Vanuatu

ASYCUDA World Project

Monthly Newsletter

VANUATU DEPARTMENT OF CUSTOMS AND INLAND REVENUE

ISSUE 5

31ST AUGUST 2016

UPCOMING EVENTS IN SEPTEMBER

1. ASYCUDA Support mission 5-9 Sept

2. ASYCUDA Technical mission 12-23 Sept

3. CRMC 2nd meeting 13 Sept

Customs Reform and Modernization Committee (CRMC)
1st Meeting

The CRMC held its first meeting on 10th August 2016. Chaired by the Acting Deputy Director Customs, the members present at this 1st meeting included Customs Managers, TA and the National Project Team (NPT).

Amongst the many matters which were discussed and addressed, the two UNCTAD missions report and the Functional Training report were the main agenda of the meeting.

The meeting received the comments of the NPT on the report and made some major decisions on the findings and recommendations made in the mission and training reports.

The decisions made will affect to some extend the current Customs processes. These decisions will be referred to the Customs Brokers in due course.

The CRMC also heard updates from the NPT on the progress of the project and the difficulties faced. The CRMC also discussed the reform initiatives that are currently happening in Customs to accommodate ASYCUDA World.

The purpose of the CRMC is to ensure that reforms are carried out to ensure a successful implementation of the Customs Automation System.

Bonded Warehouses stock take operation
Close to completion

Customs is currently conducting a physical stock take on Customs bonded warehouses. There are two main reasons for this operation. Firstly is to increase short term revenue collections as per the Council of Ministers Decision number 101 of 2016. And secondly, to verify and tidy up the data of the bonded warehouses as preparatory work towards the implementation of ASYCUDA World.

It is essential that the correct stock is carried across from the ASYCUDA++ to the ASYCUDA World database when Vanuatu goes live on the new system in December 2016.

Bonded warehouses are a major revenue contributor of duties and taxes collected on bonded goods such as fuel, cigarettes, alcohol, vehicles and other high valued items. In addition bonded warehouses are an important mechanism for the tourism industry in the Vanuatu as it allows visitors to purchase goods at very competitive duty free prices, promoting Vanuatu as a unique shopping destination for tourists in the region.

The current warehouse operation involves physical stock reconciliations against the ASYCUDA++ database. Customs would like acknowledge the contribution of warehouse Operators for their cooperation, efforts and commitments to making this operation a success.

Warehouse operations in Port Vila (August 2016)

Standard Operating Procedures drafted

The implementation of ASYCUDA World in Vanuatu is more than a modernization project. It is an opportunity to bring about further reform to Vanuatu Customs to efficiently meet its national objectives of collecting revenue, protecting borders and facilitating trade.

To achieve this, the creation of Standard Operating Procedures or SOPs will contribute majorly to this goal. The Project Team, in consultation with Customs, have been working on creating simple and easy to use SOPs covering all aspects of the cargo clearance process.

Amazingly, this will be the first time that Vanuatu Customs will ever have cargo clearance procedures documented for its Officers and external clients to use. In the past, Customs Officers, usually learn on the job with no documented guideline on how to carry out their duties. Not only can this mean inefficient revenue collection and trade facilitation, it can also mean inconsistent and poor service delivery to those in the trade industry. It is therefore worthwhile mentioning that during the drafting of these SOPs, some identified clearance processes will be adjusted to be more efficient. This was anticipated in such a reform exercise.

Standard Operating Procedures, are a set of step-by-step instructions to assist those concerned carry out their routine operations. SOPs aim to achieve efficiency, quality output and uniformity of performance, while reducing miscommunication and failure to comply with Customs regulations. In the recent Integrity workshop in Fiji attended by Vanuatu Customs Officials, it was identified that having SOPs in place will also allow administrations deal with integrity issues when they do arise.

The newly created SOPs will assist the Project Team in preparing the ASYCUDA user profiles and the user guides for both the internal and external users. And since the SOPs are proposing some business reengineering, they will be submitted to the Customs Reform and Modernization Committee for approval in its September meeting.

Adoption of HS2017 progressing well

Another major reform currently taking place within Vanuatu Customs in preparation towards the live implementation of ASYCUDA World is the adoption of the 2017 edition of the World Customs Organization (WCO) Harmonized System (HS).

