Overview of Presentation

History of Jamaica Customs Department

The Modernization Project

Status Update
History of Jamaica Customs Department

• Collector General Department documented in 1868
• 1985 Collector General Dept divided into Customs and Excise Dept and Inland Revenue Dept.
• 1991 GOJ/Worldbank - reorganization further divide Customs and Excise into General Consumption Tax Dept and Jamaica Customs Dept.
• 1999 PSMP – reorganization of the Jamaica Tax organization.
History of Jamaica Customs Department cont..

- 1999- new top level position – Director General Tax Administration - to relieve the Financial Secretary of large span of control - oversees:

1. Inland Revenue Department (IRD)
2. Taxpayers Audit and Assessment Department (TAAD)
3. Taxpayers Appeals Department (TAD)
4. Financial Investigation Division (FID)
5. Tax Administration Services Department (TASD)
6. Jamaica Customs Department
VISION STATEMENT

To provide the highest quality service that is equitable to all stakeholders, inspire public confidence in our administration of the tax laws, foster voluntary compliance and optimize revenue collection
MISSION STATEMENT

To be a world-class Customs organization that facilitates trade, protects our border and promotes economic growth, consistent with national policies on trade and development.
The Modernization of the Jamaica Customs was designed in line with recommendations from the revised Kyoto Convention (1999) which purported that certain changes were required to enhance the efficiency of Customs operations and procedures worldwide.
INTRODUCTION

The revised Kyoto Convention recommended the following principles for a modern Customs:

- The maximum use of automated systems
- Risk management techniques
- The use of pre-arrival information
- The use of electronic funds transfer
- Coordinated intervention with other agencies
- Easy access to Customs rules and regulations
- Provide a system of appeals in Customs matters
- Formal consultative relationships with the trade
In an effort to facilitate trade while operating at international standards, the focus of the Customs Modernization process hinged on the following:
MODERNISATION FOCUS

- Revitalizing the workforce
- The re-design of Customs Business Processes
- Enhancing Voluntary Compliance
REVITALISING THE WORKFORCE

• Department strengthened- new structure, posts reclassified
• Capacity building/training policy revised
• New Performance management system implemented.
• Value System emphasized
THE ORGANISATION STRUCTURE

- Customs is headed by a commissioner who is supported by two deputies.

- Deputy Commissioner Corporate Services
  -approx 20% of staff

- Deputy Commissioner Operations
  -approx 80% of staff.

- There are 1094 persons on the Establishment Act for Customs Department.
RECLASSIFICATION OF POSTS

- All posts were reclassified with effect April 1, 2002.
- Accountability Agreement – the Delegation of Functions (Public Service) Order, 2000 and subjected to Guidelines established by the Public Service Commission.
TRANSPARENT RECRUITMENT PROCESS

• All vacant positions advertised – to be filled within three months

• For the staff recruitment a scientific approach involving a four step process was adopted:
  - Panel Interviews
  - Written Exercise
  - Psychometric Assessments
  - Background checks by Financial Investigation Division (FID)
Training Plan Revised Annually

- Collaborative Training efforts
- Customs provides specialized training
- Five training day/employee/annum
REVISED PERFORMANCE MANAGEMENT

• Result oriented
• New Performance Appraisal Form designed
• Corporate Plans and Operational Plans developed and closely monitored
• Quarterly performance reviews
Appointments for positions below SEG 1 and its equivalent are dealt with by the Departments Human Resource Committee (HRC).

Appointments for positions above SEG 1 and its equivalent are dealt with at the Human Resource Executive Committee (HREC).
IMPROVED INTERNAL COMMUNICATION

- Monthly communication meetings with unit representatives
- Publishing of quarterly in focus magazine
- Monthly Managers Meetings
- Quarterly HR Meetings with each unit
- Employee Recognition Scheme
- Ensure that each member is presented with the Staff Orders
- HR Handbook developed & circulated
REDESIGN OF BUSINESS PROCESSES

A large majority of the Customs Processes were heavily manual.

Procedures are outdated and involve a multiplicity of steps.

