

**PRESS INFORMATION BUREAU
Government of India**

CHAIRMAN CBEC: IN ORDER TO HAVE SMOOTH FLOW OF GOODS ACROSS BORDER , THERE IS NEED FOR INCREASING COOPERATION BETWEEN CUSTOMS AND TAX AUTHORITIES OF DIFFERENT COUNTRIES; INAUGURATES TWO DAY 11TH ASIA EUROPE MEETING (ASEM) OF THE CUSTOMS' DIRECTORS GENERAL - COMMISSIONERS AT GOA; REPRESENTATIVES FROM 44 COUNTRIES ALONG WITH EUROPEAN UNION AND ASEAN SECRETARIATE PARTICIPATE IN TWO DAY INTERNATIONAL MEET

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The Chairman, Central Board of Excise and Customs (CBEC) Shri Najib Shah said that emerging demands and changing dynamics of growing international mobility of goods and capital, demand greater cooperation amongst Customs Administrations. He said that on one hand, we have to mobilize and facilitate legitimate trade and on the other, we have to be at the forefront of the fight against importation of dangerous and harmful goods. Shri Shah was speaking after inaugurating the 11th Asia Europe Meeting (ASEM) of the Directors' General-Commissioners of Customs at Dona Paula near Panaji in Goa today. Shri Shah further said that efficient customs controls over international movement of goods lead to the promotion of certainty and predictability. He said that this translates into Customs becoming a key driver in the contribution towards our national socio economic development. In order to achieve this, our emphasis is shifting to automation, single window clearance, and risk management to facilitate the movement of legitimate goods and to focus resources on high-risk areas, he added.

The Chairman, Central Board of Excise and Customs (CBEC) Shri Shah further said that in order to have smooth flow of goods across different countries, there is need for increasing co-operation between Customs and tax authorities. He said that in India, it is a declared policy to share data between Customs, Excise, Service tax and the Direct taxes. From a taxpayer facilitation perspective, Large Taxpayer Units have been set up where all taxpayer services be it Customs, Excise, Service tax or Direct taxes are rendered under one roof. Recognizing the primacy of Customs, the Indian government has appointed inter-agency Customs Clearance Facilitation Committees at the local and national level to set trade facilitation on a path of continuous improvement, he added

Representatives from 44 countries and two International Organisations European Union and ASEAN Secretariate are participating in two day 11th Asia Europe Meeting (ASEM) of the Directors' General-Commissioners of Customs organised by the Central Board of Excise and Customs, Ministry of Finance here at Dona Paula near Panaji in Goa today. Mr. Kunio Mikuria, Secretary General of the 180 member strong World Customs Organization (WCO), is also participating in the meeting. The Meet will

conclude tomorrow with an Action Plan in form of Goa Declaration based on two day discussions.

Following is the complete text of the Inaugural Address made by Shri Najib Shah, Chairman, Central Board of Excise and Customs made at 11th ASEM Customs Directors General - Commissioners Meeting today in Goa:

“Directors-General, Commissioners, Mr. Secretary General and our other friend from WCO, Ray , Colleagues,

Ladies and Gentlemen,

A very good morning to all of you.

It is my pleasure and privilege to welcome you on behalf of the Ministry of Finance, India and the Central Board of Excise and Customs to the 11th ASEM Customs Directors General - Commissioners Meeting here in Goa. This is all the more special since this is the first time that India is hosting this meeting.

I was not present in the lovely city of Vienna where the 10th meeting took place in 2013 and I am sure that there are other new Directors-General and Commissioners like me who are attending the ASEM for the first time. Participants naturally change with time, but we can all take pride in the fact that what remains unchanged is the deep commitment of all Customs Administrations of ASEM members to forge strong bonds of cooperation that bring Europe and Asia closer to each other.

ASEM, as we all are aware, is a process encompassing vast areas of international cooperation on issues related to security, environment, WTO negotiations, culture and much more. It complements the existing bilateral and multilateral fora between Asia and Europe and works informally with the objective of enhancing the synergies between two continents.

If we peek into the past and see from where ASEM began to where it stands now, we will find that in 1996, the focus was on prevention of illicit trade in drugs and commercial frauds; simplification and harmonization of customs procedures was also

recognized as being the way forward for Customs. Thereafter, in the context of enforcement, customs co-operation to fight against drugs/ chemical precursors/ money laundering/ commercial fraud / and IPRs continued to remain in focus. Through the early years, the idea of improvements in exchange of information and experience gained support.

In 2003, the Seoul initiative added impetus to the efforts towards the harmonization of Customs procedures in Asia. Priority was also attached to Trade Facilitation and Security through Customs Partnership in ASEM. The fight against counterfeiting at national and international level received a boost in the 6th ASEM at Scotland. Raising public awareness, having the required legislation in place and improving information exchange in this area formed an important pillar for ASEM.

The next turning point came with the Yokohama Declaration in 2007 where for the first time the priority areas were defined. These were-

- trade facilitation and security
- enforcement of IPRs
- Protection of our societies And Environment and
- Fight against Fraud.

It was recognized that the role of Customs in a changing environment and in an era of new challenges needed to be aligned to the current issues.

At Greece, in 2009, the Heraklion Declaration continued on the path of priority areas which had been identified, adding standardisation and simplification, capacity building and visibility of ASEM . The need for closer co-operation with the business community was also recognised and 'involving business ' gained ground in our process of dialogue and consultation.

