UNITED NATIONS
DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS
STATISTICS DIVISION

**Workshop on compilation of international merchandise trade statistics,
Abuja, Nigeria, 30 août - 2 septembre 2005**

Country Presentation

Customs – Ghana

The Ghana Customs Excise and Preventive Service CEPS

**TRAINING WORKSHOP ON IMTS COMPILERS'
MANUAL
(Abuja, 30 August – 2 September 2005)**

**Compilation of Merchandise Trade Statistic in Ghana
The Customs Approach**

GHANA

TRAINING WORKSHOP ON IMTS COMPILERS' MANUAL
(Abuja, 30 August – 2 September 2005)

Compilation of Merchandise Trade Statistic in Ghana
The Customs Approach

Introduction

The Ghana Customs Excise and Preventive Service CEPS, is the main sources of international trade statistics in Ghana.

International trade statistics, which is made up of import and export data is obtained from customs declarations submitted by declarants and processed by CEPS at the country's various frontiers.

Until July 2003 when CEPS migrated from ASYCUDA to **Ghana Customs Management Systems, GCMS**, it provided the Ghana Statistical Service (GSS) with monthly import and export trade data in Fox-Pro software. This included all import transactions by the various customs regimes. Export transactions captured by ASYCUDA were however limited to the so called 'traditional exports' which comprise cocoa beans, timber and timber products as well as extracted mineral ores such as manganese and bauxite.

The Ministry of Trade developed and installed a specialised software known as the **Customs Export Data Input System (CEDIS**) at the major entry points to capture non - traditional exports. The GSS therefore complemented its export statistics from this source.

In 2003 Ghana moved away from the use of ASYCUDA in processing Customs Declarations. It adopted and modified a Direct Trader Input system used in Mauritius. By this it was able to integrate the processing of import and export transactions into one system thereby providing data on all imports and exports transactions from one source.

Import and Export Declaration

At the moment automated method of processing declarations account for almost 96% of imports and exports in Ghana by volume. So far all the major entry points except the Elubo frontier station use automated systems in processing declarations. There are 49 other frontier stations spread along the borders of Ghana with the Republic of Togo, Burkina Faso and the Ivory Coast all of which process declarations manually. Some of these have been earmarked for automation while others due to difficulties in infrastructure will continue to process declarations manually

Automated Processing of Declarations

Between 1991 and 2002 Ghana Customs used ASYCUDA in the processing of declarations at the major ports of entry. Declarations were presented in hard copy by declarants and these were keyed into the ASYCUDA software for further processing by Customs Officers.

In 2001 the Ghana **TradeNet** was established to provide a fully integrated customs management software connected over a network to various operators who interact with Customs in the processing of imports and exports transactions to and from Ghana. Some of these operators include the banks, shipping companies, certification and licensing agencies as well as users of trade information.

The Ghana TradeNet is made up of two main components:
1. **The Ghana Customs Management System (GCMS),** which provides the Ghana Customs, Excise and Preventive Service with a fully integrated computerised system for the processing and management of Customs Declarations and related activities. This system is designed to work in an **Electronic Data Interchange (EDI)** environment, where Manifests and **Single Administrative Documents (SAD)** are electronically received and automatically processed.

2. **Ghana Community Network (GCNet)** is a platform enabling GCMS to share data and other relevant information with all the parties involved in the processing of trade documents and customs clearances.

In January 2003 , following trials from November 2002, GCMS was introduced at the KIA for processing customs declarations and by July 2003, Tema the main sea port of Ghana accounting for more than 70% of trade transactions was also connected to the TradeNet. Between August and October 2003 the Accra office of CEPS, which processes declarations on warehouse goods as well as the Takoradi port office were connected to the network. The Aflao border office was connected to the network in September 2004 while the Elubo office has began trials.

Processing Procedure

There are nine main Customs Procedures or Regimes in use in Ghana and these are:

1. Exports
2. Temporary Exports
3. Re-Exports
4. Imports for Domestic Consumption
5. Temporary Importation
6. Re-Imports
7. Warehousing of Imported goods
8. Transit goods
9. Imports into Free Zones

These procedures are interlinked in various ways; the transactions in one procedure may lead to other transactions in relating procedures. For example if 4 is the code for home consumption and 7, the code for warehouse then 47 will be home consumption following warehouse.

The table in appendix 1 shows the average distribution of declarations processed per month by procedure for the past year August 2004 to July 2005.

Submission of Manifest

When a vessel arrives at any of the ports connected to the TradeNet the master sends the manifest to Customs by means of **Front-End Software (FES)** through GCNet. The manifest officer reviews and integrates the manifest into the GCMS and sends acknowledgements to the master of the vessel along with the Rotation Number of the vessel automatically generated by the system.

Submission of Declaration

Just like the shipping and air lines, Declarants use the Front-End Software installed on their workstations to send declarations through the GCNet to Customs' GCMS. GCMS validates the declaration at four levels.

1. Checks the declaration with the manifest
2. Checks the reference codes
3. Computes taxes and duties and
4. Filters through the selectivity module.

In most cases the time taken to validate a declaration is less than one minute.
When all levels have been successfully processed the Declaration is validated and a legal Declaration Number is generated.
Once a declaration has been validated there are three possible options that the declaration may have to go through.

