

**Committee on Customs Valuation**

Original: English

**NOTIFICATION CONCERNING THE DECISION UNDER PARAGRAPH 1  
OF ANNEX III OF THE AGREEMENT ON IMPLEMENTATION  
OF ARTICLE VII OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE 1994**

**JAMAICA**

The following communication, dated 21 November 2000, has been received from the Permanent Mission of Jamaica.

\_\_\_\_\_

In accordance with paragraph 2 of the Committee's Decision to grant Jamaica an extension of the transition period (G/VAL/24) and further to the oral report presented at the 7 November meeting of the Committee, attached is the written report on the status of implementation of the Customs Valuation Agreement and progress in fulfilling the work programme in Annex I to the said Decision.

\_\_\_\_\_

**REPORT ON THE STATUS OF IMPLEMENTATION OF THE VALUATION  
AGREEMENT BY JAMAICA AS AT 30<sup>TH</sup> OCTOBER 2000**

In keeping with the commitment given in Jamaica's request (under Article 20.2 of the Valuation Agreement) for a one-year extension of the transitional period for implementation, Jamaica has made a concerted effort to complete its preparation.

Despite this effort however, there has been some slippage in the time-frame for the completion of some activities, which were indicated in the work programme submitted with the extension request. This has been due to some of the same concerns, which were indicated in the request for an extension, namely limited skilled human resources and budgetary constraints affecting cash flow.

It is nevertheless anticipated that Jamaica will still be ready for implementation of the Agreement by March 9<sup>th</sup> 2001.

**Passage of Legislation**

As was indicated in the request for an extension under Article 20.2, Jamaica has sought to ensure that the national legislation not only supports the spirit of the Agreement but that the provisions are in place to ensure that the revenue loss and under-valuation is contained. The technical team responsible for the legislation has therefore worked assiduously to ensure this end.

Progress in completing the draft Bill was, however, affected by the fact that there were competing demands in the Chief Parliamentary Counsel's Office for drafting time. This was due to

the fact that other very important and time-consuming legislative measures, such as a complete restructuring of the regulatory framework of the Insurance Sector, competed with the Valuation legislation for the attention of the draftsmen. This resulted in a long turn around time for amendments to be completed.

Jamaica is however, pleased to advise that the Draft Bill was considered by Cabinet, approved by the Legislative Committee and is now before Cabinet for approval for Tabling in Parliament. It is now anticipated that the Legislation will be ready for implementation by the 2<sup>nd</sup> week of January 2001.

### **Preparation of Administrative Procedures**

Preparation of the Administrative Procedures is in progress and should be completed by the end of November. This activity has been influenced by the contents of a handbook, generously made available by the United Kingdom Customs and Excise department, who have continued to act as a source of guidance in Jamaica's preparation for implementation. In addition, use has been made of the recently released Customs Valuation Control Handbook, as well as the Guidelines on Drafting National Valuation Legislation for Implementation of the Valuation Agreement, both prepared by the World Customs Organization.

Adjustments to references to the relevant sections of the legislation may have to be made to these procedures should amendments to the Bill be made in Parliament.

### **Training**

The timing for training shown in the original work programme has been affected by the changes in scheduling by trainers from overseas.

### **Training by the World Customs Organization**

The World Customs Organization acceded to Jamaica's request for Technical Assistance and originally promised to provide a trainer in September 2000. This date was then changed to October 2000, but has now been revised to mid-January 2001.

### **Training by Caribbean Customs Law Enforcement Council (CCLEC)**

Jamaica also made a request to CCLEC to provide assistance in training, since it was accepted that the one week training course offered by the WCO would be inadequate. CCLEC approved this request and offered to provide trainers from Canada, who were scheduled to commence training in October. This was however delayed due to personnel problems and the Canadian trainers are now due to arrive in Jamaica on November 13<sup>th</sup> 2000 on a fact finding mission. The actual dates for training and the content of the course are to be determined at that time.

### **Overseas Training**

A local official who is playing a crucial role in the implementation of the Agreement has benefitted from a one-month training course conducted under the auspices of the Commonwealth Secretariat and the government of India. This exposure will greatly assist her in carrying out training by local personnel.

## **Provision of Infrastructure Space, Furniture, Computers**

The provision of infrastructure has been affected by budgetary constraints and this is going to result in some slippage in the completion of this activity and impact negatively on the preparedness to use the database.