The Harmonized Commodity Description and Coding System generally referred to as "Harmonized System" or simply "HS" is a multipurpose international product nomenclature developed by the WCO. The HS contributes to the harmonization of Customs and trade procedures, and the non-documentary trade data interchange in connection with such procedures, thus reducing the costs related to international trade.

The system is used by more than 200 countries and economies as a basis for their Customs tariffs and for the collection of international trade statistics. Over 98 % of the merchandise in international trade is classified in terms of the HS. Vanuatu has been using the Harmonized Description and Coding System (HS) since 1988 and every 5 years, the WCO releases a new version of the HS. Vanuatu currently uses the HS 2012 edition and a dedicated Tariff Team has been appointed since July 2016 to undertake the extensive task of transiting to HS 2017.

The Team has now completed both the English and French versions of the HS. They are now carrying out consultation with other Government department and Industries to decide on the national splits and subdivisions, to support Vanuatu's national concerns and sensitivities.

Once this work is completed, the new HS will be uploaded onto the ASYCUDA World database pending submission to the Council of Ministers and the National Parliament, before the system goes live.

The hard working Tariff Team (August 2016)

Prime Minister signs SOClass COM paper

STRATEGY OBJECT

The process of acquiring the middleware software, SOClass, has approached its final stages after being approved by the Government Central Tender Board (CTB). State Law Office (SLO) was also consulted on the legality of the proposed purchased agreement to be signed between DCIR and the software providers. The final leg of the hurdle is to get the Council of Ministers (COM) to approved the sole sourcing of the middle-ware as recommended and advised by the CTB and SLO respectively.

The prepared COM paper was signed by both the Prime Minister, Honourable Charlot Salwai, as Minister in charge of the Office of the Government Chief Information Officer (OGCIO) and Honourable Gaetan Pikioune, Minister responsible for Customs.

The paper is now pending presentation at the Development Committee of Officials (DCO) prior to being tabled at COM.

Once this COM paper is approved by COM, the OGCIO will proceed with the purchase of this middleware software for the ASYCUDA World Production and Development servers.

In brief, SOClass is an extension of the standard Java libraries used by AW. Among other thangs, it manages database connection, full document history and tracking, and security.

The payments for the SOClass licenses and the ASYCUDA World final payment in 2017 should conclude the final payments required for the completion of the ASYCUDA World project.

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ASYCUDA World Project**

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ASYCUDA
world

The ASYCUDA (Automated SYstem for CUstoms DAta) software, used by over 90 Customs Administrations around the World, was developed by the United Nations Conference for Trade and Development (UNCTAD). An earlier version of ASYCUDA called ASYCUDA++ was implemented in Vanuatu in 1999.

ASYCUDA++ is a DOS based program with ICT limitations and therefore obsolete in this day and age. UNCTAD has therefore developed a web-based version of ASYCUDA known as ASYCUDA World. It takes advantage of the significant progress made in the field of ICT to provide improved automated support to the evolving requirements of both the Trading Community and Customs administrations.

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Upcoming tasks

The following tasks were identified by the National Project Team (NPT) and approved by the Customs Reform and Modernization Committee, as upcoming tasks in configuring the ASYCUDA World prototype server, the preparation and cleaning of the database, and the rolling out of trainings for internal and external users. They are brief tasks however involving large amount of work, giving the system an updated database from the current ASYCUDA++ setup. The tasks will not only involved the NPT, but the wider ASYCUDA World project team and Customs itself. Again, the scheduled date for the pilot site is still targeted for December 2016.

Tasks
Warehouse stock cleanup in ASY++ (in parallel with the work of the Warehouse Officers)
Inserting the HS2017 & supplementary units cleanup (in parallel with the work of the Tariff Committee)
Create SOPs
Creation and configuration of business units (Customer accounts)
User guide creation and Testing
System configuration
Reference tables update and cleanup (in consultation with CRM)
Taxation rules update and cleanup
Insert and update selectivity criteria
Conduct user trainings (internal and external)
Note: in each task there should be parallel testing between ASY++ and AW