



Barbados Customs & Excise Department



ACCOUNTING STANDARD OPERATING PROCEDURE

Prepared by
ASYCUDA World Project Unit

Originator Name:	Barbados Customs and Excise Department
Unit:	ASYCUDA World Project Unit
Implementation Date:	
Date of Next Review:	
Related Policies:	

Version History

Version	Author	Revisions Made	Date
08	Project Implementation Team	Inclusion of recommendations made by the Financial controller	28.08.2019
07	Rene Parkes	Reviewed to address Look and Feel	16.08.2017
06	Rene Parkes	Draft reviewed for Barbados Customs Look & Feel	10.08.2017
05	Project Manager	Draft reviewed, formatted and submitted	13.4.2015
0.4	Project Manager/UNCTAD	Review	23.03.15
0.3	Project Manager/UNCTAD	Reformatted	31.01.15
0.2	Project Manager/UNCTAD	Review	9.01.15
0.1	Functional Team	Initial Draft	15.12.14

Approval History

Version	Reviewed by	Approved by	Date

TABLE OF CONTENTS		Page	
I.0	Objective	4	
	I.1	Scope	4
	I.2	Responsibility	4
	I.3	Legal Basis &Disclaimer	4
2.0	Definitions	5	
3.0	Accounting Procedures: General Aspects	5	
4.0	Accounting Procedures: Declaration Payment	6	
5.0	Prepayment Accounts	7	
	5.1	Establishing a Prepayment Account	7
	5.2	Replenishing the Prepayment Account	8
6.0	Guarantee Accounts	8	
7.0	Post Entry Declarations	9	
	7.1	Importer/Exporter or Broker	9
8.0	Refunds	11	
9.0	Daybook	12	
	9.1	Cashier/Simplified SAD Officer	12
	9.2	Accounts Officer	13
10.0	Exchange Rates	14	
11.0	APPENDIX	15	

I.0 OBJECTIVE

To establish required procedures for the processing and collection of duties, taxes, fees, licenses or any other monies for which the Barbados Customs Department is mandated to collect.

I.1 SCOPE

The procedures herein will be utilised and applied at all Accounting Offices located within any Barbados Customs and Excise Department's Complex or at any other place authorized to collect money on behalf of the Comptroller.

I.2 RESPONSIBILITY

The Accounts Section, the Customs Officers involved in activities related to the collection of monies, are responsible for the management of these procedures on behalf of the Comptroller of the Barbados Customs and Excise Department.

I.3 LEGAL BASIS & DISCLAIMER

The following National Laws and Regulations provide the legislative basis for the contents of this manual:

Customs Act Cap 66
Customs Regulations (1963)
Financial Administration and Audit Act Cap 5
Exchange Control Act Cap 71

Throughout this manual, procedures that use the word "must" or "shall" indicate a mandatory legal requirement. Those that use the word "should" or "may" suggest methods, actions or processes that are the most efficient, effective and widely accepted standards in the Trade and Customs community.

This manual may contain procedures that may not apply uniformly in every circumstance. Although the manual seeks consistency with existing governing laws, regulations and policies, these procedures are not intended to supersede or replace the adopted departmental/governmental policies or other applicable law to which the BCD is subject. Any conflict between this document and applicable laws, including regulations and departmental policies, should be resolved in favour of the applicable law.

Information contained in this manual is up to date as of the date of publication. National laws and regulations and Departmental/Governmental Policies may change and the reader should be sure to check for the most recent versions for the most accurate information.

2.0 DEFINITIONS

- (a) **ASYCUDA:** Automated System for Customs Data.
- (b) **SAD:** Means a Single Administrative Document and is also known as the Entry. It is prepared by an Importer or Exporter to declare cargo and certifies that the particulars contain therein are true and accurate. As such, the Declarant is accepting responsibility under the law for:

- (i) the accuracy of the information given in the declaration;
 - (ii) the authenticity of the documents attached to the declaration; and
 - (iii) the observance of all the obligations necessary under the declared procedure.
- (c) **CASH:** The term cash in relation to the SAD means that the assessed duties and taxes must be paid to the cashier using the approved means of payment.
 - (d) **DEFERRED PAYMENT:** The term deferred payment in relation to the SAD means that the assessed duties and taxes will be secured by a security bond and under conditions determined by the Comptroller of Customs.
 - (e) **PREPAYMENT:** The term prepayment in relation to the SAD means a sum of money paid in advance to facilitate a drawdown of assessed duties and taxes during the self-assessment of a SAD by the prepayment account holder.
 - (f) **PAYMENT ORDER:** means a statement prepared in ASYCUDA by a declarant containing a list of SADs to be paid at the cashier.
 - (g) **MINISTER** in relation to this document, refers to the Minister with the responsibility for the Ministry of Finance.
 - (h) **BCD:** Barbados Customs Department.

