

## **PRESS RELEASE**

### **RESPONSE BY GRA TO ASSERTIONS BY IMANI AFRICA REGARDING THE ICUMS PROJECT**

The Management of Ghana Revenue Authority (GRA) has taken notice of a statement by IMANI Africa that tends to disparage the operations of the newly introduced Integrated Customs Management System (ICUMS). GRA wishes to state the following:

1. It is not the case that port operations have reverted to the pre-2002 manual system. All transactions from 1<sup>st</sup> June 2020 have been processed through ICUMS. The manual process was resorted to for addressing transactions that commenced in GCMS/GCNET but had not been cleared before June 1, 2020. This mitigation strategy was needed because GCNET did not provide data for those transactions in the right format.
2. It is inaccurate to state that ICUMS has no established values for customs valuation. GRA valuation methods are based on section 67 of the Customs Act 2015, Act 891, and the World Trade Organization (WTO) valuation protocols. Over time, GRA has built a Transactional Pricing Database that serves as a reference for valuation. ICUMS has the Transactional Pricing Database fully integrated into its system.
3. Customs continuously acquires Home Delivery Values Database from the National Automobile Dealers Association (of USA) and other accredited international dealers. The Home Delivery Values database contains information and values of vehicles, and also has details of vehicles manufactured from Asia. ICUMS has fully integrated the Home Delivery Values Database into the process flow. The database is continuously updated as new vehicles are manufactured. Indeed, Sections 60 and 61 of the Customs Act 2015, Act 891 define this procedure. In reference to the vehicle that was purportedly

valued at GHs12,000.00 in GCMS/GCNET, but was valued at GHs6,000.00 in ICUMS, GRA does not have evidence of such a transaction.

4. In reference to the vehicle that was valued at GHs14.00, it is a case of fraudulent activity by an agent. As stated before, in order to facilitate the clearance of vehicles with duties paid in GCMS/GCNET, but not cleared before June 1<sup>st</sup>, GRA created a Customs Procedure Code (CPC) 40D23 in ICUMS to allow those transactions to skip the valuation step.

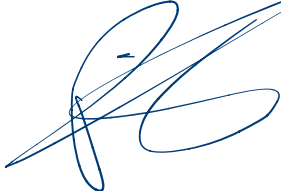
The agent falsely declared USD1.00 as the value for the vehicle, and claimed that he had paid the duty in GCNET and therefore used the CPC 40D23 to process the transaction. The GHs14.00 was the summation of the Ghana Shippers Authority fee of Ghs9.00 and Ministry of Trade and Industry Import Declaration Form (IDF) fee of Ghs5.00.

The **system detected the fraudulent transaction** at the compliance stage and raised a query that very day. Till date the agent has not responded to the query. The Ministry of Trade and Industry (MOTI) Import Declaration Form (IDF) is not generated for the declaration of used vehicles. The combination of these factors is a clear indication of an attempt to defraud the state and an indication that the system is working as prescribed. Customs has initiated the punitive measures as prescribed by law, including blocking the said agent.

5. Also, it is inaccurate to say that ICUMS is 'poorly' assessing goods. As stated before, the examples of the Ghs14.00 duty for vehicle and the Ghs6000.00 undervaluation of another vehicle are not substantiated. Therefore, no declarant has been begged to pay manually for any difference in duties and taxes. As part of routine customs processes, there are instances where officers observe under-declaration or under-valuation. In such instances, the officer generates a Customs Offence Report (COR) which requires the agent pays the difference in duty to the state.
6. The Sector Commander for Takoradi Collection has not in any way begged Freight Forwarders to use any new tax code for payment. She rather directed that short collections be paid according to specific tax codes.

7. The risk selectivity of declarations is based on several factors upon which, when a container is scanned, a verdict is given. A 'Yellow' tagged item is sent to the examination platform if it is declared suspicious by the scan image analyst. For non-suspicious boxes and boxes with green risk, selectivity is released unconditionally without any physical examination. For a 'Red' tagged item physical examination is mandatory irrespective of the verdict of the scanned image. All containers that are processed through ICUMS after June 1, 2020 are subjected to the appropriate scanning and examination processes. However, the issue with all containers being examined regardless of the risk level, applies to containers that were not cleared before June 1, 2020. Customs has therefore resorted to physical examination of such containers as a matter of precaution.
8. Full roll out of ICUMS in Tema has just started. A team from the Ghana Institute of Freight Forwarders (GIFF) visited Takoradi to establish for themselves the duration for clearing any consignment including vehicles. They established that clearing of vehicle takes a day or two at the Takoradi port. The situation is the same in Tema.
9. We welcome any constructive criticisms that may be offered by IMANI, in as much as they would contribute towards the successful implementation of ICUMS. The assertions are misleading, and regarding the few challenges faced thus far, all efforts are being made to resolve the issues with all the urgency that they deserve.

For: **COMMISSIONER-GENERAL**



**FLORENCE ASANTE**  
ASSISTANT COMMISSIONER  
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**7<sup>TH</sup> JUNE, 2020**