



Jamaica Customs Agency Post Clearance Audit



In today's international trade environment, Customs Administrations are expected to meet exacting goals for efficient and effective operations.

Critical to Customs operations are:

- Optimizing revenue collection;
- Expediting clearance processes;
- Applying Customs rules and regulations transparently and consistently;
- Reporting accurate trade statistics; and
- Reducing threats of terrorism by securing international supply chains.

With the ever increasing demand for expedited clearance processes, Post-Clearance Audits have been a proven risk management strategy that offers a balance of public protection with a fostering of Customs compliance amongst the private sector. When combined with other international standards and best practices, post-clearance audits enable Customs administrations to make what the World Customs Organization (WCO) describes as "the philosophical and operational transition", from 100 percent inspection to risk-based audits that free resources, while improving traders' compliance with export and import .

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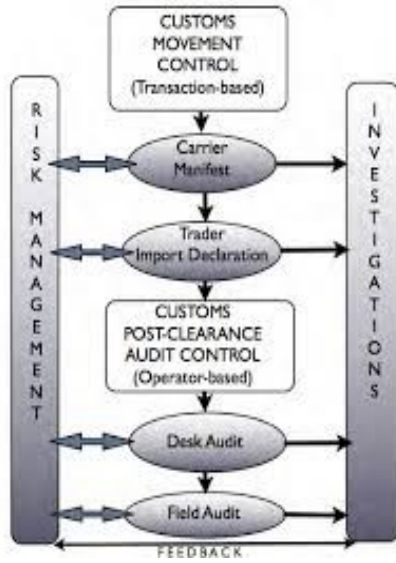
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*This publication is a collaboration of the **Post Clearance Audit Team** and the **International Liaison Unit** in efforts to raise awareness of the functions of the **Post Clearance Audit Unit**.*

Post Clearance Audit processes facilitate Risk Management and support the Automated System for Customs Data. (ASYCUDA)

Post Clearance Audit



The **Revised Kyoto Convention** defines Audit-based Controls as measures by which Customs satisfies itself as to the accuracy and authenticity of declarations through the examination of the relevant books, records, business systems and commercial data held by persons and companies, conducting international trade.

Post-clearance audit allows for the reduction of control activities at a border, at the time of arrival of goods.



Post Clearance Audit Team — Kingston

This process enhances **trade facilitation** through the movement of goods across national borders by reducing associated cost burdens, and maximizing operational efficiency, while safeguarding legitimate regulatory objectives.



In 2009 the **Valuation Audit Unit** was merged with the **Compliance Audit Unit** to form the **Post Clearance Audit Unit**. The new mandate was to verify the accuracy of declarations as it relates to the use of free codes utilized via incentive regimes and verifying the correctness of the classification of goods declared, as well as valuation issues.

CONDUCTING PCA WITHIN THE JAMAICA CUSTOMS AGENCY

Post importation control checks are conducted by Post Clearance Auditors (PCAs). PCAs are located in the Post Clearance Audit Units of Customs House, in both Kingston and Montego Bay.

In the execution of their duties the auditors work in teams and are responsible for:

- Planning, coordinating and conducting audits, systems review and verification of declarants' records, supporting documentations, manufacturing process, using various methods of audits to determine the degree of compliance with Customs rules and regulations.
- Promoting voluntary compliance with traders by increasing declarants' awareness of their rights, entitlements and obligation under the law, as well as the consequences of non-compliance.

COMMON CHECK AREAS

- Classification
- Valuation
- Origin
- Exemptions / end-use



Post Clearance Audit Team – Montego-Bay, St. James.

Post Clearance Audit

BENEFITS DERIVED FROM Post Clearance Audits

- Compliant trade facilitated at time of Customs clearance
- Customs gain better information and understanding of client's business
- Risk levels more easily accessed and reviewed
- Facilitates clients' education and comprehensive compliance management focus



- Customs can promote concept of voluntary compliance and self-assessment
- Customs administrations' resources more effectively deployed
- Suspected fraudulent activities may be identified
- Provides platform for evaluating entitlements for Authorized Economic Operator (AEO) Programme.