3.0 **ACCOUNTING PROCEDURES: General Aspects**

- (a) Section 3 (1) & (2) of the Customs Act specifies that the Comptroller of Customs is charged with the responsibility of collecting and accounting for the revenue of Customs.
- (b) Subject to the conditions of a deferred payment agreement, all duties and taxes must be paid before customs release.
- (c) The amount for a Customs security bond shall be determined by the proper officer in the prescribed manner approved by the Comptroller of Customs.
- (d) The Customs financial controller shall be responsible for the management of all approved Customs security bonds using the respective Guarantee accounts facilities available in ASYCUDA.
- (e) Cabinet or the Minister may waive taxes of any amount and to any Importer/Exporter or on any class of goods.
- (f) The Importer/Exporter is responsible for paying duties and taxes. The Broker may be allowed to make payments on their behalf.
- (g) The financial controller shall be responsible for notifying importers of refunds made to a prepayment account holder when the account holder is not the importer. Such notifications may be made using the ASYCUDA World Portal by publishing

the Customs reference number of the refunded SAD and the amount refunded.

- (h) In the case of a temporary importation, a Banker's draft may be used against a Customs security bond and must be paid to the government treasury. In such cases, the financial comptroller shall create a prepayment account in the amount equal to the banker's draft and shall retain the account personal identification number and in return issue the importer/exporter a deferred payment account equal to the amount covered by the banker's draft.
- (i) Every Importer/Exporter shall keep records in accordance with Cap. 66 Section 251 (1), and the Value Added Tax (VAT) (Section 75(3)).
- (j) At the time of the payment of a SAD, ASYCUDA will automatically determine the exact amount of duties, taxes, fees and other charges to be collected.
- (k) Other miscellaneous payments shall be processed using the "Other Payments" option in ASYCUDA.
- (l) Failure to comply with the requirements of the Customs Legislation shall render the Declarant liable to fines and penalties set therein.
- (m) An unlimited number of SADs can be paid on one receipt.
- (n) A declarant may use a payment order to expedite the payment of several SADs.

4.0 ACCOUNTING PROCEDURE: Declaration Payment

- (a) Payment to Customs can be made at any of the designated customs offices.
- (b) The payer must provide the cashier with the Customs reference number of the SAD being paid.
- (c) The cashier shall only accept payments of an amount that is greater than or equal to that stipulated on the assessment notice. Payments made by a means other than cash, shall not be accepted in an amount greater than the total amount to be paid.
- (d) In the case of a company cheque or banker's draft, the cashier should not refuse that means of payment if the payee is willing to pay the balance into a prepayment account or to be refunded at a later date.
- (e) The cashier shall enter the full amount tendered in the designated field of the ASYCUDA Receipt.
- (f) With the exception of models of declarations IMS (Non-Commercial SAD) and BG (Passenger Baggage SAD), all receipts for payments shall be issued electronically on ASYCUDA. The declarant is responsible for accessing the electronic receipt on ASYCUDA at any time after the payment is made and may print the receipt.

- (g) The cashier shall print and issue a receipt for all payments made for declarations models IMS and BG.
- (h) When available, the cashier shall use a barcode scanner to process payments against assessment notice or payment order presented by the payer.
- (i) When a barcode is unavailable the cashier shall insert the Customs Reference number and Company/Declarant code provided on the assessment notice in order to populate the receipt with the amounts to be paid.
- (j) All payments received by a Customs cashier on behalf of the Comptroller of Customs, shall be subject to the Financial Management and Audit Act and Rules.
- (k) The cashier must ensure that the amount tendered corresponds with amount indicated on payment form prior to validating the payment.
- (l) The payment of duties and taxes is completed by the validation of the receipt.
- (m) The cashier must select the appropriate mode of payment(s) from the “Means of Payment” list, based on the type of payment submitted by the payee.
- (n) Other payments such as warehouse fees, rent, licences, fines and penalties can also be made in like manner on the same receipt as that for the declaration.
- (o) The following shows the particulars of the Customs Receipt number after validation of payments:

**R Customs payments Series Letter
250 Customs Payment Sequence number**

- (p) *ASYCUDA - Accounting & Payment – Operations Management – Payments – Find receipt*

5.0 PREPAYMENTACCOUNTS

- (a) The establishment of a *prepayment account* is for the purpose of providing the account holder with an alternative payment option on ASYCUDA. It facilitates ease of payment of assessed declarations (SAD), via secured access that is available 24/7.
- (b) The term prepayment indicates that a Declarant can deposit with the Government of Barbados an amount of money sufficient to cover an expected duty or tax liability on declarations to be processed.
- (c) Every account holder will be required to create a Personal Identification Number (PIN) that must be used when the prepayment account is used on a SAD.
- (d) PIN reset request must be done in writing using the ASYCUDA Mail facility and from the PAH registered ASYCUDA login credentials. The Subject of the email shall be “Request to reset prepayment account PIN for Ac#” and the account number.

