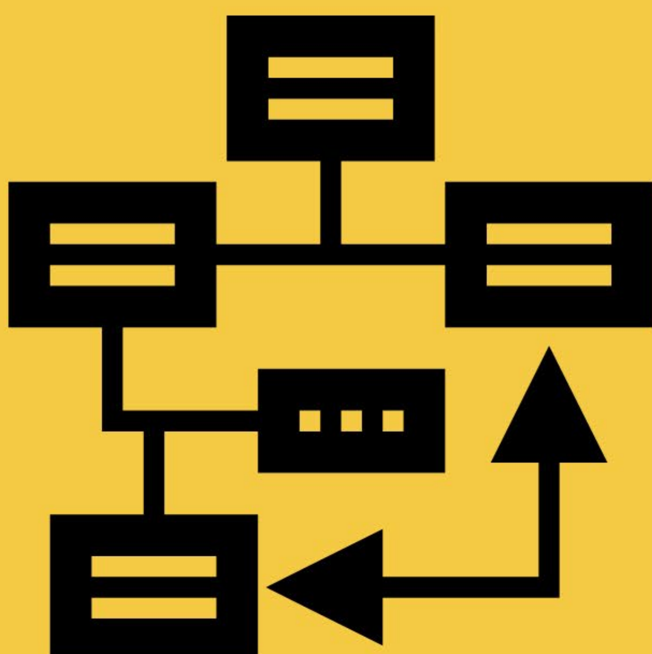
Turks and Caicos Islands
Customs Department

BECOMING A CUSTOMS BROKER COURSE



MODULE 2

CUSTOMS PROCEDURES

MODULE 2
Customs Clearance Procedures

OBJECTIVES

By the end of this module, you should know

1. The trade documents required for Customs clearance of imports and exports
2. Goods restricted or prohibited from importation and exportation
3. The procedures for the importation and exportation of goods

UNIT 1: CUSTOMS CLEARANCE

Cargo entering or leaving the customs territory of a specific country has to be subjected to customs procedures under the customs legislation of that country. These procedures are also known as customs clearance.

If the customs clearance is carried out at the export stage, it is called **export customs clearance.** If the customs clearance is carried out at the import stage, it is called **import customs clearance.**

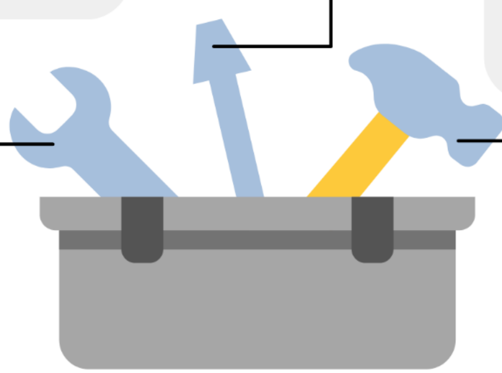
The customs clearance process typically involves preparing documents (called **Trade documents**) that may be submitted electronically or physically with the consignment. This helps concerned authorities to calculate taxes and duties that will be levied on the cargo.

Tools for a Smooth Customs Clearance

LICENCES
For specific, dangerous or otherwise controlled goods – apply for licences on time.

CUSTOMS DOCUMENTS
Preparation of required Customs documents in accordance with the country's legislation

TARIFF CODES
Make sure that tariff codes match your goods' nature – they may be different at origin and at destination.



A **tariff code** is a unique code that's assigned to every type of product. E.g. the tariff code for a lead pencil is 96091000 and the tariff code for an alarm clock is 91091100.

Tariff codes are used by customs authorities around the world to determine the level of import duty to be applied.

UNIT 2: TRADE DOCUMENTS

In this section, we will review the custom clearance documents; Trade Documents, required to process cargo at seaports and airports. Without these documents, clearing goods may prove to be a difficult exercise, if not impossible.
These trade documents and the information they contained are defined and set by national and international regulatory requirements in fields such as health, consumer protection, safety, tax and revenue, trade policy, environment and security. Examples of trade documents and the data they carry are provided below.

Cargo Manifest

The manifest is a list of all goods, which was loaded onto a ship or other transport vessel in one certain port and which has a single certain destination. Therefore, the number of manifest onboard a vessel equals the number of different travel routes. The cargo manifest lists the details of the goods (nature, quantity, types and numbers, sender, destination, etc.) and service for customs declaration of the goods.

