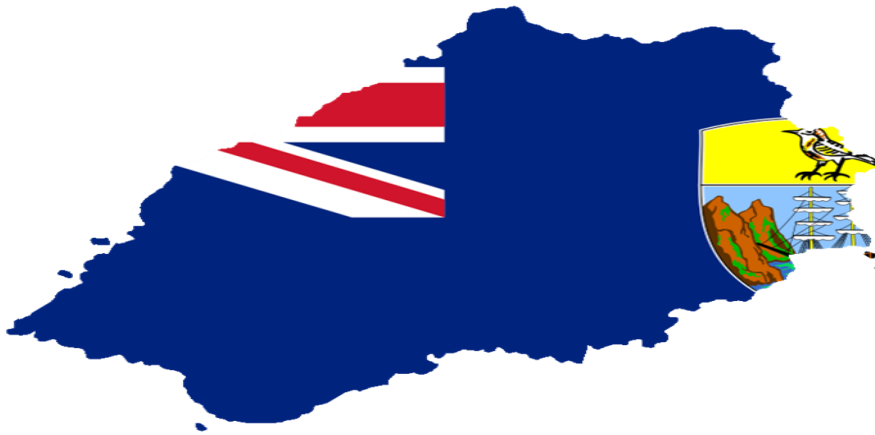




**St Helena
Government**



ST HELENA HM CUSTOMS & EXCISE



ACCOUNTING STANDARD OPERATING PTROCEDURE

**Prepared by
ASYCUDA Project Team**

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1.0 OBJECTIVES

This standard operating guide is aimed at streamlining the customs procedures and the functioning of examination stations in St Helena major ports of entry/departure with a view to reducing the dwell time of cargo and the associated costs.

The present operating procedure will be utilised and applied throughout St Helena. The implementation of this procedure is the responsibility of all persons having a role in International Trade.

This Standard Operating Procedure has been designed to give a better understanding of:

- (i) the procedures involved when importing goods for commercial purposes;
- (ii) the legal requirements of the St. Helena Customs; and
- (iii) the procedures to be followed in the ASYCUDA World System for the SAD of those goods.

1.1 SCOPE

The Procedure shall be utilized and applied at all Ports of Entry or Departure where goods may arrive or leave the country. The Automated System for Customs Data, hereinafter referred to as ASYCUDA World, will be the facility used to process the SAD of imported and exported goods.

1.2 LEGAL BASIS & DISCLAIMER

The following National Laws and Regulations provide the legislative basis for the contents of this manual:

- (a) Chapter 145 Customs and Excise Ordinance and Subsidiary Legislation; and
- (b) Any other legal documentation relevant the importation and exportation of goods.

Throughout this Standard Operating Procedure (SOP), procedures that use the word “must” or “shall” indicate a mandatory legal requirement. Those that use the word “should” or “may” suggest methods, actions or processes that are the most efficient, effective and widely accepted standards in the Trade and Customs community.

This SOP may contain procedures that may not apply uniformly in every circumstance. Although the manual seeks consistency with existing governing laws, regulations and policies, these procedures are not intended to supersede or replace the adopted departmental/governmental policies or other applicable law to which the St. Helena Customs is subject. Any conflict between this document and applicable laws, including regulations and departmental policies, should be resolved in favour of the applicable law.

Information contained in this SOP is up to date as of the date of publication. National laws and regulations and Departmental/Governmental Policies may change and the reader should be sure to check for the most recent versions for the most accurate information.

2.0 DEFINITIONS

- (a) **ASYCUDA:** Automated System for Customs Data.
- (b) **SAD:** Means a Single Administrative Document and is also known as the Entry. It is prepared by an Importer or Exporter to declare cargo and certifies that the particulars contain therein are true and accurate. As such, the Declarant is accepting responsibility under the law for:
 - (i) the accuracy of the information given in the declaration;
 - (ii) the authenticity of the documents attached to the declaration; and
 - (iii) the observance of all the obligations necessary under the declared procedure.
- (c) **CASH:** The term cash in relation to the SAD means that the assessed duties and taxes must be paid to the cashier.
- (d) **CREDIT PAYMENT:** The term credit payment in relation to the SAD, means the deferral of assessed duties and taxes under conditions determined by the Collector of Customs.
- (e) **GUARANTEE ACCOUNT:** is a facility created for importers to provide security to Customs to cover the duty liability on imported goods used prior to the payment of customs duties. This facility is generally used for warehousing goods.
- (f) **PREPAYMENT:** The term prepayment in relation to the SAD, means that the assessed duties and taxes will be debited from the company's or declarant's account. It entails depositing a sum of money with the Collector of Customs against which the duty payments are debited.

3.0 ACCOUNTING PROCEDURES: General Aspects

- (a) Subject to the conditions of credit payment, all duties and taxes must be paid before customs release.
- (b) The Legislative Council or Collector of Customs may grant whole or partial tax relief to any person or on any class of goods.
- (c) The Importer/Exporter is responsible for paying duties and taxes. The Customs Broker or another Agent may be allowed to make payments on their behalf.
- (d) Every Importer/Exporter shall keep Customs records for not less than seven years.
- (e) At the time of the payment of a SAD, ASYCUDA will automatically determine the exact amount of duties, taxes, fees and other charges to be paid.

