

GOVERNMENT OF PAKISTAN
(REVENUE DIVISION)
FEDERAL BOARD OF REVENUE

Islamabad, the 4th February, 2020.

**NOTIFICATION
(Customs)**

S.R.O. 101 (I)/2020.- In exercise of the powers of the conferred by section 219 of the Customs Act, 1969 (IV of 1969), section 50 of the Sales Tax Act, 1990, section 40 of the Federal Excise Act, 2005 and section 237 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the Customs Rules, 2001, which have been previously published *vide* Notification No.S.R.O. 1641(I)/2019, dated the 17th December, 2019, namely:-

In the aforesaid Rules, after Chapter XXX, the following new Chapter XXXI shall be added, namely:-

**“Chapter XXXI
Risk Management System Rules**

738. Definitions.- All the terms used in this chapter shall have the same meanings as defined in the Customs Act, 1969 (IV of 1969) and rules made thereunder.

739. Role and responsibilities of the Directorate General of Risk Management (DGRM).- (1) The Directorate General of Risk Management shall be responsible to-

- (i) manage risk involved in customs clearance of containerized, LCL and bulk cargo including but not limited to transit cargo, international passengers and accompanied and unaccompanied baggage thereof including clearances against carnet-de-passage/TIR;
- (ii) plan, design and implement strategies by applying accredited risk management tools and techniques specific to each transaction types

relating to imports, exports and transit of goods and clearance of international passengers;

- (iii) monitor, evaluate and review Risk Management System based on changing national and international trends and feedback from stakeholders;
- (iv) examine clearance patterns of various sectors and commodities to identify, analyze and evaluate risks, develop mitigation strategies and present the same to Risk Management Committee (RMC) for approval and implementation;
- (v) develop system whereby different stakeholders' compliance levels are determined. Compliant stakeholders are facilitated in the system;
- (vi) review and address risks identified by the Collectorates/Directorates through Risk Management Committee (RMC);
- (vii) associate when necessary other government entities on need basis to deal with risk relating to the compliance requirements under allied laws;
- (viii) coordinate with Directorate General of Training & Research (DGTR) for training of officers dealing with RMS related issues at major customs locations;
- (ix) coordinate with Directorate General of Intelligence and Investigation-Customs (DG I&I) to get feedback in the structured format after completion of investigations of cases or studies undertaken by the (DG I&I);
- (x) coordinate with Directorate General of PCA & Internal Audit to evaluate and identify risk parameters for selection of audit cases;
- (xi) coordinate with the Directorate General of Customs Valuation to develop checks and parameters for selection of cases requiring valuation scrutiny.
- (xii) maintain security and confidentiality of the RMS and its related data and records;
- (xiii) conduct awareness seminars to promote voluntary compliance;
- (xiv) identify requirements of IT tools/skills and models for improvement of RMS; and
- (xv) prepare quarterly reports on functioning of RMS for Federal Board of Revenue.

179-

(2) There shall be a Risk Management Committee (RMC), headed by a BPS-21 officer of Customs preferably Director General RMS and shall comprise as many BPS-19 and BPS-20 officers of Customs as may be notified by the Board.

(3) The Committee may co-opt any officer of Customs or representative of other government departments for the assistance whenever required.

(4) The head of RMC shall nominate an officer of BPS-19 of the Committee to be secretary of the Committee.

(5) Meetings of RMC shall be convened at least once every month. The RMC shall perform the following key functions, namely: -

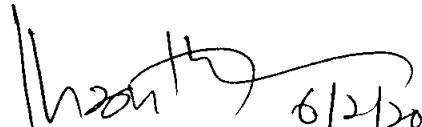
- (a) to review performance of the RMS;
- (b) to review risk parameters and behavior of important risk indicators;
- (c) to set benchmarks for interventions or interceptions focusing on targeting the risky consignments or entities; and
- (d) to review major detections by the Collectorates or Directorates (I&I)-Customs with respect to RMS.

(6) **Local Risk Management Committee (LRMC).**- There shall be a Local Risk Management Committee in each Collectorate consisting of three to four members and headed by the respective Collector. The Director General of Transit Trade shall have its own local risk management committee at headquarters to provide input to RMC on transit trade risk parameters.

(7) The LRMC shall meet at least once every month and perform the following functions, namely:-

- (a) to review the risks at Collectorate level; and
- (b) to make proposals or suggestions to the DG RMS based on interventions and detections.”.

[C. No.1(1)L&P/2019(Pt)]


(Muhammad Ahsan Khan)
Secretary (Law & Procedure)
6/2/2020