Customs Declaration

A customs declaration is a legal document that shows proof of the total value and contents of goods being imported and exported. It's used by customs in both the origin country and the destination country to ensure trades are compliant and pay the correct taxes and duties. Customs declarations are also necessary for security, as certain goods are subject to licences or permits.
The following modules will provide more in-depth information on submitting the required trade documents to Customs.

Commercial Invoice

A commercial invoice is used by customs officials to estimate the value of goods shipped into the country. With the information sourced from the commercial invoice, the customs official will be able to calculate the duty the importer should pay. An invoice should include all the information necessary for the shipment to clear customs.

Invoice Information

The information regarding the commercial invoice

- Invoice Number: The supplier invoice reference number
- Invoice Date: The issue date of the invoice
- Number: The customer order number of the goods

Shipper Information

The information about the sender of the Goods

- Name: The name of the sender
- Address: The complete address of the sender
- Telephone: The telephone number of the sender.
- Fax: The fax number of the sender
- VAT Number: The sender Value Added Tax Reference Number (if applicable)
- Country: The country the sender is located in.

Consignee Information

The information about the receiver of the goods

- Name: The name of the receiver
- Address: The complete address of the receiver, which includes the postal/zip code and the city
- Telephone: The telephone number of the receiver.
- Fax: The fax number of the receiver
- VAT Number: The receiver Value Added Tax reference Number, for countries that apply the VAT.
- Country: The country the receiver is located in
- Notify Party: The name of the party that affects the delivery of the goods.
- Address: The address of the party to be notified
- Shipping Information Refers to the information about the shipping of the goods
- AWB Number: The Air Waybill number under which the goods are shipped
- Forwarding Agent: The shipping company name
- Date of Export: The date on which the goods are shipped
- Payment Mode: The paying mode of shipping that may be prepaid, collect or free domicile.

Shipment Information

The information about the goods to be shipped

- Number of Pieces: The number of parts the shipment consist of
- Specification of Commodities: The description and nature of the Goods to be shipped.
- Weight: The gross weight of each piece
- Quantity: Number of units of the Goods.
- Unit Price: The value of each item unit
- Amount: The amount of each set of Goods
- Total Weight: The total gross weight of the goods
- Currency: The Currency used for pricing the item
- Total Amount: The total value of the shipment
- Country Of Origin: The country where the Goods were manufactured
- Name: The name of the sender
- Signature: The signature/company stamp of the sender

Sample invoice

INV

SKY
PRODUCE LTD

3451 SW 2nd St Pompano Beach FL3308
Phone (954) 954 3214
www.skyproduce.com info@sky.com

ORDER DATE	CUSTOMER NO.	BLM #	PAGE	INVOICE:
04102020	7623	012	1	8459213

TERMS	TELEPHONE	TRIP	STOP
NET 10 DAYS	649-348 654	105X	9

PLEASE REMIT PAYMENTS TO : PO BOX66478, POMPANO BEACH, FL33069

DELIVER TO
FOOD TRADING LTD
BLUE HILLS
TURKS & CAICOS
GRAND TURK

BILL TO
FOOD TRADING LTD
PO BOX 208
PROVIDENCIALES
TURKS & CAICOS

SPECIAL INSTRUCTIONS
CONT # TEMU 9851 MEMO- 9A PO #-
SEAL # 1358
CARRIER # EXP

ITEM #	ORDERED	SHIPPED	DESCRIPTION	ST/COO	PACK	SIZE	GROSS WEIGHT	CUBE	COST	AMOUNT
106502	6	6	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	DOM	1	25 LB	156	4	39.95	239.70
107103	2	2	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	GUA	1	40 LB	84	2	15.90	31.80
142105	1	1	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	GUA	1	32 LB	33	1	28.95	28.95
150102	10	10	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	GUA	1	50 LB	520	17	19.90	199.00
107506	10	10	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	HON	1	40 LB	410	16	17.95	179.50
953500	5	5	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	MEX	1	10 CT	52	1	7.95	39.75
TOTAL	34	34					1255.50	45.22		