- (f) Other miscellaneous payments may be processed using the ‘Other Payments’ option in ASYCUDA.
- (g) Failure to comply with the requirements of the Customs Legislation shall render the Declarant liable to fines and penalties set where applicable.
- (h) An unlimited number of SADs can be paid on one receipt.

4.0 ACCOUNTING PROCEDURE: Declaration Payment

- (a) Payment of duties to Customs can be made at the Customs Office and Customer Service Centre.
- (b) The Cashier shall be provided with the Customs reference number of the SAD to make payments.
- (c) The cashier shall only accept the amount of cash stipulated on the Assessment Notice.
- (d) A Receipt for the payment of all duties and taxes shall be issued electronically through ASYCUDA. The Declarant may access a paid SAD to print a receipt.
- (e) The Cashier may scan the barcode or insert the Customs Reference number and Company/Declarant code provided on the Assessment Notice in order to populate the receipt with the amounts of duties and taxes to be paid.
- (f) The Cashier shall issue receipts in the name of Payee when receiving other forms of payments.
- (g) The Cashier must ensure that the amount of money tendered corresponds with amount indicated on the payment form prior to validating the payment.
- (h) The payment of duties and taxes is completed by the validation of the receipt.
- (i) The Cashier must select the appropriate mode of payment(s) from the ‘Means of Payment’ list, based on the type of payment submitted by the Payee.
- (j) Other payments such as “wharfage dues” and penalties can also be made in like manner on the same receipt as that for the declaration.
- (k) The following shows the particulars of the Customs Receipt number after validation of payments:

R **Customs payments Series Letter**
250 **Customs Payment Sequence number**

- (l) *ASYCUDA - Accounting & Payment – Operations Management – Payments - Find receipt*

5.0 PREPAYMENT ACCOUNTS

- (a) The establishment of a *prepayment account* is intended to provide importers with an alternative payment option on the computerised system. It will allow an account holder to have secured access to the system and make payments to the St. Helena Customs and Excise in respect of their assessed declarations and other charges which may become due and payable.
- (b) The term prepayment indicates that a Declarant can deposit with St. Helena Government an amount of money sufficient to cover expected duty or tax liability on declarations to be processed.
- (c) Every account holder will be required to create a Personal Identification Number (PIN) that will give the account holder the opportunity of paying customs declarations online.

5.1 Establishing a Prepayment Account

- (a) The Applicant/Declarant shall apply to the Collector of Customs to establish a Prepayment account.
- (b) If approved, the Applicant will become a Prepayment Account Holder (PAH) and the Collector of Customs will notify the Applicant in writing outlining the terms and conditions for the establishment of the Prepayment account.
- (c) The Accounting Officer shall access ASYCUDA and create a Prepayment account in accordance with the approved application.
- (d) The Accounting Officer shall require the PAH to enter a PIN which will be encrypted and stored in the system. This PIN shall be used by the system to authenticate all payments made using the account number provided.
- (e) The PAH will be required to deposit an agreed sum of money with the Collector of Customs through the cashier any designated area. The deposit will not form part of the general revenue but will be kept in an approved holding account.
- (e) A receipt for the amount deposited is given to the PAH or his/her representative.
- (f) Customs shall permit each PAH to access ASYCUDA and view periodic statements of their accounts. The statement shall show all transactions for a given period and the respective balance of the account.
- (g) If the account balance is sufficient to cover the duty liability, a request for assessment of a declaration by the PAH means that the declaration is also paid.
- (h) If the account balance is insufficient to cover the duty liability, the processing of declaration is suspended until the account number is changed or deleted from the appropriate input field, or until further funds are paid into the account.

- (i) The PAH may print a receipt which covers the amount of the cash transferred from the Prepayment account. This is automatically generated as soon as the declaration is assessed.
- (j) The frequency of money deposits or the amount credited to the account is determined by the PAH.
- (k) The PAH may at any time, request in writing, that the account be terminated and balance of funds remaining be refunded.
- (l) Upon request to terminate an account, the Collector of Customs shall ensure that all declarations processed using this account are finalized and all monies remaining be refunded to the PAH without undue delay.

5.2 Replenishing the Prepayment Account

- (a) The Cashier must access the Prepayment account tab in the payment folder to process the amount to be deposited into the prepayment account.
- (b) A receipt for the amount deposited shall be issued to Payee.

6.0 GUARANTEE ACCOUNTS

Guarantee accounts are established as a means of suspending the immediate payment of duty on imported goods until some future date, while providing a form of security to Customs to cover the duty liability until the duty is paid.

