

THE EFFECTIVE INTERVENTIONS BY THE DEPARTMENT OF CUSTOMS OF SRI LANKA DURING THE COVID-19 OUTBREAK

COMMUNICATION FROM SRI LANKA

The following communication, dated 20 October 2020, is being circulated at the request of the delegation of Sri Lanka.

1 INTRODUCTION

1.1. In the face of catastrophic COVID-19 virus outbreak, the entire world is in a dilemma due to its adverse impact on human life and on the global economy. This virus is being proliferated swiftly, almost all over the world.

1.2. In line with the government guidelines, Sri Lanka Customs (SLC) has launched initiatives & implemented many effective interim mechanisms to ensure the smooth flow of essential medical supplies and other commodities despite numerous challenges.

1.3. Key functions that SLC considered in this endeavour include;

- Facilitation of the Cross-Border Movement of Relief and Essential Supplies;
- Ensuring of health safety and protection of the staff and the public;
- Continuation of supply chain channels and contribution towards country's economic development;
- Clearance of general cargo, passengers and their baggage within minimum Customs interventions amidst potential threat of smuggling;
- Maintaining of effective coordination steps for facilitating of regulatory approval with other governmental agencies;
- Managing of shipments executed under preferential trade schemes in par with bi-lateral/regional agreements.

2 SRI LANKA CUSTOMS – THE CONTEXT

2.1. Sri Lanka Customs collects 57% of the state tax revenue while facilitating legitimate International Trade and ensuring social protection. SLC is in the process of implementing numerous Best Border Practices as recommended under the WCO Revised Kyoto Convention and also as required under the WTO – TFA.

2.2. SLC provides clearance for 1200 import FCLs' and processes around 525 export FCL's on a daily average basis. According to the Time Release Study Survey conducted by SLC in 2018, the average time taken to clear an import sea cargo FCL is 16.5 hours and 75% of such FCLs' are cleared within 24 hours. Under prevailing circumstances, average import container handling volume per day has

dropped to 524 and around 95% of such containers are being released approximately within half a day, while the processing of export containers was dropped to around 220. As reported, Sri Lanka Ports Authority sources reveal that overall container (import, export, empty and transshipment) handling (TEU) has drop by 24% as a result of the outbreak.

3 STAFF AND PUBLIC – HEALTH AND SAFETY FIRST:

3.1. SLC, as the Frontline Border Agency, actively contributed to the Presidential Task Force on COVID-19 that was established to monitor, prevent the spreading of the disease and to provide essential services to sustain overall living standards of communities in the country. Following Steps were taken in that regard;

- Strict instructions were issued to minimize population gathering and to maintain social distance to contain contamination;
- Number of staff deployed was kept to a minimum on a roster basis where one such group consists around 20% of the normal number of staff;
- Instructions were issued to the rest of the staff to continue their duties remotely from their homes;
- Sanitizing facilities and protective gear were provided to the staff as required, for instance for airport staff;
- A disinfecting chamber was established at the entrance to the Customs premises;
- An interim paperless procedure was introduced for electronic submission and processing of CUSDECS (Custom Declarations for Goods) taking advantage of existing e-payment platform.

4 CONTINUOUS CROSS-BORDER MOVEMENT OF RELIEF AND ESSENTIAL SUPPLIES:

4.1. Uninterrupted facilitation of the cross-border movement of relief and essential commodities became an issue as a result of the imposition of island-wide curfew. However, SLC provided its maximum interventions & contribution to expeditious release of essentials to sustain overall living standards of communities in the country, which is somewhat mirrored with the lessons learnt during colossal disasters, such as, Tsunami in 2004.

4.2. Accordingly, the following policy decisions were put into action:

- Routine cargo selectivity criteria were tailored, especially to release medium and low risk cargo with minimum or no customs intervention. As a result, around 70% of essential items were exempted from physical examination, subject to random inspection through Non-Intrusive Cargo Scanning;
- Regulatory approvals, such as, standards and permits were coordinated via electronic means to ensure expeditious release;
- Some selected regulatory requirements, such as, approvals for adherence of regulatory requirements (standards and licenses) were relaxed subject to post clearance audits. Supplementary measures were provided to facilitate routine referrals to the Regulatory Agencies (for example, debiting of Import control licenses by the Department of Import Export Control were temporarily stopped in order to save time, unless it is deemed indispensable);
- Prompt actions were taken to facilitate requests made by Foreign Missions, especially to expedite essential exports;
- Provisional online procedures were introduced to verify Certificates of Origin for according preferential tariff treatments for shipments traded under Preferential Trade Agreements;

- Provisional clearance procedure was extended, with priority for consignments of relief goods and consignments needing expedited clearance;
- Existing 24/7 services for exports were limited to approximately 8 hours per day in view of the low volume of exports, as most of the factories were closed for operations due to government contingency measures, which were recommended for ensuring minimizing human interactions and gathering. However, Customs staff was kept on an "On-Call" basis and were to report as required during Customs non-operating hours;
- In addition to the regular Customs Enquiry Point, a special 24/7 help desk was established to attend to stakeholder inquiries. COVID-19 Contingency Plans, which introduced newly stipulated working hours and arrangements, along with personal contact numbers of relevant Unit Heads, were published and regularly updated on the SLC website (<http://www.customs.gov.lk>) ensuring trade facilitation.

