working Group	16.04.19-18.04.19	2		Foreign	Discussed about the related subject matters representing Sri Lanka

225th/226th Sessions of the Permanent Technical Committee	28.10.19-31.10.19	2	Foreign	Policy decision and continuation of development of subjects internationally related to customs
22nd Meeting of the SAFE Working Group (SWG)	23.10.19-25.10.19	2	Foreign	Discussed about the related subject matters representing Sri Lanka
26th Asian Export Control Seminar in Tokyo	26.02.19-28.02.19	1	Foreign	Knowledge Acquisition
29th WCO Asia Pacific Regional Contact Points (RCP) Meeting	18.11.19-20.11.19	2	Foreign	Discussed about the related subject matters representing Sri Lanka
2nd Country Visit-SLIDA Capacity Development Programme	01.07.19-07.07.19	1	Foreign	Career Development
33rd Forum of the United Nations Centre for Trade Facilitation & Electronic Business (UN/CEFACT)	01.04.19-05.04.19	2	Foreign	Sharing Knowledge
34th Forum of the UN Center for Trade Facilitation & Electronic Business	28.10.19-01.11.19	1	Foreign	Sharing Knowledge
38th Session of the Enforcement Committee, Operational Athena II Regional Pre-Operational Meeting	09.07.19-10.07.19	1	Foreign	Discussed about the related subject matters representing Sri Lanka
39th Session of the Enforcement Committee	21.10.19-22.10.19	2	Foreign	Policy decision and continuation of development of subjects internationally related to customs
3rd Europol Intellectual Property Crime Conference	18.06.19-19.06.19	2	Foreign	Discussed about the related subject matters representing Sri Lanka
48th Session of the Technical Committee on Customs Valuation	13.05.19-17.05.19	2	Foreign	Policy decision and continuation of development of subjects internationally related to customs
4th Meeting of the WGRKC	03.04.19-05.04.19	2	Foreign	Discussed about the related subject matters representing Sri Lanka
54th Standing Committee Meeting & 3rd Working Group Meeting of the Asia Pacific Trade Agreement	15.01.19-18.01.19	1	Foreign	Discussed about the related subject matters representing Sri Lanka
55th Standing Committee Meeting & 4th Working Group Meeting of the Asia Pacific Trade Agreement	08.05.19-10.05.19	1	Foreign	Discussed about the related subject matters representing Sri Lanka
5th Meeting of the Asia Pacific Trade Agreement Working Group on Trade Facilitation	17.09.19-19.09.19	2	Foreign	Discussed about the related subject matters representing Sri Lanka
5th of the WCO Working Group on E-Commerce	18.02.19-22.02.19	2	Foreign	Sharing Knowledge
63rd Session of the Harmonized System Committee & the Per sessional Working Party	14.03.19-29.03.19	3	Foreign	Policy decision and continuation of development of subjects internationally related to customs
64th Session of the Harmonized System Committee	18.09.19-27.09.19	3	Foreign	Policy decision and continuation of development of subjects internationally related to customs
6th Meeting of the WCO Working Group on the Comprehensive Review of the Revised Kyoto Convention	14.10.19-18.10.19	2	Foreign	Discussed about the related subject matters representing Sri Lanka
6th Regional Customs Enforcement Meeting (RCEM)	04.12.19-05.12.19	1	Foreign	Discussed about the related subject matters representing Sri Lanka
77th Meeting of the Information Management Sub-Committee (IMSC)	11.11.19-12.11.19	2	Foreign	Discussed about the related subject matters representing Sri Lanka
79th Fellowship Programme of the WCO for English Speaking Customs Officers	23.09.19-01.11.19	1	Foreign	Career Development
7th Meeting of the WCO Working Group on the Comprehensive Review of the Revised Kyoto Convention (WGRKC)	09.12.19-13.12.19	2	Foreign	Discussed about the related subject matters representing Sri Lanka
8th Meeting of the South Asian Sub- Regional Economic Cooperation Customs Sub-Group (SASEC)	31.10.19-02.11.19	3	Foreign	Discussed about the related subject matters representing Sri Lanka
9th WCO Knowledge Academy for Customs & Trade	01.07.19-06.07.19	7	Foreign	Career Development
Asia Pacific Group On Money Laundering 22nd Annual Meeting & Technical Assistance Forum	18.08.19-23.08.19	1	Foreign	Discussed about the related subject matters representing Sri Lanka
Asia Pacific Regional Training on Consumer and IPRs protection, agencies cooperation from online to offline and Product Identification Workshop	09.01.20-10.01.20	2	Foreign	Career Development
Asia Pacific Regional Workshop on Non-Instructive Inspection (NII) Equipment & Automated Treat Recognition	01.04.19-05.04.19	2	Foreign	Acquisition and sharing Knowledge related to customs

Asia Pacific Trade Facilitation Forum	17.09.19-18.09.19	2	Foreign	Knowledge Acquisition
Brainstorming Workshop on updating The Time Release Study (TRS)Software	09.09.19-10.09.19	1	Foreign	Acquisition and sharing Knowledge related to customs
Capacity Building Committee 10th Session	08.04.19-12.04.19	3	Foreign	Policy decision and continuation of development of subjects internationally related to customs
Capacity building Training on Check Point Cyber Security Administrator (CCSA)R80.10	01.04.19-03.04.19	4	Foreign	Career Development
CBCTI Experts Workshop on Customs Valuation for Asia Pacific Customs Officials	29.10.19-06.11.19	2	Foreign	Acquisition and sharing Knowledge related to customs
China Merchant C-Blue Training Programme	10.04.19-03.05.19	1	Foreign	Career Development
Committee on Trade Facilitation & Additional Workshops	14.10.19-18.10.19	3	Foreign	Acquisition and sharing Knowledge related to customs
Condensed Training Programme for ACCU & PCU Officers	09.09.19-13.09.19	19	Foreign	Career Development
Consultancy Meeting to Develops TRACE Training Materials	09.09.19-17.09.19	1	Foreign	Discussed about the related subject matters representing Sri Lanka
Consultancy Meeting to Develop TRACE Development Procedures and Performance Measurement Techniques	11.11.19-20.11.19	1	Foreign	Discussed about the related subject matters representing Sri Lanka
Consultation Workshop on the Draft Study on SASEC Maritime Cooperation	07.02.2019	1	Foreign	Acquisition and sharing Knowledge related to customs
Data Model Projects Team Meeting (DMPT)	07.10.19-11.10.19	2	Foreign	Discussed about the related subject matters representing Sri Lanka
Debriefing Seminar on "Green Earth" Coordinated by RILO-AP	30.07.19-31.07.19	1	Foreign	Knowledge Acquisition
English Language Training Program	15.02.20-09.05.20	3	Foreign	Career Development
ESCAP-ITD'S Regional Workshop on Trade Facilitation for Sustainable Development	23.09.19-26.09.19	2	Foreign	Acquisition and sharing Knowledge related to customs
Fifth Meeting of the Interim Intergovernmental Steering Group on Cross Border Paperless Trade Facilitation	12.03.19-13.03.19	3	Foreign	Discussed about the related subject matters representing Sri Lanka
First Meeting of Advanced Passenger Information	03.10.19-04.10.19	1	Foreign	Discussed about the related subject matters representing Sri Lanka
First WCO IT/TI Conference & Exhibition	12.06.19-14.06.19	6	Foreign	Discussed about the related subject matters representing Sri Lanka
Global Congress on Chemical Security & Emerging Threats	28.10.19-31.10.19	1	Foreign	Knowledge Acquisition
Global Experience Sharing Workshop on inward and outward processing procedures	22.05.19-24.05.19	1	Foreign	Acquisition and sharing Knowledge related to customs
IATA Awareness Workshop	20.03.19-22.03.19	2	Foreign	Knowledge Acquisition
INTA Regional Workshop on Ant counterfeiting Enforcement & Collaboration	23.04.2019	1	Foreign	Acquisition and sharing Knowledge related to customs
International Course for Senior Officers of Customs on Commercial Fraud	19.08.19-30.08.19	1	Foreign	Career Development
International Education Programme for MBA CIT Students	23.09.19-25.09.25	25	Foreign	Career Development
International Programme on Strategic Management	17.03.19-24.03.19	1	Foreign	Career Development
International Workshop On Nuclear Security Measures & Emergencies Response Arrangement for Ports	11.11.19-15.11.19	2	Foreign	Acquisition and sharing Knowledge related to customs
Intersessional and Plenary Meeting of the Kimberley Process in 2019	11.11.19-15.11.19	1	Foreign	Discussed about the related subject matters representing Sri Lanka
Invitation to Debriefing of Operation Mekong Dragon	06.08.19-07.06.19	1	Foreign	Sharing Knowledge
ITEC Scholarship Scheme - Specialized Training on Emerging Issues in WTO and International Trade	13.01.20-22.01.20	1	Foreign	Career Development
Joint WCO/OECD Workshop on Customs Valuation & Transfer Pricing	04.03.19-08.03.19	2	Foreign	Acquisition and sharing Knowledge related to customs
LIONFISH Global Operation Debriefing & Pre-Operational Meeting	27.05.19-29.05.19	1	Foreign	Discussed about the related subject matters representing Sri Lanka
Meeting on WTO Trade Facilitation Agreement & Implementation of the WTO Customs Valuation Agreement	12.02.19-14.02.19	2	Foreign	Discussed about the related subject matters representing Sri Lanka
National Workshop for Samoa Customs on Time Release Study (TRS)	04.11.19-08.11.19	1	Foreign	Acquisition and sharing Knowledge related to customs
National workshop on Time Release Study	29.04.19-03.05.19	1	Foreign	Acquisition and sharing Knowledge related to customs
Nineteenth Meeting of the BIMSTEC Working Group on Rules of Origin	21.01.19.22.01.19	1	Foreign	Discussed about the related subject matters representing Sri Lanka

NSDD Table top Review of New Operator Training Course Materials	15.07.19-19.07.19	1	Foreign	Career Development
OPCW Training of Trainers Course for Representatives of the Customs Training Institutions	16.07.19-19.07.19	1	Foreign	Career Development
Operation Pangea XI Debrief	12.03.19-14.03.19	1	Foreign	Sharing Knowledge
Operational Coordinating Unit for Operation Mekong Dragon Asia Pacific	10.06.19-12.06.19	1	Foreign	Sharing Knowledge
Operational Coordinating Unit of Operation Green Earth	25.03.19-29.03.19	1	Foreign	Sharing Knowledge
Pre-Operational Meeting for Operation ICE BREAK	30.10.19-01.11.19	2	Foreign	Discussed about the related subject matters representing Sri Lanka
Regional Workshop on the Accreditation of Technical & Operational Advisers on Intellectual Property Rights For the Asia Pacific Region	27.05.19-31.05.19	1	Foreign	Acquisition and sharing Knowledge related to customs
SAFE SUB-Groups for the 2021 SAFE Review Cycle	10.09.19-13.09.19	2	Foreign	Sharing Knowledge
SASEC Maritime Cooperation Study – Inception Workshop on Port Greening & Port Community System	02.12.19-03.12.19	1	Foreign	Acquisition and sharing Knowledge related to customs
SASEC Nodal Officials & working Groups Meeting	18.03.19-19.03.19	1	Foreign	Discussed about the related subject matters r representing Sri Lanka
SASEC Wrap-Up Workshop on Capacity Building for Implementation of the WTO Trade Facilitation Agreement	16.10.19-17.10.19	2	Foreign	Acquisition and sharing Knowledge related to customs
second Meeting of the BMISTEC Working Group on Trade Facilitation	29.09.19-30.09.19	1	Foreign	Discussed about the related subject matters representing Sri Lanka
Seminar on Customs Trade Facilitation for Developing Countries	22.10.19-11.11.19	4	Foreign	Knowledge Acquisition
Seminar on Model E-Ports & trade Facilitation Capacity Building	08.09.19-21.09.19	4	Foreign	Knowledge Acquisition
Seminar on Practical Chinese for BRI Countries	06.11.19-05.12.19	4	Foreign	Knowledge Acquisition
Site Visit to Free trade Zones	14.10.19-21.10.19	2	Foreign	Sharing Knowledge
Sixth Meeting of the TECHNICAL Experts Group on Non - Intrusive Inspection (TEG-NIT)	13.11.19-14.11.19	1	Foreign	Discussed about the related subject matters representing Sri Lanka
sixth Meeting of the working Group on revenue Compliance & Fraud	21.11.19-22.11.19	2	Foreign	Discussed about the related subject matters representing Sri Lanka
Sub Regional Training(Train & trainers) Programme Global Shield Session	19.08.19-22.08.19	1	Foreign	Policy decision and continuation of development of subjects internationally related to customs
Sub Regional Workshop for Risk Management Trainers	04.11.19-08.11.19	3	Foreign	Acquisition and sharing Knowledge related to customs
Talks on the strategy for Operation Mekong Dragon Asia Pacific	24.04.19-26.04.19	1	Foreign	Sharing Knowledge
Technical meeting on EAA & EMT for Nuclear Security Detection System	28.10.19-01.11.19	1	Foreign	Discussed about the related subject matters representing Sri Lanka
Technical Meeting on the Management of Training on Nuclear Security by Training Organizations	09.10.19-11.10.19	2	Foreign	Discussed about the related subject matters representing Sri Lanka
The 31st Administrative Meeting for National Contact Points of RILO AP	13.11.19-15.11.19	1	Foreign	Discussed about the related subject matters representing Sri Lanka
Third Meeting of RKCWG	06.02.19-08.02.19	2	Foreign	Discussed about the related subject matters representing Sri Lanka
Training Programme on Human Resources Management in ZUEL ,China for Senior Government Officers	20.03.19-29.03.19	1	Foreign	Career Development
Training Programme on Trade Facilitation	27.01.20-07.02.20	1	Foreign	Career Development
Vessel Rummage Training	09.09.19-27.09.19	6	Foreign	Career Development
Vocational Chinese Language Training for Sri Lanka Law - Enforcement Officers	Late Oct-Late Nove	3	Foreign	Career Development
WCO AP Regional Accreditation Workshop For Experts on TRS	11.03.19-15.03.19	1	Foreign	Acquisition and sharing Knowledge related to customs
WCO Asia /Pacific Regional Heads of Customs Administration Conference	07.05.19-10.05.19	2	Foreign	Discussed about the related subject matters representing Sri Lanka
WCO Asia Pacific High Level Regional Seminar on Data Analytics for Customs	25.02.19-28.02.19	2	Foreign	Knowledge Acquisition
WCO Asia Pacific Security Conference	28.05.19-30.05.19	2	Foreign	Discussed about the related subject matters representing Sri Lanka
WCO Asia/Pacific Regional Workshop on Raising Awareness on the Development of Regional Cooperation and Strategy in the context of Authorized Economic Operators (AEO)	16.12.19-19.12.19	2	Foreign	Acquisition and sharing Knowledge related to customs

