GOVERNMENT OF PAKISTAN

**(REVENUE DIVISION)**

FEDERAL BOARD OF REVENUE

******

Islamabad, the 25th April, 2012.

## NOTIFICATION

## (CUSTOMS)

**S.R.O. 413 (I) /2012.** In exercise of the powers conferred by section 219 of the Customs Act, 1969 (IV of 1969), the Federal Board of Revenue is pleased to make the following rules, namely:-

## CHAPTER-I

## PRELIMINARY

**1. Short title and commencement.-** (1) These rules may be called the Tracking and Monitoring of Cargo Rules, 2012.

(2) They shall come into force at once.

**2. Scope.-** These rules shall apply to tracking and monitoring of the following types of cargo throughout the journey from the port of entry to the port of exit or from one warehouse to another, on real time basis, namely:-

(a) transit cargo under Chapter XXV of the Customs Rules, 2001;

(b) petroleum, oil and lubricants (POL) products exported to Afghanistan under Chapter XXII of the Customs Rules, 2001;

(c) trans-shipment cargo under Chapter XIV of the Customs Rules, 2001; and

(d) safe transportation under Customs General Order (CGO) No. 12 of 2002:

Provided that the cargo transported by Pakistan Railways shall be tracked and monitored under these rules from the date to be specified by the Board, through a General Order.

**3. Definitions.-** In these rules, unless there is anything repugnant in the subject or context,-

(i) “Act” means the Customs Act, 1969 (IV of 1969);

(ii) “applicant” means any company which applies for a license under these rules;

(iii) “Board” means the Federal Board of Revenue established under the Federal Board of Revenue Act, 2007;

(iv) "carrier" means the carrier defined under Chapter XIV of the Customs Rules, 2001;

(v) "Central Control Room" means a control room established by the licensee in Model Collectorate of Customs (MCC) Preventive at Custom House, Karachi or any other control room specifically designated by the Board;

(vi) "Goods Declaration" means a declaration filed under the provision of the Act or rules made thereunder;

(vii) "Licensing Committee" means a Committee comprising Collectors of Customs (Appraisement), (Port Qasim), (PaCCS), (Exports), Karachi, and Director of Intelligence and Investigation, FBR, Karachi or any other authority designated by the Board;

(viii) "PCCSS" means Pakistan Customs Container Security System, as specified in CGO No. 4 of 2007, dated 31st March, 2007;

(ix) "ports of entry and exit" means an officially designated location at seaport, airport or land Customs station where Customs officers and officials are assigned to accept declarations of merchandise and vehicles, control imports and exports, clear passengers, collect duties and enforce the various provisions of Customs, and other relevant laws;

(x) "Project Director" means the Collector, Model Collectorate of Customs (Preventive), Karachi;

(xi) "Regional Control Room" means a control room established by the licensee in various Model Collectorates of Customs across Pakistan or any other control room designated by the Board;

(xii) "transport operator" means the transport operator defined and licensed under Chapter XXV of the Customs Rules, 2001; and

(xiii) "vehicle" means any rigid road vehicle, articulated vehicle, unaccompanied trailer or semi-trailer.

## CHAPTER-II

## LICENSING

**4. Licensing of Companies for tracking and monitoring of cargo.-** (1) No company shall carry out tracking and monitoring of cargo unless it has obtained a license under these rules.

(2) No licensee under these rules shall establish, maintain or operate any telecommunication system or provide any telecommunication service which is not authorized under the license issued to it by Pakistan Telecommunication Authority (PTA) established under the Pakistan Telecommunication (Re-organisation) Act, 1996.

**5. Functioning of Licensing Committee.-** (1) The licensing committee shall function in accordance with the provisions of these rules.

(2) Collector of Customs (Preventive), Karachi shall be the convener of the licensing committee and its headquarters shall be located in Model Collectorate of Customs (Preventive), Karachi. The Collectorate shall provide secretarial and other allied support required for functioning of the licensing committee.

