

**GOVERNMENT OF PAKISTAN
(REVENUE DIVISION)
FEDERAL BOARD OF REVENUE**

C.No.1(1)L&P/2005

Islamabad, the 13th June 2009

CUSTOMS GENERAL ORDER NO.03 OF 2009

Subject: **STRUCTURE AND FUNCTIONS OF CUSTOMS POST CLEARANCE AUDIT (PCA)**

In supersession of Customs General Order No.13/2008 dated 18th October, 2008, the Federal Board of Revenue is pleased to specify the organizational structure, functions and the rules of business for the Post Clearance Audit (PCA), as under:–

(i) Aims and Objectives:

- a) The aims and objectives of the Post Clearance Audit shall be to:
- b) develop a comprehensive monitoring mechanism to verify the correctness of trade related declarations;
- c) detect and investigate commercial and trade-related frauds and propose measures to prevent its occurrence;
- d) assist the Federal Board of Revenue to evolve, develop and update systems, procedures and organizational structures meant to scrutinize and ensure compliance of the trade with the national trade laws, procedures and controls; and
- e) recover the escaped revenues.

(ii) Structure and layout:

- a) A Directorate General of Post Clearance Audit has been established- headed by a Director General and assisted by three Directors i.e. Director, Post Clearance Audit (North), Lahore, Director, Post Clearance Audit (South), Karachi and Director, Post Clearance Audit (Headquarter), Islamabad. The Director General, Post Clearance Audit, shall report to the Member (Customs), Federal Board of Revenue.
- b) A Director in any of the Directorates of the Post Clearance Audit shall be assisted by as many Additional Directors, Deputy Directors, Assistant Directors and other officers and officials by any designation as may be required from time to time.

(iii) **Functional/Territorial Jurisdiction:**

- a) In case of the goods imported into or exported from Pakistan and cleared from any of the Customs Collectorate in Karachi, Hyderabad, Gawadar and Quetta, the functions of post clearance audit shall be performed by the Director, Post Clearance Audit (South), Karachi.
- b) In case of the goods imported into or exported from Pakistan and cleared from any of the Customs Collectrates in Lahore, Rawalpindi, Multan, Faisalabad, Sialkot (Sambrial) and Peshawar, the functions of post clearance audit shall be performed by the Director, Post Clearance Audit (North), Lahore.
- c) The Board or the Director General, Post Clearance Audit, may assign the audit of any importer or exporter or a class of importers or exporters to any Directorate of Post Clearance Audit, as deemed appropriate.

(iv) **Functions and Responsibilities:**

Directorate General, Post Clearance Audit , Islamabad

The Director General, Post Clearance Audit will be responsible for the overall management of the Directorate General which, inter alia, includes:

- a) to manage and operate the Central Office.
- b) to establish, update and operate records, databases pertaining to the goods exported from or imported into Pakistan and profiles of the importers and exporters covering all aspects of their trade and business;
- c) to evolve a pro-active monitoring mechanism to ensure compliance with national trade laws, rules, procedures, controls, restrictions, prohibitions, etc.
- d) to set up a mechanism to detect and investigate commercial and trade-related frauds and propose measures and controls at the operational level to prevent its occurrence;
- e) to set up mechanism and machinery along with its ancillary and auxiliary sub-systems for audit, intelligence, investigation, prosecution, dispute resolution and initiate contravention report/recovery proceedings for adjudication in exercise of the powers vested in the officers of the Directorate General of Post Clearance Audit under relevant laws promulgated from time to time;
- f) to analyse data, risk assessment and selection of sectors/cases for generating the *work orders*, for field formations, to conduct audit; and monitoring of the follow up actions; and
- g) any other function assigned by the Board.

Directorates, Post Clearance Audit (South), Karachi and (North)Lahore

- a) The relevant Director, Post Clearance Audit or an officer authorized by him will allocate the *work orders* assigned by the Directorate of Post Clearance Audit (Headquarters), Islamabad, to the PCA officers for conducting detailed audit, supervise and monitor progress of the audit cases and take all necessary measures to ensure that the audit activities are conducted fairly, transparently and in accordance with the laws and the prescribed procedures as are laid down in the Pakistan Customs PCA's *Audit Manual*.
- b) The Officers/Audit teams will review the declarations and supporting documents, conduct audit of the business and prepare the report in the manner as provided in the PCA's *Audit Manual*. The PCA officers will record all the details of the audit proceedings, step by step progress, and results of their audit, in the automated system of the PCA or in the manual system.
- c) Any Collector of Customs or the Director of the Post Clearance Audit may also identify cases and sectors where it may be deemed appropriate to carry out post clearance audit as a special case. All cases so identified shall be routed for action through the office of the Director General, Post Clearance Audit, Islamabad.

2. Rules of Business:

The entire range of businesses and activities of the Post Clearance Audit shall be conducted in conformity and compliance with the rules, procedures and forms as are set out and updated from time to time in the Pakistan Customs PCA's *Audit Manual* and the "*Automated PCA computerized Audit Performance and Reporting System*" or as directed by the Federal Board of Revenue/Directorate General, Post Clearance Audit, or instructions issued by them from time to time. All PCA formations will report to the Director General, Post Clearance Audit through relevant Director, PCA. The Director General will report to Member (Customs), Federal Board of Revenue, Islamabad.



(Khalid Hussain Jamali)
Second Secretary (Law & Procedure)