WCO Global Meeting of Integrity Experts	16.11.19-19.11.19	1		Foreign	Discussed about the related subject matters representing Sri Lanka
WCO INAMA Project Accreditation Workshop	26.08.19-30.08.19	1		Foreign	Acquisition and sharing Knowledge related to customs
WCO INAMA Project Mission	29.07.19-01.08.19	1		Foreign	Sharing Knowledge
WCO INAMA Project Regional Workshop	20.05.19-29.05.19	2		Foreign	Acquisition and sharing Knowledge related to customs
WCO Inter-Regional Workshop on Special Customs Zones /Free Zones	15.05.19-17.05.19	2		Foreign	Acquisition and sharing Knowledge related to customs
WCO nCEN Training Program for Fiji Revenue and Customs Service	02.12.19-06.11.19	1		Foreign	Career Development
WCO Pro-Operational Meeting for PGS Operation	16.10.19-18.10.19	2		Foreign	Discussed about the related subject matters representing Sri Lanka
WCO Working Group On Performance Measurement (WGPM)	14.11.19-15.11.19	2		Foreign	Sharing Knowledge
Workshop for Asia Sub regional Economic Cooperation (SASEC) Customs Administration on Trade Facilitation Measure – Customs Cooperation	17.12.19-18.12.19	2		Foreign	Acquisition and sharing Knowledge related to customs
Workshop for Customs SASEC Customs Administrations on Customs Valuation & database Systems NACIN	11.06.19-12.06.19	3		Foreign	Acquisition and sharing Knowledge related to customs
Workshop on Coordinated Border Management Against Transnational Organized Crimes	13.08.19-15.08.19	1		Foreign	Acquisition and sharing Knowledge related to customs
Workshop on Economics of Tobacco Control & Tax Modelling	11.11.19-15.11.19	1		Foreign	Acquisition and sharing Knowledge related to customs
Workshop On Global Shield Programme for Customs in Middle East & near Africa Region	24.03.19-28.03.19	1		Foreign	Acquisition and sharing Knowledge related to customs
Workshop on Trade in Counterfeit Food ,Beverages & Fast Moving Consumer Goods	02.04.19-05.04.19	1		Foreign	Acquisition and sharing Knowledge related to customs
Awareness program for APOo, Icc & CG	5 days (6.05.2019-10.05.2019)	40	48,000	Local	Awareness on Customs Procedure
	6 days (26.02.2019-06.03.2019)	24	34,200	Local	Awareness on Customs Procedure
Training program on Economic, Social & Technical environment pertaining to GCEC ventures	1 day (30.01.2019)	1	1,800	Local	Knowledge Development
Implementation on National Customs Enforcement Network in Sri Lanka Customs	4 days (13.02.2019-22.02.2019)	27	22,100	Local	Knowledge enhancement
Mindfulness meditation event for Sri Lanka Customs	1 day (17.03.2019)	50	23,750	Local	Soft skill development
UNODC training on anti-money laundering for Sri Lanka Customs	2 days (27.03.2019-28.03.2019)	38	No expense	Local	Knowledge Development
Train the trainer and front line officer training- radiation and nuclear detection	9 days (25.03.2019-4.04.2019)	31	181,315	Local	Knowledge Development
Product training program by Sudath Perera Association	1 day (11.04.2019)	40	No expense	Local	Knowledge Development
EXBS Training programs (curriculum review/development program)	4 days (27.05.2019-30.05.2019)	14	52,660	Local	Knowledge Development
Awareness program on Narcotics for appraisers and ACOo	4 days (26.06.2019-01.07.2019)	88	10,640	Local	Awareness on Customs Procedure
Awareness program for ACOo	4 days (02.04.2019-05.04.2019)	120	16,800	Local	Awareness on Customs Procedure
Awareness program by Department of Commerce on FTAs and PTAs	1 day (23.05.2019)	24	6,000	Local	Awareness on Customs Procedure
Training program for Rapiscan Systems	3 weeks (22.07.2019-09.08.2019)	50	No expense	Local	Knowledge Development
Induction training for newly recruited ASCc-2019	17 days (20.06.2019-12.07.2019)	129	545,490	Local	Knowledge Development
Weapons of Mass Destruction (WMD) EXBS Program	5 days (22.07.2019-26.07.2019)	30	No expense	Local	Capacity development and knowledge enhancement
Workshop for implementing post clearance audit in Sri Lanka	2 days (19.06.2019-20.06.2019)	40	No expense	Local	Career Development

Awareness program for newly transferred ACO (July-2019)	1 day (09.07.2019)	23	3,360	Local	Awareness on Customs Procedure
Awareness program for APO (July-2019)	3 days (10.07.2019-12.07.2019)	29	21,600	Local	Awareness on Customs Procedure
Field visit & sharing session for national productivity program	1 day (01.08.2019)	4	5,240	Local	Capacity development and knowledge enhancement
Interdiction of proliferation related shipments- Airports (EXBS program)	5 days (19.08.2019-23.08.2019)	22	No expense	Local	Capacity development and knowledge enhancement
Interdiction of proliferation related shipments- Seaports (EXBS program)	4 days (26.08.2019-29.08.2019)	20	No expense	Local	Capacity development and knowledge enhancement
Capacity building program for DDCc	3 days (27.08.2019-29.08.2019)	31	77,175	Local	Capacity development and knowledge enhancement
Training program for ICC Preventive directorate	3 days (26.08.2019-28.08.2019)	127	40,600	Local	Knowledge Development
Induction training for newly recruited ICc-2019	9 days (02.09.2019-12.09.2019)	135	338,850	Local	Knowledge Development
International Dual-use Investigations (IDUI)	5 days (18.11.2019-22.11.2019)	12	No expense	Local	Knowledge enhancement
Product training program for Customs officers (Sudath Perera Associates)	1 day (04.09.2019)	40	No expense	Local	Knowledge Development
Facilitating risk management workshops RMU	4 days (17.09.2019-25.09.2019)	42	51,720	Local	Career Development
Awareness programme on uniform etiquette for Sri Lanka Customs staff	2 days (23.09.2019 & 25.09.2019)	986	123,309	Local	Awareness on Customs Procedure
Brand identification workshop for Sri Lanka Customs officers - The Legist - Sri Lanka	1 day (10.10.2019)	50	No expense	Local	Career Development
EB examination lectures for Icc	2 days (26.09.2019 & 27.09.2019)	55	7,700	Local	Improving knowledge of government procedures
Risk management workshop	5 days (30.09.2019-04.10.2019)	80	70,347	Local	Career Development
Risk management Presentation session	2 days (08.10.2019-09.10.2019)	40	28,000	Local	Knowledge enhancement
Seminar on illegal imports of Ozone depleting substances	1 day (29.10.2019)	42	No expense	Local	Knowledge enhancement
IWT and CITES training	2 days (14.11.2019-15.11.2019)	53	15,470	Local	Knowledge Development
Operation IMPEDE training program	1 day (25.11.2019)	34	5,040	Local	Knowledge Development
Vessel Rummaging training for APOo	3 days (16.12.2019-18.12.2019)	45	16,800	Local	Knowledge Development
Awareness program for ACOo	4 days (06.01.2020-09.01.2020)	59	22,400	Local	Awareness on Customs Procedure
Awareness program for APOo 2020	4 days (30.12.2019-02.01.2020)	100	33,600	Local	Awareness on Customs Procedure
Diploma in Gemology	Weekly, all year long	37	1,492,100	Local	Knowledge enhancement
Sri Lanka Navy related training programs	1 day (07.11.2019)	28	3,920	Local	Knowledge Development
Regional chemical, biological, radiological, nuclear & explosive commodities identification training	4 days (08.04.2019-11.04.2019)	9	No expense	Local	Knowledge Development
Lesson for the British public sector to improve our public sector performance	1 day (21.02.2019)	3	No expense	Local	Knowledge enhancement
Digital forensic investigation workshop	2 days (18.03.2019-19.03.2019)	14	856,800	Local	Career Development
I. Leave for foreign training and particulars on allowances	1 day (09.09.2019)	2	10,000	Local	Knowledge Development
II. Workshop on Telephone skills and etiquette	2 days (21.11.2019-22.11.2019)	1	8,500	Local	Career Development

Sri Lanka women in executive leadership development program site visit	5 days (11.03.2019-15.03.2019)	4	45,300	Local	Capacity development and knowledge enhancement
<u>Training Programs by Miloda Academy of Finance -</u>		-		Local	Knowledge Development
I. Program on formal writing skills	3 days (25.02.2019-27.02.2019)	1	18,000	Local	Capacity development and knowledge enhancement
II. Certificate in conversational Tamil (CCT)	08.02.2019 - 03.05.2019	1	26,500	Local	Language proficiency of Tamil
Training programs by Distance Learning Centre - Training program on Advanced Functions of MS- excel	4 days (28.03.2019 - 03.04.2019)	38	427,500	Local	Knowledge Development
Chinese Language training	10 days (03.12.2019-14.01.2020)	30	44,120	Local	Improve Chinese language proficiency
Safe and secure use of radiation sources in industry and research	5 days (05.08.2019-09.08.2019)	3	37,500	Local	Knowledge enhancement
Awareness program on citizen focus by NHRD	1 day (22.07.2019)	1	No expense	Local	Awareness on Customs Procedure
2nd Asia Pacific nCEN program leaders meeting - Colombo Sri Lanka	cancelled			Local	Capacity development and knowledge enhancement
54th Asian Development Bank annual meeting in Sri Lanka in 2021	to be held			Local	Sharing Knowledge
Implementation of the national biosafety framework in accordance with Cartagena protocol in biosafety	1 day (31.07.2019)	1	-	Local	Knowledge enhancement
Financial regulations and government procurement procedures by Sri Lanka Foundation	1 day (23.08.2019)	3	10,800	Local	Knowledge enhancement
Workshop of SLC and WTO Agreement on Trade Facilitation (TFA) Implementation	4 days (19.08.2019-21.08.2019)	5	No expense	Local	Career Development
Providing lecture assistants- State Ministry of Defense	1 day (07.10.2019)		No expense	Local	Knowledge enhancement
Training courses on QA/QC of nuclear instruments/counting systems- Sri Anatomic Energy Board	3 days (29.10.2019-31.10.2019)	5	70,725	Local	Knowledge Development
Public-Private dialogues on Trade & Business opportunities, 2nd event in Kandy	1 day (23.08.2019)	1	No expense	Local	Soft skill development
Product training program for Customs Officers SNB- REACT	1 day (20.09.2019)	39	No expense	Local	Knowledge Development
5th nCEN training program	6 days (23.09.2019-07.10.2019)	94	43,960	Local	Knowledge Development
Awareness program on creating synergies for the greater conservation of reptiles	2 days (21.10.2019-22.10.2019)	5	No expense	Local	Awareness on Customs Procedure
Introducing equipment to check the quality of bee honey	1 day (09.10.2019)	2	2,000	Local	Knowledge enhancement
Improvised explosive device threat and awareness course - US Embassy	to be held	11	No expense	Local	Awareness on Customs Procedure
Workshop on inspection & monitoring of LMO/GMO	3 days (29.10.2019-31.10.2019)	45	No expense	Local	Career Development

CHAPTER 07 - COMPLIANCE REPORT

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid to non-compliance in future
1	The following financial statements/Accounts have been submitted on due date			
1.1	Annual financial statements	Complied		
1.2	Advance to public officers account	Complied		
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)	Complied		
1.4	Stores Advance Accounts	Complied		
1.5	Special Advance Accounts	Complied		
1.6	Others	Complied		
2	Maintenance of books and registers (FR445)			
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018		Not Complied	Started in 2020
2.2	Personal emoluments register/personal emoluments cards has been maintained and update	Complied		
2.3	Register of Audit queries has been maintained and update	Complied		
2.4	Register of Internal Audit Reports has been maintained and update	Complied		
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date	Complied		
2.6	Register for cheques and money orders has been maintained and update	Complied		
2.7	Inventory Register has been maintained and update	Complied		
2.8	Stocks Register has been maintained and update	Complied		
2.9	Register of Losses has been maintained and update	Complied		
2.10	Commitment Register has been maintained and update	Complied		
2.11	Register of Counterfoil Books (GA-N20) has been maintained and update	Complied		
3	Delegation of functions for financial control (FR 135)			
3.1	The financial authority has been delegated within the Institute	Complied		
3.2	The delegation of financial authority has been communicated within the Institute	Complied		
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers	Complied		
3.4	The controls has been adhered to by the Accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package	Complied		
4	Preparation of Annual Plant			
4.1	The annual action plan has been prepared	Complied		
4.2	The annual procurement plan has been prepared	Complied		
4.3	The annual Internal Audit plan has been prepared	Complied		
4.4	The annual estimate has been prepared and submitted to the NBD on due date	Complied		
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time	Complied		
5	Audit Queries			

5.1	All the audit queries has been replied within the specified time by the Auditor General	Complied		
6	Internal Audit			
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2) DMA/1-2019	Complied		
6.2	All the internal audit reports has been replied within one month		Not Complied	
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No. 19 of 2018	Complied		
6.4	All the copies of internal audit reports has been submitted to the Auditor General in terms of Financial Regulation 134(3)	Complied		
7	Audit and Management Committee			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular 1-2019	Complied		
8	Asset Management			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017		Not Complied	
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular		Not Complied	Will be nominated
8.3	The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016	Complied in 2018		Finalized in 2018 within the time period and 2019 report is underway
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period of specified in the circular	Complied		
8.5	The disposal for condemn articles had been carried out in terms of FR 772.	Complied		
9	Vehicle Management			
9.1	The duly running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date		Not Complied	
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning		Not Complied	
9.3	The vehicle logbooks had been maintained and updated	Complied		
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident	Complied		
9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016		Not Complied	
9.6	The absolute ownership of the leased vehicle log books has been transferred after the lease term		Not Complied	Started in 2020
10	Management of Bank Accounts			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date		Complied	Delay due to Software problems
10.2	The dormant accounts that had existed in the year under review or since previous years settled	Complied		

10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month	Complied		
11	Utilization of Provisions			
11.1	The provisions allocated had been spent without exceeding the limit	Complied		
11.2	The liabilities not exceeding the provisions that remained at the end of the years as per the FR 94(1)			
12	Advances to Public Officers Account			
12.1	The limits had been complied with	Complied		
12.2	A time analysis had been carried out on the loans in arrears	Complied		
12.3	The loan balances in arrears for over one year had been settle		Not Complied	
13	General Deposit Account			
13.1	The action had been taken as per F.R. 571 in relation to disposal of lapsed deposits	Complied		
13.2	The control register for general deposits had been updated and maintained		Not Complied	
14	Imprest Account			
14.1	The balance in the cash book at the end of the year under review remitted to TOD	Complied		
14.2	The ad-hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task	Complied		
14.3	The ad-hoc sub imprests had been issued exceeding the limit approved as per F.R. 371	Complied		
14.4	The balance of the impreset account had been reconciled with the Treasury books monthly	Complied		
15	Revenue Account			
15.1	The refunds from the revenue had been made in terms of the regulations	Complied		
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	Complied		
15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176	Complied		
16	Human Resource Management			
16.1	The staff had been paid within the approved cadre	Complied		
16.2	All members of the staff have been issued a duty list in writing	Complied		
16.3	All reports have been submitted to MSD in terms of their circular no. 04/2017 dated 20.09.2017	Complied		
17	Provisions of information to the public			
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right to Information Act and Regulation	Complied		
17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate / allegation to public against the public authority by this website or alternative measures	Complied		
17.3	Bi-Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act	Complied		

18	Implementing citizens charter			
18.1	A citizens charter / Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018 (1) of Ministry of Public Administration and Management		Not Complied	In the process of preparing a citizen charter
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular		Not Complied	In the process
19	Preparation of the Human Resource Plan			
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No. 02/2018 dated 24.01.2018		Not Complied	In the process of aligning current human resource plan with the said Circular
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan		Not Complied	
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	Complied		
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No. 6.5 of the aforesaid Circular		Not Complied	In the process of aligning current human resource plan with the said Circular
20	Responses Audit Paras			
20.1	The shortcomings pointed out in the audit paragraph issued by the Auditor General for the previous years have been rectified.		Not Complied	Under Review

CHAPTER 08 – PERFORMANCE OF THE DIRECTORATES

8.1 ENFORCEMENT CLUSTER

8.1.1 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 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.

Summary of the Detections and cases conducted by the Preventive Directorate in the year 2019

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

DETECTIONS		
1.1	Cases initiated/ detected by the staff	301
1.2	Cases produced by other agencies	71
1.3	Total No. of Cases Registered (1.1 + 1.2)	372
1.4	No. of Cases finalized	
	1.4.1 <i>Cases finalized with no customs offences</i>	43
	1.4.2 <i>Cases handed over to other units/branches</i>	1
	1.1.4.3 <i>Cases released to proceed under normal channel</i>	-
	1.4.4 <i>Taken delivery prior to detain</i>	-
	1.4.5 Cases finalized successfully	-
	1.4.5.1 <i>Cases finalized with penalties/ forfeitures/ AE</i>	18
	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>	1
	(A) Total No. of Cases finalized (sum 1.4.1 to 1.4.5.3)	63
1.5	Cases pending finalization	
	1.5.1 <i>Cases where customs inquiry not finalized</i>	127
	1.5.2 <i>Cases where investigation not finalized</i>	98
	1.5.3 <i>Cases where appeals are pending for mitigation</i>	-
	1.5.4 <i>Cases where notices of action are submitted</i>	1
	(B) Total No. of Cases pending finalization (sum 1.5.1 to 1.5.4)	232

RECOVERIES (in Rupees)		
2.1	Value of goods forfeited	123,708,141
2.2	Penalties/ forfeitures to be recovered at the beginning of the Year	433,169,186
2.3	Penalties/ forfeitures imposed during the Year	114,727,217
2.4	Penalties forfeitures recovered during the Year	196,281,973
2.5	Penalties/ forfeitures to be recovered at the end of the Year	464,854,432
2.6	A/E recovered at the Valuation Division	6,942,822

8.1.2 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.

8.1.2.1 NARCOTIC CONTROL DIVISION

Vision

Our vision is to be a leading and dynamic law enforcement agency in preventing trafficking of Narcotic drugs and Psychotropic substances in to the country and monitoring importation of narcotic precursor chemicals and their illicit usage.

Mission

1. Prevent, combat abuse of and illicit traffic in Narcotic drugs and Psychotropic substances.
2. Work in co-operation with other government statutory and non-government authorities and agencies to enforce relevant drug laws.
3. To ensure implementation of national obligations under various International conventions in respect of illicit trafficking of drugs and psychotropic substances.
4. To work in co-operation with relevant foreign authorities and international organizations.
5. Training of staff to assess and analyze existing and emerging challenges.
6. Conducting awareness programs to make the society knowledgeable on abuse of Narcotic drugs.