DRIVER	CHECK	AMOUNT

YOU MUST CHECK YOUR MERCHANDISE BEFORE SIGNING

CUSTOMER SIGNATURE

If the amount due is not paid on time, then the customer agrees to pay all costs of collection, including but not limited to attorneys fees and court costs and a legal action may be filed in Broward County Florida.
FINANCE CHARGES - The unpaid balance due will accrue interest at 1.5% per month.
All amendments to this invoice must be made in writing and signed by the parties.
Terms of sale are EXW Sun Commodities Inc., Pompano Beach, FLL.
ALL CLAIMS MUST BE MADE WITHIN 24 HOURS

P.A.C.A. TRUST PROVISION APPLY
The perishable agricultural commodities listed on this invoice are sold subject to the statutory trust authorized by section 5(c) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.A. 499e(c)). The seller of these commodities retains a trust claim over these commodities, all inventories of food or other products derived from these commodities, and any receivables or proceeds from the sale of these commodities until full payment is received.

SUB TOTAL	718.70
TAX	.00
INVOICE TOTAL:	718.70

UNIT 3: RESTRICTED AND PROHIBITED GOODS

The Customs Department has been entrusted with enforcing laws and regulations of other government departments and agencies, such as the Department of Agriculture, Department of Environmental and Coastal Resource, and the Royal Turks and Caicos Islands Police Force.

The products that the Customs Department prevent from entering the Turks and Caicos Islands are those that would injure community health, public safety, or domestic plant and animal life or those that would defeat our national interests.

Restricted goods

Restricted means that special licenses or permits are required from a government department before the item is allowed to be imported into or exported from the Turks and Caicos Islands.

Controlled drugs

Firearms and ammunitions

Explosives and fireworks

Endangered plants and animals

The following goods are restricted;

a) controlled narcotics
b) firearms (including blank firing or replica firearms that can be converted to fire bullets), firearm parts, ammunition and explosives (including fireworks), unless accompanied by a valid license signed by the Commissioner of Police.
c) Hawaiian slings and spear guns.
d) Any goods from
    - Iraq and Kuwait (United Nations Sanctions) (Dependent Territories)
    - Angola (United Nations Sanctions) (Dependent Territories)
    - Libya (United Nations Sanctions) (Dependent Territories)
    - Former Yugoslavia (United Nations Sanctions) (Dependent Territories)
e) Live animals.
   This includes fish, crustaceans, molluscs, insects, cats, dogs and birds. All animals (including pets) arriving in the Turks and Caicos Islands are required to be accompanied by health documents as well as an Import Permit issued in advance by the Department of Agriculture.

   Plants and animals must be presented to the plant or animal quarantine officer for quarantine inspection before Customs examination.

Animals arriving without proper documentation will be refused entry and will be immediately returned to the country of origin or euthanised, at the owner's expense.

f) Plants, fruit, vegetables and plant products. All plants arriving in the Turks and Caicos Islands are required to be accompanied by an importation permit issued in advance by the Department of Agriculture.

Prohibited Goods

Prohibited means the item is forbidden by law to enter the Turks and Caicos Islands.

Counterfeit money and cards

Meats and vegetables unfit for human consumptions

Obscene literature and videos

Some breeds of dogs

The following goods are prohibited to be imported into, exported from, or carried coastwise within, the Islands—

a) Illegal drugs such as heroin, morphine, cocaine, amphetamines, barbiturates, LSD and cannabis.
b) Offensive weapons such as flick and gravity knives, butterfly knives, push daggers, belt-buckle knives, throwing stars, swordsticks, knuckledusters, blowpipes, spear guns, spring-loaded batons and some martial arts equipment.
c) Self-defence sprays containing noxious or inflammatory gas or liquids.
d) Stun guns or incapacitating weapons that momentarily disable a person with an electric shock or directed energy.
e) Counterfeit, altered, or imitation coins, paper money, banknotes, or securities, and forged credit cards;
f) meat, vegetables or other food unfit for human consumption;
g) goods and any package of goods bearing any name or mark which states or implies that such goods were manufactured or produced in any country in which the same were not manufactured or produced;
h) Indecent or obscene materials including books, magazines, films, videos, DVDs and software, sex toys. This includes:
    - Material featuring children;
    - Material containing extreme violence or cruelty; and
    - Any other pornography
i) Books, drawings, carvings, and any other article which may harm public safety or morals

j) all plants, articles packed therewith or packages likely to be a means of introducing plant disease into the Islands
k) the following breeds of dogs—
   - Dogo Argentino
   - American Pit Bull Terrier
   - American Staffordshire Terrier
   - American Bull Dog
   - Japanese Tosa
   - Canary Dog
   - Perro de Presa Canario
   - Fila Brasileiro.

