



ANNUAL PERFORMANCE REPORT 2022

Compiled by : Policy Planning, Research and International Affairs Directorate

Message from the Director General of Customs

It is my privilege to present the Annual Performance Report of Sri Lanka Customs (SLC) for the year 2022. In spite of the limitations imposed by the corona virus pandemic combined with economic crisis issues prevalent at the time, SLC dealt with the situation successfully by taking the challenges as an opportunity to introduce the necessary developments for a better service.

In 2022, SLC succeeded in generating a revenue of Rs.695.735 billion amidst an adversely affected international trade sector of the country.

SLC, in collaboration with German Agency for International Cooperation (GIZ) and United Nations Conference on Trade and Development (UNCTAD) are making significant progress on the ASYHUB project. The ASYHUB enables the seamless exchange of sea-cargo data between SLC and trade-data providers who are involved with the maritime trading process. This system is bound to enhance the level of digital access by SLC to advance notice of sea-cargo information.

A Customs-Business partnership programme, the Authorized Economic Operator (AEO) project was initiated with the objective of facilitating legitimate trade: it also earns AEO's recognition as true trade partners. Legitimate trade, as is globally accepted, is highly conducive to the economic prosperity in the country and, proudly, SLC has an exclusive role to play in founding the AEO programme. The pilot project of the AEO was launched in 2020, where more than 30 companies applied for the Compliant Economic Operator (CEO) status. Validation of applications was conducted continuously and selected three traders to be recognized as CEOs in 2022 and this program was officially launched in January 2022. Accordingly, the AEO web portal was developed and Operational Guidelines for AEO's were finalized and published in the AEO web portal.

Sri Lanka has become a signatory to the World Trade Organization- Trade Facilitation Agreement (WTO-TFA). With the implementation of the provisions of the said agreement, it has been identified Post Clearance Audit (PCA) as a category "C" commitment. It is a requirement to obtain technical assistance from a donor agency to implement category "C" commitments. Accordingly, Asian Development Bank (ADB) has agreed to provide technical assistance to establish and implement a proper PCA system in line with the standards of the World Customs Organization (WCO) and WTO. ADB has already provided technical assistance in training the staff of PCA and drafting a Standard Operating Procedure (SOP) to be used as a PCA manual.

In relation to implementing of Article 10.4 of the WTO-TFA, electronic communication between the SLC and Other Government Agencies (OGA's), the concept of having a "Customs Single Window" was launched only in 2016; this initiative failed in the long run due to reasons beyond the control of Customs. However, the pandemic, in its wake, induced the authorities to bring the single window concept forward as the topmost requirement as far as trade at the border is relevant. In consequence, integrations were proposed and brought about between the ASYCUDA system and OGAs in order to automate the process for giving approvals to shipments. This generally applies to all imports, exports, Full Container Load (FCL)/Less than Container Load (LCL) consignments, sea cargo and air cargo shipments. In particular, SLC has been consistent in paving the way for the implementation of the measures recommended by the WCO for the smooth flow of international trade at the country's border.

I sincerely appreciate the enormous contribution made by all the staff members in achieving these milestones under demanding circumstances. Last but not least, I am equally grateful to the staff that supported the compilation of this report.

P.B.S.C. Nonis

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

I. 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.

II. 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.

III. 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.

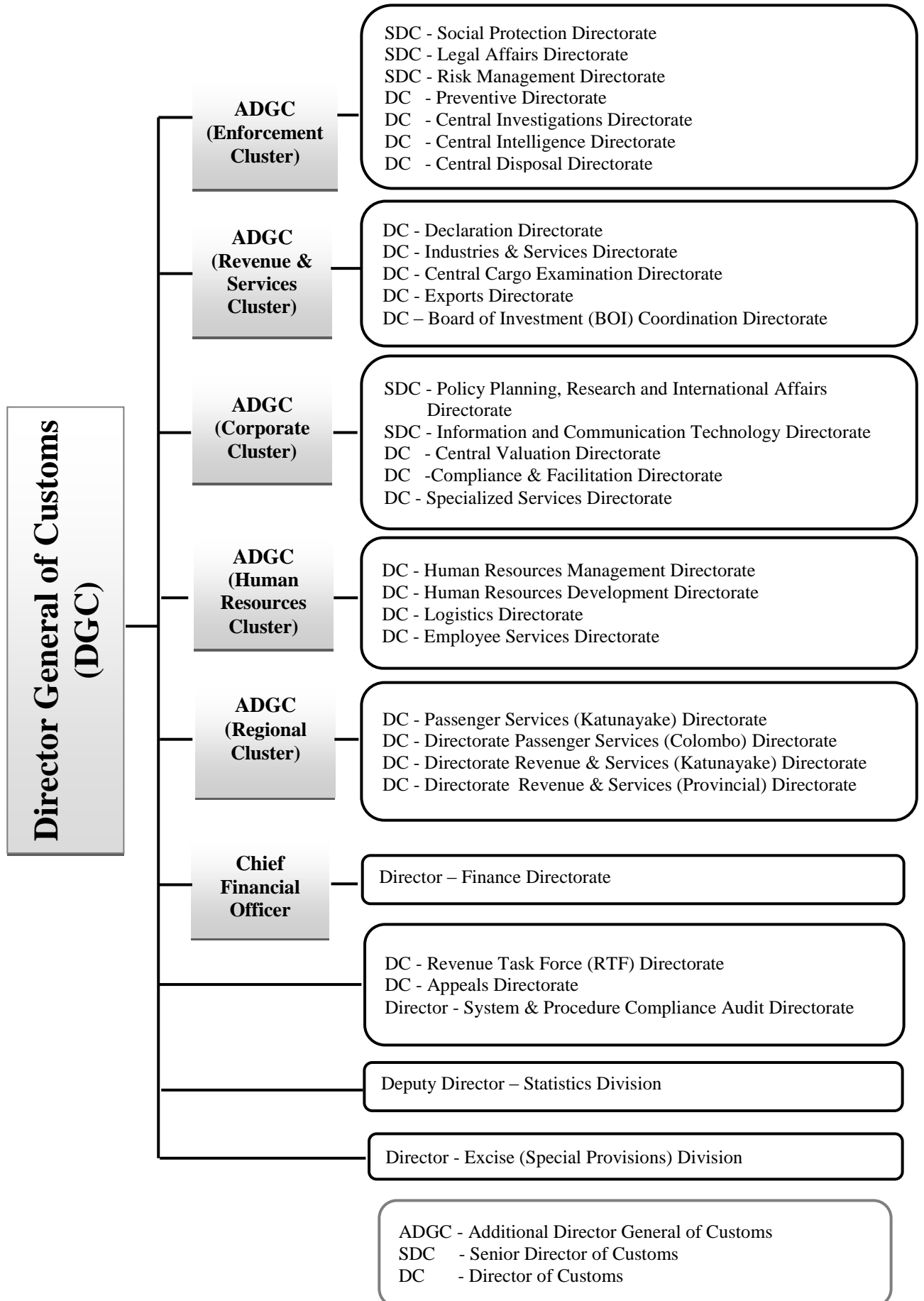
IV. Law enforcement

Law enforcement in Sri Lanka Customs is crucial for ensuring compliance, enforcing import/export laws, preventing smuggling, and maintaining border security. The department has the authority to enact and enforce over 125 laws.

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, Economic Stabilization and National Policies, Inland Revenue Department, Export Development Board, Excise Department etc.

1.4 ORGANIZATIONAL CHART



1.5 PRINCIPAL OFFICIALS

(As at 31.12.2022 - not in seniority order)

Mr. P.B.S.C. Nonis
Director General of Customs

Mr. G.M. Janaka K. Gunawardena
Additional Director General of Customs (Human Resources)

Mr. S. Anandaeswaran
Additional Director General of Customs (Enforcement)

Mr. S.A.S.P. Senanayake
Additional Director General of Customs (Revenue & Services)

Mr. M.R. Ranaraja
Additional Director General of Customs (Regional)

Mr. A.M.K.D. Adikari
Additional Director General of Customs (Corporate)

Mr. S.M. Dayarathna
Chief Financial Officer

Mr. R. Jayasinghe
Senior Director of Customs (Legal Affairs)

Mr. U.K.A. Ranjith
Senior Director of Customs (Policy Planning, Research and International Affairs Directorate)

Mr. C.S. Achala Chandrasekare
Senior Director of Customs (Information, Communication and Technology Directorate)

Mr. G.B. Gnanaraj
Senior Director of Customs (Risk Management Directorate)

Mr. R.P.R.L. Rajapakshe
Senior Director of Customs (Social Protection)

Mrs. M.A.C.N. Senevirathne
Director of Customs (Human Resource Management)

Mrs. C.H. Ranathunga
Director of Customs (Human Resource Development)

Mr. J.L.H.K. Jayathilake
Director of Customs (Industries & Services)

Mr. A.W.S.I. Silva
Director of Customs (BOI Coordination)

Mr. A.R. Senadeera
Director of Customs (Central Intelligence)

Mr. K.W.G.A. Amith Udayapala
Director of Customs (Revenue & Services - Provincial)

Mr. T.G. Arumapperuma Arachchi
Director of Customs (Revenue Task Force)

Mr. M.S.J. De Silva
Director of Customs (Central Valuation)

Mr. D.P.M. Gunawardena
Director of Customs (Export)

Mr. J.M.M.G.W. Bandara
Director of Customs (Compliance & Facilitation) and Actg. Director of Customs (Preventive)

Mr. D.C. Batawala
Director of Customs (Declarations)

Mr. S.P. Arukgoda
Director of Customs (Specialized Services)

Mr. W.M.D.R. Jagath
Director of Customs (Central Cargo Examination)

Mr. L.K.H.D.K. Arewatte
Director of Customs (Passenger Services - Colombo)

Mr. K.K.A.R. Kumarasinghe
Director of Customs (Central Investigation)

Mr. D.B.N. Samarathunga
Director of Customs (Appeals)

Mr. D.M. Rathnayake
Director of Customs (Logistics)

Mrs. R.M.S.M. Rajaguru
Director of Customs (Employee Services)

Mr. A.K.A.Y. Tharanga
Director of Customs (Passenger Services - Katunayake)

Mr. J.R.C. Jayathilake
Director of Customs (Revenue & Services - Katunayake)

Mr. J.A.K. Rathnayake
Director of Customs (Central Disposal)

Mr. J.M.U.P. Jayamaha
Chief Accountant (Finance Directorate)

Mr. M.A.S.H. Perera
Director (Internal Audit)

Mr. C.H.S. Dangalla
Director - Excise (Special Provision)

Mrs. Y. Rajapakshe
Deputy Director (Statistics)

CHAPTER 02 : PROGRESS IN YEAR 2022

2.1 FINANCIAL PERFORMANCE

Performance of Customs Revenue (Rs. Mn.)

Revenue Code	Description	2021		2022	
		Budget	Actual	Budget	Actual
1001.01.00	Import Duty	100,000	64,339	42,000	50,009
1001.02.00	Export Duty	64	47	32	41
1001.04.00	Ports & Airports Dev. Levy	140,000	154,125	177,000	180,595
1001.05.01	Import Cess Levy	77,000	73,320	66,000	68,075
1001.05.02	Export Cess Levy	3,000	2,223	2,000	2,242
1001.08.00	Special Commodity Levy	60,000	55,828	35,000	40,194
	Total Customs Tax Revenue	380,064	349,882	322,032	341,156
1002.05.01	Excise Tax - Cigarettes	90,000	88,539	110,000	104,160
1002.05.02	Excise Tax - Liquor				
1002.05.03	Excise Tax - Petroleum	55,000	55,339	55,000	53,074
1002.05.04	Excise Tax Motor - Vehicle	20,000	18,113	18,000	14,504
1002.05.99	Excise Tax - Other	6,000	6,234	6,000	5,598
	Total Excise Tax Revenue	171,000	168,225	189,000	177,336
1002.01.04	Value Added Tax on Imports	125,000	122,751	216,000	171,452
1002.12.03	National Building Tax	20	79	-	61
1003.01.00	Luxury Vehicle Tax	1,000	654	1,000	867
1003.07.10	Vehicle Entitlement Levy	95	76	106	108
1004.04.02	Economic Service Charge	20	43	-	28
	Total Tax Revenue	126,135	123,603	217,106	172,516
2003.02.17	Fees on Local Sales on Garments	163	145	147	196
2003.03.01	Fine & Forfeited - Customs	1,731	4,091	2,056	4,549
2003.02.99	Sundries	213	253	-	243
2003.99.00	Other Receipts	142	181	-	307
	Total Other Tax Revenue	2,249	4,670	2,203	5,295
	Grand Total Revenue	679,448	646,380	730,341	696,303
	* Provisional as at 31.12.2022				

Performance of Revenue Collection – 2022 (Rs.)

Customs Revenue Code	Description	Revenue Estimate		Collected Revenue	
		Original Estimate	Final Estimate (Revised)	Actual	Actual against Estimate %
1001.01.00	Import Duty	115,000,000,000	42,000,000,000	50,009,441,351	119%
1001.02.00	Export Duty	140,000,000	32,000,000	41,318,861	129%
1001.04.00	PAL	175,000,000,000	177,000,000,000	180,595,424,535	102%
1001.05.01	Import Cess Levy	86,000,000,000	66,000,000,000	68,075,067,309	103%
1001.05.02	Export Cess Levy	4,000,000,000	2,000,000,000	2,242,555,084	112%
1001.08.00	SCL	80,000,000,000	35,000,000,000	40,193,739,154	115%
1002.05.01	Cigarettes	120,000,000,000	110,000,000,000	104,160,061,906	95%
1002.05.02	Liquor				
1002.05.03	Petroleum	75,000,000,000	55,000,000,000	53,073,534,123	96%
1002.05.04	Motor Vehicle	4,500,000,000	18,000,000,000	14,503,582,079	81%
1002.05.99	Other Excise	10,000,000,000	6,000,000,000	5,598,413,494	93%
1003.07.10	VEL	560,000,000	106,000,000	108,004,802	102%
2003.02.17	Garment	164,000,000	147,000,000	196,200,390	133%
2003.03.01	Fine & Forfeited	2,562,000,000	2,056,000,000	4,549,141,645	221%
Grand Total Revenue		672,926,000,000	513,341,000,000	523,346,484,733	102%

* Provisional as at 31.12.2022

Revenue collected for other agencies (Rs.)

Customs Revenue Code	Description	Revenue Estimate		Collected Revenue	
		Original Estimate	Final Estimate (Revised)	Actual	Actual against Estimate %
1002.01.04	VAT	160,000,000,000	216,000,000,000	171,452,778,278	79%
1002.12.03	NBT	-	-	61,448,831	-
1002.16.00	SSL	-	-	12,669,209,215	-
1003.01.00	LXT	2,500,000,000	1,000,000,000	867,421,719	87%
1004.04.02	ESC	-	-	27,722,682	-
2003.02.99	Sundries	-	-	243,082,968	-
2003.99.00	Other Receipts	-	-	307,672,173	-
Total		162,500,000,000	217,000,000,000	185,629,335,866	86%

* Provisional as at 31.12.2022

2.2 TOP FIFTY REVENUE EARNING COMMODITIES (HS -WISE)

TOP 50	HS CODE	DESCRIPTION	TAX REVENUE (Rs.)
1	27101221	Petrol having Octane number of 92	54,059,521,289
2	27101942	Other Diesel that contains sulphur exceeding 10 mg/kg (ppm) but not exceeding 500mg/ kg (ppm)	38,651,369,155
3	23040000	Oil-cake and other solid residues, whether or not ground or in the form of pellets,resulting from the extraction of soyabean oil.	8,823,697,014
4	25232930	Other portland cement imported in packings of over 50 kg or in bulk	7,028,985,270
5	25231000	Cement clinkers	5,802,642,104
6	04022100	In powder,granules or other soild forms,of a fat content,by weight,exceeding 1.5% : Not containing added sugar or other sweetening matter	5,790,410,276
7	27101941	Super Diesel that contains sulphur not exceeding 10 mg/kg(ppm)	5,557,027,574
8	27011200	Coal, whether or not pulverized, but not agglomerated : Bituminous coal	5,444,939,011
9	11010010	Wheat	5,366,588,164
10	27101222	Petrol having Octane number of 95	5,361,430,349
11	27101980	Lubricants	5,250,410,022
12	31021000	Urea, whether or not in aqueous solution	5,065,431,478
13	27101970	Lubricating oils (base-oils) for the preparation of lubricants	5,023,301,095
14	38231920	Palm oil fatty acids	4,836,751,188
15	09042110	Chilies	4,699,880,182
16	10019910	Wheat grain	4,182,039,965
17	07031020	B' Onions	4,045,489,972
18	14049010	Beedi leaves	3,967,718,800
19	39011000	Polyethylene having a specific gravity of less than 0.94	3,585,942,413
20	39041000	Poly (vinyl chloride), not mixed with any other substances	3,358,340,711
21	39021000	Polypropylene	3,290,426,154
22	40111090	Other	3,145,475,711
23	07019000	Potatoes fresh or chilled: Other	3,080,040,972
24	27090010	Petroleum oils	3,003,041,705
25	72107000	Painted, varnished or coated with plastics	2,993,371,150
26	19019099	Other: Other : Other	2,952,742,454
27	85176290	Other apparatus for transmission or reception of voice, images or other data, including apparatus for communication in a wired or wireless network (such as a local or wide area network): Machines for the reception, conversion and transmission of voice, images or other data, including switching and routing apparatus: Other	2,778,155,194
28	15119030	Crude palm olein	2,777,772,885
29	70052900	Other non-wired glass : Other	2,685,268,114
30	39012000	Polyethylene having a specific gravity of 0.94 or more	2,614,299,513
31	87033279	Other vehicles, with compression-ignition internal combustion piston engine (diesel or semi-diesel) : --Of a cylinder capacity exceeding 1,500 cc but not exceeding 2,500 cc: Motor cars including station wagons and racing cars of a cylinder capacity not exceeding 2,000 cc, not more than two years old: Other	2,610,087,369
32	85176210	Transmission apparatus with or without reception apparatus	2,600,788,329
33	11071000	Malt, Not roasted	2,527,766,425
34	03055410	Sprats	2,372,390,900
35	48115990	Paper paperboard coated, impregnated or covered with plastics (excluding adhesives): Other : Other	2,348,690,919
36	15179000	Other	2,324,861,419
37	34012010	Soap in the form of noodles (Soap noodles)	2,289,885,146
38	21069099	Other : Other preparation :Other	2,236,893,553
39	48025790	Other paper and paperboard, not containing fibers obtained by a	2,198,479,176

		mechanical or chemi - mechanical process or of which not more than 10% by weight of the total fibre content consists of such fibres :Other weighing 40 g/sq.m. or more but not more than 150 g/sq.m : Other	
40	74081100	Of refined copper : Of which the maximum cross sectional dimension exceeds 6 mm	2,195,952,419
41	33021010	Mixture of odoriferous substances and mixtures (including alcoholic solutions) with a basis of one or more of these substances, of a kind used as raw materials in industry	2,126,552,208
42	39069010	Other : Water based acrylic homopolymers and copolymers	2,106,006,214
43	48109200	Other paper and paper board: Mutti-ply	2,054,497,329
44	27101960	Fuel oil	2,049,934,486
45	48025590	Other paper and paperboard, not containing fibres obtained by a mechanical or chemi - mechanical procees or of which not more than 10% by weight of the total fibre content consists of such fibres : Weighing 40 g/sq.m or more but not more than 150 g/sq.m in rolls : Other	2,043,189,784
46	19019010	Other: Malt extract based preparation used in the making of Beverages whether or not containing goods of heading 04.01 to 04.04,in retail packs or in bulk	2,012,651,226
47	85071010	Lead-acid, of a kind used for starting piston engines: ---Sealed type accumulators filled with acid soloution and ready for use	2,011,454,877
48	27011900	Coal, whether or not pulverized, but not agglomerated : Other coal	1,959,334,035
49	55121900	Containing 85% or more by weight of polyester staple fibres : Other	1,926,827,681
50	72071110	Billets	1,878,364,395
Total Amount			259,097,117,774

Source : Statistics Division, Sri Lanka Customs

CHAPTER 03 : OVERALL FINANCIAL PERFORMANCE

3.1 STATEMENT OF FINANCIAL PERFORMANCE

Statement of Financial Performance for the period ended 31st December 2022					
Budget 2022		Note	Actual		
			2022	Restated 2021	
Rs.			Rs.	Rs.	
513,341,000,000	Revenue Receipts		523,346,484,733	522,419,305,884	
-	Income Tax	1	-	-	
189,106,000,000	Taxes on Domestic Goods & Services	2	177,443,596,404	168,299,976,222	ACA-1
322,032,000,000	Taxes on International Trade	3	341,157,546,294	349,883,361,167	
2,203,000,000	Non Tax Revenue & Others	4	4,745,342,035	4,235,968,495	
513,341,000,000	Total Revenue Receipts (A)		523,346,484,733	522,419,305,884	
	N/R				
-	Non Revenue Receipts				
-	Treasury Imprests		4,789,161,669	6,233,533,407	ACA-3
-	Deposits		23,973,257,371	21,379,417,158	ACA-4
-	Advance Accounts - 1 (Advance 'B')		76,698,422	86,768,526	ACA-5
	Advance Accounts - 2 (ARABA)		9,137,123	4,193,965	ACA-5
-	Other Main Ledger Receipts		-	-	
-	Total Non Revenue Receipts (B)		28,848,254,585	27,703,913,055	
513,341,000,000	Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)		552,194,739,318	550,123,218,939	
	Remittance to the Treasury (D)		4,844,724,570	1,947,919,198	
513,341,000,000	Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)		547,350,014,748	548,175,299,741	
	Less: Expenditure				
-	Recurrent Expenditure				

2,395,000,000	Wages, Salaries & Other Employment Benefits	5	2,143,225,499	1,839,078,959	
1,159,400,000	Other Goods & Services	6	989,927,155	813,747,507	ACA-2(ii)
23,600,000	Subsidies, Grants and Transfers	7	20,656,736	17,341,623	
-	Interest Payments	8	-	-	
32,033,000	Other Recurrent Expenditure	9	31,961,163	37,561,800	
3,610,033,000	Total Recurrent Expenditure (F)		3,185,770,553	2,207,729,888	
	Capital Expenditure				
93,500,000	Rehabilitation & Improvement of Capital Assets	10	86,100,626	33,447,974	
1,477,000,000	Acquisition of Capital Assets	11	1,424,976,177	3,067,803,560	
-	Capital Transfers	12	-	-	ACA-2(ii)
-	Acquisition of Financial Assets	13	-	-	
125,000	Capacity Building	14	49,288	258,200	
-	Other Capital Expenditure	15	-	-	
1,570,625,000	Total Capital Expenditure (G)		1,511,126,090	3,101,509,734	
	Deposit Payments		24,258,823,689	20,293,878,136	ACA-4
	Advance Payments 1 (Advance 'B')		62,355,301	68,728,298	ACA-5
	Advance Payments 2 (ARABA)		4,431,452	4,277,357	ACA-5
	Other Main Ledger Payments		-	-	
	Total Main Ledger Expenditure (H)		24,325,610,442	20,366,883,791	
	Total Expenditure I = (F+G+H)		29,022,507,086	26,176,123,414	
	Balance as at 31st December J = (E-I)		518,327,507,662	521,999,176,327	
	Balance as per the Imprest Reconciliation Statement		518,327,507,662	521,999,176,327	ACA-7
	Imprest Balance as at 31st December		-	-	ACA-3

3.2 STATEMENT OF FINANCIAL POSITION

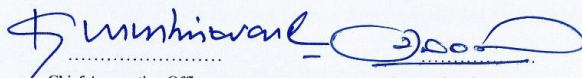
ACA-P

Statement of Financial Position As at 31st December 2022

	Note	Actual	
		2022 Rs	2021 Rs
Non Financial Assets			
Property, Plant & Equipment	ACA-6	15,649,316,857	14,221,448,771
Financial Assets			
Advance Accounts	ACA-5/5(a)	231,987,451	251,036,242
Cash & Cash Equivalents	ACA-3	-	-
Total Assets		15,881,304,308	14,472,485,013
Net Assets / Equity			
Net Worth to Treasury		(25,425,810,199)	(25,692,327,725)
Property, Plant & Equipment Reserve		15,649,316,857	14,221,448,771
Rent and Work Advance Reserve	ACA-5(b)	-	-
Current Liabilities			
Deposits Accounts	ACA-4	25,657,797,650	25,943,363,967
Unsettled Imprest Balance	ACA-3	-	-
Total Liabilities		15,881,304,308	14,472,485,013

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from 7 to 51 and Notes to accounts presented in pages from 52 to 57 form an integral part 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 other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

We hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out.



Chief Accounting Officer
Name : K.M.Mahinda Siriwardhana
Designation : Secretary, Ministry of Finance
Date 28.02.2023

Accounting Officer
Name :P.B.S.C. Nonis
Designation : Director General of Customs
Date 28.02.2023



Chief Financial Officer/-Chief Accountant/
Director-(Finance)-Commissioner-(Finance)
Name : B.K.R. Balasooriya
Date 23.02.2023,

K.M.M. Siriwardana
Secretary to the Treasury and
Secretary to the Ministry of Finance,
Economic Stabilization and National Policies
The Secretariat
Colombo 01.



P.B.S.C. Nonis
Director General of Customs
Sri Lanka Customs



B.K.R. Balasooriya
Chief Finance Officer
Sri Lanka Customs
Colombo - 11.



3.3 STATEMENT OF CASH FLOWS

Statement of Cash Flows For the Period ended 31 st December 2022	Actual	
		Restated
	2022	2021
	Rs.	Rs.
<u>Cash Flows from Operating Activities</u>		
Total Tax Receipts	518,601,142,698	506,773,450,375
Fees, Fines, Penalties and Licenses	4,745,342,035	4,235,968,495
Profit	-	-
Non-Revenue Receipts	2,099,685	-
Revenue Collected on behalf of Other Revenue Heads	185,790,542,656	124,032,850,675
Imprest Received	4,789,161,669	6,233,533,407
Recoveries from Advance – Treasury Advance -24701	79,011,870	92,257,221
Recoveries from Advance – Advance B	9,137,123	4,209,811
Deposit Received	23,973,257,371	21,379,413,158
Customs finance control Acc Receipt	213,552,529	4,013,844,627
Miscellaneous Receipt	16,541,374	14,240,460
Total Cash generated from Operations (A)	738,219,789,010	666,779,768,229
<u>Less - Cash disbursed for:</u>		
Personal Emoluments & Operating Payments	3,133,152,654	3,474,076,677
Subsidies & Transfer Payments	52,617,899	-
Expenditure incurred on behalf of Other Heads	11,257,177,681	4,989,508,112
Imprest Settlement to Treasury	697,765,686,298	631,313,213,271
Advance Payments - Treasury Advance	62,388,057	68,536,595
Advance Payments – Advance B	4,431,452	15,573,922
Deposit Payments	24,258,823,689	20,293,878,136
Customs finance control Acc Receipt	174,385,190	4,009,431,232
Miscellaneous Payments	-	299,251,928
Total Cash disbursed for Operations (B)	736,708,662,920	664,463,469,873
NET CASH FLOW FROM OPERATING ACTIVITIES (C)=(A)-(B)	1,511,126,090	2,316,298,356
<u>Cash Flows from Investing Activities</u>		
Interest (Miscellaneous)	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from On Lending	-	-
Total Cash generated from Investing Activities (D)	-	-

<u>Less - Cash disbursed for:</u>		
Purchase or Construction of Physical Assets & Acquisition of Other Investment	1,511,126,090	2,316,298,356
Total Cash disbursed for Investing Activities (E)	1,511,126,090	2,316,298,356
NET CASH FLOW FROM INVESTING ACTIVITIES (F)=(D)-(E)	(1,511,126,090)	(2,316,298,356)
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (G)=(C) + (F)	-	-
<u>Cash Flows from Financing Activities</u>		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Deposit Received	-	-
Total Cash generated from Financing Activities (H)	-	-
<u>Less - Cash disbursed for:</u>		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Deposit Payments	-	-
Total Cash disbursed for Financing Activities (I)	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)	-	-
Net Movement in Cash (K) = (G) + (J)	-	-
Opening Cash Balance as at 01 st January	-	-
Closing Cash Balance as at 31 st December	-	-

3.4 PERFORMANCE OF THE REVENUE COLLECTION

Description	Rs.			
	Revenue Estimate		Collected Revenue	
	Original Estimate	Final Estimate (Revised)	Actual	Actual against Estimate %
Import Duty	115,000,000,000	42,000,000,000	50,009,441,351	119%
Export Duty	140,000,000	32,000,000	41,318,861	129%
PAL	175,000,000,000	177,000,000,000	180,595,424,535	102%
Import Cess Levy	86,000,000,000	66,000,000,000	68,075,067,309	103%
Export Cess Levy	4,000,000,000	2,000,000,000	2,242,555,084	112%
SCL	80,000,000,000	35,000,000,000	40,193,739,154	115%
Cigarettes	120,000,000,000	110,000,000,000	104,160,061,906	95%
Liquor				
Petroleum	75,000,000,000	55,000,000,000	53,073,534,123	96%
Motor Vehicle	4,500,000,000	18,000,000,000	14,503,582,079	81%
Other Excise	10,000,000,000	6,000,000,000	5,598,413,494	93%
VEL	560,000,000	106,000,000	108,004,802	102%
Garment	164,000,000	147,000,000	196,200,390	133%
Fine & Forfeited	2,562,000,000	2,056,000,000	4,549,141,645	221%
Grand Total Revenue	672,926,000,000	513,341,000,000	523,346,484,733	102%
* Provisional as at 31.12.2022				

Description	Revenue Estimate		Collected Revenue	
	Original Estimate	Final Estimate (Revised)	Actual	Actual against Estimate %
VAT	160,000,000,000	216,000,000,000	171,452,778,278	79%
NBT	-	-	61,448,831	
SSL	-	-	12,669,209,215	
LXT	2,500,000,000	1,000,000,000	867,421,719	87%
ESC	-	-	27,722,682	
Sundries	-	-	243,082,968	
Other Receipts	-	-	307,672,173	
Total	162,500,000,000	217,000,000,000	185,629,335,866	86%
* Provisional as at 31.12.2022				

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	3,622,033	3,610,033	3,185,770	88%
Capital	1,558,625	1,570,625	1,511,126	96%

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

Vote Debit Particulars 2022

S/No	Allocation Received from Ministry/ Department	Prepose of the allocation	Allocation	Actual Expenditure	Utilization of the Allocation as a % of Final Allocation
1	Ministry of Defense	Recovery of Customs Duties	780,773,601.00	780,773,601.00	100
2	Ministry of Health	Recovery of Customs Duties	253,956,445.00	253,956,445.00	100
3	Ministry of Transport and Highways	Recovery of Customs Duties	172,252,924.00	172,252,924.00	100
4	Ministry of Agriculture	Recovery of Customs Duties	5,095,841,127.00	5,095,841,127.00	100
5	Ministry of Water Supply	Recovery of Customs Duties	16,929,959.00	16,929,959.00	100
6	Ministry of Public Security	Recovery of Customs Duties	114,769,071.00	114,769,071.00	100
7	Irrigation Department	Recovery of Customs Duties	14,475,498.00	14,475,498.00	100
8	Government Printing	Recovery of Customs Duties	139,094,916.00	139,094,916.00	100
9	Ministry of Education	Recovery of Customs Duties	7,870,968.00	7,870,968.00	100
10	Department of Probation & Child Care Services	Recovery of Customs Duties	369,670.00	369,670.00	100
11	Ministry of Sports	Recovery of Customs Duties	1,499,846.00	1,499,846.00	100
12	Sri Lanka Army	Recovery of Customs Duties	142,823,102.00	142,823,102.00	100
13	Sri Lanka Navy	Recovery of Customs Duties	384,191,765.00	384,191,765.00	100
14	Sri Lanka Air Force	Recovery of Customs Duties	321,682,196.00	321,682,196.00	100
15	Sri Lanka Police	Recovery of Customs Duties	2,626,253,282.00	2,626,253,282.00	100
16	Department of National Planning	Recovery of Customs Duties	21,604,475.00	21,604,475.00	100
17	Department of Fisheries	Recovery of Customs Duties	56,530,328.00	56,530,328.00	100
18	Department of Animal Production and Health	Recovery of Customs Duties	8,090,626.00	8,090,626.00	100
19	Sri Lanka Railway	Recovery of Customs Duties	609,278,514.00	609,278,514.00	100
20	Department of Motor Traffic	Recovery of Customs Duties	32,289,422.00	32,289,422.00	100
21	State Ministry Production, Supply, and Regulation of Pharmaceuticals	Recovery of Customs Duties	137,749,344.00	137,749,344.00	100
			10,938,327,079.00	10,938,327,079.00	

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 31.12.2021	Balance as per Financial Position Report as at 31.12.2022	Yet to be Accounted	Reporting Progress as a %
9151	Building & Structures		7,036,849		
9152	Machinery & Equipment		4,357,823		
9153	Land		4,171,150		
9154	Intangible Assets		-		
9155	Biological Assets		-		
9160	Work in Progress		83,495		
9180	Lease Assets		-		

3.8 AUDITOR GENERAL'S REPORT

- Annex - I : Auditor General's Report
- Annex- II : Customs Officer's Management & Compensation Fund
- Annex - III : Customs Overtime, Cargo Examination Fee, Customs Information and Technology Communication Fund
- Annex - IV : Customs Officers' Reward Fund

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 The current status as follows :					

S/No	Shortcomings mentioned in the report and identified by the Committee	Actions taken by the institutions to rectify the shortcomings/current status
01	The institution had not identified the Sustainable Development Goals applicable to its scope.	Sustainable Development Goals have been identified. 1. Proper collection of Government Revenue. 2. To facilitate international trade. 3. To enforce Customs Law and other related laws and take actions against frauds. 4. To take actions to protect social, environmental and national heritages.
02	Key Performance Indicators had not been prescribed to measure the achievement of identified Sustainable Development Goals	Identified goals and targets have been divided under sub titles to achieve such goals. Such goals have been referred to relevant Directorates of the Department and actions have been taken by relevant Directorates to prepare the Action Plan to achieve targets and the Performance Plan based on it.
03	Specific parties relevant to the achievement of Sustainable Development Goals applicable to the institution had not been identified.	Specific parties relevant to the achievement of Sustainable Development Goals applicable to the institution have been identified and targets have been given to various Directorates and Sub Directorates, identified as relevant parties.
04	Details of two representatives who shall be appointed to coordinate matters, pertaining to Sustainable Development Goals as per the provisions of the circular No. MSDW/08/65 dated	Actions are being taken in this regard.

	27 th April 2018 had not been reported to the Ministry.	
05	Citizen/ client charter had not been prepared and implemented properly.	The role of Customs is directly connected with international trade and it should be performed in accordance with International Conventions and International Agreements. Kyoto Convention and Trade Facilitation Agreement, signed with World Trade Organization (WTO-TFA) are few examples. Accordingly, conventions prepared on providing of services should always be complied with the contents of International Agreements and Conventions. Sri Lanka Customs has already identified Standard Operating Procedures (SOP) for clients related to the duties of the Customs and some of them have been published. As such, studies on releasing period of import services are being conducted and accordingly, periods for each activity have been studied and referred to the web site for information of the public. Clients may reach the necessary information by logging in to the Customs web site and a special Enquiry Point has also been opened at the Customs to provide information regarding international trade for the public.
06	A methodology had not been formulated to monitor and evaluate the application of citizen/ client charter by the institution.	Duties on providing of services of the institution are performed in accordance with International Agreements and Conventions and such activities are monitored by a group of representatives of World Bank.

CHAPTER 06 - HUMAN RESOURCE PROFILE

6.1 CADRE MANAGEMENT

	Approved Cadre	Existing Cadre	Vacancies / (Excess)
Senior	1586	1065	521
Territory	987	729	258
Primary	502	483	20
	3075	2277	799

6.2 HUMAN RESOURCE DEVELOPMENT

Name of the Program	No. of Staff Trained	Duration of the Program	Total Investment		Nature of the Program (Abroad /Local)	Output Knowledge Gained
			Local	Foreign		
ASYCUDA WORLD for DDCc	20	02.02.2022 - 09.02.2022	10,000		Local	Provided the knowledge & training of the ASYCUDA system with regards to the scope of work pertains to DDC/SC
Awareness Program on HS Codes for Gas and Related Accessories	25	07.03.2022	5,880		„	Gained Knowledge in the area of the Gas related equipment classification
Diploma in Gemology Program		10th & 11th December 2022	1,716,000		„	Provided comprehensive knowledge in gemology to officers who may work as gem appraisers
Customs Law with Statement recording Practical Session	39	10th March 2022	21,320		„	Enhanced the knowledge of Customs law and statement recording, discuss the practical scenarios with the officers
Develop Investigation Skills	39	10.03.2022	21,320		„	Provided knowledge & training on investigation methods containing practical examples from past customs cases developed the knowledge and skills
Capacity Building for MSO	64	29.03.2022 & 31.03.2022	30,000		„	developed the knowledge and skills required for Management Services Officers
ASYCUDA WORLD for ASC	20	09.03.2022 & 16.03.2022	5,200		„	Provided the knowledge & training of the ASYCUDA system with regards to the scope of work pertains to ASC
Ethics in Customs Profession for DDC & SC	27	06.04.2022	8,500		„	Enhanced the soft skills and ethics regards to Customs Profession
Awareness program for Customs Officers on the Growing Smuggled Cigarette Challenge in Sri Lanka	300 (100 per session)	07.05.2022, 28.05.2022 & 11.06.2022	0		„	gained knowledge and shared experience on the pertaining subject area
ASYCUDA Training for Officers at the ICT Directorate	90 (15 per group)	01st, 04th, 05th, 06th, 07th & 08th April 2022	630,000		„	Provided the knowledge & training of the ASYCUDA system with regards to the scope of work pertains ICT directorate
Capacity Building for ICc	17	07.04.2022	12,500		„	provided training and knowledge of performing duties as IC/CG along with the soft skills required
PR Related Training for ASCc	14	05.04.2022	11,000		„	gained knowledge in communication skills and development of interpersonal relationships

Implementation of National Customs Enforcement Network (nCEN) in Sri Lanka Customs	32	20th, 21st, 22th April 2022	26,000		Local	Expanding the user basis and continuing the effective implementation of nCEN in the department
Capacity Building Programs offered by MoE	22	08.09.2022	0		„	Gained knowledge on ozone depleting substances and Montreal protocol
Intelligence Related Training for Customs Officers	10	18.04.2022 - 29.04.2022	25,000		„	gained knowledge on basic intelligence tactics and information gathering
IWT and CITES Training Program	19	15.06.2022 & 16.06.2022	16,000		„	Introduction to CITES convention and its applications
Capacity Building for DDC / SC	72	15th, 16th, 17th June 2022	744,000		„	Provide practical training necessary for becoming a skilled inquiry officer along with the applications of customs law & other related laws
HS Classification Advance Course	34	23rd - 30th May & 31st - 07th June 2022	80,000		„	Enhanced the knowledge of the officers who are already working as appraisers, in the area of advanced classification with practical examples
Awareness Program for APO	24	04th, 05th, 06th July 2022	35,000		„	Developed the skills required for APOO, to begin work in the preventive directorate, by enhancing knowledge in Customs law, duties of APO & investigation skills
Awareness Program for ACO	34	29th, 30th June & 01st July 2022	35,000		„	Developed the skills required for ACOO, to begin work in the Passenger Services directorate.
Training Program for Officers Newly Transferred to I&S, C&FD, Exports	17	08th & 09th August 2022	17,000		„	Developed the skills of the officers who are transferred to I&S, C&FD, Exports Directorates, so that they are able to initiate their duties efficiently and effectively
Workshop on Prosecution and Investigation	30	15th, 16th, 17th August 2022	31,936		„	enhanced the knowledge of the officers in the area of conducting formal customs inquiries with its due process and familiarize them with the laws and practices of applicable therein
ASYCUDA WORLD for DDCc & SCc	29	17th, 18th & 25th August 2022	6,576		„	provided the knowledge & training of the ASYCUDA system with regards to the scope of work pertains to SDDC/DDC
Capacity Building for DDC/SC	60	04th, 05th, 06th & 07th October 2022	847,644		„	Provided practical training necessary for becoming a skilled inquiry officer along with the applications of customs law & other related laws
Training Program for Officers Newly Transferred to I&S	15	08th August 2022	7,000		„	Developed the skills of the officers who are transferred to Export Directorate, so that they are able to initiate their duties efficiently and effectively
ASYCUDA World for ASC	10	06th & 13th September 2022	4,900		„	provided the knowledge & training of the ASYCUDA system with regards to the scope of work pertains to ASC

HS Classification Advance Course	26	12th - 16th & 19th - 23th September 2022	56,000		Local	Enhanced the knowledge of the officers who are already working as appraisers, in the area of advanced classification with practical examples
APO - Advance Course	38	11th, 12th & 18th, 19th October 2022	31,100		„	developed the knowledge and skills required by APO regarding various aspects of their duties and to share knowledge among experienced officers which are important to improve quality of work
Capacity Building Program for Customs Guard	10	08th December 2022	4,268		„	provided training and knowledge of performing duties as CG along with the softskills required
Capacity Building for KKS	17	02nd November 2022	8,000		„	Develop the skills in work ethics and the office procedures which needs to be followed by KKS
Capacity Building for MSO	55	03rd & 04th November 2022	24,000		„	developed the knowledge and skills required for Management Services Officers
ASYCUDA WORLD for DDCc & SCc	27	22nd, 24th & 29th November 2022	8,250		„	provided the knowledge & training of the ASYCUDA system with regards to the scope of work pertains to DDC/SC
Awareness Program for Appraiser	28	19th - 23rd & 27th, 28th December 2022	84,000		„	Enhanced the knowledge of newly appointed Appraisers to be utilized in better classification using HS Codes.
Awareness Program for New ACOo	38	28th, 29th & 30th December 2022	46,000		„	Developed the skills required for ACOO, to begin work in the Passenger Services directorate.
Awareness Program for New APOo	37	19th, 20th & 21st December 2022	42,180		„	Developed the skills required for APOO, to begin work in the preventive directorate, by enhancing knowledge in Customs law, duties of APO & investigation skills

CHAPTER 07 - COMPLIANCE REPORT

7.1 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)	-		
1.4	Stores Advance Accounts	-		
1.5	Special Advance accounts	Complied		
1.6	Others	-		
2	Maintenance of books and registers (FR 445)			
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018	Complied		
2.2	Personal emoluments register / personal emoluments cards 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 updated	Complied		
2.8	Stock Register has been maintained and updated	Complied		
2.9	Register of Losses has been maintained and updated	Complied		
2.10	Commitment Register has been maintained and updated	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 accounts in terms of State Account Circular 171/2004 dated 11.05.2014 in using the government Payroll Software Package	Complied		

4	Preparation of Annual Plan			
4.1	Preparation of Annual Action Plan	Compiled		
4.2	Preparation of Annual Procurement Plan	Compiled		
4.3	Preparation of Annual Internal Audit Plan	Compiled		
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 Treasury Operation Department on time	Complied		
5	Audit Queries			
5.1	All the audit queries has been replied within the specified time by the Auditor General	28 Compiled	02 Pending	
6	Internal Audit			
6.1	The original audit plan has been prepared at the beginning of the year after consulting the Auditor General in times of Financial regulation 134 (2) DMA/1-2019	Compiled as per the Financial regulation 134(2) DMA/1-2019 internal audit plan has been issued at 2022		
6.2	All the internal audit reports has been replied within a month	17	40	Issue many reminders to get reply immediately
6.3	Copies of 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 the auditor general in terms of financial regulation 134(3)	Complied		
7	Audit & 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	Only 03 committees held during the year 2022	Due to health conditions and transport problems in the country	Strictly follow the guidelines for 2022 and onwards
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	Compiled		
8.2	A suitable liaison offer was appointed to coordinate the implementation of the provision of the circular and the details of the nominated offer was sent to the Comptroller General' office in terms of Paragraph 13 of the aforesaid circular	Compiled		
8.3	The board 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	Not Compiled	Does not completed on the planned date	Survey report submitted to the Auditor General Recommendations of

				Board of Survey are being implemented
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	Not Complied	Does not completed on the planned date	Survey report submitted to the Auditor General Recommendations of Board of Survey are being implemented
8.5	The disposal for condemn articles had been carried out in terms of FR 772	Not Complied	Does not completed on the planned date	Survey report submitted to the Auditor General Recommendations of Board of Survey are being implemented
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	Complied		
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning	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	The re-testing of fuel consumption of vehicles has not been done due to prevailing fuel constraint / issuing fuel under QR code	The action will be taken to re-test fuel consumption of vehicles which having fuel consumption issues in due course
9.6	The absolute ownership of the leased vehicle log books has transferred after the lease term	Complied		
10	Manager of Bank Accounts			
10.1	The bank reconciliation statements had been prepared , gotcertified and made ready for audit by the due date	Complied		
10.2	The dormant account that had existed in the year under reviewor since previous years settled	Complied		
10.3	The action had been taken in terms of Financial Regulation regarding balances that had been disclosed through bank reconciliation statements had to be made, and had those balances been settled within one month		Non Compliance	Actions are being taken to settle balances expedite.
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)	Complied		
12	Advance 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 balance in arrears for over one year had been settle	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	Complied	-	
14	Impress Account			
14.1	The balance in cash book at the end of the year under review remitted to TOD	Complied		
14.2	The ad-hoc sub impress issued per F.R 371 settled within one month from the completion of the task	Complied		
14.3	The ad-hoc sub impress had been issued exceeding the limit approved as per F.R 371	Complied		
14.4	The balance of the impress 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 has been paid within the approved cadre	Complied		
16.2	All the 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 Regulations	Complied		

17.2	Information about the institution to the Public have been provided by Website and facilities are made through website or other means for the public to submit appreciation/ allegations about the institution	Complied		
17.3	Bi-Annual or 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 term of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management	In the process		
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 circular	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	Instead, the HRD has developed an annual action plan for local training programs. This action plan has been duly completed. Further this action plan has catered training needs of every tier of the department.	Actions will be taken in the future to prepare a human resource plan according to the 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	The above said annual action plan is focused on catering training needs covering employees of each tier of the department. Therefore every tier in the hierarchy gets a minimum 12	Actions will be taken to increase the number of employees that receives training within a calendar year.

			hours of training annually. But due to certain constraints in the working environment , not all the employees will get an opportunity to participate in a training.	
19.3	Annual Performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	Not applicable	This is not comes under the purview of HRD. Instead it falls under the purview of Human Resources Management Directorate.	
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	Officers who are at the top senior management and middle management holds a collective responsibility in developing an Action plan.	Actions will be taken to appoint a senior officer, as suggested in the 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

8.1 ENFORCEMENT CLUSTER

8.1.1 Preventive Directorate

8.1.2 Social Protection Directorate

8.1.2.1 Narcotics Control Unit

8.1.2.2 Biodiversity, Culture & National Heritage Protection Division (BCNP)

8.1.2.3 Consumer Protection Unit

8.1.2.4 Port Control Unit

8.1.3 Central Intelligence Directorate

8.1.4 Central Investigation Directorate

8.1.5 Legal Affairs Directorate

8.1.6 Risk Management Directorate

8.1.7 Central Disposal Directorate

8.1.1 PREVENTIVE DIRECTORATE

Preventive Directorate is the main law enforcement arm of the Sri Lanka Customs Department. It has surveillance over the Port of Colombo, Colombo International Airport, other Ports, Investment Zones and all other operational areas of the Customs.

