



ASYCUDA World – Brokers/Clerk Training

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Session 1

01 Suspense regimes

The current version of ASYCUDA WORLD handles suspense regimes such as -

- Goods into warehouse
- Goods out of warehouse
- Temporary import
- Re-export of goods temporarily imported
- Temporary export
- Re-import of goods temporarily exported

National Customs legislation may have different provisions, or suspense regimes may have additional variations of the basic types listed above.

Examples are the temporary export of goods intended to return in the same condition as exported, (i.e. goods for display), or intended for foreign processing and return.

There may also be provisions for duty drawback or the operation of duty free zones.

The ASYCUDA WORLD training officer or supervisor will advise on the national suspense procedures handled by ASYCUDA WORLD.

A list of CPCs in ASYCUDA WORLD reference tables will show all of the suspense procedures now in use.

Suspense controls

The entry of goods under a suspense procedure normally means that the normal duties and taxes are not collected when the declaration is processed.

The use of suspense procedures can present opportunities for the dishonest trader to evade payments of duties or for fraud.

Suspense procedures within the ASYCUDA WORLD system will suppress the calculation of duties and taxes that would otherwise be payable, and cause the details of the goods to be stored in the computer database.

Details of the goods are stored so as to create an accounting system for goods under suspense procedures.



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This gives Customs an easy means of checking that all goods entered under a suspense procedure are properly acquitted - by meeting the set conditions - such as clearance and payment of duty and taxes within a certain time period, or re-exported.

Customs cannot rely on a computer system alone for effective control over the use of suspense regimes.

Effective control means also selective examination of goods to make sure that the goods match the declaration descriptions, physical stock checks of warehouses, and for clearing declarations, examinations and verification against original commercial documents.

ASYCUDAWORLD provides quick access to accurate information and can greatly help with Customs management of suspense regimes, but it cannot in any way replace the role of the Customs officer.

It will however change the way the Customs officer works and the methods used for control.

Responsibilities

The system encourages the Customs administration to place responsibility on the operator of the warehouse or the goods owner, to properly account for the physical and documentary security of the goods.

Accurate warehouse records are normally all the information relating to the entry for warehousing and exit from warehouse, and these are clearly the responsibility of the warehouse operator.

Customs controls are normally limited to the audit of warehouse operators' records.

Warehouse operators should be controlled by Customs, clearly setting out initial licensing or approval requirements and conditions.

Controls can be enforced through fiscal security on the operator as appropriate.

Customs should define the records the warehouse operator should maintain.

They should also be given advice or training on the standard of record-keeping that is required by Customs.

Accurate identification of goods

An effective inventory management system relies on accurate identification of goods.

This starts with the way goods are described and entered on the Customs declaration.

Customs administrations have guidelines and rules on the methods of declaring goods.

The way goods are declared depends on the method of calculating duties and taxes.

For example, bulk goods may be rated by supplementary units of quantity, e.g. fertilizer, wheat or rice where the rate may be calculated as national currency units per kilo.

Where duty is calculated on value and ad valorem calculation, accurate identification of the specific goods is more important.

As shown in the following exercises on suspense procedures, the ASYCUDAWORLD database stores details of goods in warehouse according to **warehouse code, product quantity, owner of the goods, country of origin of the goods** and the **Commodity Code**.



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Goods into warehouse 1

Declaration	Consignee	Country of origin	ComCode	Quantity
1	A	D	K	1
2	A	D	K	1
3	A	D	K	2
4	A	C	K	1
5	B	C	K	2
6	B	E	K	2

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The ASYCUDAWORLD database record for warehouse 1 will look like this -

Consignee	Country of origin	ComCode	Quantity
A	D	K	4
A	C	K	1
B	C	K	2
B	E	K	2

Import declarations numbers 1, 2 and 3 have been stored in the one combined data record, because they have the same consignee code, country and ComCode.

Import declaration 4 is for goods from a second country, so it is stored in the database as a separate record and the same applies to declarations 5 and 6.

Product Identification codes

The bulk storage record suits some commodities or transactions, however, in many cases, the ComCode may be the same but the goods are different and there needs to be a separate database record for each type.

To do this, an extra identifying code to the declaration description.

In ASYCUDAWORLD this additional code is called a Product Identification code.

Product Identification codes can be up to 17 alpha-numeric characters and follow the **ComCode**, in the last field of box 33.

