

CLEARING PROCEDURES AT THE SEAPORTS

Customs clearance of cargo through the seaports involves dealing with a number of logistics service providers and governmental bodies in order to fulfill all contractual and tax obligations that might be associated with the import consignment. The agencies include CEPS, GPHA, Shipping Agents and Destination Inspection Companies.

Legislative Instrument 1178 (Customs House Agent Licensing Regulation) of 1978 enjoins all importers with the exception of Declarants to engage the services of licensed Customs House Agents for the clearance of cargo at any freight station in Ghana.

There are various stages in the customs clearance processes of cargo from the seaport. The clearance process starts with the valuation of the cargo, declaration of cargo data on to the GCNET, payment of duty and other relevant cargos, verification at the Compliance Section of CEPS, release by the Shipping Agent, delivery by GPHA and CEPS physical examination or scanning of cargo before cargo is allowed to exit the port.

VALUATION

All consignments imported into the country must be valued for tax and other purposes. Importers need to submit the Final Invoice, Import Declaration Form (IDF), a copy of the Bill of lading (if it is available) and the Packing List (itemizing the value of the packages) on all commercial imports prior to the arrival of cargo to the designated Destination Inspection Company for the preparation of the Final Classification and Valuation Report (FCVR). The FCVR contains an assessment of the Dutiable Value, Import duty and VAT of the consignment.

Containerized cargo selected for scanning through the Risk Management System procedure of the Destination Inspection Companies is also indicated in the FCVR.

Importers of personal effects are required to send the packaging list and bill of lading on their cargo to the CEPS long room for the assessment and valuation on the arrival of the cargo. Large importation of the same kind commodities, even if they are not meant for commercial purposes, is classified as commercial and must be valued by a Destination. Inspection Company.

Importers of used cars are required to submit their bill of lading, bill of purchase or deed proving that vehicles were acquired legally as well as Chassis number of

the vehicle to the CEPS office at the Port to obtain the computation of the value of their vehicles.

TAX IDENTIFICATION NUMBER (TIN)

Importers require Tax Identification Number (TIN) for Customs clearance of commercial goods. The TIN is a unique identification number generated by the Internal Revenue Service for every tax payer. This number has to be quoted in the entry that the importer or his representative would send the GCNET copy.

Corporate bodies are required to use their tax registration number for the above purpose.

Without a TIN, customs clearance of cargo from the port is not allowed. Importers can obtain their TIN at the Internal Revenue Head Office.

ENTRY OF CARGO DATA ONTO GCNET

The importer or his Customs House Agent submits a customs declaration on the cargo electronically to the GCNet which is routed to the GCMS. The declaration includes;

- Declaration regime (whether the cargo is for home consumption, warehousing, transit)
 - Consignee Name of vessel
- Date of arrival of vessel Rotation of the vessel o Weight of cargo (gross &. net)
 - Number of packages Delivery terms (e.g. CIF, FOB, EX WORKS)
 - Total Invoice Value (TIV) as determined by CEPS or Destination Inspection Company;
 - Breakdown of the TIV into FOB, freight and Insurance
 - Conversion of TIV into local currency using the prevailing Inter Bank Foreign Exchange Rate.
 - Break-down of Items per consignment Commodity code of the items (10 digits) Item value (in both foreign and local currency) of the consignment
- CPC (Customs Procedure Code) of commodity (this indicates whether Consignment is dutiable, free Exempt etc.)

When the entry is validated, the GCMS generates and sends a response. commonly referred to as a Declaration to the front end of the declarant. The Declaration indicates all the taxes and tariffs that have to be paid on the consignment. In addition, the name of the CEPS officer to verify the declaration at the Compliant Section of CEPS is indicated in the Declaration.

The taxes/tariffs indicated in the declaration include:

Import Duty (ID): Calculation is based on the CEPS Tax Schedule

Import VAT (IV) + NHIL ; $(12.5\% + 2.5\%) \times (ID + TIV)$

Import Special Excise (Where Applicable)

Import Excise Duty (Normally charged on luxurious goods)

Processing Fee: $1\% \times TIV$

ECOWAS Levy (EL): $0.5\% \times TIV$

Export Development Levy (EDL): $0.5\% \times TIV$

Interest Charges (applied when there are delays in payment of customs duty) as follows:

1st 5 days: Free

1st Month (I): $\{ID + VAT\}/48$

After 1st month (1): $(1 + ID + VAT)/48$

Network Charges (NC): $0.45\% \times FOB$

Network Charge V AT (NCV): $12.5\% \times NC + GSA SNF \text{ fee: } \text{€}35,000$

PAYMENT OF DUTY

Upon receipt of the validated Customs Declarations at the front end of the declarant, the declarant prints a hard copy and signs it. To make payment of the amount indicated in the declaration, the importer or his representative needs to submit the signed Customs Declaration and attach all supporting documents like the Bill of Lading, the Invoice, the IDF, the FCVR, the Packing List, an IRS Certificate as well as other relevant permits and documents at either of the GCNet participating banks (i.e. ECOBANK, Ghana Commercial Bank) in order to make payment.

Special Bank Receipts are given to importers or their representatives to acknowledge payment.

VERIFICATION

A hard copy of the Declaration, the Bank receipt, and Bill of Lading and all other relevant attaching documents are submitted to the designated Officer at CEPS Compliance Section for Verification of the documents and receipts. When no discrepancy is found, the cargo is ruled for immediate release or physical examination pending release

Message is then sent to the relevant shipping agent to release cargo for the next procedure.

Shipping line agent release of cargo. The importer or the representative Customs House Agent submits a hard copy of the Customs Declaration, the Bank receipt,

and Bill of Lading and all other relevant attaching document relevant documentation as well as the Delivery Order (earlier purchased from the Shipping Agent) to the Shipping Agents. This is to facilitat