

IN THE FOURTH SESSION OF THE SIXTH PARLIAMENT OF THE FOURTH REPUBLIC OF GHANA

# REPORT OF THE FINANCE COMMITTEE

ON THE

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## CUSTOMS (AMENDMENT) BILL, 2016

Acc No: 2665

Class No: BR/CAB/16

JULY, 2016

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**REPORT OF THE FINANCE COMMITTEE ON THE CUSTOMS  
(AMENDMENT) BILL, 2016**

**1.0 INTRODUCTION**

The Customs (Amendment) Bill, 2016 was presented to Parliament and read the first time by the Hon. Deputy Minister for Finance, Mr. Cassiel Ato Baah Forson on Friday 15<sup>th</sup> July, 2016 and referred to the Finance Committee for consideration and report in accordance with Article 174 (1) of the 1992 Constitution and Order 169 and 125 of the Standing Orders of the Parliament of Ghana.

Pursuant to the referral, the Committee met and discussed the Bill with the assistance of the Hon. Deputy Minister for Finance, Mr. Cassiel Ato Baah Forson, Commissioners from Ghana Revenue Authority (GRA), officials of the Ministry of Finance, GRA and Attorneys from the Attorney-General's Department.

The Committee is grateful to the Hon. Deputy Minister, Commissioners, Attorneys and officials for the assistance.

**2.0 REFERENCE**

The Committee referred to the following documents at its deliberations:

- a. The 1992 Constitution of Ghana.
- b. The Standing Orders of the Parliament of Ghana.
- c. Customs Act, 2015 (Act 891)
- d. Interpretation Act, 1960 (CA4)

### **3.0 BACKGROUND**

Parliament in 2015 passed the Customs Act, 2015 (Act 891) into law. The Act seeks to reorganize and streamline all provisions on customs operations which hitherto were scattered in the different laws into a single legislation.

Following the passage of the Act, the Customs Division has implemented a number of reforms resulting in some changes in operational practice. Prominent among these changes are the implementation of a National Single Window which aims at facilitating trade and improving revenue generation. Again, the Ghana Revenue Authority also took over its traditional function of Classification, Valuation and Risk Assessment which has been performed by Destination Inspection Companies since 2000. The GRA has also completed work on the phase two of the National Single Window System and phase III, which deals with the implementation of the National Single Window blue Print is expected to begin in the second half of 2016. There is therefore the need to amend Act 891 to provide for administrative structures that allows for the effective implementation of these systems and to promote effective coordination with other government agencies.

### **4.0 PURPOSE OF THE BILL**

The Bill seeks to amend Customs Act, 2015 (Act 891) to provide for the establishment of the National Single Window System and the establishment of the Risk Management Committee and the National Risk Management Team to help coordinate and carry out joint control and targeting of activities based on risk management to help improve effectiveness and ensure security in shipment and in combating transnational crime and to provide for related matters.

### **5.0 DIVISION OF THE BILL**

The Customs (Amendment) Bill, 2016 has six (6) Clauses.

**Clause 1** of the Bill amends Act 891 by introducing a new section to provide for the establishment of the National Single Window System and the establishment of the Risk Management Committee and the National Risk Management Team as part of the National Single Window System.

**Clause 2** amends section 17 of Act 891 to change the time required by a master or an agent of a conveyance to make a report.

**Clause 3** amends section 49 of Act 891 to provide for a person who intends to clear goods to be placed under a customs procedure in accordance with the Act to file a declaration in the prescribe form. The Clause also provides for the repeal of subsection (2) and (7) of section 49 of the Act.

**Clause 4** amends section 50 of Act 891 to provide for pre-arrival in place of pre-entry while Clause 5 amends section 60 of the Act by replacing “dealer” with “manufacturer” in order to clarify the meaning of the first purchase price of a vehicle

**Clause 6** of the Bill amends the First Schedule of Act 891 to include the Bui Power Authority as an exempt entity.

## **6.0 OBSERVATIONS**

### ***Rational for the Amendment***

Explaining the rationale for the amendments, the Hon. Deputy Minister of Finance informed the Committee that, following the passage of the Act 891, the Customs Division of the Ghana Revenue Authority has implemented a number of reforms resulting in some changes in its operational practice. The reforms included the implementation of a National Single Window which aims at facilitating trade and improving revenue generation. Again, the Ghana Revenue Authority also took over its traditional function of Classification, Valuation and Risk Assessment which has been performed by Destination Inspection Companies since 2000. The GRA has also completed work on Phase II of the National Single Window System and is expected to commence work on the National Single Window blue Print. For the effective implementation of these new regimes, there is the need to establish a Risk Management Committee and National Risk Management Team with legal backing to increase effectiveness and ensure security in shipment and to combat transnational crime.

The Committee noted that the proposed amendments also seek to make the Ghana Revenue Authority the sole agent for the collection of all samples on behalf of all

government agencies in respect of goods that transit through the ports for the purpose of testing and analysis.

***National Risk Management Committee and National Risk Management Team***

The Committee noted that while sub-clause (2) empowers the Minister to establish the National Risk Management Committee and National Risk Management Team, sub-clause (3) provides for their respective functions to be prescribed by Regulations. Sub-clause (5) mandates the Minister to prescribe by Rules the membership and management of the National Single Window System. The Committee however, holds the view that as the main structures for the implementation of the Single Window System, the establishment of National Risk Management Committee and National Risk Management Team as well as their functions cannot be left with the Minister to prescribe by rules and regulations.

To the Committee, the structures, their functions, membership as well as their management should be established and prescribed by law. The Committee accordingly amends the provision to reflect its position.