Laws & Regulations

1. Customs Ordinance No. 17 of 1869
2. Poisons, Opium and Dangerous Drugs Ordinance No. 17 of 1929 which Amended as Act No. 13 1984
3. Cosmetics, Devices, and Drugs Act No. 27 of 1980
4. Conventions against Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act No 1 of 2008
5. Precursor Control Authority Regulations, Gazette Extraordinary 1653/7 May 10th 2010
6. Tobacco Tax Act No. 8 of 1999
7. Tobacco Tat Act Regulations, Gazette Extraordinary 1610/28 17th July 2009
8. Penal Code Act, NO. 22 of 1993
9. Excise Act, No. 26 of 2018

Major Functions

1. 24 hours surveillance at Bandaranayake International Airport and Jaffna International Airport.
2. Passenger monitoring and tracking through CCTV surveillance at BIA.
3. Identification and interception of passengers based on risk profiles considering the routes, origin, travel pattern and behavioral patterns etc.
4. Random Surveillance at Air Cargo, Sea Cargo, Mail and Courier etc.
5. Routine visits and monitoring at Central Mail Exchange.
6. Random detention of parcels which are arriving from drug source countries using risk profiles at Central Mail Exchange.
7. Identification and prevention of smuggling Narcotic drugs and psychotropic substances through the commercial imports and exports by Air and Sea.
8. Performing investigations on reliable information.
9. Conducting awareness and training programs, in-house as well as for general public and also for the government officials of the Divisional Secretarial areas.
10. Monitoring precursor chemical Imports, Transshipments and Exports.
11. Carrying out joint operations with other operational agencies such as PNB etc.

Detections of Narcotic Control Unit during the last 5 years (2015-2019)

Type of Narcotics Substances	2015 (kg)	2016 (kg)	2017 (kg)	2018 (kg)	2019 (kg)	Total
Cocaine	5.58	1232.04	-	2.38	8.94	1248.94
Hashish	2.98	-	0.08	15.74	3.05	21.85
Methamphetamine	-	0.52	-	1.61	16.87	19
Cannabis	0.01	5.41	1.42	8.83	3.96	19.63
Heroin	6.14	8.83	8.86	1.83	-	25.66
Khat	-	-	32.00	199.64	73.50	305.14
Diazepam	-	-	-	19.76	-	19.76
Total	14.71	1246.8	42.36	249.79	106.32	1659.98

This year, total number of 33 cases was reported and a total quantity of 106.32 Kgs of Narcotics substances was seized. *India, Brazil and Ethiopia* were identified as the countries with the highest number of seizures in 2019.

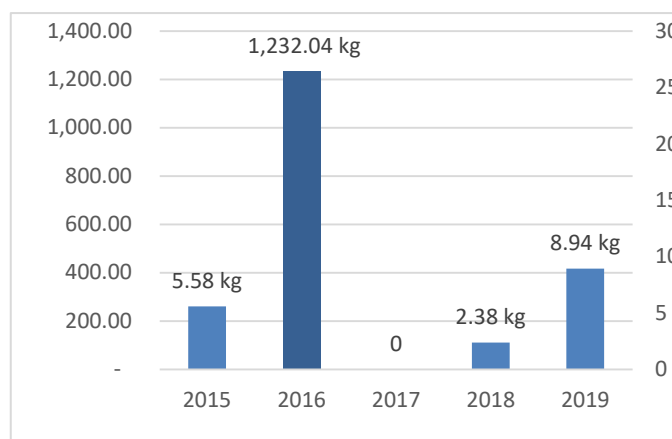
Within the last five years (2015 to 2019) 1659.98Kgs of Narcotics substances were seized. It includes Cocaine, Heroin, Methamphetamine, Cannabis, Hashish, Khat and Diazepam.

Narcotic substance wise visualization of the Detections from 2015 -2019

Cocaine

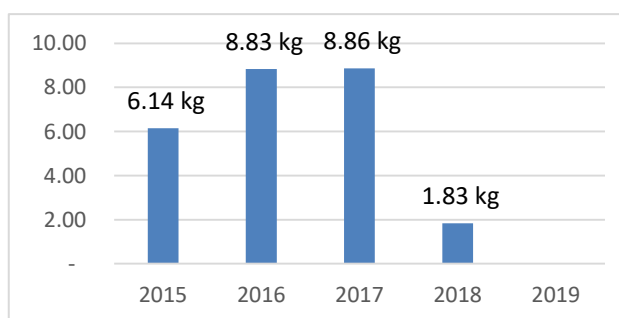
In 2019, 04 seizures were conducted with the quantity of 8.94Kgs of cocaine. The suspects were arrived from Gini Bissau, Bolivia, India and Brazil.

The reason for sudden increase of quantity of Cocaine detected in 2016 is identified as that large quantity of cocaine had been tried to smuggle through transshipping ports using rip-on rip-off smuggling methodology; however, the smugglers had failed to rip off the concealment from transshipping ports. Therefore, Sri Lanka Customs was able to seize them.



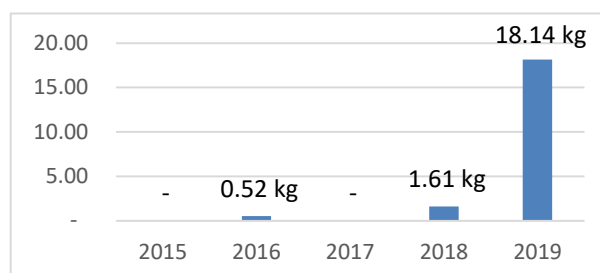
Heroin

In 2019, no heroin seizures were reported.



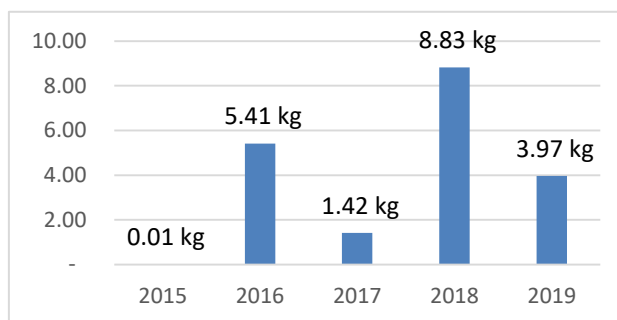
Methamphetamine

In 2019, 09 number of Methamphetamine tablet seizures and 07 number of Crystal Methamphetamine seizures were reported, with the total of 16 cases and quantity of 19.00Kgs. The origins of the substances were from Netherland, India, France, Cameroon, Portugal and Belgium.



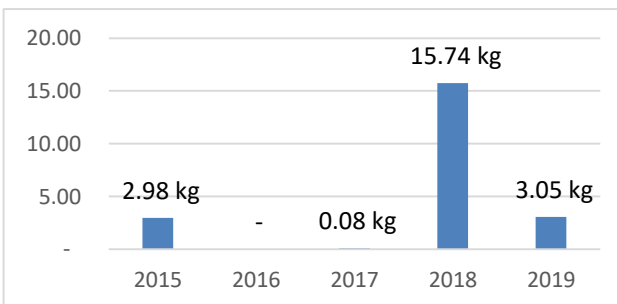
Cannabis

In 2019, 04 number of cases of Cannabis were reported with a quantity of 3.96 Kgs.



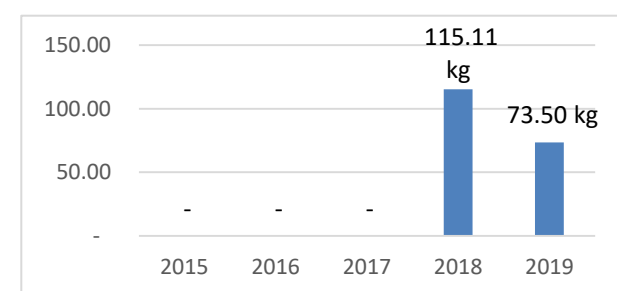
Hashish

In 2019, only 03 seizure of Hashish was reported and the quantity was 3.05 Kgs. It was originated from Italy.



Khat

In 2019, 06 seizures of Khat were reported with a quantity of 73.5 Kgs. The seizures were originated from Ethiopia.



Detecting places wise visualization of the Detections from 2015 -2019

Detecting place	2019 (kg)	2018 (kg)	2017 (kg)	2016 (kg)	2015 (kg)	Total (kg)
BIA	18.06	18.77	8.86	18.1	11.34	75.13
PA	83.76	222.8	33.5	0.52	0.01	340.59
DHL	2.44	-	-	-	-	2.44
UPS	2.05	-	-	-	-	2.05
Preventive	0.01	-	-	-	-	0.01
Air Cargo	-	8.22	-	-	-	8.22
RCT	-	-	-	1228.18	-	1228.18
CCE	-	-	-	-	2.98	2.98
MIDCO	-	-	-	-	0.38	0.38
Total (kg)	106.32	249.79	42.36	1246.8	14.71	1659.98

Special Operations carried out

Operation Ice Break

Operation Ice Break is an International operation which focuses on *Methamphetamine* trafficking from the Golden Triangle and North America including Mexico, aims to evoke proactive responses against drug trafficking and to disrupt the supply chain of illicit drugs by collaborated efforts.

International Organization	:	RILO AP
Duration	:	02 nd of December 2019 – 27 th of December 2019
Targeted Locations	:	Air Cargo, Colombo Cargo, DHL, UPS Central Mail Exchange and UPB Ware Houses

Operation Trance

The INCB Global Projects ION and OPIOIDS developed intelligence derived from IONICS communications associated with suspicious shipments or seizures of *Ketamine* and *Tramadol* to assist with targeting efforts under Operation Trance.

International Organization	:	INCB
Duration	:	02 nd of December 2019 – 22 nd of December 2019
Targeted Locations	:	Air Cargo, Colombo Cargo, DHL, UPS Central Mail Exchange and UPB Ware Houses

8.1.2.2 BIODIVERSITY, CULTURAL & NATIONAL HERITAGE PROTECTION DIVISION

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 have 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 regarded 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.**

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) Division** 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.

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 Tortoise

On 18th of May 2019, 2 Numbers of Tortoise were smuggled out from Sri Lanka in a passenger baggage was intercepted by the Assistant Superintendent (BCNP) at the departure a violation of Customs Ordinance (Chapter 235) read with Fauna and Flora Protection Ordinance.



Detections of Precious endemic wood -Wallapatta (Gyrinops walla)

Two significant cases of Wallapatta (*Gyrinops walla*) were detected at BIA Departure Passenger terminal on 05th of September 2019 and 24th of September 2019 while being attempted to smuggle out to Dubai by Sri Lankan nationals. As a summary 148.27 kg of Wallapatta chips, 722.92g of Wallapatta oil and two attempts of exporting these were stopped and the goods were forfeited at the BIA departure. 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 Live plants of Anthurium

On 05th September of 2019 a Sri Lankan passenger, who had arrived from Bangkok, Thailand, was intercepted for attempting to take in Live Anthurium plants without declaring without a valid permit and health certificates. The consignment was valued Rs 500,000. The consignment was handed over to Plant Quarantine to destroy.



Detection of Live fish species

On 18th October of 2019 a Sri Lankan passenger, who had arrived from Singapore, was apprehended for attempting to take Live Fish without declaring in to the country without a valid permit and health certificates. The consignment was valued Rs 1,800,000 . The consignment was re-exported back to the country of origin.



Detections of Kothala Himbutu (*Salacia reticulata*)

Total of 167 number of *Salacia reticulata* mugs were forfeited at BIA Departure Passenger terminal on in the year of 2019. Many of them were stopped while being attempted to smuggle out to China by Chinese Nationals. 17kg on 19.05.2019, 10kg on 24.01.2019, 4kg on 09.03.2019, and 2kg on 06.06.2019 and 05.08.2019 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 producer 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.



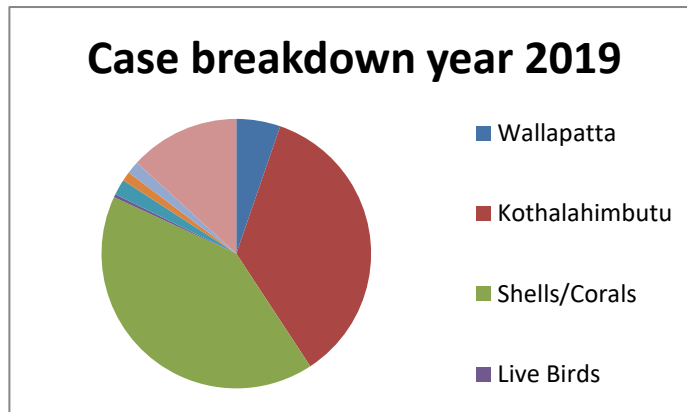
Detection of Live Birds

On 24th January 2019, 57 Numbers of Live Birds were detected by the officers at BIA while attempted to smuggle in to Sri Lanka from Bangkok without valid permits and health certificates. Penalties were imposed on the smuggler and live birds were re-exported to Bangkok, Thailand.

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



Cases Analysis of the year 2019



8.1.2.3 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 and standards of imported cargo against the existing regulations and standards of the country. Consumer and Environmental Protection Unit is the focal point of SL Customs for Intellectual Property Rights (IPR) related issues on imported and exported cargo. We also contribute to protect the environment through the enforcement of obligation 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 as per the Action Plan for the year 2019

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			
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%	
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%	
Improve the Wharf Clearing Agent's training curriculum by adding the requirements in (2) above for better voluntary compliance.	100%	100%	
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.			
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
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%	
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.			
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%	
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; Requiring an Import Control License before importation (Annex - B; restricted usage);for better compliance / enforcement	100%	100%	
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.			

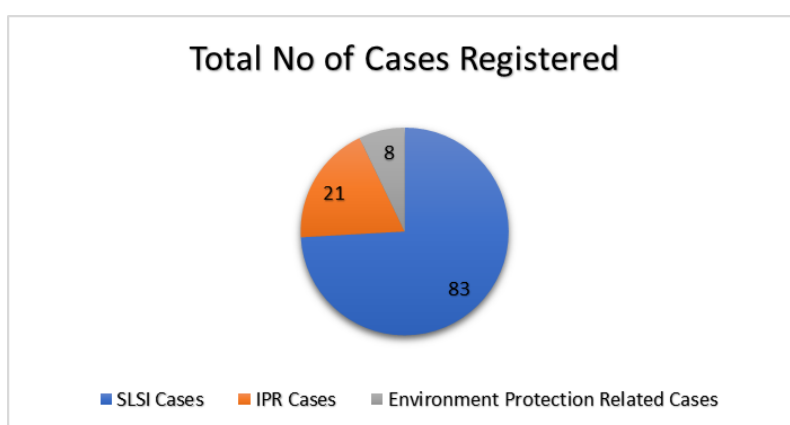
Obtain official lists of hazardous chemicals and pesticides - Covered in the Rotterdam Convention; The importation of which is prohibited in Sri Lanka ; Requiring prior registration with the Registrar of Pesticides (ROP) Requiring an Import Control License issued on the recommendation of ROP before importation ; 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).			
Obtain official lists of chemicals – 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
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
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)			
Obtain official list of Right holders – 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%	
Initiate an awareness programme to educate Cusdec processing and Enforcement Officials regarding regulations and requirements relating to the importation of IPR related goods.	100%	100%	
Improve the Wharf Clearing Agent's training curriculum by adding the requirements in (2) above for better voluntary compliance.	100%	100%	
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)			
Obtain official list of goods – 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%	
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%	
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"			
Awareness programmes for Customs staff on IPR Law Enforcement.	100%	100%	
Interception of suspected import consignments of suspected pharmaceuticals.	100%	100%	
Report of seizures of IPR infringed goods.	100%	100%	
Reporting the time of results to Interpol & WCO.	100%	100%	
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			
Arrange meetings with SLSI, NIPO, Health Ministry and Agriculture Department.	100%	100%	
Arrange awareness programmes for State Holders.	100%	100%	
Organize joint operations with other Agencies in consumer protection activities.	100%	-	Was unable to co-ordinate
Public awareness programmes on consumer protection activities through mass media	100%	100%	

Performance in 2019

SLSI Cases	
Total No of SLSI Cases Registered	83
Total No of SLSI Cases Finalized	21
Total Penalty imposed for SLSI Cases (LKR)	1,809,000
Total Quantity Re-exported (Annex I)	6,999ctn and 2009pcs

IPR Cases	
Total no of IPR Cases Registered	21
Total No of IPR Cases Finalized	20
Total Penalty imposed for IPR Cases (LKR)	8,199,025
Total Quantity (Pcs) Seized (Annex II)	79377 pcs

Environment Protection Related Cases	
Total no of Cases Registered	11
Total No of Cases Finalized	4
Total Penalty imposed for Cases (LKR)	3,255,000
Total Quantity Re-exported	817 pcs
No. Garbage Containers Detained (Case Pending in the Court of Appeal)	112



8.1.2.4 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.

