NATIONAL IMPORT DATABASE

Project Goals

- Check possible undervaluation of imported goods
- Risk analysis by targeting sensitive goods and potential valuation fraud
- Provide timely valuation and classification for tax planning
- Minimize tendency of importers to shift to less frequented ports
- Provide domestic producers / manufacturers a level playing fields

Features of the project

- Database of imports at all Custom Stations in India
- Up-to-date information regarding valuation and classification
- Instant access and easy assistance

SCOPE OF THE PROJECT

- To have a ready Database of Imports at all Customs stations in India (over 200 stations) for the benefit of the field officers

- To check under valuation of imported goods by issue of Alerts and Guidelines in cases where there is some pattern or modus operandi.

- To eliminate the scope for importers to shift from one port to another

- Minimize undue advantage to under value imports as against domestically produced goods

- To facilitate Risk Analysis, enforcement and PCA

Uses of database

- At present, with the ever increasing volume of trade, it is neither possible nor desirable for any tax administration to scrutinize all the transactions. Database backed RMS, PCA & enforcement provides a solution for this

- A National Valuation Database helps in :

- Identifying transactions to be facilitated under RMS.

- Scrutinizing the cases of transfer pricing and Related Party Transactions

- Selection for Post Clearance Audit (PCA)

- Intelligence support system

- Helps in determining Customs Value under Article 2 & 3 when it cannot be done by Transaction Value Method

- Issue of Valuation alert/Guidelines for the benefit of the field formations.

Steps to develop database

Receipt of Data from field formation
(i.e. EDI (ICES 1.0 & 1.5), as well as non-EDI locations)

Storage and analysis of Data received
(at DGOV)

Dissemination of analyzed data
(through ICEGATE & Website)

Receipt of data

- The import data is captured on a daily basis in a specially devised format (flat file).

- The required data from ICES 1.0 locations is retrieved by special software (EoD) and transmitted through ICENET.

- The ICES 1.5 works on Central Server and the data is retrieved directly from the Central Server.

- For remote Non EDI customs stations, the data is transmitted via email by use of DEM.

- Receipt of data is monitored daily.

Data Analysis

- The data is analyzed on a weekly basis with the help of software (Mulyaankan).

- The import data from all stations is merged and arranged together.

- This software calculates unit values, the weekly weighted averages for sensitive commodities and percentage deviations of each import from weighted average.

- An interface with international price information is also being provided progressively along with analyzed data

Transmission of data

- The analyzed data in excel format is transmitted to all EDI stations through ICENET.

- The data is put on the intranet by the respective system Manager for use by the assessing officer.

- Thus the assessing officers can access analysed data on their local intranet server.

- DGOV also hosts the analyzed data on its website   on a weekly basis.

- The website is password protected.

Analyzed Data

The analyzed data is displayed in   DVF and DVS files – in MS Excel format.

There is inherent advantage of filter and fine filter mechanism.

Data can be sorted out as per COO, CTH, Description, Model, Port etc.

Uses of database by Assessing officer

- The Analyzed data in MS Excel format is converted into MS Access format and stored in the individual Custom Houses.

- Customs stations are provided with Query Module – Password protected.

- The analyzed data also posted on website www.dov.gov.in – Query Module- Password Protected.

- With the introduction of the Central Server, the data is proposed to be hosted on the Central Server.

Uses of NIDB

- Valuation is one of the most important factors for deciding facilitation level for an imported consignment.

- Sensitive commodities are identified based on factors such as: High rate of duty
        Fluctuation in international price
        Past history of undervaluation

- Average Custom accepted value is calculated with the help of NIDB for the sensitive commodities.

- Permissible value bands are periodically provided for sensitive commodities by DGOV.

Use of database for Enforcement

- Intelligence building through data analysis to profile and target goods, consignments, Commercial Entities which are sensitive to valuation fraud

- Provide credible evidence of similar/identical transaction and a legal basis for an investigative findings

- Gives an insight of international trade and helps automate the investigation techniques and process.

- Encourage exploration and discovery on the part of the enforcement agencies and detect commercial frauds.

- A credible platform for data exchange.

- Eliminating the scope for forum shopping.

NIDB as a Tool

IMPORT DATABASE IS A TOOL FOR :-

    Risk assessment;

    Means for checking truth and accuracy of the declared value;

    Detection of Commercial frauds;

    Support for Post Clearance Audit;

    IT IS NOT TO BE USED

As a substitute value for loading declared prices.

To fix minimum values;

To reject the declared value only on the basis of the database value.

Challenges for database

The accuracy of database depends upon the accuracy of data entry e.g.:

- *DESCRIPTION OF GOODS* – Description should be complete and accurate, conforming to established standards (key words / characters describing the product).

- *CLASSIFICATION* – Database will not provide desired results unless goods are correctly classified.

- *STANDARDIZED UNIT QUANTITY CODE* – When different kind of units codes are used for the same commodity comparison becomes difficult.

- *BRAND/MODEL/GRADE/SPECIFICATION* – Declaring details with respect to Brand/Model, Grade and specification are must for accurate database as analysis will be done on these parameters.