



MAURITIUS REVENUE AUTHORITY



CUSTOMS DEPARTMENT

**GUIDE TO COMPLETING THE APPLICATION FORM
TO BECOME A QUALIFIED TRADENET USER**

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GUIDE TO THE FAST TRACK CARGO RELEASE INITIATIVE

OUR VISION AND MISSION

Our Vision Statement

'We want a Clean and Efficient Customs Service.'

Mission Statement

Our Mission is to serve the Government and the people of Mauritius.

As such, we:

- Collect and protect revenue;
- Play an important role in the economic and fiscal policy of Government;
- Implement bilateral, regional and multilateral trade preferential agreements;
- Facilitate movement of goods and persons to achieve international competitiveness;
- Compile international trade statistics;
- Protect society against illicit movement of restricted and prohibited goods; and
- Prevent commercial fraud, smuggling and drug trafficking

We are:

- Customer-oriented with an aim for excellence in quality of service
- Results-oriented, with a keenness to aim at higher productivity
- At the forefront of information technology with regards to clearance of goods.
- Committed to honesty, integrity and fairness.

INTRODUCTION

The object of this booklet in particular is to assist those who are in the process of submitting an Application to become a Qualified TradeNet User. Where additional information is required, readers should refer to any officer of the Customs Department, Registration Department, who will be pleased to assist in any way possible. This booklet should be read in conjunction with the Application to become a Qualified TradeNet User Form.

All communication to the Customs Department should be addressed as follows:

Customs Department
IKS Building, Port Louis
Tel: 206 3400
Fax: 240 1032
Email: custompl@bow.intnet.mu

NOTES ON COMPLETING THIS FORM

1. Application to become a Qualified TradeNet User under Regulation 16 of the Customs (Use of Computers) Regulations 1997 must be made on the approved form;
2. No application for a Qualified TradeNet User will be accepted by the MRA Customs Department unless submitted by an existing TradeNet User.
3. Applicants are advised to read carefully the Customs Act 1988 and the Customs (Use of Computers) Regulations 1997 and other relevant legislation, regulations and/or Guidelines issued before submitting an application to the Customs Department.
4. Applications may be typed or printed. If printed, BLOCK CAPITALS should be used.
5. All boxes should be filled on the basis of the information that is known by the Applicant at the time of submission. Where the information is not available, the Applicant should say so. **No boxes should be left empty.**
6. The Applicant should write "Not Applicable" where a particular section does not apply to the latter. **No boxes should be left empty.**
7. The Applicant should inform the Director General of any changes in the information provided (e.g. concerning the ownership, structure and activities of the Applicant) as soon as the Applicant becomes aware of the change.
8. The Customs Department will give as much general assistance as possible concerning the application process. However, professional advice should be sought if and when necessary.
9. The information provided as part of the application process may give rise to additional questions and requirements. Accordingly, the Director General may require the Applicant to give such information as may be necessary to determine whether or not the application should be approved.
10. Where insufficient room has been left in the Application Form to answer questions fully, the Applicant should use additional sheets – suitable cross reference to the relevant question.
11. Completed Application Forms and all accompanying documents should be submitted to the Customs Department at the above-mentioned address.

ACCEPTANCE CRITERIA

Referring to 16 of the Customs (Use of Computer) Regulation 1997, and for the purpose of Section 16B of the Customs Act, any TradeNet user who wishes to be a qualified TradeNet user, and obtain the facilities referred to in that Section (16B of the Customs Act), shall make a request to the Director General, to follow a programme which shall be known as Customs Compliance Monitoring (Delivery of Documents) Programme.

The monitoring shall take effect for successive periods of 3 months starting from the date specified by the Director General and shall take into account the following criteria:

A. The number of electronic declarations relating to:

- (i) Incorrect tariff classification.
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- (ii)Undervaluation of goods.
- (iii)Goods not declared to Customs.
- (iv)Goods found in excess of the quantity declared.
- (v)Removal of goods from Customs control without authority or without payment of duties and taxes.
- (vi)Incorrect country of origin.
- (vii)Incorrect freight.
- (viii)Incorrect rate of exchange.
- (ix)Importation of goods without appropriate permit or authorization.
- (x)Validation by Customs but payment not effected within 14 working days of the date of validation.
- (xi)Shortpayment of duties and taxes following post audit checks.
- (xii)Importation of prohibited goods.

- B. The number of amendments made to electronic declarations previously validated for reasons other than those mentioned above.**
- C. The number of cheques or payment instructions not honoured by the bank.**
- D. the number of forms (Form No. 30) relating to request for exemption or refund of duty under the Customs Regulations 1989 not returned to Customs within due date.**

ASSESSMENT PROCESS

Based on the above criteria and for the compliance level of a TradeNet user for any period of 3 months, Customs shall calculate the difference between 100 per cent and the percentage arrived at by taking the number of electronic declarations, cheques, payment instructions and referred to above to the total number of Customs declarations passed by the TradeNet user for that period.

Where the result of the above 90 per cent or over, the TradeNet user shall have satisfied the conditions to become a Qualified TradeNet user.

OTHER OBLIGATIONS

- A. Sound internal control system
 - B. Compliance/valuation review (audit)
 - C. Record keeping requirements
 - D. Verification of goods requirements
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A. SOUND INTERNAL CONTROL SYSTEM

The importer should have an internal control system to the satisfaction of the Director of Customs with respect to processing of information sent to Customs. The Internal Control Unit shall conduct a review of the Importer's Internal Control system (system audit). The importer will first be required to fill in some forms (exhibit 1 & 2 – available on the Customs Website) and forward it to customs. After reviewing the completed forms, Internal Control Unit teams will determine whether the importer has implemented internal controls, then it will carry out tests to ascertain the effectiveness of these controls in order to ensure whether they are adequate.