5 CONTRIBUTION TOWARDS THE COUNTRY'S ECONOMY AND SUSTAINING SUPPLY CHAIN CONTINUITY:

5.1. SLC, while being the key tax revenue provider of the state coffers, ensures the expeditious release and clearance of average numbers of import and export containers on a daily basis. However, as the current situation demanded an innovative approach, steps, were to be taken, focused on the expeditious movement of essential import and limited export containers. Thereby, the revenue aspect did not take precedence over the emerging serious health concerns.

5.2. The following policy decisions were adopted accordingly.

- The scope of customs clearance was expanded from "the release of only selected essential cargo" to "the release of all general cargo", but on an incremental basis;
- Regular meetings with key policy level authorities and Governmental agencies were held for carrying forward the political will;
- Concessionary tariff rates were introduced to ensure constant supply of essential medicines and medical devices;
- A Standard Operating Procedure was put in place for the processing of applications for Inward Processing and attending to incidental operational requests and inquiries, over electronic mail with templates, for ensuring uninterrupted execution of industry and related import and export activities;
- Assisted Sri Lanka Ports Authority to clear spaces adjacent to cargo unloading bays in order to increase the efficiency of unloading goods from vessels keeping the supply chain uninterrupted, by providing clearance for even non-essential goods from time to time;
- Clearance of general cargo, passengers and their baggage with minimum Customs interventions concerning the potential threat of smuggling activities;
- Deployment of narcotics and drug detective canines of the Sri Lanka Police Narcotics Bureau for the examination of essentials imported from High Risk Countries;
- Effective coordination with other Governmental Agencies to submit manually functioned regulatory approvals directly to the ASYCUDA platform;
- Imposition of routine penalty on late reporting of manifests etc., were favourably considered and applicable penalties were waved off to zero.

6 SRI LANKA CUSTOM'S ENDEAVOUR ON PASSENGER FACILITATION:

6.1. Bandaranayake International Airport is the main international Airport in Sri Lanka. A daily average 27,000 inward and outward passengers had been processed through this International Airport in year 2018. According to the Airport sources, it has processed 12,025 inward passengers

and 12,722 outward passengers per day during the month of January 2020. However, this number has been drastically dropped to approximately 50 inward passengers and 150 outward passengers, as a result of the containment measures.

6.2. In these circumstances, expedited clearance was provided for inward and outward passengers in accordance with the protection measures stipulated by the government.

- Facilitated the processing of departing foreign nationals, mostly tourists, on special flights that were arranged;
- Expedited the processing of Sri Lankan nationals who were brought down on specially arranged flights and to be referred to specially established quarantine centres;
- Actions were taken to temporarily shut down the Unaccompanied Passenger Baggage (UPB) clearance depots at the initial stage, in view of the fact that the majority of these passengers are from every corner of the island. However, the corresponding clearances were re-commenced after having established a flexible mechanism.

7 ADDITIONAL FACILITATIVE MEASURES TAKEN UNDER PUBLIC-PRIVATE PARTNERSHIPS:

7.1. Regular meetings were held with private sector stakeholders in order to provide remedies for addressing their issues and some strategies were changed accordingly. For instance, SLC implemented a hybrid system for acceptance of Customs declarations, both in manual and electronic means, until the brokers get familiar with the said paperless process.

- Necessary arrangements were made to manage curfew passes for the travel of Customs staff, transporters, and Customs House Agents etc., having coordinated with Sri Lanka Law Enforcement Agencies (Sri Lanka Police);
- Requests of traders to waive port/Airport demurrage charges were efficiently coordinated with the Sri Lanka Ports Authority, private container terminal operators and Air Cargo Authorities, as and when it is required;
- Fullest cooperation was extended to Private stakeholders of Inland Clearance Depots (cargo examination points) to facilitate clearance of goods;
- Door to door delivery of UPB was carried out by some private sector UPB warehouse handlers in the instance where passengers were unable to return to Sri Lanka.

7.2. The COVID-19 pandemic outbreak has totally distressed entire communities since it is far diverse when compared with other historical contagions. The whole world is in a dilemma and waiting for any semblance of normalcy in order to restart their day today life and re-open economies etc. Undeniably, this abrupt situation has inculcated numerous lessons to worldwide authorities on how to cope-up with nature and manage life with limited resources. However, there will not be any visible silver line, if we human beings are not willing to challenge and change the status quo and are still ignorant of the reality!