UNIT 5: IMPORT AND EXPORT PROCEDURES

This unit provides the general procedures for imports. Goods imported temporarily with a view to re-exportation, or exported temporarily with a view to re-importation are required to meet specific conditions. Potential importers requiring this service may contact the Assistant Collector, Entry Processing Unit at the Customs Department for assistance.

Purpose:	This Standard Operating Procedure (SOP) provides a detailed step-by-step process to promote the efficient administration of customs procedures, and the expeditious clearance of goods.
Scope:	The procedure covers the entire clearing processes of exports and import. It shows the various stakeholders involved with the process, as well as their roles.
Definitions:	Agent: Any person appointed as an agent under the Customs Ordinance 2018
	Cargo/Goods declaration: A statement made in the manner prescribed by the Customs, by which the persons concerned indicate the Customs procedure to be applied to the goods and furnish the particulars which the Customs require for its application.
	Carrier Agent: The agent for the Carrier/Principal transporting cargo to/from the Turks and Caicos Islands, e.g. Tropical Shipping, Turks Air
	Clearance: The accomplishment of the Customs formalities necessary to allow goods to enter home use, to be exported or to be placed under another Customs procedure.
	Consolidator: An individual or company that provides services to group shipments, orders, and/or cargo to facilitate movement.
	Degroupage/Deconsolidation: Separating a consolidated (usually containerised) shipment into its original constituent shipments, for delivery to their respective consignees.
	Examination of goods: The physical inspection of goods by the Customs to satisfy themselves that the nature, origin, condition, quantity and value of the goods are in accordance with the particulars furnished in the Goods declaration.
	Exporter: Concerning goods for exportation or use as stores, includes the shipper of the goods and any person performing concerning any

aircraft functions corresponding with those of a shipper.

House Bill of Lading/Air Waybill: This contains all the information of a BL/AWB but is not a financial document. This is a contract between the shipper and freight forwarder. All the shipments covered by the individual house AWBs/BLs are consolidated, and a single AWB/BL, called the Master AWB/BL, is issued to cover the consolidated shipment.

Owner: In respect of a ship or aircraft, includes a charterer of the ship or aircraft or a non-vessel operating common carrier or freight forwarder responsible for the transportation of goods on the ship or aircraft.

Perishable goods: Goods that rapidly decay due to their natural characteristics, in particular in the absence of appropriate storage conditions.

Release of goods: The action by the Customs to permit goods undergoing clearance to be placed at the disposal of the persons concerned.

Legislation: Customs Ordinance 2018, as amended and any subsidiary legislation. Any other enactment related to the importation of cargo into or exportation of cargo out of the Turks and Caicos

Minimum Required Document(s):

1. Duly completed SADs
2. Bill of Lading (sea freight)/Airway bill (air freight)
3. Supplier Invoice(s)- Invoices will be checked for authenticity and values, consignor, consignee, currency, origin, destination, etc.
4. Packing list
5. Concession letter for exemption of duties and taxes if any
6. Permit for import of food, agro products, drugs and pharmaceuticals
7. Adhoc development order- The development order must be signed.
8. For imports for the government include the letter from OPSM
9. Phytosanitary Certificates for imports of agricultural products

Equipment/Software: Computer with internet access

Direct Import Procedures

For the release of goods from Customs, the following documents need to be submitted along with the declaration;

- Bill of Lading (sea freight)/Airway bill (air freight)
- Supplier Invoice(s)- Invoices will be checked for authenticity and values, consignor, consignee, currency, freight, insurance, origin, destination, etc.
- Packing list
- Concession letter for exemption of duties and taxes if any
- Permit for import of food, agro products, drugs and pharmaceuticals
- Adhoc development order- The development order must be signed.
- For imports for the government include the letter from OPSM

Additional required documents for specific imports

- Phytosanitary Certificates for imports of agricultural products
- Worksheet for the importation of more than three (3) items.

Goods imported temporarily with a view to re-exportation, are required to meet specific conditions. Potential importers requiring this service may contact the Assistant Collector, Entry Processing Unit at the Customs Department for assistance.

1. The Consolidator submits the master Bill of Lading/ Airway Bill to Customs through ASYCUDA World

2. Carrier agent degroups the master Bill of Lading/ Airway Bill.

3. Customs Broker or agent or authorised declarant completes and submits the cargo declaration along with trade documents, to Customs through ASYCUDA World.