Product Identification codes are used during the training exercises.

The Product Identification codes may be decided by Declarants/Warehouse operator, according to standards of their own design, e.g. based on internal identifying codes, such



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as VIN numbers, model, barcodes and SKU type numbers; or by Customs, and allocated to the declarants.

Because of the way data is stored in ASYCUDA WORLD, the system will not process declarations if there are two or more declaration items with the same country of origin and the same Commodity Code (Tariff Number).

It is also important to note that items should only be given the same identification code when they are identical in characteristics, for example a 40 inch HDTV cannot be given the same Product ID as a Toshiba 40inch HDTV (cannot put apple and oranges together).

Product Identification codes are also used to remove goods from a suspense regime, such as goods taken out of warehouse. Although the goods taken from the bulk stockpile may be physically identical, the values of the individual imports and into warehouse transactions may be different. ASYCUDA will verify that the correct Customs values are used to remove the goods from the warehouse, based on the into-warehouse declaration.

02 Guarantee accounts

Use of Guarantee accounts to secure duty liability on warehouse goods

ASYCUDA WORLD provides Customs Administration with the ability to secure duty value on warehoused goods. This facility ensures that when goods are placed under the care of a warehouse operator, the duties applicable thereon, can be recovered in the event of a planned or unplanned diversion of the goods. The use of the warehouse guarantee account however, does not relegate the responsibility of Customs to ensure that the goods are properly accounted for.

With the use of the warehouse guarantee accounts, it is possible to configure ASYCUDA WORLD to check the account balance each time the account is used. If the flag **Check balance** is set to yet, the system checks the balance of the warehouse guarantee account in the account record and if an attempt is made to assess a declaration over the maximum authorised guaranteed amount, an error message is displayed and the assessment will be rejected. However, if the flag is not set to no, this check is not carried out.

Into warehouse declarations

When the warehouse code is entered in declaration box 49, this code should have a warehouse guarantee account created with the same number. If the warehouse exists but no account exists, the system will process the declaration as if guarantees management was not configured.



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Assuming that the warehouse code captured in the declaration exists and is active, and has a guarantee account that is active, then, at assessment, the system will decrease the account balance by the total guaranteed amount of the declaration.

Possible operations after declaration assessment

- Change of ownership - **allowed** - there is no change to the guarantee account
- Post-entry cancellation - **allowed** - the system increases the guarantee account balance by the amount debited at the original entry assessment

Post-entry modification of 7000/7100 entry

- Change of warehouse code - **allowed** - the guarantee account balance for the new warehouse is debited and the old warehouse account credited as if the original goods had never been received in the original warehouse
- Increase or decrease of the number of items - **not allowed**
- Change of product - **allowed** - there is no change to the guarantee account

Warehouse exit entry - CPC xx70/71

At assessment of an entry for goods out of warehouse, the goods can either be totally or partially written off.

- Total write-off - the balance of the guarantee account is credited by the amount debited by the original 7000/7100 entry
- Partial write-off - balance of the guarantee account is increased in relation to the quantity written-off i.e. if half of the original 7000 entry quantity is written off, the balance will be credited by half of the amount debited by the original 7000/7100 entry

Note - if guarantee accounts are not valid or not active, ASYCUDA WORLD still controls the goods inventory.

Possible operations after assessment of CPC xx70/71 entry for the exit of goods from warehouse -

- Change of ownership - **allowed** - there is no change to the guarantee account
- Post-entry cancellation - **allowed** - debits the guarantee account by the amount deducted at the original 7000/7100 entry assessment



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Post-entry modification of CPC xx70/71 entry

- Change of warehouse code - **allowed** - the old warehouse guarantee account is debited with the amount credited at assessment and the new warehouse guarantee account is credited by the same amount
- Increasing/decreasing number of items - **not allowed**
- Change of product - **allowed** - there is no change to the guarantee account

Warehouse transfer declaration

When a warehouse transfer declaration (CPC 7070/7171/7271) is assessed, the account of the original warehouse is credited by the amount for the goods transferred and the account of the new warehouse is debited by the same amount.

In cases where Customs offer an open warehouse operation, the warehouse operator **MUST** receive authorization for release by way of a release order from ASYCUDA. The system of selectivity can be applied such that Customs will visit a warehouse for examination of the goods before a release order can be issued.