**7.0 PROPOSED AMENDMENTS BY THE COMMITTEE**

1. Clause 1 – **Amendment Proposed** – *delete* and *insert* the following:

**“Section 3A to 3C of Act 891 inserted**

1. The Customs Act, 2015 (Act 891) referred to in this Act as the principal enactment is amended by the insertion after section 3 of

**“National Single Window System**

3A. (1) There is established under this Act, the National Single Window System to allow persons involved in trade and transport to lodge standardised information and documents with a single entry point to fulfill all import, export, transit and other customs-related requirements.

(2) The National Single Window System shall be managed by the Authority.

(3) For the effective management of the National Single Window System, the National Single Window System shall have the following:

- (a) the National Risk Management Committee; and

(b) the National Risk Management Team.

(4) The Minister may, by legislative instrument, prescribe Rules for

- (a) the management and pre-arrival processes for the National Single Window System; and
- (b) the Commissioner-General to collect samples on behalf of participating government entities for purposes of testing or analysis

(5) For purposes of this section, “participating government entities” include the following:

- (a) the Ministry of the Interior;
- (b) the Veterinary Services Department;
- (c) the National Petroleum Authority;
- (d) the Food and Drugs Authority;
- (e) the Standards Authority;
- (f) the Narcotics Control Board;
- (g) the Animals Production Directorate;
- (h) the Minerals Commission;
- (i) the Plant Protection and Regulatory Services Directorate;
- and
- (j) the Environmental Protection Agency

#### **National Risk Management Committee**

3B. (1) The National Risk Management Committee consists of representatives from

- (a) the Ministry of Finance;
- (b) the Ministry of the Interior;
- (c) the Ministry of Health;
- (d) the Ministry of Transport;
- (e) the Ministry of Trade and Industry;
- (f) the Ministry of Food and Agriculture;
- (g) the Environmental Protection Agency;
- (h) the Ghana Shippers Authority;
- (i) the National Petroleum Authority;

- (j) the Ghana Revenue Authority;
- (k) the Food and Drugs Authority;
- (l) the Standards Authority;
- (m) the Narcotics Control Board;
- (n) the Minerals Commission;
- (o) the Ghana Ports and Harbours Authority;
- (p) the Ghana Immigration Service;
- (q) the Ghana Export Promotion Authority;
- (r) the Bank of Ghana;
- (s) the Ghana Maritime Authority;
- (t) the Ghana Airports Company Limited;
- (u) the National Security Council Secretariat;
- (v) the Ghana Association of Bankers;
- (w) the Ghana Police Service; and
- (x) any other institution that the Minister may include.

(2) The National Risk Management Committee shall

- (a) formulate risk management policies and procedures for the operation of the National Single Window system;
- (b) establish the reporting mechanisms to guarantee continuous feedback of information to and from the National Risk Management Team;
- (c) develop a National Risk Management Strategic Plan; and
- (d) supervise the work of the National Risk Management Team.

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#### **National Risk Management Team**

3C. (1) The National Risk Management Team consists of representatives from

- (a) the Ministry of the Interior;
- (b) the Veterinary Services Department;
- (c) the National Petroleum Authority;
- (d) the Ghana Revenue Authority;
- (e) the Food and Drugs Authority;
- (f) the Standards Authority;

- (g) the Narcotics Control Board;
- (h) the Animals Production Directorate;
- (i) the Minerals Commission;
- (j) the Plant Protection and Regulatory Services Directorate;
- (k) the Environmental Protection Agency; and
- (l) any other institution that the Minister may include.

(2) The National Risk Management Team shall

- (a) be responsible for the implementation of the National Single Window risk management policies and procedures;
- (b) promote a risk management culture within the National Single Window System;
- (c) establish and maintain a national risk register for the effective operation of the National Single Window system;
- (d) institute systems with stakeholders for effective communication and exchange of risk information and data; and
- (e) produce statistics for the information and decision making of the National Risk Management Committee.

2. Clause 2 – **Amendment Proposed** – *delete* and *insert* the following:

**“Section 17 of Act 891 amended**

2. The principal enactment is amended in section 17

- (a) by the substitution for the head note of

**“Report to be made by the master or agent of a conveyance”;**

- (b) by the substitution for subsection (1) of

**“(1) the master or agent of a conveyance, whether laden or in ballast, shall, within a prescribed time and in a prescribed manner, before arrival from outside the country, make a report of the conveyance and the stores and the cargo in the conveyance to the Commissioner-General.”**

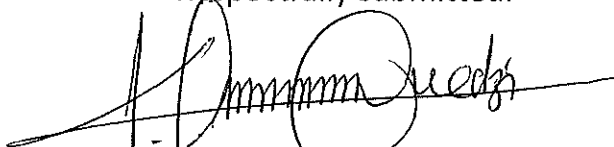
3. Clause 4 – **Amendment Proposed** – *delete*



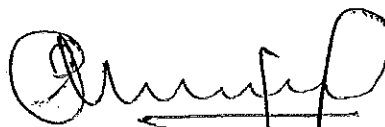
8.0 CONCLUSION AND RECOMMENDATION

The Committee upon a thorough examination of the Bill recommends to the House to adopt its report and pass the Customs (Amendment) Bill, 2016 into law in accordance with Article 106 of the 1992 Constitution and Orders 126 and 127 of the Standing Orders of the House.

Respectfully submitted.



HON. JAMES KLUTSE AVEDZI  
(CHAIRMAN, FINANCE COMMITTEE)



ROSEMARY ARTHUR SARKODIE (MRS)  
(CLERK, FINANCE COMMITTEE)

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