6.1 Importer/Exporter or Broker (Declarant)

- (a) The Declarant shall obtain a bond or guarantee on the prescribed form from an approved financial institution, listing the sum for which the institution will assure payment.
- (b) The Declarant shall present the bond or guarantee to the Collector of Customs or designated Revenue Officer, giving notice of his/her intention to establish a warehouse or declaration guarantee account.
- (c) The Declarant shall satisfy the Collector of Customs that he/she will meet his/her obligations under the guarantee.
- (d) The Declarant may at any time inform the Collector of Customs of his/her intention to discontinue the bond or guarantee. Such requests may be granted by the Collector of Customs, provided that all outstanding obligations to the St. Helena Customs have been satisfied.

6.2 Customs

- (a) The Collector of Customs shall ensure that any financial institution issuing a bond or guarantee for the purpose of securing Customs duties and taxes, is a registered approved institution.
- (b) The Collector of Customs shall ascertain that the Declarant has no outstanding bond or guarantee before the establishment of a guarantee account.

- (c) The Collector of Customs shall be satisfied that the Declarant is unlikely to default from his/her obligations under the guarantee.
- (d) Requests to discontinue a bond will be granted by the Collector of Customs provided that all the Declarant's outstanding obligations have been met.

7.0 CREDIT ACCOUNTS

A credit account is a facility offered to importers to postpone the payment of duties on imported goods until or within a specified time. The facility is covered by a bond to cover the duty liability on the imported goods. This account can be used by Approved Importers.

7.1 Importer

- (a) The Declarant shall submit an annual bond on the prescribed form from an approved financial institution, listing the sum for which the institution will assure payment.
- (b) The duty liability on the imported goods should be paid within twenty (28) of their importation.
- (c) A SAD shall be submitted in the system providing required information on the initial imported goods.
- (d) The SAD shall be assessed against the amount stipulated in the Credit Account.
- (e) The SAD shall comply with all domestic requirements.
- (f) No entry shall be assessed for importers with outstanding payments.

7.2 Customs

- (a) The system shall be configured to deny the assessment of any SAD for an Importer with outstanding customs liabilities.
- (b) The status of all Approved Importers shall be monitored by Supervisor Administration regarding the payments of duties under this facility.
- (c) The Supervisor of Administration shall compile a monthly report on the status of payments by Approved Importers.
- (d) The Status report on payments by approved importers shall be submitted The Head of Customs and Supervisor of Risk Management.

8.0 POST-ENTRY DECLARATIONS

8.1 Importer/Exporter or Broker

Post-entries are used to adjust any inconsistencies relative to the declaration of imported goods to customs. The following are relevant to the administration of Post-entries:

- (a) Before the goods are released, the Importer/Exporter or Broker may modify a declaration to reflect a deduction or addition to the original quantity or description of the goods. The declaration will be sent to the query lane where the importer/exporter will amend his/her declaration as required. Based on approved regulations, Customs may apply a change fee in this regard.
- (b) The Importer/Exporter or Broker cannot change the ownership of the goods or cancel a declaration. These procedures must be done by Customs on application from the Importer/Exporter or Broker. Based on approved regulations, Customs may apply a change fee in this regard.
- (c) In the event that the declaration is cancelled or an overpayment made and the original means of payment is Cash, the Importer/Exporter or Broker must present the details of the payment and apply to the Supervisor Administration for a refund of the duties and taxes.
- (d) In cases where monies collected by Customs have already been reported to Customer Service Centre, a Credit note may be issued to the Import/Exporter or Broker.
- (e) Credit notes given for refund of duties and taxes may be applied to future payments made by Importers/Exporters or Brokers or can be used as a credit towards a Prepayment account in the name of the beneficiary.
- (f) In the event that the declaration is underpaid and the original means of payment is Cash or Prepayment, the Importer/Exporter or Broker must present the details and pay the additional amount to the Customs Office or Customer Service Centre. Prepayment accounts would be debited automatically.
- (g) In the event that the declaration is cancelled or an overpayment is assessed, and the original means of payment is Credit, but the declaration remains unpaid, then the deferred account would be credited with the amount cancelled or over assessed.
- (h) In the event that the declaration is cancelled or an overpayment assessed and the original means of payment is Credit, but the declaration is paid, then the Importer/Exporter or Broker must present the details of the payment and apply to the Supervisor Administration for a refund of the duties and taxes.
- (i) In the event that the declaration is underpaid, and the original means of payment means is Credit, then the Importer/Exporter or Broker must present the details and pay the additional amount to the Cashier of Customer Service Centre.

8.2 Customs Administration Officer

- (a) After the goods have been examined, Customs on the request of the Importer/Exporter or Broker, may modify a declaration to reflect a deduction or addition to the original quantity or description of the goods. Based on approved regulations, Customs may apply a change fee in this regard.
- (b) The Customs may change the ownership of the goods or cancel a declaration on the request of the Importer/Exporter or Broker. Based on approved regulations, Customs may apply a change fee in this regard.
- (c) In the event that the declaration is cancelled or an overpayment made and the original means of payment is Cash or Prepayment, the Supervisor Administration may grant a refund of the duties and taxes.
- (d) Credit notes given for refund of duties and taxes may be applied to future payments made by Importers/Exporters or Brokers or to credit their prepayment accounts where one exists.
- (e) Credit notes must not be given unless the **Examining Officer** has indicated in the Inspection Act the nature of the discrepancy which caused the overpayment.
- (f) The Supervisor Administration must indicate that credit notes are being applied to payments by using the approved designated code in the means of payment field.
- (g) In the event that the declaration is underpaid and the original means of payment is Cash or Prepayment, the Supervisor Administration must collect the additional amount.
- (h) In the event that the declaration is cancelled or an overpayment assessed and the original means of payment is Credit, but the declaration is paid, then Supervisor Administration must issue a credit note for the duties and taxes.
- (i) In the event that the declaration is underpaid, and the original means of payment is Credit, but the declaration is paid, then the Supervisor Administration must collect the additional amount.