(e) The approved accounting officer shall respond to the email with the new PIN and an instruction to the PAH to set a new PIN before using the account.

(f)

5.1 Establishing a Prepayment Account

- (a) The applicant/declarant must advise the Comptroller of Customs of his/her intention to establish a prepayment account, by applying using the prescribed form or by submitting the request via the ASYCUDA Mail facility.
- (b) If approved, the applicant becomes a Prepayment Account Holder (PAH) and will be notified of the terms and conditions for establishment of the prepayment account, by the Comptroller of Customs or designate, in writing (including electronic mail).
- (c) The proper accounts Officer shall access the ASYCUDA and create a prepayment account in accordance with the approved application.
- (d) The accounting officer shall require the PAH to enter a PIN which will be encrypted and stored. This PIN shall be used by the system to authenticate all payments made using the account number provided.
- (e) The PAH will be required to deposit the agreed amount with the Comptroller of Customs through the cashier at the designated areas.
- (f) A receipt for the amount deposited is given to the PAH or representative of the PAH.
- (g) Customs shall permit each PAH to access ASYCUDA and view periodic statements of their accounts. The statement shall show all transactions for a given period and the respective balance.
- (h) If the account balance is sufficient to cover the duty liability, a request for assessment of a declaration by the PAH means that the declaration is also paid.
- (i) If the account balance is insufficient to cover the duty liability, processing of declaration is suspended until the account number is changed or deleted from the appropriate input field, or until further funds are paid into the account.
- (j) The PAH may at any time, access and print any payments receipt for a SAD processed against their respective prepayment account.
- (k) The frequency of deposits to a prepayment account shall be determined by the PAH.
- (l) The PAH may at any time, request in writing, that the account be terminated and balance of funds remaining be refunded. A reasonable time for such a refund to be processed should be three (3) weeks.
- (m) Upon request to terminate an account, the Comptroller shall ensure that all

declarations processed using this account are finalized and all monies remaining be refunded to the PAH without undue delay.

5.2 Replenishing the Prepayment Account

- (a) The cashier must access the prepayment account document in the payment folder to process the amount to be deposited into the prepayment account.
- (b) A receipt for the amount deposited shall be issued to Payee.

6.0 GUARANTEE /BOND SECURITY ACCOUNTS

Guarantee accounts are established as a means of giving some form of security to the Customs for the eventual payment of duty and taxes whilst having custody of the goods.

Bond Security accounts shall be established to manage Customs security bonds for which a surety such as a commercial bank and other approved financial institutions have guaranteed an amount to secure customs duty liability on behalf of an importer, exporter or broker. The Comptroller shall require bond security accounts for all deferred payments of assessed SADs.

6.1 Importer/Exporter or Broker (Declarant)

- (a) The Declarant shall obtain a bond or guarantee on the prescribed form from an approved financial institution, listing the sum for which the institution will assure payment.
- (b) The Declarant shall present the bond or guarantee to the Comptroller of Customs or designated Customs Officer, giving notice of his/her intention to establish a transit, warehouse, or declaration bond security account.
- (c) The Declarant shall satisfy the Comptroller of Customs that he/she will meet his/her obligations under the guarantee.
- (d) The Declarant may at any time inform the Comptroller of Customs of his/her intention to discontinue the bond or guarantee. Such requests may be granted by the Comptroller, provided that all outstanding obligations to the Barbados Customs and Excise Department have been satisfied.

6.2 CUSTOMS

- (a) The Comptroller of Customs or designate shall ensure that any financial institution issuing a bond or guarantee for the purpose of securing Customs duties and taxes, is a registered approved institution.
- (b) The Comptroller of Customs or designate shall ascertain that the Declarant has no outstanding bond or guarantee before the establishment of a guarantee account.
- (c) The Comptroller of Customs shall be satisfied that the Declarant is unlikely

to default from his/her obligations under the guarantee.

- (d) The financial controller or designate shall be responsible for setting time limits by which deferred payments are to be settled.
- (e) Holders of deferred payment accounts shall be automatically blocked by ASYCUDA when time limits for settlement have expired.
- (f) The financial controller reserves the right to call upon a surety/guarantor to settle any payments for which a deferred payment was used and is in default.
- (g) The Comptroller of Customs shall cancel deferred payment accounts whenever a guarantor is called upon to settle outstanding payments and under advisement of the financial controller.
- (h) Requests to discontinue a bond will be granted by the Comptroller of Customs or the financial controller provided that all outstanding obligations have been met.