Space to accommodate the Unit to implement the Agreement has necessitated the reallocation of other Unites to new locations, and this has created costs over and above that which were first anticipated. This issue is now being addressed and the Unit will be partially housed by the end of December 2000 with accommodation for the full staff complement being provided the end of January 2001. Approximately half of the furniture required has already been purchased and the remainder is to be provided as soon as the space becomes available. Twenty-five computers are now on order and these will be delivered by the end of December 2000.

## **Establishment of the Valuation Unit**

The structure of the Unit has been approved, all Job Descriptions have been prepared and the posts have been classified for payment and approval to operate these posts has been received. The senior positions in the Unit have been advertised and interviews are scheduled for the third week in November. Senior personnel will therefore be in place to assist with implementation from the beginning of December 2000.

## **Establishment of database (Computerized) Identification of funding**

Funding for computerization of the entire Customs Department is to be provided by the Customs Modernization Project, however this will not be released until fiscal year 2001/2002. In order to meet the March deadline computerization of the valuation process is therefore restricted to activities for which funding was already approved in the Customs budget for Year 2000/2001.

## **Identification of package**

This activity has also been shifted to the Customs Modernization Project and the same constraints will apply. An invitation for tenders to be submitted will also be made as soon as the funds are released.

## **Design of Computer Linkages**

Facilities now exist to provide linkages between major collection points in the Customs systems. However, the other collection points (except for 3 very minor operations) have stand-alone systems which will only allow "red flagging" of high risks items. There is no provision to allow linkages to a central system at this time as this will have to be undertaken by the Customs Modernization Project.

## **Installation of New System**

Completion of the design of the new system is scheduled to take place by the end of November. The installation of the new computerized system will take place as soon as the computers are installed at the end of December 2000.

### **Preparation of high risk list**

In order to identify the areas of highest risk for under-valuation and revenue loss use is being made of the experiences of other countries, which have implemented the Agreement, as well as areas covered in the Customs Control Handbook. A list of the items, which attract the greatest quantum, is also being prepared.

### **Updating the list of related persons**

Compilation of the list of those related persons now known to the Customs authorities will be completed by the end of December 2000. The appointment of the senior personnel of the Unit will provide supervision of this activity. Updating of the list will, however, continue as part of the risk management activity of the new unit.

### **Identification of data sources**

This activity is on-going and integration is scheduled to be completed by the end of January 2001 with the appointment of the officer responsible for research.

### **Publicity Campaign**

A guide for the use of public is now being printed and will become available by early December 2000. The first scheduled talk to interested parties is to be given at a seminar put on by the Institute of Chartered Accountants, members of the legal and accounting profession and Customs Brokers.

**IMPLEMENTATION SCHEDULE OF VALUATION AGREEMENT**  
(Revised as at 30<sup>th</sup> October, 2000)

Activities	2000		2001			REMARKS
	Nov	Dec	Jan	Feb	Mar	
Passage of Legislation			→			
Preparation of Admin. Procedures	↔		↔			Completion dependent on passage of legislation
Training						
Training of Trainers	↔					)
Training of other staff						) Delay due to unavailability of overseas trainers and
Training of Auditors						)
Training of customs brokers						) Passage of legislation
Provisions of Infra-structure (Space, Furniture, Computers)						)
Establishment of Valuation Division						)
Preparation of structure						)
Preparation of job descriptions						)
Approval of structure and classification of staff						)
Recruitment/appointment						)

**IMPLEMENTATION SCHEDULE OF VALUATION AGREEMENT**  
(Revised as at 30<sup>th</sup> October, 2000)

Activities	2000			2001			REMARKS
	Nov	Dec	Jan	Feb	Mar		
<b>Establishment of computerized data-base</b>							
Identification of funding							Transferred to Customs Modernization Project (CMP)
Identification of package							Transferred to Customs Modernization Project (CMP)
Design of computer linkages	→						In progress
Installation of new system			→	* →			Complete installation transferred to CMP
<b>Establishment of manual data-base</b>							
Preparation of high-risk list	→						In progress
Updating of list of related parties	←					→	In progress
Identification of data sources			→				In progress
Publicity campaign		←				→	
<b>Implementation 9<sup>th</sup> March, 2001</b>							

\* Partial installation