8.0 REFUNDS

- (a) Where an amount is paid using ASYCUDA and such amount is found to be in excess of the duties payable, the Collector shall take the necessary steps to refund the excess collected.
- (b) In a case where Customs is responsible for receiving payments for other agencies, refunds of such payments must be processed by the relevant agency.
- (c) The declaration must first be reassigned to the Officer who shall be responsible for modifying the declaration. The modification of the declaration will require a re-assessment of the duties and taxes and all affected tax codes must be reflected on the new assessment notice.

- (d) The Declarant must use the new assessment notice to prepare an application for refund of duties in the prescribed manner.
- (e) The claim must be submitted to the Collector of Customs or designated Officer who will approve or reject it. If the claim is approved and the amount was not paid with a Prepayment Account, a refund receipt is processed in ASYCUDA and given to the applicant for submitting a claim to Customer Service Centre.
- (g) Customer Care Centre may access ASYCUDA to validate the authenticity of a refund receipt.
- (h) In the case where a post entry modification is not required, for example, in the event that goods were short-shipped and **no future claim is made with respect to those goods**; the amount previously paid for the goods short-shipped shall be refunded. The Accounts Officer must verify that the goods were short-shipped by making reference to the Inspection Act of the relevant entry, prior to the issuance of the refund.

9.0 DAYBOOK

- (a) The Daybook records all the accounting transactions and is automatically opened and closed daily at times configured by the Administration. Payments of any type can only be done whilst a Daybook is open. Holders of Prepayment Accounts may make payment at any time during the open period of the daybook and beyond business hours.
- (b) All monies collected will be deposited to Customer Service Centre on a daily basis. However, payments made using Prepayments Accounts will be finalized when the Daybook is closed. As such, all Daybooks must be reconciled with the Customer Service Centre before 12 noon of the following day.
- (c) The Customer Service Centre may from time-to-time, view the provisional Daybook to ascertain the revenue collections in real-time. Separate Daybook reports are available for amounts paid using prepayment accounts, amount received on behalf of other agencies, amounts deposited/refunded into Prepayment Accounts and claims to refunds processed for the day.

9.1 Cashiers/ Simplified SAD Officers

- (a) Before posting any payments into ASYCUDA, the Cashier shall, at the beginning of each day, verify that the Daybook is opened for the current day.
- (b) At the end of each working day, the Cashier must print a Cashier Summary Report which he/she shall use to balance against daily cash. ASYCUDA shall provide reports by type of Operation, Means of Payment and by Budget Codes. The means of payment will indicate a summary for each method of payment processed by the cashier. The cashier shall accurately report such amounts in the manner indicated on the means of payment report.

- (d) All cashiers and Simplified SAD officers shall report their revenue collections to the Supervisor of Administration or the Supervisor of Customer Service Centre where monies are collected at that station.

9.2 Supervisor Administration

- (a) The Supervisor shall ensure that the Daybook opens every day before any payment transaction is conducted.
- (b) He/she must ensure that the Daybook is permanently closed before sending the report to the Customer Service Centre. However, if the daybook transfer is automated, the system will ensure that this requirement is met before making this automatic transfer.
- (c) The Supervisor Administration may view any receipt on ASYCUDA for auditing purposes.
- (d) The Supervisor Administration may access the various accounting reports such as the Account Daybook Summary, Account Monthly Report, Cashier's Summary and Shift Summary to verify and audit all payment transactions conducted.
- (e) Reports can be generated for the Daybook by operation type, payment type and budget account.
- (d) The Supervisor Administration shall verify all cash received on a daily basis.
- (f) All cash transactions conducted shall coincide with the Daybook Summary submitted to the Customer Service Centre. If any discrepancies occur the Supervisor Administration shall rectify the same before submitting the report, or give an explanation which must be supported with proper evidence.
- (g) In keeping with the government financial rules, the Supervisor Administration is responsible for enforcing and monitoring the chain of custody for all monies collected at Customs.
- (h) Proper chain of custody shall ensure that the right person is held accountable for any irregularities or discrepancies identified.

10.0 EXCHANGE RATES

- (a) The Currency Exchange rate shall be in accordance with the Exchange Control Act, Cap 71.
- (b) The Supervisor Administration shall, on a daily basis receive updated exchange rate sheets from the designated bank(s).
- (c) The Officer shall upload the new rates for the following day into the system using the 'Currency Exchange Management' electronic document.
- (d) After the new rates have been entered the officer will verify and save the changes.

