



AfCFTA Business Participation and Competitiveness

Module 2: Customs Import and Export Procedures



Implemented by
giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH



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Session 1: Import and Export Legal Framework in Ghana

Import and Export operations in Ghana are governed by both national and international laws as well as conventions and guidelines to which Ghana is a signatory:

National Laws

- a. Import and Export Act 1995 (Act 503)**-provides for the terms, conditions and applicable procedures for commercial import and export.
- b. Customs Acts 2015 (Act 851)**-makes provision for all customs activities and functions including application of customs duties, customs controls, duty assessments, customs regimes, and offenses and penalties
- c. Customs Acts 2017 (Act 957)**-revised Customs Act, 2015 (Act 891) to make further requirements for the bonded warehousing of goods and to provide for related matters
- d. Excise Duty (Amendment) Act, 2023** amends the Excise Duty Act, 2014 (Act 878)-increased the excise duty on cigarettes and tobacco products, wine, malt drinks, and spirits and to impose excise duty on sweetened beverages, including fruit juices, and on electronic cigarette liquids, electronic cigarettes, and electronic smoking devices

Import and Export operations in Ghana are governed by both national and international laws as well as conventions and guidelines to which Ghana is a signatory:

International Agreements, Laws and Conventions

- a. WTO General Agreement on Trade and Tariffs
- b. WTO Agreement on Customs Valuation
- c. WTO Trade Facilitation Agreement
- d. ECOWAS Trade Liberalization Scheme
- e. International Maritime Organization-sea freight
- f. International Air Transport Association (IATA)-air freight
- g. Revised Kyoto Convention

Trade Agreements

- a. Africa Continental Free Trade Area Agreement
- b. ECOWAS Trade Liberalization Scheme
- c. Ghana-EU Economic Partnership Agreement
- d. Ghana UK Trade Partnership Agreement

Session 2: Export Procedures



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Export Process

a. Traditional Exports: The Export and Import Act, 1995 (Act 503) of Ghana defines traditional exports:

- cocoa beans,
- logs and lumber,
- unprocessed gold and other minerals and
- electricity



Export Process

Non-Traditional Exports

- **Any export other than Traditional Exports:**
- **500 different Non-Traditional Export products**
 - Raw Agricultural Products: pineapples, mangoes, soybeans medicinal seeds & plants, Tropical flowers and vegetables such as okra, tinda and marrow
 - Processed foods: canned tuna, cocoa and shea butter products.
 - Manufactured products such as pharmaceuticals, electrical cables and aluminium products
 - Handicrafts: Woodcrafts, baskets such as beads, jewelry



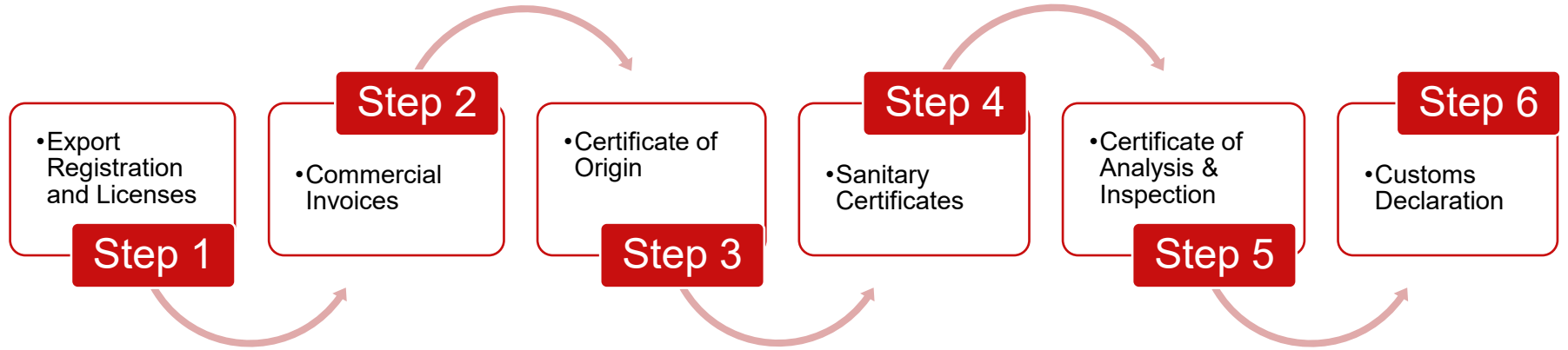
Export Process

Before Exporting

- Obtain Business Registration with Tax Identification Number
- Obtain Registration with Ghana Export Promotion Authority (Non-Traditional Exports)
- Obtain Licenses and Permits from appropriate authorities



