

HALF-YEARLY REPORT

The management of Pakistan Single Window (PSW) takes immense pleasure in presenting the 1st half yearly report to the Federal Government. This document offers an overview of the operational and financial performance of the Company for the period concluding on 31st December, 2023.

OVERVIEW

Pakistan Single Window Company, commonly known as 'PSW' was incorporated in April, 2020, under the Companies Act, 2017, and notified by the Federal Government as the 'operating entity' of the PSW system under the provisions of the PSW Act, 2021. A Governing Council (GC) chaired by the Minister of Finance & Revenue and comprising of federal secretaries from the key ministries regulating cross-border trade along with four private sector members is responsible for the oversight and monitoring of the PSW system as well as serving as the interface and coordinator between all stakeholders. Pakistan Customs is the designated 'lead agency' for the PSW initiative providing the interface between the company and the Federal Government and also providing secretariat support to the PSW GC. The company has offices in Islamabad and Karachi. The PSW platform was rolled out in June, 2022, in line with Pakistan's commitment under the World Trade Organization's (WTO) Trade Facilitation Agreement (TFA). New features, services, and modules are constantly being added to it.

PSW is a transformative national initiative dedicated to delivering seamless and expeditious trade-related services to all stakeholders. Its primary objective is to empower trade and transport participants by facilitating the submission of standardized information and documents through a centralized portal. This single-entry point revolutionizes the import, export, and transit trade processes by efficiently addressing all regulatory requirements.

The PSW initiative aims to reduce the time and cost of doing business by digitizing cross-border trade and eliminating paper-based manual processes. By leveraging PSW, international trade in Pakistan experiences a significant reduction in both time and costs. The system's innovative approach streamlines operations, ensuring transparency and consistency in all trade-related processes. This not only enhances overall efficiency but also establishes a level playing field for businesses, fostering a fair and competitive trading environment.

The PSW primarily serves as a platform for integrating customs and regulatory clearance of import, export and transit goods and is predicated on a harmonized and coordinated approach towards cargo reporting, management, and clearance procedures. According to World Bank estimates, full implementation of the PSW system will result in direct savings of USD 430 million to the national economy in terms of reduction in costs for documentary and border compliances.

Internationally PSW is being recognized for its achievements and implementation model and is increasingly being showcased as a successful model for multi-agency collaboration and information exchange in regional and multilateral events sponsored by the World Customs Organization, WTO, World Bank, and other agencies working on cross border trade facilitation and digitalization.

OPERATIONS


Phase II of the PSW System was successfully completed in June, 2023, in compliance with the timeline committed with the Government of Pakistan. The PSW System currently integrates Customs and 10 Other Government Agencies (OGA) namely Department of Plant Protection (DPP), Animal Quarantine Department (AQD), Federal Seed Certification and Registration Department (FSC&RD), Pakistan Standards and Quality Control Authority (PSQCA), Export Development Fund (EDF), Ministry of Narcotics Control (MoNC), Marine Fisheries Department (MFD), Mercantile Marine Department (MMD), Drug Regulatory Authority of Pakistan (DRAP) and Sindh Excise, Taxation & Narcotics Control Department (SET&NC) along with twenty-nine (29) commercial banks. The system is further integrated with the Federal Board of Revenue (FBR), Securities & Exchange Commission of Pakistan (SECP), National Database & Regulatory Authority (NADRA) and Pakistan Mobile Database strengthening PSW's Know-Your-Customer (KYC) protocols. In addition to the B2G processes, PSW is also digitizing B2B services related to cross-border trade successfully integrating labs and pre-shipment inspection companies into the system. Work on digitizing and integrating marine insurance, bank guarantees, insurance guarantees, etc. is currently in progress.

PSW's integration with the China Single Window is progressing as planned and is expected to be finalized soon. Full integration will help the exchange of customs and trade data to counter under-invoicing and forgery. In addition, PSW is working on integration with Tajikistan and Uzbekistan customs/SW systems in pursuance of bilateral agreements signed by the government with both countries. This year PSW also successfully integrated with the e-Phyto Hub, an online platform for the exchange of phytosanitary certificates amongst member countries. So far more than 10,000 documents have been sent to 74 countries through the system by the Department of Plant Protection. Currently, the total number of subscribers of the PSW System has exceeded 76,000.

PSW is also supporting WeBOC Transformation in line with Pakistan Customs' vision and is currently assembling a team of IT professionals to design and develop the next version of the WeBOC system.

Internally, PSW is constantly improving its internal governance and operational mechanisms. Internal manual processes for finance, procurement, and HR are being replaced with an Enterprise Resource Planning system implemented company-wide. In parallel, the company is working on strengthening IT Governance within the system. An IT Steering Committee has been created to ensure alignment between IT and Business strategies. New policies and procedures on data and information security, database security and other aspects of the IT system are constantly being developed and implemented. Moreover, a proactive procurement policy has been put in place to ensure that the PSW software and hardware remain constantly updated.

DONOR SUPPORT

PSW has received assistance from the Asian Development Bank (ADB) for the establishment of the new Data Centre which is expected to be operationalized in March, 2024. The project will significantly enhance PSW's IT capabilities, reduce downtime, and improve service delivery. PSW has also received technical assistance from FCDO for the development of the Airport Community System which is expected to be rolled out in FY 2025-26. In addition, PSW received technical assistance from USAID under the PREIA project for the development of the Enterprise Data Strategy. The activity has been 

successfully completed in December 2023. PSW will begin implementation of the report's recommendations from January onwards.

