

COLLOQUIUM OF THE DIASPORA ENGAGEMENT PROJECT

Theme

"Linking the Ghanaian Diaspora to the development of Ghana"



A Discussion on Customs (Tax) Administration in Ghana

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Ghana's Trade Environment

- To become gateway to the sub region by becoming the investment Hub.
- Formulation of policies, strategies and measures to attract foreign direct investment to accelerate economic growth among which are:-
 - Gateway Project
 - Automation of Customs Procedures
 - Modernization of Ports

Tax Reforms in Ghana

- To address the constraints inherit in the tax administrative system, new organizational reforms have made Customs a vital part of the Ghana Revenue Authority (GRA)
- The GRA emerged under the Ghana Revenue Act, Act 791, 2009 to integrate the erstwhile IRS, VATS, and CEPS
- Visit: www.gra.gov.gh for more information on the GRA

Customs



Efficient policy framework, good human and logistical resource management are very important for effective Customs administration

Mandate / Role of Customs

Under PNDC Law 330 (1993), Customs plays the following critical roles in international trade :

1. Collection and Protection of Tax Revenue on imports / exports
2. Expedited clearing processes (facilitation)
3. Ensure compliance with national laws
4. Ensure environmental security and protection of society
5. Collects and Stores Trade data for statistical and regulatory purposes and for policy formulation

Modernization Process

Customs modernization is to bring the activities of the division in line with modern Customs practices with particular reference to:

- The Revised Kyoto Convention
- The Revised Arusha Declaration
- The SAFE Framework of Standards

Customs and the Diasporas

- **Trade and Customs** operate in an increasingly Globalized Environment
- Customs Reform involves improved techniques for clearing goods and processing passengers
- The **Diasporas** as key stakeholders demand of Customs effective policies and procedures that ensure expedited clearance
- Public accountability, disciplined workforce, and a working milieu devoid of corruption



Passengers Unaccompanied Baggage Declaration (PUBD)

- Passengers who have sent their personal effects in advance or are expecting personal effects after arrival must declare these on the appropriate form known as the “Passengers Unaccompanied Baggage Declaration” Form.
- This declaration must be made immediately on arrival or within forty-eight (48) hours of arrival. If a passenger fails to so declare, he may forfeit the concession.



Passengers Removal Articles 1

- Ghanaians who have stayed outside Ghana for more than twelve (12) continuous months and are removing residence may import their removal articles free of taxes.
- Removal articles include movable personal belongings or effects, domestic appliances, household provisions normally kept in stock, collectors’ pieces, pet animals, and also any



Passengers Removal Articles 2

equipment (other than agriculture, commercial or Industrial plant) necessary for the exercise of the calling, trade or professions of the passenger.

- Removal articles do not include arms, ammunition and motor vehicles. Arms and ammunition are restricted items, and can only be imported on a special permit.



Personal Effects of Ghanaians Who Die Outside

- These may be imported without payment of duties and taxes.
- Evidence of death must be produced to support application for concession.

Importation / Exportation of Currency 1

There are restrictions on the physical conveyance of currency to and from Ghana.

- Residents and non residents travelling abroad are permitted to carry up to US\$10,000 or its equivalent in travelers cheque or any other monetary instrument.
- Residents and non-residents arriving in Ghana are similarly permitted to carry up to US\$10,000 or its equivalent in travelers cheque or any other monetary instrument.

Importation / Exportation of Currency 2

- Amounts in excess of US\$10,000 or its equivalent shall NOT be carried in cash or any form of currency or monetary instrument by a traveller whether resident or non resident.
- Amounts in excess of US\$10,000 or other foreign currency equivalent shall be transferred only through a bank or authorized dealer.

Importation / Exportation of Currency 3

- Where the amount does not exceed the US\$10,000 limit or its equivalent in any other currency the traveller is required to declare the amount to Customs and proceed to fill the BOG Foreign Exchange Declaration Form (FXDF) at the port of entry or departure.
- Where the amount exceeds the limit of US\$10,000, Customs shall seize the entire amount whether declared or not.



Classification / Valuation of Goods - DICs

- Valuation and Classification are critical Customs functions in the clearance of goods
- Functions outsourced to the private sector - termed *Destination Inspection Companies (DICs)*
- Final decisions on valuation and classification rest with customs



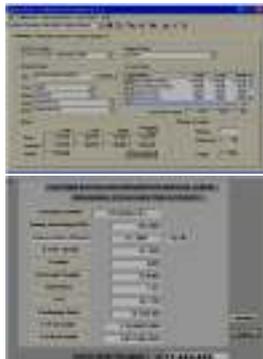
Valuation Assurance

- The Valuation module in GCMS provides for a structured database of validated reference values for selected commodities by officers and relevant Customs Departments
- The Valuation Database is to be used for the Valuation Assurance of all items under coverage
- The use of the Valuation Database is mandatory for selected HS Codes that have been carefully chosen based on their risk levels



Electronic Valuation of Used Vehicles

- To remove the subjectivity and the unscientific appreciation/ depreciation of values for most vehicles, a computerized system of valuation of vehicles was introduced in September 2005



The Import of Vehicles 1

Various factors underlie the system of vehicle importation.

- The first issue to consider is the EVIDENCE OF BONAFIDE OWNERSHIP whereby certain documents are required to show proof of ownership.
- Secondly, the level of taxes imposed are based mainly on such details as the type of vehicle, the values, its intended use, the engine capacity, rates of duty and other taxes, the year of manufacture, and if over-aged, applicable penalties.



The Import of Vehicles 2

- Finally, the system of classification and valuation is performed by Destination Inspection Companies (DICs) which are mandated by law to provide Final Classification and Valuation Reports (FCVR).
- Contact the Customs Division Client Service Unit citing the following details of the vehicle intended for import:
 - Type and model of vehicle
 - Chassis number (VIN)
 - Country of origin
 - Year of manufacture

Satellite Tracking System

Functionality

- Information Matrix
- Sub-consignment No
- Vehicle No
- Destination
- Declarant
- Entry / Exit Point
- Attached Flag
- Overdue Report Alerts
- Static Alerts
- Geo Fencing



ISO 9001:2008 Certification

- Internationally recognized standards on Quality Management System
- Documented procedures
- Monitoring of processes
- Keeping adequate records
- Customer care, change management, and information sharing

Stakeholder Engagement

- Regular Tax Education
- Stakeholder Forums / Consultations for policy making, implementation and review
- Training of Clearing Agents
- Introduction of Client Service Units
- Introduction of Internal Affairs and Intelligence Unit



Recommendation

To facilitate easy communication, relationships, information and complaints handling at various foreign missions on Customs issues, it is recommended that customs officers are posted to these duty points in various countries to handle critical functions to develop international trade and national development.



In Finale

- ✓ “The easiest way to go backwards is to stand still” - Ghana Customs strives for World-Class Excellence
- ✓ The reforms and modernization seek to make Customs a pillar in the Ghana Revenue Authority by collecting its allotted revenue.
- ✓ Perhaps more, it must effectively manage the apparently contradictory mandates of revenue controls and national security for a better business environment in Ghana



THANK YOU



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