It's main Objectives are;

- Prevention of smuggling, commercial frauds and drug trafficking
- Detection of frauds, seizure of smuggled goods, investigations, inquires and prosecution of cases.
- Ensuring due collection of revenue.
- Safeguarding socio-economic, cultural and ecological interests of the society
- Surveillance of Colombo seaport and other seaports, Bandaranaike International Airport and Mattala Mahinda Rajapaksha International Airport.
- Control of vessel movements and border operations.

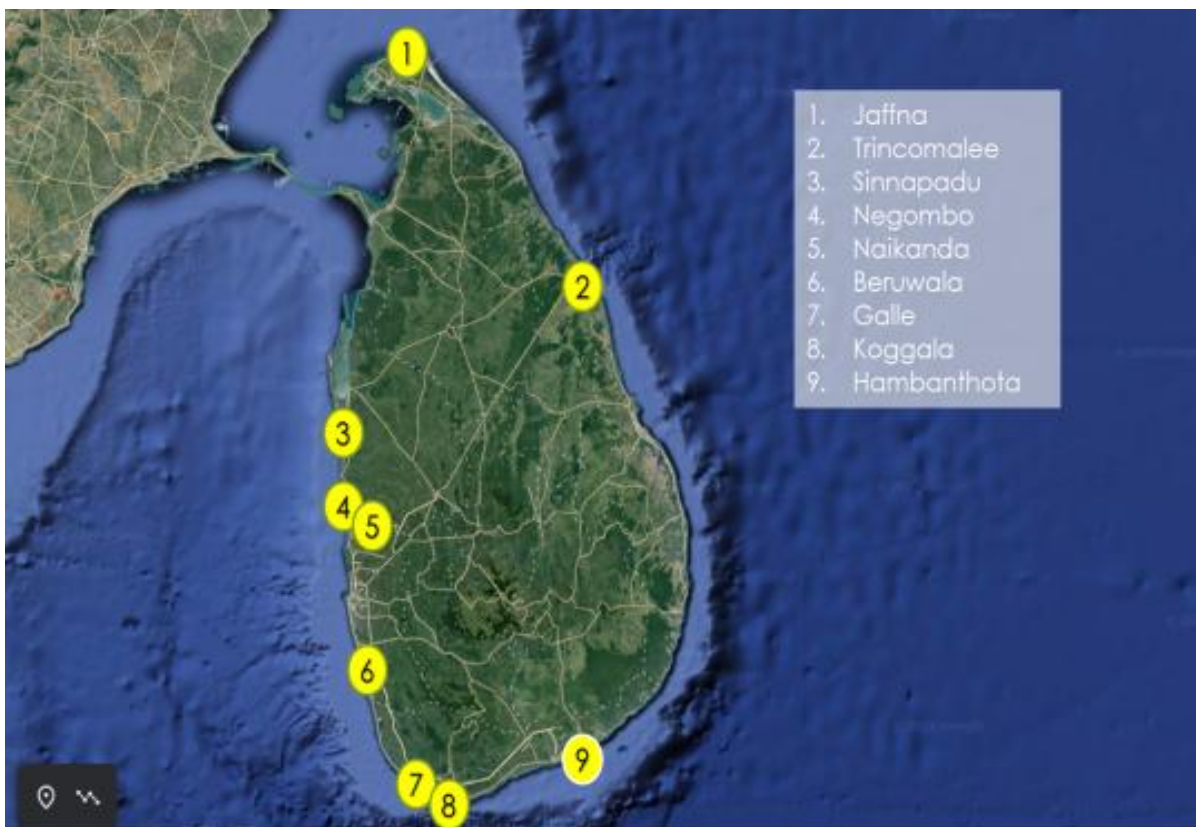


Figure 01 : Locations of the Sub preventive office of Sri Lanka Customs

DETECTIONS OF PREVENTIVE DIRECTORATE IN 2022

1.1 NEW CASES

1.1.1	Cases initiated/ detected by the staff	141
1.1.2	Cases produced by other agencies	33
Total No. of Cases Registered (sum 1.1.1 + 1.1.2)		174
1.1.3	No. of Cases finalized	
1.1.3.1	Cases finalized with no customs offences	18
1.1.3.2	Cases handed over to other units/branches	0
1.1.3.3	Cases released to proceed under normal channel	0
1.1.3.4	Taken delivery prior to detain	0
1.1.3.5	Cases finalized successfully	
1.1.3.5.1	Cases finalized with penalties/ forfeitures/ AE	53
1.1.3.5.2	Cases finalized with A/E only (by Valuation)	6
1.1.3.5.3	Cases finalized with A/E only (by Preventive)	4
(A)	Total No. of Cases finalized (sum 1.1.3.5.1 to 1.1.3.5.3)	81
1.1.4	Cases pending finalization	
1.1.4.1	Cases where customs inquiry not finalized	9
1.1.4.2	Cases where investigation not finalized	82
1.1.4.3	Cases where appeals are pending for mitigation	1
1.1.4.4	Cases where notices of action are submitted	1
(B)	Total No. of Cases pending finalization (sum 1.1.5.1 to 1.1.5.4)	93

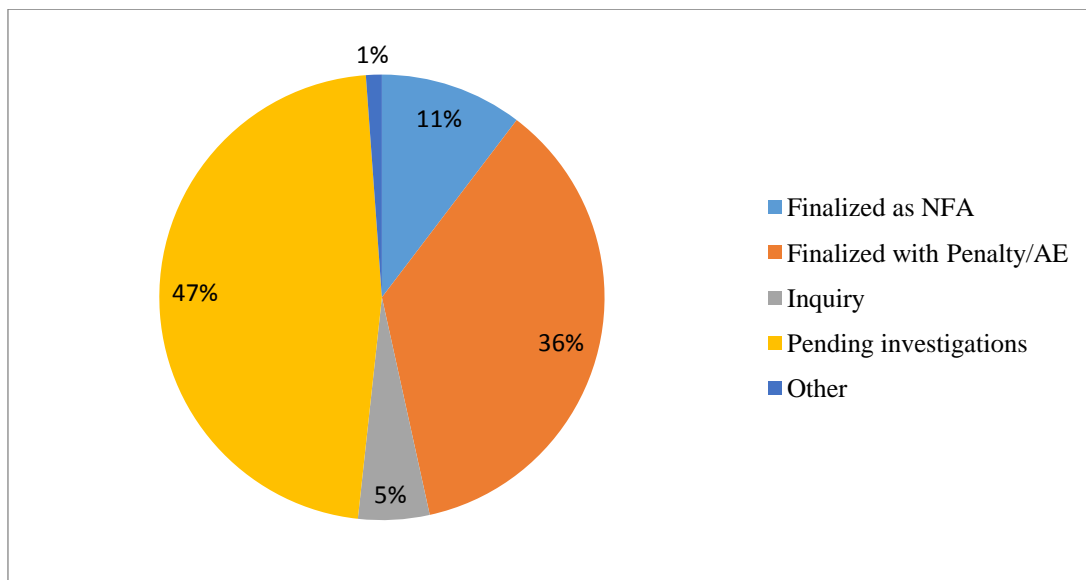


Figure 02 : Status of New Customs Cases initiated by Preventive Directorate in 2022

1.2 PREVIOUS CASES

1.2.1	Cases pending finalization at the beginning of the Year	1447
1.2.2	Cases finalized during the year	
1.2.2.1	Cases finalized with no customs offences	160
1.2.2.2	Cases handed over to other units/branches	7
1.2.2.3	Cases released to proceed under normal channel	0
1.2.2.4	Taken delivery prior to detain	0
1.2.2.5	Cases finalized successfully	
1.2.2.5.1	Cases finalized with penalties/ forfeitures/ AE	117
1.2.2.5.2	Cases finalized with A/E only (by Valuation)	28
1.2.2.5.3	Cases finalized with A/E only (by Preventive)	1
(C) 1.2.2.6	Court cases finalized	0
	Total No. of Cases finalized during the Year (sum 1.2.2.1 to 1.2.2.6)	313
1.2.3	Cases pending finalization	
1.2.3.1	Cases where customs inquiry not finalized	48
1.2.3.2	Cases where investigation not finalized	959
1.2.3.3	Cases where appeals are pending for mitigation	5
1.2.3.4	Cases where notices of action are submitted	59
1.2.3.5	Cases where goods to be disposed	42
1.2.3.6	Court Cases Pending	21
(D)	Total No. of Cases pending finalization (sum 1.2.3.1 to 1.2.3.6)	1134

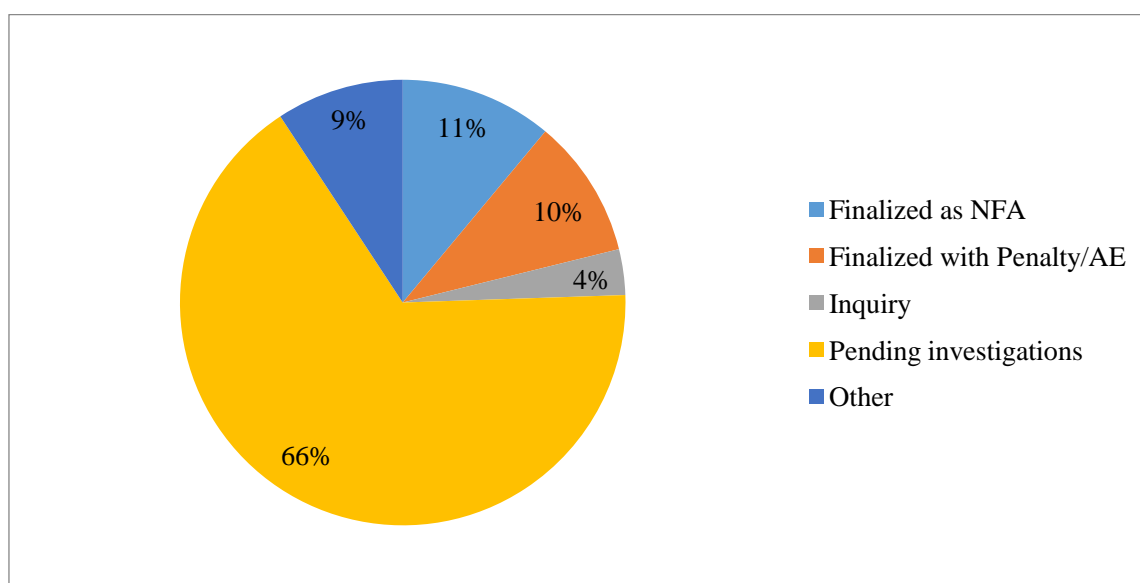


Figure : Status of previous Customs Cases initiated before the year 2022

SUMMARY

Total No. of Cases finalized during the year (A + C)	394
Cases finalized with no customs offences	178
Cases handed over to other units/branches	7
Cases released to proceed under normal channel	0
Taken delivery prior to detain	0
Total No. of Cases finalized successfully during the year(1.1.4.5 + 1.2.2.5)	23
Cases finalized with penalties/ forfeitures/ AE	147
Cases finalized with A/E only (by Valuation)	34
Cases finalized with A/E only (by Preventive)	5
Court cases finalized	0
Total No. of Cases pending finalization at the end of the year (B+D)	1227
Cases where customs inquiry not finalized	53
Cases where investigation not finalized	1034
Cases where appeals are pending for mitigation	5
Cases where notices of action are submitted	64
Cases where goods to be disposed	38
Court Cases Pending	33

02. SEIZURES

2.1 No. of vehicles seized at the beginning of the year	52
2.2 No. of vehicles seized during the year	13
2.3 No. of vehicles released during the year	14
2.4 Total No. of vehicles seized at the end of the year	51
2.5 No. of containers seized at the beginning of the year	14
2.6 No. of containers seized during the year	12
2.7 No. of containers released during the year	13
2.8 Total No. of containers seized at the end of the year	13
2.9 No. of cartoons (of 10,000 sticks) of Cigarettes	400
2.10 No. of bottles of spirits	0
2.11 Total value of the goods seized	0

03. RECOVERIES

3.1 Value of goods forfeited	Rs.11,444,671.99
3.2 Penalties/ forfeitures to be recovered at the beginning of the year	Rs.199,057,275.00
3.3 Penalties/ forfeitures imposed during the year	Rs.507,765,893.62
3.4 Duty & Other Levies recovered during the year	
3.4.1 Customs Duty	Rs.50,862,476.00
3.4.2 Surcharges	0
3.4.3 VAT	Rs.88,923,289.66
3.4.4 PAL	Rs.44,044,766.20
3.4.5 NBT	0
3.4.6 Ex. Duty	0
3.4.7 Import Cess	Rs.283,965.19
3.4.8 EDB Cess	0
3.4.9 Excise	0
3.4.10 Consolidated Levy	0
3.4.11 Yacht Charges	0
3.4.12 SR Charges	Rs.745,450
3.4.13 Overtime	Rs.8,595,175.84
3.4.14 Computer fees	0
3.4.15 Special Deposits	Rs.400,000.00
3.4.16 Other recoveries	Rs.60,282,055.00
3.4.17 Sales proceed	-
Total	254,137,177.89

- 3.5 Penalties forfeitures recovered during the year
 3.6 Penalties/ forfeitures to be recovered at the end of the year
 3.7 A/E recovered at the Valuation Division

Rs.415,172,226.62
Rs.291,650,942.00
Rs.33,104,661.00

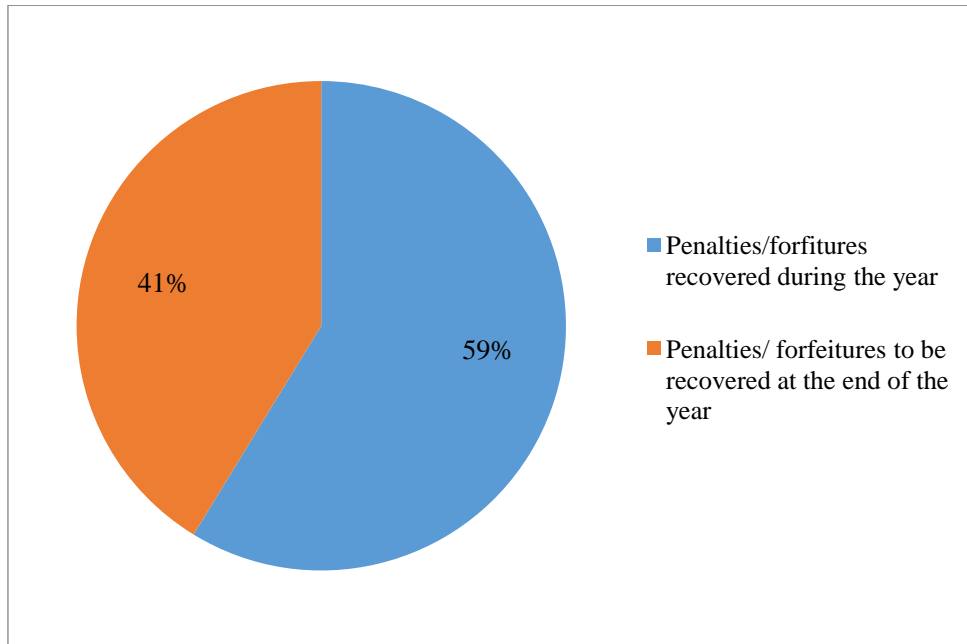


Figure 03: Recovery of Penalties

04. GUARANTEES/ DEPOSITS

4.1 Value of Com. Guarantees at the beginning of the year	83,848,207.00
4.2 Value of Com. Guarantees accepted during the year	9,427,404.00
4.3 Value of Com. Guarantees released during the year	0
4.4 Value of Com. Guarantees demanded during the year	0
Value of Com. Guarantees at the end of the year	93,275,611.00
Total No. of Com. Guarantees at the beginning of the year	2
Total No. of Com. Guarantees accepted during the year	1
Total No. of Com. Guarantees released during the year	0
Total No. of Com. Guarantees at the end of the year	3
4.5 Value of Bank guarantees at the beginning of the year	415,954,378.50
4.6 Value of Bank guarantees accepted during the year	87,349,705.00
4.7 Value of Bank guarantees released during the year	3,878,050.00
4.8 Value of B/Gs demanded and deposited as a Sp/Dep during the year	0
Value of Bank Guarantees at the end of the year	499,426,033.50
Total No. of Bank Guarantees at the beginning of the year	31
Total No. of Bank Guarantees accepted during the year	9
Total No. of Bank Guarantees released during the year	2
Total No. of Bank Guarantees at the end of the year	38

8.1.2 SOCIAL PROTECTION DIRECTORATE

8.1.2.1 Narcotic Control Unit

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

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

Laws & Regulations

- Customs Ordinance No. 17 of 1869.
- Poisons, Opium and Dangerous Drugs Ordinance No. 17 of 1929 which Amended as Act No. 13 of 1984.
- Poisons, Opium and Dangerous Drugs (Amendment) Act No. 41 of 2022.
- Cosmetics, Devices, and Drugs Act No. 27 of 1980.
- Conventions against Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act No. 1 of 2008.
- Precursor Control Authority Regulations, Gazette Extraordinary 1653/7 May 10th 2010.
- Tobacco Tax Act No. 8 of 1999.
- Tobacco Tax Act Regulations, Gazette Extraordinary 1610/28 17th July 2009.
- Penal Code Act, No. 22 of 1993.
- Excise Act, No. 26 of 2018.

Duties performed by the Officers attached to Narcotic Control Unit of Sri Lanka Customs.

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

Table : 01 Detections of Narcotic Control Unit during Last 07 Years (2016-2022)

Type of Narcotics Substances	Total Quantity (Kgs)
Cocaine	1259.1
Hashish	21.504
Methamphetamine	43.202
Cannabis	29.568
Heroine	19.52
Khat	336.3
Diazepam	19.76
Cannabis oil	0.202
Total	1729.156

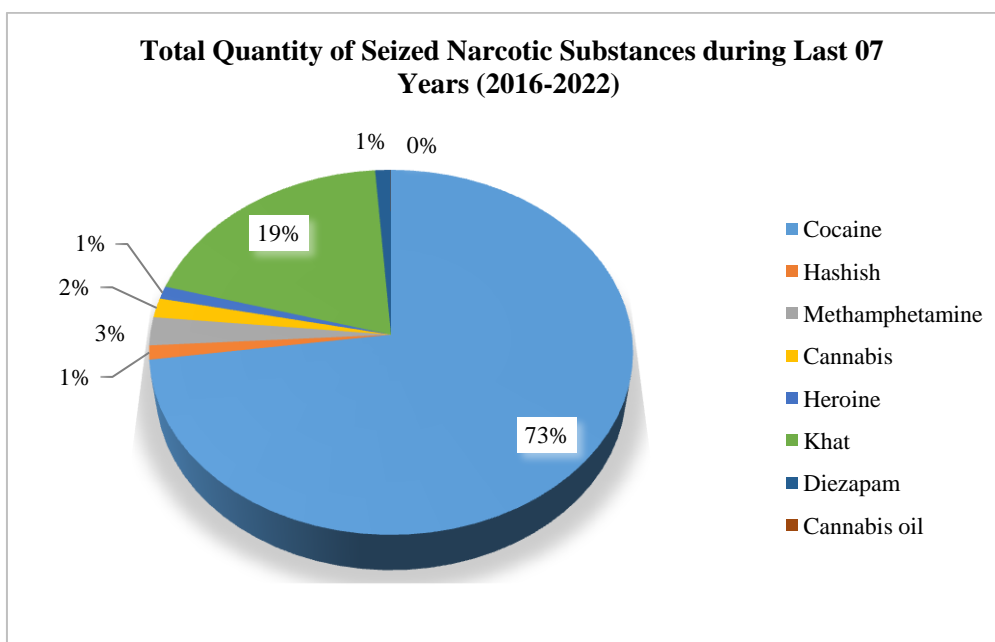


Figure 01 : Total Quantity of Seized Narcotic Substances during Last 07 Years (2016-2022)

This year, total number of **67** cases were reported and a total quantity of **20.181 Kgs** of Narcotics substances were seized. *Uganda, Kenya, Brazil, Great Britain, Canada, Netherlands* and *Germany* were identified as the countries with the highest number of seizures in 2022.

Within the last seven years (2016 to 2022) **1729.156 Kgs** of Narcotics substances were seized. It includes Cocaine, Heroin, Methamphetamine, Cannabis, Hashish, Khat, Diazepam and Cannabis oil.

Table 02: Overall summary of the seized Narcotics substances within the last six years

Type of Narcotics Substances	2016 (Kg)	2017 (Kg)	2018 (Kg)	2019 (Kg)	2020 (Kg)	2021 (Kg)	2022 (Kg)
Cocaine	1232.04	-	2.38	10.16	0.08	3.122	11.318
Hashish	-	0.08	15.74	3.05	-	2.634	-
Methamphetamine	0.52	-	1.61	16.87	17.757	1.933	4.512
Cannabis	5.41	1.42	8.83	3.96	1.576	4.021	4.351
Heroine	8.83	8.86	1.83	-	-	-	-
Khat	-	32.00	199.64	73.50	31.16	-	-
Diazepam	-	-	19.76	-	-	-	-
Cannabis oil	-	-	-	-	0.064	0.138	-

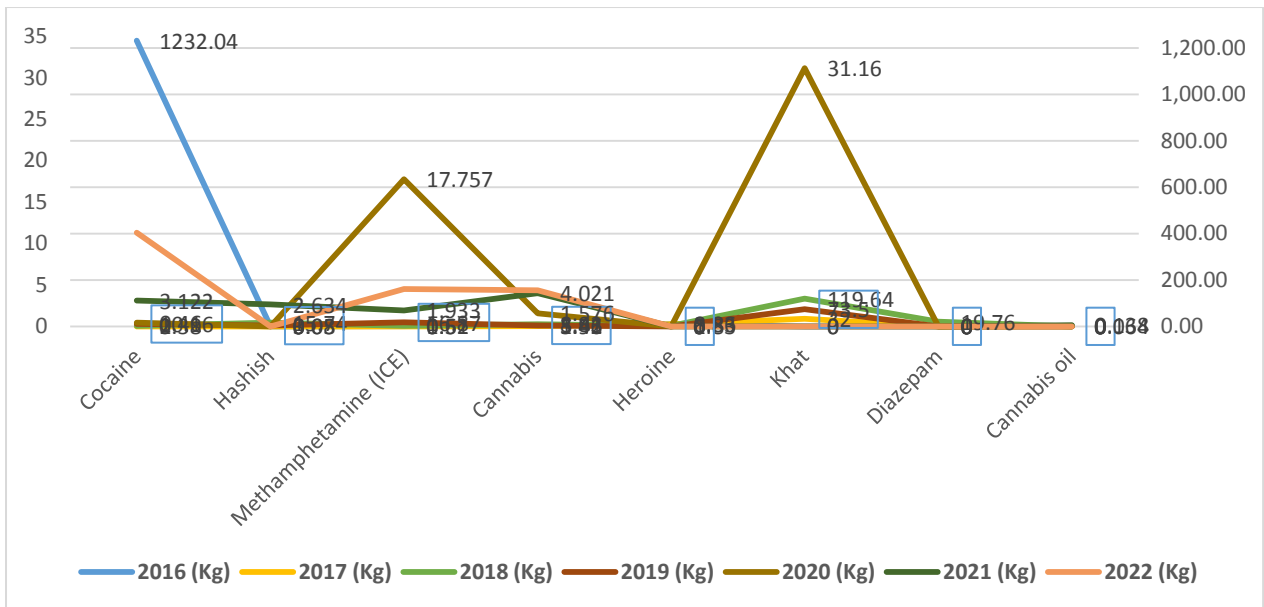
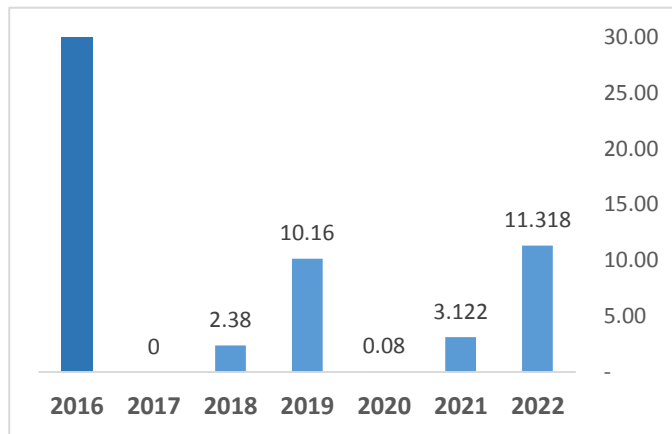


Figure 02 : Overall summary of the seized Narcotics substances within the last six years

Narcotic substance wise visualization of the detections from 2016 -2022.

Cocaine

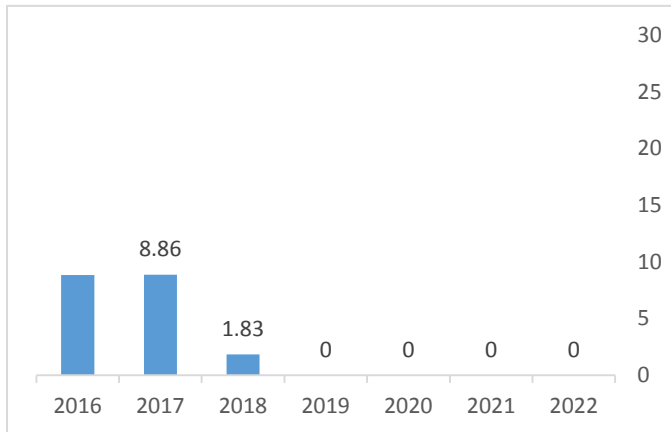


Year	Quantity (kg)
2016	1232.04
2017	0
2018	2.38
2019	10.16
2020	0.08
2021	3.122
2022	11.318

In 2022, **07** seizure was conducted with the quantity of **11.318 Kgs** of cocaine.

The reason for sudden increase of quantity of Cocaine detected in 2016 is identified as that large quantities 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.

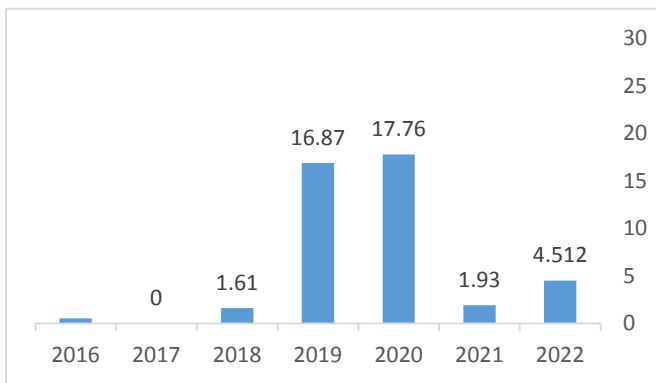
Heroin



Year	Quantity (kg)
2016	8.83
2017	8.86
2018	1.83
2019	0
2020	0
2021	0
2022	0

In 2022, no heroin seizures were reported

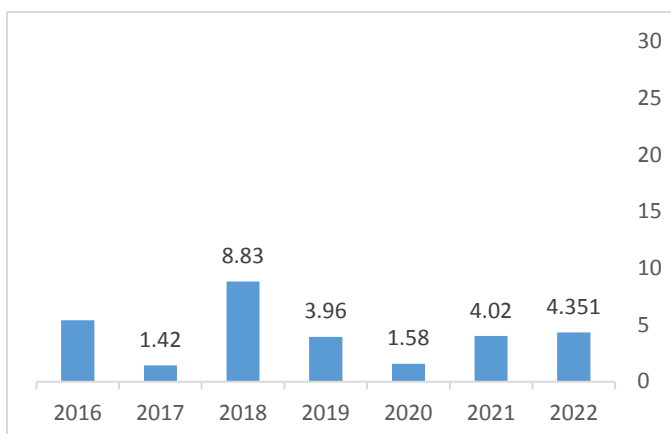
Methamphetamine



Year	Quantity (kg)
2016	0.52
2017	0
2018	1.61
2019	16.87
2020	17.76
2021	1.93
2022	4.512

In 2022, **21** number of Methamphetamine tablet seizures were reported, with a quantity of **4.512 Kgs**. The origins of the substances were from Netherlands, Canada, Great Britain and Mexico.

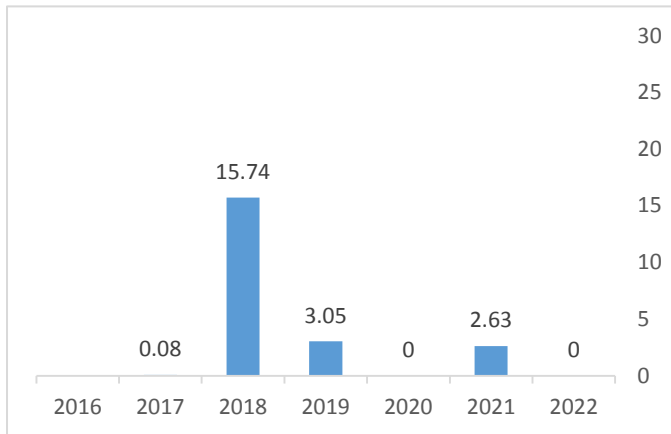
Cannabis



Year	Quantity (kg)
2016	5.41
2017	1.42
2018	8.83
2019	3.96
2020	1.58
2021	4.02
2022	4.351

In 2022, **39** number of cases of Cannabis were reported with total quantity of **4.351 Kgs**. They were mainly originated from Canada and Great Britain.

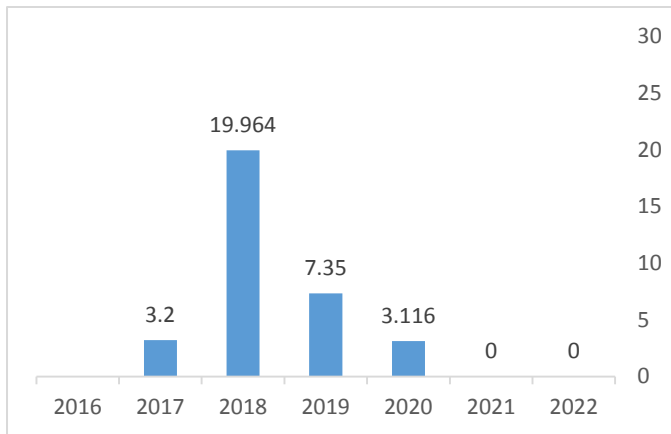
Hashish



Year	Quantity (kg)
2016	0
2017	0.08
2018	15.74
2019	3.05
2020	0
2021	2.63
2022	0

In 2022, no Hashish seizures were reported.

Khat



Year	Quantity (kg)
2016	0
2017	32
2018	199.64
2019	73.5
2020	31.16
2021	0
2022	0

In 2022, no khat seizures were reported.

Table 02 : Visualization of the detections from 2016 to 2022

Detecting place	2022 (Kg)	2021 (Kg)	2020 (Kg)	2019 (Kg)	2018 (Kg)	2017 (Kg)	2016 (Kg)	Total (Kg)
BIA	8.683	3.027	-	19.28	18.77	8.86	18.1	76.72
PA	10.757	-	39.19	83.76	222.8	33.5	0.52	390.527
DHL	-	2.234	0.24	2.44	-	-	-	4.914
UPS	0.741	2.044	16.36	2.05	-	-	-	21.195
Colombo Cargo	-	4.583	3.35	-	-	-	-	7.933
Preventive	-	-	-	0.01	-	-	-	0.01
Air Cargo	-	-	-	-	8.22	-	-	8.22
RCT	-	-	-	-	-	-	1228.18	1228.18
CCE	-	-	-	-	-	-	-	-
MIDCO	-	-	0.55	-	-	-	-	0.55
Total (Kg)	20.181	11.888	59.69	107.54	249.79	42.36	1246.8	1738.249

International Operations carried out in 2022

Operation LIONFISH

- ✚ Drugs and Illicit Substances
- ✚ Conducted by INTERPOL
- ✚ Conducted in July 2022

Operation KNOCKOUT

- ✚ New Psychotropic Substances (NPS)
- ✚ Conducted by INCB
- ✚ Conducted in December 2022

Table 03: Comparison of detections between 2021 & 2022

2021		2022
Quantity (g)		Quantity (g)
-	KHAT	-
4,021	CANNABIS	4,351
1,933	METHAMPHETAMINE	4,512
-	HEROINE	-
3,122	COCAINE	11,318
2,634	HASHISH	-
138	HEMP OIL	-
11,848	TOTAL	20,181

Our Evaluation on NCU

Strengths

- Dedicated staff.
- Experienced Officers.
- Availability of a body scanning machine.
- CCTV monitoring facility.

Weaknesses

- Lack of Staff.
- Unavailability of advanced narcotic detecting test kits and devices.
- No data base for passenger targeting & tracking.

Opportunities

- Identification of new drug trafficking routes & methods.
- Opportunity to work along with the other related agencies to a certain extent.

Threats

- Delay in obtaining analysis reports.
- Lack of inter-agency co-operations.
- Lack in international trainings on narcotic detection techniques.

8.1.2.2 Biodiversity, Culture & National Heritage Protection Division

Background

Environmental crimes have become a serious global issue that has resulted number of adverse impacts not only on the natural world but also on the national and international security, social and economic development, and on the global health. Scientists believe that the planet earth is currently experiencing the sixth mass extinction and it is the only one occurring as a result of the activities of a single species; i.e. the humans. Currently, there are more than 150,300 species are listed on the IUCN Red List, with more than 42,100 species threatened with extinction, including 41% of amphibians, 37% of sharks and rays, 36% of reef building corals, 34% of conifers, 27% of mammals and 13% of birds. Among others, Illegal Wildlife Trade is making a major contribution towards this biodiversity decimation. Illegal wildlife trade is recognized as the fourth largest organized crime in the world with an estimated value of USD 23 billion a year after the narcotics, counterfeiting and human trafficking.

Being located in the tropics, Sri Lanka is one of the most biologically diverse places on earth. Many of our indigenous fauna and flora are threatened with extinction as a result of the human activities. Moreover, Sri Lanka is a country that rich in many different mineral resources. Some of them are unique and represent the highest quality in the world. As a result, many incidents of smuggling attempts have been reported over the past. On the other hand, the plundering of cultural property is recognized as one of the oldest forms of organized cross-border crime and has even become a worldwide phenomenon. This is high on the list of priority concerns for the Sri Lanka Customs as well. Cultural heritage smuggling diminishes national patrimony and steadily deprives the society of experiencing some of the most significant and precious cultural treasures. Every year, thousands of artefacts disappear from museums, churches, private collections or public institutions. From antique weapons to paintings, from coins to watches, from religious objects to archaeological finds, tens of thousands of specimens forming part of the world’s archaeological and cultural heritage are stolen.

Having realized the need in combatting these cross border illicit activities, the Biodiversity, Cultural and National Heritage Protection Unit has been incepted in year 1993. At that juncture, this branch was called the Biodiversity Protection Unit and it is believed to be the first such specialized unit established inside a Customs Administration in the world. Ever since, the unit is significantly contributing in the protection of invaluable endangered fauna and flora, natural resources and cultural heritage of Sri Lanka. Furthermore, BCNP significantly strengthen the social and environment protection strategic objective of Sri Lanka Customs.

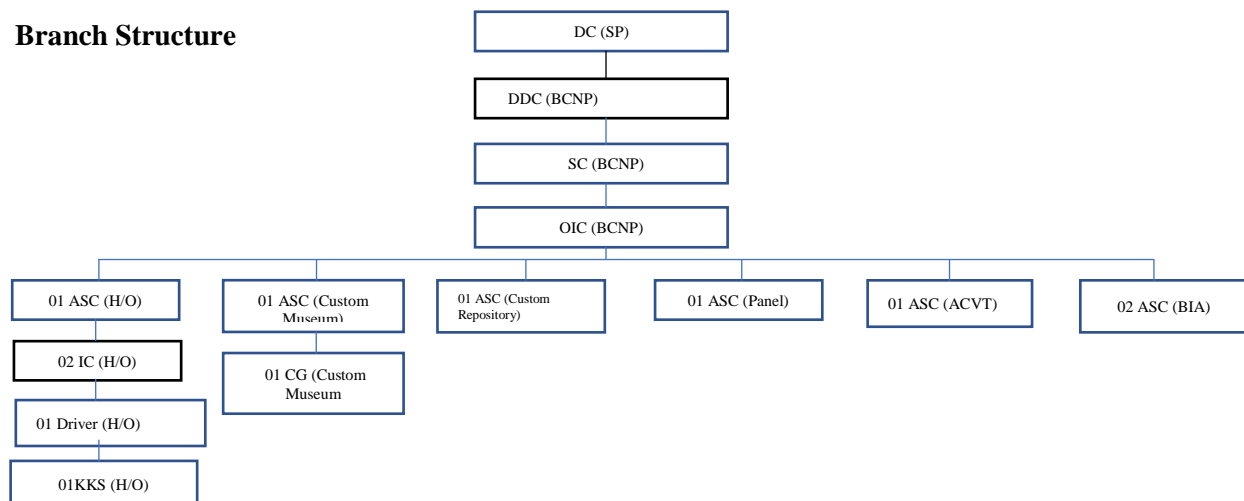
Vision

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

Mission

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

Branch Structure

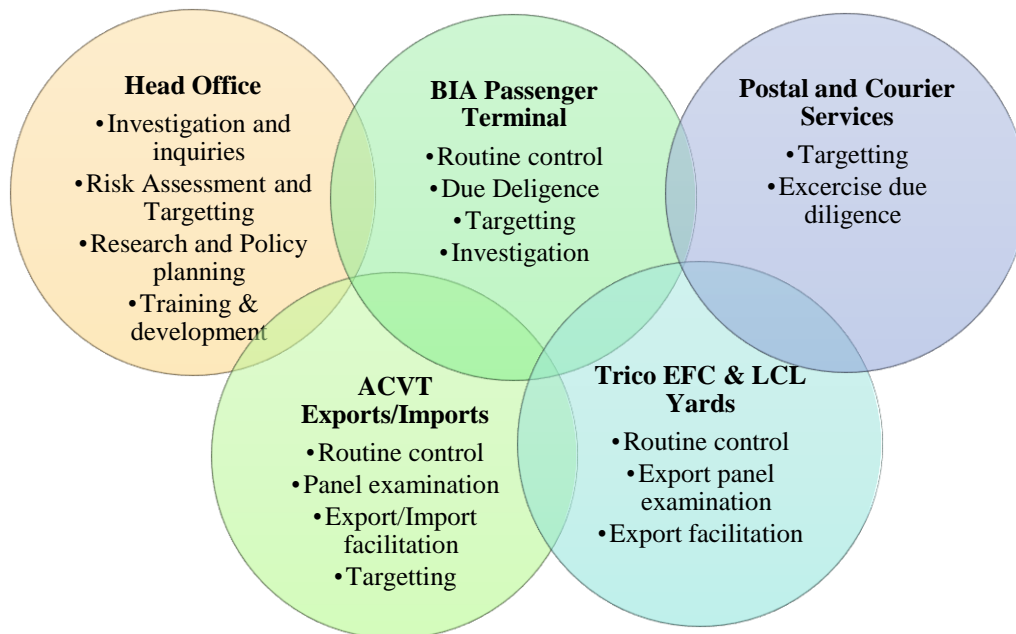


The major functions performed by the BCNP

Enforcement of National and International laws relating to the movement of fauna and flora and related products.

