

**REPORT OF THE
COMMITTEE**

ON

**SUBSIDIARY
LEGISLATION**

ON THE

**CUSTOMS, EXCISE AND
PREVENTIVE SERVICE**

**(AUTOMATION) REGULATIONS,
2002 L.I. 1704**

JULY, 2002

1.0 INTRODUCTION

The Customs, Excise and Preventive Service (Automation) Regulations 2002 L.I. 1704 was laid before this House and subsequently referred to the Committee on Subsidiary Legislation for consideration and report pursuant to article 11(7) of the Constitution and Standing Order 166.

2.0 DELIBERATIONS

In deliberating on the Instrument the Committee had a total of two sittings. The Committee also had the benefit of further information from officials of the Customs, Excise and Preventive Service and the Ghana Community Network Services Limited. The Committee is grateful to the officials of the two institutions for their attendance and assistance in its deliberations.

3.0 REFERENCE DOCUMENT

In discussing the referral, the Committee availed itself of the following documents:

- (i) The Customs, Excise and Preventive Service (Management) Law, 1993, PNDC Law 330
- (ii) The 1992 Constitution of the Republic of Ghana; and
- (iii) The Standing Orders of Parliament

4.0 BACKGROUND

By virtue of the provisions of Section 335(1) of the Customs, Excise and Preventive Service (Management) Law 1993, PNDC Law 330 the Minister responsible for finance is empowered to make Regulations by Legislative

Instrument to provide for any matter as required under the Law and for the carrying into effect the provisions of the Law.

5.0 GENERAL OBSERVATION

The Committee took note of the fact that the Customs, Excise and Preventive Service (Automation) Regulations 2002 L.I. 1740 seek to provide for the establishment and regulation of electronic data interchange network system for processing and clearing of trade documentation and related transactions in connection with the import and export of goods.

The Regulations cover;

- (i) applications through trade net,
- (ii) approval of computer systems used in the trade net,
- (iii) change of particulars by applicants,
- (iv) mode of electronic declarations,
- (v) retention of records,
- (vi) submission of manifest or reports,
- (vii) validation of electronic declaration; and
- (viii) inspection and cessation of business among others.

6.0 SPECIFIC OBSERVATION

6.1 Elimination of Delays in the Clearing and Documentation Process

The Committee specifically observed with satisfaction that the Regulations under consideration when made operational, would eliminate all unnecessary delays which confront importers and exporters in the clearing, and documentation process especially at our various ports and borders.

The Committee again observed that the system as exists now does not allow for a quick release of goods from the ports and has the potential of driving away investors and potential investors. The automation of the services of CEPS would contribute to a rapid release of goods from the ports. It would further contribute to the attainment of Government's policy on the golden age of business.

This would be made possible because the network system to be established under the automation process would permit all those who transact business with the CEPS to do so even in the comfort of their homes through the computer network.

6.2 Elimination of Leakages, Tax Evasion And Excessive Discretion on the Part of CEPS Officials

The Committee is also happy to note that with the operationalisation of the system the leakage often resulting from under declaration of value of goods by importers and exporters would be drastically minimized if not completely eliminated.

This is particularly so in view of the fact that declarations made by importers and exporters at any of the entry ports or borders for which the Services of CEPS would be required are instantaneously accessible to all CEPS offices in the Country. Further to this all payments made by customers to CEPS through the banks are also easily accessible to the CEPS. By implication therefore, the CEPS office would at all times be adequately informed about all transactions that occur in the Country. The system would also eliminate the exercise of discretion by CEPS Officials in relation to the rates of duties payable.

6.3 Enhancement of Revenue Collection

The Committee also noted that the system, with the coming into force of the L.I. 1704 would enhance revenue collection, and increase in national revenue since almost all the loop holes in the revenue collection system of the CEPS would be blocked.


6.4 **Accurate Statistics as a Basic for Projection in Revenue Collection by the CEPS**

The Committee is of the considered view that the system anticipated under the L.I. 1704 would allow for accurate records on trade statistics. This is very vital in making revenue projections and planning for the country because all records of transactions involving revenue collection by CEPS would be easily made accessible through the network

7.0 **RECOMMENDATION AND CONCLUSION**

The Committee has examined the Regulations and find them not only consistent with the parent Act, the Constitutional and the Standing Orders but also necessary to enable the CEPS improve its efficiency in revenue collection. Accordingly, the Committee recommends that this House allows the Customs, Excise and Preventive Service Automation Regulations 2002 L.I. 1704 to pass by the effluxion of time.

Respectfully Submitted


+ **Hon. Amos L. Buerthey**
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