

Instruction No. 3/2022-Customs

F.No.CBIC-21/143/2022-INV CUSTOMS-CBEC

Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs
(Investigation-Customs)

New Delhi, dated 23rd April, 2022.

To

All Principal Chief Commissioner(s)/Chief Commissioner(s) of Customs/
Customs (Preventive)/Customs & CGST,
All Principal Chief Commissioner(s)/Chief Commissioner(s) of CGST,
All Pr. Director Generals / Director Generals [DGARM/DRI/DGGI/DGGST/DG
Audit/ DG Systems & Data Management/ DG Valuation],
All Pr. Commissioners / Commissioners [GST (Policy Wing)/ Customs & EP/
CX & ST / Legal/ PAC / RI&I/GST-Inv./ Coord].,
All Joint Secretaries (TRU-I/ TRU-II/Customs /Drawback /Review/Admin.),
Webmaster: cbic@icegate.gov.in.

Madam/Sir,

Subject: Revised guidelines for National Risk Management Committee
(NRMC) for Customs & GST – reg.

Kind attention is invited to the Board's Circular No. 23/2007-Customs dated 28.06.2007 and Circular No. 43/2005-Customs dated 24.11.2005 on Risk Management System and Charter of functions for National Customs Targeting Centre (erstwhile Risk Management Division (2005-2017) and Risk Management Centre for Customs (2017-2020)) and the constitution of National/Local Risk Management Committee. Consequent to the creation of Directorate General of Analytics and Risk Management (DGARM), the Directorate has been looking into the risk parameters of Customs, Passenger profiling and GST. Therefore, there is an urgent need to revisit the guidelines and mandate of the NRMC.

2. National Risk Management Committee (NRMC) for Customs & GST:

2.1 There shall be established a National Risk Management Committee for Customs and GST. The DGARM, Delhi will be the nodal agency responsible for convening the NRMC meeting to review the functioning of the NCTC-Cargo,

I/44878/2022

NCTC(Pax) and the GST Business Analytics Wing. These wings under the DGARM will supervise the implementation and enhancement of RMS, APIS and the DGARM applications and provide feedback for improving the effectiveness of risk management and all related aspects. The NRMCM will be a Standing Committee with the Member (Investigation), CBIC, as Chairman and Additional Director General, DGARM Hqrs, Delhi will be the Member Secretary of the NRMCM.

The Standing Committee members shall include –

- i. Pr./Director General Analytics and Risk Management (DGARM)
- ii. Pr/Director General, DGGST
- iii. Pr./DG Audit
- iv. Pr./Director General of Revenue Intelligence (DRI)
- v. Pr./Director General of Goods and Services Tax Intelligence (DGGI)
- vi. Pr./Director General of Systems & Data Management
- vii. Pr./Director General of Valuation (DGOV)
- viii. Commissioner, GST Policy Wing, CBIC
- ix. Joint Secretary (TRU), CBIC
- x. Joint Secretary (Customs),CBIC
- xi. Pr/Commissioner (Inv - Cus), CBIC
- xii. Pr/Commissioner (Inv-GST), CBIC
- xiii. Pr/Additional Director General, NCTC (Pax), Delhi
- xiv. Pr/ Additional Director General, NCTC Cargo, Mumbai
- xv. Pr/ Additional Director General, DGARM , Mumbai
- xvi. Pr/Additional Director General (ICES), Directorate General of Systems
- xvii. Pr/Additional Director General (ACES/GST), Directorate General of Systems
- xviii. Pr/Chief Commissioner of Customs, Mumbai Zone-II,
- xix. Pr/Chief Commissioner of GST, Bengaluru,
- xx. Pr/Chief Commissioner of Customs, Delhi

The Committee may also invite any other Pr/Chief Commissioner, Pr/Commissioner, as may be required.

2.2. The NRMCM shall be convened once every year and will have the following main (but not limited to) functions:

- i. Review the effectiveness of existing Risk Parameters employed in

various modules namely Import, Export, Container Scanning, Express Cargo Clearance System (ECCS), Post Clearance Audit (PCA), Protection and enforcement of Intellectual Property Rights (IPR) etc., and Risks posed by changes in Modus Operandi, new exemption notifications and new CCR's.