Export Process Flow



Applicable Licenses, Certifications and Permits

| Products | Relevant Certificates / Permits for Export |
|--|---|
| Antiques | Permit from Museum and Monuments Authority (if product contains animal parts, permit also required from Wildlife Division of Forestry Commission) |
| Chemicals including plants | Environmental Protection Authority Permit |
| Cocoa beans | COCOBOD export permit |
| Coffee /Shea nuts/Cashew nuts | COCOBOD export permit (from Fumigation and Quality Assurance and Control Division) |
| Live plants, cut flowers, seeds and other planting materials, fresh agricultural produce | Phytosanitary Certificate from Plant Protection and Regulatory Service or MOFA |
| Manufactured / Processed Goods | Ghana Standards Authority Permit |
| Mineral ore | Minerals Commission Permit |

Applicable Licenses, Certifications and Permits

| Sector | Relevant Certificates / Permits for Export |
|--|---|
| Manufactured / Processed Goods | Ghana Standards Authority Permit |
| Mineral ore | Minerals Commission Permit |
| Non-ferrous scraps | Permit from Ministry of Trade and Industry |
| Other Scraps (including electronic waste) | Register with Environmental Protection Agency/Permit from Ministry of Trade and Industry |
| Palm oil | Food and Drugs Authority Permit |
| Pets | Permit from Veterinary Service Division of MOFA |
| Pharmaceuticals | Permits from Ministry of Health, Food and Drugs Authority |
| Rock and soil samples | Permit from Geological Survey Authority |
| Timber products eg Sawn Lumber. wood chips | Permit from Timber Industry Development Division, Forestry Commission |
| Wildlife | Convention Trade and Endangered Species (CITES Permit) from Department of Game and Wildlife |
| Charcoal | Permit from Energy Commission |

Export Documentation

Commercial Invoice:

- a legal document between the exporter and the buyer (in this case, the foreign buyer) that clearly states the goods being sold and the amount the customer is to pay.
- one of the main documents used by customs in determining customs duties



Export Documentation

Bill of Lading:

- The bill of lading is a document for the contract between the owner of the products and the carrier.



Export Documentation

Export-Packing List:

- a document that provides information about the goods to be exported in terms of:
 - packaging,
 - quantity,
 - weight,
 - dimension,
 - price
- This list is normally attached outside the package in a clearly marked waterproof envelope.
- This is a useful document for customs officials who use it to check consignments at inspection points.



Export Documentation

Certificate of Origin:

- A document that attests to the origin of a particular product
- The Certificate of Origin ensures that products originating in certain countries get the preferential treatment to which they are entitled.

USMCA Certification of Origin
Page 1 of _1_ pages

| | | | | |
|---|--|---|---------------------------|-----------------------------|
| 1. Exporter (Name, Address, Country, Phone, & Email) Grovara LLC 1900 Market Street Suite 800 Philadelphia PA 215-260-4302 logistics@grovara.com TaxID: 99-9999999 | | 2. Blanket Period (Cannot Exceed 12 Months) From: 01/01/2022 To: 01/01/2023 | | |
| 3. Producer (Name, Address, Country, Phone, & Email) G-Brands 1900 Market Street Suite 800 Philadelphia PA, USA 323-561-7787 info@grovara.com Tax ID: 12-3457890 | | 4. Importer (Name, Address, Country, Phone, & Email) Bob's Food Import 123 Ave 11 SANTA JULIA, 1A ABC HIDALGO, 11000 Tax ID: ABCD9999 | | |
| 5. Description of Goods (including item, part, or SKU identification numbers, where applicable, and must tie to the description in commercial invoice) | | 6. HS Tariff Classification Number. | 7. Origin Criteria | 8. Country of Origin |
| G-Brands Blueberry Pops | | 2101.20.01 | 4.2b | USA |
| G-Brands Mango Pops | | 2101.20.01 | 4.2b | USA |
| G-Brands Strawberry Pops | | 2101.20.01 | 4.2b | USA |
| | | 2202.10.0040 | 4.2b | USA |

I Certify that: The goods described in this document qualify as originating and the information contained in this document is true and accurate. I assume responsibility for proving such representations and agree to maintain and present upon request or to make available during a verification visit, documentation necessary to support this certification.

This Certification Consists of _1_ pages, including all attachments

9a. Authorized Signature * _____

9b. Name and Title * John Doe / Logistics Specialist

9c. Phone * (215)604302 **FAX:** _____ **Email:** logistics@grovara.com

10. Certifier is the: Exporter Producer Importer

Date (mm/dd/yyyy): 01/01/2022

*This certification of origin must be completed following the instructions, and signed and dated by the certifier.