Major Functions

1. To monitor the collection of overtime payment agents
2. To monitor the submission of shipping documents by shipping agents, forwarding agents and airline agents for monitoring the movement of cargo
3. Activate container control program(CCP) the programme initiated to monitor, investigate, detain and enquire into sea cargo and passenger baggage moving in and out of Sri Lanka by Sri Lanka customs, United Nations Office on drugs and Crime (UNODC) and World Customs Organisation (WCO) and to co-ordinate no UNODC and WCO
4. Use Cargo Targeting Systems (CTS) and ASYCUDA programs and to operate scanning equipment such as Hazmat fiberscope camera, chemical testing kits to accomplish the objectives of the department and also to assist other units whenever requested.
5. Facilitate cooperation with relevant National and international Agencies involved in Regulation and monitoring of worldwide container traffic
6. Track, detain and interdict illegal goods, contrabands, narcotics, transnational crime coming under the purview of Customs and investigate and co-ordinate with Narcotic Unit, Social Protection Unit, Risk Management Unit and Preventive Units to stop, detain, investigate and inquiry into such imports, exports, passenger goods, parcels or transshipment cargo according to the Customs Ordinance and other related laws.

Performance in year 2019

No of cases registered	43
No of cases completed	31
No of cases pending finalization	15
Total amount of imposed penalty/forfeiture	Rs. 74,702,157
Total amounts of sales proceeds	Rs. 8,972,200
Total amount of A/E recovered	Rs. 7,334,180
Total recoveries	Rs. 91,008,537
Total vessel overtime payment collected from shipping agents	Rs. 43,320,959

Performance as per the Action Plan for the year 2019

The Port Control Unit has successfully achieved all the intended activities indicated in the Annual action Plan 2019 to the degree of 100% completion.

8.1.3 CENTRAL INVESTIGATION 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.

Performance in 2019

1. Investigations of CIB from 01/01/2019 to 31/12/2019
 - a. No. of cases registered - 383
 - b. No. of cases finalized - 283
 - i. Amount of penalty/ mitigated forfeiture/ further forfeiture - Rs. 354,088,906.60
 - ii. A/E recovered - Rs. 9,468,779.00
 - iii. Sales Proceeds - Rs. 11,261,250.00
 - c. Progress of the Central Case Register
 - i. No. of cases registered in CCR - 3,505
 - ii. No. of files updated in CCR - 1,955
2. Investigations of other divisions
 - a. No. of files sent to CIB for investigation from other branches - 00
 - b. No. of files sent to other branches from CIB for investigation - 00
3. Maintenance of Central Case Register (CCR)
 - a. No. of files produced to be registered in CCR - 3,505
 - b. No. of cases updated in CCR - 1,955
 - c. No. of reward lists recommended - 278

Performance in 2018

1. Investigations of CIB from 01/01/2018 to 31/12/2018
 - a. No. of cases registered - 291
 - b. No. of cases finalized - 105
 - i. Amount of penalty/ mitigated forfeiture/ further forfeiture - Rs. 216,174,246.00
 - ii. A/E recovered - Rs. 9,348,615.00
 - iii. Sales Proceeds - Rs. 10,425,597.00
2. Progress of the Central Case Register
 - i. No. of cases registered in CCR - 3,755
 - ii. No. of files updated in CCR - 1,077
3. Investigations of other divisions
 - a. No. of files sent to CIB for investigation from other branches - 00
 - b. No. of files sent to other branches from CIB for investigation - 00
4. Maintenance of Central Case Register (CCR)
 - i. No. of files produced to be registered in CCR - 3,755
 - ii. No. of cases updated in CCR - 1,077
 - iii. No. of reward lists recommended - 225

8.1.4 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 2019

Number of Cases Registered in 2019	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 2019	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

8.1.5 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:

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

Major Functions

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 of the year 2019

Information received and distributed

	2017	2018	2019
No. of information received through the PIRD	42	55	73
From other sources (fax, e-mails, letters, news)	02	13	21
Total	44	67	94
No. of intelligence disseminated to other branches for action.	43	50	84

No. of Intelligence Alerts Distributed

	2017	2018	2019
Operational Intelligence Alerts	06	07	01
Intelligence Reports	05	00	-
WCO CEN Alerts	14	05	-

No. of Previous Offence Details disseminated to other branches

	2017	2018	2019
Number of POD records	124	114	108

No. of CHA & VAT Registration

	2017	2018	2019
Custom House Agent Permit Renewal	6611	6885	6626
SLPA wharf license (A Pass)	1424	1431	2356
Importers VAT registration screening documents	1777	1963	1456

Number of containers scanned under Container Security initiative (CSI) Program

	2017	2018	2019
No. of Transshipment Containers	455	469	326
No. Local Export containers	07	26	59
Total number of containers	462	495	385

Liaisons with Local & Foreign Investigation and Intelligence Agencies:

Agency	No. of requests			No. of Replies Received		
	2017	2018	2019	2017	2018	2019
DRI-India	13	16	29	12	16	08
RILO and other agencies	05	20	15	04	16	01

ncen Database

	2018	2019
No. cases validated	1437	1704

Performance in Law Enforcement

	2019
No. of cases initiated/detected by the staff during the year	05
No. of cases finalized during the year	11
No. of cases in the inquiry stage	05
No. of cases which needs to collect sales proceeds	03
No. of cases in the pending investigation stage	20
Total amount recovered (Rs.)	16,569,279.74

Performance as per the Action Plan for the year 2019

The Central Intelligence Directorate has successfully achieved all the intended activities indicated in the Annual action Plan 2019 to the degree of 100% completion.

8.1.5.1 RISK MANAGEMENT UNIT

It is with the aim of adhering to the SAFE Framework of Standards of the World Customs Organisation that Sri Lanka Customs established the Risk Management Unit in 2013 as an initiative to strike a balance between the roles of gatekeeper and facilitator. However, the Unit could not operate at its maximum capacity due to various barriers present within the organisational structure and age-old procedures. With the aim of ultimately expanding the Unit into the status of a Directorate, the Unit was later restructured bringing it under the Directorate of Central Intelligence (CI).

Now, the RMU is in the process of managing the risks with a view to achieving Departmental Objectives by improving the systems, processes and procedures. To better achieve this goal, the Unit has divided its functions into five separate teams;

1. Selectivity
2. Process Re-engineering
3. Investigations
4. Re-registration of companies
5. Authorized Economic Operators

1. Selectivity

Four international donor agencies, namely International Monetary Fund (IMF), World Bank (IBRD), International Trade Centre (ITC) and the Asian Development Bank (ADB) visited Sri Lanka Customs in order to provide technical assistance to prioritise and develop risk-based cargo clearance processes. The selectivity team was created in January, 2019 as recommended by these donor agencies who evaluated the current risk management system within the department. In the selectivity team, a group of analysts continuously analyses the import data in order to identify risk areas and create risk profiles. Then these developments are reported to the Risk Management Committee (RMC), with whose approval the risk profiles are subsequently incorporated into the selectivity criteria which will target high risk consignments through the SELECTIVITY MODULE of the ASYCUDA. The team is also maintaining a Risk Register that contains prioritized risks which hinder the achievement of Departmental objectives.

Progress in 2019

- Took over the management of the SELECTIVITY MODULE of the ASYCUDA, which was previously maintained by the ICT Directorate
- Assessed the effectiveness of the existing selectivity rules in detail.
- Introduced FRAUD CODES to the INSPECTION ACT of the ASYCUDA for the benefit of the examining officers enabling them to update the findings of the physical examinations in the ASYCUDA which can then be used as feedback to improve Selectivity rules.
- Carried out a comprehensive analysis of 2019 import data extracted from ASYCUDA to identify patterns and low risk consignments, in an attempt to reduce cargo traffic congestion within the Port of Colombo.
- Based on the analysis, a report on risk-based cargo selectivity for intrusive and non-intrusive examination was prepared and submitted with the intention of smoothly accommodating the proposed cargo scanning system.
- Identified the need for an Automated Risk Management System (ARMS) to be coupled with ASYCUDA for targeting high risk cargo recognised by way of multiple selectivity criteria that cannot be accommodated in the existing ASYCUDA. Studied the feasibility of obtaining such an ARMS and invited leading Risk Management Solution Providers to present their products for the consideration of the top management.
- Introduced automated selectivity rules for air cargo imports (KTIM2) and continuously monitor the feedback of the selected cargo.
- Assessed the capacity of the three main examinations yards- RCT, Grayline 1 and Grayline 2- in order to design the physical examination mechanism along with the proposed selectivity process.

2. Process Re-engineering

With the help of the risk assessments carried-out by the Selectivity and Investigations teams, the Process Re-engineering team will carry out a thorough process mapping of the existing processes to identify any lapses and loopholes in the process. The latter will prepare a report incorporating the identified issues in the existing system and recommendations to solve such issues for the attention of the senior management including the DGC. With the approval of the senior management, the recommendations will be implemented under close supervision of the RMU. The implementation will be continuously studied to identify any bottlenecks and associated issues which will be useful for bringing about further improvements.

In the year 2019, the team successfully implemented an improved cargo clearance process at the Air Cargo Terminal, Katunayake, where RMU had previously identified a number of consignments been taken out without even declaring to Customs. Under the improved process, cargo clearance was fully automated by eliminating the possibility for a consignment to exit the gates without being cleared through the ASYCUDA.

Similar issues were identified in the LCL cargo clearance process within the port of Colombo. The RMU was able to map, analyse and improve the cargo clearance process at the Bandaranayake Quay (BQ) warehouse, where the new system is ready to be implemented from 01st January 2020.

Progress in 2019

- Implemented the automated cargo clearance process at Air Cargo, Katunayake
- Introduced the fully automated LCL cargo clearance process at the BQ Warehouse
- Mapping and assessing the process of Central Disposal Directorate
- Mapping and assessing the process of Exports Directorate
- Mapping and assessing the process related to Transshipment cargo

3. Investigations

Consisted of a group of experienced investigating officers, this team detect and investigate various frauds with the intention of identifying risk areas and lapses in the existing Customs processes. The main objective of such investigations is to identify various risk areas and use them to assist the selectivity and re-engineering teams in achieving their targets. A summary of the investigations carried out in 2019 is illustrated in table below.

Progress in 2019

Number of Cases Registered		99
Number of Cases Finalised		59
Recoveries	Penalties/Forfeitures	Rs. 99,449,146
	Additional Entries	Rs. 231,704
	Sales Proceeds	Rs. 71,888,906
Notable Forfeitures/Seizures	Cigarettes (number of sticks)	1,690,000
	Beedi Leaves (Value)	Rs. 63,815,391

4. Re-registration

It has been identified that details of many entities registered as importers, exporters and clearing agents are false or are not up-to-date. This situation has resulted in enormous difficulty in carrying out investigations and finalising them. To address this issue the RMU, with necessary approval, initiated a project to re-register traders and Customs House Clearing Agents (CHA). A separate team within RMU, together with the Directorate of ICT, was able to complete all the preparatory work of this project in 2019. As a result, the re-registration of companies could be commenced by the second week of February, 2020.

Progress in 2019

- Launched a pilot programme involving 26 companies
- Developed the web application (currently being finalised)
- Coordinated with CEB to get access to their customer database
- Coordinated with divisional secretariats and created a contact point for further coordination
- coordinated with Department of Registration of Persons for the purpose of information sharing
- Conducting awareness sessions

5. Authorised Economic Operators

When the WTO Trade Facilitation Agreement (TFA) came into force on the 22nd of February, 2017, Sri Lanka had numerous obligations to fulfil in order to meet the standards the TFA prescribes to improve the transparency and predictability of trading across borders. The launching of an Authorized Economic Operator (AEO) programme is a primary requirement for fulfilling these obligations and the AEO implementation team was set up in mid-2019 for this purpose. The concept of AEO aims to facilitate the genuine law-abiding importers and exporters who have displayed a high level of supply chain security, financial stability and continued conformity with Customs laws. The parties can benefit by receiving facilities such as reduced inspections, prioritized clearance, exemption from routine valuation referrals etc. The initial awareness sessions for the program are to be carried out in January, 2020 and the program is expected to be fully functional by April, 2020.

Progress in 2019

- Formation of a Steering Committee for the AEO programme
- Setting-up the AEO implementation team
- Established the Operational Guidelines as part of the Legislative and Operational Regime of the AEO programme
- Finalized the Validator Guidelines and Validator Training Modules
- Finalized the functional specifications for the AEO management web-based platform
- Represented the department in the WCO Regional Workshop on AEO: Raising Awareness for Development of Regional Cooperation and Strategy, Kashiwa, Japan

8.2 REVENUE AND SERVICES CLUSTER

8.2.1 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 consist of 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.

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

- Receive the CusDec through DTI
- Confirmation of updated manifest and payment of duties and other levies of CusDecs
- Provide Fast Track facilities for Selected Importers
- Process the CusDec by SC/Appraiser
- Issuing internal passes for removal of FCL containers from the SLPA, SAGT, CICT yards
- Clearance of Cargo FCL at container yards and LCI at ware houses.
- 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.
- Only the commodity classifications aspects are handled manual by knowledgeable Staff consisting SCC/Appraisers.

Objectives of the Directorates

1. Facilitation of clearance of imported cargo.
2. Facilitation of Cargo to be bonded.
3. Minimize the revenue leakages / foreign exchange losses through classification aspects of the goods.
4. Conduct enforcement activities in terms of Customs Ordinance and related laws through “D” Branch.
5. Assess and collect the due revenue to the state on imported Cargo.
6. Facilitate for project cargo clearance by waiving off the Levies approved by the M/Finance.
7. Facilitate to permit holders/legitimate importers to speedy clearance of their vehicles/cargo.
8. 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.
9. 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.

8.2.2 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 Branch
- Bank Guarantee Unit
- Export Facilitation & Investor Facilitation Centre (INFAC)
- Project Unit
- Warehouse Keeping Unit (WHK)
- Feeder Bond Unit
- Investigation & Verification Branch
- Bonding Investigating Unit
- Postal Appraising Branch

Major Functions

- This Directorate is entrusted with the implementation/administration of trade facilitation policies of the Government. The main functions of the Directorate are given below.
- Manage Customs Bonded Warehouses.
- Manage Export Facilitation Schemes, namely, Temporary Imports for Export Processing (TIEP) and Duty Rebate Scheme.
- Manage activities related to Duty Free Shops.
- Postal Appraising branch provides all the facilities related to postal based operations
- Liaise with the Declarations Directorate in processing “Suspense Regime” CusDecs.

Performance in 2019

Bond Investigation Unit

Cases from 2018 (No of cases)	41
Cases Initiated in 2019 (No of cases)	47
total finalized including previous year (No of cases)	13
pending cases for 2019 (No of cases)	39
pending cases for 2018 (No of cases)	36
Total Forfeiture	Rs. 255,325,000.00

Project Unit

Bonded Warehouse Operation

Category	No
Bond Renewals	107
Recommended New bonds	06
De-bonding	02
Renewal of Bonded Carriers	17

Corporate/Personal Guarantees

Category	No of Guarantees
Guarantee Renewals, New Guarantees	183

Bank Guarantees

Category	No of Guarantees
Accepted Guarantees	1998
Guarantees Demanded	2824
Guarantees Released	29

Investigations

Cases initiated from 2018 (No of cases)	25
Cases initiated (No of cases)	03
Cases finalized (No of cases)	00
Pending cases (No of cases)	28

EFU (TIEP Unit)

TIEP-1 New	68
TIEP-1V New	16
IBG New	20
TIEP-1 Renewal	446

Charges Collected:

O/E	Rs.2,260,000.00
Registered	Rs.357,000.00
Renewal	Rs.892,000.00
Documentation	Rs.892,000.00

Postal Appraising Branch.

Colombo Branch:

1. Total number of PODs (Consignments)

Category	N
AIR	19937
SEA	9044
CD	12254
BULK	835
EMS	54863

2. Total Value of the Goods Released: **Rs.376,636,721.00**
3. Total Taxes Recovered:

CID	Rs. 9,163,720.00
PAL	Rs. 12,137,641.00
VAT	Rs. 16,205,985.00
CESS	Rs.10,237,741.00
EXD	Rs,19,816.00
NBT	Rs.4,443,887.00
COM	Rs. 29,400.00
PTY	Rs.386,642.00
Total	Rs.52,635,832.00

4. Total Penalties Recovered: Rs. 386,642.00
5. Total Taxes Recovered from Out port Postal Appraising Branches:

Trincomalee	Rs.2,179,315.00
Galle	Rs.3,948,654.00
Jaffna	Rs.4,207,045.00
Kandy	Rs.3,138,062.00
Total	Rs.13,473,076.00

6. Cases handled in 2019:

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

8.2.3 CENTRAL CARGO EXAMINATION DIRECTORATE

Introduction

One of the core functions in the Customs clearance procedure is to examine the imported sea cargo by Authorized Customs Personnel. The Central Cargo Examination Directorate (ED) attends to this function based mainly on Risk Assessment. This Head office of this Division is established in the Rank Container Terminal with the branches at Colombo Sea Port, CSL and 02 Grayline Yards. This directorate was officially established on 23.08.2000

By scrutinizing the CusDecs and other related documents, decisions will be taken to which extent the examination would be conducted.