(3) The licensing committee shall devise procedures for its functioning, which shall be in accordance with these rules.

**6. Application for grant of a license.-** (1) An application to carry out tracking and monitoring of cargo mentioned in these rules shall be made in duplicate to the Board.

(2) An application under sub-rule (1) shall be accompanied by all the supportive and relevant documents including the following, namely:-

(a) a comprehensive profile of the company;

(b) brief about managerial and technical personnel indicating name, position, qualification and experience;

(c) total number of current employees;

(d) list of major clientele;

(e) documents showing relevant experience in tracking and monitoring of vehicles and containers;

(f) complete history of activities undertaken and synopsis of the projects done;

(g) current commitments and status of in-hand projects;

(h) valid license obtained from the PTA for the activity or category approved for;

(i) incorporation Certificate under the Companies Ordinance 1984;

(j) National Tax Number (NTN) Certificate;

(k) audited accounts of the last three financial years;

(l) Income Tax returns for the last three years;

(m) registration with Sales Tax Department, if required;

(n) computerized National Identity Cards (CNICs) of the Directors of the company; and

(o) undertaking that the company has never been blacklisted by any Government or private department or organization and has not been involved in confirmed cases of fiscal fraud including that specified in section 32A of the Act.

(3) The applicant shall also declare the fee and charges that it intends to collect from importers of the cargo and from carriers or transport operators during the license period.

**7. Criteria for grant of a license.-** (1) The applicant shall be required to provide technological solutions on the basis of GSM or GPRS or

Satellite Communication or any other modern technology for monitoring and tracking, on real time basis, of containers and vehicles carrying the cargo mentioned in these rules.

(2) The applicant shall possess the following qualifications to be considered for issuance of license, namely:-

(a) it shall be a company duly incorporated under the Companies Ordinance, 1984 (XLVII of 1984);

(b) it shall have relevant experience and past performance in vehicles and containers tracking;

(c) it shall be in a financial position to undertake the project – minimum turnover of rupees 350 million or financial worth of rupees 200 million; and

(d) it shall have appropriate managerial capacity to execute and run the project.

(3) The system based solution offered by the applicant must have the following features, namely:-

(a) container, vehicle synchronization;

(b) alert on deviation from specified or designated routes;

(c) location, direction and GPS speed data for containers and vehicles;

(d) container doors monitoring (unauthorized opening, unhinging, tampering, intruding, etc.) alerts;

(e) route time monitoring;

(f) unauthorized stoppages (include stoppages which cannot be reasonably excused by the relevant customs officials or as elaborated by the Collector of customs concerned through a Public Notice) reporting;

(g) electronic geo-fencing;

(h) theft incidence and reaction;

(i) data analysis and communication results thereof to Central Control Room (CCR) and Regional Control Room (RCR); and

(j) must be stable, fault-tolerant, secured, and can be accessed only by authorized username and password as authorized by the customs.

(4) The system based solution offered by the applicant shall be able to perform the following functions, namely:-

(a) monitoring capability on real-time basis of a minimum of 3000 containers or trucks from CCR;

(b) monitoring and tracking of vehicles and containers throughout the journey from Customs point of entry to Customs point of exit on real time basis;

(c) geo-fencing and creating buffer zones around a certain route or area;

(d) generate detailed journey reports that include stop points and durations, start and end points, area names, etc.;

(e) the ability to configure the tracking unit remotely;

(f) the system should work on Client Server basis so that adding and removing users and their privileges could be done efficiently;

(g) the system must be capable of sending alert messages and trigger alarms (visible and audible) in case of occurrence of abnormal event such as route deviation, stoppages in risky zones and tampering with the tracking unit or cargo etc (different alarms to be shown by different colored icons on the map. Clicking the icon of any vehicle should enable the operator to access the vehicle data base);

(h) the system shall be able to assign containers and vehicles of one licensee to another licensee for tracking containers and vehicles;

(i) container and vehicle locations on the map and screen should be represented by icon or symbol;