7.0 POST-ENTRYDECLARATIONS

7.1 Importer/Exporter or Broker

Post-entries are not encouraged and are likely to attract heavy penalties from the Comptroller of Customs.

- (a) Before the goods exit the transit shed, the Importer/Exporter or Broker may modify a declaration to reflect a deduction or addition to the original quantity or description of the goods. The declaration will be sent to the query lane where the importer/exporter will amend his/her declaration as required. Based on approved regulations, Customs may apply a change fee in this regard.
- (b) The Importer/Exporter or Broker cannot change the ownership of the goods or cancel a declaration. These procedures must be done by Customs on application from the Importer/Exporter or Broker. Based on approved regulations, Customs may apply a change fee in this regard.
- (c) In the event that the declaration is cancelled or an overpayment made and the original means of payment is Cash or Prepayment, the Importer/Exporter or Broker must present the details and apply to the Accounts Section for a refund of the duties and taxes.
- (d) The financial controller may credit a prepayment account with amounts refunded after the original amount collected has been reported to the government treasure. If the tax payer does not wish to use the prepayment account option, the financial comptroller shall require the tax payer to complete the approved forms to claim the refund as a direct payment.

- (e) Credit notes given for refund of duties will be used as a credit towards a prepayment account in the name of the beneficiary unless the beneficiary requests manual payment.
- (f) In the event that the declaration is underpaid and the original means of payment is Cash or Prepayment, the Importer/Exporter or Broker must present the details and pay the additional amount to the Accounts Section. Prepayment accounts would be debited automatically.
- (g) In the event that the declaration is cancelled or an overpayment is assessed, and the original means of payment is Credit, but the declaration remains unpaid, then the deferred account would be credited with the amount cancelled or over assessed.
- (h) In the event that the declaration is cancelled or an overpayment assessed and the original means of payment is Credit, but the declaration is paid, then the Importer/Exporter or Broker must present the details and apply to the Accounts Section for a refund of the duties and taxes.
- (i) In the event that the declaration is underpaid, and the original means of payment means is Credit, then the Importer/Exporter or Broker must present the details and pay the additional amount to the Accounts Division.

7.2 Customs Accounts Officer

- (a) After the goods have exited the transit shed, the Customs, on the request of the Importer/Exporter or Broker, may modify a declaration to reflect a deduction or addition to the original quantity or description of the goods, provided that goods have not yet been consumed. Based on approved regulations, Customs may apply a change fee in this regard.
- (b) The Customs may change the ownership of the goods or cancel a declaration on the request of the Importer/Exporter or Broker. Based on approved regulations, Customs may apply a change fee in this regard.
- (c) In the event that the declaration is cancelled or an overpayment made and the original means of payment is Cash or Prepayment, the Accounts Officer may grant a refund of the duties and taxes.
- (d) Credit notes given for refund of duties and taxes will be applied to their prepayment accounts.
- (e) Credit notes must not be given unless the **Examining Officer** has indicated in the Inspection Act the nature of the discrepancy which caused the overpayment.
- (f) Accounts officers must indicate that credit notes are being applied to payments by using the approved designated code in the means of payment

field.

- (g) In the event that a post entry results to additional taxes to be collected, and the original means of payment is Cash or Prepayment, the Accounts Officer must collect the additional amount.
- (h) The SAD must reflect the latest payment receipt issued against it.
- (i) In the event that the declaration is cancelled or an overpayment assessed and the original means of payment is Credit, but the declaration is paid, then the Accounts Section must issue a credit note for the duties and taxes.
- (j) In the event that the declaration is underpaid, and the original means of payment is Credit, but the declaration is paid, then the Accounts Officer must collect the additional amount.

8.0 REFUNDS

- (a) Where an amount is paid using ASYCUDA and such amount is found to be in excess of the duties payable, the Comptroller shall take the necessary steps to refund the excess collected.
- (b) In a case where Customs is responsible for receiving payments for other agencies, refunds of such payments must be processed by the relevant agency.
- (c) The declaration must first be reassigned to the Proper Officer who shall be responsible for modifying the declaration. The modification of the declaration will require a re-assessment of the duties and taxes and all affected tax codes must be reflected on the new assessment notice.
- (d) The Declarant must use the new assessment notice to prepare a claim for refund of duties in the prescribed manner.
- (e) The claim must be submitted to the Comptroller of Customs or designated Officer who will approve or reject it.
- (f) The financial controller or designate shall have access to all relevant documents submitted with the SAD in order to process claims for refunds.
- (g) A refund receipt must be issued for all refunds. If the claim is approved and the amount was not paid with a Prepayment Account, a refund receipt is manually processed in ASYCUDA and the amount refunded may be credited to a prepayment account.
- (h) A refund receipt may be printed at any time by the declarant.