TYPES OF AUDITS

Desk Audits – These are audits which are done at the auditor's desk. It entails reviewing import entries to determine the accuracy of the declarations made to Customs, particularly as it relates to classification of goods and the use of free codes.

Field Audits – These are comprehensive audits which cover all aspects of a client's relationship with Customs, including import and export transactions, warehouse operations and manufacturing operations.

These comprehensive audits verify that:

- The tariff Classification of the goods declared is correct and that the applicable rate of duty and taxes are also accurate.
- Where goods were granted preferential access under a preferential trade agreement, that such goods met all the requisite criteria and was indeed qualified to receive such benefits under the specific agreement.
- The correct quantities and proper description were declared to Customs, and correct values declared, according to the principles of Article 8 of the WTO GATT Valuation Agreement.
- Where incentives relating to duties were given, that the goods were indeed utilized for the purpose stipulated in accordance with applicable legislation e.g. the Productive Input Regime

Post Clearance Audit

LEGAL BASIS FOR CONDUCTING POST CLEARANCE AUDITS

Authority: Concerning the Audit

- Section 4A of the Customs (Amendment) Act, 2014 – Obligation for Secrecy.
- Section 223 of the Customs Act – Production of Documents.
- Section 223A of the Customs (Amendment) Act, 2014 – Access to documents in electronic form.
- Section 17I of the Revenue Administration Act (RAA) confers the rights of Customs and Revenue Officers to conduct audits, investigations and inspections on books, records and properties of the taxpayers.
- Section 19 (8) of the Customs Act, the Commissioner may, within two years from the date of imported goods, adjust the value accepted by an Officer at the date of entry of such goods, where he discovers that the value accepted by the officer was incorrect based on new information concerning the goods; or for any other reason.
- Section 32 of the Customs Act, – Goods used contrary to purpose for which imported.
- Section 203 of the Customs Act, – Special Warrants.
- Section 15 of the Customs Act, – Effect of obligation to pay duty.
- Section 17 of the Customs Act, – In case of dispute, importer to deposit the duty demanded.
- Paragraph 8 of the schedule to Section 19 of the Customs Act - Certain charges to be included in Customs value.

Rights of the importer:

- Authority: Section 19 (4)(a)(b) & (5) of the Customs Act
- Right to object in writing, stating precisely the grounds of objection within 90 days of final assessment; (as amended)
- Right to appeal, if dissatisfied with the result of the objection



Obligations of the Importer:

- Section 223 of the Customs Act speaks to the maintenance of proper books and records for the proper officer of Customs to inspect when desired for inspection; cooperate fully with any review of such books and records,
- Make complete and accurate declaration on the prescribed forms.

Penalties

- Section 209 of the Customs Act - Penalty for False declarations



Post Clearance Audit

HOW CAN YOU ASSIST POST CLEARANCE AUDIT?

- Customs Officers, Supervisors and Managers, can become involved in the PCA process by referring matters that may be “doubtful” at the examination stage / documentary stage to the PCA Unit for Post-importation checks to be conducted.
- Supporting documents should be attached to the Referral form for ease of reference.
- The PCA Unit will conduct the necessary checks and provide feedback using the recently designed “FEED BACK FORM”. Referral Forms are available at your respective locations.
- Information relating to trade should be captured at all stages of Customs processing. With the implementation of ASYCUDA, Customs officials should be vigilant regarding the relevant information fed into the Risk Management and PCA system.



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Country Above Self



The International and Industry Liaison Unit is committed to raising the level of awareness on topics relating to the Caribbean Community, as well as issues concerning the wider topic of international trade, to both our internal and external stakeholders. Our monthly newsletter seeks to highlight global trade topics and their importance to Customs Administrations worldwide and specifically how they affect the Jamaica Customs Agency. As we realize our vision of becoming a modern Customs administration delivering excellent service, we recognize the importance of knowledge transfer in delivering our objectives and use this forum as our way of contributing to the vision of the JCA. The International Liaison Unit is located at the Myers Wharf head office and our officers are available to respond to your queries and clarify any points of concern.

We're on the Web!
<http://www.jacustoms.gov.jm>

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