Session 3: Import Process



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Import Process

- Most imports requires permits, certifications and licenses.
- Required permit(s) from any of the regulatory agencies, dependent on the type of goods:
 - Food and Drugs Authority (FDA),
 - Ghana Standards Authority (GSA), etc.
- Start your permit process/obtain your permit before goods arrive



Import Process

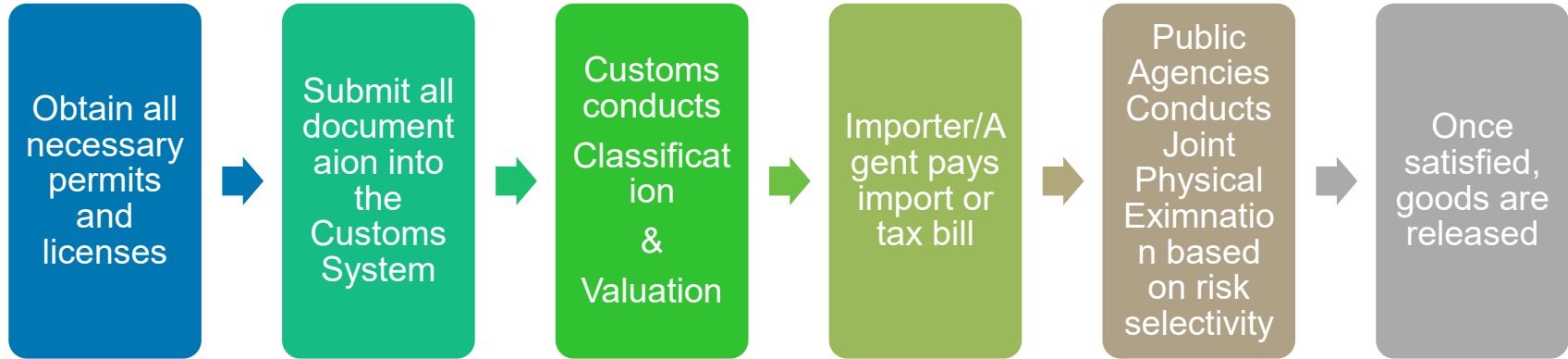
The importer can be a natural person or a business:

Documents required are:

- Original waybill or Bill of Lading
- Attested invoice
- Packing list
- Import Declaration Form (IDF) from Ministry of Trade
- Taxpayer Identification Number (TIN) from GRA or GhanaCard PIN



Import Process



Common Import & Export Documentation Errors

- Not obtaining the required licenses
- Incorrect Product Description and Classification
- Inaccurate value of goods/ supporting invoices
- Wrong or Missing Information
- Inconsistent Information
- Non-Compliance with Export Regulations
- Improper Packaging or Labelling
- Missing Documents



Session 4: Customs Classification and Valuation

Customs Classification

- Classification is a series of steps used to assign a numerical code to identify goods in international trade
- Ghana uses the Harmonized System (HS) Customs Code to classify goods
- Ghana uses the ECOWAS Common External Tariff based on HS Code 2022 for classification
- Goods Classification is a shared responsibility between the Customs Authority and the importer of record
- Importers must learn to properly classify or verify classification information they receive from suppliers/brokers



Customs Classification

- **Common Classification Mistakes :**
 - Not verifying supplier provided HS codes
 - Over reliance on customs brokers without duty of care
 - Product descriptions are too generic (composition, specifications, performance and use)
 - Choosing classifications that give ‘lowest duty rates’
 - Not understanding the HS General Interpretation Rules
 - Using descriptions that include ‘sets’, ‘kit’ or ‘parts’



Customs Valuation

- Valuation involves the determination of customs value of a product in international trade
- In Ghana most tariffs/duties are levied using ad valorem or weight or volume
- The import duty is assessed on the Cost Insurance Freight (CIF) value of the good, mostly using the transaction value method
- Ghana applies the ECOWAS CET based on HS 2022



Customs Valuation (ECOWAS CET)

| Applicable Rate | Description |
|-----------------|--|
| Zero (0) Rate | Essential Social Goods |
| 5% | Basic necessities, basic raw materials, Capital Goods, Specific Inputs |
| 10% | Inputs and Intermediary Products (Semi-Finished Goods) |
| 20% | Finished Goods (final Consumer goods) |
| 35% | Specific goods for Economic Development |

These are additional taxes levied on imports

- Value Added Tax
- National Health Insurance Levy
- Ghana Education Trust Fund
- Import Excise Duty
- Examination Fee
- African Union Levy*
- ECOWAS Levy*
- Processing fee
- Special Import Levy
- Import Levy
- COVID-19 Levy
- Interest charge
- State Warehouse Rent

While GRA uses the transaction value in determining customs value, Act 891 provides for alternative methods where the transaction value cannot be used by customs

Common Valuation

1. Customs Valuation Mistakes


- Not understanding the full terms of an import transaction (are the rebates/tie-ins etc)
- Improper use of INCOTERMS
- Inconsistency in supporting documents
- Under-invoicing or Over-Invoicing



Session 6: Key Findings from Customs Time Release Study

Time Release Study Findings for Businesses

| Findings | Potential Solution |
|--|--|
| Takes average of 6 days 8 hrs from vessel berth for submission of BOEs | Agents and declarants to take advantage of Pre-Arrival Processing |
| Takes about 4 days 15hrs for declarants to accept BOE Assessment | Agents and declarants to take advantage of Pre-Arrival Processing |
| Delays in Duty Payment | Take Advantage of Pre-Arrival Processing and Duty Tax Calculator/Self Assessment Tool in ICUM External Section |



Thank you!
Any Questions?

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