9.0 DAYBOOK

- (a) The Daybook records all the accounting transactions and is automatically opened and closed daily at times approved by the Comptroller of Customs and configured by the ASYCUDA Administrator. The daybook is currently set to close at 23:55 PM and is re-opened at 12:05AM, daily. Payments of any type can be done whilst a Daybook is

open. Holders of Prepayment Accounts may use their account to make payments of duties assessed on a SAD at any time during the Daybook open period.

- (b) All monies collected will be deposited into designated bank accounts on a daily basis. However, payments made using Prepayments Accounts will be finalized when the Daybook is closed. As such, all Daybooks must be reconciled with the Government Treasury before close of business of the following business day.
- (c) The Government Treasury may from time-to-time, view the provisional Daybook to ascertain the revenue collections in real-time. Separate Daybook reports are available for amounts paid using prepayment accounts, amount received on behalf of other agencies, amounts deposited/refunded into Prepayment Accounts and claims to refunds processed for the day.
- (e) When applicable, monies received on behalf of other agencies in accordance with their Daybooks, will be deposited into the government designated commercial banks.

9.1 Cashiers/ Simplified SAD Officers

- (a) A daybook shall run for a period not exceeding 23hours and 55 minutes of a day.
- (b) At the end of each working day, the Cashier must print a Cashier Summary Report which he/she shall use to balance against daily cash. ASYCUDA shall provide reports by type of Operation, Means of Payment and by Budget Codes. The means of payment will indicate a summary for each method of payment processed by the cashier. The cashier shall accurately report such amounts in the manner indicated on the means of payment report.
- (c) All cashiers and simplified SAD officers shall report their revenue collections to the Proper Officer or Supervisor of the Station where the monies was received and payment processed.
- (d) All cashiers must ensure that payments received are processed against their assigned office.

9.2 Accounts Officers

- (a) The financial controller or designate shall be responsible for managing the cashiers assigned offices in ASYCUDA.
- (b) No cashier should be permitted to operate concurrently at two offices.
- (c) He/she must ensure that the Daybook is permanently closed before sending the report to the Government Treasury. However, if the daybook transfer is automated, the system will ensure that this requirement is met before making this automatic transfer.
- (d) The Accounts Officer or designated Treasury official may view any receipt on ASYCUDA for auditing purposes.

- (e) The Accounts Officer or other designated Customs Officer, may access the various accounting reports such as the Account Daybook Summary, Account Monthly Report, Cashier's Summary and Shift Summary to verify and audit all payment transactions conducted.
- (f) Reports can be generated for the Daybook by operation type, payment type and budget account.
- (d) The Accounts Officer shall verify all cash received against all deposits submitted to the bank by the various cashiers and offices on a daily basis.
- (f) All cash transactions conducted shall coincide with the Daybook Summary submitted to the Treasury. If any discrepancies occur the Accounting Officer shall rectify the same before submitting the report, or give an explanation which must be supported with proper evidence.
- (g) In keeping with the government financial rules, the Accounts Officer is responsible for enforcing and monitoring the chain of custody for all monies collected at Customs and other Revenue Offices in Barbados.
- (h) Proper chain of custody shall ensure that the right person is held accountable for any irregularities or discrepancies identified.

10.0 EXCHANGE RATES

- (a) The Currency Exchange rate shall be in accordance with the Exchange Control Act, Cap71.
- (b) The Accounts Officer shall, on a daily basis receive updated exchange rate sheets from the designated bank(s). When such a facility is available, the foreign exchange rates may also be automatically updated via an approved electronic interface between the Barbados Central Bank and the ASYCUDA.
- (c) When an electronic interface is not available, the accounting officer shall upload the new rates for the following day into the system using the Currency Exchange Management" electronic document. In such cases, the accounting officer shall verify the rates entered before saving the changes.

N.B. New exchange rates take effect at the beginning of the following day. Rates updated on a Friday will remain valid until the end of the following Monday.

