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**GOVERNMENT OF PAKISTAN
MINISTRY OF FINANCE AND REVENUE
(REVENUE DIVISION)**

NOTIFICATION

Islamabad, the 9th August, 2023.

S.R.O. /077(I)/2023.- The following draft of the Pakistan Single Window Integrated Risk Management System Rules, 2023, which the Federal Government proposes to make in exercise of its powers conferred under section 21 of the Pakistan Single Window Act, 2021 (III of 2021) read with section 11 thereof, is hereby published for the information of all persons likely to be affected thereby and, as required under sub-section (2) of the said section 21, notice is hereby given that objections or suggestions thereon, if any, may be sent to the Board within fifteen days of publication of the draft amendment in the official Gazette. Objections or suggestions which may be received from any person, before the expiry of the aforesaid period, shall be taken into consideration by the Federal Government, namely: -

DRAFT RULES

1. **Short title, application and commencement.** - (1) These rules shall be called the Pakistan Single Window Integrated Risk Management System Rules, 2023.

(2) These rules shall apply to all government agencies that apply trade controls on import, export and transit goods cleared through the PSW system whether through scanning or other forms of non-intrusive inspection technology, physical inspections, withdrawing of samples, detailed examinations or documentary controls in the form of licences, permits, certificates and other documents in accordance with the regulatory requirements of the government agencies.

(3) These rules shall come to force at once.

2. **Definitions.** - In these rules, unless there is anything repugnant in the context or subject, ---

(a) "Act" means the Pakistan Single Window Act, 2021 (Act III of 2021);

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- (b) **“Government agency”** or **“GA”** means Customs or any of the regulatory authorities including their subordinate entities as listed in the Schedule to the Act whether referred to jointly or severally;
 - (c) **“Integrated Risk Management System”** or **“IRMS”** means the electronic risk management platform provided by PSW for systematic application of trade controls, management procedures and actions to mitigate cross border trade related risks on import, export and transit goods cleared through the PSW system in a coordinated manner;
 - (d) **“LPCO”** means licenses, permits, certificates and other documents as issued by government agencies for regulation of cross-border trade as per import or export policy orders for the time being in force read with the relevant governing laws of the government agencies;
 - (e) **“Pakistan Single Window System”** means the information and communication technology-based facility as established under section 3 of the Act; and
 - (f) **“post clearance audit”** or **“PCA”** means the process of structured examination and other measures by which Customs and other regulatory agencies 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 traders and other relevant entities associated with cross border trade after the goods have been released from customs and border controls to measure and improve compliance.

3. Implementation of Integrated Risk Management System. - (1) There shall be an Integrated Risk Management System (IRMS) implemented through the PSW system for the purpose of applying trade controls, management procedures and risk mitigation measures on imports, exports and transit goods in a coordinated manner to ensure equitable balance between ensuring compliance and trade facilitation to reduce the time and cost of doing business.

(2) IRMS shall apply to all cross-border trade consignments being cleared through the PSW system. All goods shall be assigned to risk channels by the IRMS on the basis of risk criteria defined by the government agencies in the system. The clearance process thereof may involve any or a combination of the following treatments, namely: -

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- (a) scanning or other forms of non-intrusive inspections, physical inspections, detailed examination, drawing of samples, laboratory tests and laboratory reports;
 - (b) scrutiny of documents and request for additional documents;
 - (c) provisional release with further controls to be applied at the importer's premises after release from the customs area; and
 - (d) clearance as per declaration:

Provided that the operating entity, with the approval of GC Risk Management Committee, may add or reduce a risk channel duly notified from time to time to streamline application of risk controls in line with best practices.

4. GC Risk Management Committee. - (1) The Governing Council shall constitute an inter-agency Risk Management Committee under sub-section (5) of section 4 of the Act for providing strategic direction, principles, policies, guidance and oversight for the IRMS, ensure collaboration amongst government agencies for the implementation of the IRMS and review outcomes and effectiveness of risk activities and impact on compliance levels in addition to other tasks assigned by the GC.

(2) The GC Risk Management Committee shall assist the GC in addressing issues, problems and constraints that require policy interventions by the GC.

(3) The GC Risk Management Committee shall comprise representatives not below the level of BPS-20 or equivalent, one each from the member governmental agencies of the GC.

(4) The term, composition and other functions of the GC Risk Management Committee shall be determined as per the provisions of the Act and the rules made thereunder.

5. GA Risk Management Committee. - (1) Each government agency shall be required to constitute an operational Risk Management Committee within the agency.

(2) The GA Risk Management Committee shall comprise of officials responsible for cross border trade related procedures of the agency and shall be headed by an officer not below BPS 19 or equivalent. The GA Risk Management Committee may co-opt any officer for the assistance whenever required.

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(3) The GA Risk Management Committee shall be responsible for risk assessment, analysis, development, maintenance and review of the risk rules pertaining to the LPCOs processed and issued by the government agency and any other such functions as may be assigned by the GC Risk Management Committee for the implementation of the IRMS.