- Enforcement of National laws relating to the movement of other natural resources such as minerals.
- Enforcement of National and International laws relating to the movement of cultural properties and antiques.
- Ensuring the compliance with respect to the conditions stipulated in the license and permits.
- Provision of policy directives to various line agencies in enacting control measures for the monitoring and regulating cross border movement of biologically, naturally and culturally significant commodities.

Operational Structure



PERFORMANCE FOR THE YEAR 2022

- BCNP has managed to intercept 04 smuggling and non-compliance attempts during this year.

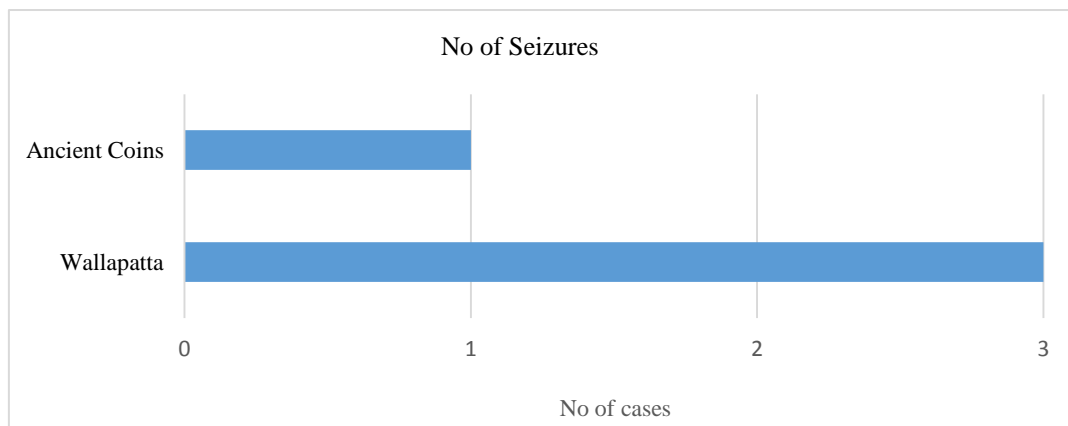


Figure 01: Number of seizures made by the BCNP under different categories of commodities in 2022.

Description	Figure
No. of cases initiated	04 Nos.
No. of cases completed	0 Nos.
Total amount of penalties and forfeitures recovered	Rs. 2,010,000
Total amount of A/E recovered	-
Total sales proceeds	Rs. 5,536,999.80
Total Recoveries for the year 2022	Rs. 7,546,999.80

Table 01 : Total case statistics for the year 2022

Commodity type	Total quantity seized
Wallapatta	33.65 kilograms
Wallapatta Oil	220 milliliters
Ancient Coins	1880 nos

Table 02 : Key seizures of the BCNP in the year 2022.

SIGNIFICANT DETECTIONS IN 2022

1. Attempt to Export Wallapatta (*Gyriops walla*) without obtaining approvals from the relevant authorities

An attempt made to export wallapatta (*Gyriops walla*) illegally was detected by BCNP on 22.03.2022.

Based on information and intelligence it is found that the passenger holding Sri Lankan passport is attempting to export wallapatta (*Gyriops walla*) from Sri Lanka to Dubai without obtaining approvals from the relevant authorities. While performing the examination, the officers found that two bags which contain wallapatta (*Gyriops walla*) timber pieces. Wallapatta (*Gyriops walla*) is an endemic plant and its perfumery value was identified very recently. It produces a resinous substance which fetches high price in other countries as it is used in the production of perfumes. Wallapatta is considered as a forest produce, hence exportation is restricted. According to the Forest Conservation Ordinance (Chapter 469) wallapatta (*Gyriops walla*) is restricted to export/take out from the country and is required a permit from the Department of Forest Conservation and the aforesaid passenger has failed to produce any such permit. 29.15Kg of wallapatta (*Gyriops walla*) timber pieces were found on the detail examination.



Wallapatta (*Gyriops walla*) found at BIA

2. Seizure of Antique coins box at Air cargo Verification Terminal

An attempt made to smuggling out antique coins box at air cargo verification terminal was detected by BCNP on 21.04.2022.

Based on information it is found that the exporter is attempting to export courier package declared as “coins” from Sri Lanka to Taiwan without obtaining approvals from the relevant authorities. While performing the examination, the officers found that the package contains some antique coins. Further, the Department of Archeology have confirmed that these coins are Roman coins which belong to 2-5 centuries.

Exporting Antique articles without permission from Department of Archeology is a violation under Antiquities Ordinance (Chap. 394) No 09 of 1940 and the aforesaid exporter has failed to produce any such permit. 1880 no of antique coins of were found on the detail examination.



Coins box found at Air Cargo Verification Terminal

MEETINGS, TRAINING PROGRAMMES, WORKSHOPS, AWARENESS PROGRAMS AND OTHER COLLABORATIONS

Month	Activity
January	<ul style="list-style-type: none"> Formulator committee meeting – Ayurvedic Department
February	<ul style="list-style-type: none"> 5th project sternly committee meeting Implementation of the National Biosafety framework in accordance with the Cartagena Protocol on Biosafety
March	<ul style="list-style-type: none"> Tools to counter looting and trafficking of culture objects
April	<ul style="list-style-type: none"> PR related training for ASCs Capacity building for inspectors of Customs
May	<ul style="list-style-type: none"> Sri Lanka National Training on countering wildlife crime
September	<ul style="list-style-type: none"> Training of science of Ozone layer by Ministry of Environment Regional Shark and Ray workshop by Department of Wildlife Conservation Capacity building program by Ministry of Environment National workshop on crimes in the fishing sector – Blue Environment project for Sri Lanka
October	<ul style="list-style-type: none"> Inception workshop on technical assistance in sea cucumber aquaculture and processing, restocking and management of depleted wild resources
November	<ul style="list-style-type: none"> Regional meeting for qualified women – Fisheries crime law enforcement officers to encourage regional cooperation Chemical, Biological and Explosive maritime remote awareness training Program on Development of the National inventory of dangerous pathogens (NIDP) – Sri Lanka Capacity building program for public sector officials – UNDP anticorruption innovation on illicit environment activities

8.1.2.3 Consumer and Environment Protection Unit

The Consumer and Environment 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 Sri Lanka 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), Central Environment Authority, Health Department and Defense Ministry stipulated with regard to Customs related laws in order to combat any violations or frauds. All the imports covered by the above authorities should be referred to CPU prior to release of the consignments out the Customs premises.
2. For this purpose, CPU maintains registers of approval furnished in respect of above authorities.
3. Update Customs procedures on the above subjects of respective authorities.
4. Deploy staff from CPU at examination points whenever it is necessary.
5. Review the regulations made under the Customs Ordinances and other related Laws which have been identified.
6. Enforce the law in terms of Customs Ordinance read with other related Acts and Ordinances related to above activities.
7. Monitor the re-export of rejected goods and other hazardous imports.
8. Represents Sri Lanka Customs in National and International forums on the above subject.
9. Functions as National Contact Point for IPR and Environmental matters.
10. Conducting Capacity Building programmers on the subject matters
11. Coordinate with WCO, INTERPOL, EUROPOL, and Environmental Authority in national and international operations

Key Activity - 01: Increase the effectiveness in enforcing regulations relating to commodities falling under the Intellectual Property Rights (IPR).			
Main Steps	Target	Actual	If not achieved, the reason
(1) 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 to increase the effectiveness in enforcing regulations relating to commodities falling under the Intellectual Property Rights (IPR)	100%	100%	
(2) Initiate awareness Programme to educate CusDec processing and Enforcement Officials regarding regulations and requirements relating to the importation of IPR related goods.	100%	100%	
(3) Improve the Wharf Clearing Agent's training curriculum by adding the requirements in (2) above for better voluntary compliance.	100%	100%	
(4) Increase the knowledge of Right holders on Customs procedures	100%	100%	

Key Activity - 02: Increase the effectiveness in enforcing regulations relating to the commodities falling under the Sri Lanka Standards (SLSI)			
Main Steps	Target	Actual	If not achieved, the reason
(1) Obtain official list of goods - From Sri Lanka Standards Institution Requiring an SLSI certification for importation and disseminate that data to all CusDec processing Officials and Enforcement Officials	100%	100%	
(2) Initiate awareness Programmes to educate CusDec processing and Enforcement Officials regarding regulations and requirements relating to the importation of SLSI rejected goods.	100%	100%	
(3) Improve the Wharf Clearing Agent's training curriculum by adding the requirements in (2) above for better voluntary compliance.	100%	100%	
(4) Formulate new regulations to safeguard consumers and facilitate the trade	100%	100%	

Key Activity - 03: Enforcing IP Law			
Main Steps	Target	Actual	If not achieved, the reason
(1) Awareness programs for Customs staff on IPR Law Enforcement	100%	100%	
(2) Interception of suspected import consignments of IPR infringed goods.	100%	100%	
(3) Act on “Application for Action” in terms of Section 125 (A) & 125 (B) of the C.O	100%	100%	
(4) Report seizures of IPR infringed goods.	100%	100%	
(5) Reporting the results to WCO and RILO office on timely manner	100%	100%	

Key Activity - 04: Increase the effectiveness in enforcing regulations relating to imports of ozone layer depleting substances covered by Montreal Protocol.			
Main Steps	Target	Actual	If not achieved, the reason
(1) Obtain an Official list of commodities requiring prior registration with the National Ozone Unit, Ministry of Environment, and requiring an Import Control License before importation, and disseminate that data to all CusDec processing Officials and Enforcement Officials.	100%	100%	
(2) Initiate an awareness Programme to educate CusDec processing and Enforcement Official on the Ozone Depleting Substances and the ICL requirements in (2) above for better compliance/enforcement.	100%	100%	
(3) Improve the Wharf Clearing Agent's training curriculum by adding the requirements in (2) above for better voluntary compliance.	100%	100%	
(4) Provide importation data of Ozone Depleting Substance to National Ozone Unit as per the Requests made.	100%	100%	
(5) Profile & Target any suspicious consignments.	100%	100%	

Key Activity - 05: Increase the effectiveness in enforcing regulations relating to trans-boundary movement of hazardous wastes covered by the Basel Convention.			
Main Steps	Target	Actual	If not achieved, the reason
(1) Obtain official lists of commodities - •Included in Annexes I and II 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%	
(2) Initiate an awareness Programme to educate CusDec processing and Enforcement Officials on the •Hazardous Wastes coming under the Basel Convention; •Other hazardous goods the importation of which is prohibited in Sri Lanka; •Other environmentally sensitive commodities the importation of which requires obtaining an Import Control License before importation; •Adaption of safety measures and permitted action that should be taken in the event of detecting a hazardous goods consignment; for better compliance / enforcement with the help of technical support from other government agencies	100%	100%	
(3) Improve the Wharf Clearing Agent's training curriculum by adding the requirements in (2) above for better voluntary compliance.	100%	100%	
(5) Profile & Target any suspicious consignments.	100%	100%	

Key Activity - 06: Increase the effectiveness in enforcing regulations relating to importation of persistent organic pollutants covered by the Stockholm Convention.			
Main Steps	Target	Actual	If not achieved, the reason
(1) Obtain official lists of persistent organic pollutants - •Listed in Annexes A, B and C of the Stockholm Convention; •The importation of which is prohibited in Sri Lanka; •Requiring an Import Control License before importation (Annex B: restricted usage); and disseminate that data to all CusDec processing Officials and Enforcement Officials.	100%	100%	
(2) Initiate awareness Programmes to educate CusDec processing and Enforcement Officials on persistent organic pollutants -	100%	100%	
(3) Improve the Wharf Clearing Agent's training curriculum by adding the requirements in (2) above for better voluntary compliance.	100%	100%	
(4) Profile & Target any suspicious consignments.	100%	100%	

Key Activity - 07: Increase the effectiveness in enforcing PIC (Prior - Informed Consent) covered by Rotterdam Convention.			
Main Steps	Target	Actual	If not achieved, the reason
(1) 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%	
(2) Initiate awareness Programme to educate CusDec processing and Enforcement Officials regarding regulations and requirements relating to the importation of pesticides.	100%	100%	
(3) Improve the Wharf Clearing Agent's training curriculum by adding the requirements in (2) above for better voluntary compliance.	100%	100%	

Key Activity - 08: 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).			
Main Steps	Target	Actual	If not achieved, the reason
(1) 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%	
(2) Initiate an awareness Programme to educate CusDec processing and Enforcement Officials regarding regulations and requirements relating to the importation of harmful chemicals.	100%	100%	
(3) Improve the Wharf Clearing Agent's training curriculum by adding the requirements in (2) above for better voluntary compliance.	100%	100%	
(4) Profile & Target any suspicious consignments.	100%	100%	

Key Activity – 09 Increase the coordination with other stakeholders and Government			
Main Steps	Target	Actual	If not achieved, the reason
(1) Arrange meetings with SLSI, NIPO, Health Ministry, Ministry of Environment and Agriculture Department, Central Environmental Authority	100%	100%	
(2) Arrange awareness programs for Stakeholders.	100%	100%	
(3) Organize joint operations with other agencies in consumer & Environment Protection activities.	100%	100%	
(4) Public awareness programs on consumer & Environment protection activities through mass media.	100%	100%	
(5) Coordinate with international organizations such as WCO, WIPO, INTERPOL, EUROPOL, USPTO, UNODC and UNEP	100%	100%	

Key Activity –10 Capacity Building Programmes			
Main Steps	Target	Actual	If not achieved, the reason
(1) Nominate officers for workshop, training & conferences (local/ international)	100%	100%	
(2) Arrange training programs for Customs staff.	100%	100%	
(3) Motivate Officers for field research on Consumer Protection and Environment Protection activities.	100%	100%	
(4) Submit analytical reports to DGC and other relevant agencies.	100%	100%	

SLSI Cases

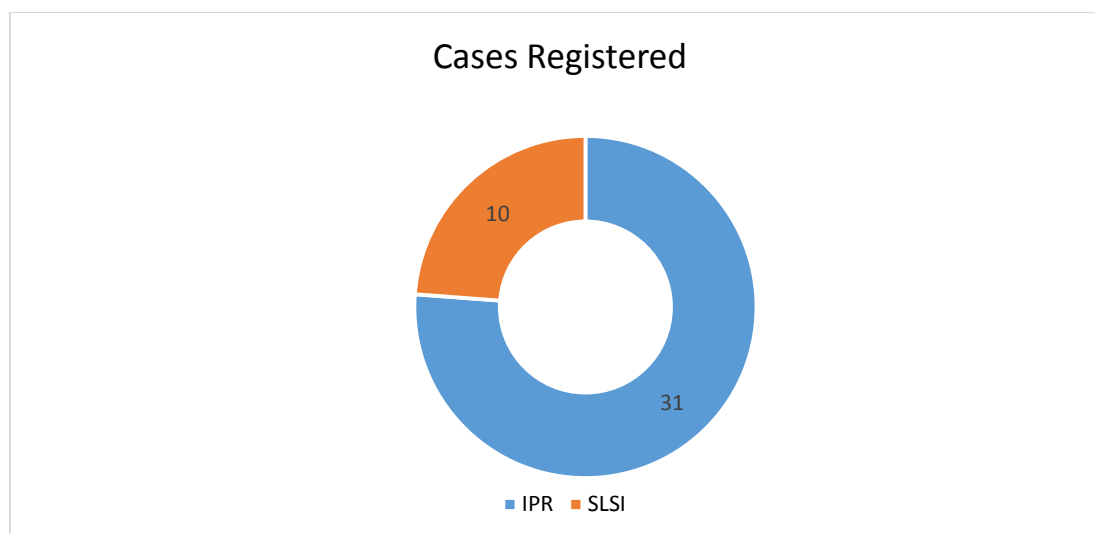
Total No of SLSI Cases Registered	31
Total Penalty imposed for SLSI Cases (LKR)	Rs.33,797,000
Total Quantity Rejected by SLSI	(Annex I & II)

IPR Cases

Total no of IPR Cases Registered	10
Total Penalty recovered on registered IPR Cases (LKR)	Rs.20,510,000.00

Environment Protection Related Cases

Total no of Cases Registered	0
Total Penalty imposed for Cases (LKR)	-
Total Quantity Re-exported	-



Annex I

SLSI rejected goods for the year 2022

S/N	Description	Quantity
1	13A Socket	7528 Pcs
2	AC Outlet	2 Pcs
3	Adapters	12000 Pcs
4	Batteries	223020 Pcs
5	Bicycle Tyres	600 Pcs
6	Bicycle Tubes	600 Pcs
7	Canned Fish	15712 Ctn
8	Ceramic Ware	20492 Pcs
9	Chain Link Fence Fabric	300 Pkgs.
10	Clodem Drink	96 Ctns
11	Conduit Pipes	6500 Pcs
12	Cordial	50 Ctns
13	Crude Coconut Oil	249.14 MT
14	Detergent Powder	40 Ctns.
15	Elbow fittings	8 Ctns
16	Electric Kettles	4156 Pcs
17	Energy Drinks	2730 Ctns
18	Fans	69825
19	Ginger Ale	138 Ctns
20	Hose for LP Gas	847 Rolls
21	Hot Plates	13121 Ctns
22	Ice Cream	130 Packages
23	L P Gas Regulators	13008 Pcs
24	LED Bulbs	1000 Pcs

S/N	Description	Quantity
25	Mild Steel Angle Iron	853 Pcs
26	Pasta	750 Ctns
27	Power Wire	15040 Units
28	Plug Top and Sockets	27640 Pcs
29	PVC Hose	775 Rolls
30	porcelain ware	2096 Ctns
31	RCCB	620 Pcs
32	Red Split Lentils	1000 Bags
33	Reducing Tee	840 Pcs
34	Sparkling Juices	1300 Ctns
35	Soya Sauce	290 Ctns
36	Soya Sauce	1170 Bottles
37	Sugar	4320 bags
38	Tonic Water	116 Ctns
39	Tomato Sauce	100 Ctns
40	Toothpaste	360 items
41	Turmeric Finger	13464 kg
42	Universal Adapters	250 Pcs
43	Wall Switches	11700 Pcs
44	Universal Switched Sockets	230 Pcs
45	U-PVC Fittings	20004 Pcs
46	U-PVC Fittings	93 Ctns
47	Vacuum Flasks	13380 Pcs
48	Vacuum Flasks	100 Ctns

Annex II

SLSI rejected forfeited goods for the year 2022

S/N	Description	Quantity
1	Shoes	2680 Pairs
2	Purse	800 Pcs
3	Baby Walkers	42 Pcs
4	R/C Toys	4500 Pcs
5	Toys	2696 Pcs
6	Air Pods	119 Pcs
7	Empty Packing	100 Pcs
8	Handsfree	10790 Pcs
9	Phone Battery	3725 Pcs
10	Phone Cable	486 Pcs

S/N	Description	Quantity
11	Phone Charger	3150 Pcs
12	Phone Cover	2750 Pcs
13	Phone Housing	765 Pcs
14	Water Bottles	576 Pcs
15	Hair Cutter and Trimmer	3600 Pcs
16	LED Lights	10000
17	Wallets	232 Pcs
18	Lubricant Oil	401 cans
19	Oil Filters	100 Pcs
20	Air Filters	936 Pcs

8.1.2.4 Port Control Unit

Introduction

The Port Control Unit of Sri Lanka Customs has been 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 Social Protection Directorate. Further, this unit receives advance cargo information from the vessel operators / cargo reporters and is expected to receive passenger information from the Aircraft operators and initiate investigations based on the risk analysis performed and suitable measures are taken accordingly. Also, PCU receives advanced information from the airline operators with regard to the air cargo consignments.

Main Functions of this unit includes;

- a. Receive and streamline advance electronic cargo manifests for Air & Sea consignments in order to monitor the suspicious consignments for appropriate actions.
- b. Identify containerized cargo and other consignments using electronic manifests and analyze the same with the tools available at the PCU and take appropriate actions on the suspected consignments.
- c. Monitor and maintain Cargo Targeting System (CTS) provided by the World Customs Organization (WCO).
- d. Build up cooperation with other international and local agencies.

Tools available

CTS



Asycuda System



CEN and nCEN



Containercomm



•

Other functions of the Unit

- Monitor the collection of overtime payments by Shipping Agents.
- Monitor the submission of shipping documents, by Shipping Agents, Forwarding Agents and Airline Agents, for monitoring the movement of cargo.
- Activate Container Control Program (CCP) initiated by United Nations Office on Drugs and Crime (UNODC) and World Customs Organization (WCO), to monitor, investigate, detain, and inquire into sea cargo, air cargo and passenger baggage moving in and out of Sri Lanka in Sri Lanka Customs and to coordinate with UNODC and WCO.
- Use Cargo Targeting System (CTS) and ASYCUDA programmes and to operate scanning equipment such as Hazmat, fiber scope camera, and chemical testing kit and TruNarc to accomplish the objectives of the department and also to assist other units whenever requested.

Hazmat



TruNarc



- Facilitate cooperation with relevant national and international agencies involved in the regulation and monitoring of world-wide container traffic.
- Track, detain and interdict illegal goods, contrabands, narcotics, Trans national crime coming under the purview of Customs and investigate and coordinate with Narcotics Unit, Social Protection Unit, Risk Management Unit and Preventive Units to stop, detain, investigate and inquire into such imports, exports, passenger goods, parcels or transshipment cargo according to Customs Ordinance and other related Laws.

Performance Summary

a. Annual Summary

S/No.	Description	Recovered Amount (Rs.)
1	Total Mitigated Forfeiture for the year 2022	199,386,140.00
4	2022 Vessel OT Recoveries	68,155,877.00
Total		267,542,017.00

b. Case Status and Recoveries

Month	Number of Cases Initiated	Number of Cases Finalized	Sum of Total Recoveries (Rs.)
January	3	5	26,516,000.00
February	1	3	150,000.00
March	8	7	17,150,000.00
April	6	3	7,820,000.00
May	2	5	12,800,000.00
June	3	3	40,000,000.00
July	2	3	14,000,000.00
August	1	1	100,140.00
September	1	1	4,100,000.00
October	6	1	56,250,000.00
November	2	1	5,500,000.00
December	1	0	15,000,000.00
Grand Total	36	33	199,386,140.00

c. Vessel Overtime Recoveries

Month	Recovered Amount (Rs.)	Number of Vessels
January	8,589,950.00	272
February	5,372,575.00	272
March	5,514,865.00	322
April	6,966,057.00	292
May	2,999,736.00	273
June	8,187,637.00	284
July	8,978,710.00	274
August	8,434,062.00	290
September	5,645,220.00	283
October	3,807,483.00	312
November	2,575,990.00	323
December	10,897,234.00	321
Total	77,969,519.00	3518

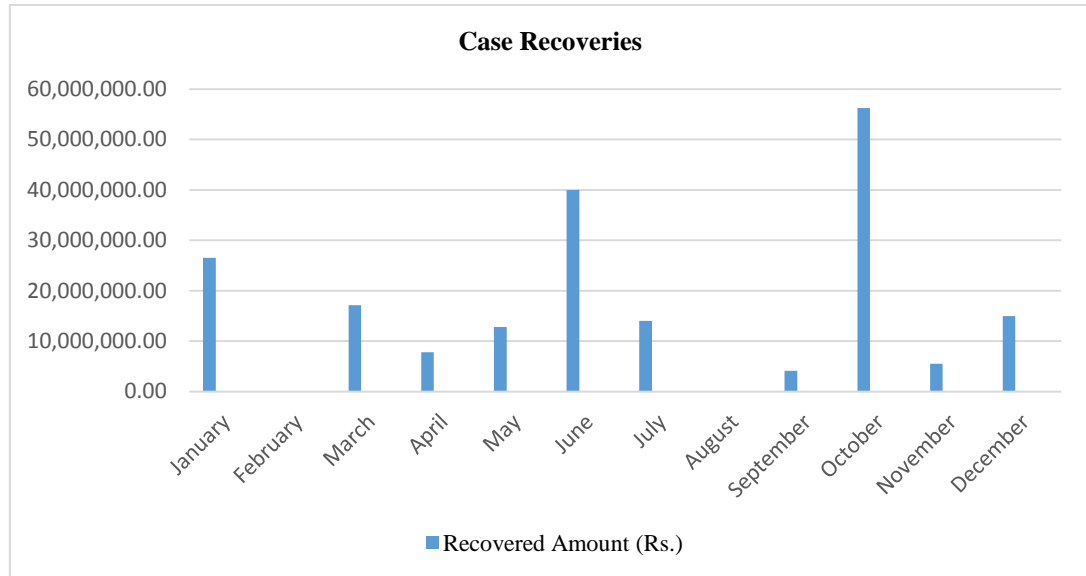
d. Significant seizures made during the year 2022

Commodity type	Total quantity seized	Units
Cocaine	355.881	Kg
Ferrous Scrap	74,881	Kg

Comparison of achievements against the agreed plan for 2022

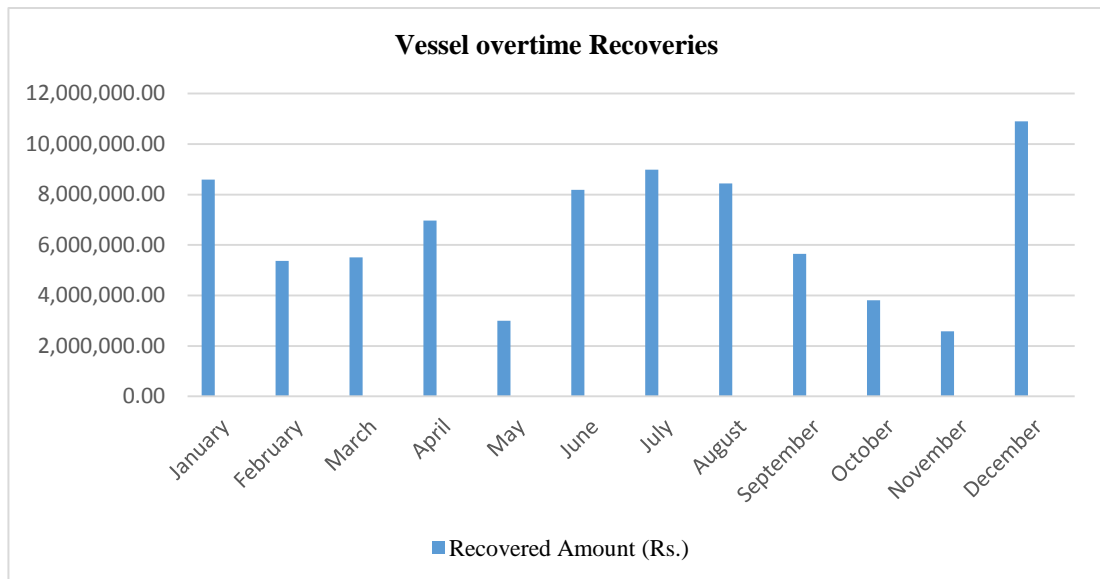
a. Key Activities under Revenue Objectives

Key Activity No 01: Enforce the legislations on suspicious cargo and penalize relevant parties.



Key Activity No 02: Recovery of Consolidated charges

Over Time Charges for the Break bulk Cargo Vessels and Container Vessels are recovered by the Port Control Unit. New methods and procedures along with automation were introduced to smoothen the process.



b. Key Activities under Control Objectives

i. Setup container control program (CCP) to control drugs and other trans - border crimes.

Under Control objectives following key functions are carried out by this branch

- Globally operated communication security platform "CENCOMM" is maintained.
- Received *Aircargocomm* and *Conatinercomm* alerts to get up to date knowledge about drugs and trans - border crimes.
- Received UNSCR alerts and analyzed through CTS.

ii. Risk profiling and assessment of Narcotic and other trans-territorial Crimes.

Risk profiling is a continuous process carried out by the staff of PCU. The process involves Analyze and ascertain effectiveness of risk factors, Surveillance visits within Customs areas and identify factors of suspicious activities, Assessment and profile risks related to trans - national crimes

iii. Enforce the legislations against non - complying shipping lines.

Shipping agents were informed to regulate legal provisions in e - manifest submission.

c. Key Activities under Trade Facilitation Objectives

Risk factors are analyzed to identify and illicit trades and profiles are created to generate automatic alerts when they make new declarations.

d. Promote e - manifesting in Advance (CTS / ASYCUDA)

Shipping agents were informed to submit their manifests electronically and with the help of WCO and UNODC the submitted manifests are now captured by CTS application.

e. Capacity building of officers.

1.5.1 Crimes in the fisheries sector South Asia and Southeast Asia under UNODC - WCO Container Control Programme were held to increase the capacity of officers attached to Port control Unit. Fisheries crime is an ill-defined legal concept referring to a range of illegal activities in the fisheries sector including illegal fishing, document fraud, drug trafficking and money laundering. It depletes fishing stocks and corrodes human and economic security in the region. The mentoring workshop sought to support maritime law enforcement efforts in the Maldives and Sri Lanka in tackling fisheries crime. The focus of the mentoring workshop, was enhancement of knowledge and skills of officers from Sri Lanka, working in/for the maritime law enforcement sector. The workshop led to encouraging cross-agency coordination and support the UNODC-WCO Container Control Programme (CCP) Port Control Units (PCUs) already working in Colombo, Sri Lanka with additional capacity building measures.



1.5.2 UNODC - WCO Container Control Programme as a sustainable enforcement structure in the seaport and airport of Sri Lanka in order to combat the threat of transnational organized crimes. This unit, not only assess and take actions against the national threats but also important to curtail the regional and global threats arouse as a result of actions of transnational organized criminal syndicates. Unarguably, risk profiling and targeting are the most important aspects which ensure the best use of available resources while increasing the efficiency and effectiveness of these enforcement actions.

1.5.3 Build up cooperation with other international and local agencies.



1.5.4 Blue Enforcement Gender and Leadership Workshop “Mainstreaming Gender Equality to Strengthen Women’s Leadership” held in Bangkok, Thailand. The United Nations Office on Drugs and Crime (UNODC) –World Customs Organization (WCO) Container Control Programme (CCP) held a gender/leadership workshop for female officials from the Maldives and from Sri Lanka. The meeting is an essential part of the Norwegian-funded ‘Blue Enforcement Project’, seeking to support maritime law enforcement efforts in tackling fisheries crime. The main objectives of the event are to accelerate management potential of women law enforcement officers through gender-conscious leadership and women’s rights engagement, and to enhance regional cooperation.



1.5.5 UNODC-WCO Container Control Programme (CCP); Training on the use of TruNarc Narcotics Analyzer and ‘Personal Protective Equipment (PPE)’

The United Nations Office on Drugs and Crime (UNODC) presented its compliments in relation to the UNODC - World Customs Organization (WCO) Container Control Programme (CCP). A four-day combined practical training workshop were held on the use of TruNarc Narcotics Analyzer / Raman Spectrometer for narcotics identification and personal protective equipment (PPE) to minimize exposure to hazards that cause serious workplace injuries and illnesses. These injuries and illnesses may result from contact with chemical, radiological, physical, electrical, mechanical, or other workplace hazards. The activity was kindly supported by the U.S. Department of State. The training workshop was conducted by, respectively in the premises of the Laboratory and Scientific Section of the United Nations Office on Drugs and Crime (UNODC) Vienna, Austria (Vienna International Centre -VIC-).



Significant Achievements

- a. Seized 355.81 kgs of Cocaine



- b. Narcotics concealed in timber– false alarm



- c. Narcotics concealed in fresh orange– false alarm



8.1.3 CENTRAL INTELLIGENCE DIRECTORATE

Introduction

The Central Intelligence Directorate is responsible in providing more effective, timely, accurate and relevant intelligence to operational units and to senior management to achieve departmental goals of facilitating genuine trade without sacrificing revenue or the social protection obligations.

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

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

Major Functions of the directorate can be listed as follows;

- i. Gathering information.
- ii. Maintaining and managing a 24-hour Public Information Receiving Desk (PIRD).
- iii. Analyzing and developing intelligence.
- iv. Dissemination of intelligence, locally among the directorates, and internationally with the approved designated agencies.
- v. Coordinate with International Customs Information Systems.
- vi. Acting as the NCP for Regional Intelligence Liaison Offices of the Asia/Pacific (RILO A/P) and as the “focal point” for coordination with international enforcement agencies.
- vii. Coordinating Container Security Initiative (CSI) process with CSI office, scanning unit and respective terminal operators.
- viii. Intercepting high risk cargo consignment based on intelligence, by reviewing cargo manifests and cause investigations.
- ix. Conducting Customs inquiries and prosecute offenders.
- x. Maintaining Previous Offence Database (POD).
- xi. Maintaining nCEN Database.
- xii. Sri Lanka Custom’s CID is a part of the newly established Border Risk Assessment Centre (BRAC) which is composed of 09 other intelligence authorities.

PERFORMANCE IN YEAR 2022

Table 1: Information received and distributed

	2019	2020	2021	2022
No. of information received through the PIRD	73	50	43	36
From other sources (fax, e-mails, letters, news)	21	11	42	21
Total	94	61	85	57
No. of intelligence disseminated to other branches for action.	84	53	84	57

Table 2: No. of Intelligence Alerts Distributed:

	2019	2020	2021	2022
RILO/ WCO CEN Alerts	01	-	14	04

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

	2019	2020	2021	2022
Number of POD records	108	166	106	104

Table 4: No. of CHA & VAT Registrations:

	2019	2020	2021	2022
Custom House Agent Permit Renewal	6626	6866	6386	6367
SLPA wharf license (A Pass)	2356	1418	1508	1545

Table 5: Number of containers scanned under Container Security initiative (CSI) Program

	2019	2020	2021	2022
Total number of containers	385	215	373	418

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

Agency	No. of requests sent				No. of replies received			
	2019	2020	2021	2022	2019	2020	2021	2022
DRI-India	29	08	10	26	08	-	01	10
RILO and other agencies	15	14	16	13	01	03	09	-

Table 7: nCEN Database

	2019	2020	2021	2022
No. cases validated	1,704	1,301	1,225	850

Table 8: Performance in Law Enforcement

	2019	2020	2021	2022
No. of cases initiated/detected during the year	05	20	12	27
No. of cases finalized during the year	11	22	10	11
Total amount recovered (Rs.)	16,569,279	6,884,723	15,655,090	62,812,600

Performance measured against Annual Action Plan for 2022

Achievements

1. Furnishing intelligence for all management and operational levels of the department to combat smuggling and facilitate the legitimate trade
 - a. Training officers on systematic intelligence analysis
 - b. Intelligence analysis from information collected
 - c. Preparing intelligence reports and alerts
 - d. Dissemination of intelligence for all applicable levels of officers
 - e. Dissemination of previous offence reports as requested
2. Coordination with national and international organizations to ensure cross border security and other compliance measures relating to cargo and passenger movement
 - a. Collaboration with WCO, RILO AP, DRI India and other international authorities as NCP
 - b. Effective participation in WCO, RILO Operations
 - c. Communication with local authorities (Central Bank, PNB, Dept. of Immigration & Emigration etc.) for information sharing
 - d. Attending CSI inspection related coordination with CSI Office, scanning unit and respective terminal operators
3. Enhance the accuracy and efficiency of gathering intelligence and securing the same
 - a. Maintaining 24*7 Public Information Receiving Desk (PIRD) and its' registers effectively
 - b. Maintaining Previous Offences Database
 - c. Effective maintenance of nCEN and its' users
 - d. Timely and effective validation of seizure cases entered to nCEN
 - e. Conducting nCEN Training programs for officers

8.1.4 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).

Main Objectives

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

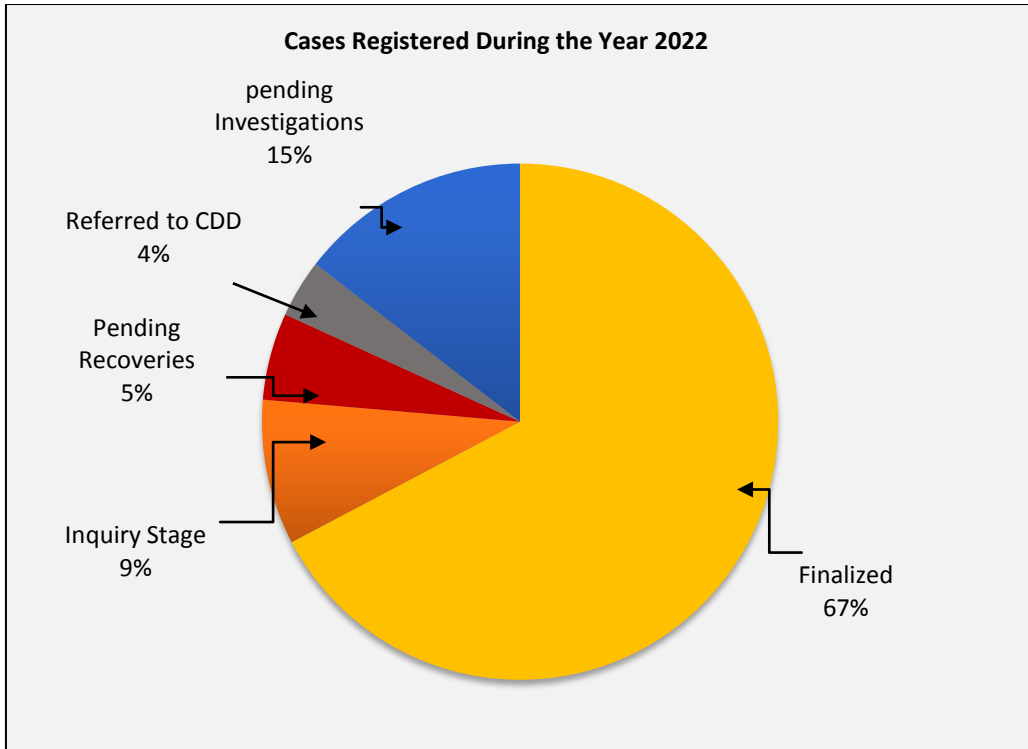
Major Functions

- Investigation into the cases detected by other Directorates (other than Revenue Task Force and Preventive Directorates).
- Detection and investigating into Customs Violations
- Maintaining Central Case Register (CCR)
- Monitor the progress of the investigations conducted by Revenue Task Force and Preventive Directorates.
- Update the finalized cases in CCR
- Distribute rewards of all finalized cases in the department.

