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WORKSHOP ON THE COMPILATION OF INTERNATIONAL MERCHANDISE TRADE STATISTICS
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Country Presentation

Customs - Malawi

Presentation by the Malawi Revenue Authority

MALAWI REVENUE AUTHORITY
CUSTOMS & EXCISE DIVISION

COUNTRY REPORT ON INTERNATIONAL MERCHANDISE TRADE STATISTICS: COMPILERS MANUAL

INTRODUCTION
Malawi Revenue Authority has 3 main collecting divisions and these are Customs and Excise, Surtax and Income Tax.
In addition to revenue collection Customs and Excise Division is also responsible for collection of statistical data. Within Malawi Revenue Authority there is ASYCUDA Project which is managed under Customs and Excise Division and is responsible for automating Customs Offices in the country.

AUTOMATED SITES
Malawi has thirty-two customs offices where customs declarations can be processed. Out of the thirty-two, six offices are automated and they use ASYCUDA. The offices that are automated are major offices and therefore almost 80% of customs declarations are processed using ASYCUDA.

1. Chileka
Live running of ASYCUDA started at a pilot site called Chileka in July 2000 with version 2.7.
ASYCUDA version 2.7 was then rolled out to the following offices: -

2. Blantyre Port in October 2000
Blantyre Port is Malawi's major customs in land office.

3. Kamuzu International Airport in February 2001

4. Mzuzu Office in May 2001

5. Mwanza Border Office in June 2002
Mwanza is the busiest border office in Malawi.

6. Lilongwe Office in August 2002
Lilongwe is the second major inland office in Malawi

MIGRATION
In December 2002 Chileka Airport migrated from version 2.7 to ASYCUDA ++. This was followed by Mwanza Border Office in February 2004 and Lilongwe Inland Office in October 2004. This mean that, at present, 3 offices are using ASYCUDA version 2.7 and 3 are using ASYCUDA ++. Progress is

underway to migrate the other offices to ASYCUDA ++ so that there will be same version in all offices.

CUSTOMS DECLARATION FORM

The form that is used for declaring goods in Malawi is a single administrative document called Malawi Customs Declaration form 12. It was introduced in May 2000. Prior to its introduction, the ASYCUDA Project Team and National Statistics Office Staff conducted countrywide joint training to Declarants to ensure that Declarants know how to fill the form to the standards required by customs as well as National Statistics Office.

The form is used to declare all consignments whose value is above the equivalent of thirty thousand Malawi kwacha which is about US$ 300. Any consignment below this value is considered to be minor and can be cleared on baggage receipt called Form 49 which is a receipt for duty paid on consignments for which a bill of entry is not required.

CUSTOMS PROCEDURES

General Procedure

General customs procedures that are used in Malawi are:

      1 for Permanent Export
      2 for Temporary Export
      3 for Re-Export
      4 for Entry for home use
      5 for Temporary Import
      6 for Reimportation
      7 for Entry for customs warehousing
      8 for Customs transit

General Procedure 8 for transit is not yet implemented in ASYCUDA. All offices manually process declaration under this procedure except for Mwanza border office which has a local system set up for transit.

There are 35 national procedures that are used in Malawi.

DECLARATION PROCESSING

Direct Trader Input

The Direct Trader Input facility has been introduced wherever ASYCUDA ++ has been implemented. A company has been contracted by Malawi Revenue Authority to capture data from the declarations into ASYCUDA.

The declarant therefore present the declaration to the Data Input Clerk at a bureau operated by the contracted company. As the clerk is capturing the data, ASYCUDA++ does validation checks against the data.

For example:

If the type of declaration is IM (import) and the code 'MW' for Malawi is captured in the country of export field, ASYCUDA will display a message that read 'country of export code must be different from reference country'. Obviously, if the goods are imported into Malawi they must have been exported from a country other than Malawi itself.

When the input is successful the declaration is registered with customs and given back to the declarant. The excise takes about two minutes for a one-item declaration that has no errors.

Cashier's Desk

From the bureau the declarant pays into his prepayment account at the cash office the amount equivalent to that shown on the ASYCUDA printout. The process will normally take five minutes

Face Vet Desk

From the cashier the declarant surrenders two sets of the declaration at face vet. The officer at face vet checks that all necessary documents have been attached. The attached documents may vary according to customs procedure code Receipt of the declaration is recorded in a manual register. The declaration may take three minutes at this desk.

Declaration Supervisor's Desk

The next desk after face vet is the Declaration Supervisor's desk where an attempt to assess the declaration in ASYCUDA is done. The action will result into the declaration being selected to Yellow lane or Red lane depending on the parameters and criteria set up in the system. This function is performed within a minute.

Yellow lane / Verification Desk

If selected to Yellow lane, the attached documents are carefully checked against the declaration.

For example it is a requirement to attach a declaration of value Form 19 for all goods imported into Malawi.

Similarly, it is a requirement to attach a Malawi Form of Invoice obtained from the Malawi Chamber of Commerce for all exports from Malawi.

Classification of the goods is also checked by comparing the description on the invoice to that on the ASYCUDA printout. The actual tariff book is sometimes referred to. In isolated cases, samples of the item are asked for in order to properly classify the goods.

As for valuation of the goods, an invoice is the supporting document.

It is also mandatory to attach a clean report of finding from a PSI company contracted by the Malawi Government when the FOB value of imported goods is equivalent to US$2000 or more.

Officers at this desk are senior officers that must have attended a customs cadet course. Subjects such as classification and valuation are covered during the course. However the officers may need frequent refresher courses on these subjects.

A one-item declaration that is free of errors may take ten minutes at this desk.

Red lane / Physical Examinations Desk

If selected to Red lane physical examination of the goods is carried out.

It is required that the officer must open at least 10% of the packages being examined. The entire contents of the selected packages are removed from the packaging material.

During the examination more attention is paid to the criteria that selected the declaration for physical examination.

The level of fraud relating to documents is so high that it is necessary for all declarations to go through documentary checks. All declarations from physical examination are therefore re-routed to verification.

It is difficult to quantify the period a declaration may take at physical examination but it can be estimated to be one hour.

Declaration Supervisor's Desk

From verification or physical examination a declaration that has been finalized go back to the Declaration Supervisor for actual assessment.

The declaration and documents are briefly scrutinized at this desk before the assessment.

A copy of the declaration is given to the declarant while the remaining set is retained by Customs. It is necessary for Customs to have a physical copy of the declaration for unforeseen legal proceedings.

The action may take five minutes

Query Desk

When an error is detected at any point during the declaration processing, it is sent to Query Desk where it is kept until the query is resolved.

Post Entry

Sometimes errors may be detected after the declaration had already been assessed. This will require the Declarant to submit a fresh declaration with correct data.

Customs retrieve the original declaration from ASYCUDA to amend according to the new declaration.

The period that a declaration may take to be finalized depend on a number of variable factors. Therefore it will not be realistic to conclude that all error free declarations that are presented to customs will be ready the same day.

NATIONAL STATISTICS OFFICE

All offices that are not automated send hard copies of the declarations of a particular month to National Statistics Office by the fifteenth of the following month.

All offices that are automated sent data on diskette to ASYCUDA Headquarters where it is integrated into one file.

A text file is then extracted and sent to National Statistics Office by diskette or mail by the fifteenth of the next month.

CONCLUSION

It may be observed that data from Malawi Customs Declaration form 12 processed in automated offices is more reliable because of the added automated checks which are more perfect. Malawi Revenue Authority is therefore doing everything possible to automate most of the customs offices in the country.