(4) The risk rules defined by the GA Risk Management Committee shall be in consonance with the policy guidelines issued by the GC Risk Management Committee from time to time.

6. Responsibilities of GA Risk Management Committee. - In addition to the roles and responsibilities as assigned to GA Risk Management Committees under sub-rule (3) and (4) of rule 5, the GA Risk Management Committees shall be responsible for: -

- (a) managing risks involved in processing and clearance of cross-border trade commitments related to their respective jurisdictions;
- (b) planning, designing and implementing strategies specific to each transaction types relating to imports, exports and transit of goods;
- (c) examining clearance patterns of various sectors and commodities to identify, analyse and evaluate risk, developing mitigation strategies and incorporating the same in the IRMS for defining risk rules and their implementation;
- (d) monitoring, evaluating and reviewing the application of the risk rules through IRMS related to their respective jurisdiction based on changing national and international trends and feedback from stakeholders;
- (e) reviewing and analysing data with the help of the operating entity to see effectiveness of risk rules defined by the GA Risk Management Committee and take appropriate action;
- (f) taking measures to implement joint inspections mechanism alongside Customs and OGAs in line with best practices;
- (g) maintaining security and confidentiality of the IRMS and its related data and records; and
- (h) facilitating training and capacity building of the agency staff and external stakeholders regarding the risk management framework.

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7. **IRMS Centre of Excellence.** - (1) The operating entity shall establish a centre of excellence (COE) to operate and maintain the IRMS, receive and process change requests, monitor performance of the system and support IRMS related training and capacity building initiatives. The COE shall also be responsible for extracting, analysing and sharing IRMS related data and feedback with the risk management committees and other relevant stakeholders.

(2) The operating entity shall ensure adequate staffing of the COE as well as timely provision of requisite tools, software and hardware for the regular operations, maintenance and upgradation of the system.

8. **Nomination of focal person.** - (1) Each government agency shall nominate a suitable and relevant focal person by name or on ex-officio basis, to maintain liaison with the operating entity. The focal person shall also coordinate with the GA Risk Management Committee for communication of matters pertaining to the IRMS.

(2) The name and contact details of the focal person shall be communicated to the operating entity by the government agency.

(3) In case of transfer of the nominated focal person or change of focal person due to any reason, the government agency shall communicate the name, designation and contact details of the new focal person to the operating entity within one week of such transfer or change.

9. **Responsibilities of the focal person.** - The focal persons nominated by the government agencies shall be responsible for: -

- (a) maintaining regular liaison between the GA Risk Management Committee and the operating entity;
- (b) associating, when necessary, other relevant public and private sector entities on need basis to deal with risk relating to the compliance requirements under allied laws;
- (c) coordinating with the operating entity for training of agency officials, traders, and other relevant stakeholders on IRMS implementation;
- (d) coordinating with the PCA section of their government agency to evaluate and identify risk parameters for selection of audit cases; and

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(e) liaising with the relevant ministry and other stakeholders for obtaining requisite approvals, implementing policy interventions, and performing other tasks necessary for implementation of the IRMS.

10. Request for change in GA Risk Management Committee. - The GC may direct the government agency to reconstitute the GA Risk Management Committee on its own motion or on the recommendation of the operating entity if the GA Risk Management Committee as a whole or any of its members is not performing the assigned task effectively, or is impeding or delaying the effective implementation of the IRMS, or consistently fails to meet timelines and milestones assigned for smooth implementation and operations of the IRMS.

11. Post clearance audit (PCA) mechanism. - (1) All the government agencies integrated with the PSW system shall put in place a mechanism for PCA of transactions processed through IRMS to ensure compliance with customs and other trade related laws and regulations.

(2) Feedback in the light of such audit shall be communicated to the respective GA Risk Management Committees to review and update risk rules.

(3) In case of detection of any anomaly, irregularity, or violation through the PCA, government agencies may initiate such departmental actions against traders or, as the case may be, consignments as stipulated under their respective governing statutes.

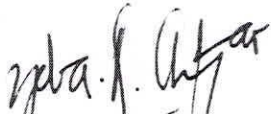
(4) The operating entity shall ensure that relevant data pertaining to the import, export, and transit of all goods and commodities is shared with each government agency to enable PCA of trade transactions.

(5) The operating entity shall facilitate regular trainings and capacity building initiatives on PCA for all GAs.

12. Non-cooperation of a government agency. - Where a government agency is non-cooperative, or fails to implement IRMS, or fails to constitute its Risk Management Committee, or fails to nominate its focal person, or fails to implement policy guidelines regarding IRMS issued by the Governing Council or the operating entity including matters pertaining to joint inspections and PCA, the matter may be placed before the GC for intervention and issuance of appropriate directives.

13. Application of the Integrated Risk Management System. - The operating entity may specify different dates for the application of the IRMS in respect of different GAs, relevant departments, entities, or organizations as the case may be, for this purpose.

[C.No.6(6)PMO(PSW)/SGC/IRMS Committee/2022]


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