These priority areas continued to envelop ASEM in 2011 as well and took the shape of the VIENNA Declaration in 2013 where there was a consensus that the umbrella issues of trade facilitation /combating counterfeiting & Customs IPR enforcement /protecting the Society and the Environment/involving business and/Communication and Visibility should continue to be the main pillars of ASEM.

This meeting aims to review the progress done since Vienna in 2013 and to chart out a future course of action till the next meeting in Germany in 2017. As the agenda will unfold here in Goa, there will be a conscious adhering to the ASEM principle of 'building common knowledge on specific issues'.

Friends, we thus stand on a rich legacy of 20 years and the journey of ASEM shows how ASEM has reinvented itself to keep up pace with the momentum of our socio-political change. Now is again time to take stock of the progress in the last two decades and steer our future trajectory of cooperation under the ambit of ASEM.

Emerging demands and changing dynamics of growing international mobility of goods and capital, demand greater cooperation amongst Customs Administrations. On one hand we have to mobilize and facilitate legitimate trade and on the other, we have to be at the forefront of the fight against importation of dangerous and harmful goods. Efficient customs controls over international movement of goods lead to the promotion of certainty and predictability. This translates into Customs becoming a key driver in the contribution towards our national socio economic development. In order to achieve this, our emphasis is shifting to automation, single window clearance, and risk management to facilitate the movement of legitimate goods and to focus resources on high-risk areas.

In fact, Customs Administrations have always been agents of change. We are usually the first to adopt new technology in our business processes. For instance, the Indian Customs Administration began to automate its workflow over 30 years back – much before most other Government agencies. Paperless trade is one such initiative that India is committed towards and supports unstintingly. Incorporating the concept into the supply chain would surely be a game changer resulting in enormous benefits for international trade.

Reduction of transaction costs is an important factor towards trade facilitation. As we discuss trade facilitation issues over the next two days, I urge all of you to find out ways to make Customs the foremost enabler in creating an environment towards paperless trade. 'Digital India' is a flagship program of the Government of India. It envisages complete digitization of government processes and business to government interface. I find that there is a high degree of convergence between digitization of Customs eco-system and the coordinated border management approach. In this digital era, building systems to support digital handshake with every stakeholder (i.e logistics operators, banks, other regulatory agencies) so as to ensure paperless movement of cross border trade is one of the main concerns of every Customs Administration. The maturity of digital handshake with partner agencies within a country would automatically pave way a digital handshake with partner customs administrations, wherever it found beneficial, through either bilateral or multilateral arrangement. Asian, as well as

European, Customs administrations need to learn a lot from each other in this endeavor.

Co-operation between Customs and tax authorities is also an area of growing importance. In India it is a declared policy to share data between Customs, Excise, Service tax and the Direct taxes. From a taxpayer facilitation perspective, Large Taxpayer Units have been set up where all taxpayer services be it Customs, Excise, Service tax or Direct taxes are rendered under one roof. Recognizing the primacy of Customs, the Indian government has appointed inter-agency Customs Clearance Facilitation Committees at the local and national level to set trade facilitation on a path of continuous improvement.

Collaboration amongst our training institutions can be a significant move towards building requisite competencies amongst our Administrations. Capacity building is a strong need for all of us and improving the efficacy of our efforts in this direction is imperative. A well-trained workforce is what converts aspirations into concrete results. Therefore, I recommend that we look at this area as a step towards greater partnership and making our capacity building efforts more meaningful and result oriented.

16. ASEM provides us an apt platform to build many bridges and we should show prudence in using it effectively. Our role may have changed but our priorities remain the same and these are very well encapsulated in the ASEM priority areas. The challenge is to deliver and deliver effectively in these areas and ASEM can be an excellent platform in achieving this goal

We live in a world where the contours of the world order change rapidly. Customs fraternity needs to remain eternally vigilant. Looking back, I find that prevention of commercial frauds has earlier been one of the areas of concern for ASEM when the Enforcement Working Group was formed. Today a G20 endorsed OECD proposal for a global model for automatic exchange of information to better fight tax evasion and ensure tax compliance has found high acceptance.

I also recommend that going forward we take a concrete step towards 'involving business' more directly with our ASEM Meet .For instance, we could have an engagement with the Chamber of Commerce of the host country as part of the agenda of the DG / Commissioner's meeting.

The future direction of ASEM must be in alignment with these demanding paradigms. Our action plan must, therefore, be a reflection of these changing dynamics.

As ASEM approaches its 20th anniversary in 2016, we must strive to make it resonate with such current challenges. A sharp focus on the heightened visibility of ASEM also merits consideration. It will be worthwhile if all ASEM Members have a link to 'ASEM infoboard.org' in their websites. This will ensure a seamless flow of information.

Customs administrations should have a clear vision and a strategy for a new paradigm of working. The critical role we can play in cross-border controls, the fillip we can provide to trade facilitation, the change we can bring by imbibing advances in information and communication technologies, the alacrity with which we need to adapt ourselves to stay in tune with dynamics of changing world order, the performance metrics we need to put in place for measuring actual progress. I am optimistic that in the ensuing two days we will be able to formulate such a vision.

I once again heartily welcome you and specially those who are visiting India for the first time. The officers and the staff of the Indian Customs Administration are available 24X7 to make your stay comfortable and memorable. Please enjoy the wonderful hospitality and unique culture of Goa –an exotic mix of Portuguese and Indian.

With this, I declare the 11th ASEM Customs Directors Generals - Commissioners meeting open. May our deliberations be useful and productive.

Thank you.”