N.B. New exchange rates take effect at the beginning of the following day. Rates updated on a Friday will remain valid until the end of the following Monday.

11.0 APPENDICIES: Flowcharts

FIG. 1: CREATING A PREPAYMENT ACCOUNT

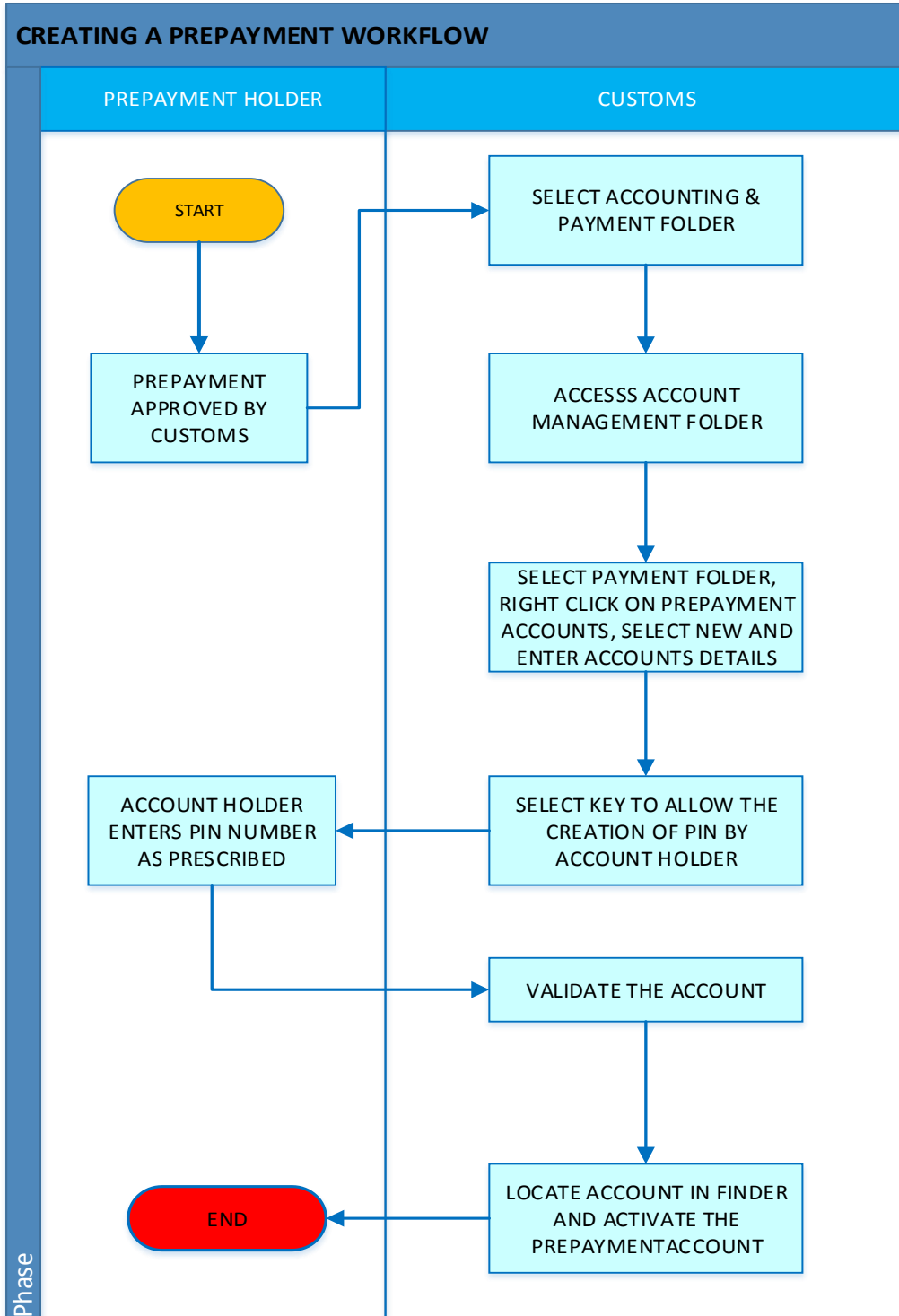


FIG.2: CREDITING A PREPAYMENT ACCOUNT

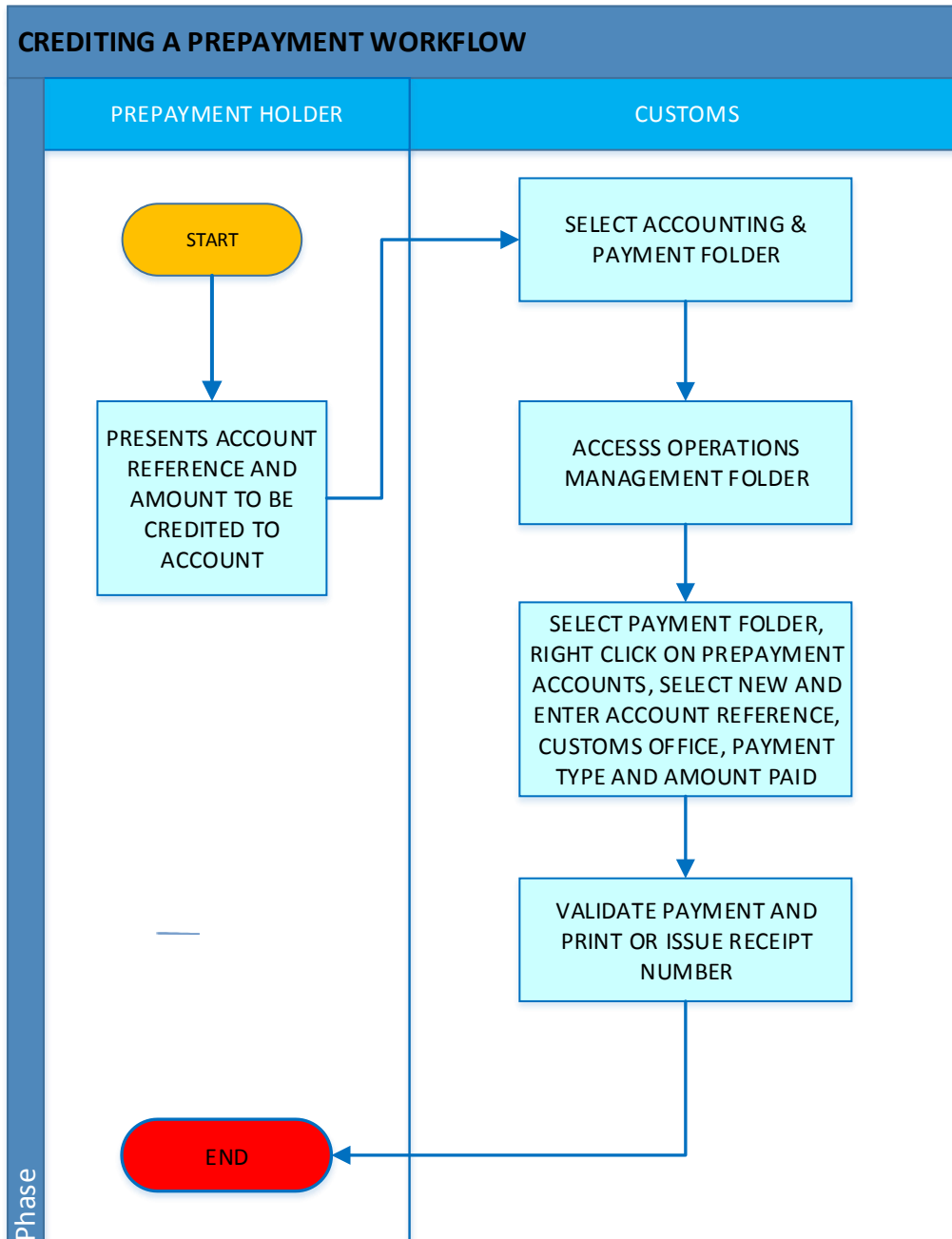