1. **Declaration rejected**

When errors are detected in the process of validation GCMS rejects the Declaration
The causes of rejection are listed and sent back to the declarant for correction and resubmission.

2. **Declaration validated and not selected by the Risk Assessment Module**

In cases where the Risk Assessment Module finds upon checking against reference tables that the consignment is medium or low risk, GCMS sends a response back to the Declarant stating that the declaration has not been selected for further scrutiny. Such a

declaration is then referred by GCMS for processing by the **Document Verification Office.**

3. Declaration validated and selected by Risk Assessment Module.

Where the Risk Assessment Module finds upon checking against reference tables that the consignment is medium to high risk, GCMS sends a response to the Declarant stating that the declaration has been selected for further review and that the declaration has been referred to the **Compliance Office.**

Upon receipt of the Customs response from the GCMS, the declarant may print a copy of the declaration from his/her FES at his/her office. The declarant then attaches all documents relating to the declaration ready for submission to customs and then proceeds to any of the receiving banks and settles all duties and taxes due. The bank confirms payment electronically from its FES to the GCMS through the network. This notification is a prerequisite for further processing of the declaration by Customs.

Submission of Declaration and Accompanying Documents to Customs

Depending on whether the declaration has been selected by GCMS or not, the Declarant submits his declaration together with the supporting documents to the Document Verification Officer or the Compliance officer as the case may be.

The Document Verification Officer (DVO) checks documents submitted by the declarant to ensure they are genuine and correct. The officer checks whether all the attachments listed on the declaration have been submitted. If no discrepancy is found, the officer authorises release of the consignment out of Customs charge. Declarations released by the DVO are sent to the **Deferred Control Office** where entries are systematically checked in detail and the declarant contacted if any discrepancies are discovered.
The document verification officer however has the option of referring any declaration to the compliance officer for further review where he or she believes further investigation is required.

The Compliance Officer (CO) reviews the documents in more detail than the DVO. Special attention is given to areas of interest, which triggered the system to select the declaration. The Compliance Officer decides whether a physical examination is required and directs the Examination Officer as to what to look for.

The Examination Officer physically checks the contents of the containers in the presence of the declarant to ensure no violation has occurred. The activity performed is triggered by the findings of the Compliance Officer. When examination has been completed the

Examination Officer may approve the release of the consignment or refer to the **Customs Offence Report** office (COR) for the required corrective measures if any to be effected.

Gate Office

The Gate Officers positioned at the exit points of the Ports and Freight Stations outside the port area ensure that no consignment leaves the Customs Controlled Area without having undergone the official clearance process. The Gate officers have access to GCMS and therefore close the declaration upon the consignment physically leaving the port area. This process, depending on the physical infrastructure of the port, the logistic support available and the efficiency of the declarant in processing the declaration takes on the average between one hour and two days.

Manual Processing of Declarations

At the land frontier stations declarations are processed manually. There are two categories of cargo processed at the frontier stations; conventional cargo on pallets and baggage carried by passengers. Examination is conducted before the declarant prepares declaration. Here the declaration is the formalization of the outcome of the examination. Once duty payments have been made the consignment is released out of Customs charge. This process depending on the type of consignment involved takes on the average between 30 minutes and two hours to complete.

Classification and Valuation of Commodities

The **Ministry of Trade, Industry and Presidential Initiative** has contracts with **Destination Inspection Companies** in Ghana who inspects documents on consignments and issue reports of findings for Customs' use in assessing declarations.

Importers send pro-forma invoices to the Destination Inspection Companies prior to the arrival of their consignments. The values on the invoices are compared with those in the **Transaction Price Database (TPD)** of the Destination Inspection Companies. The companies may confirm prices from their counterparts in the exporting country or even from the suppliers. Where the prices of the commodities cannot be confirmed the other WTO rules of valuation are applied. Upon the final arrival of the consignment the importer or his agent presents the final invoice to the Inspection Company for confirmation. The inspection companies classify the commodities based on the description on the invoices. Where there is a doubt, samples of the commodity are called for to confirm what is described on the invoice.

A report of findings known as the **Final Classification and Valuation Report (FCVR)** is issued by the Inspection Company to accompany the declaration to Customs. Customs may on its own use the WTO rules of valuation to determine the value the commodity if the responsible officer finds reason to do so.

Data Capture

Under ASSYCUDA, information on declarations were prepared by declarants and later keyed into the software by Customs data entry clerks. Such information was captured on stand-alone personal computers, which were linked by a local network. Data therefore had to be extracted separately at each port on monthly bases, collated by fields and integrated into a national database. This had to be done by travelling from port to port to access data.

With the introduction of the GCMS however data can be obtained at any point in time from any location connected to the network provided that the user has authorization to access the information required.
 The Ghana Statistical Service has been connected to the network and therefore can access trade data directly.

Trade information from the frontier station not yet connected to the network is presented on hard copy declarations to the Statistical Service. Information on these declarations is then keyed into the national trade database.

Data Reporting

The Research and Monitoring Department of CEPS does not publish official trade reports like the GSS. It however has a database on international trade and other information gathered from its activities and from which it prepares periodic reports for the Ministry of Finance, the Revenue Agencies Governing Board and CEPS management. Other institutions and agencies both local and foreign request data and reports by specific format from the Research Department and the information is obtained for these from the database.