

FAQ's ON CUSTOMS PROCEDURES

1. YOUR QUESTIONS ON IMPORTATION OF GENERAL GOODS ANSWERED?

Q.1 What are the requirements for one to go into import business? Ans. You need to do the following:

Register your company with the Registrar General's Department and obtain a certificate. Register with the Internal Revenue Service (IRS) and obtain a Tax Clearance Certificate. Apply for a Tax Identification Number (TIN) from the Revenue Agencies Governing Board.

Q.2 What follows after obtaining the documents?

Ans. While awaiting the arrival of the goods, you may submit the following documents to an Inspection Company for a Final Classification and Valuation Report (FCVR).

- Original Bill of Lading/Airway Bill
- Attested invoice(s)
- Packing List

Q.3. What is a Final Classification and Valuation Report (FCVR)?

Ans. A Final Classification and Valuation Report is a report issued by an Inspection Company to an importer classifying the goods imported and also indicating their value.

Q.4 Is the FCVR enough to enable importer clear goods from the ports?

Ans. The FCVR has to be added to other documents such as the Import Declaration Form (IDF) obtained from the Ministry of Trade and Industry, the TIN and a Tax Clearance Certificate and the Customs Single Administrative Document (SAD) to begin the clearing processes.

Q.5 What are the clearing procedures?

Ans. One can start the clearing processes with the following documents.

- Original Bill of Lading/Airway Bill
- Attested Invoice(s)
- Packing List
- FCVR
- IDF
- Tax Clearance Certificate
- TIN

Procedures:

- Fill and submit Customs Declaration electronically to Ghana Customs Management System (GCMS) through the Ghana Community Network (GCNet) where the facility is available
- Where there is no GCMS/GCNet facility, purchase and complete the Single Administrative Document (SAD) at the station of importation.
- When the Declaration is validated, pay relevant duties at the bank

- Proceed to the Customs Long room with hard copy of Declaration and other import pay-in-slip together with SAD to the Customs cashier for processing.
- Proceed to the Outdoor (where goods are deposited) for examination and/or release of goods

Q.6 Does the importation of trade tools attract import duties and taxes? I am a carpenter and I intend to import my professional tools into the country.

Ans: The Customs Division has concessions for professionals who are returning home with their professional tools. Under the law, all professional tools are free of duty. These concessions go for all professionals including carpenters, doctors, and engineers etc. You may therefore import your carpentry tools without payment of duties and taxes.

NOTE: Other concessions granted under this dispensation cover passengers, especially those who have stayed outside the country for more than 12 months. These passenger concessions include personal effects.

Q.7 What are removal articles?

Ans. These include movable personal belongings or effects, domestic appliances, household provisions normally kept in stock, collectors pieces, pet animals, and also any equipment (other than agricultural, commercial or industrial plant) necessary for the exercise of the calling, trade or profession of the passenger.

NOTE: Removal articles do not include arms, ammunitions and motor vehicles.

Q.8 Can one import weapons (arms and ammunitions) into the country during a visit?

Ans. According to Ghanaian laws, arms and ammunitions are restricted items and can only be imported after issuance of a special permit by the Ministry of Interior.

Q.9 I intend visiting Ghana with my family this year with a portable TV set, radio and photographic materials and return with them after the visit. Will these attract duties?

Ans. Items temporarily imported for personal use are free from payment of duty but they will have to be declared to the Customs Official on duty who will issue an appropriate form to cover their exportation. The officer will also request payment of a deposit to secure the goods,

Q.10 My uncle wishes to go into the import of text books and educational materials. What are the taxes?

Ans. Educational materials, particularly text books, are free of duties and taxes.

Q.11 Does Customs assess duties on goods in similar containers equally? E.g. I wish to suggest that goods in 20-footer containers should attract equal duties.

Ans: This suggestion cannot be accepted where the contents are different. For example, importer "A" may import vehicle engines while importer "B" may go for used vehicle tires in two different containers. Since the two items are not the same, and therefore may attract different duties and taxes customs cannot impose equal duties.

Q12. Can one import any brand of soap and machines into the country? I have purchased some medicated soaps and gambling machines to be used in the country.

One can import different brands of soap into the country. However, under the laws of Ghana, importation of mercuric based medicated soap is prohibited. Other items prohibited from entering Ghana include narcotic drugs, ammunition imported by post, toxic waste, contaminated goods and many others.

In addition, there are certain imports that require permits, licenses or certificates from appropriate organizations prior to the importation. These are referred to as restricted imports.

QUESTIONS AND ANSWERS ON IMPORTATION OF VEHICLES

Q.1 What are the laws governing the importation of vehicles into Ghana?

Ans: The laws governing the importation of vehicles into Ghana is the Ghana Customs, Excise and Preventive Service (CEPS) (Management Law) PNDCL 330 of 1993, Sections 46, 47, 48, 78-94, 123-192. This law is complemented by CEPS (Management) Act 1998, (Act 552), Act 565, Act 598 of 14th April, 2001, Commissioner's Orders and other Service instructions on vehicles.