Against this background we have embarked on

- automating our systems through the development of computerized processes
- procurement of computers, printers, scanners and other peripheral devices
REDESIGN OF BUSINESS PROCESSES

Revision of Customs Procedures

• revision and updating of the Customs Act & Regulations

• revision of Customs procedures in line with the computerization of the manual systems

• revision of the Customs procedures through benchmarking international Customs organizations such as Canada Customs

• Development of Operational Directives Manuals for Officers to ensure standardization of procedures across Customs sites
• REDESIGN OF BUSINESS PROCESSES

Automated systems aligned with business processes:

Cargo Processing System

- facilitates the electronic submission of entries to Customs to allow for faster processing of documents
- facilitates verification of status of entries by Brokers and Importers
- Fast Track processing with turn around time of three (3) hours.
- facilitates the tracking of productivity levels of Officers thus enhancing greater individual accountability
Manifest

A cargo manifest is the first source of information regarding import and export of goods passing through Jamaica Customs. Any goods being imported or exported by air, post or sea must be declared to the Customs Department.

Electronic Manifest

- This system facilitates the electronic submission of the carrier’s manifest at least 24 hrs ahead of arrival of the vessel.
- It will facilitate faster release of cargo once consignment description and tally matches declared manifest.
- Full implementation will see a reduction in the amount of time and paper presently required.
REDESIGN OF BUSINESS PROCESSES

C78x

• C78X is a low value shipment entry
• Goods which are not in commercial Quantities
• Value does not exceed US$1000
• Replaces C79
REDESIGN OF BUSINESS PROCESSES

VALUATION INTELLIGENCE AND RISK MANAGEMENT SYSTEM (VIRMS)

- facilitates improvement in Risk Management Techniques
- increase the probability of success in impeding noncompliance with laws and regulations.
- enable resources to be deployed in the high risk areas
- facilitate increased revenue collection as a result of enhanced intelligence gathering on tax & import duty evaders/avoiders
REDESIGN OF BUSINESS PROCESSES

Pre-arrival Processing System (PAPS)

- This was updated to facilitate the lodgment and processing of documents 10 days prior to the arrival of the vessel, up to noon on a Friday for vessels arriving on weekend.

- facilitates the speedier processing of cargo to ensure that importers can have access to cargo in a short time after the vessel arrives.

- Status- system was implemented and is being used by some
REDESIGN OF BUSINESS PROCESSES

ePayment

- facilitates the electronic collection of import duties and other relevant taxes & fees from importers via the internet.
- facilitates quicker processing times as the need to join the cashier queue is eliminated
- facilitates importers being able to make payments and verify the status of entries online

- Piloted Jan 7 2003 to July 8, 2003
- Implemented July 9, 2003
ENHANCING VOLUNTARY COMPLIANCE

- In executing our responsibility as trade facilitators, we strive to enable voluntary compliance with trade rules and regulations through:

  - creating easier access to Customs Procedures through the publications of the Citizens Charter, brochures on specific processes etc
  - A monthly Quality Assurance meeting with Trade Partners
  - development of a comprehensive web-site with an array of relevant information on Customs which is www.jacustoms.gov.jm
  - Toll Free line to Customs 1-888-CUSTOMS
ENHANCING VOLUNTARY COMPLIANCE

- Establish an independent process of appeals against decisions made by Officers, ensuring objectivity and transparency.
- If there is a dispute about duty demanded, Customs decision may be appealed to the Commissioner of Customs within three months after the deposit of duty payable. The commissioners decision may be appealed within 30 days to the Taxpayers Appeals department.
Consultative Relationships

- Work with stakeholders to revise procedures
- Convene monthly stakeholders meetings to discuss pertinent issues and factors affecting the trade.
- Conduct regular customer satisfaction surveys
- Annual Customs Information Fair
- Participate in Trade Shows
REDESIGN OF BUSINESS PROCESSES

Other notable achievements:

• DUTY FREE ALLOWANCE for passengers increased.

• DeMinimis value introduced
MAJOR CONSTRAINTS

• Inadequate facilities at most Customs sites prevent the implementation of some systems and in other cases limits the capabilities of the system

• The e legislation and other related laws
The Way Forward