11.0 APPENDIX: Flowcharts

FIG. 1 PAYMENT OF DECLARATIONS

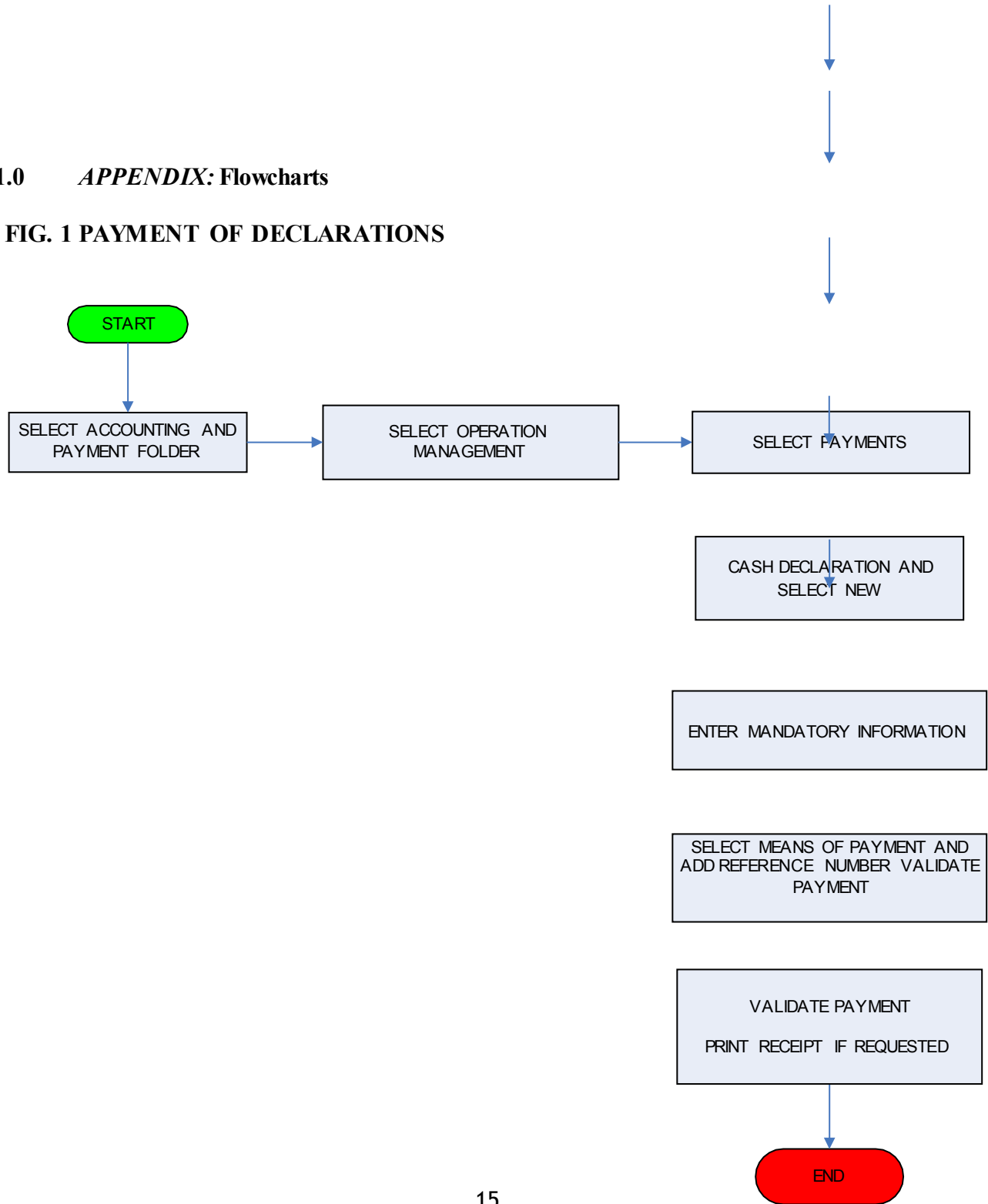


FIG. 2: CREATING A PREPAYMENT ACCOUNT