FIG. 3: PAYMENT OF REFUNDS IN ASYCUDA

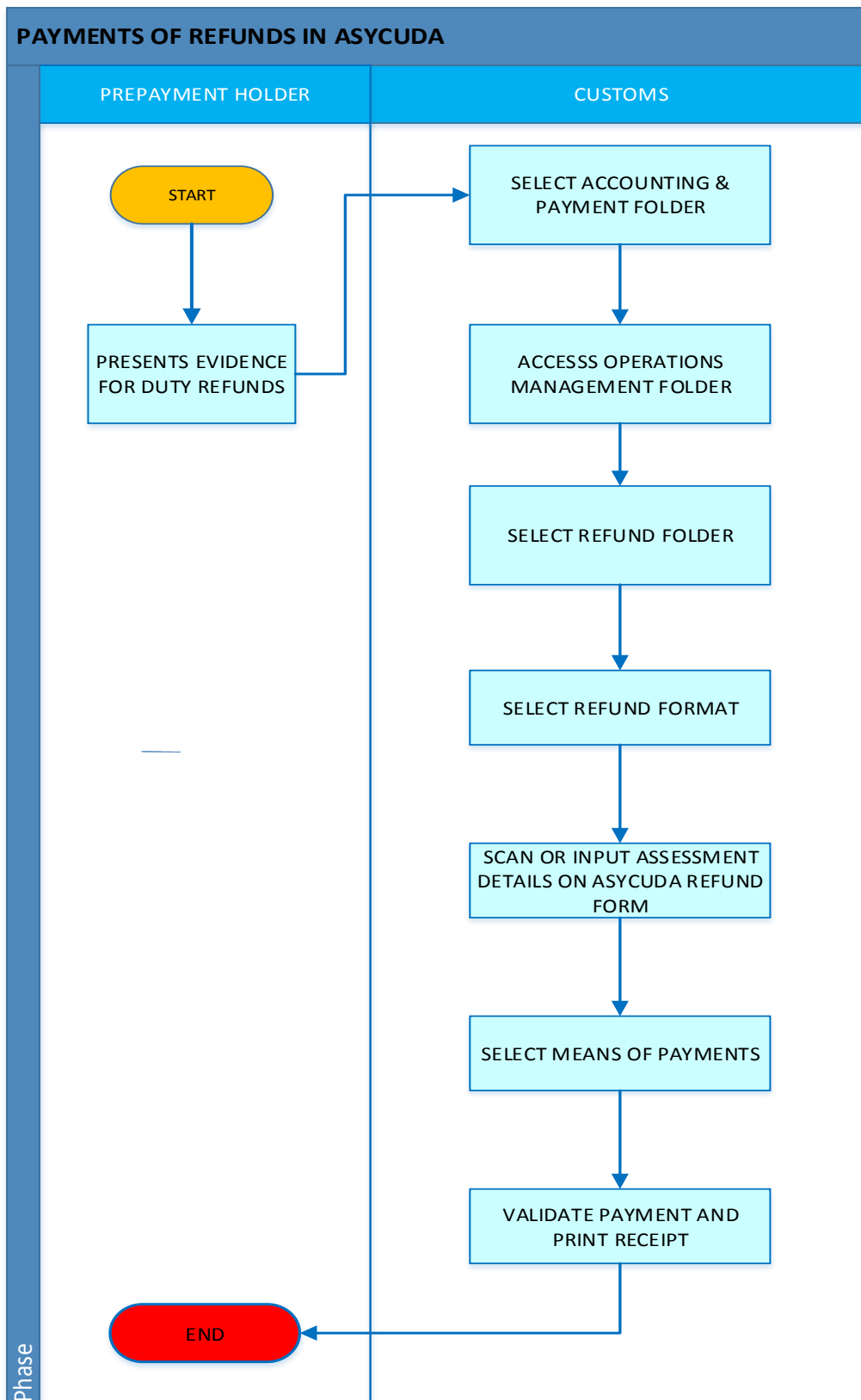


FIG. 4: UPDATING CURRENCY EXCHANGE RATES

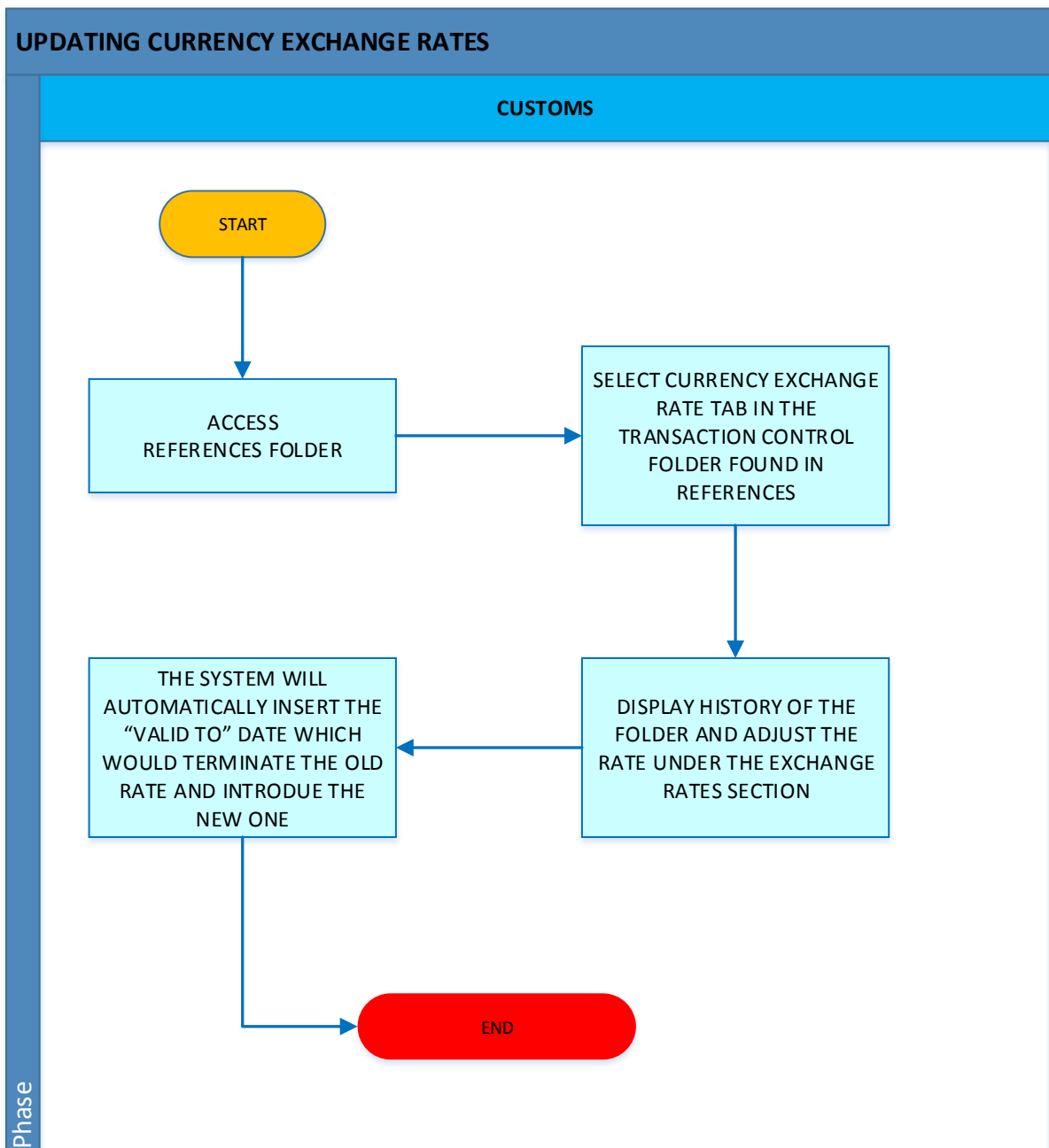