Structure of the Directorate

The Central Cargo Examination Directorate (CCED) comes under the Revenue and Services Cluster, headed by Director of Customs (CCED). There are 11 units operating under the Directorate,

1. RCT Examination
2. Grayline I
3. Grayline II
4. High Risk Cargo Office
5. JCT Office
6. BQ Warehouse
7. CVT Orugodawatte
8. ICD – NNR Peliyagoda
9. Guide Pier Office
10. JCT Scanning Unit
11. RCT Scanning Unit

Examination Procedure

Types of Cargo subject to examination

1. Imports for home use
2. Imports by BOI approved enterprises

Selectivity

The relevant examination for each FCL consignment is selected by the ASYCUDA (the electronic selectivity system). Once the examination point is selected the CusDec and the connecting documents will be produced at the relevant place of examination by the wharf representative. The DDC of the unit will select the channel for the examination on risk based assessment.

Examination of cargo Based on Risk

1. FCL Cargo
 - a. High risk cargo. High risk cargo is selected by the ASYCUDA system and will be examined at the HRC Office at GLII
 - b. Medium risk cargo will be selected by the DDC of the unit and same will be examined under detailed examination channel at GL I and GL II
 - c. Low risk FCL cargo will be selected by the DDC of the unit and examination will be carried out at RCT, GL I and GL II under Random channel.
 - d. Based on the track records compliance level with the Customs, a list of companies is maintained at the CCED main office for the purpose of allowing out panel examinations. Accordingly selected low risk consignments will be allowed to be examined at consignees' designated premises by an appointed panel.
2. LCL cargo.
 - a. LCL cargo, after being de-stuffed at the WHH inside the Port or NNR, will be examined by the staff of CCED attached to JCT, BQ and NNR.

Examination of cargo consigned to BOI

Cargo consigned to the BOI enterprises established out of the Free Trade zones will be examined at CVT (BOI).

Performance of 2019

General Cargo

No. of CusDecs registered		286,911
Types of Examination		
Amber	141,065	
Detail	22,715	
HRC	2,004	
Red	10,007	
BOI	102,944	
Others	8,207	
No. of containers registered (FCL)		261,628
Out panel		122,348
No. of A/E processed		2,253
No. of recoveries (Val) Rs.		270,219,335
No. of recoveries (others) Rs.		329,605,880
No. of case detected		272
Penalty recovered Rs.		161,839,984
Value of the goods forfeited		17,389,901
Overtime recoveries		24,400,732
S.R charges recoveries		31,050
Seal charges		46,500

CVT & INFAC

	CVT		INFAC	
	Import	Export	Import	Export
No of Cusdec	21,014	42,049	10	
No of containers	37,215	18,490	10	
No of LCL cleared	1,941	25,115		

Significant Detections and Investigations summary

While facilitating the clearance of import cargo within a minimum processing time, the Directorate has successfully detected several cases of nondeclaration, excess in quantity, misclassifications and undervaluations during 2019. Accordingly a considerable amount of penalty, mitigation forfeitures and AE has been recovered.

Penalty recoveries	116,839,984/-
AE Recoveries for other reasons	329,605,880/-
AE Recoveries for Valuation uplift	270,219,355/- (recovered at valuation division)

Performance measured against the annual activity plan -2019

Main steps		Action taken
1	Issue instructions to the DDC's in the Directorate to furnish the monthly revenue report to the DC before 7th day of the next month	Being practiced
2	Issue instructions to the DDC's and the SC's in the Directorate to strictly supervise the cargo examination activities and ensure that due revenue is to be recovered	Being practiced
3	Issue instructions to the DDC's at the Long Room to ensure that the goods declarations are properly scrutinized for smooth to secure the revenue	Matter discussed with Long Room staff
4	Issue instructions to the DDC's in the Long Room to refer suspected consignments for X ray scanning to obtain image reports prior to the physical examination of cargo to secure the revenue	Matter discussed with Long Room staff at the meetings. Being practiced
5	Coordinate with the Central intelligence Directorate and the Risk Management unit of the Compliance and Facilitation Directorate to develop Risk profiles to address revenue frauds	Being practiced

6	Coordinate with the policy, Planning & Research Directorate and obtain the monthly revenue analysis and inform the DDC's in the Directorate to be vigilant on the examination of goods relevant to the downward trend patterns	Being practiced
7	Coordinate with the ICT Directorate for technical coordination and inform the DDC's in the Directorate to be vigilant on technical aspects on collection of revenue	Partially achieved. Being continued.
8	Make proposals for any amendments in the National import Tariff to the DGC based on the outcome of Customs examination of cargo to be considered at the National budget meetings	Need for this aspect not arisen
9	Issue instructions to the DDC's in the Directorate to take action to finalize pending cases and dispose goods	Instructions have been issued at monthly DDC meetings
10	Inform other Directorates to take action to finalize cases pertaining to containers laying at GL I, GL II and RCT Yards	Partially achieved.

Key Activities planned under control objectives

Main steps		Action taken
1	Issue instructions to the DDC's and SC's in the Directorate to ensure proper maintaining of the SR register, Securing of detained and seized goods and timely disposal of seized goods under the provisions of the customs ordinance by coordinating with the Central Disposal Unit.	Being practiced
2	Issue instructions to the DDC's and the SC's in the Directorate to strictly supervise the cargo examination activities, ensure enforcement of Customs and related law and secure all documents related to the cargo examination	Being practiced
3	Request DC(Declaration) to instruct to the DDC's in the Long room to refer suspect consignment for X'ray scanning to obtain the image reports prior to physical examination of cargo	Matter discussed with Long Room staff at the meetings. Being practiced
4	Issue instructions to the DDC's and the SC's in the examination yards. Points to pay attention to Xray scanning image reports obtained and used them as a tool during the cargo examination.	Being practiced
5	Coordinate with the Central intelligence Directorate and provide Intelligence reports/ alerts to the staff at the examination yards/points in the Directorate for cargo examination purpose	Being practiced
6	Coordinate with the Central intelligence Directorate and the Risk management unit of the compliance and facilitation Directorate and develop risk profiles pertaining to the violations of Customs and related laws	Being practiced
7	Coordination with the ICT Directorate for technical coordination and inform the DDC's in the Directorate to be vigilant on technical aspects on cargo examination	Partially achieved. Not completed due to logistic issues
8	Issue instructions to the DDC (CCED-Main office) to report the detections made at examination yards/points on monthly basis to DC (CE) and central intelligence Directorate	Being practiced
9	Coordinate with DC(HRD) and provide training/skill development programme risk management, Cargo examination, safety measures and using of technical equipment's in the cargo examination process to the DSC's and ASC's in the Directorate	Partially achieved

Key Activities planned under Trade Facilitation objectives

Main steps		Action taken
1	Issue instructions to the staff in the Directorate to carry our examination of goods under the selected examination channel as soon as possible after the good declaration has been registered in the Customs office at the examination yard/point	Achieved
2	Issue instructions to the staff in the Directorate to give priority to the examination of live animals, perishable goods and to other goods which are urgently required, when scheduling examinations	Achieved
3	Issue instructions to the staff in the Directorate to release perishable goods within the minimum possible time where it would be appropriate to do so	Achieved
4	Issue instructions to the staff in the Directorate to ensure that the inspections by other competent authorities are coordinated and carried out at the same time, if the goods must be inspected by such competent authorities too.	Achieved
5	Issue instructions to the staff in the Directorate to draw samples only where deemed necessary to establish the tariff description and/ or value of the goods declared to ensure the application of other provision of the National Legislation and to ensure that the sample drawn shall be small as possible	Achieved
6	Coordinate and consultation with stake holders on innovation examination and documentation development	Achieved

Key activities planned under other objectives

Main steps		Action taken
1	Prepare the 2019 progress report of the Directorate and send to PP&R Directorate	Achieved
2	Maintain electronic selectivity system in the cargo examination process	Implemented
3	Maintain e-cargo clearance at RCT, GL I, GL II, HRC, NNR & BQ with the assistance of ICT Directorate	Being practiced except JCT
4	Maintain Centralized Bank Guarantee securing and monitoring system for the Directorate	Being practiced
5	Implement e-Cargo Clearance at JCT with the assistance of ICT Directorate	Not achieved due to logistic issues.
6	Prepare Action Plan for the year 2020	Achieved
7	Conduct Business process Re-Engineering	Being practiced

8.2.4 PASSENGER SERVICES 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

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

Comparable Baggage Movements for year 2018/2019

	No of Packages 2018	No of Packages 2019
BO(PANEL)		
BO(COUNTER)		
BO(SALES)		
BO(NNR)	20,969	15,347
LAKSIRISEVA - COLOMBO	78,847	99,698
LAKSIRISEVA – NINTHAVUR	10,852	15,773
TRANSCO – WATTALA	57,120	65,292
TRANSCO – DAMBULLA	7,435	9,572
MIDCO	61,045	73,802
TRICO – COLOMBO	66,615	71,928
TRCO – KURUNAGALA	39,781	36,483
TRICO – GALLE	18,745	23,018
CSL – COLOMBO	64,898	88,250
CSL – KANDY	31,088	31,150
TOTAL(RS)	457,395	530,313

Comparable Penalty Recoveries for year 2018/2019

	2018	2019
BO(PANEL) - Import	1,338,300.00	
BO(COUNTER)		
BO(SALES)		
BO(NNR)	4,527,225.00	3,164,940.00
LAKSIRISEVA - COLOMBO	774,412.00	4,296,093.00
LAKSIRISEVA – NINTHAVUR	116,600.00	128,983.00
TRANSCO – WATTALA	1,181,147.00	944,116.00
TRANSCO – DAMBULLA	73,972.00	73,000.00
MIDCO	503,089.00	651,100.00
TRICO – COLOMBO	2,881,914.00	2,393,137.00
TRCO – KURUNAGALA	960,800.00	342,606.00
TRICO – GALLE	290,590.00	440,200.00
CSL – COLOMBO	1,884,773.00	1,496,936.00
CSL – KANDY	163,928.00	256,259.00
TOTAL (RS)	14,696,750.00	14,187,370.00

Comparable Overtime Recoveries for year 2018/2019

	2018	2019
BO(PANEL) - Import		
BO(COUNTER)		
BO(SALES)		
BO(NNR)		
LAKSIRISEVA - COLOMBO	7,834,686.00	7,961,732.00
LAKSIRISEVA - NINTHAVUR		
TRANSCO – WATTALA	2,157,466.00	5,719,872.00
TRANSCO – DAMBULLA	914,082.00	1,007,834.00
MIDCO	5,203,236.00	5,695,434.00
TRICO – COLOMBO	4,869,984.00	5,784,589.00
TRCO – KURUNAGALA	8,317,200.00	8,785,830.00
TRICO – GALLE	7,569,000.00	9,106,290.00
CSL – COLOMBO	6,410,625.00	7,215,000.00
CSL – KANDY	6,780,872.00	7,351,262.00
TOTAL (RS)	50,057,151.00	58,627,843.00

Comparable Taxes Recoveries for year 2018/2019

	2018	2019
BO(PANEL) – IMPORT	54,841,471.00	
BO(COUNTER)		
BO(SALES)		
BO(NNR)	41,449,526.00	47,519,824.00
LAKSIRISEVA - COLOMBO	32,919,230.00	42,025,041.00
LAKSIRISEVA – NINTHAVUR	2,558,587.00	4,097,845.00
TRANSCO – WATTALA	31,987,928.00	36,059,977.00
TRANSCO – DAMBULLA	4,108,786.00	4,283,183.00
MIDCO	22,782,210.00	32,191,337.00
TRICO – COLOMBO	40,237,812.00	52,771,691.74
TRCO – KURUNAGALA	15,006,852.00	20,078,034.00
TRICO – GALLE	7,614,726.00	7,281,651.00
CSL – COLOMBO	51,677,842.00	38,672,141.00
CSL – KANDY	11,448,234.00	15,115,634.00
TOTAL (RS)	316,633,204.00	300,096,358.74

Final performance of the year 2019 (Rs)

	No of Packages	Penalty	Over Time	Taxes	Total
BO(PANEL) – IMPORT		1,338,300.00			1,338,300.00
BO(COUNTER)					-
BO(SALES)					-
BO(NNR)	15,347	3,164,940.00		47,519,824.00	50,684,764.00
LAKSIRISEVA - COLOMBO	99,698	4,296,093.00	7,961,732.00	42,025,041.00	54,282,866.00
LAKSIRISEVA – NINTHAVUR	15,773	128,983.00		4,097,845.00	4,226,828.00
TRANSCO – WATTALA	65,292	944,116.00	5,719,872.00	36,059,977.00	42,723,965.00
TRANSCO – DAMBULLA	9,572	73,000.00	1,007,834.00	4,283,183.00	5,364,017.00
MIDCO	73,802	651,100.00	5,695,434.00	32,191,337.00	38,537,871.00
TRICO – COLOMBO	71,928	2,393,137.00	5,784,589.00	52,771,691.74	60,949,417.74
TRCO – KURUNAGALA	36,483	342,606.00	8,785,830.00	20,078,034.00	29,206,470.00
TRICO – GALLE	23,018	440,200.00	9,106,290.00	8,281,651.00	17,828,141.00
CSL – COLOMBO	88,250	1,496,936.00	7,215,000.00	38,672,141.00	47,384,077.00
CSL – KANDY	31,150	256,259.00	7,351,262.00	15,115,634.00	22,723,155.00
TOTAL (RS)	530,313	15,525,670.00	58,627,843.00	301,096,358.74	375,249,871.74

8.2.5 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 – 2019

	Revenue of Exports Office, EFC and CFS yards (CBEX1) (Rs.)	Air Cargo Export Office (KTEX1) (Rs.)	Total (Rs.)
Export Duties	38,115,148	24	38,115,172
Export Development Board Cess	1,612,037,805	60,993	1,612,098,798
Cess-Rubber	156,258		156,258
Cess-Tea	608,917,756	6,375	608,924,131
Tea Medical Aid Cess	532,316	5	532,321
Cess-Coconut	153,082,567	12,931	153,095,498
Export Panal fee	58,082,010	20,619,700	78,701,710
Outside Examination Fee	8,872,288		8,872,288
Royalty	37,618		37,618
Amendment Chargers, Amendment Penalties and Cancellation Chargers	2,956,025	890,250	3,846,275
Penalties and Further Forfeitures	50,000		50,000
Overtime Fee	32,112,390	34,722,338	66,834,728
Shipment Certificate Charges	175,500		175,500
Computer Fee	23,273,750	20,864,250	44,138,000
Total	2,538,401,431	77,176,866	2,615,578,297

Performance Report for the year of 2019

1. No of Cusdecs Submitted and Finalized.	
a. Export Office	- 95,251
b. Air Cargo	- 84,299
c. Total	- 179,550
2. Panel Applications	
a. No. of Examination	- 6,888
3. Current Accounts	
a. No. of Current Account holders	- 43
b. No. of Current Account operated	- 43
c. Deposit during the period	- Rs. 1,092,354,945
d. Total amount debited during the period	- Rs. 1,059,375,777
4. No. of FRIC issued to request	- 1006
5. No of Bill of stores	- 129
6. No. of Shipment certificates issued	- 702
7. Shipment Certificate fees collected	- Rs. 175,500
8. Penalty Recovered for Customs offences	- Rs. 50,000

8.3 CORPORATE CLUSTER

8.3.1 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;
 - a. Developing economic / trade policies
 - b. 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 and Export 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 Procedures.
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 celebrations which falls annually.