Q.2 How are vehicles categorized and identified for tax purposes?

Ans: By the engine capacity e.g. 1.6cc, 2.0cc, 2.5cc, etc.

By the seating capacity e.g. 5, 10, 30, 50 persons

By usage/purpose e.g. Buses, trucks, tippers, lorries etc

By age

Q.3 How is the age of a motor vehicle calculated?

Ans: The age of a motor vehicle imported under the law is calculated with effect from the year in which the motor vehicle was first manufactured. The age of a vehicle is a crucial determinant in valuation for duty purposes. In arriving at the age of vehicles, Customs uses the model year reckoning index which normally gives a round year age point e.g. 1990 or 2000 or the dealer chart matrix.

Q.4 What is a model year reckoning index?

Ans: The model year reckoning index vehicles are those whose ages can be determined from a letter in the 10th position in a 17 character rotation counting from the left. Such vehicles include:

All US and Canadian vehicles

All Korean vehicles

Japan (Mitsubishi, Isuzu)

German (Opel, VW, Audi)

Sweden (Volvo, Saab)

For example, an Opel Vectra vehicle with the chassis number viz: WOL000087N1658971 is a 1992 model.

Q.5 Which type of vehicles have their ages falling under year of manufacture?

Ans: They are the vehicles whose age can be determined from charts based on the records of manufacturers' batches of production. Such vehicles include:

German, Japanese and Dutch vehicles e.g. Mercedes Benz, M.A.N Diesel, Toyota, Nissan, DAF etc. These vehicles have their ages determined by reading a chart furnished by the dealers of the type of vehicle.

NOTE: The use of log sheets and seat belts alone to check or confirm the age of vehicles is not reliable. What is on log sheets are more often dates of first registration of such vehicles and not dates of manufacture.

Q.6 Are there any obligations to be met by vehicle dealers?

Ans: Yes. Section 92 (i) of PNDCL 330 stipulates that any dealer/importer shall furnish the Commissioner of Customs with the following information:

the year of manufacture
the make and model of the vehicle
the name and address of the manufacturer of the vehicle and
the home delivery value of the vehicle.

Q.7 Does Customs have up to date data on vehicles?

Ans: Yes. Data has been collected and collated on the values and ages of vehicles over the years. Manufacturers and dealers of motor vehicles have furnished Customs with brochures, booklets and other documents which give the values and other information on the vehicles.

Q.8 Why does the Customs use the Home Delivery Value to determine the duties and taxes to be paid on a used vehicle but not the importers purchase price?

Ans: The importer's purchase price is accepted when the imported vehicle is new. However for Customs purposes, the value of a used vehicle is deemed to be the Home Delivery Value (HDV) depreciated as provided in Section 90 of Customs Management Law (PNDCL 330, of 1993) plus freight and insurance (i.e. 0.875% of C & F) to arrive at Cost, Insurance and Freight (CIF) value.

To be fair to all importers bringing in vehicles from various countries all over the world, and considering the fact that prices differ from country to country and place to place, the Customs deems the use of the HDV as the most appropriate way of determining duties and taxes to be paid on vehicles.

Q.9 What is the first purchase price?

Ans: Section 90 (7) of the Law indicates that the "first purchase price", means the "price at which the type of motor vehicle in question is usually sold for use when new by a dealer in the country of manufacture".

Q.10 Are there other obligations to be met by the vehicle importer?

Ans: Yes. Section 92 (i) of PNDCL 330 stipulates that any dealer/importer shall furnish the Commissioner of Customs with the following information:

the year of manufacture
the make and model of the vehicle
the name and address of the manufacturer of the vehicle and
the home delivery value of the vehicle.

Q.11 What rate of duty and taxes apply to the importation of vehicles?

Ans: All vehicles imported into the country unless specifically exempted under the PNDCL 330 or other enactment attract the following:

Import Duty - (0%, 5%, 10%, and 20%)
Import VAT - (0% or 12.5%)
National Health Insurance Levy - (0% or 2.5%)
ECOWAS Levy - (0.5%)
Export Development Fund (EDIF) – (0.5%)
Examination Fee - (1%)

In addition, the various categories of vehicles attract overage penalty when they are more than ten years old.

Q.12 A friend imported a VW Passat vehicle and paid taxes far lower than what I paid on a similar vehicle I imported. When I enquired, I was told that the cubic capacity and the age of my vehicle were different from that of my friend. What has cubic capacity

and the age of a vehicle got to do with the duties and taxes on a vehicle?

Ans: Customs uses the Home Delivery value, the Cubic Capacity (CC) and the age (where the vehicle is more than 10 years old) to compute taxes on vehicles. For detailed information on this refer to the Vehicle Importation pages.

Q.13 My vehicle was cleared on exemption from payment of duty as a diplomat. How do I dispose of it after my duty tour?

Ans. You may apply to the Commissioner of Customs declaring your intention to sell the vehicle. You may attach copies of all relevant documents covering the vehicle to your application. The duties and taxes involved would be worked out for the buyer to pay.