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WORKSHOP ON THE COMPILATION OF INTERNATIONAL MERCHANDISE TRADE STATISTICS  
Addis Ababa, 8-11 November 2004

## *Country Presentation*

# Customs - Tanzania

*Presentation by the Tanzania Revenue Authority*

TANZANIA REVENUE AUTHORITY

CUSTOMS AND EXCISE DEPARTMENT

*Compilation of International Merchandise Trade Statistics;  
Practical Experience on Processing of Customs  
Declarations in Tanzania.*

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## 1.0 An overview of the Documentation and Clearance procedures

The movement of goods into and out of the country is controlled by the Customs administration. Entry or exit has to be through authorized points and routes. Goods crossing the borders should pass through Customs clearance formalities. Clearing and forwarding processes involve the facilitation of other institutions such as Clearing and Forwarding Agents, Tanzania Harbours Authority (THA), Customs Inspection company (TISCAN) and Shipping agencies to mention few. Customs administration does enforce other government laws such as certification, verification and testing of quality or standard of imported goods, which are administered by different government institutions depending on the type of imported goods. These institutions include;- The Tanzania Food and Drugs Authority, Tanzania Bureau of Standard (TBS), Tanzania Radiation Commission, Ministry of agriculture for phytosanitary services and Tanzania Pesticides Research Institute (TPRI) to mention the least.

Before 1<sup>st</sup> July 2004, goods entering the country were pre verified before entering the country through the Pre-Shipment Inspection program. However starting January 1<sup>st</sup> 2004, the Customs and Excise Department embarked on a transition away from Pre-shipment Inspection towards the implementation of Destination Inspection Programme (DI) which came into full effect on July 1<sup>st</sup> 2004.

Under the DI unless otherwise determined by the Tanzania Revenue Authority, all commercial imports are inspected upon arrival at destination in Tanzania. And this can be done either physically through X-ray scanning for Full Loaded Containers, or through fast Track release without any inspection, depending on the predetermined level of intervention. The DI involves the following procedures.

Importer should submit complete Import Declaration Form (IDF) to the Bank and pay 1.2% of the FOB value on the Tanzania Revenue Authority (TRA) account along with a legible and complete pro forma invoice (PFI). The following goods are not subjected to DI procedures. These include;- Household and personal effects, Supplies imported for use of Diplomatic Missions, International organisations to which Tanzania is a member, goods entered for in-transit movements, gifts for sole use of education institutions,

religious, charitable and NGOs provided the said goods are exempted from paying custom duties and other taxes. Others are supplies airlifted whose value does not exceed US\$ 2,000 per consignment as may be approved by the Authority.

Importer has to make sure that IDF reaches TISCAN representative in Tanzania at least 10 days in advance of the goods arrival.

TISCAN Local Office Registers the IDF previously received from the bank and create a Verification Order (VO), which is electronically sent to the TISCAN representative geographically responsible abroad.

TISCAN Office abroad Receives the Inspection Order (IO) and sends a 'Request For Information' (RFI) form to the seller who will return the complete RFI to the Issuing Unit (IU), submit all the necessary documentary evidence that should allow a proper Classification and Valuation assessment. States the IDF number on Final invoice and transport document.

TISCAN Office abroad then, Initiates the price analysis based on the final documents (Final Invoice and Transport document (Air Way Bill, B/L)) received from the seller. Transmits electronically the Internal Findings Report (IFR) to TISCAN local office in Tanzania, indicating the assessed tariff codes and assessed dutiable value of the goods.

TISCAN Local Office Receives the IFR from Issuing Unit and creates the Clean Report of Findings (CRF). Once the CRF is created the importer will apply for the SBE and must submit the following documents with the application;-

- (a) Provisional Classification and Valuation Report (PCVR),
- (b) Copy of the IDF
- (c) Original or certified true copies of the final shipping documents (Final Invoice and Transport document)
- (d) Original or certified true copies of supporting documents if the importer applies for a particular tax relief or duty exemption.

If Importer accepts PCVR the, TISCAN issues a Final Classification and Valuation Report (FCVR) together with SBE. The Importer signs the SBE and prepays the duty and taxes assessed at the Designated bank.

## **Procedures at Customs Office**

Single Bill of Entries (SBEs) are lodged at the receiving counter by licensed Customs Clearing and Forwarding agents except for personal effects, which can be cleared by self

The importer or agent is required to lodge in the SBE together with the following original attachments. These include; - Bill of lading or airway bill; Commercial invoice; Import Declaration Form (IDF); Permit in case of restricted goods; Packing list; Certificate of Origin; and other certificates if any. The Declaration should be signed and stamp by an authorised officer.

Face vetting confirms the required attachments and check for completeness. If any of the required conditions is not fulfilled face vetting rejects the documents and returned to importer or agent. If complete, Declaration is forwarded into data Input section.

This is a point of Finality whereby no further declarations are forthcoming and all the documentation process is regarded complete. Any goods found not declared or shown on the declaration are considered to be contraband, smuggled and subject to forfeiture to the Government.

Thereafter, all declarations are keyed in into computer through ASYCUDA. The computer system generates two copies of Customs Control Advice (CCA), which shows the Importer details, receiving number, date and time of capture. One copy goes to importer for reference and the other copy is attached to the entry.