Department Order published in 2019

DOPL 1301	03.01.2019	SCL	Black Gram
DOPL 1302	08.01.2019	Suspension	Suspension of Customs Facilities for M/s Tranzlife (Pvt) Ltd
DOPL 1303	11.01.2019	Duty Waiver	Wavier of customs import Duty on petrol and diesel
DOPL 1192 L	11.01.2019	Excise	Gazette Notification Published under the Excise (Special Provisions) Act, No.13 of 1989
DOPL 1227 A	17.01.2019	Appeal committee	Appeal committee
DOPL 1227 B	17.01.2019	Appeal committee	Appeal committee (Amendment to DOPL 1227 A)
DOPL 562 I	21.01.2019	NC Committee	Nomenclature & Classification Committee
DOPL 749 F	30.01.2019	Valuation Committee	Valuation Committee
DOPL 1304	24.01.2019	Suspension	Suspension of Customs Facilities for M/s Wings garments
DOPL 1305	24.01.2019	Suspension	Suspension of Customs Facilities for M/s Barros Lanka (Pvt) Ltd
DOPL 1306	01.02.2019	SCL	SCL on Sugar,Dhal and Chick peas
DOPL 1307	07.02.2019	SCL	SCL on Potatoes
DOPL 1308	08.02.2019	SCL	SCL on Maize
DOPL 1309	21.02.2019	BCD	Establishment of BOI Coordination Directorate
DOPL 1310	25.02.2019	SCL	SCL on Soya Bean oil etc.
DOPL 1311	05.03.2019	SCL	SCL on B onions
DOPL 1312	05.03.2019	CID	RPO - Budget 2019
DOPL 1313	05.03.2019	Luxury Tax	Luxury Tax on Motor Vehicles(Finance Act) - Budget 2019
DOPL 1314	05.03.2019	Excise	Excise Notification - Budget 2019
DOPL 1315	05.03.2019	Cess	Revision of Cess rates-Budget 2019
DOPL 1316	05.03.2019	Excise	Revision of Exice duty-Budget 2019
DOPL 1317	05.03.2019	PAL	Revision of PAL-Budget 2019
DOPL 1313A	07.03.2019	Luxury Tax	Aemndment to DOPL 1313-[Luxury Tax on Motor Vehicles(Finance Act) - Budget 2019]
DOPL 1316A	11.03.2018	Excise	Errata to DOPL 1316 (Revision of Exice duty-Budget 2019)
DOPL 1316B	14.03.2019	Excise	Amendment to DOPL 1316 (Revision of Exice duty-Budget 2019)
DOPL 1316C	14.03.2019	Excise	Amendment to DOPL 1316 (Revision of Exice duty-Budget 2019)
DOPL 1318	19.03.2019	VAT	Value Added Tax Exemption on Pharmaceutical Machinerics and Equipment - Budget 2019
DOPL 1319	21.03.2019	Suspension	Suspension of Customs Facilities for M/s The Merit Holdings
DOPL 1320	26.03.2019	Bond(TIEP)	Notification under Sub-sections (1) and (2) of the Section 22A of the Customs Ordinance (Chapter 235)(Banning importation of several commodities under TIEP scheme)
DOPL1316D	27.03.2019	Excise	Errata to DOPL 1316 (Revision of Exice duty-Budget 2019)
DOPL1321	29.03.2019	Export	EXPORT RELEASE FUNCTION AT THE AIR CARGO TERMINAL
DOPL1322	29.03.2019	Export	AUTOMATION OF SEA TO AIR TRANSHIPMENT PROCEDURE
DOPL 218F	01.04.2019	OT	Recovery of consolidated charges for vessel operations and cargo movements
DOPL 1315A	04.04.2019	Cess	Amendment to DOPL 1315(Cess rates for commodities which are imported on the basis of Letter of Credit(LC) opened on or before 05/03/2019)-Budget 2019
DOPL 1323	04.04.2019	Excise	Gazette Notification Published under the Excise (Special Provisions) Act, No.13 of 1989
DOPL 118V	04.04.2019	RMU	Establishment of Risk Management Reward Pool (RMRP)
DOPL 1324	08.04.2019	CHA/Specialized Services	Cancellation and revocation of permists issued to customs House Agents and wharf Assistants.
DOPL 1313B	09.04.2019	Luxury Tax	Amendment to DOPL 1313 - Luxury Tax on Motor Vehicles(Finance Act) - Budget 2019
DOPL 1325	07.05.2019	SCL	SCL on Poatoes.kiwifruits etc
DOPL 1326	07.05.2019	PAL	PAL exemption on seversl commodities (metal detectors,expolsive detectors etc)
DOPL 1313C	09.05.2019	Luxury Tax	Luxury Tax on Motor Vehicles by Finance (Luxury Tax on Motor Vehicle) Regulations, No. 1 of 2019 under Finance Act, No. 35 Of 2018.
DOPL 1327	14.05.2019	Excise	Revision of Excise Duty - Order made under Section 3 of Excise (Special Provisions) Act No.13 of 1989 (Excise on Cigarettes)
DOPL 562 J	21.05.2019	NC Committee	Nomenclature & Classification Committee
DOPL 1328	21.05.2019	SCL	SCL on Several Goods (red onion,peas etc)
DOPL 1329	21.05.2019	SCL	SCL on B onions
DOPL 1330	31.05.2019	PAL	Port & Airport Development Levy
DOPL 1331	03.06.2019	Suspension	Suspension of Customs Facilities of M/s Tseyva International
DOPL 1332	06.06.2019	Suspension	Suspension of Customs Facilities of M/s Shan Lanka Imports
DOPL 1333	12.06.2019	CCED	Clarification on weight of canned products for tax purposes
DOPL 1334	12.06.2019	Duty Waiver	General Waiver of Customs Import Duty (Petrol and Diesel)

DOPL 1335	12.06.2019	CID	Revenue Protection order No. 02 of 2019 (Diesel)
DOPL 1336	13.06.2019	BOND	Storage and Distribution of Locally Manufactured Cement into/from Silos by M/s Siam City (Lanka) Limited in Coplombo Port Premises
DOPL 1337	18.06.2019	Suspension	Suspension of Customs Facilities of M/s. R M A Car Sale Pvt Ltd
DOPL 1338	20.06.2019	UPB/CBMV	Linking motorcycles to RMV released at UPB warehouses
DOPL 1339	20.06.2019	Suspension	Suspension of Customs Facilities of M/s. 4Ever Skin Naturals (Pvt) Ltd
DOPL 1227C	21.06.2019	Appeals	Appeal Committee
DOPL 1340	24.06.2019	Excise	Excise Notification 04/2019
DOPL 1341	04.07.2019	SCL	SCL on Black Gram
DOPL 1337A	04.07.2019	Suspension	Suspension of Customs Facilities of M/s. R M A Car Sale Pvt Ltd
DOPL 1342	09.07.2019	NMRA	Report of Classification (preliminary evaluation report) issued by NMRA for Borderline Products
DOPL 1343	09.07.2019	Plant Quarantine	Importation of Grains from American tropics ; American Leaf Blight
DOPL 1344	11.07.2019	Excise	Revision of Excise Duty - Order made under Section 3 of Excise (Special Provisions) Act No.13 of 1989 (Excise on Cigarettes)
DOPL 1345	11.07.2019	Duty Waiver	General Waiver of Customs Import Duty (Super Diesel)
DOPL 1346	11.07.2019	3	SCL on apple, orange, palm oil and other oil etc
DOPL 562K	12.07.2019	NC Committee	Nomenclature & Classification Committee
DOPL 1347	17.07.2019	Preventive	Junk Clearance Procedure
DOPL 1348	18.07.2019	UNION / DGC	SL Customs Uniforms for officers above the rank of Assistant Superintendent of Customs
DOPL 1349	19.07.2019	Suspension	Suspension of Customs Facilities M/s Col Exim, Main City Market, main Street, Colombo 11
DOPL 1350	19.07.2019	SCL	SCL on Maldives Fish, Chile, other spices etc.
DOPL 1351	25.07.2019	TFA (Expedited Shipments)	De Minimis values for expedited shipments (Courier)
DOPL 1352	26.07.2019	Suspension	Suspension of Customs Facilities M/s Lanka Coal
DOPL 1353	01.08.2019	SCL	SCL on Chickpeas, Dhal and Sugar
DOPL 1354	05.08.2019	Suspension	Not published
DOPL 1355	08.08.2019	SCL	SCL on Maize
DOPL 1323A	08.08.2019	Excise	Gazette notification published under the act 13,1989
DOPL 1356	10.08.2019	SCL	SCL on Palm Oil
DOPL 1316E	10.08.2019	Excise	Amendment to DOPL 1316
DOPL 1349A	13.08.2019	Suspension	Suspension revoke of Customs Facilities M/s Col Exim, Main City Market, main Street, Colombo 11
DOPL 562L	15.08.2019	NC Committee	Nomenclature & Classification Committee
DOPL 1348A	19.08.2019	UNION / DGC	SL Customs Uniforms for officers above the rank of Assistant Superintendent of Customs
DOPL 1357	26.08.2019	PP&R	Regulations to fix the rate of interest for the recovery of pending penalty and forfeiture payments
DOPL 1358	26.08.2019	ICT	Linking motor vehicles to department of Motor traffic released to consignee at customs
DOPL 1227D	26.08.2019	Appeal	Appeal Committee
DOPL 1359	26.08.2019	Suspension	Suspension of Customs Facilities M/s Screenplay Trading company
DOPL 1348B	28.08.2019	UNION / DGC	SL Customs Uniforms for officers above the rank of Assistant Superintendent of Customs
DOPL 1359A	02.09.2019	Suspension	Suspension revoke of Customs Facilities M/s Screenplay Trading Company
DOPL 1360	09.09.2019	SCL	SCL on Mackerel, Kurakkan etc.
DOPL 1357A	10.09.2019	PP&R	Revoke regulations to fix the rate of interest for recovery of interest of pending penalty
DOPL 1361	11.09.2019	RPO	Revenue Protection Order 03/2019
DOPL 1362	11.09.2019	SCL	SCL on Black Gram
DOPL 1363	11.09.2019	Duty Waiver	General Waiver of Customs Import Duty (Petrol 92 Octane)
DOPL1352A	17.09.2019	Suspension	Suspension Revoke of Customs Facilities M/s Lanka Coal
DOPL1364	24.09.2019	PAL	Port & Airport Development Levy
DOPL1365	29.09.2019	RPO	RPO order No 4
DOPL1366	01.10.2019	SCL	SCL
DOPL1367	02.10.2019	Excise	Registering and Charging Tax from Vehicles which Assembled by Vehicle Lanka (Pvt) Ltd
DOPL1348C	02.10.2019	UNION / DGC	SL Customs Uniforms for officers above the rank of Assistant Superintendent of Customs
DOPL1368	02.10.2019	SCL	SCL on B Onions
DOPL1369	02.10.2019	CESS	Amendment to Export Development Act
DOPL1370	14.10.2019	Excise	Revision of Excise Duty - Order made under Section 3 of Excise (Special Provisions) Act No.13 of 1989 (Excise on Cigarettes)
DOPL562M	10.10.2019	NC Committee	Nomenclature & Classification Committee

DOPL1371	22.10.2019	Declaration	Removal of requirement of submitting hard copies of L/C and bank stamp on the invoice for Import CusDeccs
DOPL1372	24.10.2019	BOI	BOI Local Sales Procedure
DOPL1373	29.10.2019	SCL	SCL waiver for FISH and CHILIES
DOPL1348D	01.11.2019	UNION	Hold on DOPL 1348A and DOPL 1348C
DOPL1374	01.11.2019	SCL	SCL on B Onions
DOPL1375	01.11.2019	Luxury Tax	Luxury Tax
DOPL1376	04.11.2019	VAT	VAT for BOI Local Sales
DOPL1377	08.11.2019	SCL	SCL on Dried Fish, Oranges, Plums and Kiwifruit etc.
DOPL1378	08.11.2019	SCL	SCL on Dates, Apples, Oranges, Crude Oil and Coconut Oil etc.
DOPL1379	08.11.2019	VAT/NBT	Value Added Tax (Amendment) Act No 19 of 2019 and Nation Building tax (Amendment) Act, No. 20 of 2019
DOPL1380	26.11.2019	Suspension	Suspension of Customs Facilities M/s. JAT Holding PVT Ltd
DOPL118W	27.11.2019	PP&R	Establishment new Common pool (PP&R Pool)
DOPL1381	29.11.2019	SCL	SCL on chilies and Fish
DOPL1382	29.11.2019	NBT / VAT	Implementation of New Tax Proposals
DOPL1383	02.12.2019	Excise	Revision of Excise Duty - Order made under Section 3 of Excise (Special Provisions) Act No.13 of 1989 (Excise on Cigarettes)
DOPL1382A	05.12.2019	NBT / VAT	Implementation of New Tax Proposals
DOPL1384	06.12.2019	PAL	Ports and Air Ports Levy 2152/32 05.12.2019
DOPL1385	09.12.2019	Excise	Excise Notification 08/2019
DOPL1386	09.12.2019	Import Control	Operating instructions on Emission Standards and Safety Measures/Standards for Motor Vehicles
DOPL1387	10.12.2019	Import Control	Regulations on Import Control List
DOPL1380A	10.12.2019	Suspension	Temporary lifting the suspension of Customs Facilities M/s. JAT Holding PVT Ltd
DOPL1384A	12.12.2019	PAL	Ports and Air Ports Levy 2152/32 05.12.2019 amendment
DOPL1375A	16.12.2019	Luxury Tax	Amendment to Motor Vehicle Luxury tax 2147/72 31.10.2019 Extra Gazette
DOPL1388	16.12.2019	SCL	SCL on Wheat Floor
DOPL1389	16.12.2019	Duty Waiver	Duty waiver on Wheat Grain
DOPL1384B	19.12.2019	PAL	Ports and Air Ports Levy 2152/32 05.12.2019 amendment
DOPL1384C	19.12.2019	PAL	Ports and Air Ports Levy 2152/32 05.12.2019 amendment
DOPL1390	26.12.2019	SCL	SCL on Potato other 0701.90

International Affairs

Departmental subject files opened

File No.	Subject
PP&R/CIAD/01/2019	Customs International Affairs - Miscellaneous
PP&R/CIAD/02/2019	Bilateral Correspondances Between Sri Lanka and Mexico
PP&R/CIAD/03/2019	WCO Correspondence
PP&R/CIAD/04/2019	WBG-Doing Business
PP&R/CIAD/05/2019	Timor-Leste's Customs Correspondence
PP&R/CIAD/06/2019	WCO Gender Equality and Diversity
PP&R/CIAD/07/2019	ADB Projects
PP&R/CIAD/08/2019	Small Island Economies
PP&R/CIAD/09/2019	MOU between India and Sri Lanka on cooperation for preventing and combating the crime of trafficking in persons
PP&R/CIAD/10/2019	Economic and Technology Cooperation Agreement between Sri Lanka and India (ETCA)
PP&R/CIAD/11/2019	Tripartite Cooperation Framework
PP&R/CIAD/12/2019	IMF Correspondance
PP&R/CIAD/13/2019	Agreement between the Government of Sri Lanka and the Government of Georgia on Cooperation in the Field of Merchant Shipping
PP&R/CIAD/14/2019	WCO Secretary General's Visit to Sri Lanka 2020
PP&R/CIAD/15/2019	Customs Mutual Assistant between Sri Lanka and the US
PP&R/CIAD/16/2019	Revised Kyoto Convention (RKC)

Events organized by Policy, Planning & Research Directorate

1. International Customs day Celebration
2. Launch of Sri Lanka Customs WCO Time Release Study report in line with the Customs day Celebrations.
3. Awareness Programs for the WTO Trade Facilitation Agreement

Trade Facilitation Unit

Performance by the Trade Facilitation Unit of Policy, Planning and Research Directorate is can be found in section **2.3.2**

8.3.2 COMPLIANCE AND FACILITATION DIRECTORATE

Introduction

Customs Post Clearance Audit Branch has been established to ensure the balance between the trade facilitation and Customs control. The main objective of such audits is to verify the accuracy and authenticity of Customs declaration and to ensure that they are in compliance with Customs requirements while facilitating international trade. Post Clearance Audits (PCA) enable facilitation of international trade, offer better understanding of Customs procedures and requirements for the business community and encourages the traders to enhance their compliance with Customs.

A Post Clearance Audit may take place at the premises of the trader, and may take individual transaction or imports/exports carried out over a certain period into account. The audit could be used as a criterion to offer extended facilities for compliant traders as an input for risk management process.

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 merging 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 functioned 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).

As per the DOPL 883, the Directorate of Post Clearance Audit and Risk Management Unit was established considering the need to facilitate the compliant traders and to identify lapses and detect frauds in customs clearance process. Therefore it was taken under one Directorate within the Corporate Cluster and named as "Compliance and Facilitation Directorate" (C & F D) with effect from 26th September 2013.

However, at later stage Risk Management Unit was detached from C & F D and functioned under the Central Intelligence Directorate with the expansion of its functions. Presently, "Directorate of Post Clearance Audit" is consisted with PCA Division and Refund Branch within the Corporate Cluster. Post Clearance Audit Branch ensures the balance between law enforcement and trade facilitation.

Post clearance audit means the audit which taken place subsequent to the clearance of the export or imported cargo. The branch performs the duty of ensuring the genuineness and accuracy of the Customs declarations and assessing the level of compliance of importers to customs requirements which can be used to facilitate the international trade. Therefore, PCA encourages operators to comply with the Customs regulations while enhancing the understanding towards Customs processes and requirements.

Post Clearance Audits (PCA) can be done in several ways: Desk audits, Audits that taken place at the premises of the importer. In a PCA Customs can take into account the details of the imports and exports carried over period of three years. The results obtained from these audits can be used to develop a profile of a trader in accordance with their level of compliance. Further they can be used as an input for the process of risk management.