(j) in case of absence of one communication network coverage the tracking unit of the system must be able to switch over to another network so as to ensure real time tracking without interruption or break;

(k) the system should be capable to assign more than one route for one destination and geo fencing for all routes;

(l) the software package of the system must *inter alia* include,-

  (i) transit and fleet management application; and

  (ii) mapping and graphical application to display position of the vehicle and container on digital map of the country;

(m) the system should be flexible enough to interface with other international databases, if required;

(n) the availability of extra tools to measure distance, meter scale, change coordinate system, change symbol colours, etc.;

(o) the ability to assign specific alerts to specific pins (relays) in the tracking unit and the ability to monitor tracking operations through a web page;

(p) the ability to enter data into the system through electronic media (barcode reader, etc.);

(q) the system reporting should be capable to filter and process the trip data for statistical and analytical purposes;

(r) the system must include replay function and allow sharing of information with remote client station;

(s) the licensee should ensure secure data storage and archiving of data for five years from its generation or recording;

(t) ability to use Palm-held Devices (PDA's, etc) for reading and writing data into the system at regional sites;

(u) ability to assign Unique load identifier (ULI) which should contain information about unit number of tracking device (GPS, etc.), Goods Declaration (GD) No. and date, carrier name, vehicle number, location etc.;

(v) the Communication media should cover all the geo-fenced routes across the country; and

(w) all Electronic Data Interface (EDI) communication should be encrypted to ensure secure communications.

(5) The applicant shall also submit a complete list of operations and maintenance required to operate the system based solution.

(6) The applicant shall specify the expected delivery and implementation time, which shall not exceed four months from the date of issuance of license. The applicant shall also undertake to meet these timelines.

**8. Procedure for grant of a license.-** (1) On receipt of an application for grant of license in the Board, the licensing committee shall evaluate it.

(2) The licensing committee may also fix a date for a hearing to be attended by the applicant for the purposes of evaluation of the application submitted under sub-rule (1).

(3) The licensing committee may also carry out visits and physical inspections to ascertain eligibility of the applicant for licensing under these rules.

(4) The applicant shall be required to give practical demonstration of the technological solution offered for licensing.

(5) The licensing committee shall send its recommendations to the Board within one hundred and twenty days from the date of submission of the application. It shall give detailed reasons for recommending rejection of any application under these rules:

Provided that where complete documents or any information needed for the requisite evaluation have not been provided within fifteen days of the requisition or within thirty days of the submission of application, whichever is later, the application shall be summarily rejected.

(7) In case a company meets the technical and financial criteria given in these rules, the licensing committee shall recommend to the Board for grant of license to such a company.

(8) The Board may grant license to the recommended company.

(9) The qualified company shall be required to deposit bank guarantee for rupees ten million to the licensing committee, as financial security, before issuance of the license. The bank guarantee shall be valid for whole duration of the license and shall be encashable in case of violation of these rules or terms of license leading to loss of government revenue.

**9. Rights granted to the licensee.-** A licensee shall have the right to establish, maintain and operate a system to monitor and track the cargo on real time basis, in accordance with terms and conditions of the license.

**10. Terms and conditions of the license.-** (1) Subject to these rules, license shall be granted for a period of three years.

(2) The license granted under these rules shall be subject to the provisions of the Act.

(3) The license granted under these rules shall be non-transferrable and shall not be allowed to be used by any sub-contractor.

**11. Renewal of the license.-** (1) An application for renewal of license shall be made to the Board, three months before its expiry.

(2) The licensing committee shall evaluate the application and may recommend renewal of license to the Board.

(3) The Board may renew the license for further two years on the basis of recommendations of the licensing authority.

(4) The licensee shall be required to comply with all the provisions of these rules for the renewed period.

## CHAPTER III

## RESPONSIBILITIES OF THE LICENSEE

**12. Licensee to run and manage the system.-** (1) The licensee shall be responsible to operationalize the system within four months of issuance of license.