FUTURE PLANS

This year PSW intends to launch the Port Community System (PCS) on all three major ports in of Pakistan in collaboration with the Ministry of Maritime Affairs. Looking ahead, PSW will actively collaborate with the Special Technology Zones Authority (STZA) to integrate the PSW System with STZA's One Window Portal. Additionally, Phase-II of the Drug Regulatory Authority of Pakistan (DRAP) project will be completed, introducing several new features to enhance the existing module.

Furthermore, PSW is actively pursuing integration with key stakeholders such as the Trade Development Authority of Pakistan (TDAP), the Provincial Revenue Authorities, and the Pakistan Tobacco Board (PTB). Additionally, plans are in place for the rollout of Phase-II of the Port Community System (PCS). These initiatives underscore PSW's commitment to streamlining processes and enhancing efficiency in various sectors.

The Company is well on its way to successfully achieving the business goals as laid down in the Statement of Corporate Intent (SCI) and the 3-Year Business Plan.

CHALLENGES

No session of the PSW's GC has been held after March, 2022, delaying important decisions requiring the GC's approval which are instead obtained by circulation. In certain cases, GC's support is crucial to ensure that OGA integration remains on track.

Delays in reimbursement of costs incurred on WeBOC's development and maintenance by Pakistan Customs affect the company's liquidity and financial health. PSW has proposed a Service Level Agreement (SLA) with FBR to streamline the payment mechanism etc., however, it is pending FBR's approval.

FINANCIAL HIGHLIGHTS

The Company reported an operational surplus over its expenditures in the year 2023 and the Company is moving towards self-sustainability. PSW is not reliant on any subsidy or financial support from the Government of Pakistan. The detailed financial statements along with the notes to the financial statements are annexed with the report, however, a summary of the financial position of the Company as of 31st December, 2023, is tabulated below:

Details	As on 31 st December, 2023
Operational Income	Rs. 631,434,400
Other Income	Rs. 164,077,980
Operational Expense	Rs. 221,686,356
Administrative Expenses	Rs. 140,727,841
Amortization of deferred Capital Grant	Rs. 1,400,753
Finance Cost	Rs. 6,168,728
Taxation	Rs. 73,588,025
Surplus	Rs. 353,341,430

The surplus is however expected to decrease during the latter half as PSW shall meet its financial commitments in different activities such as payment of local duties and taxes on the import of data center hardware that is approximately Rs. 403 million.

HUMAN RESOURCE

The HR strength of PSW reached **205** as on 31st December, 2023 with most of the employees based from the IT sector based in Karachi.

The Company has nine (09) departments as tabulated below:

Departments	Led By	Strength
Chief Executive's Secretariat	Chief Executive Officer	2
Finance & Procurement	Chief Financial Officer	12
Human Resource & Administration	Head of HR & Admin	16
Corporate Affairs	Company Secretary	3
Internal Audit	Chief Internal Auditor	3
Marketing & Communication	Head of Marketing & Communication	7
Operations & Strategy	Chief Strategy & Operations Officer	34
Domain Management	Chief Domain Officer	30
Information Technology	Chief Technology Officer	98

Although the company is currently in an expansion phase, it intends to keep a lean structure using staff augmentation or outsourcing for most of the IT-driven activities, automating internal processes, and letting non-performing or excess staff go.

BOARD OF DIRECTORS

The Board comprised of seven (07) Directors as of 31st December, 2023, including the Chief Executive Officer (CEO). The details of the Board Members along with the Board's Committees are detailed below:

- **Dr. Fareed Iqbal Qureshi**, Member (Customs - Operations), Federal Board of Revenue (FBR)
Member Board of Directors, PSW
- **Syed Aftab Haider**, Chief Executive Officer (CEO), PSW
Executive Director, PSW
- **Ms. Ambreen Iftikhar**, Additional Secretary/Executive Director General (EDG), Board of Investment (BOI)
Member Board of Directors, PSW
- **Mr. Muhammad Imran Khan**, Director General (DG) Reforms & Automation (Customs), FBR
Member Board of Directors, PSW

- **Mr. Muhammad Usman Qureshi**, Joint Secretary (JS), Exports & Imports (EXIM), Ministry of Commerce (MoC)
Member Board of Directors, PSW
- **Mr. Muhammad Anees**, Nominee of Pakistan Business Council (PBC)
Member Board of Directors, PSW
- **Mr. Khurram Ijaz**, Nominee of Federation of Pakistan Chamber of Commerce & Industry (FPCCI)
Member Board of Directors, PSW

COMMITTEES OF THE BOARD

Audit Committee

- **Mr. Khurram Ijaz (Chairman)**
- **Ms. Ambreen Iftikhar (Member)**

Human Resource (HR) Committee

- **Mr. Muhammad Anees (Chairman)**
- **Ms. Ambreen Iftikhar (Member)**
- **Mr. Muhammad Imran Khan (Member)**

Procurement Committee

- **Mr. Muhammad Usman Qureshi (Chairman)**
- **Mr. Muhammad Anees (Member)**

A total of three (03) Board Meetings were held from 1st July till 31st December, 2023, in addition to two (02) Audit Committee Meetings, one (01) Human Resource (HR) Committee Meetings and two (02) Procurement Committee Meetings.

CONCLUSION

Moving forward, PSW remains steadfast in its commitment to driving innovation, fostering excellence, and enhancing trade-related services for trade facilitation and ease of doing business. It continues to evolve, leveraging its experiences to build a more agile, customer-centric, and future-proof organization.



06/13/24
(Syed Aftab Haider)
Chief Executive Officer