Main Objectives

1. To verify the accurateness and validity of Customs Declarations over a specified period of time.
2. To take essential steps to guide auditees to correct their inaccurate Customs Declarations.
3. To assess and enhance the level of compliance of Customs Laws and other regulations by encouraging the auditees.
4. To identify risk indicators, which can be used as an input for the process of risk management.

Major Functions

1. Developing audit programs
2. Selecting an auditee using past records of traders available in the ASyCuDa system
3. Preparing for the audits by doing desk audits and other essential auditing methods
4. If the desk audit indicates any discrepancies conducting field audits
5. Investigating the frauds detected through the audits
6. Concluding the investigations and report
7. Conducting inquiries to check whether any fraudulent action has been taken place
8. If the prosecution has enough evidence to prove the Customs violation take necessary steps by imposing penalties and other corrective steps.
9. Giving feedbacks to auditees
10. Finally updating the database of the Central Intelligence Unit to use it as a input to the risk management process
11. Evaluating entire audit process to make necessary modifications.

8.3.2.1 POST CLEARANCE AUDIT UNIT

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 extended facilities to certain economic operators.

Main Objectives

1. To verify accuracy and authenticity of Customs declarations over the past certain period.
2. To recommend auditees to take necessary measures for amendment of their incorrect declarations.
3. To encourage auditees to enhance their compliance with Customs laws and regulations.
4. 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 Related Items	Duty Rate Related Items	Duty Amount Related Items	Others
<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.

Performance of the year 2019

	2019
umber of audits registered during the year	179
Number of post audit cases registered during the year	95
Number of post audit cases concluded (including previously registered)	52
Number of System Based Audits conducted	8
Number of post audit cases established offences and imposed forfeiture/penalties	52
Total amount of forfeiture/penalties imposed (LKR)	458,422,599
Total amount of sales proceeds collected (LKR)	-
Total amount collected as A/E (LKR)	4992
Total amount recovered (LKR)	458,327,591

Performance during the year 2016, 2017, 2018 & 2019

	2016	2017	2018	2019
Number of post audit cases registered during the year	103	112	102	179
Number of post audit cases concluded (including previously registered)	77	54	61	52
Number of audits offences established forfeiture/penalties	69	48	61	52
Total amount of forfeiture/penalties recovered LKR	938,538,574	1,120,608,249	604,850,139	458,422,599
Total value of the goods forfeited	NIL	NIL	NIL	NIL
Total amount collected as A/E LKR	61,512,281	894,548	56,653,753	4992
Total Amount Recovered LKR	1,000,050,855	1,121,502,797	661,503,892	458,327,591

Progress of Audits

Year	No. of Audit Conducted
2016	182
2017	175
2018	160
2019	179

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%
2019	179	95	53%

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
2019	95	52	52

Target and Actual Revenue Collection

Year	Revenue Collected (Rs.)
2016	1,000,050,855
2017	1,121,502,797
2018	661,503,892
2019	458,327,591

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
2019	95	51

8.3.2.2 REFUNDS UNIT

Status of the Refund Claims – 2019

	Number
Application/Claims Registered	155
Refunds Completed (including previously registered)	138
Applications/Claims Rejected	15

Status of Refund Claims- Previous Years (2015 to 2019)

Year	2015	2016	2017	2018	2019
Applications/Claims Registered	80	219	163	219	155
Refunds Completed (including previously registered)	06	39	49	36	138
Applications/Claims Rejected	01	04	11	03	15

8.3.3 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.

Performance against the Annual Action Plan

Key Activities under control objectives	
Automating the write off of the import Sea Manifest at the CBHQ1 office.	100% completed
Capturing the scan images of the invoice to the AsyCuda system	100% System Ready. Awaiting AGS approval
Completing the automation of the KTIM1 office.	ICT part completed 100%
Connecting the immigration department with the Sri Lanka Customs to facilitate door to door UPB delivery.	Tender awarded. Committee appointed to look in to improvements
Migration of the current THINETH System to the Asycuda World system.	5 % Migration of the companies done
Implementing the paperless exports trade with digital signatures	System 100% ready. Awaiting AGS approval
Implementing the paperless imports trade	System 10% ready. Awaiting AGS approval
Publishing an Updated Exports Tariff Guide	100% completed
Automating the selection of export cargo for examination	Awaiting selectivity criteria from the exports division
Capturing the Export Cargo manifest to the system.	System ready. Schemas given to ADGC (C) to discuss with CASA
Implementing the PIV payment system.	5% completed. Implemented at Colombo parcel post.
Providing the data to the ITMIS system	Customs 100% ready. Ministry not ready.
Automating the write off of the import Sea Manifest at the BOI office.	System tested and ready. BOI to take the decision to implement
Capturing the scan images of the clearance documents to the AsyCuda system	Invoice taken. System 100% ready. Management to take the decision
Completing the automation of the HBIM1 office by implementing the exit note.	System tested and ready. DDC/ HBIM1 to take the decision
Implementing the Air Cargo manifest	System tested and ready. DC KTIM2 to take the decision
Providing CCTV viewing facility of the BIA to DGC	100%
Automating Transshipment cargo application	100%

Key activities under trade facilitation objectives	
Connecting the immigration department with the Sri Lanka Customs to facilitate door to door UPB delivery.	Customs system ready. Immigration department yet to send the data
Migration of the current THINETH System to the Asycuda World system.	20%
Implementing the paperless exports trade with digital signatures	0%
Implementing the paperless imports trade	20%
Automating the selection of export cargo for examination	0%
Capturing the Export Cargo manifest to the system.	0%
Providing internet based information for the trade	50%
Connecting BOC/PEOPLES bank through LPOPP.	75%
Providing traders with e mail facility to know the status of the Customs Declaration.	100%

Key activities under other objectives	
Implementing the PIV payment system.	20%
Providing the data to the ITMIS system	Customs ready. ITMIS system not ready
Upgrading and replace network equipment in the head office	Tender to be awarded
Enhancing the security as per the CERT guidelines after cert system audit	50%

8.3.4 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

1. Enhance efficiency and effectiveness through valuation tools and techniques and capacity building formalities thereby contributes to departmental goals.
2. Contribute for proper facilitation of legitimate trade.
3. 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

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

Performance Report for the Years 2017 & 2018 & 2019

Month	Amount Recovered through A/E		
	2017	2018	2019
January	96,976,771.01	162,436,213.20	137,861,340.00
February	92,588,732.00	197,606,167.74	199,983,030.00
March	124,223,659.00	139,270,365.00	120,416,213.00
April	115,021,167.83	172,654,159.00	132,439,443.00
May	133,185,096.00	145,106,782.00	193,606,520.00
June	73,950,166.00	174,176,732.00	139,689,506.00
July	124,688,097.00	118,414,464.37	169,113,512.00
August	156,586,925.58	156,252,561.00	180,739,571.00
September	144,727,507.37	138,100,571.00	152,906,330.00
October	156,768,427.00	176,677,684.00	149,523,186.00
November	169,522,592.00	146,612,176.04	191,526,236.00
December	181,737,644.26	155,126,605.00	145,948,818.00
	1,569,976,785.05	1,882,434,480.35	1,913,753,705.00

	2018	2019
Amount Recovered through A/E	1,882,434,480.35	1,913,753,705.00
Penalty Recovered	203,456,000.00	47,173,252.00
Total	2,085,890,480.35	1,960,926,957.00

8.3.5 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.

8.3.5.1 COMMODITY CLASSIFICATION UNIT

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	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Number of Applications Received	3	4	9	0	17	27	23	49	61	34	24	21	272
Number of completed rulings from the applications received during month	3	4	7	0	14	23	18	39	51	31	15	11	216
Total Number of Rulings Issued during month including previous rulings	7	5	5	3	31	37	18	12	24	71	56	17	286

Internal Advice Rulings

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Number of Applications Received	42	25	40	19	46	38	46	41	34	44	31	25	431
Number of completed rulings from the applications received during month	37	24	39	19	42	34	42	39	31	40	21	13	381
Total Number of Rulings Issued during month including previous rulings	32	79	24	47	54	39	42	45	43	59	26	26	516

Advanced Rulings in comparison to previous years			
Year	Number of Applications Received	Number of Rulings Issued	Rate of Completion
2018	547	299	55%
2019	272	216	79%

Internal Classification advices in comparison to previous years			
Year	Number of Applications Received	Number of Rulings Issued	Rate of Completion
2018	596	449	75%
2019	431	381	88%

8.3.5.2 CUSTOMS LABORATORY UNIT

Introduction

The Customs Laboratory is established to assist the Customs department and the stakeholders, in identifying chemical and allied products that are imported or exported. When there is a doubt on identification of chemicals and allied products being imported or exported, their samples are referred to this laboratory for analysis. Furthermore, when there are disputes regarding 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 2019

		Received	Finalized	Completion rate
Total Number of CUSDECs	CUSDECs analysis for identification only	24	23	95.8%
	CUSDECs analysis & classification only	190	186	97.9%
	CUSDECs for classification only	5	5	100%
Total Number of Rulings & other files	Ruling files referred from 'CC' Branch	142	142	100%
	Other files referred from other Branches	102	100	98.0%
	Total	463	456	98.5%

In comparison to previous years

CusDecs, Rulings & Case files

	Received	Finalized	Complete Rate
2017	325	314	97%
2018	497	471	95%
2019	463	456	99%

8.3.5.3 GENM UNIT

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 2019 is as follows

Exports

Exports	Total Value lkr	Percentage%
Gems	27,675,189,890	37
Diamond Jewelry	226,372,075	0.31
Other Jewelry	2,475,858,654	3.35
Diamonds	23,678,492,830	32.06
Geuda and Minerals	10,443,400	0.01
Gold Re Exports	0	0
Exhibition Gem	19,574,537,545	26.50
Exhibition Jewellery	213,532,770	0.29
Total	73,854,427,164	

Imports

Imports	Total Value lkr	Percentage%
Rough Diamonds	10,539,182,937	33.32
C&P diamonds	11,519,431,103	36.42
Gems	8,456,686,603	26.74
Silver	123,256,221	0.39
Gold	545,413,922	1.72
Jewelry	350,933,639	1.11
Findings	7,793,730	0.02
Other (Consumables)	83,523,012	0.26
Total	31,626,221,167	

- **Reimports Total** - **Rs. 3,028,029,366**
- **Reimports Percentage** - **2.79%**

8.3.5.4 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.

Performance for the year 2019 – TIN/VAT Registration

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
1	No. of Permits Registered													10657
2	No. of Personnel - Imports													298
3	No. of Personnel - Vehicles													2225
4	No. of Private Limited Registered													1733
5	No. of Sole proprietorships Registered													775
6	No. of Partnerships Registered													311
7	Other documents (VAT Update, Carnet, CDU, Government, etc.)													50
	Total No. of Documents Received													16049

	TOTAL	
1	No. of Permits Registered	10,657
2	No. of Personal Imports	298
3	No. of Personal-vehicles	2,225
4	No. of Private Limited Registered	1,733
5	No. of Sole Proprietorship Registered	775
6	No. of Partnership Registered	311
7	Other documents (VAT Update, Carnet, CDU, Government, etc.)	50
	Total No. of Documents Received	16,049

	Planned	Actual	
1	No. of Permits Registered	5400	10,657
2	No. of Personal Imports	500	298
3	No. of Personal-vehicles	6050	2,225
4	No. of Private Limited Registered	2000	1,733
5	No. of Sole Proprietorship Registered	1000	775
6	No. of Partnership Registered	400	311
7	Other documents (VAT Update, Carnet, CDU, Government, etc.)	65	50

Performance for the year 2019 – CHA Unit

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
1	New registrations of Customs House Agents	14	12	14	5	8	8	11	8	8	11	12	8
2	New registrations of Warf Assistants	15	12	13	5	9	15	13	15	8	11	13	8
3	Renewals of Customs House Agents	216	186	195	164	0	209	236	343	183	181	161	225
4	Renewals of Warf Assistants	492	367	448	375	0	532	531	401	439	461	309	596
5	Cancellations of Customs House Agents	4	1	1	1	2	6	2	3	-	2	0	1
6	Cancellations of Warf Assistants	56	37	38	32	38	43	46	27	27	44	20	38
7	Temporary passes Issued and renewed	50	56	68	45	0	63	62	43	58	55	52	76

	1 st quarter		2 nd quarter		3 rd quarter		4 th quarter		
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	
1	New registrations of Customs House Agents	40	40	30	21	35	27	45	31
2	New registrations of Warf Assistants	30	40	25	29	25	36	40	32
3	Renewals of Customs House Agents	725	597	550	373	650	762	775	567
4	Renewals of Warf Assistants	1500	1307	1400	907	1200	1371	1600	1366
5	Cancellations of Customs House Agents	4	6	3	9	5	5	4	3
6	Cancellations of Warf Assistants	150	131	90	113	80	100	120	102
7	Temporary passes Issued	200	174	150	108	200	163	250	183

8.4 HUMAN RESOURCES CLUSTER

8.4.1 HUMAN REAOURCES 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

Performance related to 2019 is mentioned in Section 6.1 and Chapter 7

8.4.2 HUMAN RESOURCE DEVELOPMENT DIRECTORATE

Introduction

Customs Administrations of each and every country in the world is facing huge challenges with the emerging trends such as modernization, globalization, technological innovations, restructuring processes and optimization of workforces. All these factors are directly related to Customs Professional Development which indicated the importance of giving high priority to Human Resources Development in Customs administrations.

Sri Lanka Customs is the one of the most prominent departments in Sri Lanka which acts as a border control agency of the nation with more than 200 years of experience. Having the primary objectives of Collecting Revenue, Enforcing Customs Law, Facilitate the Trade and Protecting Society Sri Lanka Customs play a vital role in the Socio Economic well-being of the country. To take over the responsibilities of Sri Lanka Customs with an effective and efficient manner, it is vital to produce the knowledgeable and high skilled individuals who can carry out their responsibilities with positive attitudes while practicing the service ethics.

Pursuing this inspiration, Sri Lanka Customs always focus on facilitating not only officers of the department but also other outside stakeholders who involves in processes related with Customs and Border Protection.

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,

1. Formulating and implementing training policies systems and procedures.
2. Responsible for enhancing capacities of employees of every level to achieve the departmental objectives.
3. Standardized training contents for new recruits and experienced officials when changing working positions
4. Collaborates with local and international bodies including WCO and WTO in providing most up to date training for the employees
5. Formulation and deliverance of specific training programs to meet the Departmental aspirations
6. Develop Professional and prominent Customs Officials through excellence of training
7. Provide the innovative and effective learning environment
8. Enhance the level of practicing of service ethics by Customs Officers
9. Catering international requirement in human resources management.
10. Assessing the training needs of the Department prioritizing the training requirement formulating and implementing the training plan.
11. Development of curricula, development and conducting of training Programmes, seminars & workshops.
12. Monitoring and evaluation of training Programmes.
13. Provision of necessary training for outside organizations such as Sri Lanka Army, Navy & Police officers as and when requested.
14. Conducting a certificate programme for Customs House Agents
15. Provisioning of resource persons from our Department to facilitate training requirements of stakeholder on Customs matters.
16. Library facilities are being provided for the customs staff.

Performance of 2019

In accordance with the Training Plan 2019 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 3,158 participants under these programs.

Participation for Training 2019

Grade wise

Grades	Local	Foreign
DGC	-	3
Addl. DGC	5	09
DC	26	27
DDC	131	59
SC	205	55
DSC	2433	32
ASC		87
Others	358	02
Total	3,158	274

Training Local/Foreign- 2019

Local Training Programme	- Total : 65
Foreign Training Programme	- Total : 128
Participants -Local	
SCC and above programmes	- 367
ASCC and above programmes	- 2433
Others	- 358
Participants -Foreign	
Seminars	08
Workshops	28
Programs	13
Training Course	04
Meetings	42
Post Degree Programmes	-
Conferences	07
Others	06

Customs House Agent Training & Examination

Examination	Participants	passes	percentage
2018 Group III	118	94	80%
Group I	110	97	88%
Group II	113	95	84 %
Group III	117	106	90%

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 is 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.

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

8.4.3 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

1. Answering Government Audit queries:
Coordinate with all the directorates and reply for the queries raised by the Auditor General
2. 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.
3. 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.
4. 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.
Implementation of Productivity Improvement Program:
5. 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.

8.4.4 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.