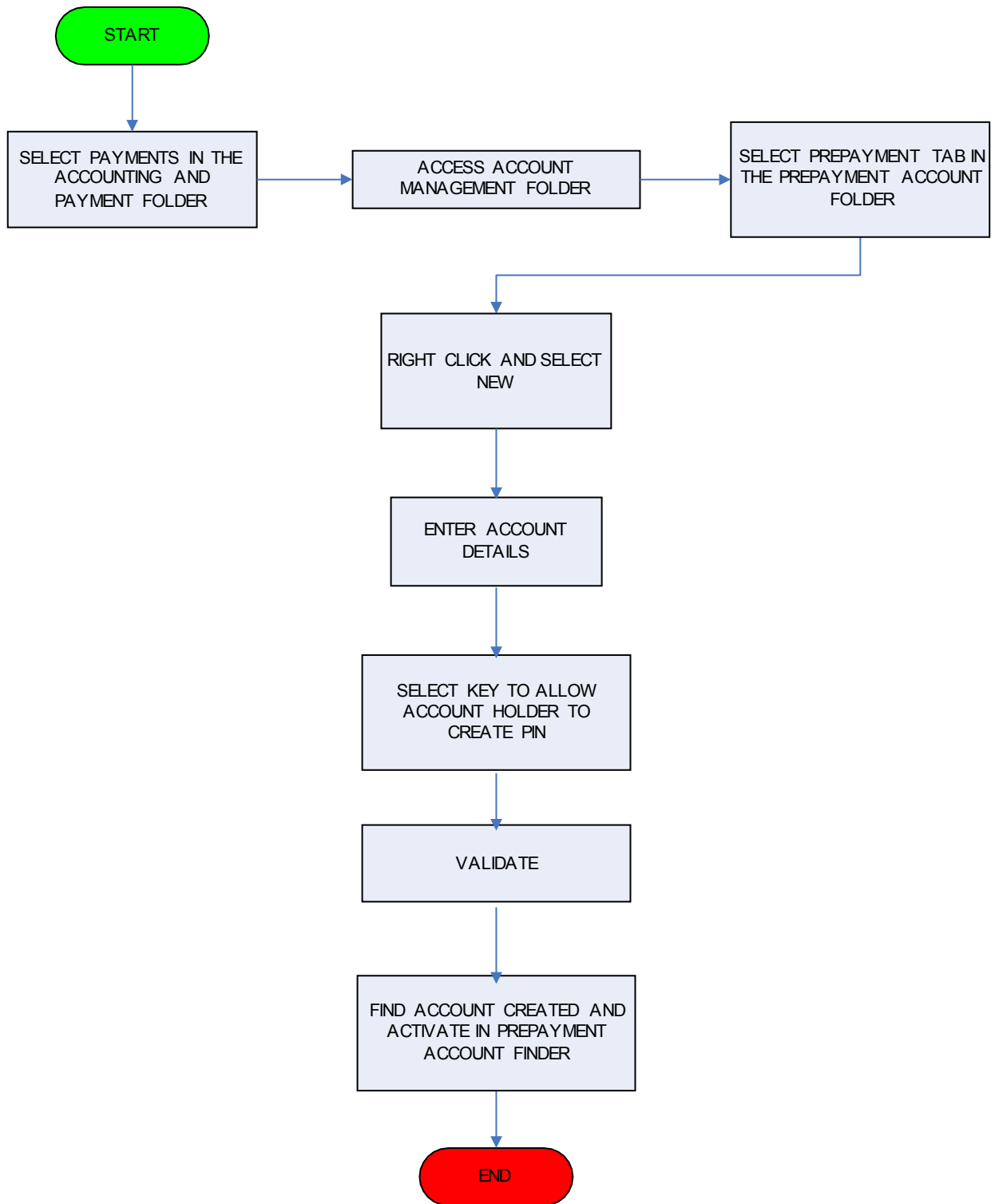


FIG.3: CREDITING A PREPAYMENT ACCOUNT

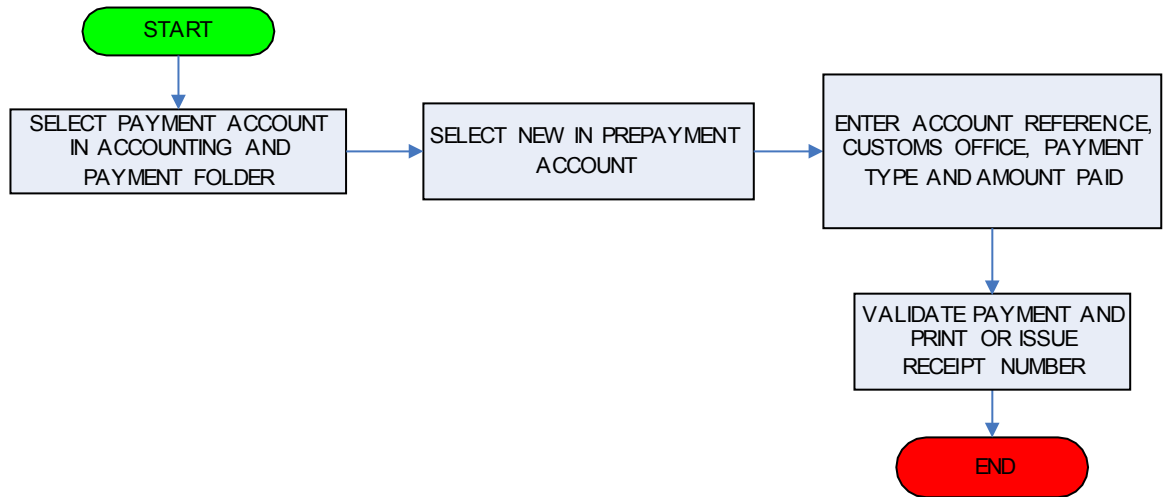


FIG. 4: REFUNDS

