

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT NO.1633/LHR/CUST/2023

Dated: 26.03.2023 * RO Lahore

Mr. Danish Siddique,
11-E, Mohallah Marghzar Colony,
Lahore

... Complainant

Versus

The Secretary,
Revenue Division,
Islamabad

... Respondent

Dealing Officer	:	Ms. Adila Rehman, Advisor
Appraising Officer	:	Dr. Arslan Subuctageen, Advisor
Authorized Representative	:	Nemo
Departmental Representative	:	Mr. Ataullah, D.C, Customs (SAPT) Ms. Asma Sikandar, A.C Customs Collectorate of Customs (App-East) Karachi

FINDINGS/RECOMMENDATIONS

This Complaint was filed against the Director, Directorate of Reforms & Automation, Karachi and the Collector, Collectorate of Customs (Appraisalment-East), Custom House, Karachi, in terms of Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance), regarding non-availability/visibility of e-Auction containers for publishing and processing of online bids due to creation of new Collectorate.

2. Precisely, the facts of the case are that, recently, a new Collectorate named as Collectorate of Customs (Appraisalment-SAPT) was launched. After launching of Collectorate, the BL having manifested Terminal SAPT stuck in e-auction portal and all the e-auction containers pending at KAPE having SAPT terminal were not visible to any Collectorate for publishing and processing of bids. The Complainant prayed that the concerned authorities be

*Date of registration in FTO Sectt.

directed to assign all e-auction pending lots for publishing on e-auction portal.

3. The Complaint was referred to Secretary, Revenue Division, for comments, in terms of Section 10(4) of the FTO Ordinance, read with Section 9(1) of the Federal Ombudsmen Institutional Reforms Act, 2013. In response, the Collector, Collectorate of Customs (Appraisalment-SAPT), Custom House, Karachi, vide letter dated 11.05.2023, submitted parawise comments, stating therein that instant Complaint regarding non-availability/visibility of e-Auction containers for publishing and processing of online bids due to creation of new Collectorate i.e. Collectorate of Customs (Appraisalment-SAPT), Karachi vide SRO No.2301(i)/2022 dated 22.12.2022. The Auction Cell of Collectorate of Customs (Appraisalment-SAPT) was facing issues in respect of processing of overstayed consignments which were physically lying at SAPT but were manifested in Collectorate of Customs (Appraisalment-East) with Import General Manifest (IGM) having prefix of Appraisalment-East i.e. "KAPE" because of arrival of their respective vessel before the establishment of Appraisalment-SAPT. These overstayed consignments (after 25 days from their arrival in Pakistan) were assigned e-Auction related respective GD number with specific prefix of Appraisalment-East i.e. "KAPE- AD" in system and their IGM indices were utilized in these e-auction GDs. It was pertinent to mention that when an IGM index or Bill of Lading was utilized in WeBOC System for either e-Auction GD or Section 79 GD for clearance by the importer through self-declaration, it could not be used for any other GD unless such GD was cancelled and IGM Index was freed. After operationalization of Appraisalment-SAPT in WeBOC System from 15.02.2023, Auction Section of Appraisalment-SAPT shortlisted all such IGM indices/Lots which

had been assigned e-auction GD number in Appraisement-East. Though, all these consignments were ripe for auction, but as described above, these could not be processed further in WeBOC System of Appraisement-SAPT as their IGM had already been utilized. Such e-auction GDs which were held in Appraisement-East WeBOC System were at first required to be cancelled by Management Information System (MIS) Section of Appraisement-East before being placed under auction process. It was also informed that even after freeing of IGM Index of these consignments in system through cancellation of their e-auction GDs by Appraisement-East, the Appraisement-SAPT was unable to perform e-auction of these lots as IGMs which become available in system after cancellation of e-auction GD could not be re-assigned another e-auction GD number (in any Collectorate) due to limitation of current e-Auction Module. The auction of above mentioned goods could only be performed manually through public auction. Against this backdrop, coordination through correspondence was made with Appraisement-East for prompt removal of auction holds/cancellation of KAPE-AD GDs. So far auction hold on most of such GDS had been removed and the same were in process either in Examination, Reserved Price Fixation or Legal Verification as per the requirements of manual auction procedure. After completion of all such formalities, the said lots would be put for manual auction. The lots which were assigned with Import General Manifest (IGM) having prefix of Appraisement-SAPT i.e. "KAPS-AD" would be auctioned through e-Auction Module.

4. The case was fixed for hearing on 28.04.2023 and 09.05.2023 but neither the Complainant/AR attended the hearing nor was any adjournment sought. However, the DRs from

Collectorate of Customs (Appraisalment-East/SAPT) attended the hearing and informed that some technical issues had arisen after bifurcation of Collectorate (Appraisalment-East) and creation of SAPT. There were certain auction-able lots lying physically in SAPT but IGM numbers etc. were of Appraisalment-East. They were trying to resolve the issue through conducting regular auction instead of e-auction. Both officers were directed to submit a detailed report on the aforesaid issue to this Office.

FINDINGS:

5. Arguments of DRs and written averments of both sides have been perused. Perusal of written as well as verbal arguments of Department reveals that the Auction Cell of Collectorate of Customs (Appraisalment-SAPT) is facing issues in respect of processing of overstayed consignments which are physically lying at SAPT but are manifested in Collectorate of Customs (Appraisalment-East) with IGM having prefix of Appraisalment-East i.e. "KAPE" because of arrival of their respective vessel before the establishment of Appraisalment-SAPT. According to the Department, they are trying to resolve the issue through conducting regular auction instead of e-auction. As such, no maladministration has been established on behalf of the Department.

RECOMMENDATIONS:

6. In view of the above, FBR is to:
- (i) direct the Collector, Collectorate of Customs (Appraisalment-East) and Collector, Collectorate of Customs (Appraisalment-SAPT) to resolve the issue by mutual coordination with due assistance of the Directorate General of Reforms &

Automation and do away with any auction pendency created as a consequence of the above discussed technical glitches; and

- (ii) report compliance within 60 days.

(Dr. Asif Mahmood Jah)
(Hilal-i-Imtiaz)(Sitara-i-Imtiaz)
Federal Tax Ombudsman

Dated: 18:5:2023
KAAQ

Approved for reporting


Director
FTO Secretariat
Islamabad