All Declarations have to pass to HDO electronically for assigning risk level associated with each import transaction and determining the applicable level of intervention using Computerised Risk Management System. These levels including; - 'Low Risk' which is meant for goods to be released without physical intervention; 'Medium Risk' meant for Full Container Load (FCL)

consignments subject to X-ray scanning; and 'High Risk' for goods subject to physical inspection by Customs Department to determine compliance. The combined implementation of CRMS and X-ray scanning allows Customs Department to focus physical inspection on high-risk shipments while creating fast clearance channel for the compliant majority.

Physical verification of goods is done at the port where the declarations are compared with documentation and goods actually imported. Examination is done in the presence of the Customs agent or importer, THA and member from other regulatory bodies or institutions depending on the type of goods under examination. If no discrepancies found entries with examination remarks or reports are sent to HDO for dissemination to valuation Unit. Otherwise, if found the case is handled separately according to relevant provision of the laws which including seizing goods, penalties or destruction of goods.

At valuation, declarations are checked on whether the value declared is according to the Agreement on Customs Valuation (ACV). If value proved to be in consistence with ACV, entries are sent back to HDO for final assessment. If value uplifted, appropriate queries will be attached. Once uplifted value is accepted entries will be forwarded to Modification officer to amend entry in ASYCUDA and thereafter send to HDO for final assessment. Two copies of assessment notice are issued. One for importer or agent and the other is attached with the entry and send to Central Distribution Officer (CDO).

CDO attaches Release Order with entries and forwarded to the Numbering section where Release Order is assigned number to entry and return to CDO. Two copies of Release Order, Third copy of entry and set of Declarations and Disposal Order (DO) thereafter are dispatched to wharf where assessment of entry and stamping are done. Here Entry is released and Release list is prepared.

## **2.0 Some additional information**

**Q1. Do you use ASYCUDA or another system? Which offices are automated?**

Customs administration in Tanzania is using ASYCUDA version 2.7. However currently preparations are underway to migrate into ASYCUDA++.

Customs offices, which are automated, are; - Dar-Es-Salaam port, Dar-Es-Salaam Long room, Dar-Es-Salaam International Airport and Zanzibar Long room. Other stations are Tanga long room, Hororo, Holili, Kilimanjaro International Airport, Arusha Long room, Namanga, Sirari, Musoma, Mwanza port, Mbeya and Tunduma.

**Q2. Number of Customs Officers in Tanzania? Are there difficulties with remote offices?**

There are 86 customs stations scattered all over the United Republic of Tanzania on which 25 are seaports, 8 airports, 8 zonal offices, 9 main border stations, 6 Transit monitoring stations, 18 Post Parcel offices and 12 minor border stations.

Yes there are difficulties. There is electricity and hence difficulties for automation. There is inadequate number of officers and patrol cars to effectively manage anti-smuggling activities.

**Q3. Number of Declarations handled per months/year? How many electronically and how many in paper format?**

On average 28,497 Declarations are handled per months. Out of them 90% are those handled electronically whereas 10% on paper work.

**Q4. What is the time schedule of processing the declarations?**

Officially processing declarations is required to be accomplished within 24 hours. In April 2004, 48% of registered declarations cleared within 24 hours. After the introduction of Destination Inspection Program, Computerised Risk

management System and X-ray container scanning in July 2004, 52% of declarations were cleared within 24 hours. It is our expectation this proportion may improve further.

**Q5. How many different Customs Procedures are used in the Tanzania? Can you give the number on how many declarations per Customs Procedures?**

<b>Main Customs Procedures</b>	<b>No: of CPC</b>	<b>No: of Declarations</b>
E1 - Exports	5	2,136
E2 - Temporary Exports	4	4
R3 - Re-exports	10	954
C4 -Imports (Direct for Home Use & Ex-Warehousing	127	23,635
C5 - Temporary Imports	12	15
C6 - Re- Imports	7	35
C7 - Warehousing	6	1,160
S8 - Transit & Transshipments	10	558
<b>Total</b>	<b>181</b>	<b>28,497</b>

**Q6. Do you check the Classification of the goods? How?**

We do check classification of goods.

**How?** Reconciling the information declared by importer through Import Declaration Form (IDF), Invoice description, Consulting Government competent Institutions. Eg. For the case of medicine – Food and Drugs Authority.

We are using the Harmonised Commodity Description and Coding System (Harmonised systems, or HS) and Nomenclature explanatory notes to put imported or exported goods into the right classification codes. Currently we are using HS 1996.

**Q7. What are the procedures put in place for the Valuation of the goods?**

We are using The Agreement on Customs Valuation adopted by the World Trade Organisation (WTO) and GATT.



Report of Findings issued by the Inspection company (TISCAN) to the importer printed on security paper. These report may be Declaration Classifications and valuation Report (DCVR) or Final Classifications and Valuation Report (FCVR). On these reports, quality and quantity of imported goods are determined, Value of goods as compared to the declaration made by the importer is determined, country of origin and supply is established and determination of applicable tariff code under which the goods are classified.

**Q8. What are the procedures for identifying the country of import and the country of Exports?**

Procedures for identifying country of imports including consulting IDF, invoice description and DCVR or FCVR provided by Inspection company.

The procedures for identifying country of exports including consulting certificate of Origin provided to the exporter by the Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) and Exports permission provided by competent and designated institution depending on the type of locally grown or manufactured goods.