(2) The licensee shall run and manage the system under proper warrantee and shall ensure maintenance during the period of license.

(3) The licensee shall abide by all relevant laws while running the system.

**13. Establishment of Central Control Room.-** (1) The licensee shall design, furnish and establish a Central Control Room (CCR) in the Custom House, Karachi or in any other control room designated by the Board.

(2) The CCR shall be equipped with hardware, software, plasmas, LCDs, communication and other allied equipment for viewing, analyzing the movements of goods and vehicles and responding in cases of alerts.

(3) The CCR shall have necessary servers and data storage facilities to store and manage data bases for the vehicles monitored daily, with report printing capabilities for each trip.

(4) The operators at the CCR shall be able to transfer the map or any section of it to any monitor or licensee connected to the system based on pre-assigned priorities.

**14. Establishment of Regional Control Rooms.-** (1) The licensee shall design, furnish and establish Regional Control Rooms (RCR) in various Collectorates of Customs or in any other places designated by the Board.

(2) The RCRs shall be connected with the CCR and equipped with the requisite infrastructure for monitoring the movement of goods and vehicles, and for responding in cases of alerts.

**15. Establishment of Mobile Enforcement Units.-** The Collectorates of Customs shall establish Mobile Enforcement Units (MEU) in respective Collectorates on shift rotation basis (twenty four hours and seven days a week). The MEUs shall be responsible for reacting in case any alert is communicated to them by CCR or RCR and shall co-ordinate with enforcement units of the licensee.

**16. Requirements to be met at the points of entry and exit.-** (1) The licensee shall ensure that-

(a) Each point of entry and exit is connected to the system with adequate IT infrastructure for initialization and termination of each trip; and

(b) each point of entry and exit is connected with the CCR and RCRs.

(2) The licensee shall arrange testing and storing facilities for all equipments and mounting or un-mounting of tracking device at each point of entry and exit.

(3) The licensee shall provide and maintain Palm-held Devices, printers, UPS, etc for smooth operation of the system at each point of entry and exit.

(4) The system shall be expandable to cover future required points of entry and exit.

**17. Services to be provided by the licensee.-** The licensee shall be required to provide the following services, namely:-

(a) monitoring and tracking of vehicles and containers carrying the cargo mentioned in these rules from Customs port of entry to Customs port of exit on real time basis;

(b) maintaining en-route integrity of cargo by preventing pilferage or theft or losses;

(c) access to relevant information through Web-Portal to all stakeholders as allowed under these rules or by the customs;

(d) flexible solution to cater for any future requirements of tracking under multi-modal and inter-modal transportation environment, e.g. with other stakeholders like Pakistan Railways etc.;

(e) monitoring timely deliveries and reporting on transport efficiencies;

(f) managing the system under proper maintenance to ensure smooth operation of the system, compatible with customs procedures and operations so as to ensure running of the system by customs also;

(g) vehicle immobilization and securing as and when required, and mandatory in case of geo-fencing violation, pilferage attempts, unauthorized or unusual stoppage;

(h) reporting application capable of generating the following reports:-

(i) a map of the route followed by the vehicle and container during the journey;

(ii) vehicle and driver details as well as any violation made during the journey;

(iii) trip report for each journey as soon as the truck arrives at the destination customs center;

(iv) incomplete journeys reports; and

(v) full documentations covering all stages of the journey (electronic and hard copy);

(i) the licensee shall ensure tracking and monitoring <u>enroute</u> covering following:-

(i) location and direction of containers and vehicles;
(ii) data gathering on real time basis;
(iii) mounting, securing and ensuring integrity of device during journey by using machine readable serialized seals;
(iv) data analysis on real time basis;
(v) jamming device; and
(vi) alerts for:
  (a) unusual Stoppages;
  (b) device / Tampering or Infringement or Intrusion or Removal or Door Opening; and
  (c) unusual Deviation from Geo-fencing Device Mounting or Un-mounting; and

(j) the licensee shall also provide:

(i) extension of tracking or monitoring to trans-border, if required;
(ii) customized land marking;
(iii) customized analytical reports;
(iv) scalable solution to handle additional units; and

(v) single interface for monitoring of containers and authorized carriers.