Performance

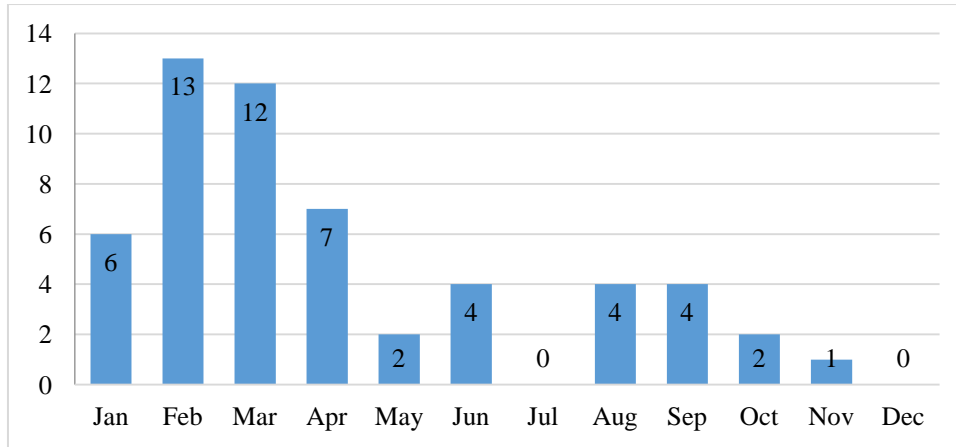
Total Number of Cases Registered during the year 2022 and the current status

Month	No of cases registered	Finalized	Inquiry Stage	Pending Recoveries	Referred to CDD	Pending Investigations
Jan	6	5	1			0
Feb	13	11	1			1
Mar	12	7	1	2	1	1
Apr	7	7				0
May	2	1	1			0
Jun	4	2	1			1
Jul	0	0				0
Aug	4	0				4
Sep	4	4				0
Oct	2	0		1	1	0
Nov	1	0				1
Dec	0	0				0
Total	55	37	5	3	2	8



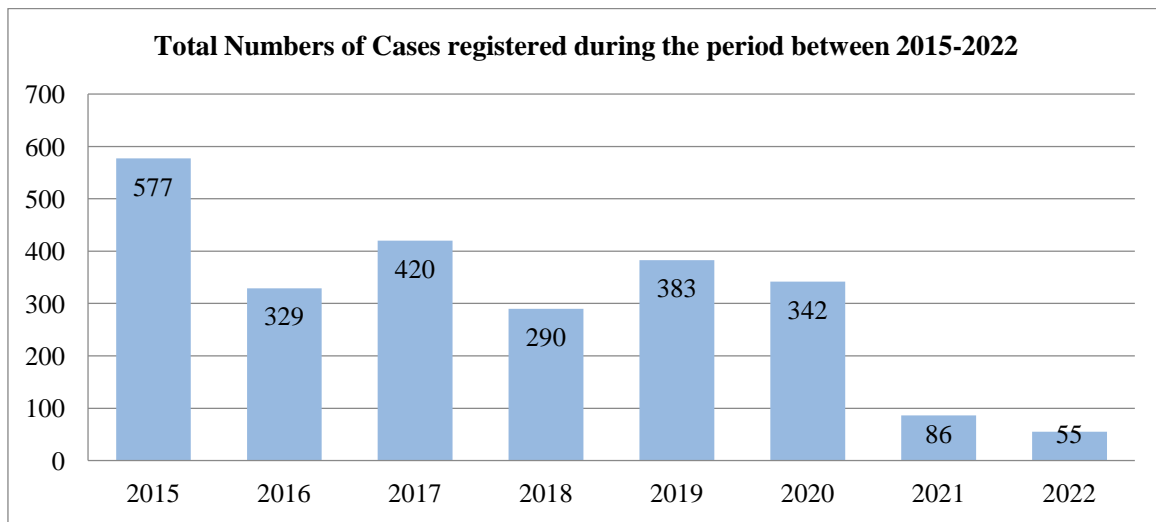
Total numbers of cases registered during the year 2022 (Monthly wise)

Month	No of cases registered
Jan	6
Feb	13
Mar	12
Apr	7
May	2
Jun	4
Jul	0
Aug	4
Sep	4
Oct	2
Nov	1
Dec	0
Total	55



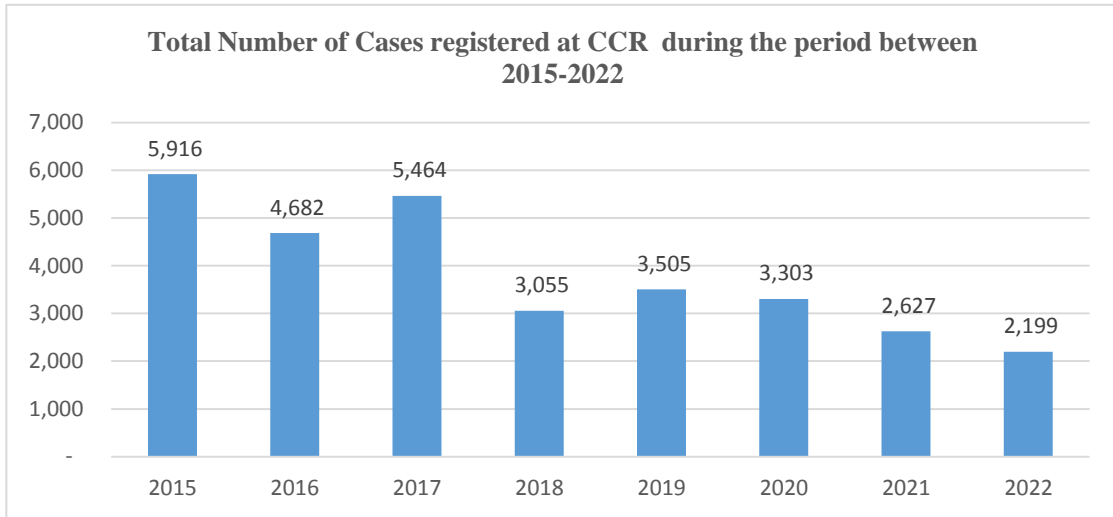
Total Numbers of Cases registered during the period between 2015 - 2022 and the current status

Year	2015	2016	2017	2018	2019	2020	2021	2022	Total
Total Registered Cases	577	329	420	290	383	342	86	55	2,482
Finalized with penalties	50	140	205	106	215	120	47	32	915
Finalized as NFA	252	117	150	121	109	62	8	5	824
Registered (Investigation, Inquiry, Disposal, Court Case, etc...)	272	71	64	61	57	157	30	18	730



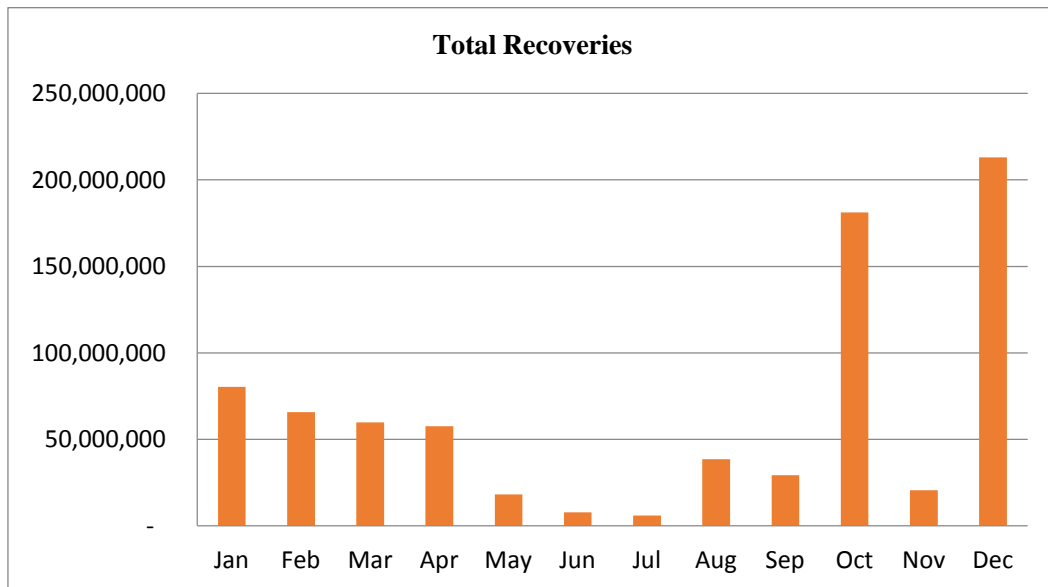
Total Number of Cases registered at CCR during the period between 2015-2022

Year	Number of cases
2015	5,916
2016	4,682
2017	5,464
2018	3,055
2019	3,505
2020	3,303
2021	2,627
2022	2,199



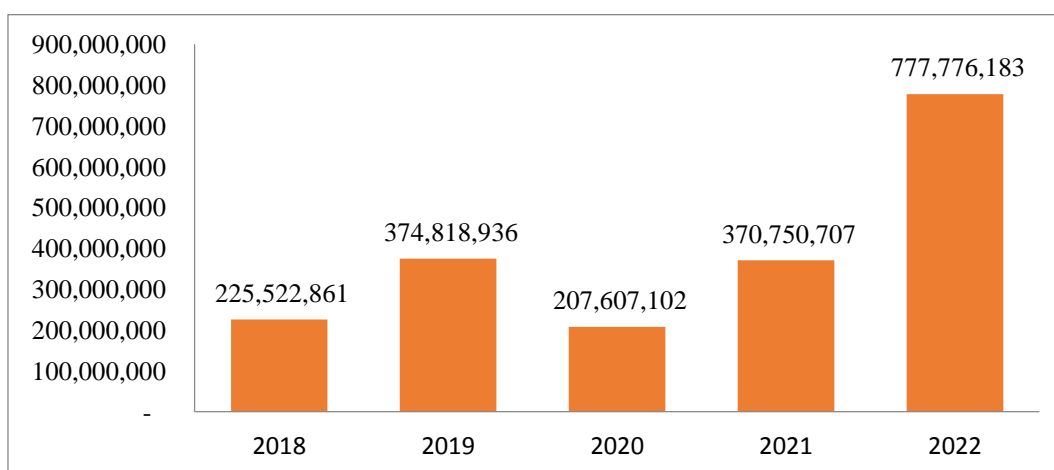
Total recoveries during the year 2022

Month	Total Recoveries (Rs.)
Jan	80,334,526
Feb	65,670,000
Mar	59,724,532
Apr	57,535,000
May	18,200,000
Jun	7,850,000
Jul	5,900,000
Aug	38,550,000
Sep	29,301,511
Oct	181,200,000
Nov	20,500,000
Dec	213,010,614
Total	777,776,183



Total Recoveries during the period between 2018-2022

Year	Total Recoveries (Rs.)
2018	225,522,861
2019	374,818,935
2020	207,607,101
2021	370,750,707
2022	777,776,183



Bank Guarantees Secured at CIB as at 31.12.2022

Total number of Bank Guarantees	44
Total Value of the Bank Guarantees	469,141,220

Out of the 44 B/Gs the following are with Court cases

Number of B/Gs with Court cases	4
Value of the B/Gs with Court Cases	285,021,414

8.1.5 LEGAL AFFAIRS DIRECTORATE

The Legal Affairs Directorate is the main legal advisor of the Department and it is responsible for the administration and supervision of the prosecution of Court cases and correspondence with the Attorney General's Department. The main objectives of this Directorate are providing legal advices on all matters related to the Customs Department, attend all litigation matters, ensuring the department is functioning effectively and efficiently within the framework of the law.

This Directorate is headed by a Director who is assisted by one Deputy Director, two Superintendent, six Assistant Superintendents, one Inspector and one Guard.

Main Functions

- Advises the officers on legal issues for which they need assistance.
- Seeks the advice from the Attorney General on certain issues which cannot be resolved in the departmental level.
- Liaise with Attorney General Department in organizing consultations with other officers of the Department.

Supreme Court & Court of Appeal Applications

Number of Cases Registered in 2022	42
Supreme Court Applications	4
Court of Appeal Applications	23
District court Applications	11
High Court Applications	4

Running cases from the year 2022	47
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Finalized Applications in the year 2022	3
Supreme Court Applications	2
Court of Appeal Applications	1

Other Legal Matters

Number of Internal Legal Opinion Provided	71
Number of International Agreements Assisted	2
Number of Domestic Agreements Assisted	6
Number of Legal Opinions Sought from the Attorney General's Department	15
Number of Legal Opinions obtained from the Attorney General's Department	10
Number of High Court/ District Court/ Magistrate Court Applications Assisted	8
Number of Consultations Attended with the Attorney General's Department	87

8.1.6 RISK MANAGEMENT DIRECTORATE

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. With the aim of ultimately expanding the capabilities of the unit and to enrich the goals of effective Risk Management, the Unit was later transformed in to the status of a Directorate, as Risk Management Directorate, in 2021.

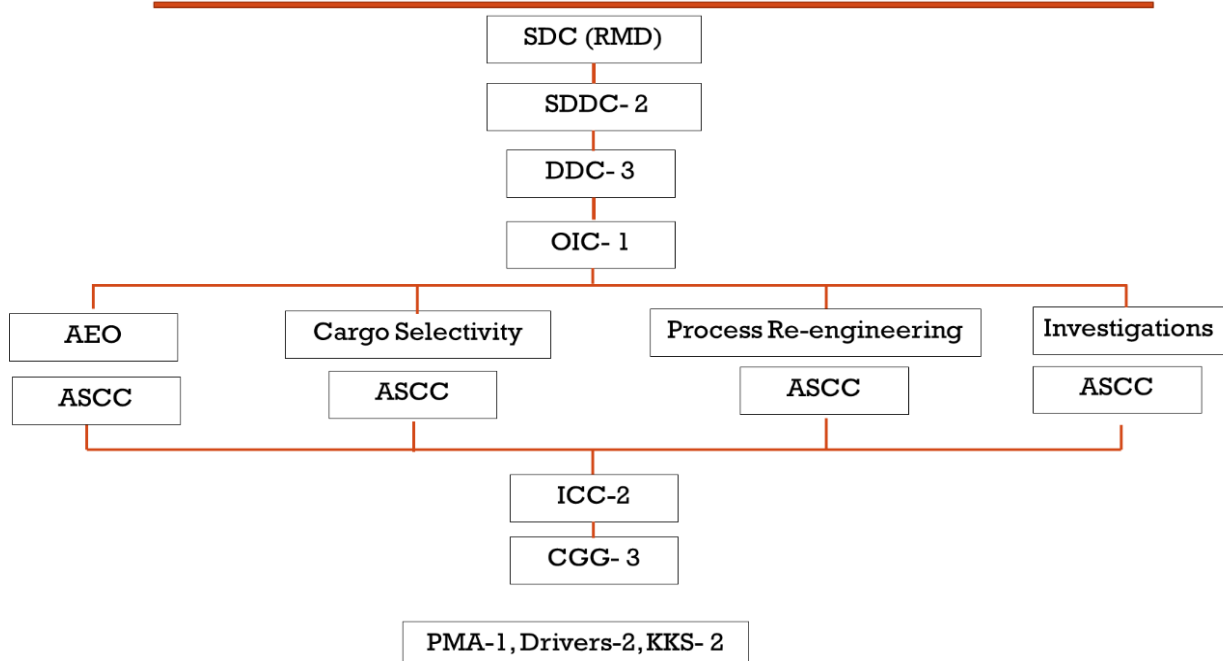
Risk Management Directorate ensures to suggest, introduce and apply procedures based on Risk Management Principles for balancing the concepts of enforcement and facilitation in Sri Lanka Customs. To realize the prospective gains of using Risk Management as a modern Customs tool, Risk Management Directorate complies of trained officers regarded with Risk Management Principles and best practices applied in the international Customs entities.

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

1. Cargo Selectivity
2. Process Re-engineering
3. Authorised Economic Operators
4. Investigations

The Operations and Administrations of Risk Management Directorate are carried out as per the following Organizational Chart.

RMD – ORGANIZATION STRUCTURE



1. CARGO 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.

Achievements of Cargo Selectivity in 2022

- a. Carried out continuous risk analysis regarding Cargo imports.
- b. Actions were taken to revise the selectivity rules so as to address the issues arisen with the changes in the economy and trade patterns.
- c. Considered the import volume and the capacity of the examination yards and the scanner, and rules were changed to maximise the utilization of physical and human resources for customs control and trade facilitation.
- d. Carried out a risk analysis targeting DBRA1 imports.
- e. Implemented automated selectivity rules for DBRA1 imports.
- f. Identified the requirement to reduce the number of DBRA1 containers referred to the scanner and introduced splitting of containers for consignments with multiple containers and directed only a portion of the consignment for examination yards while releasing the rest directly from the Port as per the result of examined containers. The Customs control is always ensured by allowing to re-route all containers to the examination yards if required.

2. PROCESS RE-ENGINEERING

With the help of the risk assessments carried-out, the Process Re-engineering team carries out a thorough process mapping of the existing processes to identify any lapses and loopholes in the process. Identified issues in the existing systems and recommendations to solve such issues, are reported for the attention of the senior management including the DGC. With the approval of the senior management, the recommendations are implemented under the close supervision of the RMD. The implementation will be continuously studied to identify any bottlenecks and associated issues which will be useful for bringing about further improvements.

Achievements of Process Re-engineering in 2022

- a. Preliminary Discussions were conducted with the participation of handlers of courier parcels.
- b. Prepared and sent requirements to be fulfilled at NCT gate, to SLPA, for streamlining the procedures as per the suggestions of DOPL on Gate operations
- c. Co-ordinated with BOI and other Directorates in Customs, to develop the infrastructure at CVT for effective examination of BOI cargo.

3. INVESTIGATIONS

Consisting of a group of experienced investigating officers, this team detects and investigates 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 2022 is illustrated in below table.

Table 01. Achievements of Investigations in 2022

1	Total no. of cases initiated	125
2	Total no. of cases finalized (e-CCR updated)	86
3	Total no. of order conveyed cases (finalized+ with disposal goods+pending payment+released with bank guarantees)	109
4	Total no. of success cases (have a recovery)	99
5	Total no. of NFA cases	10
6	Total no. of investigating cases	16
7	Success Rate	90.83%
8	Total Recovery (Rs.)	903,387,651.46
9	Average Recovery per success case (Rs.)	9,125,127.79
10	Total Recovery Amount paid so far (Rs.)	709,731,430.26

4. AUTHORISED ECONOMIC OPERATOR PROGRAMME

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 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.

Achievements of Authorised Economic Operator Programme in 2022

- a. Validation of applications were conducted continuously and selected three traders to be recognized as CEO in January 2022.
- b. Launched the AEO Programme of Sri Lanka Customs in January 2022.
- c. AEO web portal was developed and published.
- d. Operational Guideline for AEO was finalized and published in AEO web portal.

THE PERFORMANCE OF THE RISK MANAGEMENT DIRECTORATE AS PER THE ACTION PLAN 2022.

Key Activities under Control Objectives

S/N	Objectives	Strategy	Activities	Key Performance Indicators	Status
1	Minimize release of fraudulent consignments without examination	1. Study and revise criteria for selection	1. Analyze import trends	1. Number of frauds detected from exemptions per month (0)	Percentage of fraud detection from exemptions is at 0%. Selection for exemption is accurate for 100%.
			2. Analyze past records/ frauds	2.Total defraud amount detected from exemptions per month (0)	
			3. Analyze registration details	3. Percentage of fraud detection from exemptions (0%)	
			4. Analyze CCR data from of consignments at the time of detection.		
	2. Investigations	1. Detect suspicious consignments exempted from examination and conduct investigations		Please refer Table 01.	
2	Improve detection of fraud through scanning	Study and revise criteria for selecting containers for scanning	1.Analyze scan results	1.Number of containers scanned per month	Number of containers scanned per month is 9240.
			2.Analyze scan results of and data of consignments detained for investigation purposes	2.Number of frauds detected by scanning per month 3. Value of frauds detected by scanning per month 4. Percentage of fraud detection by scanning	
3	Strengthening Customs control over Port operations	Streamlining LCL warehousing process	1.Controlling LCL warehouse selection based on risk 2.Monitoring and supervising LCL unloading into warehouses	Number of containers destuffed at each ware house per month	Implemented automated Cargo Selectivity further to automated clearance, of LCL cargo from JCT, Pettah and NNR warehouses
		Streamlining empty container removal	1.Implement system generated gate pass for empty containers 2.Improve the process of releasing empty containers	Number of containers detected at the gate smuggling goods in the guise of empty containers per month	Infrastructure facilities have been developed for the proposed Wharf Admin Unit. Proposed process is to be implemented with the commencement of operations of the proposed Wharf Administration Unit.
		Streamline detection of abandoned cargo	Implement mechanism to detect abandoned cargo and report to Central Disposal	Number of abandoned cargo containers detected per week	

4	Streamlining courier cargo	Introduce a mechanism to apply risk-based selectivity for courier cargo	1. Implement electronic submission of detailed manifest for courier cargo	1. Percentage of courier consignment exempted from examination	Preliminary Discussions were conducted with the participation of handlers of courier parcels.
			2. Apply risk-based selectivity for courier cargo	2. Number of frauds detected from exempted courier consignment 3. Value of frauds detected from exempted courier consignment	

Key Activities under Trade Facilitation Objectives

S/N	Objectives	Strategy	Activities	Key Performance Indicators	
1	Enhance Compliant Economic Operator (CEO) Programme	Attract more companies for CEO scheme	<ol style="list-style-type: none"> 1. Conduct awareness programmes 2. Screening applications 3. Conduct company validations 	<ol style="list-style-type: none"> 1. Number of applicants per month 2. Number of validations conducted per month 3. Number of companies provided with CEO status 4. Percentage of revenue from CEO companies 	Conducted awareness campaigns for the trading community with the assistance of Ceylon Chamber of Commerce and the Chartered Institute of Logistics and Transport. AEO web portal was developed and the link is available for public.
2	Launch Authorized Economic Operator (AEO) programme	Officially launch the AEO programme by upgrading suitable candidates among CEO companies	<ol style="list-style-type: none"> 1. Conduct awareness programmes 2. Screening applications 3. Conduct company validations 	<ol style="list-style-type: none"> 1. Number of applicants per month 2. Number of validations conducted per month 3. Number of companies provided with AEO status 4. Percentage of revenue from AEO companies 	AEO/CEO programme has been launched and operating since 20.01.2022. Three companies were awarded with CEO status.
3	Strengthening AEO/CEO validator pool	Recruiting officers as AEO/CEO validators	1. Conduct awareness campaigns	<ol style="list-style-type: none"> 1. Number of officers applied per month 2. Number of trainings conducted per quarter 	
		Training validators	<ol style="list-style-type: none"> 1. Conduct training programmes for validators 2. Conduct train-the-trainer programmes 	<ol style="list-style-type: none"> 3. Number of officers trained per quarter 	

4	Increase exemption of low-risk cargo from examinations	Study and revise selection criteria	Analyze import data/ trends	1.Number of exemptions per month	Introduced container splitting mechanism for consignments with multiple containers, further for BOI Imports and D-branch
			Analyze past records/frauds	2.Percentage of exemptions from total imports	
		Categories traders based on risk level	Analyze registration details	3. Number of containers selected for examination	Analyzed available data, reviewed and revised the risky trader lists used in cargo selectivity
		Categories CHAs based on risk level	Analyze registration details		
5	Implementing electronic reporting of transshipment cargo	Make electronic submission of manifest mandatory for inward and outward transshipments	Design and introduce mechanism for electronic submission of manifest	N/A	
		Implement automatic writing-off for transshipments	Design and implement mechanism to write-off transshipments upon export		To be implemented with the proposed Wharf Administration Division
6	Introducing electronic sufferance for cargo inward	Design and introduce electronic sufferance	Introduce mechanism to submit and warrant sufferance through ASyCuDa	N/A	To be implemented with the proposed Wharf Administration Division
7	Streamlining BOI cargo clearance	Introduce risk-based selectivity for BOI cargo	Determine criteria and implement	1.Number of BOI containers selected for examination 2.Percentage of BOI shipments selected for examination	BOI lists were revised and updated according to the suggestions of BOI. Container Split mechanism was applied for BOI cargo.
		Improve facilities at BOI examination yard	Improve facilities at BOI examination yard		
8	Acquire a Risk Management System for Sri Lanka Customs	Select a suitable Risk Management System (RSM) and acquire	Select a suitable RMS	N/A	To be approved by top management
			Acquire the RMS		
			Link with ASyCuDa for automatic assessment of risk		

8.1.7 CENTRAL DISPOSAL DIRECTORATE

The Central Disposal Directorate (CDD) was established in 2019 as a new directorate in the enforcement cluster to centralize all the disposal of the forfeited/ abandoned goods by coordinating with the relevant internal & external authorities.

Vision

To be the best, dynamic & effective service provider by collecting revenue and enforcing the social protection law of the state while facilitating the disposal process of forfeited/ abandoned goods in Sri Lanka Customs.

Mission

The Central Disposal Directorate is dedicated to

- Centralize and facilitate all the disposal process of Sri Lanka Customs
- Collect revenue through tender sales
- Conserve the socio economic aspects while disposing the goods.
- Enforce the disposal laws while enabling the stakeholders to attain a good services
-

Major Functions of Central Disposal Directorate

- Conducting Tender Sales
- Destruction of the un-saleable goods
- Linking of motor vehicles to register them in RMV
- Facilitation of tenders/auctions conducted by SLPA under the provisions of SLPA act
-

Laws & Regulations

1. Sec. 16 of the Customs Ordinance – Definition of time of an importation and of exportation.
2. Sec. 105 (2) of the Customs Ordinance – Director General required detaining goods for freight & c.
3. Sec. 109 of the Customs Ordinance – Power to sell goods not cleared in thirty days.
4. Sec. 154 of the Customs Ordinance – Seized goods, if unclaimed for a month, to be condemned and dealt with accordingly.
5. Sec. 162 of the Customs Ordinance – Vessels and goods seized and condemned may be disposed of as the Director General & c. shall direct.
6. Public Finance Circular No. 06/2016
7. Intellectual Property Act No. 36 of 2003
8. Import & Export Control Act No. 1 of 1969
9. Sri Lanka Ports Authority Act No. 51 of 1979 (Sec. 39/39 (6)/84/(84 (2)/84 (3))
10. Motor Traffic Act No. 31 of 1979
11. Sri Lanka Standard Institute Act No. 06 of 1984
12. Food Act No. 26 of 1980
13. Value Added Tax Act No. 14 of 2002
14. Port & Airport Development Levy Act No. 18 of 2011
15. National Environmental Act No. 47 of 1980
16. Plant Protection Act No. 35 of 1999
17. Fauna & Flora Ordinance No. 31 of 1942
18. Forest Ordinance No. 08 of 1947
19. Fisheries & Aquatic Resources Act No. 02 of 1996
20. Sri Lanka National Medicines Regulatory Authority Act No. 05 of 2015

Performance of Central Disposal Directorate in the year 2022

1. Tender Sales

1.1. Number of Tender Sales conducted in 2022

Table 1.1: Number of Tender Sales conducted during 2021 and 2022

<i>Tender Category</i>	<i>No. of Tender Sales Conducted</i>	
	2021	2022
General	10	8
Vehicle	10	8
Special	5	2
Total	25	18

CDD has conducted a total of 18 tender sales, consisted of 8 General Tenders, 8 Vehicle Tenders and 2 Special Tenders owing to unfavorable conditions for disposal procedure reflecting subdued sector weaknesses.

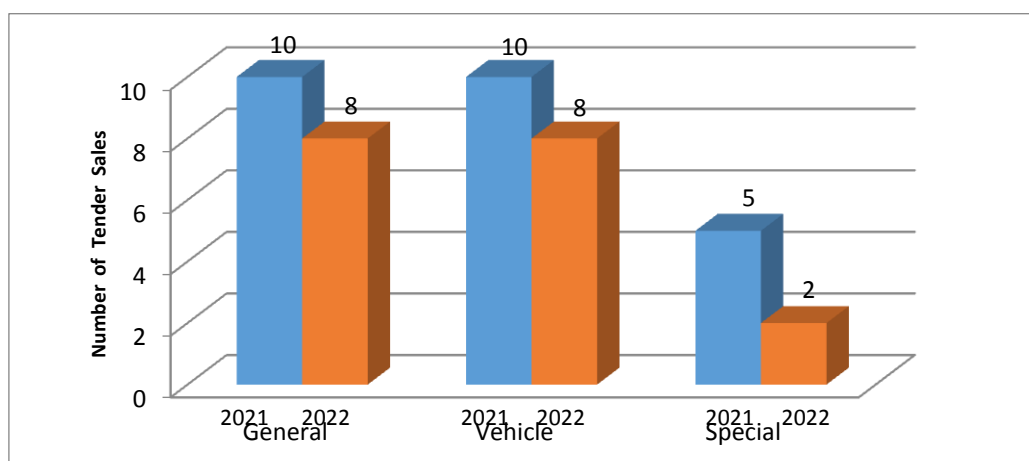


Figure 1.1.1: Number of Tender Sales conducted during the year 2021 & 2022

The above figure depicts the comparison between number of tender sales conducted during year 2021 and year 2022.

Table 1.2: Recoveries obtained from Tender Sales in 2022

Type	Recoveries Earned in 2022 Rs.	Percentage
General	1,073,033,159	82.64
Special	6,453,279	0.50
Vehicle	218,895,679	16.86
Total	1,298,382,117	100

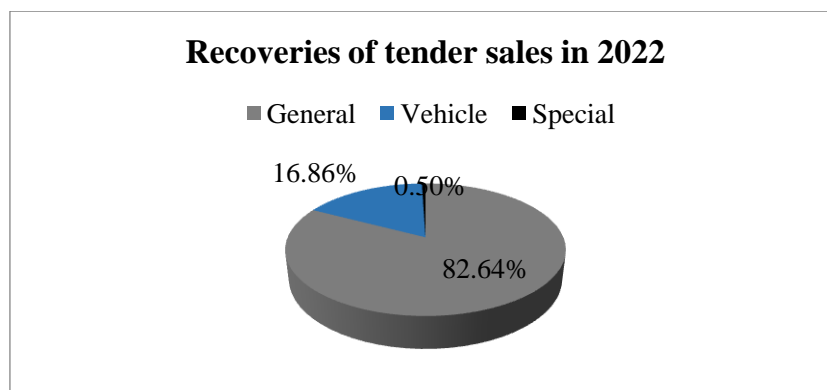


Figure 1.1.2: Total recoveries in 2022

The total recoveries collected from the Tender Sales conducted during the year 2022 are **1,298.38 Million Rupees**. Meanwhile, the recoveries from general tender sales are **1,073.03 Million Rupees** from total recoveries which correspond to 82.64% of the total recoveries collected in 2022.

The recoveries from special tenders and vehicle tenders are 0.5% and 16.86% respectively. A significant difference can be seen in vehicle recoveries compared to the other two categories reflecting the impact of policy measures implemented by the government to provide the forfeited vehicles lying at Customs yards to Government Institutions.

1.2. Recovery distribution of General Goods

General goods are tendered in both Special and General Tender sales. The major goods contribution in the recoveries of Customs Tender sales are categorized below.

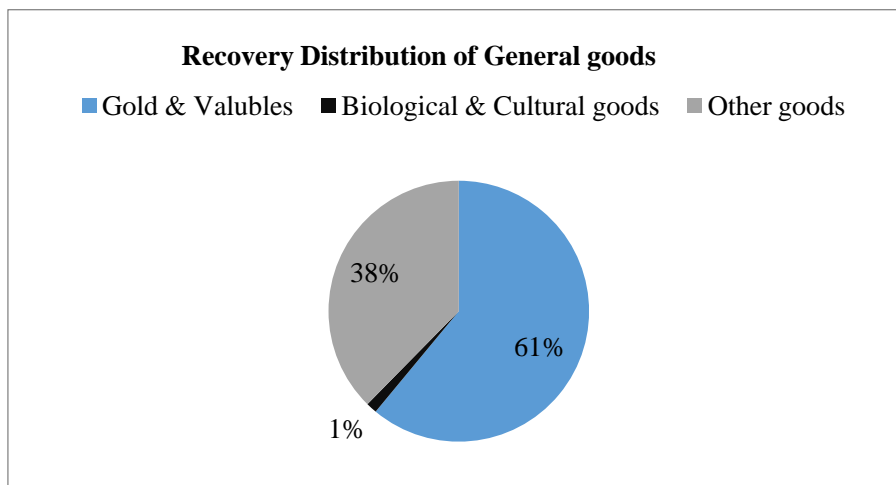


Figure1.2: Recovery distribution of General goods in 2022

The most substantial element in the general tender sale is the Valuables (gold slabs and articles) since it contributes 61% of net recoveries of general goods. Biological & Cultural goods occupy 1% of the general recovery where the other goods are 38% respect in respect to their monetary values.

1.3. Performance comparison between 2021 and 2022

1.3.1. General Goods

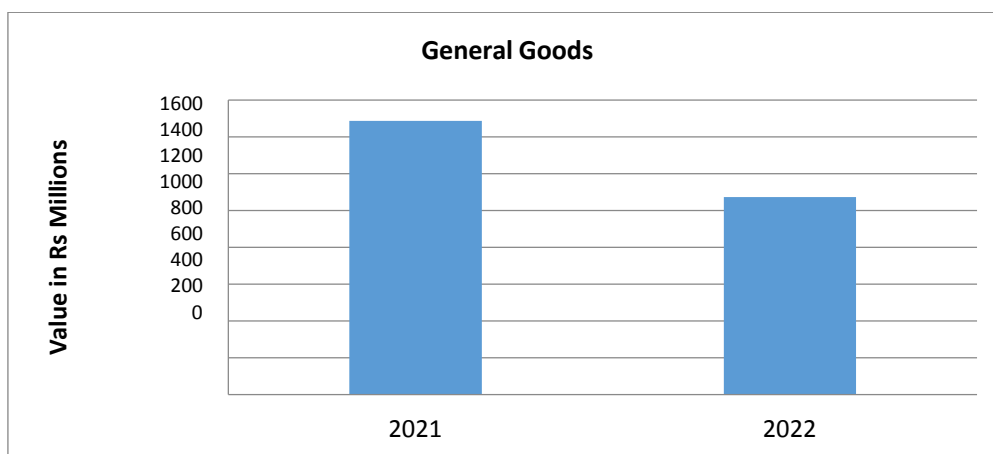


Figure1.3.1: Recoveries of General Goods in 2021 & 2022

According to the figure 1.3.1, the total recoveries from the general goods sold in Customs tender sale are showing an increment in the year 2022 compared to the year 2021. In 2021, General goods contribute about 1,486 Million rupees where it contributes nearly 1,073 Million rupees in 2022.

1.3.2. Vehicles

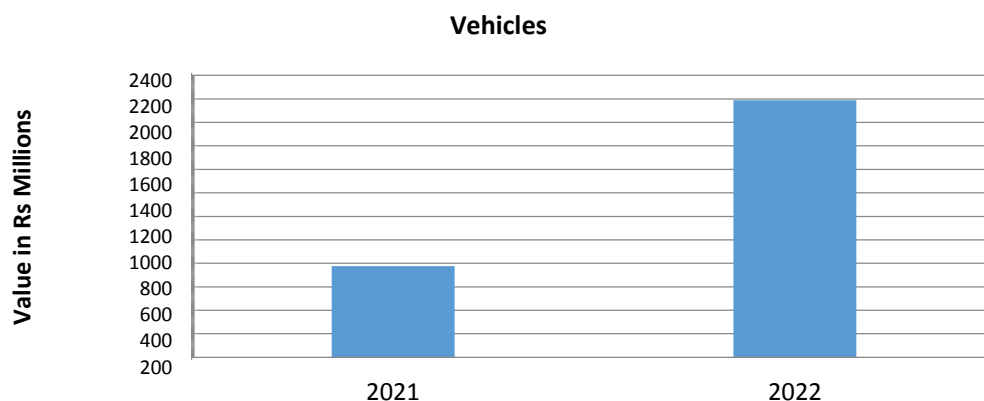


Figure1.3.2: Recoveries of Sold Vehicles in 2021 & 2022

As depicted in the figure 1.3.2, the total recoveries from the Vehicles sold by Customs tender sale are showing a 183% increase in the year 2022 compared to the year 2021. In 2022, about 218 million rupees was collected against the 18 vehicles sold in the tender sale where the recoveries for the year 2021 have gained about 77 Million rupees against 30 vehicles sold in customs tender sale.

Comparison of Total Recoveries for the year 2021 & 2022

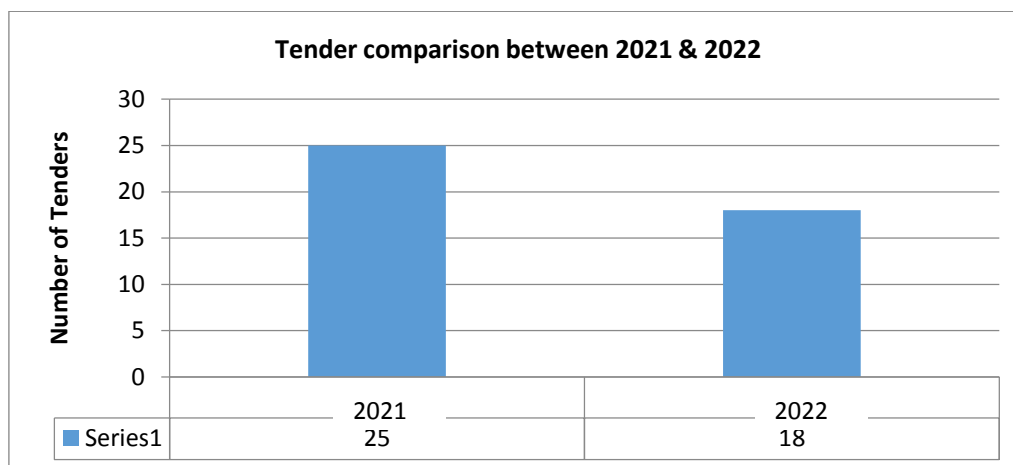


Figure1.3.3: Number of Tender sales comparison between 2021 & 2022

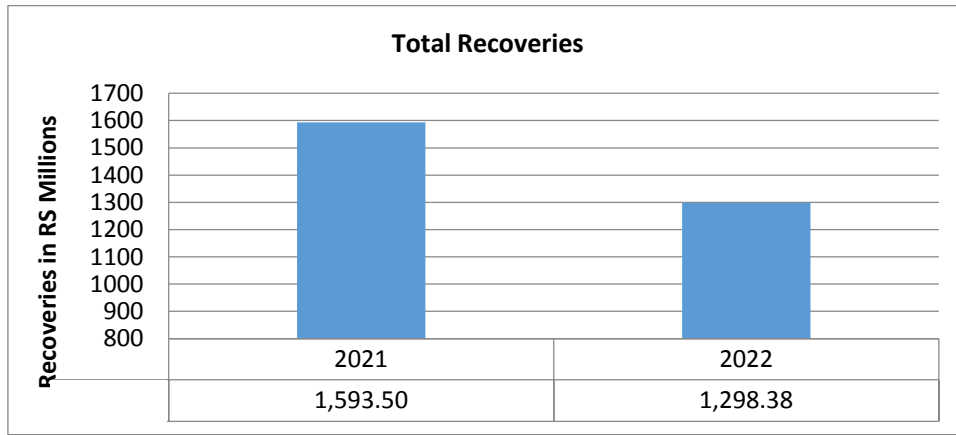


Figure 1.3.4: Total recoveries in 2021 & 2022

According to the figure 1.3.3 we can see the increment in number of tenders in 2022 in comparison to the 2021. Figure 1.3.4 shows the total recoveries from tender sales in 2021 & 2022.

2. Recoveries of Non-refundable deposits

Non-refundable deposits are collected for the issuance of the bid forms to the bidders for the each & every item expected to be bid by the respective bidder. The non-refundable deposits of the tender sales conducted by CDD have been revised with effect from 26.05.2020 with the issuance of the DOPL 1450 of Central Disposal Directorate in accordance with the public finance circular 06/2016.

Table2: Recoveries of Non Refundable deposits

<i>Non-Refundable Deposits</i>	<i>Recoveries</i>	<i>No of Bid forms</i>	<i>No. of Tenders</i>
2021	3,378,900	1,642	25
2022	1,645,800	1,098	18

Prior to the issuance of DOPL 1450, non-refundable deposit value is Rs. 300/- per each regardless to the bid value. After the issuance of the DOPL 1450, the bid form costs varied with the bid values.

Analyzing the above table, it can be concluded that, the increased price of non-refundable & refundable deposits of new DOPL does not affect the bidders and the same has led to a significant increase in the Government revenue.

3. Destruction

The un-saleable goods (Expired goods, the goods which do not comply with the standards of the licensing authorities) may subject to the destruction. CDD will facilitate the destruction of such goods on the request of relevant Directorate/authority.

Table 3: Destruction Details

Destruction requests	Received	Carried out	Pending
Miscellaneous requests	113	64 (56.64%)	49
SLPA Requests	25	19 (71.43%)	06
Total	138	83	55

CDD has carried out 83 successful destructions in the year 2022, where it is expected to perform 30 destructions for the year as projected in the action plan of CDD for the year 2022. It is a great accomplishment done by CDD.

71.43% of the SLPA requested destructions have been accomplished while only 56.64% of the miscellaneous requests have been completed. The major constrain for the pending destruction is the delay occurred in appointing suitable destruction parties and the selected parties were not willing to co-operate.

Destruction parties for the destruction requests received from the Directorate/Branches will be appointed by the Tender conducted by the Logistic Division. However, it seems there is constrain in the system to appoint the party for destruction through tenders as the interested destruction parties are bidding for lesser amount in the tender to be selected without any idea about the actual costs they will have to incur for the said destructions.

Once the destruction parties are selected, they cannot fulfill the CDD requirements by providing the necessary approvals from the relevant authorities for the destruction within the budget tendered by them. Due to such issues the parties are not willing to carry out the destruction at the rate they bid in the tender.

Such issues could be reduced if any procedures are developed to appoint the destruction parties in an agreement basis for a certain period of time for specified goods. A similar process is already being practiced for the Destruction of Beedi Leaves based on an agreement made between the destruction agent and the Director General of Customs which lead to a smooth functioning of Beedi leaves disposal.

4. Disposal of Turmeric and Vehicles

1.4. Disposal of Turmeric

16 MT of forfeited turmeric lot was handed over to the Marketing board of spices allied products with the recovery of 2.38 million to the government.

1.5. Disposal of Vehicle to the Government Institutions

Upon requests of several Government Institutions made to the Ministry of Finance, Vehicles have been allocated to various Government Institutions for the release on the approval of Cabinet of Ministers.

1.6. Disposal of Tea

Two containers of forfeited tea were handed over to the Sri Lanka Army to manufacture organic fertilizer

1.7. Disposal of apple

One abandoned container of 24,906 kg of expired apple was handed over to the Department of National zoological Gardens Dehiwala.

5. Performance against the proposed Action Plan for the year 2022

Key Activities	Actions Taken	Remarks
Conduct 30 number of General & Vehicle Tender Sale	Conducted 18 Tender Sales	Due to Covid-19 Out Break
Conduct 10 numbers of Special Tender Sales	Conducted 02 Tender Sales	Due to Covid-19 Out Break
Conduct approximately 70 destructions	Conducted 83 destructions	Achieved
Examines and provide valuation for goods sold in Tender/Auction by SLPA & recover due income to state	Provided the Values & due income is recovered	Achieved
Examine the abandoned cargo and dispose the same	Being Practiced	Achieved

8.2 REVENUE AND SERVICES CLUSTER

8.2.1 Declaration Directorate

8.2.1.1 Long Room

8.2.1.2 Motor Vehicle Branch

8.2.1.3 “D” Branch

8.2.2 Industries and Services Directorate

8.2.3 Board of Investment (BOI) Coordination Directorate

8.2.4 Central Cargo Examination Directorate (CCED)

8.2.5 Exports Directorate

8.2.1 DECLARATION DIRECTORATE

Introduction

The Declarations Directorate is the place where the Customs Declarations (known as CusDecs) are processed once they are submitted by the respective importers in respect of all sea cargo.

The Declarations Directorate consisting the following units.

- "D" Branch
- Long Room
- Motor Vehicle Unit

Scope of the Directorate

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

- Receive cargo manifests electronically.
- Receive the CusDec through DTI.
- Make payment of duties and other levies against the CusDecs online as well as through banks.
- Provide Fast Track processing facilities for Selected Importers.
- Process the CusDec by dedicated officers.
- Issuing gate passes for removal FCL containers from SLPA, SAGT and CICT terminals.

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 offices using **DTI** facilities.

Objective of the Directorate

- Facilitation of clearance of imported cargo.
- Minimizing the revenue leakages/ foreign exchange losses through commodity classification aspects of the goods and by other means.
- Conducting enforcement activities in terms of Customs Ordinance and related laws through "D" Branch.
- Assessing and collecting the due revenue to the state on imported cargo.
- Facilitating for project cargo clearance by waiving off the levies approved by the Ministry of Finance.
- Facilitating the permit holders to speedy clearance of their vehicles/cargo.
- Facilitating the various Government Departments/other organizations/General Public to clear the goods against provisional CusDecs.
- Duty waivers/exemption and suspension of duty and other taxes as per the state policy are granted.
- Maintaining of effective enforcement of prohibitions and restrictions.

Responsibilities of the Staff of the Declaration Directorate.

The long room staff ensure 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 other regulatory authorities such as Import and Export Controller, Food and Drugs Inspecting unit of Ministry of Health National Medicines Regulatory Authority, Sri Lanka Standards Institute, Atomic Energy Authority, TRC and also the certificates issued by the exporting country such as Phytosanitary certificate, Fumigation certificate, Spice Board certificate and Load Port Survey report etc.

For the speedy processing of Cusdec, importers are requested to pay special attention to the following aspects.

- The Authorization from the carrier (the ship) to claim clearance of the consignment;
- Full description of the consignment;
- Classification of the goods correctly in the Harmonized System Nomenclature based on which the Customs Imports Tariff based;
- Declaration of the values using the applicable kind of currency, at the applicable party rate (exchange rate);
- Transmission of the payment (foreign exchange) for the consignment through the accepted/ permitted banking channels;
- Attaching the necessary authorization documents, licenses, permits, certificates etc as applicable;
- If all above aspects are in order the officers concerned may process the CusDec for clearance of goods.