4. Request vouchers for payment of duties and fees through Job Queue

5. Once a payment voucher is received from Customs, pay duties and fees. Or forward voucher to importers for payment of duties and fees.

6. Facilitate Customs import clearance at Customs area for release of goods. This may include Customs inspection.
After completion of port formalities, goods are cleared.

7. Post Clearance Audit. Customs may conduct a Post Clearance Audit.

Import Procedures- Perishable Goods

1. Obtain relevant licenses and/or import permits from relevant departments e.g. Agriculture Department.

2. Submit Bill of Lading/ Airway Bill along with pre-entry form, invoices and permits to Customs for pre-clearance.

3. Retrieve pre-entry form from the Customs office, after it has been reviewed, signed and stamped. The pre-entry form should have a pre-entry number and the date proper entry is due. If the import is a container, the pre-entry form is submitted to the Anti-smuggling unit.

4. Facilitate Customs import clearance at Customs area for release. This may include examination of goods.

5. The proper entry MUST be submitted to Customs through ASYCUDA within three (3) working days. Any differences in value must be accounted for.

Import Procedure

Motor Vehicle

Documents Required To Import a Motor Vehicle or Motor Cycle:

<u>General</u>

- Title/Export certificate- Issued to the owner of the vehicle by the government of the country where the vehicle was purchased.
- Bill of lading
- An original invoice from the suppliers indicating; the condition of sale, the supplier's name, the buyer's name, the price paid or payable, the terms of delivery e.g. C.I.F, full description of the vehicle (type, model, engine number or VIN number, colour, engine size, and weight), Year of manufacture, manufacturer
- Bill of Sale
- Vehicle examination sheet

<u>Civil Servants</u>

- Letter from OPSM
- Concession letter from Customs

<u>Taxi Drivers</u>

- Road Safety (Public Service) Vehicle Regulations Licence
- Business Licence
- Concession letter from Customs

Motor vehicles imported temporarily with a view to re-exportation, are required to meet specific conditions. Potential importers requiring this service may contact the Assistant Collector, Entry Processing Unit at the Customs Department for assistance.

1. Before importing any motor vehicle, including a disassembled or partly completed road motor vehicle, you should contact the Road Safety Department, to obtain the relevant license or permit, if necessary.

2. The importer downloads the Vehicle Information form as an excel file from the Customs website. The form must be completed, and uploaded to the Customs website. A Vehicle Examination Sheet with a reference number will be generated.

3. The importer will submit Bill of Lading, the Vehicle Examination Sheet and other relevant documents to the Habour Master at the dock, for review.

4. The Habour master will examine the documents. If there are any doubts of the information submitted, the Habour Master may request additional information.

If documents satisfies all conditions, the Habour Master will verify and accept documents.

If documents do not satisfy all conditions, importer may have to submit a new Vehicle Information excel file with the correct information. The Habour Master may revalue the vehicle.

5. The importer submits all documents, including correct Vehicle Examination Sheet to the broker.
The Broker will proceed to submit entry along with documents to the Customs Department through ASYCUDA World

6. The Broker request vouchers for payment of duties and fees through Job Queue

7. Once a payment voucher is received from Customs, pay duties and fees. Or forward voucher to importers for payment of duties and fees.

8. Facilitate Customs import clearance at Customs area for release of goods. After completion of port formalities, goods are cleared.

9. Customs may conduct a Post Clearance Audit.

Export Customs Clearance

For the export of goods from Customs, the following documents need to be submitted along with the declaration;

- Bill of Lading (sea freight)/Airway bill (air freight)
- ProForma Invoice
- Customs Packing List
- Export License
- Health Certificates
- $0.80 Export stamp

1. Prepare documents. If necessary, obtain export license or permit from relevant government department or agency.

2. Carrier agent submits export Bill of Lading or Airway Bill to Customs through ASYCUDA World.

3. Submit the export declaration to Customs through ASYCUDA World

4. Facilitate Customs export clearance at Customs area. This may include Customs inspection.
After completion of port formalities, goods are cleared for export

Goods exported temporarily with a view to re-importation, are required to meet specific conditions. Potential importers requiring this service may contact the Assistant Collector, Entry Processing Unit at the Customs Department for assistance.