**18. Tracking device provided or used by the licensee.-** (1) The tracking device provided or used by the licensee shall have the following features, namely:-

(a) it should be small, of compact size, shock-proof, temperature and fire resistant and with water proof casing;

(b) it should be reusable, easy to install or mount and remove or un-mount, with high storage capacity;

(c) It should operate on the following modes:-

(i) stand alone using long life (not less than fifteen days) rechargeable battery without connection to the vehicle power supply; and

(ii) using power supply of the vehicle, if needed or for rechargeable purpose;

(d) it should have a motion detector; and

(e) the system should have a provision for fast and effective immobilization of vehicle, whenever required.

(2) The Project Director shall get the tracking and monitoring devices as well as the tracking system installed in vehicles, tested before use. On satisfaction, the Project Director shall allow use of tracking and monitoring devices and installation of tracking system in the vehicles. Same procedure shall be followed in case new device is introduced.

(3) The Project Director may require replacement of device or tracking system if he is of the view that the equipment is not giving satisfactory results.

**19. Mounting of tracking device.-** (1) The licensee shall establish designated areas at the point of entry, which would be in proximity of PCCSS office of MCC Preventive, Karachi and shall be responsible for active and close liaison with it.

(2) The licensee shall make arrangements in the designated areas for mounting and un-mounting of tracking or monitoring device. Once the GD-TP or GD-AT is out of charged by the relevant Customs Collectorate, the carrier shall take delivery of the goods on the registered vehicle and bring it to the tracker installation area, where the designated tracker company shall install the tracking device on the container. The tracking device shall be synchronized with the fixed tracking device already installed on the vehicle and once both the tracking devices are synchronized the staff of the tracking company shall activate the data on the relevant computer software to be accessed by Customs scanning staff, PCCSS sealing Focal Point and Exit Gate of the terminal operator as well as customs focal point of entry and exit, and CCR.

(3) The licensee upon being approached by the carrier or transport operator shall affix the tracking device and make it synchronized with the tracking device fixed on the prime mover or vehicle and upload the data in the system and activate the tracking system. The whole procedure shall be completed within fifteen minutes.

(4) The system shall generate a certificate to this affect, which shall contain details of G.D., container and vehicle number, and the tracker unit ID number.

(5) If any device is found malfunctioning, it shall be forthwith replaced with a functioning device.

(6) The vehicle shall then be taken to the designated PCCSS focal point entry, where procedure prescribed under Customs General Order (CGO) No.4 of 2007 shall be completed.

**20. Un-mounting of tracking device.-** (1) The licensee shall establish designated areas at the point of exit, which would be in proximity of PCCSS office of Focal Point Exit, and shall be responsible for active and close liaison with it.

(2) The licensee upon being approached by the carrier or transport operator shall un-mount the tracking device from the container and cargo and upload the data in the system and de-activate or terminate the tracking device journey. The whole procedure shall be completed within fifteen minutes.

(3) The certificate generated at the time of mounting of tracking device shall be endorsed accordingly.

(4) If any discrepancy is found, the same shall be reported to the Focal Point of Exit as well as the Collectorates of Customs enroute for taking appropriate action as prescribed under Act or the rules made thereunder.

**21. Generation of MIS reports.-** Reconciliation of each journey of container and vehicle shall be done, on real time basis, by the licensee and delay, unusual or unauthorized stoppages, discrepancies, etc. shall be reported at once. The licensee shall generate report in soft as well as hard copies, giving details of the monthly reconciliation and alerts and results thereof for the Project Director.

