Implementing Trade Facilitation Agreement

Indian Experience

Perspective and Priorities
Trade facilitation - Government and Private Stakeholders need to work in tandem
In India, a Three-Tier mechanism for implementation envisaged:

- National Committee on Trade Facilitation (NCTF) to be chaired by Cabinet Secretary
- Steering Committee to be chaired by Revenue Secretary and Commerce Secretary
- Ad-hoc Working Groups to assist with specific provisions.

- NCTF is mandated with roll out of annual implementation plan
**NCTF GOVERNANCE STRUCTURE DESIGN PRINCIPLES**

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Wide Representation</strong></td>
<td>TFA requires multiple stakeholders to come together in order to ease cross border trade and build the National Trade Facilitation plan.</td>
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<tr>
<td><strong>Coordination</strong></td>
<td>The Structure should facilitate coordinate with various agencies at various levels to achieve common goals.</td>
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<tr>
<td><strong>Flow of Information</strong></td>
<td>The structure should facilitate flow of information and knowledge sharing between different agencies and regions.</td>
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<tr>
<td><strong>Decision Making Authority</strong></td>
<td>The structure should be able to facilitate decision making processes.</td>
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<tr>
<td><strong>Public and Private Ownership</strong></td>
<td>The structure should have representation from both public and private stakeholders.</td>
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Responsibility Matrix

Cross Border Procedures

Regulatory Agencies:
Customs (Ministry of Finance)
DGFT (Ministry of Commerce)
FSSAI and CDCSO (Ministry of Health)
Animal and Plant Quarantine (Ministry of Agriculture)
Bureau of Standards (Ministry of Consumer Affairs)
Textile Committee (Ministry of Textiles)
Wireless Planning and Coordination (Ministry of Communication and IT) and
Wildlife Crime Control Bureau (Ministry of Environment and Forests)

Infrastructure and Logistics

Ministry of Shipping
Ministry of Civil Aviation
Ministry of Railways
Ministry of Roadways and Highways
Ministry of Commerce
Ministry of Finance
FOUR PILLARS AND FOUNDATION OF TFA

1. Transparency (Access to Information)
2. Technology (Digital and Detection technologies)
3. Procedures (Simplification, Standardization, Harmonization and Risk based approach)
4. Infrastructure (Augmentation in Sea Ports, Airports, Railways, Roads, Land Borders)
5. Coordination (Inter-Ministry and Inter-Agency)
<table>
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<tr>
<th>Transparency</th>
<th>Technology</th>
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<tr>
<td>Publication of Information</td>
<td>Improve IT based Services and Compliance</td>
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<tr>
<td>Enquiry Points</td>
<td>Single Window and Coordinated Border Management</td>
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<tr>
<td>Prior consultation</td>
<td>Globally Networked Customs</td>
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<tr>
<td>Opportunity to Comment</td>
<td>Non-Intrusive Inspection Technologies</td>
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<tr>
<td>Measures to Enhance Impartiality</td>
<td>Scanners, X-ray machines, Radiation and Nuclear Portals</td>
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**Procedures**

- Uniformity and clarity in Procedures
- Uniform documentation requirements
- Special procedures for Perishables
- Faster clearance for e-commerce shipments
- Pre-arrival processing and Risk based approach

**Infrastructure**

- Poor infrastructure at Sea Ports and Airports
- Inadequate infrastructure at CFSs and ICDs
- Poor road conditions and congestion
- Insufficient rail connectivity to major ICDs
- Lack of testing laboratories at all ports
Adhoc Working Groups under NCTF

**Outreach**
- Collaborate with Trade
- Increase Awareness
- Officers of all Agencies
- Trade and Industry

**Legislative Changes**
- Gaps in Legislation for Category B Articles
- Improve Standards for Category A Articles

**Time Release Study**
- Improve Risk Assessment
- Identify procedural bottlenecks
- Identify Stakeholder responsibility
- WCO Methodology

**Infrastructure**
- Sea Ports and Airports
- Roads and Railways
- Inland Container Depots
- Land Customs Stations
### Improve standards of Category A Articles

| Article 1.2 | Developing a single holistic portal which can host all Regulatory information on behalf of Government |
| Article 1.3 | Put in place call-centres, which act as Enquiry points, in all Ministries to handle trade queries. Provide backend support from officers having domain knowledge |
| Article 2.1 | Make a consultation process compulsory before Rules or Regulations are changed |
| Article 7.6 | Bring down the overall cargo release time – below 3 days for Sea cargo, below 2 days for air cargo and same day for ICDs and Land Customs Stations |
| Article 10.2 | Create a central repository of original documents in each sea port, airport, Inland Container Depot or Land Customs Station |

**Convert Category B to A at the earliest**
## TFA Action Plan – A glimpse at priorities ...

### Short Term – Medium Term and Long Term

<table>
<thead>
<tr>
<th>Article 7.5</th>
<th>Strengthen Post Clearance Audit System in Customs.</th>
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<td>Article 7.7</td>
<td>Increase the number of Authorized Economic Operators</td>
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<td>Article 7.8</td>
<td>Streamline e-commerce policy and minimize documentation requirement</td>
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<tr>
<td>Article 7.9</td>
<td>Expedite procedures for perishable goods and augment cold storage infrastructure</td>
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<tr>
<td>Article 12</td>
<td>Encourage connectivity and co-operation with other Customs administrations. Promote Globally Networked Customs</td>
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TFA Plus – infrastructure, logistics, policy and procedures by various Ministries
What have we done so far?

✓ Brought cargo release time and transparency as centre of focus in addition to Revenue Collection
✓ Enhanced process efficiency by implementing several modernised procedures
  ✓ SWIFT, Pre-Arrival processing, Direct Port Deliveries (Imports), Direct Port Exit (Exports), Integrated Risk Management, Revamped AEO scheme, Deferred Payment, Reduce paper and rely on digital signatures
✓ Renewed and intensive focus on Digital Customs - New Investment into IT Infrastructure and Applications – Technology Refresh through Project Saksham
✓ Better coordination amongst various stakeholders in the border clearance ecosystem
  ✓ Customs Clearance Facilitation Committees – feeding information to NCTF
✓ Extensive outreach, perception survey and capacity building efforts
<table>
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<th><strong>Vision</strong></th>
<th><strong>Outcome</strong></th>
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<td>Transform cross border clearance eco-system through efficient, transparent, risk based, coordinated, digital, seamless and technology driven procedures which are supported by state-of-the-art sea ports, airports, rail, road and other logistics infrastructure.</td>
<td>Increase Ease of Doing Business</td>
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<td>Enhance Digitization – Shift towards Paperless Environment</td>
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<td>Ensure Simple, Transparent and Predictable Legal Regime</td>
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<td></td>
<td>Improve Investment Climate through better infrastructure</td>
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<td></td>
<td>Faster, Easier, Cheaper</td>
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Thank You