As mentioned above this Directorate consists of 03 major Branches/Units.

8.2.1.1 LONG ROOM

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

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

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

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

CusDec processing officers are divided into 05 units (one unit consists of two Superintendants and four Deputy Superintendants (Appraisers)). For easiness of monitoring and handling, Cusdecs are allocated to each unit for processing as mentioned below.

Unit A	-	Last digit of the CusDec No. 0 - 9
Unit B	-	Last digit of the CusDec No. 1 - 8
Unit C	-	Last digit of the CusDec No. 2 - 7
Unit D	-	Last digit of the CusDec No. 3 - 6
Unit E	-	Last digit of the CusDec No. 4 - 5

Submission of CusDecs

CusDec is an acronym of Customs Declaration. The Importer has to electronically submit the CusDec. Following supportive documents are to be uploaded along with CusDec in PDF form or as scanned documents.

- Bill of Lading
- Delivery Order
- Invoice (manually signed and endorsed by the Bank other than in instances where goods has been imported on NFE basis)
- Packing List
- Any technical information required to clarify the HS
- Documents to prove the country of Origin
- If the goods imported are restricted, necessary licenses/permits such as ICL, SLSI, NMRA, etc.
- Proof for the mode of remittance such as Letter of Credit, Telegraphic transfer etc.
- Any special certificate (DPL, Duty Waiver, Phytosanitary Certificate, Fumigation Certificate, Spice Board Certificate, Load Port Survey Report etc..).

Section 12, 43 and the Schedule "B" of the Customs Ordinance requires the Customs to enforce the power on all the restrictions and prohibitions in force in terms of other laws & regulations empowered to the Customs, at the time of importation of the goods. As a result of these very wide provisions, Customs has to enforce vast number of Acts, Enactments and Ordinances currently in force. The first and foremost out of these is "the Import and Export Control Act No. 01 of 1969"

8.2.1.2 MOTOR VEHICLE UNIT

The "ASYCUDA World" software now employed in the ACCESS network enables Customs to link with individual banks to check the foreign exchange remitted on importing goods. The imported vehicle details are sent through the links with the Department of Motor Traffic to be registered, thereby preventing registration of

vehicles that have not paid duties and other levies collected by Customs Department. The officers make special attention to the following aspects, when CusDecs are processed.

- ICL (Imports Control License) for gift vehicles and over aged vehicles.
- Concessionary and conditional import permits for the Government Servant, Members of Parliament and BOI
- Duty Free Certificates issued by the Ministry of External Affairs to the DPL and NGO
- Provisional CusDecs for the vehicles imported for projects.

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

Whether the goods have been properly described as per the

- Certificate of registration
- Inspection Certificate
- Invoice
- Examination report of the Appraiser who examines the vehicle at the yard
- Age of the vehicle if correctly entered as per the invoice
- Country of Origin is correctly declared
- Freight charges are correctly declared
- Options declared tally with the inspection certificate
- Due Permit is granted for the concessionary imports
- Whether the goods fall under the temporarily suspended categories declared by the Controller of Imports & Exports by various Gazette Notifications.

The clearance of the vehicle shall be allowed by the DDC (MV)

8.2.1.3 "D" BRANCH

"D" Branch can be considered as the Secretariat of the Directorate. Historically, about 200 years ago, when the Controller General of Customs was appointed, reportedly there had been four (4) clerks working under him, handling four subjects known as the "A" subject, "B" subject, "C" subject, "D" subject and so on. In time to come, "A" subject clerk was reportedly handling "Port Dues" and later it grew up to be the entire section Sri Lanka Ports Authority. The old "D" Branch, which was historically coordinating between the Treasury and the Customs for granting duty waivers and exemptions, receiving cargo manifests etc, still continues to do more or less the same job, and continues to be known by its original name.

"D" Branch has various units to facilitate the imports/general public. Those are

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

Some of the important and prominent functions handled by the "D" Branch

- Registering Duty Waivers granted by the Ministry of Finance and facilitate the clearance of those goods on Duty Free Basis.
- Granting Duty exemptions and Concessions as per Revenue protection order approved by the Parliament.
- Granting permit clearance of Diplomatic cargo and Personal Baggage of Diplomatic staff based on the clearance certificate issued by the Ministry of External Affairs.
- Granting Duty free or preferential rates of Duty for the Goods imported under various Trade Agreements.
- Facilitating the clearance of goods consigned to Government Institutions under Deferred Payment Terms in accordance with the instruction of Ministry of Finance and Planning.
- Facilitating the clearance of Goods on Provision Basis where CusDecs cannot be finalized immediately due to various reasons or Re-export of goods after the completion of events for which they are imported.
- Registering and Monitoring Project cargo requiring Re-export, as decided by the Ministry of Finance and Planning.
- Receiving Cargo Manifests and also make amendments to them as submitted by shipping Agents.

- Securing Bank Guarantees/Corporate Guarantees where necessary in respect of provisional CusDecs and other matter as decided by the Director of Customs (Declaration)
- Registering vehicles and Equipment's temporary imported under CPD carnet or ATA carnet for monitoring purposes.
- Monitoring Bulk Cargo Imports and make additional recoveries where necessary.
- Preparing Reports on Duty waivers granted, for the submission of same to Ministry of Finance and Planning.
- Detection of possible violations of Imports Control/Regulations/Customs Regulations and take action accordingly in terms of provision of Customs Ordinance such as detection of ethanol and motor vehicle cut portions.
- Attending to correspondence with other government and non-government Agencies.

Performance of the Declaration Directorate

	Description	Total
	No of Provisional Cusdec Registered under DRA (Canned Fish)	74
	No of Provisional Cusdec Finalized under DRA (Canned Fish)	25
	No of Provisional Cusdec Registered under DRA (CPC/IOC)	179
DRA	No of Provisional Cusdec Finalized under DRA (CPC/IOC)	2
1	No of Provisional Cusdec Registered under DRA (Other)	543
2	No of Provisional Cusdec Finalized under DRA (Other)	134
3	No of DCP Carnet Registered	5
4	No of ATA Carnet Registered	7
5	No of AD Entries	121
6	No of Bill of Stores Registered	119
7	No of Bill of Sight Registered	0
8	No of Bulk Cargo Entries Registered	353
9	No of Bulk Cargo Entries Finalized	44
10	Total Bulk Supervision Charges	3,530,000
11	No of FRIC registered	50
Waivers / Exemptions		
1	Number of Cusdec Registered under ISFTA	4799
2	Number of Cusdec Registered under PSFTA	719
3	Number of Cusdec Registered under SAFTA	281
4	Number of Cusdec Registered under APTA	183
5	Number of Cusdec Registered under SAARC	0
6	Waivers granted for Departments/Projects (Dept of Railway)	03
7	Waivers granted for Departments/Projects(Urban Dev. Authori)	48
8	Waivers granted for Departments/Projects(Min. of Highways ..)	45
9	Waivers granted for Departments/Projects(Water Board)	0
10	Waivers granted for Departments/Projects(Min of Aviation)	6
11	Waivers granted for Departments/Projects(Uma Oya Project)	10
12	Waivers granted for Departments/Projects(Diplomatic DPL)	864
13	Waivers granted for Departments/Projects(Min of Power ...)	1
14	Waivers granted for Departments/Projects(Min of National Heritage)	0
15	Waivers granted for Departments/Projects(Min of Provincial Council ..)	0
16	Waivers granted for Departments/Projects(Dept of Airport & Aviation)	31
17	Waivers granted for Departments/Projects(Min of Technology)	2
18	Waivers granted for Departments/Projects(National Water Supply &..)	316
19	DG of Health	105
20	VAT Deferred	
21	Other NBT/XID/CESS/PAL	4635
22	Duty Waivers under list of exemption	
23	Duty concessions under list of Concessions	

19A Waivers		
1	Milk Powder	485
2	General	4194
Vehicle Permits		
1	General	}
2	P/A Circular	
3	M.P.	
4	Under Foreign Ministry Circular	
5	Provincial Council	
		NIL
Bank Guarantee		
1	No of Guarantees Secured During the year	175
2	Total value of the Guarantees secured	8,367,437,404.00
3	No of Bank Guarantees released	82
4	Total Value of the Guarantees released	2,946,592,793.00
5	No of payment cheques received and deposited in the Bank	25
6	Total value of the cheques deposited	333,806,999.00
Manifest		
1	No of Manifest Amendments	2690
2	Total Amount of Penalty Recovered	89,293,260.00
L/R & M/V Penalties		
1	No of Cusdecs Registered with Penalties	2716
2	Total Amount of Penalty Recovered	3,221,159,132.02

Revenue Collection for the year 2022 (Rs.)

Branch	Revenue Collection
Long Room	
CBHQ1	312,147,992,278.87
CCCO	1,750.00
CBPP1	10,561,593.00
CBPS1	1,664,750.00
CBCDU	1,090,100.00
CEMPC	16,620,840.00
CBLR	40,290,377.00
Motor Vehicle	
CBMV	2,378,566,671.00
HBIM	3,419,698,840.00
D Branch	
DBRA	140,548,563,646.00
Total Amount	458,565,050,845.87

Total No of Declaration Process for the year 2022

Branch	No of CusDecs
Long Room	
CBHQ1	181417
CCCO	4
CBPP1	137
CBPS1	4585
CBCDU	92
CEMPC	69
CBLR	11
Motor Vehicle	
CBMV	1221
HBIM	1928
D Branch	
DBRA	2135
Total	191599

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

- General Administration
- Bank Guarantee /Cooperate Guarantee /VAT different and Entrepot Administration, and Thineth system Unit
- Bonding Investigating and Inward processing Unit
- Project and Ware House Keeping Unit
- Postal Appraising Unit
- Feeder Bond

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.

- **General Administration**
 - ❖ Managing Human Recourses activities in the Directorate
- **Bank Guarantee and Entrepot monitoring Unit**
 - ❖ Administration of Bank Guarantee
 - ❖ Granting approval for Enterpot Consignments
 - ❖ Approval for CUSDEC processing
 - ❖ Monitoring of the operations of Thineth system Unit
- **Bonding Investigating and Inward processing Unit**
 - ❖ Registration of new registrations of TIEP I & TIEP IV
 - ❖ Renewals of TIEP I & TIEP IV
 - ❖ Registrations of INFAC operators
 - ❖ Registrations of New IBG operations
 - ❖ Renewals of IBG operators
 - ❖ Carrying out verification visits to verify the existing stocks & monitor /control of above scheme
 - ❖ Verify the export processing
 - ❖ Bonding Investigations.
- **Project and Ware House Keeping Unit**
 - ❖ Receiving applications for new bonded warehouses/warehouses facilities.
 - ❖ Scrutinizing documents related to applications.
 - ❖ Physical inspections of the proposed site for ensuring feasibility and compliance of stipulated regulations.
 - ❖ Recommending any proposed (I) bonded warehouse or/(II)Bonded Facility upon inspection to the Department of Investment Policy/Ministry of Finance through Director General of Customs and accordingly (II) appointing of new bonded facility on provisional basis whilst (I) appointing bonded warehouse s upon Ministry approval being received.
 - ❖ Issuing of warehouse codes
 - ❖ Issuing of instructions and guidelines to the bondsmen/warehouse operators.
 - ❖ Issuing DOPL with regard to the bonded warehouses with the assistance of PPNR Directorate.
 - ❖ Attending to periodic renewals of bonded warehouses.
 - ❖ Recommending feasible validity period extensions for warehouses
 - ❖ Attending to De-Bond applications
 - ❖ Formulating guidelines and Customs procedures related to licensed bunker suppliers, subsequent monitoring for compliance.
 - ❖ Warehouse keeping activities

- Postal Appraising Unit
 - ❖ Postal Appraising Branch is provide all the facilities relating to postal based operations.
- Feeder Bond Unit
 - ❖ Manage activities related to Duty Free Shops.
- **Bank Guarantee and Entrepot monitoring Unit**

No. of Corporate/Personal Guarantees

Guarantee Renewals	134
New Guarantees	04

No. of Bank Guarantees

Accepted Guarantees	
Guarantees Demanded	13
Guarantees Released	1218

- **Bonding Investigating and Temporary Imports for Export Processing (TIEP) Unit**

No.of cases from 2021	21
No.of cases Initiated in 2022	11
No.of cases finalized including previous year	08
No.of case pending for 2021	12
No.of cases pending for 2020	16
Total amount on Forfeiture (Rs.)	116,381,082

EFU (TIEP Unit)

TIEP-1 New	40
TIEP-1V New	12
IBG New	09
TIEP-1 Renewal	328

- **Project and Ware House Keeping Unit**

Bonded Warehouse Operation

Bond Renewals	89
Recommended New bonds	27
De-bonding	-
Renewal of Bonded Carriers	16

Charges Collected:

O/E	Rs.
Registration	Rs.
Renewal	Rs.
Documentation	Rs.

- **Postal Appraising Unit**

1. Total Value of the Goods Released: **Rs.**
2. Total Taxes Recovered :

MONTH	EMS (Rs.)	PA-Air Mail, Sea Mail, CD, BULK (Rs.)	MONTH	EMS (Rs.)	PA-Air Mail, Sea Mail, CD, BULK (Rs.)
January	1,502,008.00	2,195,209.00	July	1,362,906.00	1,977,690.00
February	1,128,275.00	2,322,790.00	August	1,580,458.00	2,711,697.00
March	1,559,650.00	3,024,582.00	September	2,566,786.00	4,754,260.00
April	1,781,532.00	2,509,329.00	October	4,241,714.00	5,194,356.00
May	1,336,677.00	2,387,512.00	November	2,324,276.00	4,091,564.00
June	1,364,338.00	3,257,451.00	December	1,533,954.00	4,046,477.00
			Total	22,282,574.00	38,472,917.00

8.2.3 BOARD OF INVESTMENT (BOI) COORDINATION DIRECTORATE

Introduction

BOI Coordination Directorate (BCD) coordinates the administrative and operational functions among Sri Lanka Customs, Board of Investment of Sri Lanka, BOI investors, and stakeholders while ensuring the facilitation of legitimate trade practices.

Major Functions

- Screening and monitoring BOI import consignments
- Verification of the contents and quantities of BOI cargos
- Facilitation of local sales and waste removal process of BOI enterprises
- Facilitation and surveillance of hub operations
- Monitoring the liquidation of assets of terminated BOI project

BCD has successfully implemented the **e-CusDec Screening** procedure for BOI companies during **year 2020**. Due to this implementation BOI companies can submit and process their import CusDecs without visiting Sri Lanka Customs.

Officers of BCD process this e-CusDecs and inform the declarant with system generated messages. E-CusDec processing is very useful when the country is facing a pandemic like **Covid-19**.

Further BCD has introduced a **separate web page for BOI Coordination Directorate** in Sri Lanka Customs website for conveying BOI related Customs information to BOI Companies in speedy manner.

Performance of this Directorate

Month	Local Sale Recoveries (Rs.)	Examination/Verification of Local Disposal Fees (Rs.)	Under Supervision Charges (Rs.)	Customs Seal Charges (Rs.)	Bank Guarantee Claims (Rs.)	Recoveries from Investigations (Rs.)	No. of CusDecs Screened
January	161,675,588.00	1,734,000.00	22,500.00	4,900.00	-	21,000,000.00	3,508
February	190,391,269.00	1,718,000.00	38,000.00	11,500.00	-	94,000,000.00	3,497
March	225,125,211.00	2,374,000.00	30,000.00	5,400.00	8,849,922.00	11,500,000.00	3,060
April	246,532,647.00	1,316,000.00	22,500.00	4,200.00	-	135,594.00	3,290
May	238,546,241.00	1,584,000.00	31,500.00	6,000.00	-	14,200,000.00	4,087
June	227,442,099.00	2,016,000.00	36,750.00	8,200.00	-	17,000,000.00	3,616
July	297,611,527.00	1,750,000.00	21,750.00	6,300.00	-	-	3,255
August	370,765,165.00	1,916,000.00	46,500.00	9,700.00	-	3,500,000.00	3,664
September	370,385,263.00	2,052,000.00	29,250.00	5,800.00	45,000.00	3,542,572.00	3,057
October	559,584,411.00	1,940,000.00	27,750.00	7,600.00	-	2,500,000.00	2,821
November	361,456,174.00	2,468,000.00	44,250.00	11,200.00	-	1,500,000.00	2,933
December	490,066,418.00	2,246,000.00	36,000.00	10,700.00	-	21,700,000.00	2,642
TOTAL	3,739,582,013.00	23,114,000.00	386,750.00	91,500.00	8,894,922.00	190,578,166.00	39,430

8.2.4 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,

- RCT Examination
- Grayline I
- Grayline II
- High Risk Cargo Office
- JCT Office
- BQ Warehouse
- CVT Orugodawatte
- ICD – NNR Peliyagoda
- Guide Pier Office
- JCT Scanning Unit
- RCT Scanning Unit

Examination Procedure

- Types of Cargo subject to examination
- Imports for home use
- 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

- FCL Cargo
High risk cargo. High risk cargo is selected by the ASYCDA system and will be examined at the HRC Office at GLII
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
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.
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.
- LCL cargo.
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

Description		Total
No of Cusdecs Registered	LCL	99,506
	FCL	92,176
No of Containers (FCL) Registered	20'&40'	137,628
No.of CusDecs		183,159
Type of Examinations	Amber	72,774
	Details	23,446
	HRC	8,165
	Red	14,403
	Other (TIEP etc)	43,125
	BOI	24,564
No.of LCL		92,329
Type of Examinations	Amber	24,218
	Details	5,920
	HRC	-
	Red	-
	Other (TIEP etc)	13,444
	BOI	47,165
No.of FCL		96,129
Type of Examinations	Amber	48,556
	Details	19,033
	HRC	-
	Red	12,135
	Other (TIEP etc)	944
	BOI	15,461
No. of Cases Detected		81
No. of CusDecs Recovred A/E		2,926
Recoveries (Rs.)		211,227,435
Detections (Rs.)	Penalty & further forfeiture	155,212,414
	Disposal	32,595,966
Overtime (Rs.)	General	10,082,933
	BOI	12,167,072
Other CHARGES (Rs.)	SR Charges Recovered	1,166,300
	Seal Charges	2,750

A/E Recoveries (Valuation) (Rs.)		1,000,330,835
CID		201,891,921
EIC		147,734,523
PAL		246,937,610
VAT		370,848,423
SCL		7,884,103

Other		25,034,255
		-
A/E Recoveries (Other) (Rs.)		408,129,248
CID		97,912,929
EIC		121,129,285
PAL		77,109,895
VAT		106,240,198
SCL		862,250
Other		4,874,691
Total		1,625,754,715

Details of the Guarantee	
No of B/G Registered	33
No of B/G Released	192
No of P/G Registered	1,136
No of P/G Released	393

CVT & INFAC

	CVT	
	Import	Export
No. of CusDecs	6,247	14,698
No. of Containers	7,079	8,358
No. of LCL cleared	1,634	19,306
A/E Recoveries (Rs.)	5,075,604	
Penalties and forfeitures (Rs.)	21,112,594	
Value of goods forfeited		
No of cases detected		

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 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 continuously 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 - 2022

	Revenue of Exports Office, EFC and CFS Yards (CBEX1) (Rs.)	Air Cargo Export Office (KTEX1) (Rs.)	Total (Rs.)
Export Duties	22,029,880	4	22,029,884
Export Development Board Cess	1,487,542,441	302,400	1,487,844,841
Cess-Rubber	286,916	29	286,945
Cess-Tea	509,407,596	1,149	509,408,745
Tea Medical Aid Cess	445,311	-	445,311
Cess-Coconut	176,866,251	1,767	176,868,018
Export Panel Fees	89,128,250	31,054,750	120,183,000
Outside Examination Fee	12,771,208	-	12,771,208
Royalty Levy	49,632	-	49,632
Amendment Chargers, Amendment Penalties and Cancellation Chargers	5,426,385	2,663,700	8,090,085
Penalties and Further Forfeitures	0	150,000	150,000
Overtime Fee	23,915,090	31,500,016	55,415,106
Shipment Certificate fees	175,350	-	175,350
Computer Fee	40,325,600	27,064,500	67,390,100
Total	2,368,369,910	92,738,315	2,461,108,225

Performance of this Directorate

01.	No of CusDecs Submitted and Finalized	
	I. Export Office	- 82,864
	II. Air Cargo	- 63,658
	Total	- 146,522
02.	Panel Applications	
	No. of Examinations	- 11,895
03.	Current Accounts	
	i. No. of Pre-payment Account holders	- 125
	ii. No. of Current Account operated	- 79
	iii. Deposit during the period	- Rs. 7,914,806,712.00
	iv. Total amount debited during the period	- Rs. 6,415,492,578.00
04.	No. of FRIC issued to request	- 496
05.	No. of Bill of Stores	- 111
06.	No. of Shipment certificates issued	- 685
07.	Shipment Certificate fees collected	- Rs. 175,350.00
08.	Penalty Recovered for Customs offences	- Rs. 150,000.00

8.3 CORPORATE CLUSTER

8.3.1 Policy Planning, Research and International Affairs

Directorate

8.3.2 Compliance & Facilitation Directorate

8.3.3 Information, Communication and Technology Directorate

8.3.4 Central Valuation Directorate

8.3.5 Specialized Services Directorate

8.3.1 POLICY PLANNING, RESEARCH AND INTERNATIONAL AFFAIRS DIRECTORATE

Introduction

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

- 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.
- When requested, assisting the line Ministries and Departments in;
- Developing economic / trade policies
- Converting such policies to tariff measures;
- Conveying Tariff Measures to the officers and the public as relevant for information and implementation.
- Ensuring that the National Customs Tariff is maintained in the most updated status; attending to all Tariffs related inquiries.
- Ensuring that the information required by public for promoting self-compliance is available through the Customs information center.
- 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.
- 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

- Implementation of Tariff policy decisions, formulated by the Treasury through departmental orders (DOPLs).
- Formulation and implementation of Customs policy decisions through departmental orders (DOPLs).
- Update and maintain the Import Tariff Guide and Export Tariff Guide.
- Publish National Import Tariff Guide in both book form and CD form for the benefit of public and staff.
- Assist Treasury in creating national subdivisions in the Harmonized System as and when necessary, in formulating the tariff policy.
- Preparation of the Annual Action Plan of the Department.
- Preparation of Annual Performance Report of the Department by reviewing the progress of the respective Directorates.
- 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
- Attend to matters relating to Customs Corporation and Mutual Administrative Assistance Agreements with other Customs Administrations.
- Attend to matters related to Preferential Trade Agreements (PTAs) and Free Trade Agreements (FTAs).
- Attend to Secretarial functions of the Nomenclature Committee, Trade Facilitation Committee and Risk Management Committee and coordinate activities of other technical committees.
- Conduct research on matters related to tariff, trade and clearance procedures etc.
- Preparation and updating of Manual of Procedures.
- Preparation and publishing of Rates of Exchange notifications.
- Attend to Public Relations and Customs Information Centre.
- Organizing and coordinating the World Customs Day celebrations which falls annually.

Department Orders published in 2022

Registered Date	DOPL No	Related Branch	Subject
03.01.2022	562 W	NC Committee	NC Committee
03.01.2022	1539	SCL	SCL on Potatoes and 'B' Onions
03.01.2022	1414 E	ICL	Operating Instructions 29/2021
06.01.2022	1384 R	PAL	PAL Exemption on Medical Equipment
06.01.2022	1516 A	NIVDU	Guidelines to Obtain a Perfected Value Declaration Form (VDF)
11.01.2022	1384 S	PAL	PAL on Taps, Cocks, Valves, Animal products, other live plants
11.01.2022	1540	RPO	RPO 01/2022
11.01.2022	1541	SCL	SCL on Rice and Sugar
11.01.2022	1453 X	ICL	Operating Instructions 01/2022
11.01.2022	1542	CESS	CESS (HS Codes 0306, 1006, 3917, 4009, 8307)
13.01.2022	1453 Y	ICL	Operating Instructions 02/2022
03.03.2022	1543	SCL	SCL on Maize and Grain Sorghum
03.03.2022	1544	SCL	SCL on Mackerel, Black Gram, Seeds, Kurakkan and other
09.03.2022	1198 M	ICL	Operating Instructions 03/2022
09.03.2022	1545	RPO	RPO 02/2022
09.03.2022	1546	SCL	SCL on Yoghurt, Butter Dates, Fruits
10.03.2022	1547	CESS	CESS on Garments
18.03.2022	1198 N	Import Control	Imports and Exports Control Regulations – Amendment to DOPL 1198 M
21.03.2022	1547 A	CESS	Amendment to the DOPL 1547 (CESS on Garments)
28.03.2022	1548	SCL Waiver	SCL Waiver on Dates
29.03.2022	1198 O	Import Control	Imports and Exports Control Regulations – Amendment to DOPL 1198 M
31.03.2022	1198 P	Import Control	Clearing Finished Products from BOI Zones
05.04.2022	1549	SIV	Establishment of Special Investigation Unit
12.04.2022	1198 Q	Import Control	Imports and Exports Control Regulations 05 of 2022
18.04.2022	1550	SCL	SCL on Maldives Fish , Greengram
04.05.2022	1551	Suspension	Suspension of Customs Facilities for M/S Telesec Marketing
13.05.2022	1552	Import Control	Imports and Exports Control Regulations 07 of 2022 (Payment Terms)
19.05.2022	1553	CESS	CESS (HS Codes 0306, 1006, 3917, 4009, 8307)
19.05.2022	1554	SCL	SCL on Red Onions, Garlic, Lemon, Salmon, Peas, Chilies, Face Masks
24.05.2022	1553 A	CESS	Amendment to the DOPL 1553 A
01.06.2022	1555	RPO	Revenue Protection Order
01.06.2022	1556	SCL	Special Commodity Levy
01.06.2022	1557	Surcharge	Order under Section 10A of the Customs Ordinance (Chapter 235)
01.06.2022	1198 R	Import Control	Imports and Exports Control Regulations 08 of 2022
01.06.2022	1552 A	Import Control	Imports and Exports Control Regulations 09 of 2022
01.06.2022	1558	VAT	Order under Section 2A of Value Added Tax Act No. 14 of 2002
01.06.2022	1555 A	RPO	Amendment to DOPL 1555
06.06.2022	1552 B	Import Control	Amendment to DOPL 1552
15.06.2022	1559	SCL	SCL on Potatoes, B Onions, Rice, Sugar
27.06.2022	1552 C	Import Control	Amendment to DOPL 1555
30.06.2022	1552 D	Import Control	Operating Instructions No.06/2022 (Amendment to DOPL 1552)
30.06.2022	1560	Suspension	Suspension of Customs Facilities for M/S Glory Systems
19.07.2022	1561	Bonding	Operating Instructions to be followed at the General Bonded Warehouse “Global Park” at Seeduwa
22.07.2022	1551 A	Suspension	Suspension revoke of Customs facilities M/S Telesec Marketing

27.07.2022	1562	SLSI	Verification Conformity of Lubricants and Greases to Sri Lanka Standards (SLS)
29.07.2022	1316 L	Excise	Excise (Special Provisions) Act No.13 of 1989 – Order under Section 3
29.07.2022	1552 E	Import Control	Operating Instructions No.08 of 2022
04.08.2022	1414 F	Import Control	Operating Instructions 07/2022
09.08.2022	1453 Z	Import Control	Operating Instructions 09/2022
09.08.2022	1563	RPO	Revenue Protection Order (Duty exemptions)
09.08.2022	1564	SCL	SCL (SCL Exemption)
09.08.2022	1565	CESS	CESS (CESS Exemptions)
10.08.2022	876 A	Bonding Hub	Hub Regulations No.01 of 2022 – order made under Finance Act No. 12 of 2012
10.08.2022	1566	SCL	SCL on Sprats, Dried Fish, Kurakkan
10.08.2022	790 B	Baggage	Clearance of Passengers’ baggage, gift parcels containing goods in commercial quantities of goods of commercial nature
22.08.2022	1384 T	PAL	Ports and Airport Development Levy
24.08.2022	1453 AA	Import Control	Imports and Exports (Control) Regulations No.12 of 2022
24.08.2022	1453 AB	Import Control	Imports and Exports (Control) Regulations No.13of 2022
25.08.2022	1453 AC	Import Control	Operating Instructions 10/2022
31.08.2022	1227 M	Appeal Committee	Appeal Committee
31.08.2022	1567	VAT	Order under Section 24 of Value Added Tax Act No.14 of 2002
05.09.2022	1552 F	Import Control	Operating Instructions 11/2022
05.09.2022	1453 AD	ICL	Operating Instructions 12/2022
05.09.2022	1568	SCL	SCL on Maize and Grain Sorghum
07.09.2022	790 C	Baggage	Clearance of unaccompanied passenger baggage and gift parcels containing goods in commercial quantities of goods of commercial nature
12.09.2022	1453 AE	Import Control	Imports and Exports (Control) Regulations No.14 of 2022
14.09.2022	1453 AF	Import Control	Operating Instructions 13/2022
14.09.2022	1453 AG	Import Control	List of BOI Export Oriented Projects
15.09.2022	1563 A	RPO	Amendment to DOPL 1563
15.09.2022	1564 A	SCL	Amendment to DOPL 1564
16.09.2022	1565 A	CESS	Amendment to DOPL 1565
19.09.2022	1552 G	Import Control	Imports and Exports (Control) Regulations No.15 of 2022
20.09.2022	1569	Examination	Re-examination of Containers
22.09.2022	1453 AH	Import Control	Operating Instructions 14/2022
23.09.2022	1453 AI	Import Control	Amendments to the Operating Instructions No.13/2022 issued on 12 th September 2022
23.09.2022	1570	SCL	SCL on B’ Onion, Salt
23.09.2022	790 D	Baggage	Clearance of unaccompanied passenger baggage and gift parcels containing goods in commercial quantities of goods of commercial nature
26.09.2022	1453 AJ	Import Control	Imports and Exports (Control) Regulations No.16 of 2022
30.09.2022	1571	Suspension	Suspension of Customs Facilities for M/S Boston Devices Pvt. Ltd.
30.09.2022	1572	Social Security Contribution	Social Security Contribution Levy (SSCL)
06.10.2022	1572 A	Social Security Contribution	Social Security Contribution Levy (SSCL) Exemption List
06.10.2022	1573	CESS	CESS – Exemption (HS Codes 3920.10.90, 3926.90.99, 4811.59.10)
06.10.2022	1423 C	NMRA	NMRA Approval for Importation of Registered Medicine and Medicine and Medical Devices by third party.
06.10.2022	1414 G	Import Control	Operating Instructions 15/2022
06.10.2022	1384 V	PAL	PAL – Exemption (HS Codes 3920.10.20, 3926.90.99, 3920.10.90, 4811.59.10, 5603.11.00)

07.10.2022	1572 B	Social Security Contribution	Social Security Contribution Levy (SSCL) – Exemption Articles
07.10.2022	1574	VAT	Order made under Section 2A of the VAT Act No.14 of 2022 – Zero Rating Import and / or Supply of Sanitary Towels and
07.10.2022	1575	RPO	RPO 05/2022
11.10.2022	1572 C	Social Security Contribution	Social Security Contribution Levy Act No.25 of 2022 (SSCL. Act) – Exemptions for Specified Projects
12.10.2022	1552 H	Import Control	Import Control Regulation on payment terms No. 17 of 2022
12.10.2022	1571 A	Suspension	Guidelines to obtain a perfected Value Declaration Form (VDF)
13.10.2022	1576	SCL	SCL on Fish, Maize, Dhal, Yellow Lentils, Mangoesteen and Kiwi Fruit
18.10.2022	1572 D	SSCL	List of Exempted HS Codes under Social Security Contribution Levy (SSCL) Act No. 25 of 2022
21.10.2022	1577	Islamic Books	Guidelines to be followed with regard to import of Islamic Religious Books and Publications into Sri Lanka
25.10.2022	1453 AK	Import Control	Import and Export Control Regulations No. 18 of 2022 (2302/31 of 21.10.2022)
31.10.2022	1453 AL	Import Control	Discrepancies in the Gazette No. 2294/30 of 23.08.2022
31.10.2022	1578		Implementation of the ASYCUDA container pass
01.11.2022	15521	Import Control	Imports and Exports Control Regulations No. 19 of 2022
01.11.2022	11985	Import Control	Imports and Exports Control Regulations No. 20 of 2022
04.11.2022	606 C	Consumer Affairs	Direction under Consumer Affairs Authority Gazette No.2304/34
14.11.2022	1579	RPO	RPO 06/2022
14.11.2022	1580	CESS	CESS (Budget)
28.11.2022	1581	Suspension	Suspension of Customs facilities for M/S L.M.J. International Lanka
29.11.2022	1453 AN	Import Control	Operating Instructions 18/2022
30.11.2022	1582	Baggage	Introduction of the “Blue Book” reconciliation method pertaining to UPB Warehouses.
30.11.2022	1583	SCL	SCL on Yoghurt, Butter, Pates, Fruits, Mackerel
30.11.2022	1584	Surcharge	Surcharges on Customs Duty under Section 10A of the Customs Ordinance
02.12.2022	1552 K	Import Control	Imports and Exports Control Regulations on payment terms No.22 of 2022
09.12.2022	1198 T	Import Control	Imports and Exports Control Regulations No.23 of 2022

PL Register

Date	PL. No.	Remarks
09.02.2022	874	Annual Performance Report – 2021
09.02.2022	875	HS – 2022 Amendments
03.03.2022	876	ASYHUB DGMT Project
03.03.2022	877	ASYHUB IPR MOU
10.03.2022	878	Sustainable Development Goals
11.03.2022	879	Proposed Preferential Agreement Between Bangladesh and Sri Lanka (BS-PTA)
30.03.2022	880	Establishment of Special Investigation Unit (SIU) in Customs as per the paragraph 3(c) of the Cabinet Memorandum dated 05.03.2022 issued under the caption “Importation of Essential Commodities for the year 2022 under Indian Credit Facility”
08.04.2022	881	Customs Mutual Administrative Agreement (CMAA) between HM Revenue and Customs (HMRC) UK and Sri Lanka Customs

International Affairs

Performance on International Agreements related to Sri Lanka Customs			
Signed Not Entered in to Force			
1	Sri Lanka & Turkey	Customs Cooperation	Signed on 26.11.2021, Final Clearance Pending from Turkey
2	Sri Lanka & U.A.E	Customs Cooperation	Signed on 18.11.2017 , The last notification was sent by (Notereference – L/E/GEN/914 dated 18th October 2019) and awaiting a response from the UAE side
Forwarded to relevant Authorities for further processing			
3	Sri Lanka & Russia	Customs Cooperation	Formalities have been finalized and to be signed shortly
4	Sri Lanka & Bangladesh	Customs Cooperation	Amended Draft Sent AG Department for the approval through LAD on 01.10.2021 and pending for their concurrence
5	Sri Lanka & Maldives	Customs Cooperation	Latest reformulated AG approved version of the draft agreement sent to Maldives side & awaiting for their response
6	Sri Lanka & Jordan	Customs Cooperation	Pending -
7	Sri Lanka & Mexico	Customs Cooperation	Pending -
8	Sri Lanka & Qatar	Customs Cooperation	Pending -
9	Sri Lanka & Vietnam	Customs Cooperation	Pending -
10	Sri Lanka & Ukraine	Customs Cooperation	Pending –
11	Sri Lanka & Australia	Customs Cooperation	Related to the Department of Trade and Investment, Ministry of Finance to obtain approval of Cabinet of Minister.
12	Sri Lanka & United Kingdom	Customs Cooperation	Pending –(being reviewed by Sri Lanka Customs)
13	BIMSTEC	Customs Cooperation	Pending -
14	BIMSTEC	Rules of Origin	Pending -
15	BIMSTEC	Trade Facilitation	Pending -
16	BIMSTEC	Coastal Shipping	Pending -
17	BIMSTEC	Transit, Transshipment and Movement of Vehicular Traffic	Pending -
In addition to the above, the following agreements are already signed and currently in force			
Signed & Currently in force			
S. No	Parties	Agreement Type	Status
1	Sri Lanka & Iran	Customs Cooperation	Signed on 27.11.2007
2	Sri Lanka & Pakistan	Customs Cooperation	Signed on 28.11.2010
3	Sri Lanka & China	MoU	Signed on 16.09.2014
4	Sri Lanka & India	Customs Cooperation	Signed on 13.03.2015
Further, the Customs Cooperation and Trade Facilitation Chapter of the following Free Trade Agreements (FTA) are reviewed by a Sub-Committee formulated under the Chairmanship of ADGC (Cooperate)			
Sri Lanka – India FTA -			
Sri Lanka – China FTA -			
Sri Lanka - Thailand FTA -			

Customs Enquiry Point

Customs Enquiry Point was established at the Policy, Planning and Research Directorate in order to attend the enquiries of other governmental agencies, traders and other interested parties on matters related to Customs and to empower the Small and Medium Scale Entrepreneurs with the knowledge and awareness related to the International Trade, with effect from 28.01.2020 in line with the International Customs Day 2020.

Events organized by Policy Planning, Research and International Affairs Directorate

International Customs day Celebration

8.3.2 COMPLIANCE AND FACILITATION DIRECTORATE

Introduction

Compliance and Facilitate Directorate of Sri Lanka Customs is mainly responsible for conducting Post Clearance Audits (PCA). PCA function was first established in the year 2000 as the Post Clearance & Audit Branch (PCAB) under the Directorate of Valuation. This branch was established by merging Post Audit and Manifest Unit (PAMU) and Audit & Inspection Branch (A & I D).

Trade is a driver for economic growth and with the ever-increasing volumes of international trade and the need to expedite the clearance of goods, it becomes unfeasible for customs to make conclusive decisions regarding duty liability on all consignments in the narrow time frame available at the border. Neither is it appropriate to delay the clearance of goods while resolving any queries unless fraud is suspected. Many administrations, therefore, now concentrate their controls on the post-clearance environment, while retaining selective and targeted checks at the frontier using risk management techniques. A dynamic risk management programme is indispensable for PCA to target their resources more effectively.

With the development of international trade and the successful implementation of the World Trade Organization (WTO) Customs Valuation Agreement a dedicated directorate established as the Post Clearance Audit Directorate (PCAD) in the year 2010. As per the DOPL 883, 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 a later stage Risk Management Unit was detached from C & F D and functioned under the Central Intelligence Directorate with the expansion of its functions. "Directorate of Compliance and Facilitation" is consisted with PCA Division, National Import Valuation Database Unit (NIVDU) and "Refund Branch".

One of the main objectives of Compliance and Facilitate Directorate is to ensure the balance between the trade facilitation and Customs controls. Post Clearance Audit is one such Customs control. The post-clearance audit process is a structured examination, after Customs has released the cargo, of the relevant commercial data, sales contracts, financial and non-financial records, physical stocks and other assets of traders. The purpose is to measure and improve the traders' compliance. Post clearance audit has proved to be an essential tool ensuring that Customs controls are effective in many aspects, including compliance with the WTO Customs Valuation Agreement. It also plays a role in the implementation of an effective Customs risk management strategy, making it easier for Customs to gauge the level of risk corresponding to each trader by measuring compliance with the rules and to fine-tune future controls based on the result.

Another objective of PCA is to verify the accuracy and authenticity of Customs declarations and to ensure that they are in compliance with Customs requirements while facilitating international trade. PCA enable facilitation of international trade, offers better understanding of Customs procedures and requirements for the business community and encourages the traders to enhance their compliance with Customs.

There are two main categories of PCAs. That is, Transaction Based Audits (TBA) and System-Based Audits (SBA). Transaction-based PCA (TBA) means the checking of specific details on an import or export declaration. Where there is a query the customs auditor contacts the importer/consignee or their agent by telephone or e-mail requesting more detail. The requested evidence is sent to the customs auditor in the customs office. Systems-based PCA (SBA) is a systematic appraisal of the internal control systems of the importer or exporter, exploring and testing areas of perceived strengths and weaknesses. The purpose of the audit is to check that the customs declarations submitted are accurate and to form an opinion on the level of relevant legal compliance of the business and recommend appropriate measures to correct confirmed weaknesses.

In addition to the two main stream audits, PCA consists of two other categories of audits. That is, Theme-Based Audits and Investigative type audits. In Sri Lanka we find traders under both categories i.e. compliance traders and non-compliance traders. To address the issues related to non-compliance traders we need to conduct both Theme-Based Audits and Investigative type audits.

During the past period Asian Development Bank (ADB) has extended their fullest co-operation in implementation of post clearance audit systems in Sri Lanka Customs by providing expert technical assistance. Covering new areas of auditing including System Based Audits (SBA), ADB has provided trainings to Customs officers. The purpose of SBAs is to identify the level of risk of the importers. The results of SBAs could be used as a criterion to offer extended facilities for compliant traders as an input for risk management process by the way of granting the status of Compliant Economic Operator (CEO)/Authorized Economic Operator (AEO).