**22. Technical and training support.-** (1) The licensee shall provide the technical support, as detailed below:-

(a) setting up and maintenance of all information technology (IT) infrastructure, wherever needed, for the purposes of these rules;

(b) the licensee shall be fully responsible for,-

(i) all upgrades of the system, hardware and software;

(ii) all bug fixes; and

(iii) immediate response and repair of any technical problem in the system during holidays or working

days to cover the major, minor and moderate problems for uninterrupted working of the system; and

(c) software applications shall be flexible and compatible with other customs related softwares (e.g. PaCCS, One Customs, WeBOC, etc)

(2) The licensee shall undertake to upgrade, as per the new technological requirement, the installed IT structure, related software, communication equipment etc., as and when required.

(3) The licensee shall arrange to provide comprehensive technical and operational training to the Customs officers and officials, and other concerned officials and ensure provision of all documentation and technical manuals, wherever and whenever required.

(4) Quarterly appraisal reviews of functioning and efficacy of the system shall be carried out for which the licensee shall make necessary arrangements.

(5) The Board shall have proprietary rights of the system for subsequent forensic audit and the licensee shall make available all or any information requisitioned by the Board, the Licensing Authority or the Project Director promptly.

## CHAPTER IV

## SUPERVISION OF THE SYSTEM, ENFORCEMENT AND EARLY TERMINATION

**23. Responsibilities of the Project Director.-** (1) The Project Director shall be responsible for overall supervision of the system.

(2) The Project Director shall send quarterly performance reports to the Board covering *inter alia* the functioning and efficacy of the system, the scope and need of improvements observed in the system, and the steps taken to address problems encountered during operation of the system.

(3) The Project Director shall be assisted, as and when required, by the Collectors of Customs in preparation of these performance reports.

**24. Procedure for cancellation or termination of license.-** (1) The Project Director shall immediately refer the matter to the Licensing Committee for further action under these rules, if he, as a result of supervision of the system, or on receipt of a report from any of the Collector of Customs or on a valid complaint, has reasons to believe that the licensee has,-

(a) failed to set up the infrastructure and to operationalise the system within the time lines committed at the time of issuance of license;

(b) failed to provide the required services to the satisfaction of Customs authorities;

(c) contravened any condition of the license;

(d) contravened any provision of these rules or the Act; or

(e) violated any applicable law while carrying out activities of license under these rules.

(2) On receipt of reference from the Project Director under sub-rule (1), the Licensing Committee shall cause to serve a notice upon the licensee within fifteen days of receipt of reference, to show cause within thirty days after the date of the notice, as to why the license issued under these rules should not be cancelled or terminated:

Provided that in cases where the Licensing Authority, on the basis of material evidence, is of the opinion that there exits *prima facie* a sufficient case against the licensee, it may suspend the license to safeguard public finances and to prevent any other serious damage.

(3) The Licensing Committee may, after giving the licensee adequate opportunity of being heard and after examination of the record, cancel or terminate the license issued under these rules.

(4) In case of cancellation of license under these rules, the affected company shall have the right to file representation against the orders of the Licensing Committee before the Board.

(5) The Board shall decide the representation, after giving proper opportunity of being heard.

## CHAPTER V

## FEE AND CHARGES

**25. Fee and charges.-** (1) The licensee may charge fee for installation, maintenance and tracking or usage of fixed tracking device on the vehicle from the carrier or the transport operator.

(2) The licensee may collect fee or charges for installation, and monitoring or usage or tracking of removable tracking device installed on the cargo containers from importers of the cargo.

(3) No fee whatsoever shall be charged from any of the Collectorates of Customs or the Board.

**26. Determination of fee and charges.-** (1) The licensing committee shall at the time of issuance of license get the maximum amount of fee and charges determined which can be collected by the licensee from importers of the cargo, carriers or transport operators during the duration of the license.

(2) The Project Director shall notify these fee and charges through a public notice for information of all the relevant persons.

(3) The Project Director and the Collectors of Customs concerned shall ensure that only the fee and charges determined by the licensing authority are being collected by the licensee.