FIG 5 CREATING A CREDIT ACCPOUNT WORKFLOW

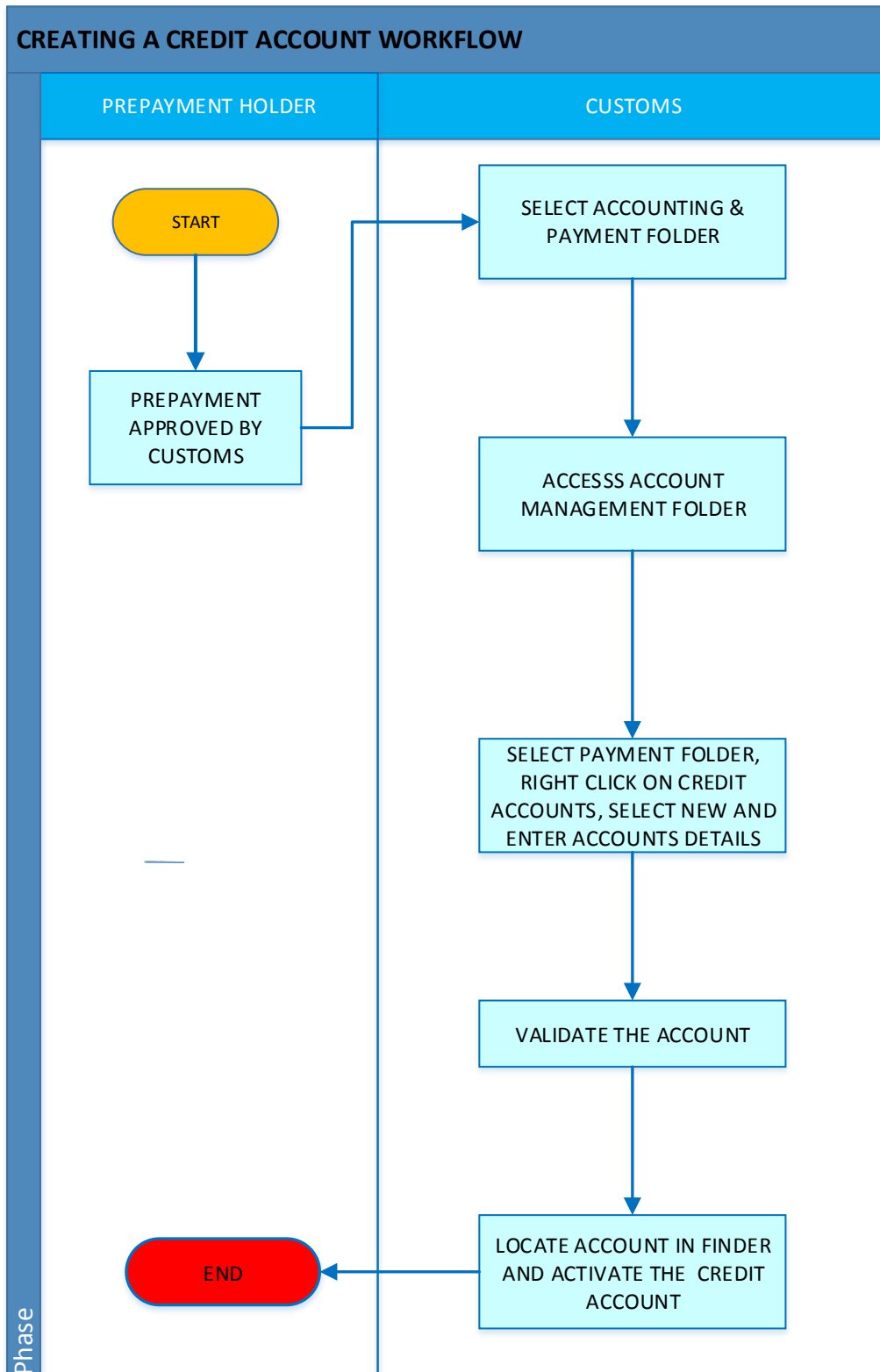


FIG 6 ACCESSING DAYBOOK, CASH RECEIPTS AND RESPORTS WORKFLOW