Performance during the year 2019 is mentioned in Section 3.8 and Chapter 7

8.5 REGIONAL CLUSTER

8.5.1 PASSENGER SERVICES (KATUNAYAKE) DIRECTORATE

Introduction

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,

1. Facilitating the free movement of bona-fide passengers.
2. Ensure protection of government revenue and safeguarding socio-economic, cultural and ecological interest of the society.
3. Conduct enforcement activities entrusted under a Customs Ordinance and other related laws.
4. Regulate and monitor the border control operations in relation to the air travelling.
5. 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

1. Facilitate the movement of inward and outward bona-fide passengers and their baggage without difficulties.
2. Collection of due government revenue and prevention of importation and exportation of restricted and prohibited goods.
3. Facilitation of VIP and VVIP movements at BIA.
4. The processing of crew and aircraft arriving and departing Sri Lanka.
5. Granting duty free baggage allowance on passenger baggage while monitoring and take measures on misusing of such facility.
6. Release goods on ATA Carnet, Guarantees and special deposits, when required.
7. Handling Gem/Jewelry and parcels approved by Customs/National Gem and Jewelry Authority.
8. Examine and approve foreign currency declarations made by inward/ outward passengers.
9. Endorsing remaining baggage allowance on the Power of Attorney enabling as authorized persons to clear the unaccompanied baggage after the departure of the passenger.
10. Examination of accompanied baggage on suspicion or when required.
11. 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.

Performance

Duty and other levies collection

	Rs. Mn
Duty	19,156
VAT	108,861
PAL	18,833
XID	10
Im. Cess	131,277
Penalty	136,883
SCL	226,545
NBT	15,397
Others	14
ESC	7,713
Total	438,372

Other Charges

	Rs. 000
SR charges	805
Overtime	7,421
DFS Customs charges	654
Du. Sch	10
Computer Fees	5,477
Total	14,369

Detections

	Rs. Mn
Cases detected	204 cases
Value of goods forfeited	670,014,923.00
Value of currency forfeited	69,989,013.00
Value of cases forwarded to CIB	NIL
Value of Duty free items forfeited	733,236.00
Value of gems forfeited	7,391,480.00
Value of gold forfeited	433,345,025.00
Value of silver forfeited	NIL
Value of tobacco products forfeited	89,834,900.00
Quantity of drugs forfeited	4960.115g
Value of other goods forfeited	15,883,387.00
No of inquires held	195 inq
No of restricted items detained	91 items
No of cigarette sticks forfeited	436797
No of other packages detained (Liquor etc)	3587 pkg

8.5.2 REVENUE & SERVICES (KATUNAYAKE) DIRECTORATE

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 Sri Lanka 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 Functions

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	3,277,052,163.00	254,052,049.00	121,488,535.00	3,652,592,747.00
2	Value Added Tax	VAT	9,579,453,417.00	649,790,118.00	361,307,432.00	10,590,550,967.00
3	Ports & Air port development Levy	PAL	8,296,542,980.00	411,184,005.00	207,482,290.00	8,915,209,275.00
4	Social Responsibility Levy	SRL	0.00	12,000.00	0.00	12,000.00
5	Special commodity Levy	SCL	252,787,862.00	90,816.00	28,992.00	252,907,670.00
6	Consolidated Levy	CON	68,152.00	0.00	0.00	68,152.00
7	Customs Imports Surcharge	SUR	0.00	0.00	0.00	-
8	Excise Duty	XDO	15,224,576.00	154,224.00	26,928.00	15,405,728.00
9	Economic Service Charge	ESC	0.00	4,717.00	4,531.00	9,248.00
10	Nation Building Tax	NBT	3,480,591,189.00	151,667,657.00	70,954,174.00	3,703,213,020.00
11	Import Cess (EDB)	EIC	1,499,467,218.00	118,844,237.00	58,894,462.00	1,677,205,917.00
12	Computer fees	COM	23,739,750.00	7,251,250.00	4,391,060.00	35,382,060.00
13	Examination fees	EXM	35,482,500.00	8,727,800.00	5,247,500.00	49,457,800.00
14	Over Payment	OVP	4,760,514.00	0.00	0.00	4,760,514.00
15	Overtime Charges	OTC	112,567,719.00	7,071,100.00	1,886,600.00	121,525,419.00
16	Seal Chargers	SEL	765,255.00	0.00	0.00	765,255.00
17	Penalty	PTY	148,628,251.00	55,250,668.00	10,426,136.97	214,305,055.97
18	Verification fees	VCS	0.00	8,707,860.00	1,033,580.92	9,741,440.92
19	Miscellaneous	MISC	16,197,526.00	0.00	0.00	16,197,526.00
20	Special Deposit	SPD	0.00	0.00	0.00	-
21	Other(Ammendment Charges)	AMD	0.00	1,500.00	34,751.00	36,251.00
	TOTAL (Rs.)		26,743,329,072.00	1,672,810,001.00	843,206,972.89	29,259,346,045.89
22	No of Cusdecs Received		75031	29005	17846	121882
23	No of Cusdecs passed at Bonding, Infac & TIEP		3091	0	221	3312
24	No of Cusdecs Passed at BOI		56698	27153	8008	91859
	as Entreport	05	517	0	0	517
25	No Of S.R.Applications (DRA)		0	0	0	0
26	No of Cusdecs Passed under Provisional		1	0	0	1
27	No. Cusdec Passed under excemptions /19 A		1265	0	0	1265
28	No of Applications Passed under Transshipmer		6018	0	435	6453
29	No of Dip/DPL Cargo Consignments		338	0	0	338
30	No of Cusdecs Passed under Carnet	04	55	0	0	55
31	No of Cusdecs Passed under B.G(ACT/DHL/007)		0	0	0	0
32	No of Cusdecs Passed under ISAFTA/SAFTA 08		175	0	0	175
33	No of Cusdecs Passed under P.G(ACT/DHL/004)		0	0	0	0
34	Gem Register		540	0	0	540
	TOTAL		21434	58504	31821	111759
35	No of Pkgs delivered		0	0		0

8.

8.5.3 REVENUE & SERVICES (PROVINCIAL) DIRECTORATE

Introduction

Revenue and Services (Provincial) Directorate is responsible for managing all Customs related functions of out-ports namely Galle, Jaffna, Trincomalee, Kandy, Kurunegala, Mattala 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.
5. Facilitate the movement of passengers and passenger baggage and effectively enforcing the Customs.

Revenue Collection 2019															
Duty and Other Levies	Jaffna Port	Jaffna Postal	Hambantota Port	Trincomalee Port	Trincomalee Postal	Galle Port	Galle Postal	Galle Trico	Koggala SPO	Kandy Postal	Kandy CSL	Kurunegala Trico	Mattala Airport	Palali Airport	Total
Import Duty (CID)	-	189,086.00	215,150.17	38,172.00	32,121.00	346,054.50	252,897.00	1,388,720.00	-	164,907.00	1,927,761.00	3,265,431.00	-	-	7,820,299.67
Ports & Airport Develop. Levy	-	1,307,270.50	1,576,053.08	25,024.50	677,824.00	256,945.20	1,137,303.00	1,258,313.00	1,797,595.00	1,172,733.00	2,550,453.00	3,160,802.00	-	-	14,920,316.28
Customs Seal Charges	-	-	-	-	-	-	-	175,500.00	700.00	-	43,000.00	179,000.00	-	-	398,200.00
Over time Chargers (OTC)	200,037.35	-	1,281,209.00	15,285,371.00	-	17,006,680.14	-	9,106,290.00	12,800.00	-	7,444,870.00	8,785,830.00	99,300.00	21,600.00	59,243,987.49
Yacht Charges (YCH)	-	-	-	-	-	219,650.00	6,000.00	-	-	-	-	222,000.00	-	-	447,650.00
SR Chargers (SRC)	-	17,900.00	50.00	-	43,500.00	860,200.00	130,550.00	3,800.00	-	32,750.00	16,700.00	47,650.00	-	-	1,153,100.00
Value Added Tax (VAT)	-	474,760.00	3,616,623.46	59,060.18	182,452.00	621,082.76	936,215.00	1,319,548.00	-	458,539.00	2,913,266.00	4,510,198.00	-	7,845.00	15,099,589.40
Nation Building Tax (NBT)	-	726,819.50	477,867.22	3,232.38	368,067.00	74,833.29	435,668.00	497,872.00	560,156.00	390,966.00	995,899.00	1,318,783.00	-	211.00	5,850,374.39
Import Cess (EDB) (EIC)	-	1,482,335.00	-	450.00	876,851.00	44,807.00	988,557.00	2,588,875.00	836,683.00	912,283.00	4,385,490.00	7,417,802.00	-	28,350.00	19,562,483.00
Excise Duty (EXD)	-	745.00	-	-	-	-	-	239,797.00	-	-	1,942,973.00	397,338.00	-	-	2,580,853.00
Examination Fees (EXM)	-	-	10,500.00	1,420,000.00	-	-	-	-	-	-	-	-	-	3,300.00	1,433,800.00
Penalty	12,782,681.00	28,581.00	20,000.00	-	-	10,000.00	59,050.00	442,200.00	100.00	9,250.00	256,259.00	342,606.00	-	11,780.00	13,962,507.00
Port clearance charges	-	-	3,000.00	-	-	-	-	-	-	-	-	-	-	-	3,000.00
Special Comodity Levy (SCL)	-	-	-	-	-	-	-	-	-	-	55,080.00	7,680.00	-	-	62,760.00
Other Charges	2,800.00	-	20,663,224.00	7,822,211.33	-	-	-	-	-	-	21,973.00	-	-	2,750.00	28,512,958.33
Grand Total for the Year	12,985,518.35	4,227,497.00	27,863,676.93	24,653,521.39	2,180,815.00	19,440,252.89	3,946,240.00	17,020,915.00	3,208,034.00	3,141,428.00	22,553,724.00	29,655,120.00	99,300.00	75,836.00	171,051,878.56
Value of goods Forfeited	165,239,855.33	-	-	-	-	-	-	-	-	-	-	-	-	-	165,239,855.33

8.6 DIRECTORATES DIRECTLY UNDER DIRECTOR GENERAL OF CUSTOMS

8.6.1 SYSTEM AND PROCEDURES COMPLIANCE DIRECTORATE

Introduction

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;
3. Reliability and integrity of financial & operational information
4. Effectiveness & efficiency of operations
5. Safeguarding of Assets
6. Compliance with laws, regulations and contracts
7. Establish audit plans based on risk assessment to improve management of risk, and improve the organization operations.
8. Reporting significant risk exposures and control issues and other matters needed or requested by the senior management.
9. 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.
10. Assess and make appropriate recommendations for improving the governance process in its accomplishment of the following objectives
11. Promoting appropriate ethics and values within the organization.
12. Ensuring effective organizational performance management and accountability

Comparison of Performance with the Action Plan 2018

Key Action	Target	Actual	If not achieved, the reasons
Collection of maximum revenue in line with government expectations	34	33	Overall Performance 96.87%
Ensure proper enforcement of the customs law and other related laws and rules concerning revenue, social and environmental protection whilst facilitating trade	09	10	
Enhance performance/productivity of the staff and change of attitudes to create positive working environment	02	02	
Timely provision of required assistance including technical support and guidance in order to smooth functioning of total customs processes with technological solution	06	05	
Control over the expenditure in line with Annual Budget Estimates and effective management of various funds	13	12	
Total	64	62	

8.6.2 FINANCE DIRECORATE

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

1. Preparing of Annual Budget Estimates for Expenditure and Tax Revenue.
2. Collecting, Recording and Reporting of tax revenue and expenditure
3. Manage the expenditure within the approved Budget.
4. Furnish financial information to the General Treasury, the Auditor General and other interested parties as per the time frames given.
5. 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.
6. 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 this assistance four Deputy Directors and one Administrative Officer being assigned. In addition, supportive staff amounting 115 is 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.

1. Revenue Division
2. Payments Division
3. Salaries and Overtime Division
4. Shroff Division
5. Fund Management Division
6. Tax Division

Performance in 2019

8.6.2.1 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 2019, refer section 2.1 and 2.3.

8.6.2.2 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 2019 and 2018 as compared with that of the respective Budgets are described below.

Expenditure Management (SLR Mn.)				
Description	2019		2018	
	Budgeted	Actual	Budgeted	Actual
Recurrent Expenditure	2,782,500	2,589,200	3,269.07	2,167.95
Capital Expenditure	358,450	90,700	346.33	109.97
TOTAL	3,140,950	2,679,900	3,615.40	2,277.92

8.6.2.3 SALARIES AND OVERTIME DIVISION

This Division has been assigned with the responsibilities of paying salaries and overtime for approximately 2455 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 Overtime Fund and Other Funds for the last two years are tabulated below.

Customs Overtime Fund

	2019	2018
	Rs	
Receipt of Overtime Income	1,083,686,410.00	1,013,305,174.00
Government Contribution	108,368,641.00	101,330,517.40
Overtime Expenditure	919,607,048.06	621,407,526.00
Surplus	55,710,720.94	334,904,166.00
Accumulated Fund	2,233,411,922.00	2,179,186,497.00

Other Funds

	External Examination Fees Fund		Information and Communication Fund	
	2019	2018	2019	2018
Income	304,459,019	335,848,525	18,720,000	13,728,000
Payments	304,459,019	335,848,525	18,720,000	13,728,000

8.6.2.4 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.

1. Custom Reward Fund
2. 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	
	2019	2018	2019	2018
Income	1,907	2,316	732	885
Expenditure	1,793	2,290	212	232
Surplus	114	25	520	653
Fixed Assets				
Fund Balance	1,053	816	7,281	3,735
Rewards Payable	1,908	1,072		

8.6.2.5 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 remits such recoveries to the Department of Inland Revenue regularly.

8.6.3 REVENUE TASK FORCE

Introduction

Revenue Task Force (RTF) Directorate is operating under direct supervision of Director General of Customs; Revenue Task Force acts as a strike force and keeps vigilance over all activities of the Customs Department, for promoting integrity and eliminating irregular practices & any other irregularities affecting smooth functioning of Customs operations.

RTF is headed by a Director of Customs and the other staff comprising Deputy Directors of Customs, Superintendents of Customs, Deputy Superintendents of Customs, Assistant Superintendents of Customs, Inspectors of Customs and the clerical staff.

RTF monitors all imports and exports to ensure that all the goods have been cleared on payment of all levies due, and in conformity with all other rules and regulations, and empowered to intercept and re-examine or seize for investigations any goods imported, or to be exported, including personal baggage, mail & courier parcels. Further RTF will carry out surprise checks at Airports, Air Cargo, Courier Parcel Warehouses, Unaccompanied Passenger Baggage Warehouses, Parcel Post, General cargo, BOI Cargo, Bonded Cargo, and Export Cargo etc.

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 and also on 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 practices within the department.
2. Responding promptly in case of complaints and allegations.
3. Assisting the 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.

	UPB	Main Office	Mobile Unit	Total
Penalty/ Forfeiture/ Mitigated Forfeiture	132,112,969	280,545,926	332,070,463	744,729,358
Duty and Other Levies	17,331,657	29,274,279	42,378,503	88,984,439
Sales Proceeds	22,389,472	96,323,137	5,683,468	124,396,078
Total	171,834,098	406,143,342	380,132,434	958,109,875

8.6.4 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. Collection of revenue accurately through supervision and control of cigarettes and other manufacturing institutions.
2. Acting as the law enforcement authority in respect of the Excise (Special Provisions) Act, all thereby collection of the Excise Duty from imported and locally manufactured excisable articles.
3. Compare the tax paid by the Companies with previous and current records.
4. Engage in activities pertaining to the imposition of excise Duty.

Mission and Objectives

The mission of Excise (Special Provision) Directorate is to collect excise revenue efficiently which has been imposed on articles manufactured within Sri Lanka or imported into Sri Lanka, and thereby contribute to the national development process.

Objectives;

1. Implementation of the Excise (Special Provision) Act, No 13 of 1989
2. The collection and protection of revenue from articles come under the Excise such as petroleum, L P Gas, Cigarettes, Soft drinks, Race publication and vehicle imports, locally assembled vehicles, Paints, Polythene and other excisable articles.

Revenue Collected

Article	Rs. Mn
Cigarettes	87,547.77
Petroleum	12,283.37
Motor Vehicles (Locally Assembled)	495.08
Soft Drinks	3,287.02
Race Publication	17.23
Electrical items (local) other	42.62
Fruit Drink	0.01
Pati Acid	4.62
Courts Revenue	60.63
Registration Fees	0.01
TOTAL	103,738.36

Comparison of Performance with the Action Plan for 2019

Key Action	Target Mn.	Actual Rs.	If not achieved, the reasons
Tobacco	100,000.00	87,547.77	Due to price increase, as per budget proposals
Petroleum (Petrol, Diesel)	14,500.00	12,283.37	Due to more imports of purified petrol/diesel
Local Assembled Vehicles	315	495.08	
Others (Soft Drinks, Race publications, Electrical Items (local assembled) & recoveries from Court Cases	8800	3,410.83	Sugar based excise duty was introduced and legal action has taken against some fruit drinks manufacturers who don't pay excise duty.

8.6.5 APPEALS DIRECTORATE

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.

	Performance	Percentage%
Registration of Appeals	114	100%
Appellant notification of the registered appeal	114	100%
Requests of copy file and applicable report from the DC concerned	114	100%
Appeals forwarded to the Appeal Committee consideration	84	73.6%
Informed DGC on Appeal Committee decision	84	73.6%
Followed up actions of appeals with DGC approval on committee decision	84	73.6%