**27. Revision or alteration of fee and charges.-** (1) The fee and charges determined in accordance with rule 25 shall not be revised or altered in normal circumstances during the duration of the license.

(2) In cases where the basis of such determination has undergone significant and material change or where major economic disruption has

occurred, the licensee may petition the licensing committee accordingly to revise or alter the determined fee or charges.

(3) The licensing committee may in circumstances mentioned in sub-rule (2) allow review or alteration in such fee and charges:

Provided that in case where petition has been filed for upward revision or alteration of fee and charges, the representatives of importers and carriers or transport operators shall be given an opportunity to present their point of view during the proceedings.

(4) The licensee may in case where the petition for upward revision or alteration of the fee and charges has been rejected shall have the option to request the Licensing Committee for cancellation of the license issued under these rules.

(5) The licensing committee shall, on receipt of such a request under sub-rule (4), cancel the license forthwith.

## CHAPTER VI

## RESPONSIBILITIES OF THE CARRIER AND TRANSPORT OPERATOR

**28. Tracking and monitoring of cargo.-** (1) No cargo mentioned in these rules shall be transported from the Customs port of entry unless the tracking and monitoring devices have been installed on the containers and vehicles.

(2) The carrier and transport operator shall not be allowed to operate a vehicle unless a permanent tracking device is installed in the vehicle.

(3) While carrying out transportation of cargo under these rules carriers and transport operators shall be required to comply with the relevant provisions of the rules under which they are licensed.

**29. Liabilities of the carriers and transport operators.-** (1) The carrier or transport operator shall be responsible for any loss, damage, unauthorized removal or disappearance of the tracking equipment during the course of transportation of goods.

(2) The carrier or transport operator shall be liable to compensate the licensee in case of occurrence of events mentioned in sub-rule (1).

(3) In case a dispute arises regarding the extent and nature of liability mentioned in sub-rule (2) on the basis of *bona fide* error or an accident, the matter shall be referred to the Collector of Customs in whose jurisdiction such an event takes place. The Collector concerned shall decide the matter within fifteen days of its receipt. The carrier or transport operator may, on being aggrieved with orders of the Collector, prefer an appeal before the licensing committee. The licensing committee shall decide the matter within thirty days, which shall be final and binding on the licensee and the carrier or transport operator.

(4) The carriers and transport operators shall remain liable to punitive and other related actions in cases of violation or contravention of the

applicable provisions of the Act and rules made thereunder while complying with the provisions of these rules.

## CHAPTER VII

## MISCELLANEOUS

**30. Liabilities of the licensee.-** (1) Without prejudice to the action that can be taken under Chapter IV of these rules, the licensee shall be liable to punitive action under the Act and rules made there under, in cases of its wilful collusion with the transport operator or carrier for violation or contravention of any of such provision.

(2) The licensee shall also be liable to deposit duty and taxes along with surcharges and penalties under the Act and the relevant rules, where it is established through proceedings under the Act, after providing an opportunity of being heard, that the licensee has colluded with the carrier or transport operator resulting in damage or pilferage or loss of cargo specified in these rules.

(3) In case of loss of synchronization of container tracker with the fixed tracking device installed on the vehicle, appropriate penal action shall be taken against the licensee, if no explanation to the satisfaction of customs authorities is made.

**31. Functioning of Mobile Enforcement Units.-** To check and verify any of the eventualities enroute, the customs squad of MEUs shall patrol the designated routes on which transit and transshipment cargo is plying. The mobile squad may check a vehicle in case it receives authentic information or has reasons to believe that the goods have been pilfered or lost. The squad shall report the eventuality to the nearest RCR. The Mobile Squad shall make endorsement of the action taken with regard to cargo, the transport unit etc, by feeding the information in the system.

**32. Audit.-** The Project Director shall arrange to carry out audit of the system every year. The report shall be used for system related improvements and corrective and remedial actions, where warranted.

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[C. No.1(7)L&P/2008]

**( Muhammad Irfan Wahid)**
Secretary (Law & Procedure)