

Single-window clearance system roll-out for exports likely next year, in phases

EXPEDITING THE PROCESS

SHRIMI CHOUDHARY
New Delhi, 8 November

▶ 80–85% of the average release time of export cargo is taken after Customs clears consignments

▶ Under the new system, exporters will be able to submit export declaration documents online via a single point

▶ Export clearance by govt agencies will be integrated

▶ Revenue dept is targeting an average release time of 24 hours and 12 hours for export through seaport and airport, respectively, by the end of calendar year 2023

▶ CBIC wants to compress the release time taken by regulatory agencies

A new web-based system for faster export consignment clearance is likely to be rolled out in a graded manner, starting early next financial year (2023-24), according to government officials.

This will permit exporters to lodge their export declaration documents online at a single point of clearance from authorities, obviating the need for a separate application required by different regulatory agencies.

This will be in line with the existing clearance process for imports. At present, there is a

physical process for registration on export consignments.

The Central Board of Indirect Taxes and Customs (CBIC), which is developing the new single-window clearance system of goods exports, is in talks with six major regulatory agencies to integrate their approvals with the new system.

These government agencies, including the Food Safety and Standards Authority of India, Drugs Controller General of India, Textiles Committee, and the Wildlife Crime Control Bureau, are concerned with a vast majority of cases where their no-objection certificate is required for Customs clearance.

The move will help the department achieve the target of an average release time of 24

hours and 12 hours for exports through seaports and airports by the end of calendar year 2023.

“We have initiated talks with relevant regulatory agencies. Their intervention is required to have a single window for export approval,” said a senior revenue official.

He said some of the export goods have to be run through a risk-based examination, often entailing more than the usual time for approval.

The new system is learnt to have been developed in a manner that the Customs information technology system will automatically identify import goods on the basis of risk criteria, requiring clearance by the participating government agency (PGA).

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The system will also automatically direct the taking of samples, inspection, delegation to Customs, etc whenever required, thereby dispensing with the manual directives.

"All regulators may not come on board at one go. Even if a few PGAs do, the new system will be functional," added

the official. "A web-based registration of goods will significantly reduce the time and effort involved to initiate the export process, divesting the need to travel to ports. Currently, the physical filing of documents at ports slows the entire supply chain," said Tanushree Roy, director-indirect tax, Nangia Andersen India. The CBIC is of the view

that there should be a further compression in the release time taken by regulatory agencies. The data suggests that 80-85 per cent of the average release time of export cargo is on account of the time taken after Customs clears the consignment.

"The new system will help exporters since the status of approvals/licences required for a particular product to be exported from such regulatory agencies will appear on one platform on a real-time basis. Also, it will lend greater transparency, resulting in reduction of cost of handling goods by the exporter," said Saurabh Agarwal, tax partner, EY.

Another proposal is to integrate various regulatory bodies and special economic zones with the Indian Customs Electronic Gateway (ICEGATE) portal. This will further speed up the export process.