Organization Structure of the Directorate of Compliance & Facilitation

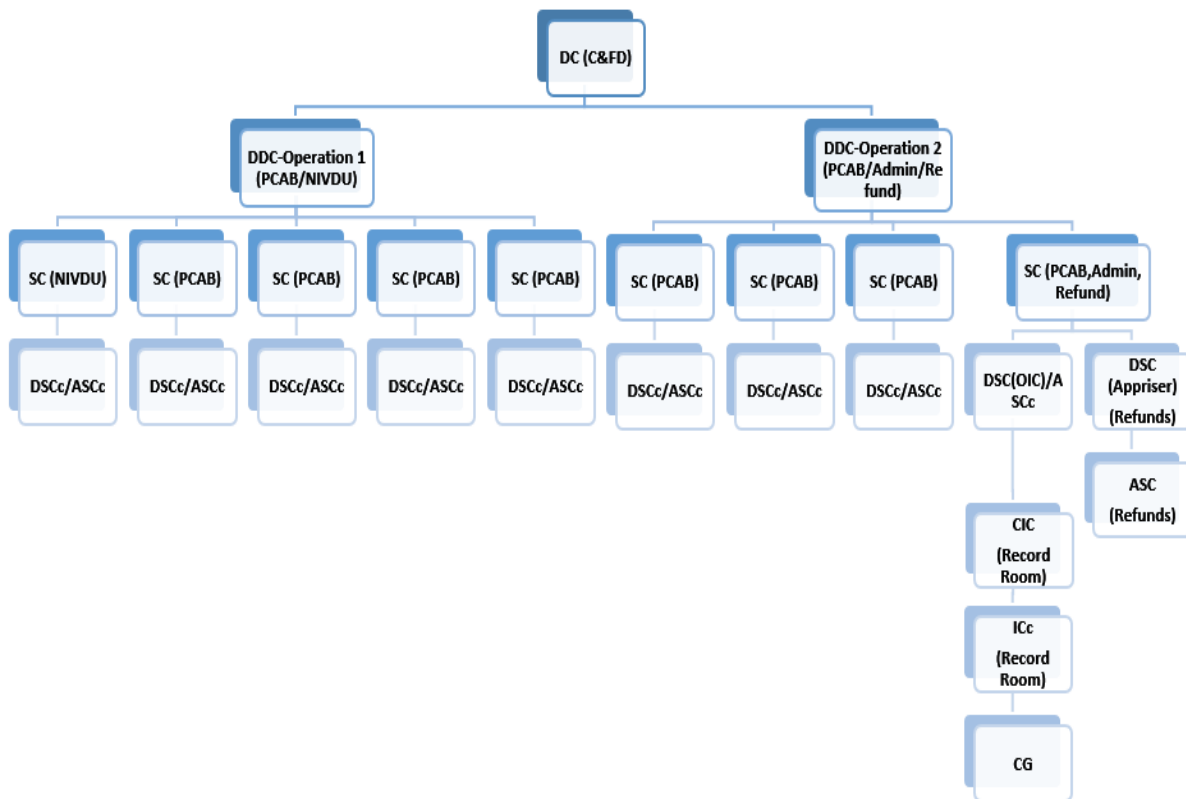


Diagram 1.1

C&FD Directorate - Customs Staff as at 31.12.2022

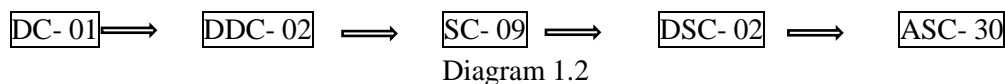


Diagram 1.2

C&F Directorate - Units and Functions

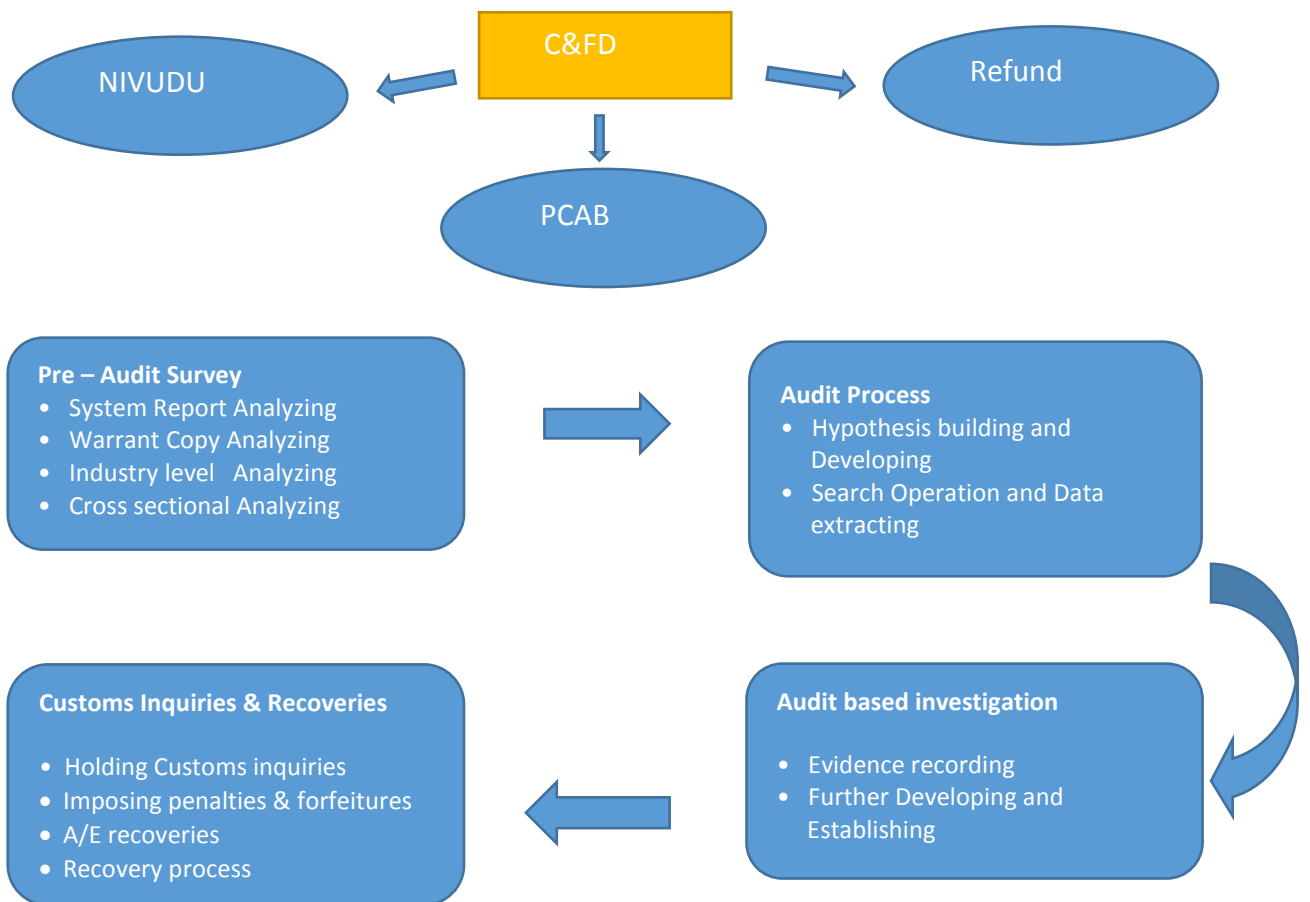


Diagram 1.3

8.3.2.1 Post Clearance Audit Branch (PCAB)

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 of PCA

The overall objective of PCA is to assure that Customs Declarations have been completed in compliance with Customs legal requirements. Specific objectives are to:

- Verify that the amount of revenue legally due has been identified and paid
- Facilitate international trade with minimum intervention at the entry and exit points in Sri Lanka
- Increase compliance with all relevant and applicable laws and regulations
- Correct discrepancies in customs declarations
- Ensure that a person maintains proper books of account and that their internal control systems ensure that all customs declarations are true and accurate; and to
- Ensure effectiveness in Customs control

Functions of PCA

- ❖ Developing audit programs
- ❖ Selecting an auditee using past records of traders available in the ASyCuDa system
- ❖ Preparing for the audits by doing desk audits and other essential auditing methods
- ❖ If the desk audit indicates any discrepancy, conducting field audits
- ❖ Investigating the frauds detected through the audits
- ❖ Concluding the investigations and report
- ❖ Conducting inquiries to check whether any fraudulent action has been taken place
- ❖ If there are sufficient evidence to prove that a fraud has been taken place, take necessary steps to conduct Customs inquiries and impose penalties and forfeitures in terms of Customs Law.
- ❖ Giving feedbacks to auditees
- ❖ Updating the database of the Central Intelligence Unit, Investigation Division and Risk Management Division to use it as an input to the risk management process
- ❖ Evaluating entire audit process to make necessary modifications.

Items to be verified in PCA

PCA will be focusing on the every particular required for an important declaration according to the table given below, and the compliance level of the companies will be measured accordingly. Then determine whether there are any discrepancies or fraudulent activities carried out by the relevant companies, if so correct them accordingly with either recovering them through by Additional Entries or penalizing them according to the Customs Ordinance (Chapter 235):

Duty Base Related Items	Duty Rate Related Items	Duty Amount Related Items	Others
- Value - Quantity - Currency - Exchange Rate	- Classification - Application of General Rates - Preferential Rates	- Exemptions Justifications Amount - Accuracy of duty calculation	- 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. PCA also permits to call samples within 3 months from clearance of goods, recover short paid levies within two years and if a fraud is detected, to impose forfeiture, Penalties irrespective of period of consideration.

Standard Operating Procedure (SOP)

Sri Lanka has become signatory to the World Trade Organization - Trade Facilitation Agreement (WTO-TFA). With the implementation of the provisions of the said agreement, it has been identified PCA as a category “C” commitment. It is a requirement to obtain technical assistance from a donor agency to implement category “C” commitments. Accordingly, Asian Development Bank (ADB) has agreed to provide technical assistance to establish and implement proper PCA system in line with the standards of World Customs Organization (WCO) and WTO. ADB has already provided technical assistance on training the staff of PCA and drafting a Standard Operating Procedure (SOP) to be used as a PCA manual. The Draft SOP has already been finalized and it is yet to be published.

Training Programs on Post Clearance Audit (PCA)

As a part of the technical assistance provided by the ADB, training of Officers in PCA is done by the ADB as a continuous programme. The first training session was conducted in 2019 and subsequent training programs were conducted in 2021 and 2022.

Facilitation of CEO/AEO Program conducted by RMD

Risk management directorate has Launched the CEO/AEO programme in line with the World Customs Organization (WCO) SAFE Framework of Standards and the World Trade Organization (WTO) Trade Facilitation Agreement aimed at securing and facilitating global trade by expediting the movement, release and clearance of goods by reducing the time and cost associated with cross-border transactions.

The AEO programme offers two tiers of certifications i.e., Compliant Economic Operator (CEO) for operators with high legal and operational compliance and Authorized Economic Operator (AEO) for operators who maintain high levels of supply chain security standards in addition to the CEO compliance requirements.

8.3.2.2 National Import Value Database Unit (NIVDU)

The National Import Valuation Database Unit (NIVDU) was formed under the Compliance & Facilitation Directorate on the 11th of January 2021. Establishing a fully functional valuation database has been attempted at Sri Lanka Customs since the 1990s. Various attempts were made with varying degrees of success. Learning from past experiences and guidance of Director General of Customs, Major General (Retd.) G. Vijitha Ravipriya, NIVDU proposed a 3 phased plan of development. Marking fruitful development cycle, the ‘Valuation Database Platform’ and ‘Valuation Web Portal’ was launched on the 23rd of June 2021.

The Valuation Database consists of reference values of commodities. When assessing import declarations, Customs Officers can refer to this database to determine whether declared values of commodities need to be verified. As such it is a risk assessment tool.

A Valuation Database does not specify values or value ranges for imported commodities. It’s a tool for customs officers to assess the possibility of under or over valuation. As such, Sri Lanka Customs does not accept nor reject values purely based on these reference values. The Database serves to assess risk levels of declared values.

What type of values are included in the Valuation Database?

There are two types of values that are considered eligible.

Transactional Values

These previously declared values which has been assessed for their authenticity and then selected by NIVDU officers. This is an arduous task which is scheduled to be assisted by a software solution in the second phase of development of the project.

Non-Transactional Values

This type of data is gathered from various verified sources. Non-Transactional values are values of commodities that are not based on a particular transaction. For example, the OPEC crude oil price on a given date can be considered such a value.

In April 2021, NIVDU purchased access to Tridge Market Intelligence Data. This allows our Valuation Database to have up-to-date reference values of agricultural and food commodity from a plethora of global marketplaces. Furthermore, Sri Lanka Customs receives invaluable data on value trends, forecasts, and alerts. NIVDU is currently extracting Non-Transactional data from four verified data sources. Furthermore, new sources are actively sought to bolster the Valuation Database and enhance its effectiveness.

Performance of Post Clearance Audit Division – 2022

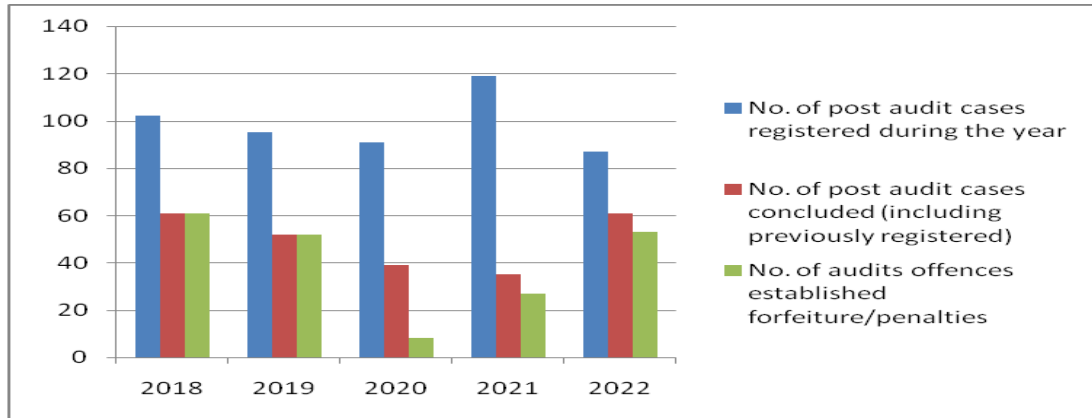
Description	2022
Number of post audit cases registered during the year	87
Number of post audit cases concluded (including previously registered)	61
Number of System Based Audits (SBA) conducted	5
Number of post audit cases established offences and imposed forfeiture/penalties	53
Total amount of forfeiture/ penalties imposed (LKR)	1,241,730,804
Total amount of sales proceeds collected (LKR)	-
Total amount collected as A/E (LKR)	10,107,147
Total amount recovered (LKR)	1,156,461,867

Comparison of Performance 2018 to 2022

	2018	2019	2020	2021	2022
Number of post audit cases registered during the year	102	179	91	119	87
Number of post audit cases concluded (including previously registered)	61	52	39	35	61
Number of audits offences established forfeiture/penalties	61	52	8	27	53
Total amount of forfeiture/penalties recovered LKR	604,850,139	458,422,599	72,295,530	811,681,718.68	1,146,354,720
Total value of the goods forfeited	NIL	NIL	NIL	25,496,969.00	9,468,662
Total amount collected as A/E LKR	56,653,753	4992	NIL	16,304,877.00	10,107,147
Total Amount Recovered(Rs.)	661,503,892	458,327,591	72,295,530	853,483,564.68	1,156,461,867

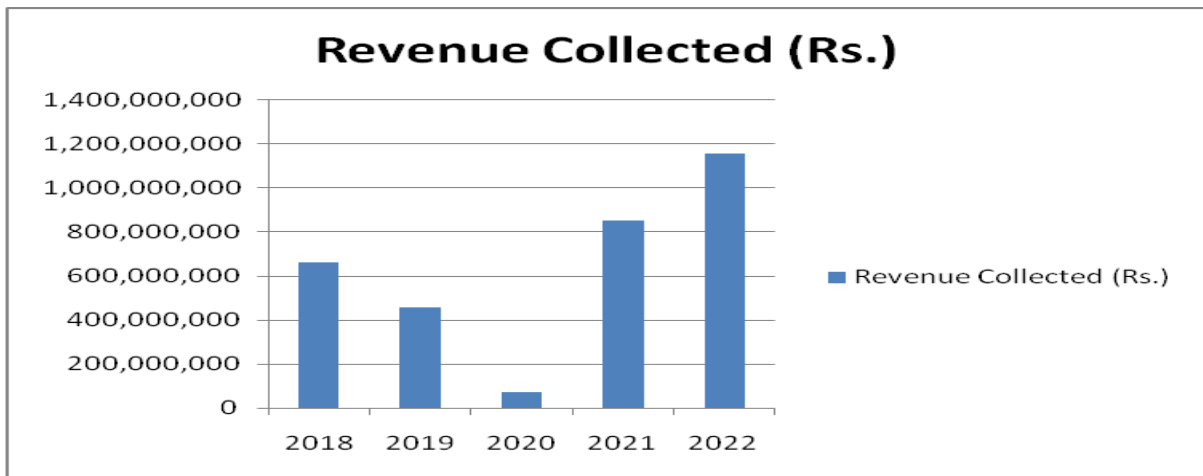
Comparison of Performance 2018 – 2022

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
2018	102	61	61
2019	95	52	52
2020	91	39	8
2021	119	35	27
2022	87	61	53



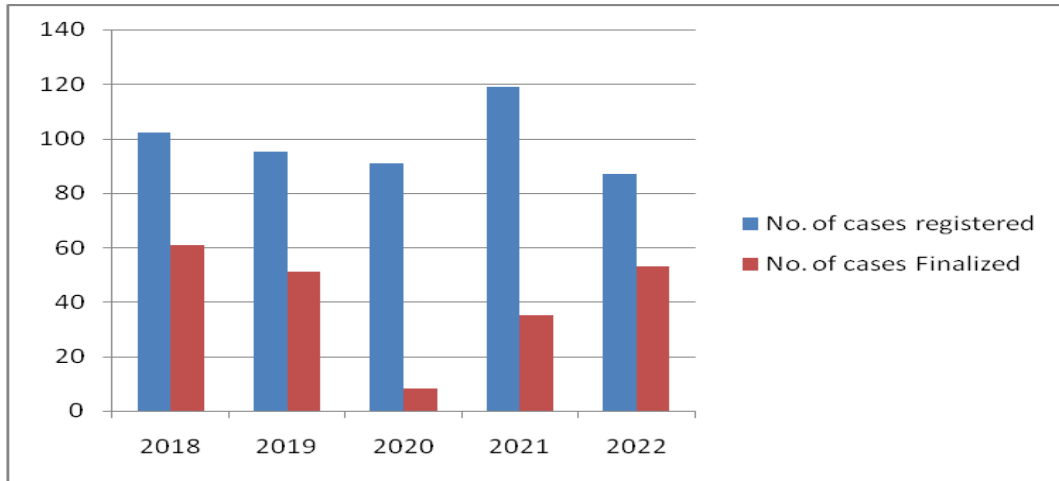
Revenue Collection

Year	Revenue Collected (Rs.)
2018	661,503,892
2019	458,327,591
2020	72,295,530
2021	853,483,564.68
2022	1,156,461,867



Number of Cases Registered and Finalized during the Year 2018, 2019, 2020, 2021 and 2022

Year	No. of cases registered	No. of cases Finalized
2018	102	61
2019	95	51
2020	91	8
2021	119	35
2022	87	53



8.3.2.3 Refund Branch

The refund division is a part of the Compliance and facilitation directorate (C&FD) under the corporate cluster. The refund division basically handles reimbursements for excess payments on the duties and charges for imports and exports and reimbursements of the goods imported from any foreign port, and upon re-exported to any foreign port under Sections 18 and 22 of the Customs Ordinance (Chapter 235).

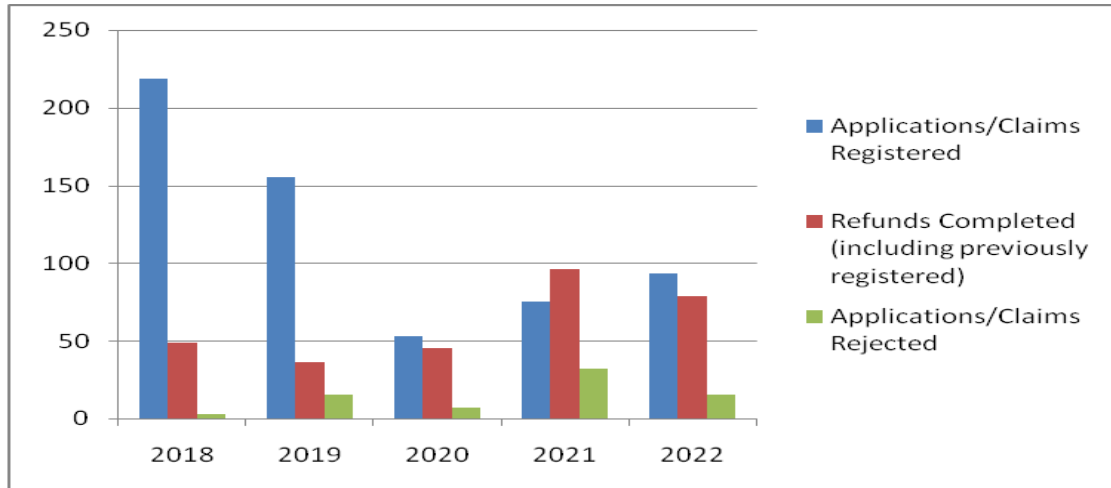
Under Section 18 of the Customs Ordinance an importer is entitled for a refund of duties and charges paid in excess for the imported or exported goods if the claim is done within the stipulated timeframe of twenty-four months from the date of payment. Under Section 22 of the Customs Ordinance an importer is entitled for a drawback of duties not exceeding nine tenth for the goods imported from any foreign port, and upon re-exported to any foreign port.

Status of the Refund Claims

	2022
Number Application/Claims Registered	93
Refunds Completed (including previously registered)	79
Applications/Claims Rejected	15

Status of Refund Claims- Previous Years (2018 to 2022)

Year	2018	2019	2020	2021	2022
Applications/Claims Registered	219	155	53	75	93
Refunds Completed (including previously registered)	49	36	45	96	79
Applications/Claims Rejected	3	15	7	32	15



Conclusion

Year 2022 was a challenging year for Customs in achieving the revenue targets set by the Ministry of Finance. It can be observed that various control measures on importation of goods as well as payment terms have been introduced through Imports and Exports Control Department in order to support the State policy decisions taken time to time to safeguard the economy of Sri Lanka.

Under the said context it was also challenging for Compliance and Facilitation Directorate to carry out its day-to-day operations to achieve the targets given and meet its objectives. However, this directorate was able to accomplish the responsibilities assigned and achieve the targets given indicating a high level of performance.

In the year 2022 the officers of PCAB have registered 87 post audit cases and they were able to finalize 61 cases. Number of post audit cases of which the Customs offences were established is 53. The total collected as additional recoveries is Rs. 10,107,147.00. The total amount recovered as penalties/ forfeitures is Rs. 1,146,354,720.00.

When analyse data related to the performance it can be observed that compared to previous 4 years the highest amount of recovery has been done in the year 2022. Compared to the number of cases registered the percentage of cases finalized is 70%. It is also very much important to note that 87% of the cases finalized are ended up with establishing offences and imposing penalties and forfeitures. This gives an indication that still the compliance level of the traders are not up to the satisfactory level and it is still limited to 13%.

The refund branch attached to this directorate has received 93 applications for refunds and the branch has been able to finalize 79 refund claims indicating a success rate of 85%.

As the final remark it is important to mention that the performance of the Compliance and Facilitation Directorate could be enhanced more effectively if the administration takes appropriate action to increase the carder and provide periodical trainings.

8.3.3 INFORMATION & COMMUNICATION TECHNOLOGY DIRECTORATE (ICT)

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

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

1. SYSTEM DEVELOPMENTS	
Task	Status
Integrate Import Remittance Procedures in the ASYCUDA World System	Completed
Automate the manifesting procedures for the Air Cargo	Completed
Maintaining proper and secure data communication between Ports Authority	Completed
An alerting system to notify updates and status changes of the Cusdec to traders via SMS	Completed
Automate the collection of taxes by introducing Customs Declaration in ASYCUDA System at UPB warehouses	Completed
Upgrade the old/existing network infrastructure at the Customs Head Quarters	Completed
The security of the end point devices should be improved to mitigate vulnerabilities.	Completed
Internal mailing and document flow management system proposed by Sri Lanka Army for the use of Sri Lanka Customs.	Completed
A computer system that is being developed based on COPA orders to facilitate duty free allowancing process at the Airport	Completed
Revamping and maintenance of the existing web site of Sri Lanka Customs	Completed
Security related feedback given by the Sri Lanka Computer Emergency Readiness Team, regarding the systems at Sri Lanka Customs	Ongoing
Integrating Other Government Organizations into ASYCUDA System to automate their approvals process	Ongoing
A system to get approvals from traders for the Cusdec submitted by CHAs with their respective TIN numbers.	Ongoing
Digital Signature for paperless CusDec processing.	Ongoing
Digitizing Global Maritime Trade (DGMT) through the installation of ASYHUB between the Customs ASYCUDA World and ICT systems of international standards compliant shipping data providers.	Ongoing
Automation of Export Division - Paperless processing should be established at the Export Directorate	Ongoing
Automation of Bonding Division - Paperless processing should be established at the Bonding Directorate	Ongoing

2. SYSTEM MAINTENANCE	
Task	Number of updates
Taxations rule updating & Tariff updates	216
Fixing systems bugs	523
Control table updates	405
Database performance tuning	257

3. STATISTICS & REPORTING				
Type	Requested	Completed	Pending	Payment collected (Rs)
Number of Reports - from outside Customs	3548	3548	0	1,624,550
Number of Reports - from inside Customs	984	984	0	

4. AUDITING			
Item	Initiated	Finalized	Pending
Number of Cases	47	35	12
	Detained	Released	
Number of Containers	44	35	
	Mitigated Forfeiture	Penalty	AE
Recovery Amount (Rs.)	27,229,050	275,000	999,372

5. HELP DESK		
Type of problem reported	Received & finalized	Pending
Handling WH, CDN, Blend Sheet, Remittance & CusDec issues	1452	None
e-Payment issues	1052	None
Troubleshoot THINETH system issues	213	None
Customer Support through mobile hot line	200-250 calls daily	None
Customs application maintenance	158	None
e-Manifest registration and troubleshooting	643	None

6. NETWORK ADMINISTRATION		
Task	Received & Finalized	Pending
Fortinet Internal Firewall Administration Tasks	291	None
Checkpoint External Firewall Administration Tasks	580	None
APN Router Issuance and Configuration on remote locations	201	None
Network Maintenance Tasks	842	None
Troubleshooting and Fixing Core Network Issues	483	None

7. SYSTEM ADMINISTRATION		
Task	Received & Finalized	Pending
Zimbra Email Server Administration & Monitoring Tasks	≈550 (with Daily Monitoring)	None
Zimbra User Registration and Configuration Tasks	≈203 (Based on Requests)	None
IBM AIX Server Monitoring and Administration Tasks	≈454 (with Daily Monitoring)	None
Oracle VMware Administration Tasks	≈453 (with Daily Monitoring)	None
Provisioned Server Monitoring and Configuration	≈456 (with Daily Monitoring)	None
Required Software Installation on Servers	75	None
Routine Server Administration Tasks (Cert renewal, Storage Expansions etc.)	≈151	None
Active Directory User Registration and Configurations	230	None

Oracle EXADData Administration Tasks	≈149	None
EXSI Dell Node VM configuration changes	26	None
VM memory configuration changes	24	None
New VM server provisioning and configuration	8	None
8. WEB SITE		
Task	Received & Finalized	Pending
Updating Tariff changes on the website	27	None
Publishing Exchange Rates on the Web	54	None
Publishing the Tender Sale on the Web	25	None
Updating the HRD Homepage	1	None
Updating the BCNP Webpage	1	None
Publishing RMU Notices on the Homepage Banner	1	None
Updating the BOI Coordination Homepage	1	None
Publishing the Duty Revision Gazettes	1	None
Publishing Notices Regarding Online Registration for Importers	1	None
Updating International Organization List in BCNP Webpage	1	None
Updating Customs Contact Details of Internal Departments in Homepage	1	None
Updating Banner Documents in the Homepage	1	None
Updating Asycuda Alternative Link on the Web	1	None
Publishing the Approved Covid-19 New Clearance Procedure of the Long Room	1	None

8.3.4 CENTRAL VALUATION DIRECTORATE

Introduction

Central Valuation Directorate is responsible for the valuation of imported goods when advalorem duties are applicable. Valuation of abandoned and seized goods put up for tender sales also come under this Directorate. This Directorate administers the valuation principles in the World Trade Organization's Agreement of Customs Valuation (ACV) incorporated in Sections 51, 52 and Schedule E of the Customs Ordinance. This Directorate employs modern tools and research facilities to gather and compile value data for the distribution among the functional units while facilitating and fostering public-private partnership.

Head Office of Central Valuation Directorate is located at Rank Container Terminal in Orugodawatta. The Directorate comes under the Additional Director General (Corporate) and the Director of Central Valuation is responsible for overall supervision of the Directorate whereas the two Deputy Directors are the functional heads of the Directorate.

Operational Supervision comes under 8 Superintendents of Customs supported by 7 Appraisers (Deputy Superintendents of Customs) and 10 Assistant Superintendent of Customs perform investigations, research, registrations, post-entry modification, payment verification and guarantee management functions.

Main functions of the Directorate

- Assisting the Valuation Committee in Policy matters concerning Customs Valuation;
- Developing valuation tools (including databases and periodical alerts) and best practices for the effective and uniform application of valuation law;
- Value verification of commodities.
- Foster Public-Private partnership in resolving valuation issues and invite public participation in Value Research;
- Monitoring valuation trends of sensitive commodities and taking corrective action;
- Carrying out valuation inspections/investigations to ensure that the valuation guidelines and procedures are being effectively applied and followed;
- Coordinating Customs valuation matters with relevant international organizations and other sources abroad.
- Conducting study and providing necessary inputs for issues pertaining to transfer pricing.

Performance of the year - 2022

Valuation (Head Office)

Month	No. of Entries Received	No. of Entries Value Revised	Percentage of Adjustments	Amount Recovered (Rs.)
January	1,035	666	64.35%	161,908,100.00
February	1,150	773	67.22%	140,321,155.00
March	1,065	582	54.65%	109,684,573.00
April	867	405	46.71%	122,498,186.00
May	602	300	49.83%	85,905,778.00
June	573	256	44.68%	93,209,007.00
July	358	136	37.99%	68,459,191.00
August	316	157	49.68%	126,660,162.00
September	412	232	56.31%	178,854,932.00
October	654	374	57.19%	251,229,133.00
November	734	415	56.54%	191,754,301.00
December	677	395	58.35%	177,259,607.00
Total	8,443	4,691	55.56%	1,707,744,125.00

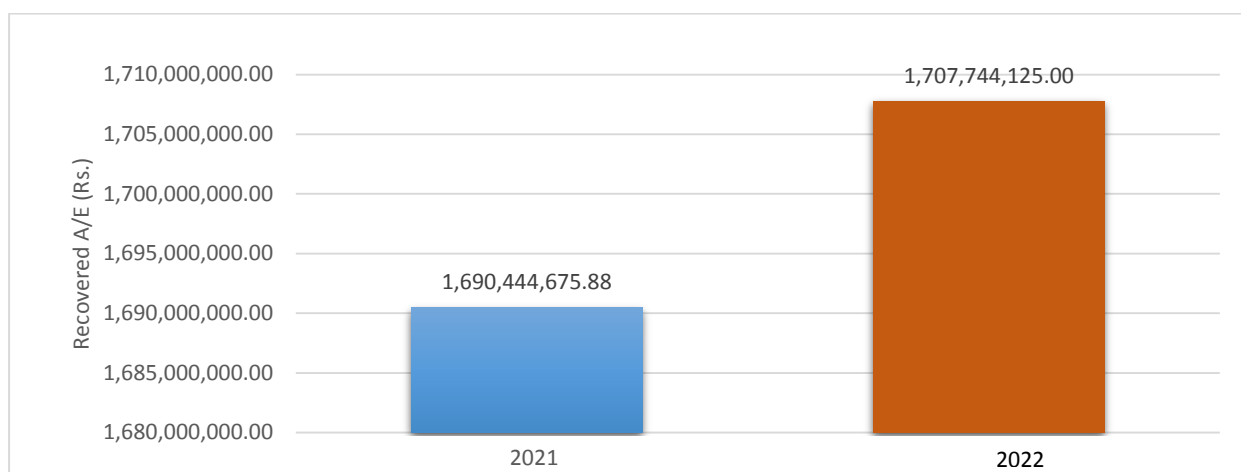
Valuation (Air Cargo)

Month	No. of Entries Received	No. of Entries Value Revised	Percentage of Adjustments	Amount Recovered (Rs.)
January	345	10	3%	247,242.00
February	314	7	2%	172,025.00
March	414	19	5%	562,485.00
April	219	14	6%	616,918.00
May	221	23	10%	1,177,463.00
June	201	25	12%	746,402.00
July	274	35	13%	853,384.00
August	370	14	4%	555,835.00
September	286	10	3%	516,769.00
October	292	10	3%	3,039,120.00
November	359	12	3%	1,179,535.00
December	364	13	4%	1,431,270.00
Total	3659	192	5%	11,098,448.00

Performance Comparison with previous years

Year	2019	2020	2021	2022
Total No. of CusDec referred	24,869	18,450	16,591	8,443
Total No. of CusDec-Values revised	10,473	7,709	9,082	4,691
Total No. of CusDec-Values accepted	14,396	10,741	7,509	3,752
Percentage of Value Adjustments	42.11%	41.78%	54.74%	55.56%
Amount recovered through A/E (Rs.)	1,913,753,705.00	1,183,973,883.00	1,690,444,675.88	1,707,744,125.00

Comparison of A/E recovered Against the previous year



Progress of VRIU

	Amount
No. of Cases Registered	49
No. of Cases Finalized	33
Penalty Imposed (Rs.)	Rs.117,564,544
Penalty Recovered (Rs.)	Rs.86,322,627

Performance measured against the annual activity plan for the year 2022

Key Activities planned under Revenue objectives

Activity/Sub Activity	Remarks
Collection of due revenue.	
Monitor suspicious consignments and take action accordingly.	Achieved
Improve risk assessment in collaboration with RMU.	Achieved

Key activities planned under control objectives

Activity/Sub Activity	Remarks
Ensure maximum compliance, un-interrupted functioning of CVD in pandemic and provide assistance for updating Risk Profiles.	
1. Train staff on valuation rules and guidelines.	Achieved
2. Introduce necessary mechanism to face COVID 19 pandemic by minimizing human intervention.	Achieved
3. Identify and provide HS codes of revenue sensitive commodities to RMU periodically.	Achieved

Key activities planned under Trade Facilitation objectives

Activity/Sub Activity	Remarks
Consistent close adherence to reference values. Revise, review and publish operating procedures.	
1. Constant reference to NIVDU database.	Achieved
2. Constant adherence to reference values within the CVD.	Achieved
3. Consistency in the determinations.	Achieved
4. Revise, review and update valuation procedures.	Achieved
5. Bring updates to the notice of the stake holders timely basis.	Achieved
6. Periodic time-release studies to identify issues in the process.	Achieved

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

- Commodity / Goods classification
- Identification & Classification of chemicals and allied products
- Identification, Classification and Valuation of gems, precious metals and jewelry
- 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.

Description	Year			Overall progress
	Past Progress	Progress as at 31/12/2021		
Application year	2021	2021*	2022	
ADVANCED CLASSIFICATION RULINGS (AR)				
Number of Applications Received	725	215	296	511
Number of Rulings Issued	510	169	220	389
Pending Applications	215	46	76	122
Rate of Completion	70.34%	78.60%	74.32%	76.13%
INTERNAL CLASSIFICATION ADVICES (IR)				
Number of Applications Received	1080	322	446	768
Number of Rulings Issued	758	227	344	571
Pending Applications	322	95	102	197
Rate of Completion	70.19%	70.50%	77.13%	74.35%
* files received in 2021 and completed in 2022				

8.3.5.2 CUSTOMS LABORATORY UNIT

Customs Laboratory is established to assist the Customs Department and the stakeholders, in identifying chemicals 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.

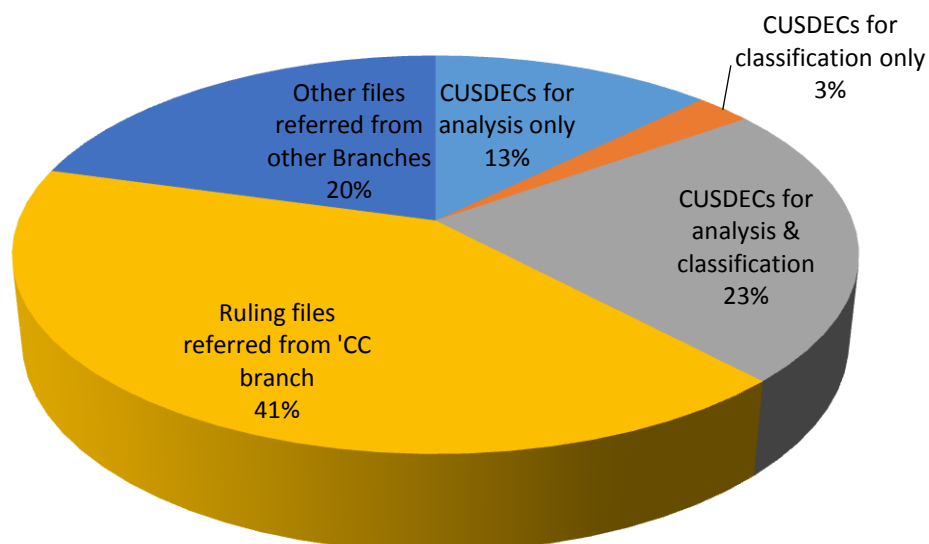
As a technical unit, it would coordinate with other relevant stakeholders in implementing various conventions and existing regulations.

Performance

Amount recovered as Analysis Fee : Rs. 30,000.00

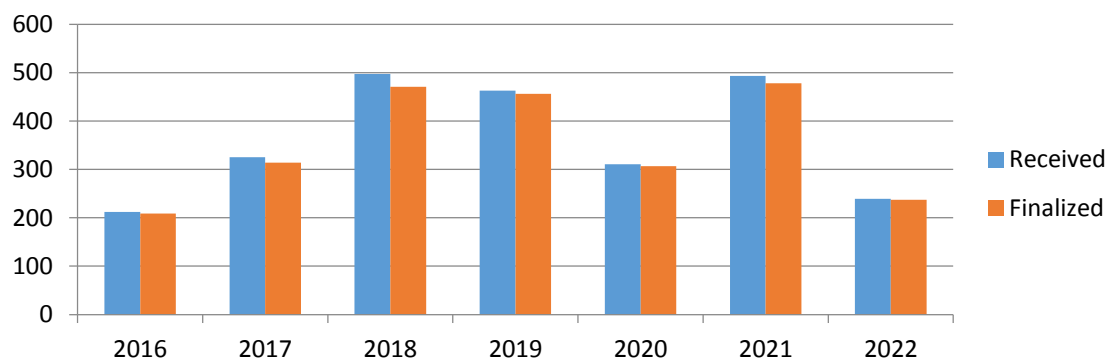
		Received	Finalized	Completion
Total Number of CUSDECs	CUSDECs for analysis only	31	30	97%
	CUSDECs for classification only	6	6	100%
	CUSDECs for analysis & classification	54	54	100%
Total Number of Ruling & other files	Ruling files referred from 'CC branch	99	98	99% 1
	Other files referred from other Branches	49	49	100%
Totals		239	237	99%

Composition on finalized of CUSDECs, Ruling & Case Files - 2022



Comparison with previous years:

Year	Received	Finalized	Completion Rate
2016	212	209	98.58%
2017	325	314	96.62%
2018	497	471	94.77%
2019	463	456	98.49%
2020	311	307	98.71%
2021	493	478	96.96%
2022	239	237	99.16%



8.3.5.3 GEM UNIT

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

- The Summary for all the Imports and Exports for the Calendar year 2022 is as follows
- All Values are mentioned in Rs.

EXPORTS	
	Total (Rs.)
Gems	65,500,216,284
Diamond jewellery	539,944,624
Other Jewellery	4,477,764,527
Diamonds	70,642,303,589
Geuda/Minerals	23,575,047
Exhibition/testing Gem	35,926,760,078
Exhibition Jewellery	146,366,730
Total	177,256,930,879

IMPORTS	
	Total (Rs.)
Rough Diamonds	2,953,717,072
Cut & Polished Diamonds	14,220,215,860
Gems	7,202,970,814
Silver	121,725,581
Gold	1,836,258,031
Gold Jewellery	475,917,556
Silver Jewellery	59,567,046
Findings	117,975,528
Other (consumables)	21,407,614
Total	27,009,755,103

	Total (Rs.)
Re-imports	31,424,063,331

DUTY & OTHER LEVIES	
	Total (Rs.)
CID	526,438
ESC	0
DUTY	0

CESS	0
EIC	41,333,825
VAT	75,791,818
PAL	46,818,359
SSL	19,337,772
Over Time Charges	808,800
O E	10,510,675
Others	0
Penalty	0
Total	195,127,687

Number of Declarations:	
	Total
Export	7121
Import	2085
Re-Import	534

8.3.5.4 TIN/VAT & CHA REGISTRATION UNIT

Issuing of licenses to the Customs House Agents is done by this unit. In terms of section 115(1) of Customs Ordinance the Director general of customs is authorized to issue license to act as Customs house Agents to such persons who satisfy the requirements. Only the Licensed Customs house agents shall act as agent for transacting business relate to entry or clearance of any ship, or any goods, or of any baggage, in any of the ports or places in Sri Lanka. The license is valid for one year period and may be renewed at the end of the period.

TIN/VAT Unit

No. of Permits Registered		54
No. of Personnel	Imports	77
	Vehicles	0
No. of Private Limited Companies Registered		1174
No. of Sole Proprietorships Registered		348
No. of Partnerships Registered		89
No. of Government Organizations Registered		4
No. of NGOs Registered		0
No. of Public Ltd Registered		0
No. of Overseas Companies Registered		0
No. of Other Registrations		10
Total No. of Documents Received		1756

CHA Unit

New registrations of Customs House Agents	106
New registrations of Wharf Assistants	131
Renewals of Customs House Agents	2233
Renewals of Wharf Assistants	4194
Cancellations of Customs House Agents	15
Cancellations of Wharf Assistants	415
Temporary passes issued	657

8.4 HUMAN RESOURCES CLUSTER

8.4.1 Human Resources Management Directorate

8.4.2 Human Resources Development Directorate

8.4.3 Employment Services Directorate

8.4.4 Logistics Directorate

8.4.1 HUMAN RESOURCES MANAGEMENT

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

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

Performance related to 2022 is mentioned in Section 6.1 and Chapter 7

8.4.2 HUMAN RESOURCES DEVELOPMENT DIRECTORATE

Vision of HRD

To be the excellent training division for the Customs Department

Mission of HRD

Capacity building for seamless services integration abreast with changes in the international Customs, trade and security landscape, and also to contribute as the Customs think tank of Sri Lanka in the national Socio – economic development of the country.

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 one of the most prominent departments in Sri Lanka which acts as a boarder control agency of the nation with more than 200 Years of experience. Having objectives of Collecting Revenue, Enforcing Customs Law, facilitating legitimate Trade and Protecting Society, Sri Lanka Customs plays 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 highly skilled individuals who are able carry out their responsibilities with positive attitudes while practicing the service ethics at the highest standard.

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

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

Major Function of HRD

HRD conducts and coordinates training programs, both locally and internationally mainly for the employees of the department.

Based on the opportunities/ invitations that the Sri Lanka customs receives from international organizations such as WTO, WCO, UNODC etc, HRD holds the sole responsibility **coordinating** such programs with the approval of the Human Resources committee.

Such foreign training opportunities includes Seminars, Workshops Training Courses, Meetings, Post Degree Programmes Conferences etc, which aligned with the Customs matters in transnational nature.

These foreign training opportunities are of different natures, where some of these trainings are held in foreign countries which the selected customs officials need to travel abroad, while some programs are concluded in Sri Lanka, where foreign resource persons would arrive to Sri Lanka.

Further, some of the foreign training programs such as meetings, seminars, webinars Etc, are conducted virtually.

Local training is aligned with the competency development and enhancing the knowledge & awareness in relevant fields, together with identification of skills and inborn talents.