B. COMPLIANCE/VALUATION REVIEW

As a prerequisite the selected importer should have been subject to at least one Compliance/Valuation review during or prior to the period of assessment. The objective of this review is to determine the extent of compliance of the importer with Customs laws and regulations. This will entail performing tests (on a sample basis) of compliance on importations, made by the importer during the period of review, with regards to its valuation, origin and classification as per the HS codes. The audit team of the PCCU will conduct this review after a schedule for such a review has been agreed with the importer.

C. RECORD KEEPING REQUIREMENTS

1. Introduction

Importers are responsible for maintaining records to support their import operations. Under Section 43A and Section 127A of Customs Act 1988, importers and their agents are required to make, keep, and render for examination and inspection, records which pertain to Customs-related activities and which are normally kept in the ordinary course of business.

The above sections cover the legal requirements for preparing, maintaining, and producing records discussed in this guide. It also covers the authority under which Customs may examine records.

These overall requirements apply to **all** importers and persons required to maintain and produce records for the entry of merchandise, whether or not they are participants in the **Fast Track Cargo Release Initiative**.

2. Authority for Record keeping Requirements

Section **43A. Record** states that (1) Every person who, in the course of his business, imports or exports goods shall, for purposes of any customs laws, keep a full and true written record, whether on computer or otherwise, in English or French language of every transaction he makes; (2) Every person referred to in subsection (1) shall, in respect of any goods keep in chronological order, a copy of the entry he makes, either electronically through the TradeNet or otherwise, together with a copy of the documents delivered to the Comptroller with that entry; (3) Every record under subsection (1) and (2), shall be kept for a period of at least 5 years after the

completion of the transaction to which it relates and shall be made available on demand by the proper officer.

3. **Records to be Maintained**

Main documents

Section **16. Delivery of documents with entry** states that, (1) With the entry of any goods, there shall be delivered, subject to section 16B, to the Director General the original invoices, bills of lading, bills of parcels, price lists, policies of insurance, letters and other documents showing the value of the goods at the place at which they were purchased together with the freight, insurance and other charges on the goods.

As such the main records required to be kept for customs purposes would include the following:

1. Original signed Customs Declaration
2. Original invoices;
3. Original bills of lading;
4. Original bills of parcels (parcel lists);
5. Original price lists;
6. Original policies of insurance;
7. Letters and other documents.

In accordance with Regulation 16(7) of GN97/038 (i.e. Customs (Use of Computer) regulations 1997, for the purposes of section 16B of the Customs Act, the qualified TradeNet user shall keep, in respect of every electronic transaction, **a hard copy of the electronic declaration** duly signed and dated on the day the electronic declaration is made **together with the documents** referred to in that section in chronological order and **in batches of 20 electronic declarations**, each batch being serially numbered.

Accordingly, the above listed documents have to be kept along with the signed original of the electronic declaration in batches of 20.

Also, in accordance with Regulation 16A (a) of GN97/038, a data log providing a complete historical record of data interchanged as they are sent and received should also be kept.

Other records

Section **127A. Production of Books and Records** states that (1) The Director General or a proper officer may, in respect of the entry of any goods, require the importer or exporter of those goods (a) to produce for (i) Examination, books, records, invoices or other documents of any kind relating to those goods, whether on computer or otherwise, which the Comptroller or the proper officer considers necessary and which are in the possession or custody or under the control of that importer or exporter.

In line with the above-stated provision and other provisions of the Customs Act 1988, the following records should be provided to Customs for Compliance Assessments:

I. Financial statements:

- (i) Audited financial statements;

II. Accounting books and records:

- (i) General ledger and trial balance;
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- (ii)Chart of accounts;
- (iii)Purchases journal;
- (iv)Accounts payable journal;
- (v)Payment records such as bank statements, letters of credit, wire transfers, etc;
- (vi)Receiving logs and inventory records;

III. Customs entry Documents and Records (as mentioned above)

IV. Supporting Documentation for Customs Transactions

- (i)Correspondence files pertaining to imported merchandise;
- (ii)Imported merchandise listings including part number catalogues with descriptions, part numbers and similar information;
- (iii)Invoices, payment records and documents supporting payments for assists, commissions, merchandise purchases, transportation costs, and all other payments associated with imports;

V. Contracts

- (i)Buying and selling agency agreements;
- (ii)Royalty and license fee contracts and/or agreements;
- (iii)Purchase contracts and agreements establishing imported merchandise prices;
- (iv)Contracts and/or agreements for payments to foreign companies for expenses other than imported merchandise, such as management fees, research and development, tooling,etc

4. Record Retention Period

Regulation 16(8) of GN97/038 dictates that “The documents under paragraph (7) shall be kept for a period of at least 5 years as from the date the electronic declaration is made and shall be preserved in a safe place and be properly secured.”

5. Customs Authority to Examine Records

The examination of records by Customs is authorized by Section 127A of the Customs Act. This gives Customs the authority to examine records to ensure compliance with the laws and regulations that it administers.

D. INSPECTION OF GOODS REQUIREMENTS

It is recommended that appropriate space should be available at the premises or stores of the importers so that Customs may inspect importations after Customs clearance. By appropriate space the following aspects should be considered:

- Adequate security;
- Enough space for at least one forty-foot container to be opened and unstuffed easily.

Import consignments are to be un-stuffed at places ascertained by Customs and the importer will be required to allow Customs access to these places for the inspections of any un-stuffing process or any un-stuffed goods especially if these places are not the licensed premises of the importer otherwise the inspection will be carried out at the landing stations.
