

Project 06/07K: Strengthening the Development of International Merchandise Trade Statistics (IMTS) and the compilation of e-commerce in Member Countries of the Economic and Social Commission for Western Asia (ESCWA)

Workshop on the compilation of IMTS and the application of methodological concepts

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Data Validation at Customs

(from statistics perspective)

Key Issues & Best Practices

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Main source of data

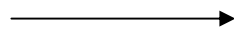
- Based on NCDP results 2006, question 1.03, Customs administrations are the main source of trade statistics, based on NCDP results 2006
- Validation done at Customs will greatly improve quality of trade statistics

Best Practices

- Completeness check
- Full coverage of customs declarations
- Reference tables validation
- Ensure proper classification
- Partner country verification
- Price validation
- Implementation
- Outreach and education

Completeness Check

- At every customs declaration
 - Mandatory information for (as an example):
 - Transaction value
 - Unit of measure (kg, liter, etc), quantity, net weight
 - Country of origin / consignment / last known destination
 - Separate transaction value, insurance and freight (SAD valuation notes)



All items mentioned should be mandatory

Full coverage of customs declarations

- Consolidate data from automated sites and non-automated sites (by keying in statistical data and send it to center)

Reference tables

- Also called codes list:
 - Consist of valid codes used to enforce integrity (called also referential integrity)
 - Example: List of country codes, list of custom procedure codes, etc.
 - The best standardized example is HS classification. It is not possible to enter non-standard HS codes.
 - The reference tables must be *maintained and revised* continuously because some codes may not valid anymore
- for electronic declarations implement reference tables as drop down lists or searchable catalogue

Ensure proper classification

- The proper classification of goods is a legal obligation of Contracting Parties to the HS Convention
 - The training of customs officers and statisticians, field experience
 - Keep up-to-date with latest revision and updates (from international, regional, national sources)
 - Increase awareness of the business community of the importance of proper goods classifications
 - Assess the accuracy of classification by focusing main exported/imported goods or main traders
 - Provide searchable catalogue

Partner Country

- Verify with other available documentation such as shipping manifest, invoice
- Cross-checking with commodity
 - It is not possible to import banana from Sweden (as country of origin)

Price Validation

- In order to validate price, recommended quantity unit and/or weight must be registered
- Follow strictly GATT article 7 (WTO Agreement on Valuation) about customs value
- For each most detailed level of HS, there should be
 - Compare with international commodity prices where available
 - Minimum and maximum acceptable prices
 - Historical prices (for example the last 5 years)
- If declared price is not on acceptable range, value and quantity must be re-checked

Implementation of validation

- For electronic declaration implement basic validation at data entry (online validation)
- For paper declaration implement mix of data entry and batch validation
- Define mandatory vs. optional checks
 - Transaction value is mandatory, but not price validation
- Make use risk management and post clearance audit
 - Define additional checks by looking at development of trade volumes in specific / important commodities
 - Set priorities and define actions such as checking original documents, calling traders etc.

Outreach and education

- Education programmes for customs officers and traders
 - Increase awareness of their role in the collection of trade statistics
 - Conduct education seminars for traders and their agents
 - Target traders with frequent reporting errors

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