HRD conducts and coordinates inhouse local training programs for every tier of the Customs, with accordance to an approved annual action plan. The said action plan is created on the updated training needs of the

department. At the end of each year, HRD would call for suggestion from each directorate of the department, and based on the feedback the coming year's action plan is created.

Apart from holding the major responsibility of building capacity of the officers of the department, this Directorate is entrusted with assisting capacity development and training related matter of stakeholders.

The major functions of HRD Continued.....

- Formulating, updating & implementing training policies and procedures.
- Responsible for enhancing capacities of employees of every level to achieve the departmental objectives.
- Standardizing & adjusting training contents for new recruits and experienced officials when changing working positions.
- Collaborates with both local and international bodies (WCO, WTO, UNODC etc.) in providing latest up-to-date training for the employees
- Formulation and deliverance of specific training programs to meet the Departmental aspirations
- Develop professional and prominent Customs officials through excellence of training
- Provide the innovative and effective learning environments
- Enhance the level of practicing of service ethics by Customs Officers
- Catering international requirement in human resources management.
- Assessing the training needs of the Department by prioritizing the training requirement.
- Formulating and implementing the Annual training plan and curriculums
- Conducting of training programmes, seminars& workshops.
- Monitoring and evaluation of training programmes
- Provision of necessary training for outside organizations such a Military, Police, Government & Private organizations, Universities, etc. when requested.
- Conducting a certificate programme for Customs House Agents
- Provisioning of resource persons from Customs to facilitate training requirements of stakeholder on Customs matters.
- Providing Library facilities for the customs staff.

The Carder of HRD

In the view of achieving departmental training goals, the following carder (Table 01) has already been approved by the management authorities.

But currently we are running on a much less carder (Table 01), yet performs all the duties in a timely manner with grate effort, to meet the departmental training needs.

Table 01: Approved Carder Vs Current Carder

Grade	Approved Carder	Available at present
DC	01	01
SDDC	02	01
DDC	03	01
DSC	08	00
ASC	08	05
IC	N/A	02
MSO	03	03
Total	25	13

Achievements of the Directorate in the year 2022:

Local Training Program (for Customs Staff)

In accordance with the Action Plan 2022 and, other programs which were directed by DGC/ HR committee, HRD has successfully conducted a total of 58 Local Training Programs (both in-house & External), for Customs staff members during the year of 2022, and the following table (Table 02) illustrated the number of officials (Grade-Wise) participated in such trainings.

Table 02: Participation of the Customs Staff members for Local training programs (In house & External)

Grade	Participation (In house & External)
ADGC	01
DC	01
DDC	61
SC	127
DSC	46
ASC	448
MSO	119
IC	24
CG	10
KKS	17
Others	00

Other Local Training Programs - For outside stakeholders

According to the requests made by outside stakeholders, and with the approval of the HR committee, the HRD has coordinated and conducted many training programs during the year 2022, for various organizations such as Military, Police, Government & Private organizations, Universities etc.

As per the nature of such requests, some programs were conducted inhouse and in other instances, suitable resource persons from the department, were outsourced to conduct trainings.

Foreign Training Programs

The HRD has successfully coordinated a total of 163 foreign training programs during the year 2022.

Table 03 illustrates the participation of customs officials (grade-wise) for foreign training programs while **Table 04** shows the types of training conducted within the year.

Table 03: Participation for Foreign Seminars/ Conference/ Training Programs(Grade wise)

Grade	Participation
DGC	07
ADGC	23
DCC	32
DDCC	38
SCC	103
DSCC	15
ASCC	155
Others	38

Table 04: Types of Foreign Training Programs held in year 2022

Foreign Programmes	Total: 163
Programmes – Foreign	
Seminars	- 02
Workshops	- 19
Programmes	- 03
Training Course	- 11
Meetings	- 29
Post Degree Programmes	- 01
Conference	- 04
Others	- 94

Customs House Agent Training & Examination.

The certificated course for Customs House Agents/ Wharf Assistants, is one of the most well-known training programs conducted by HRD. This training course provides the overall knowledge in Customs Clearing process, Import/ Exports procedures, Customs ordinance & related laws, Classification of Goods, Valuation techniques, SLPA procedures, ASYCUDA system, Environmental and social protection conventions Etc. all these lectures are conducted by experienced customs officials and for some course modules, we invite resource persons from outside organizations.

This training program has a high demand due to, that this program laid the foundation of making a licensed CHA holder. In order to obtain a CHA licence, It is a must to follow this program and pass the written examination conducted at the end of the course. These CHA Licence holders plays a vital role in the country's import/export trade.

Apart from becoming Licenced CHA/WA, many candidates are applying for this course due to the high recognition of the certificate awarded at the end of this exam. This certificated awarded by HRD is recognized both locally & internationally.

The table below illustrates the details of Group 01 -CHA/WA examination held in year 2022

Table 05: Summery of CHA/WA Certificate Course Examination Group 01 -2022

Examination	Participants	Passes	Percentage
2022 Group 01	284	252	88.73%

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 facilities are available for all the staff of the department and even non-members can use the library. Addition to the books, various magazines and newspapers are also available, library Collects and secure the department Orders, reports made by the department for future reference.

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

- (a) Tailor made library software to be introduced (with a Barcode system)
- (b) Internet facilities to be provided with sophisticated more computers

Other services provided by HRD

Reimbursing course fees of master's degree programs

Obtaining a master's degree qualification is very important for customs officials in their future promotions. HRD provides the service of reimbursement of course fees incurred by customs officials for their master's degree programs.

This service will not only encourage the customs officials to engage in their higher studies to achieve master's qualifications, but in the long run Customs will stand as the department with the highest educationally qualified staff in the entire state sector.

Thesis Presentation

Customs officials who joined the service before year 2006, are given the opportunity to submit a thesis instead of a Master's degree qualification for obtaining their promotions according the SOR. HRD organises such thesis presentation sessions, and they are evaluated by the thesis evaluation committee which comprised of high-ranking customs officials. DC (HRD) holds the responsibility of coordinating such presentation sessions.

Challenges faced by HDR at the Present & Suggestions

Currently HRD is running on skeleton crew which is much less than the original approved carder (Reference: Table 01). Therefore, It has become a major problem since the current HRD staff must handle huge load of work to fulfill the duties to meet departmental goals in a timely manner.

Since HRD holds the utmost responsibility of capacity development of the entire Customs department, we are desperately in-need of an adequate staff to cater the growing training needs of the department. Therefore, the customs Administration must take necessary steps to fulfill the much-needed staff requirements in line with the approved carder.

8.4.3 EMPLOYEE SERVICES DIRECTORATE

Objectives

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

Major Functions

I. Disciplinary Management:

Conduct preliminary investigations and Disciplinary inquiries if charges are available against the officers concerned and implement of Code of Ethics incorporating the disciplinary procedure of the Customs. Monitor that employees follow the Code of Ethics and make the implementation of the Code of Ethics effectively by using the disciplinary procedure as far as possible against those who breach the Code of Ethics.

II. Answering Government Audit queries:

Coordinate with all the directorates and reply to the queries raised by the Auditor General

III. 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 negotiations for settlement.

IV. Welfare management:

Identify welfare amenities currently being provided and their current standards to take steps to render a quality welfare service.

Performance of the Directorate for the year 2022

- **Disciplinary Management**

Preliminary Investigations

No. of Preliminary Investigations held in 2022	No. of Preliminary Investigations completed	No. of Preliminary Investigations pending
13	01	12

Formal Disciplinary Inquiries

No. of Formal Disciplinary Inquiries held	No. of Formal Disciplinary Inquires completed	No. of Disciplinary Inquiries remaining
04	02	02

- **Answering audit queries**

Audit queries

Number of Audit Queries received	Number of Audit Queries answered	Number of Audit Queries pending
30	28	2

COPA meetings

Two COPA sub-committee meetings were held in 2022 and actions are being taken on the matters that arose from the minute of the sub-committee meeting.

- **Welfare**

With respect to the services provided by the canteen, a meeting was held by the committee and the management of the canteen was instructed about expanding the services provided by the canteen and to ensure of providing quality services.

- **Strengthen the Employee Service Directorate**

Trainings

Two training programs were offered for the staff members facilitating better learning opportunities for staff.

Strengthen the staff

A proposal has been submitted to the senior management of Sri Lanka Customs in order to expand the cadre number of the directorate facilitating efficient and effective service delivery.

Speed up the process of preliminary investigations

It is required to ensure that the preliminary investigations are being finalized without unnecessary delays. Therefore, follow-up actions are being taken to ensure that such investigations are finalized on required time period.

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

- 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.
- Procurement of goods and services in a transparent manner, adhering to treasury circulars and the National procurement guidelines.
- 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.
- Assets Management to all movable and immovable assets of the Department.
- 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.
- Ensuring the appropriate steps in maintaining the motor fleets of the Department with optimum running condition.

Performance during the year 2022 is mentioned in Section 3.8 and Chapter 7

8.5 REGIONAL CLUSTER

8.5.1 Passenger Services (Katunayake) Directorate

8.5.2 Passenger Services (Colombo) Directorate

8.5.3 Revenue & Services (Katunayake) Directorate

8.5.4 Revenue & Services (Provincial) Directorate

8.5.1 PASSENGER SERVICES (KATUNAYAKE) DIRECTORATE

Sri Lanka Customs is one of the border control agencies at all International Airports in the country performing duties and functions at the border of the country, controlling and regulating incoming and outgoing passengers and their belongings. Customs has to play a dual role of facilitating passengers' movements through Customs and enforcing the Customs Law and other related Laws to prevent smuggling.

Airport Directorate falls under the purview of Additional Director General of Customs (Regional) and responsible for ensuring effective control of passengers and their baggage both inward and outward at the airports of the country.

Ensuring proper functioning of the day-to-day activities at the Airport is the responsibility of the Superintendents of Customs under the supervision of the Director and Deputy Directors attached to the Airport. During holidays, weekends and after office hours administrative matters are attended by the Superintendents of Customs under the supervision of the Deputy Directors who are rostered for at duty the Airport.

Among other objectives following are mainly focused by the Airport Directorate:

- Facilitation of passenger processing and baggage clearance, both inward and outward.
- Safeguarding revenue, prevention of importation and exportation of restricted and prohibited goods.
- Prevention and detection of smuggling goods and combating against drug trafficking.
- Safeguarding socio-economic, cultural and ecological interests of the society

In the performance of its function's officers derive the required authority from the provisions of the Customs Ordinance (Chapter 235) other related Laws and regulations framed there under.

- Facilitating the movements of inward and outward 'bona-fide' passengers and their baggage.
- Facilitating the movement of transit passengers and their baggage.
- Facilitating of movements of VVIP, VIP, Silk Route and CIP passengers.
- The processing of crew and aircrafts arriving into and departing from Sri Lanka.
- Issuing of clearance to the outgoing air crafts.
- Examination of accompanied baggage if required.
- Granting duty free baggage allowance on passenger baggage.
- Collecting of duty and other levies from the baggage containing goods in commercial quantity and commercial nature.
- Releasing of goods on ATA Carnet, guarantees and special deposits, etc. and taking necessary follow up actions.
- Processing of inward and outward gem parcels.
- Online submission of foreign currency declarations made by inward and outward passengers, and issuance of official receipt
- Endorsing remaining baggage allowance on Power of Attorney enabling authorized persons to clear unaccompanied baggage after the departure of the passenger.
- Clearance of mishandled baggage.
- Clearance of diplomatic baggage.
- Conducting an examination of person if required.
- Preventing of importation and exportation of restricted and prohibited goods.
- Conducting investigations and inquiries in case of detection of Customs offences.
- Producing suspects to Courts, and taking appropriate actions to recover penalties and further forfeitures through Court proceedings if necessary.
- Facilitating the disposal of unclaimed goods under Customs supervision.
- Supervise the destruction of goods detained by Agriculture Department at BIA under Customs supervision.
- Securing and disposal of forfeited or detained goods.
- Disposing of forfeited items, accounting of penalties and further forfeitures in terms of the provisions in Customs Ordinance (Chapter 235).
- Facilitating for Tourists VAT Refund Scheme (TVRS) by making endorsements on TVRS invoices in this regard.
- Maintaining good coordination with other agencies functioning in the Airport.

Performance

REVENUE	Amount (Rs.)
CID-DUTY	23,714,908
VAT	159,732,568
PAL	70,650,933
IMPORT CESS	177,446,655
PENALTY	167,268,509
SURCHARGE	2,675,688
SSL	14,130,813
OTHER CHARGES	Amount (Rs.)
SR CHARGES	1,542,840
OVERTIME CHARGES	8,864,300
DFSC CUSTOMS CHARGES	415,200
COMPUTER CHARGES	4,106,000

NO. OF CASE DETECTED	169
VALUE OF GOODS FORFEITED (Rs.)	2,048,487,834
VALUE OF CURRENCY FORFEITED (Rs.)	228,996,874
VALUE OF GEM FORFEITED (Rs.)	182,500
VALUE OF GOLD FORFEITED (Rs.)	1,813,161,809
VALUE OF SILVER FORFEITED (Rs.)	480,000
VALUE OF TOBACCO PRODUCT FORFEITED	Not Valued
QUANTITY OF DRUGS DETECTED (g)	3,389
NO OF INQUIRIES HELD	133
NO OF RESTRICTED ITEMS DETAINED	
Cosmetics (Nos.)	3,389
Insecticides (Kg)	710
Fertilizer (Kg)	145
Ginger (Kg)	258
Cardamom (Kg)	2,564
Turmeric (Kg)	2,409
Cashew Nuts (Kg)	626
Mobile Phones (Nos.)	4,031
NO. OF CIGARETTE STICKS FORFEITED	1,419,335

8.5.2 PASSENGER SERVICES (COLOMBO)DIRECTORATE

Objectives

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

Major Functions

- Facilitation of passenger and baggage clearance, both inwards and outwards.
- 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.

List of UPB Warehouses

- Baggage Office-Sales (BO Sales)
- Baggage Office -Rank Container Terminal (BO RCT)
- Baggage Office-New Nuge Road (BO NNR)
- LAKSIRISEVA- Colombo
- LAKSIRISEVA-Ninthavur
- TRANSCO- Wattala
- MIDCO
- TRICO- Colombo
- TRICO- Kurunegala
- TRICO- Galle
- Ceylon Shipping Lines- Colombo (CSL Colombo)
- Serendib
- Ceylon Shipping Lines – Kandy (CSL Kandy)

Recoveries of UPB Warehouses (Rs)

BO Sales *	
No. of Declarations	N/A
No. of packages	N/A
CID	41,816,564.00
SUR	617,857.00
PAL	24,516,589.00
CESS	6,677,108.19
VAT	38,871,177.66
Excise Duty	11,886,552.00
SSL	-
SRC	4,995,752.00
SEL	178,120.00
Overtime	-
PTY	744,303.00
SCL	173,080.00
Other Charges	-
Total Recoveries	130,477,102.85

BO RCT	
No. of Declarations	N/A
No. of packages	N/A
CID	16,077,139.00
SUR	2,296,844.00
PAL	8,611,749.00
CESS	6,091,638.00
VAT	12,574,258.00
Excise Duty	3,682,753.00
SSL	178,268.00
SRC	-
SEL	-
Overtime	-
PTY	513,372.00
SCL	-
Other Charges	-
Total Recoveries	50,026,021.00

* Sales proceedings are recovered at Central Disposal Directorate

Baggage office NNR	
No. of Declarations	10,331
No. of packages	31,542
CID	10,656,912.00
SUR	1,817,700.00
PAL	9,668,708.00
CESS	17,316,459.00
VAT	12,049,827.00
Excise Duty	741,087.00
SSL	1,097,557.00
SRC	246,570.00
SEL	4,200.00
Overtime	-
PTY	4,541,660.00
SCL	-
Other Charges	184,289.00
Total Recoveries	58,324,969.00

LAKSIRISEVA Colombo	
No. of Declarations	21,828
No. of packages	59,015
CID	9,142,435.00
SUR	2,014,250.00
PAL	12,908,766.00
CESS	31,844,179.00
VAT	14,982,562.00
Excise Duty	683,333.00
SSL	1,430,104.00
SRC	226,750.00
SEL	212,500.00
Overtime	7,686,838.00
PTY	4,327,905.00
SCL	937,790.00
Other Charges	24,750.00
Total Recoveries	86,422,162.00

LAKSIRISEVA -Ninthavur	
No. of Declarations	4,762
No. of packages	9,857
CID	1,023,155.00
SUR	110,601.00
PAL	1,377,063.00
CESS	4,553,265.00
VAT	1,650,188.00
Excise Duty	87,063.00
SSL	100,585.00
SRC	13,500.00
SEL	-
Overtime	-
PTY	863,355.00
SCL	1000.00
Other Charges	-
Total Recoveries	9,779,775.00

TRANSCO- Wattala	
No. of Declarations	29,551
No. of packages	75,354
CID	2,861,919.00
SUR	691,563.00
PAL	9,117,083.00
CESS	27,466,737.00
VAT	5,165,918.00
Excise Duty	629,008.00
SSL	1,047,464.00
SRC	30,000.00
SEL	189,500.00
Overtime	4,630,498.00
PTY	2,385,810.00
SCL	-
Other Charges	-
Total Recoveries	54,215,500.00

MIDCO	
No. of Declarations	18,389
No. of packages	89,735
CID	6,605,082.00
SUR	2,135,559.00
PAL	11,407,830.00
CESS	28,148,034.00
VAT	13,992,110.00
Excise Duty	790,742.00
SSL	1,144,177.00
SRC	248,300.00
SEL	147,000.00
Overtime	5,459,490.00
PTY	4,260,116.00
SCL	175,400.00
Other Charges	-
Total Recoveries	74,513,840.00

TRICO Colombo	
No. of Declarations	43,386
No. of packages	91,752
CID	15,468,938.00
SUR	5,710,405.00
PAL	18,160,061.00
CESS	37,515,818.00
VAT	19,644,866.00
Excise Duty	2,029,706.00
SSL	2,240,207.00
SRC	328,458.00
SEL	322,000.00
Overtime	6,902,176.00
PTY	10,611,880.00
SCL	-
Other Charges	-
Total Recoveries	118,934,515.00

TRICO Kurunegala	
No. of Declarations	20,666
No. of packages	38,343
CID	4,138,695.00
SUR	968,281.00
PAL	5,889,599.00
CESS	16,358,593.00
VAT	7,237,118.00
Excise Duty	608,613.00
SSL	461,815.00
SRC	64,400.00
SEL	144,500.00
Overtime	-
PTY	1,536,980.00
SCL	102,800.00
Other Charges	9,324.00
Total Recoveries	37,520,718.00

TRICO Galle	
No. of Declarations	8,600
No. of packages	20,374
CID	1,091,186.00
SUR	427,447.00
PAL	2,241,053.00
CESS	4,345,896.00
VAT	1,435,406.00
Excise Duty	74,276.00
SSL	146,126.00
SRC	43,655.00
SEL	-
Overtime	9,195,030.00
PTY	413,400.00
SCL	281,321.00
Other Charges	-
Total Recoveries	19,694,796.00

CSL Colombo	
No. of Declarations	40,217
No. of packages	110,818
CID	10,649,195.00
SUR	3,691,229.00
PAL	19,119,032.00
CESS	43,727,424.00
VAT	19,008,655.00
Excise Duty	938,283.00
SSL	2,862,724.00
SRC	884,663.00
SEL	237,050.00
Overtime	7,181,925.00
PTY	3,546,944.00
SCL	4,340.00
Other Charges	16,575,833.00
Total Recoveries	128,427,297.00

Serendib	
No. of Declarations	11,206
No. of packages	31,750
CID	2,019,181.00
SUR	465,803.00
PAL	5,454,940.00
CESS	14,546,820.00
VAT	5,114,177.00
Excise Duty	784,347.00
SSL	311,787.00
SRC	26,000.00
SEL	-
Overtime	3,335,061.00
PTY	688,210.00
SCL	-
Other Charges	-
Total Recoveries	32,746,326.00

CSL Kandy	
No. of Declarations	12,574
No. of packages	30,838
CID	2,285,344.00
SUR	494,751.00
PAL	4,663,109.00
CESS	12,701,385.00
VAT	4,311,705.00
Excise Duty	158,365.00
SSL	446,086.00
SRC	329,150.00
SEL	46,900.00
Overtime	7,400,344.00
PTY	317,400.00
SCL	-
Other Charges	-
Total Recoveries	33,154,539.00

Total Recoveries of Passenger Service (Colombo) Directorate

BO Sales	130,477,102.85
BO RCT	50,026,021.00
BO NNR	58,324,969.00
LAKSIRISEVA Colombo	86,422,162.00
LAKSIRISEVA Ninthavur	9,779,775.00
TRANSCO Wattala	54,215,500.00
MIDCO	74,513,840.00
TRICO Colombo	118,934,515.00
TRICO Kurunegala	37,520,718.00
TRICO Galle	19,694,796.00
CSL Colombo	128,427,297.00
Serendib	32,746,326.00
CSL Kandy	33,154,539.00
Total Recoveries	834,237,560.85

8.5.3 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

- Assessing and collecting Custom Duty, Cess and other charges on goods imported by air.
- Processing of goods declarations and permit clearance.
- Grant approvals for clearance of goods imported under various export-oriented facilitation schemes operated under Industries and Services Directorate.
- Grant approvals for clearance of goods import cargo consigned to enterprises registered under Board of Investment Sri Lanka.
- Effect round the clock speedy clearance of urgent air cargo imported by air including perishable, Courier Cargo, Diplomatic Cargo and mails etc.
- Facilitate transfer of unaccompanied passenger baggage of returning passengers to various unaccompanied passenger baggage warehouses.
- 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	Colombo Cargo	Total
1	Customs Imports duty	CID	1,559,299,386.00	288,234,549.00	131,670,046.00	1,979,203,981.00
2	Value Added Tax	VAT	4,856,522,440.00	856,401,301.00	411,714,498.00	6,124,638,239.00
3	Ports & Air port development Levy	PAL	6,382,673,692.00	710,695,992.00	359,406,336.00	7,452,776,020.00
4	Social Responsibility Levy	SRL	-	-	-	-
5	Special commodity Levy	SCL	240,565,313.00	1,730,540.00	69,758.00	242,365,611.00
6	Social Security Contribution Levy	SSL	763,130,424.00	12,642,436.00	-	775,772,860.00
7	Consolidated Levy	CON	6,599,400.00	-	-	6,599,400.00
8	Customs Imports Surcharge	SUR	105,854,055.00	-	1.00	105,854,056.00
9	Excise Duty	XDO	3,391,923.00	24,919.00	26,137.00	3,442,979.00
10	Economic Service Charge	ESC	-	7,842,152.00	-	7,842,152.00
11	Nation Building Tax	NBT	31,797.00	-	-	31,797.00
12	Import Cess (EDB)	EIC	1,188,467,855.00	224,549,592.00	96,889,467.00	1,509,906,914.00
13	Computer fees	COM	6,960,050.00	5,669,750.00	574,000.00	13,203,800.00
14	Examination fees	EXM	8,290,530.00	6,321,200.00	3,298,800.00	17,910,530.00
15	Over Payment	OVP	334,691.00	34.00	-	334,725.00
16	Overtime Charges	OTC				

			53,219,987.00	10,663,200.00	492,601.00	64,375,788.00
17	Seal Chargers	SEL	476,750.00	-	-	476,750.00
18	Penalty	PTY	67,141,850.00	31,090,000.00	7,124,209.00	105,356,059.00
19	Verification fees	VCS	-	8,072,100.00	957,565.76	9,029,665.76
20	Miscellaneous	MISC	11,022,410.00	-	-	11,022,410.00
21	Special Deposit	SPD	-	-	-	-
22	Vehicle Entitlement Levy	VEL	2,000.00	-	-	2,000.00
23	Other (E-Over payments)	EOP	-	-	385.00	385.00
24	Other(Ammendment Charges)	AMD	-	159,504.00	-	159,504.00
	Total (Rs)		15,253,984,553.00	2,164,097,269.00	1,012,223,803.76	18,430,305,625.76

25	No of Cusdecs Received	-	20,285	11,127	31,412
26	No of Cusdecs passed at Bonding , Infac & TIEP	2,560	1,727	391	4,678
27	No of Cusdecs Passed at BOI	58,337	29,202	8,814	96,353
28	No. of Entreport registered	37	-	-	37
30	No Of S.R.Applications (DRA)	1	-	-	1
31	No of Cusdecs Passed under Provisional	943	-	-	943
32	No. Cussdec Passed under excemptions /19 A	88	-	-	88
33	No of Applications Passed under Transshipments	6,077	-	408	6,485
34	No of Dip/DPL Cargo Consignments	411	-	-	411
35	No of Cusdec Pass Under Corporate /G	41	-	-	41
36	No of Cusdecs Passed under Carnet	56	-	-	56
37	No of Cusdecs Passed under B.G(ACT/DHL/CC)	74	-	-	74
38	No of Cusdecs Passed under ISAF TA/SAFTA	38	-	-	38
14	No of Cusdecs Passed under P.G(ACT/DHL/CC)	24	1,764	-	1,788
15	Gem Register	690	-	-	690
16	TOTAL	69,377	52,978	20,740	143,095
17	No of Pkgs delivered	-	-	-	-
18	Other	-	-	-	-

8.5.4 REVENUE & SERVICES (PROVINCIAL) DIRECTORATE

Branches and Offices

1. Mattala International Airport
2. Jaffna International Airport
3. TRICO UPB Warehouse – Galle
4. CSL UPB Warehouse – Kandy
5. TRICO UPB Warehouse – Kurunegala
6. Postal Appraisal Office –Jaffna
7. Postal Appraisal Office –Trinco
8. Postal Appraisal Office –Kandy
9. Postal Appraisal Office –Galle
10. Sub Preventive Office – Jaffna
11. Sub Preventive Office – Trinco
12. Sub Preventive Office – Galle
13. Hambanthota Port

1. Mattala International Airport

Division : MRIA, Mattala, Hambantota

Main Function : Passenger & Passenger Baggage Clearing

1. Revenue Collection:

1.1. Duty and other levies: (In Rs.)

Duty	VAT	PAL	Excise	Im. Cess	Penalty	Com Fee	NBT
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

1.2. Other charges

i. SR Charges	: 450
ii. Overtime (Collected by Shroff)	: 203,700
iii. Overtime Charges (Collected at Finance Directorate)	: 245,700
iv. DFS Customs Charge	: Nil
v. Computer Fees (Issuing copy doc./other)	: Nil
Total	: 449,850

2. Services provided (At Arrival Terminal)

2.1. No. of flights arrived	: 124
2.2. No. of passengers arrived with Crew	: 6520
2.3. No. of mishandled baggage cleared	: 1

3. Services provided (At Departure Terminal)

3.1. No. of flights departed	: 121
3.2. No. of passengers departed with Crew	: 6285

4. Staff Positions

	From January to November	December
DDC	1	1
SC	2	2
ACO	5	4
WACO	4	4
IC	9	8
MSO	1	1
MSO (Shroff)	1	1
Driver	2	2
KKS	3	3
CG	4	4
TOTAL	32	30

2. Jaffna International Airport

Division : JIA, Jaffna

Main Function : Passenger & Passenger Baggage Clearing

1. Revenue Collection:**1.1. Duty and other levies: (in Rupees)**

Duty	VAT	PAL	Excise	Im. Cess	Penalty	Com Fee	NBT	Total
-	33,865.00	3,750.00	5,939.00	24,746.00	36,000.00	-	-	104,300.00

1.2. Other charges

i. SR Charges	: Nil
ii. Overtime (Collected by Shroff)	: 9,000
iii. DFS Customs Charge	: Nil
iv. Computer Fees (Issuing copy doc./other)	: 1,500
v. Examination Fees	: 12,300
Total	: 12,300

2. Services provided (At Arrival Terminal)

2.1. No. of flights arrived	: 12
2.2. No. of passengers arrived	: 243
2.3. No. of passengers cleared through Red Channel	: 8
2.3.1. After payment of duty & O/L	: 6
2.3.2. Under Duty Free Allowance	: 2
2.4. No. of mishandled baggage cleared	: 1

3. Services provided (At Departure Terminal)

3.1. No. of flights departed	: 12
3.2. No. of passengers departed with Crew	: 252

4. Staff Positions

	Day	Night
DDC	1	1
SC	2	2
ACO	4	4
ASC	Nil	Nil
IC	4	4
PMA	1	1
KKS	1	1
Driver	1	1
Shroff	1	1
TOTAL	<u>15</u>	<u>15</u>

3. TRICO UPB Warehouse – Galle

a. Number of Clearances

#	Description	Units
1	Number of declarations	8,600
2	Number of packages	20,374

b. Revenue Collected

#	Type	Rs.
1	CID	1,091,186.00
2	SUR	427,447.00
3	PAL	2,241,053.00
4	EIC	4,345,896.00
5	VAT	1,435,406.00
6	XID	74,276.00
7	SSL	146,126.00
8	SCL	281,321.00
9	SRC	43,655.00
10	SEL	0.00
11	OTC	9,195,030.00
12	PTY	413,400.00
Total Recoveries		19,694,796.00

4. CSL UPB Warehouse – Kandy

a. Number of Clearances

#	Description	Units
1	Number of Declarations	12,574
2	Number of Packages	30,838

b. Revenue Collected

#	Type	Rs.
1	CID	2,285,344
2	SUR	494,751
3	PAL	4,663,109
4	EIC	12,701,385
5	VAT	4,311,705
6	XID	158,365
7	SSL	446,086
8	SRC	329,150
9	SEL (Seal Chargers)	46,900
10	OTC	7,400,344
11	PTY	317,400
	Total Recoveries (Rs.)	33,154,539

5. TRICO UPB Warehouse – Kurunegala

a. Number of Clearances

	U.P.B	GIFT	TOTAL
Number of Declarations	14,297	6,369	20,666
Number of packages	27,796	10,549	38,345
Number of cases detected:	-	-	-
No of cases forfeited	27	1	28
No of cases detained	7	-	7
Air Freights (Kg)	1,814.19	1,750.60	3,564.79
Sea Freights (M ³)	25,507.19	5,703.08	31,210.27

b. Revenue Collected (Rs.)

	UPB	GIFT	TOTAL
1 Customs duty	925,235.00	3,212,460.00	4,137,695.00
2 PAL	499,139.00	5,390,460.00	5,889,599.00
3 Cess	1,142,967.00	15,215,626.00	16,358,593.00
4 Excise Duty	103,680.00	504,933.00	608,613.00
5 VAT	980,312.00	6,256,806.00	7,237,118.00
6 NBT	-	5,324.00	5,324.00
7 Customs seal	-	144,500.00	144,500.00
8 VEL	4,000.00	-	4,000.00
9 S.R. charges	5,650.00	58,750.00	64,400.00
10 Penalty & Further Forfeitures	64,980.00	1,472,000.00	1,536,980.00
12 S.S.L	46,181.00	415,634.00	461,815.00
13 Surcharge	249,550.00	718,404.00	967,954.00
14 SCL	101,800.00	1,000.00	102,800.00
Grand Total	4,123,494.00	33,397,224.00	37,520,718.00

Warehouse OT charges : Rs. 9,057,360
 No. of Containers Unloaded : 476

6. Postal Appraisal Office –Jaffna

a. Number of Clearances

	POD	Pkts	Value
Normal	5,229	5,337	61,329,123
Line	1,620	1,658	9,383,350
Total	6,849	6,995	70,712,473

b. Revenue Collected

	Normal (Rs.)	Line (Rs.)	Total (Rs.)
CID	740,327.00	171,349.00	911,676
PAL	3,075,781.00	372,766.00	3,448,547
EIC	5,309,072.00	1,524,909.00	6,833,981
Surcharge	129,446.00	38,161.00	167,607
XID	2,826.00	-	2,826
NBT	600.00	-	600
VAT	2,610,676.00	693,386.00	3,304,063
SSCL	427,823.00	78,728.00	506,551
SR CHARGES	198,850.00	-	198,850
PENALTIES	1,122,543.00	-	1,122,543
Total	13,617,947.00	2,879,300.00	16,497,247.00

7. Postal Appraisal Office –Trinco

a. Revenue Collected

Description	Rs.
Customs Duty (CID)	135,410.00
Value Added Tax (VAT)	298,581.00
Port and Airport Development Levy (PAL)	1,918,664.00
Excise (Special Provision) Duty (EXD)	-
Nation Building Tax (NBT)/ Surcharge	48,947.00
EDB Cess (EIC)	3,050,685.50
Special Commodity Levy (SCL)	13,423.00
Total Duties and Levies	5,719,613.50
Total Value (CIF)	30,480,400.00
Other Recoveries	-
Overtime Charges	-
Computer Fees	-
Examination Fees	-
SR Charges	33,575.00
Photocopy Charges	-
Special Deposits	-
Other Charges / SSCL	100,742.00
Grand Total	5,853,930.50

8. Postal Appraisal Office –Kandy**a. Number of Clearances**

	Examined and Released	Line Parcels
No. of Pkgs.	6083	418
No. of PODs.	5675	412

b. Revenue Collected

Description	Normal (Rs.)	Line (Rs.)
CID	494,837.00	11,461.00
PAL	2,961,488.00	158,185.00
CESS	3,292,560.00	296,510.00
VAT	1,067,624.00	57,762.00
XID	1,550.00	-
S/R	18,100.00	-
PENALTY/COM	282,440.00	3,000.00
SUR	30,381.00	3,458.00
SSCL	168,449.00	10,342.00
Total	8,317,429.00	540,718.00
Grand Total	8,858,147.00	

9. Postal Appraisal Office –Galle**a. Number of Clearances**

	Line Parcels
No. of Pkgs.	5084
No. of PODs.	4797

a. Revenue Collected (Rs.)

Description	Amount
CID	268,816.00
PAL	1,722,185.00
CESS	1,505,995.00
VAT	639,879.00
XID	15,982.00
S/R	41,856.00
PENALTY/COM	95,243.00
SUR	59,473.00
SSCL	177,532.00
Total	4,526,961.00

10. Sub Preventive Office – Jaffna

01. DETECTIONS

1.1 NEW CASES

1.1.1	Cases initiated / detected by the staff	: Nil
1.1.2	Cases produced by other agencies	: 06
1.1.3	Total No. of Cases Registered (New Cases + Previous Cases)	: 06
1.1.4	No of Case finalized	
	1.1.4.1 Cases finalized successfully	
	1.1.4.1.1 Cases finalized with penalties/ forfeitures/ AE	: 03
	1.1.4.1.2 Cases finalized with A/E only (by Valuation)	: Nil
	1.1.4.1.3 Cases finalized with A/E only (by Preventive)	: Nil
	(A)Total no of Cases finalized (sum 1.1.4.1.1 to 1.1.4.1.3)	: 03
	1.1.5 Cases Pending finalization	
	1.1.5.1 Cases where customs inquiry not finalized	: 02
	1.1.5.2 Cases where investigation not finalized	: Nil
	1.1.5.3 Cases where appeals are pending for mitigation	: 01
	1.1.5.4 Cases where notices of action are submitted	: Nil
	(B) Total No. of Cases pending finalization (sum 1.1.5.1 to 1.1.5.4)	: 03

1.2 PREVIOUS CASES

1.2.1	Cases pending finalization at the beginning of the year	: 03
1.2.2	Cases finalized during the year	
	1.2.2.1 Cases finalized successfully	
	1.2.2.1.1 Cases finalized with penalties / forfeitures / AE	: 03
	1.2.2.1.2 Cases finalized with AE only (by valuation)	: Nil
	1.2.2.1.3 Cases finalized with AE only (by preventive)	: Nil
	1.2.2.2 Court cases finalized	: Nil
	(C) Total No. of cases finalized during the year (sum 1.2.2.1. to 1.2.2.2)	: 03
1.2.3	Cases pending finalization	
	1.2.3.1 Cases where customs inquiry not finalized	: Nil
	1.2.3.2 Case where investigation not finalized	: Nil
	1.2.3.3 Cases where appeals are pending for mitigation	: 01
	1.2.3.4 Cases where notices of action are submitted	: Nil
	1.2.3.5 Cases where goods to be disposed	: 14
	1.2.3.6 Court Cases Pending	: Nil
	(D) Total no. of Cases pending finalization (sum 1.2.3.1 to 1.2.3.6)	: 15

SUMMARY

Total No. of Cases finalized during the year (A+C)		
Cases finalized with no customs offences		: Nil
Cases handed over to the units /branches		: 06
Total No. of Cases pending finalization at the end of the year (B+D)		: 21
Cases where customs inquiry not finalized		: 02
Cases where investigation not finalized		: Nil
Cases where appeals are pending for mitigation		: 02
Cases where notices of action are submitted		: Nil
Cases where good to be disposed		: 17
Court Cases Pending		: Nil

03 RECOVERIES (Rs.)

3.1 Value of goods forfeited	: 54,311,605.46
3.2 Penalties/ forfeitures to be recovered at the beginning of the year	: Nil
3.3 Penalties/ forfeitures imposed during the year	: 1,720,000.00
3.4 Duty & Other Levies recovered during the year	
3.4.1 Customs Duty	: Nil
3.4.2 Surcharges	: Nil
3.4.3 VAT	: Nil
3.4.4 PAL	: Nil
3.4.5 NBT	: Nil
3.4.6 Ex. Duty	: Nil
3.4.7 Import Cess	: Nil
3.4.8 EDB Cess	: Nil
3.4.9 Excise	: Nil
3.4.10 Consolidated Levy	: Nil
3.4.1 Yacht Charges	: Nil
3.4.2 SR Charges	: Nil
3.4.3 Overtime	: Nil
3.4.4 Computer fees	: Nil
3.4.5 Special Deposits	: Nil
3.4.6 Other recoveries	: 3,450.00
Total	
3.5 Penalties forfeitures recovered during the year	:1,720,000.00
3.6 A/E recovered at the Preventive Division	: Nil
3.7 A/E recovered at the Prevention	: Nil

11. Sub Preventive Office – Trinco

Staff	DDC	SC	DSC	APO	CIC	IC	CG	KKS	Driver
	1	2	0	2	1	9	4	1	2

Operations	
Number of Vessels departed during the year	127
Number of packages in the SR at the beginning of the year	64
Number of packages in the SR at the end of the year	64
Number of Land Patrols	185
Number of Harbour Patrols	151
Number of Import Cusdecs' submitted during the year	118
Number of Export Cusdecs' submitted during the year	407
Revenue collected during the year 2022	
Customs Duty (CID)	342,465.00
Value Added Tax (VAT)	1,760,140.36
Port and Airport Development Levy (PAL)	1,437,469.47
Excise (Special Provision) Duty (EXD)	0.00
Nation Building Tax (NBT)	0.00
Cess	0.00
Special Commodity Levy (SSL)	52,959.00
Tide Waiter Charges	750.00

Other recoveries		
Overtime Charges		13,204,665.00
Pannel Charges		208,000.00
Duty		0.00
Excess		0.00
Photocopy Charges		0.00
Examination Charges		792,774.00
Special Deposits		0.00
Other charges (please specify) Service charges		7,937,577.00
Total (Rs.)		25,736,799.83

12. Sub Preventive Office - Galle

01. DETECTIONS			
1.1	NEW CASES		
1.1.1	Cases initiated/ detected by the staff		1
1.1.2	Cases produced by other agencies		0
1.1.3	Total No. of Cases Registered (New Cases+ Previous Cases)		1
1.1.4	No. of Cases finalized		
	(A)	Total No. of Cases finalized	0
1.1.5	Cases pending finalization		
	(B)	Total No. of Cases pending finalization	1
1.2	PREVIOUS CASES		
1.2.1	Cases pending finalization at the beginning of the year		3
1.2.2	Cases finalized during the year		
	(C)	Total No. of Cases finalized during the year	0
1.2.3	Cases pending finalization		
	1.2.3.5	Cases where goods to be disposed	2
	1.2.3.6	Court Cases Pending	1
	(D)	Total no. of Cases pending finalization	3
02. SUMMARY			
	Total No. of Cases finalized during the year (A + C)		0
	Total No. of Cases pending finalization at the end of the year (B+D)		4
	Cases where goods to be disposed		3
	Court Cases Pending		1
03. RECOVERIES (in rupees)			
3.1	Value of goods forfeited		0
3.2	Penalties/ forfeitures to be recovered at the beginning of the year		0
3.3	Penalties/ forfeitures imposed during the year		0
	Duty & Other Levies recovered during the year 2022		
	3.4.1	Customs Duty	140,798.09
	3.4.2	Surcharges	-
	3.4.3	VAT	300,194.00
	3.4.4	PAL	190,916.75
	3.4.5	SSL	25,751.86
	3.4.6	Ex. Duty	-
	3.4.7	Import Cess	41,829.00
	3.4.8	EDB Cess	-
	3.4.9	Excise	-
	3.4.10	Consolidated Levy	-

	3.4.11	Yacht Charges	326,600.00
	3.4.12	SR Charges	1,767,370.00
	3.4.13	Overtime	7,921,270.00
	3.4.14	Computer fees	-
	3.4.15	Special Deposits	-
	3.4.16	Other recoveries	6,500.00
		Total	10,721,229.70
3.5	Penalties forfeitures recovered during the year		0
3.6	Penalties/ forfeitures to be recovered at the end of the year		0
3.7	A/E recovered at the Valuation Division		0
04. OPERATIONS CONDUCTED			
4.1	No. of harbour patrols		159
4.2	No. of land patrols		155
4.3	No. of ship stores applications registered		496
4.4	No. of vessels boarded		189
4.5	No. of clearances granted to the vessels		193
4.6	No. of ship stores/ ship bond movements approved		1252

13. Hambanthota Port

a. Duties and Taxes

Description	Amount (Rs.)
Customs Duty (CID)	755,180.98
Cess	11,630.00
Port and Airport development Levy (PAL)	1,012,029.99
Value Added Tax (VAT)	1,496,051.21
Nation Building Tax (NBT)	153.00
SSL	1,067.00
Total	3,276,112.18

a. Other Recoveries

Description	Amount (Rs.)
Overtime Charges	8,427,836.00
Computer Fees	2,598,991.00
Panel Charges	-
Examination fees	19,500.00
SR Charges	2,300.00
Special Approval for Ship Repairs at MRMR Port	-
Seal charges	900.00
Other Charges (Please Specify)	-
Penalties	
Discharging and Loading Charges	10,326,910.50
Under Supervision Application Charges	-
TW Charges	15,600.00
Port Clearance Charges	3,000.00
TOTAL	21,395,037.50

8.6 DIRECTORATES DIRECTLY UNDER DIRECTOR GENERAL OF CUSTOMS

8.6.1 SYSTEMS AND PROCEDURES COMPLIANCE AUDIT DIRECTORATE

8.6.2 FINANCE DIRECTORATE

8.6.3 REVENUE TASK FORCE (RTF) DIRECTORATE

8.6.4 APPEALS DIRECTORATE

8.6.5 EXCISE (SPECIAL PROVISIONS) DIVISION

8.6.1 SYSTEM AND PROCEDURES COMPLIANCE AUDIT 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

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

Compliance Report of this Directorate

No	Applicable requirement	Compliance status (complied/Not complied)	Brief explanation for Non compliance	Corrective action proposed to avoid to non – compliance in future
6	Internal audit			
6.1	The original audit plan has been prepared at the beginning of the year after consulting the Auditor General in times of Financial regulation 134 (2) DMA/1-2019	Complied as per the Financial regulation 134(2) DMA/1-2019 internal audit plan has been issued at 2022		
6.2	All the internal audit reports has been replied within a month	17	40	Issue many reminders to get reply immediately
6.3	Copies of the internal audit reports has been submitted to the	Yes		

	management audit department in terms of sub- section 40 (4) of the National Audit Act No. 19 of 2018			
6.4	All the copies of internal audit reports has been submitted to the auditor general in terms of financial regulation 134 (3)	Yes		
7	Audit & 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	Only 3 committees held during the year 2022	Due to health condition and transport problem of the country	Strictly follow the guidelines for 2022 and onwards

8.6.2 FINANCE DIRECTORATE

1. Role of the Finance Management Directorate

Responsible to maintain a sound and transparent financial Management system for the department of Customs to collect and account the government revenue, to provide supportive financial management service to the Sri Lanka customs and maintain the accountability.