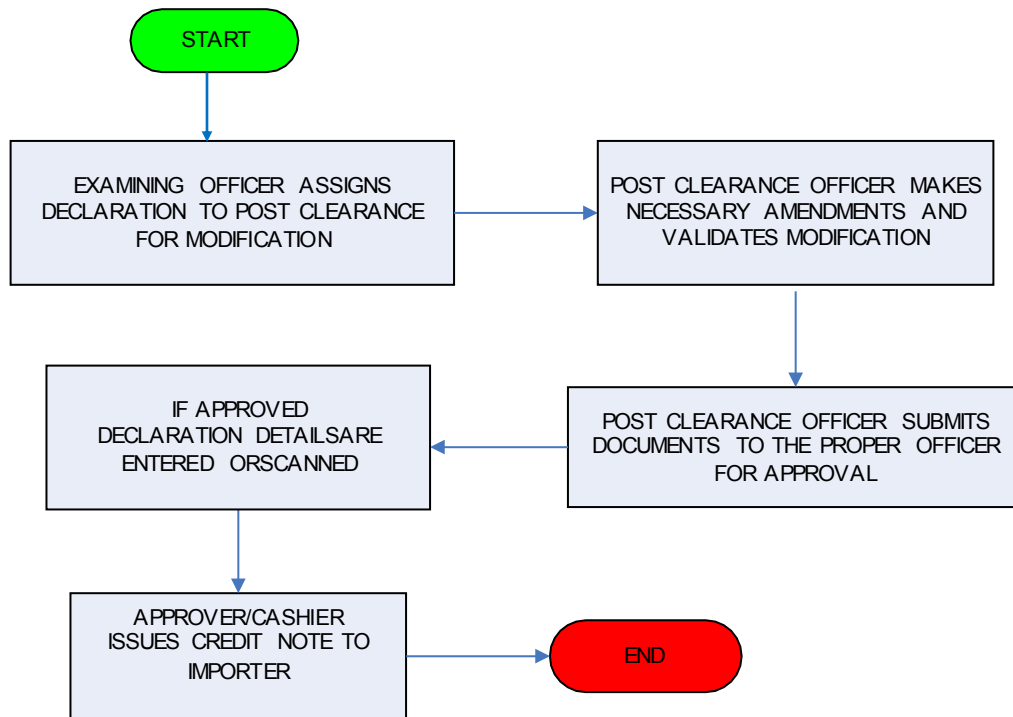


FIG. 5: PAYMENT OF REFUNDS IN ASYCUDA

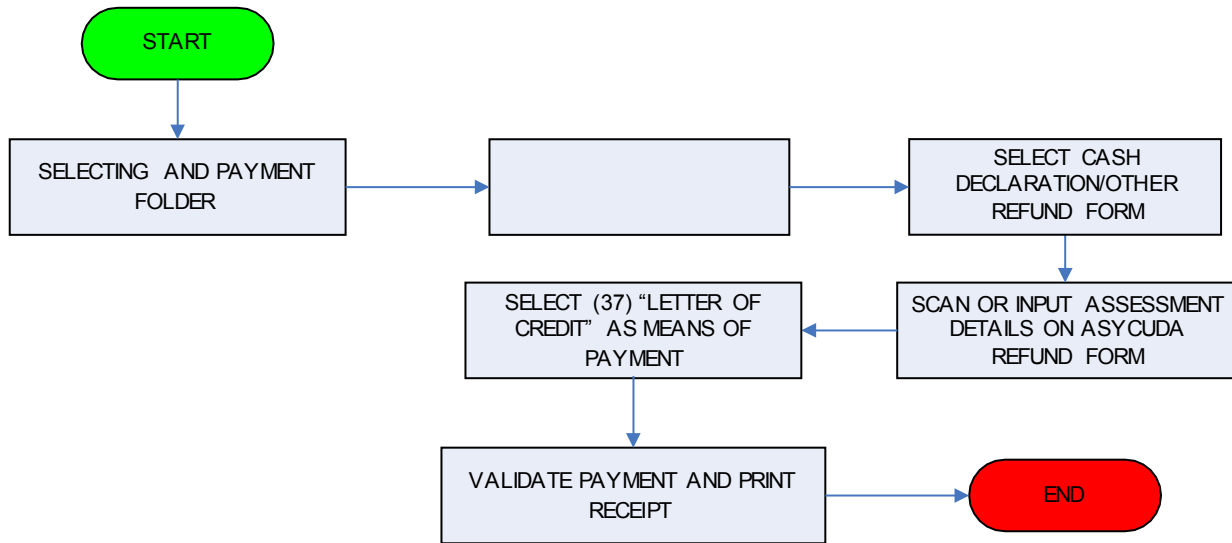


FIG. 6: UPDATING CURRENCY EXCHANGE RATES