- ii. Review existing parameters and suggest new parameters to address concerns on border and port security.
- iii. Once NCTC(Pax) is operationalized, the NRMC shall look at incremental improvements to be made in the Automated Targeting System.
- iv. The Business Analytics wing of GST implements various modules e.g., Risky Exporters, Risky Taxpayers, Scrutiny of Returns, Audit, Analytical reports etc. The NRMC will advise on changes, if any, to be made in the various risk criteria that define the Risk in these modules.
- v. Deliberate and advise on new and emerging risks and suggest ways to address systemic risks, having cross-cutting implications.
- vi. Discuss new initiatives and projects for stepping up risk management strategy and associated processes, including the development of new modules and deployment of new technologies.
- vii. Be the Forum for giving feedback and suggestions on improving the efficacy of risk management.
- viii. Discuss and recommend measures for timely and effective risk mitigation by field formations.
- ix. Deliberate on economic trends, changes in policies, duty rates and exemptions, etc., that could be exploited by the trade to evade Duties and Prohibitions and suggest remedial action for the same.
- x. Discuss the efficacy of the Examination orders that would be made available shortly through the ICETAB, obviating the need for printing in the paper.
- xi. Have an oversight on the generation of the centralised examination orders based on various parameters and its rollout in phases to enhance uniformity.
- xii. To discuss and advise on enhanced use of technology, data sources and analytics capabilities to discern Security related Risks. Deliberate on use of AI/ML, Image analytics, geospatial analysis etc.
- xiii. To address security vulnerabilities in the International Supply Chain through entity profiling of stakeholders, leveraging information in databases about movement of vessels and containers etc.
- xiv. Any other matter that DGARM may consider for seeking the views of

the NRMCM.

2.3 The NRMCM may hold an additional meeting(s) in a year, as and when the situation warrants. Recommendations / deliberations of National Risk Management Committee Meeting will be submitted to the CBIC and other relevant stakeholders for further necessary action.

3. Local Risk Management (LRM) Committee:

3.1. A Local Risk Management Committee (LRMC) shall be constituted in each Custom Zone and CGST zone and it shall be headed by an officer not below the rank of **Pr. Commissioner /Commissioner.**

3.2. The LRMC will comprise of the Additional / Joint Commissioner in charge of Special Investigation and Intelligence Branch (SIIB), Anti-Evasion/Preventive wings as the case may be, who will be designated as the Local Risk Manager, and will also function as the Secretary to the Committee. The LRM Committee shall also include the Additional / Joint Commissioner in charge of Customs Post Clearance Audit/CGST Audit and a nominee, not below the rank of a Deputy Director from the regional / zonal unit of DRI, DGGI, DG Audit, and Asst/Deputy Director from DGARM, Delhi or Mumbai, wherever possible.

3.3. The LRMC will meet once every quarter and will have the following functions:

- i. Review of trends in imports of major commodities and all related issues such as admissibility, classification/valuation, CCR's, levy of BCD, IGST, ADD, as well as discuss trends and patterns of trade with a view to identify risk indicators.
- ii. Review the trends in GST revenue, Refunds, eWay bills, ITC availment, filing of GST returns etc. with a view to identify the risk indicators.
- iii. Ensure the regular updation of DIGIT through DRI/DGGI so as to facilitate risk analysis of taxpayers.
- iv. Decide on the interventions/targets to be put in place at the local level, both for assessment and examination of goods prior to clearance and for post clearance audit
- v. Periodic review of all the local interventions/targets that merit PAN India applicability for referring them to NCTC-Cargo through

I/44878/2022

- respective NACs for examination and further necessary action
- vi. Review the actions taken by local officers on NCTC/RMS instructions, Alerts, and Analytics Reports, etc., provide regular feedback/report to NCTC-Cargo, and share the details of local new and emerging risks
 - vii. Review all local alerts and recommend their continuation, only if found absolutely necessary. LRM may also advise use of ICES application to insert general instructions and Alerts rather than through the RMS.
 - viii. Any other matter which the LRMC considers important to be brought before the NRMC.
 - ix. To share the minutes of the meeting with DGARM.

3.4. LRMC Minutes/Periodic reports with the approval of the Pr/Commissioner will be sent to the ADG, DGARM, Delhi who will be the Member Secretary of the NRMC.

4. All field formations are requested to take note of the revised guidelines of NRMC / LRMC for effective implementation of the Risk Management System in Customs and GST.

5. The above instructions may be brought to the notice of all concerned.

Yours faithfully,

Signed by M G Thamizh

Valavan

Date: 23-04-2022 14:38:43

(Dr. M.G. Thamizh Valavan)

Commissioner (Investigation-Customs)

Copy to:

1. PS to Chairman & all Members (CBIC)
2. All Directorates under CBIC
3. Guard File