Department of Sri Lanka Customs is the main bread winner of the Government that contributes more than 50% 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 meeting the objectives of the department.

- a. Preparing of Annual Budget Estimates for Expenditure and Revenue.
- b. Collecting, Recording and Reporting of Tax Revenue.
- c. Management of the expenditure within the approved Budget Units and take necessary actions for additional provision if required.
- d. Furnish financial information to the Treasury Operation Department, Fiscal Policy Department, the Auditor General and other interested parties as per the time frames given.
- e. Administration of the various types of Funds and Accounts.
 - i. Customs Deposit Accounts,
 - ii. Customs Reward Fund,
 - iii. Customs Overtime, External Examinations Fees and, Information and Communication Fees Fund,
 - iv. Custom Officers Compensation and Management Fund,
 - v. Seized & Forfeited Goods Authorised Advance Account and
 - vi. The Public Officers Advance "B" Account.
- f. Preparation and rendering of the Annual Financial statements for the above accounts according to the Annual Appropriation Act and the National Audit Act.
- g. Giving replies, explanations and observations on Audit queries and reports raised by the Auditor General and Director of Internal Audit.

1.1 Major Functions

Finance Management Directorate is under purview of the Chief Financial Officer (CFO) who is a Special Grade Officer of Sri Lanka Accountants Service. CFO is assigned the responsibility of strategic financial management of the department while the Director of Finance has been entrusted the supervision, coordination and administration of financial management functions of the department. For his assistance four Deputy Directors and one Administrative Officer are being assigned. In addition, supportive staffs (Development officers, Management Services officers and Office Assistants) amounting to 118 are being assigned to the Finance Directorate.

Ensuring the proper functioning of the finance directorate, it has been organized under following sub Divisions.

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

Performance

2.1 Revenue Division

Revenue Division which is coming under the direct supervision of the Deputy Director (Revenue), is responsible for the collection of revenue through 41 collection centers by operating of 17 sub collection Bank Accounts of which linked with two main revenue collection accounts maintained at the Taprobane Branch of the Bank of Ceylon and Duke Street Branch of Peoples Bank. 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.

Major functions of Revenue Division

- Preparation of Annual Revenue Estimate for the department.
- Collection of daily Cash sheets from revenue collection points and reconcile them with PIV'S and Bank statements.
- Collecting arrears of revenue from state agencies.
- Rendering of daily and monthly revenue targets and revenue collection progress to the Treasury (Department of Treasury Operation / Department of Fiscal Policy).
- Rendering of daily and monthly revenue classifications to the Treasury (Department of Treasury Operation /Department of State Accounts/ Department of Fiscal Policy).
- Submission of monthly Summary on revenue collection to the Department of State Accounts.
- Assisting to Prepare Revenue Account which is a part of an Annual Financial Statements of the Department and submit the same to the Auditor General.
- Accounting and transfer of 3% VAT revenue collected to the Account of the Department of Inland Revenue operated by Central Bank of Sri Lanka on monthly basis.
- Make Refund of Revenue under the following three categories.
 - i. As per the provisions in the customs Ordinance Section 18 and 22 submit for Treasury approval for the refund.
 - ii. Submission the application for refund for over payment and excess payments under the F.R. 118.
 - iii. Takes actions to make the refund payment for electronic mode of payment which have being made payment more than one time under the Public Finance Circular 1/2020.

The comparison between the actual revenue collected with the estimated revenue for the financial years 2021 and 2022 are given below.

Comparison of actual revenue collected and annual estimate –(Rs. Mn.)

Revenue Code	Description	2021		2022	
		Budgeted	Actual	Budgeted	Actual
1001.01.00	Import Duty	100,000	64,339	42,000	50,009
1001.02.00	Export Duty	64	47	32	41
1001.04.00	Ports & Airports Dev. Levy	140,000	154,125	177,000	180,595
1001.05.01	Cess Levy - Import	77,000	73,320	66,000	68,075
1001.05.02	Cess Levy - Export	3,000	2,223	2,000	2,242
1001.08.00	Special Commodity Levy	60,000	55,828	35,000	40,194
	Total Customs Tax Revenue	380,064	349,882	322,032	341,156
1002.05.01	Excise Tax - Cigaretts	90,000	88,539	110,000	104,160

1002.05.02	Excise Tax - Liquor				
1002.05.03	Excise Tax - Petroleum	55,000	55,339	55,000	53,074
1002.05.04	Excise Tax - Motor Vehicle	20,000	18,113	18,000	14,504
1002.05.99	Excise Tax - Others	6,000	6,234	6,000	5,598
	Total Excise Tax Revenue	171,000	168,225	189,000	177,336
1002.01.04	Value Added Tax on Imports	125,000	122,751	216,000	171,452
1002.12.03	National Building Tax	20	79	-	61
1003.01.00	Luxury Vehicle Tax	1,000	654	1,000	867
1003.07.10	Vehicle Entitlement Levy	95	76	106	108
1004.04.02	Economic Service Charge (ESC)	20	43	-	28
	Total Tax Revenue	126,135	123,603	217,106	172,516
2003.02.17	Fees on Local Sale on garments	163	145	147	196
2003.03.01	Fine & Forfeits - Customs	1,731	4,091	2,056	4,549
2003.02.99	Sundries	213	253	-	243
2003.99.00	Other Receipts	142	181	-	307
	Total Other Tax Revenue	2,249	4,670	2,203	5,295
	Grand Total Revenue	679,448	646,380	730,341	696,303

2.2 Payments Division

Payments division which is coming under the direct supervision of the Deputy Director (payments), 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 payments of rewards under Customs Reward Fund and Deposit Accounts.

Major functions

- Preparation of Annual Budget Estimate for both Recurrent and Capital Expenditure.
- Determine the limits for the Public Officers Advance Account.
- Administration and Maintenance of the Departmental two official Bank Accounts.
- Control the Annual Expenditure within the Budget limits of Rs.5 Billion
- Certification and making payments for salaries, supplies and services
- Submission of Monthly Accounts to the Treasury through CIGAS
- Preparation of Annual Financial Statements and the Public Officers Advance Account to the Treasury and the Auditor General.
- Timely paying personnel emoluments for more than 2300 employees nearly Rs. 7 Billion including (Salaries, Overtime, Rewards, Panel payments, Pool Payments, Incentives, Travelling etc.) through the SLIP system

Payments made under annual estimates during years 2021 and 2022 as compared with that of the respective Budgets are described below.

Expenditure Management (SLR Mn.)						
Description	2021			2022		
	Budgeted	Actual	% of used	Budgeted	Actual	% of used
Recurrent Expenditure	3,298	2,708	82	3,610	3,185	88
Capital Expenditure	3,322	3,102	93	1,570	1,511	96
Public Officers Advance Account Expenditure	62	36	58	60	41	68

2.3 Salaries and Overtime Division

This Division which is coming under the direct supervision of the Deputy Director (Salaries and Overtime) has been assigned with the responsibilities of paying salaries and overtime for approximately 2300 employees of the department. Therefore, it is a responsibility of them to recover and account of overtime charges from the importers and exporters who obtain the services of the customs after normal office hours to get their import and export activities expedited. The amounts so recovered are credited to the Customs Overtime, Cargo Examinations Fees, and Information and Communication Technology Fund Account and payments are done as per the approved payment schemes.

Major functions

- Payment of monthly salaries for more than 2300 employees of the Department.
- Preparation of Annual Budgets for the Overtime, Cargo Examination Fee and Information and Communication Technology Fund.
- Estimation and collection of overtime revenue from relevant parties (Shipping Agents, Air lines, Warehouses)
- Payment of Overtime to the all staff.
- Review of overtime charges from time to time and make recommendations to amend them
- Preparation of final Accounts for the Customs Overtime, Cargo Examination Fee and Information and Communication Technology Fund.

Accordingly, the overall financial performances of Customs Overtime, Cargo Examination Fee and Information and Communication Technology Fund for the last two years are tabulated below.

(a) Customs Overtime Fund

Description	Rs (Mn)	
	2021	2022
Receipt of Overtime Income	871.90	844.54
Contributed to Government	86.89	84.64
Overtime Expenditure	949.79	941.21
Surplus/ (Deficit)	(164.77)	(181.31)
Accumulated Fund	1,959.09	1,777.77

(b) Cargo Examination and ICT Funds

Description	Rs(Mn)			
	Cargo Examination Fees Fund		Information and Communication Fund	
	2021	2022	2021	2022
Income	253.38	228.16	14.980	14.98
Payments	94.72	142.71	11.981	11.98

Contributed to Government	94.67	129.94	2.999	2.99
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(C) Details of paying salaries are as follows;

Year	No. employees	Gross Salary Paid (Rs Mn.)
2021	2,344	1,483.89
2022	2,271	1,600.91

2.4 Fund Management Division

This division which is coming under the direct supervision of the Deputy Director (Fund Management) is responsible for the receiving, recording and accounting of all receipts received for the following accounts. 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 other Pool Funds in terms of the schemes approved under Section 152 of the Customs Ordinance.

Major functions

- Preparation of Budgets for Customs Reward Fund and Customs Officers Compensation and Management Fund and get the approval of the Minister of Finance.
 - Determine the limits of the Authorized Advance Accounts. (ARABA Account)
 - Maintaining the Deposit Ledgers for Temporary Retention deposit account for statutory payments, Tender deposits and Other Miscellaneous deposits and recording, for all receipts received by way of Deposits through Banks and Shroffs.
 - Preparation and Submission of Daily Cash sheets for shroff counters to the revenue division for accounting and reporting.
 - Transfer of receipts by way of transfer order to the Reward fund, Com Fund, Consolidated Fund and other funds from the temporary retention deposit account at the time of paying rewards.
 - Verification of sales and penalties recorded when processing the payment of reward files.
 - Preparation of requisitions to pay panels, pool and examination fees to the customs officers.
 - Preparation of Final Accounts or annual reconciliation statements for Customs Reward Fund, Customs officers Compensation and Management fund, Temporary Retention Deposits Accounts, Seized & Forfeited Goods Advance Account (ARABA).
- A. Accordingly, following financial statements are prepared in accordance with the Public Sector Accounting Standards and render such statements to the Auditor General for auditing.
- Custom Officers' Reward Fund
 - Custom Officers Compensation and Management Fund

Description	Customs Reward Fund (Rs. Mn.)		Custom Officers Managements & Compensation Fund (Rs. Mn.)	
	2021	2022	2021	2022
Income	2,848.2	3,517.7	896.5	1,553.6
Expenditure	2,726.0	3,300.3	41.2	53.9
Surplus/Excess	122.2	217.4	855.3	1,499.7
Fixed Assets	-			
Fund Balance	1,202.8	1420.2	8,566.3	10,072.7
Rewards Payable	2,575.1	1944.5	1,509.2	990.5

- B. 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.

Details of last two years of the Seized & Forfeited Goods Advance Account are as follows;

Description	2021 (Rs. Mn.)			2022 (Rs. Mn.)		
	Expenditure	Receipts	Balance	Expenditure	Receipts	Balance
Limits	18.0	4.0	85.0	18.0	6.0	85.0
Actual	4.1	4.05	34.4	4.4	9.1	29.7

C. In addition to the above funds and account, following deposit accounts are also maintained under this division.

Description	Name of the Deposit Account (Rs. Mn.)					
	Tender		Temporary retention on statutory payments		Withholding of deposits for goods brought by passengers	
	2021	2022	2021	2022	2021	2022
Opening Balance	82.1	59.2	13,461.4	13,687.2	8.8	7.4
Receipts during the year	199.4	175.2	16,293.3	17,637.8	1.0	1.1
	281.5	234.4	29,754.7	31,325.0	9.8	8.5
Payments during the year	222.3	148.2	16,067.5	19,434.3	0.4	1.8
Closing Balance	59.2	86.2	13,687.2	11,890.7	9.4	6.7

2.5 Tax Division

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.

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 Tax for each and every employee (with their consent) and remits such recoveries to the Department of Inland Revenue (IRD) regularly.

- Major functions of Tax and Miscellaneous services Division
 - Tax Division
 - ✦ Computation of Payee tax on salaries and other payments made to individual officers (Reward, pool, and panel) paid to more than 2300 officers of the Department on monthly basis.
 - ✦ Recovery of PAYEE Tax and remit the same to the IRD.
 - ✦ Maintenance of the Tax Database
 - ✦ Issuing of tax returns (Form T.10) to the IRD and the officers
 - Miscellaneous services
 - ✦ Provide general administrative support for the Finance Division.
 - ✦ Supervision of attendance, leave, stores etc.
 - ✦ Issue of Income reports for the officers.
 - ✦ Administration of tapol of the division.

Details of PAYE tax as follows;

Tax Year	No. of Employees	Paye Tax Recoverd (Rs.Mn.)
2020April – 2021 March	1,507	22.688

2021 April - 2022 March	1,598	42,084
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2.6 Shroff Division

Shroff division is headed by an Administrative Officer under the supervision of Deputy Director (Payment) At presently there are 22 Management Assistant Officers who are working as shroff are attached to this division.

There are 21 shroff counters all over the country including Hambantota, Katunayake Air Port, Pallali Airport and Head Office. Out of this 21 counters, 10 counters are opened on 24 hours on 7 days, basis.

2.7 Highlights of volume of Works of the Finance Directorate

Type of Transactions	Volume	Value for annum (Approximately)
Receipt of PIV Shroff	125,000 Per month	Rs. 703Bn.
Collection of Tax Revenue (Online/ Bank)	100,000 Per month	
Payments	4000 Vouchers	Rs. 5 Bn.
Payments of Rewards	257 Files	Rs. 3 Bn.
Payments of Salaries	Average of 2375 staff members monthly	Rs. 12 Bn.
Pool/Panel Payments	Pool 22 Files	Rs. 0.3 Bn.
Payment of Overtime	Monthly Average 2200 Persons	Rs. 1.1 Bn.
Tax Recovery (payee Tax)	122,442 No. of Collections	Rs. 0.1 Bn.
Travelling	500 employees per Month	Rs. 91 Mn.

8.6.3 REVENUE TASK FORCE (RTF) DIRECTORATE

Introduction

Revenue Task Force Directorate is operating under direct supervision of Director General of Customs and 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 Superintendent of Customs, Assistant Superintendents of Customs, Inspectors of Customs, Customs Guards 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 upon intelligence gathered by the staff and also on information received from the public.

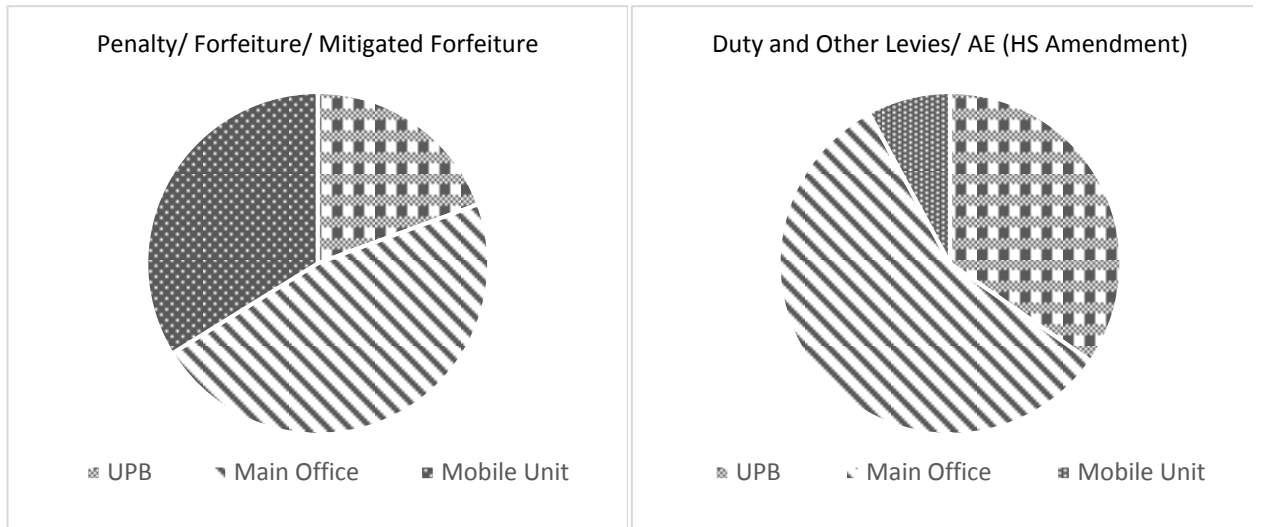
RTF also maintains vigilance over the clearance of goods in the Long Room, warehouses, air cargo, parcel post, courier services and other special procedures for clearance of goods.

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.

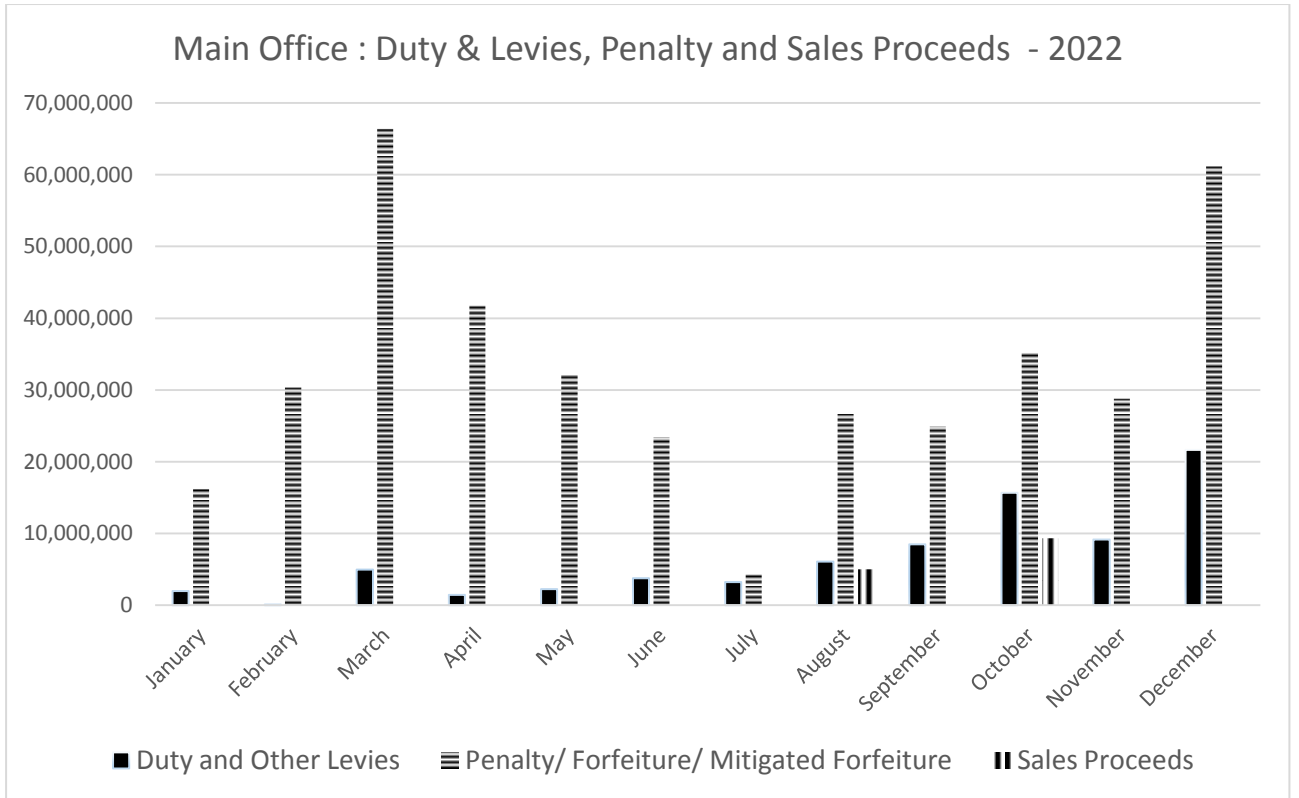
1.Total Recoveries - Main office, UPB and Mobile unit (Rs.)

	UPB	Main Office	Mobile Unit	Total
Penalty/ Forfeiture/ Mitigated Forfeiture	164,610,891	397,343,248	287,105,755	849,059,894
Duty and Other Levies/ AE (HS Amendment)	65,847,291	109,210,762	14,939,710	189,997,763
Sales Proceeds	47,670	14,409,315	0	14,456,985
Total	230,505,852	520,963,325	302,045,465	1,053,514,642



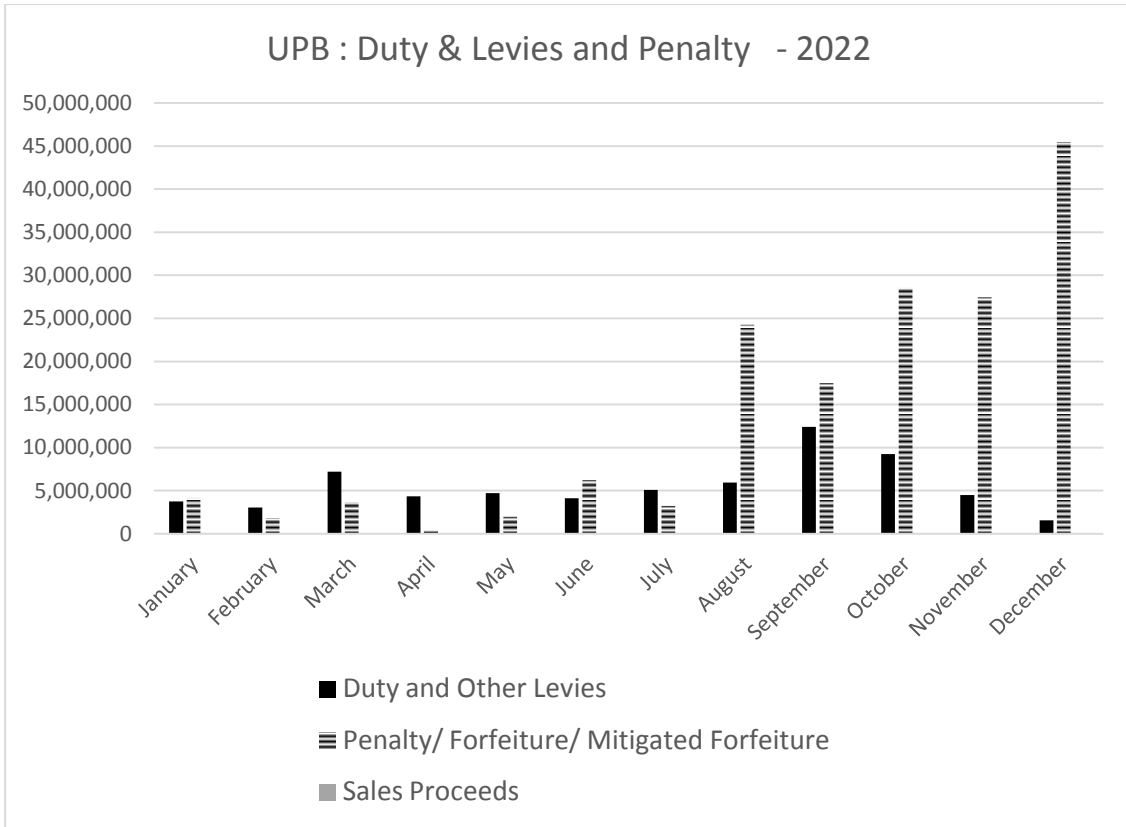
1.1. Main Office : Duty & Levies, Penalty and Sales Proceeds - 2022 (Rs.)

Month	Duty and Other Levies	Penalty/ Forfeiture/ Mitigated Forfeiture	Sales Proceeds	Total
January	1,953,628	16,224,964	0	18,178,592
February	110,036	30,349,125	0	30,459,161
March	4,981,096	66,408,055	0	71,389,151
April	1,447,573	41,768,728	0	43,216,301
May	2,233,588	32,066,020	0	34,299,608
June	3,748,718	23,376,955	0	27,125,673
July	3,213,757	4,309,415	0	7,523,172
August	6,069,479	26,794,368	5,000,000	37,863,847
September	8,475,038	24,887,402	0	33,362,440
October	15,657,881	35,185,982	9,347,625	60,191,488
November	9,160,840	28,795,930	61,690	38,018,460
December	21,639,630	61,176,304	0	82,815,934
Total	78,691,264	391,343,248	14,409,315	484,443,827



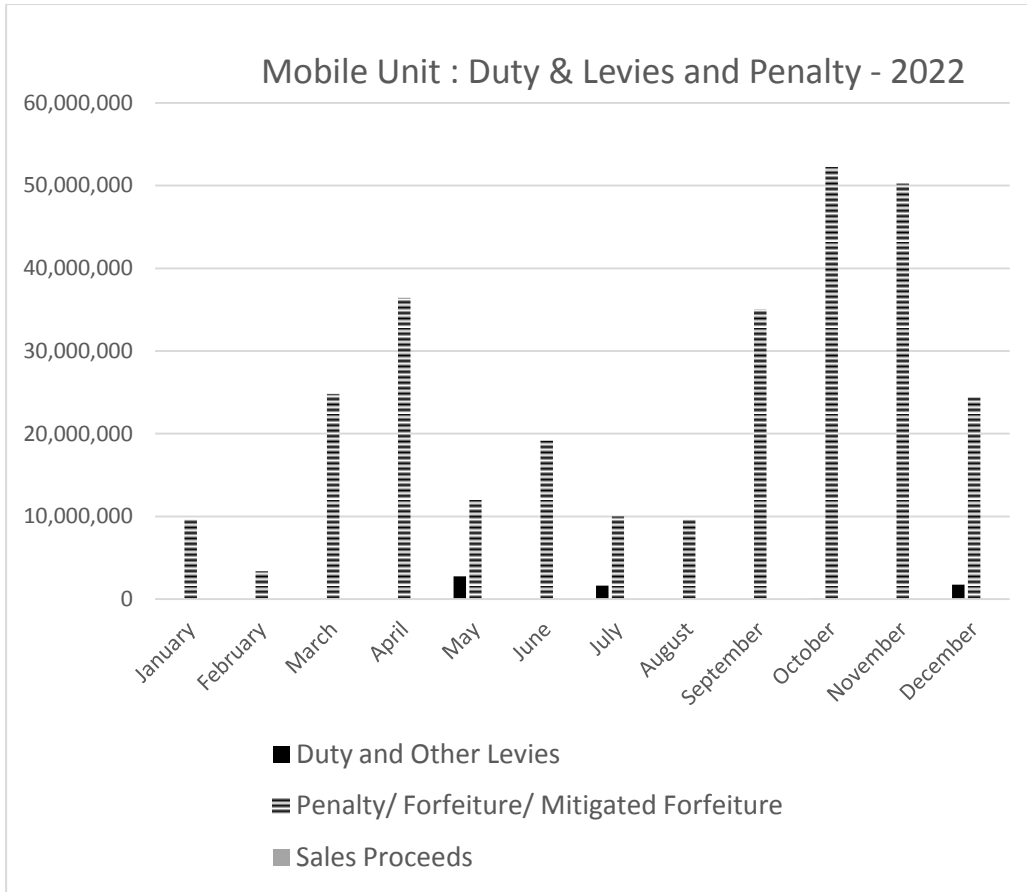
1.2. UPB : Duty & Levies and Penalty - 2022 (Rs.)

Month	Duty and Other Levies	Penalty/ Forfeiture/ Mitigated Forfeiture	Sales Proceeds	Total
January	3,740,040	4,165,580	0	7,905,620
February	3,050,942	1,804,584	0	4,855,526
March	7,219,969	3,625,855	0	10,845,824
April	4,329,753	391,982	0	4,721,735
May	4,696,771	1,953,881	0	6,650,652
June	4,122,679	6,223,187	0	10,345,866
July	5,070,324	3,224,391	0	8,294,715
August	5,937,382	24,255,579	47,670	30,240,631
September	12,392,087	17,479,104	0	29,871,191
October	9,236,667	28,539,295	0	37,775,962
November	4,480,119	27,469,321	0	31,949,440
December	1,570,558	45,478,132	0	47,048,690
Total	65,847,291	164,610,891	47,670	230,505,852



1.3. Mobile Unit : Duty & Levies and Penalty - 2022 (Rs.)

Month	Duty and Other Levies	Penalty/ Forfeiture/ Mitigated Forfeiture	Sales Proceeds	Total
January	0	9,685,660	0	9,685,660
February	0	3,379,013	0	3,379,013
March	0	24,813,968	0	24,813,968
April	0	36,445,509	0	36,445,509
May	2,752,258	12,067,943	0	14,820,201
June	0	19,178,869	0	19,178,869
July	1,617,455	9,991,651	0	11,609,106
August	0	9,655,710	0	9,655,710
September	0	35,015,548	0	35,015,548
October	9,030	52,248,836	0	52,257,866
November	0	50,230,406	0	50,230,406
December	1,740,104	24,392,642	0	26,132,746
Total	6,118,847	287,105,755	0	293,224,602

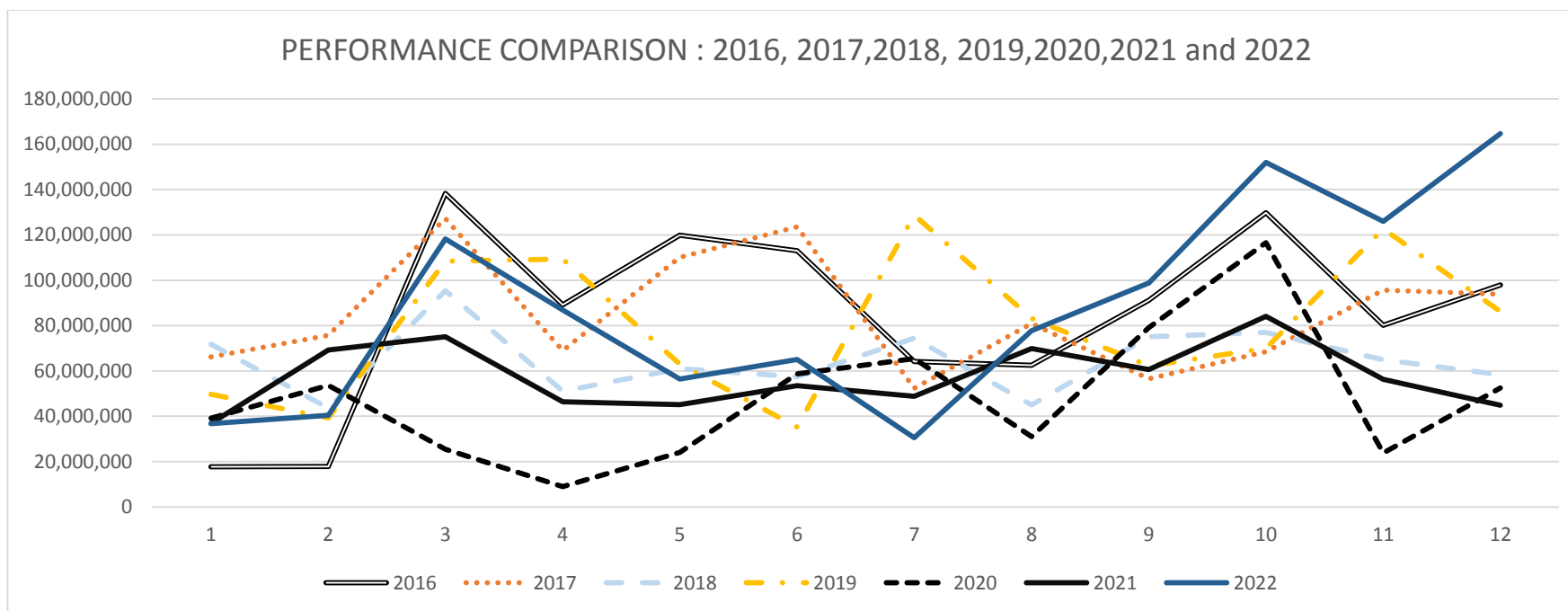


2. Performance during the year 2022 (Rs.)

Month	Duty and Other Levies	Penalty/ Forfeiture	Sales Proceeds	Total Recoveries
January	5,693,668	30,076,204	0	35,769,872
February	3,160,978	35,532,722	0	38,693,700
March	12,201,065	94,847,878	0	107,048,943
April	5,777,326	78,606,219	0	84,383,545
May	9,682,617	46,087,844	0	55,770,461
June	7,871,397	54,779,011	0	62,650,408
July	9,901,536	17,525,457	0	27,426,993
August	12,006,861	60,705,657	5,047,670	77,760,188
September	20,867,125	77,382,054	0	98,249,179
October	24,903,578	115,974,113	9,347,625	150,225,316
November	13,640,959	106,495,657	61,690	120,198,306
December	24,950,292	131,047,078	0	155,997,370
Total	150,657,402	849,059,894	14,456,985	1,014,174,281

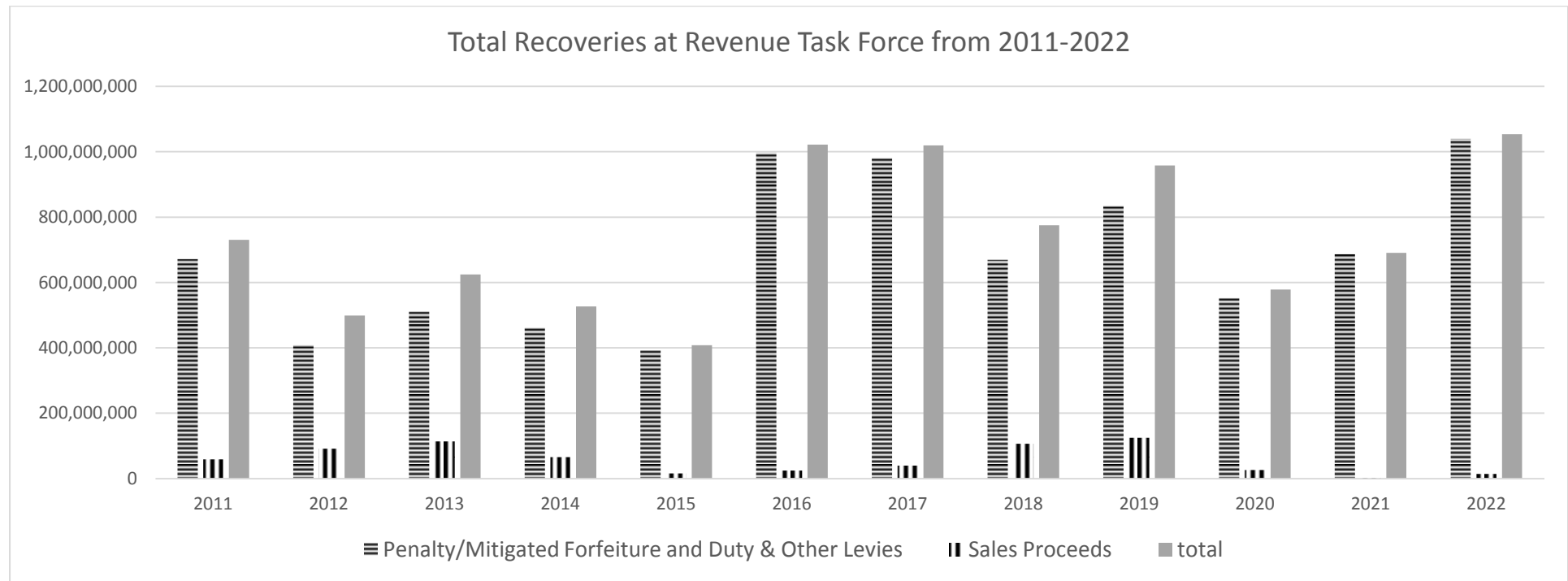
3. PERFORMANCE COMPARISON: 2016, 2017,2018, 2019, 2020,2021 and 2022 (Rs.)

Year	January	February	March	April	May	June	July	August	September	October	November	December	Total
2016	17,698,812	17,811,346	138,286,404	89,141,272	119,850,551	113,060,721	64,182,599	62,556,875	91,189,599	129,781,900	80,145,852	97,893,847	1,021,599,778
2017	66,144,454	75,714,798	127,269,787	69,029,645	110,082,914	123,500,044	52,390,280	80,939,513	56,554,884	68,507,892	95,581,361	93,856,568	1,019,572,140
2018	71,777,006	43,664,952	95,365,260	51,143,731	61,029,325	57,401,795	74,483,225	45,049,287	75,061,641	76,976,381	64,909,153	58,271,611	775,133,367
2019	49,698,510	39,240,402	108,407,495	109,312,985	63,012,892	35,264,648	128,786,509	83,242,220	62,247,164	69,953,464	122,664,049	86,279,538	958,109,875
2020	39,112,637	53,692,037	25,464,056	8,988,117	24,100,403	58,690,040	65,388,804	31,022,306	79,133,770	116,556,119	23,786,977	52,463,502	578,398,768
2021	36,888,630	69,252,619	75,108,398	46,358,479	45,156,992	53,449,188	48,817,749	69,930,879	60,676,187	84,035,927	56,332,065	44,886,278	690,893,391
2022	36,816,074	40,453,374	118,200,152	86,844,212	56,408,534	65,002,017	30,493,054	77,760,188	98,868,546	152,007,301	125,975,271	164,685,919	1,053,514,642



4. Total Recoveries from 2011-2022 (Rs.)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Penalty/ Mitigated Forfeiture and Duty & Other Levies	671,474,362	407,821,431	511,089,957	461,475,705	392,305,046	997,205,323	980,366,355	669,046,773	833,713,797	552,342,478	688,416,725	1,039,057,657
Sales Proceeds	58,642,363	91,004,686	113,553,285	64,908,466	15,394,455	24,394,455	39,205,785	106,086,594	124,396,078	26,056,290	2,476,666	14,456,985
Total	730,116,725	498,826,117	624,643,242	526,384,171	1,021,725,682	1,021,599,778	1,019,572,140	775,133,367	958,109,875	578,398,768	690,893,391	1,053,514,642



8.6.4 APPEALS DIRECTORATE

Introduction

The Appeals Directorate of Sri Lanka Customs has been established in conformity with the international trade practices set out under the provisions of the Revised Kyoto Convention (RKC) of the World Customs Organization (WCO), and the Trade Facilitation Agreement (TFA) of the World Trade Organization (WTO).

The 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 Director General of Customs, make suitable recommendations after having verified the facts and to take follow up actions.

In view of putting in place of an effective appeal mechanism for review and where appropriate, for making recommendation for the correction of administrative action or mission, the Appeal Committee has been formed and established. Director of Customs (Appeal) would be a member by virtue of his designation as such and whereas the other members would assist him by sitting in this committee on regular basis.

The appeals which are forwarded to the Director of Customs (Appeals) by the Director General of Customs are scrutinized by the Director of Customs (Appeals) to ensure the validity and the scope of the appeals. The appeals which need more information and facts for processing are referred to the relevant Directorates for obtaining detailed reports and further details on the subject cases.

It is only after receiving these details, the Director of Customs (Appeals) would be able to forward the appeals to the Appeals Committee for consideration of any relief.

Therefore, it is to be noted that the number of appeals forwarded to the Appeals Committee in each year depends on the number of appeals referred to this Directorate by the Director General of Customs.

Performance of this Directorate

	Performance	Percentage
No. of appeals registered in 2022	96	-
No. of appeals pending at the end of December 2021	23	-
Total No. of appeals to be considered in 2022	119	-
No. of appeals considered in 2022	108	90.75%
No. of appeals finalized in 2022	84	70.58%
No. of appeals for which the follow – up actions had been taken	84	70.58%

8.6.5 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 wellbeing 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, and all thereby collection of Excise Duty from imported and locally manufactured excisable articles.
3. Engage in activities pertaining to the imposition of Excise Duty.

Mission and Objectives

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

The objectives of the Excise (Special Provisions) Division can be broadly identified as follows: -

- A. Implementation of the Excise (Special Provisions) Act, No. 13 of 1989.
- B. The collection and protection of revenue from articles come under the Excise such as Petroleum, Cigarettes, Soft drinks, Race publications, locally assembled vehicles, Fatty Acid, Fruit Drinks and other excisable articles.

System and Procedures

From the inception of the Division, Gazette Notification which included series of regulation and orders made under the Act, have been issued from time to time. The structure of Excise Duty was also implemented according to above regulations and orders.

Major Changes During the year 2022

Excise duty for Cigarettes

- i. HS code 2402.20,2402.30, 2402.40,2402.50, 2402.60 revised of Cigarettes – (2022.December, Gazette No:2312/68 - 2022.12.31)
- ii. Duty on local Assembled Vehicles is collected by the Bond Division under MIB process. Discussion with the ministry of finance and other relevant parties is pending to make it corrected.

The Excisable articles and the revenue (Local) collected in 2021 and 2022 (Rs in Millions)

	2021	2022
Cigarettes	90,698.92	103,570.84
Petroleum	9,078.63	2,398.34
Motor Vehicles (Locally Assembled)	824.02	1,55.48
Soft Drink	2,531.75	3,184.83
Race publication	9.57	11.99
Electrical Items (Local) Other	13.86	0
Fruit Drinks	153.52	189.68
Fatty Acid	3.68	4.00
Court Revenue	0.22	00
Registration Fees	0.004	0.009
Grand Total	103,314.17	109,515.17

Local Activities

Steps have been taken to recover arrears and penalties taking legal actions under the Excise Special Provisions) Act against the manufactures who have defaulted payment of Excise duty. Details are given below.

Number of cases appeared	04
Number of cases carried forward	01
Number of cases filed during the year	00
No of cases finalized during the year	03 (The cases filed for not registration)
Recovered amount during the year	00