



Barbados Customs & Excise Department



ACCOUNTING

STANDARD OPERATING PROCEDURE

Prepared by
ASYCUDA World Project Unit

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I.0 OBJECTIVE

To establish all required operations involved in the processing and collection of duties, taxes, fees, licences or any other monies for which the Barbados Customs and Excise Department is mandated to collect.

I.1 SCOPE

The present procedure will be utilised and applied at all Accounting Offices located within any Barbados Customs and Excise Department's Complex or at any other place authorised 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 BCED 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.

- (d) **CREDIT PAYMENT:** The term credit payment in relation to the SAD means that payment of the assessed duties and taxes will be deferred under conditions determined by the Comptroller of Customs.

- (e) **PREPAYMENT:** The term prepayment in relation to the SAD means that the assessed duties and taxes will be debited from the company's or declarant's account.

- (f) **MINISTER** in relation to this document, refers to the Minister with the responsibility for the Ministry of Finance.

- (g) **BCED:** Barbados Customs & Excise 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 credit payment, all duties and taxes must be paid before customs release, except in the case of a Credit Account where payments shall be made the same day, of after clearance of goods as determined by the SAD days upon activation of the Credit Account.

- (c) Cabinet or the Minister may grant whole or partial tax relief to any person or on any class of goods.

- (d) The Importer/Exporter is responsible for paying duties and taxes. The Broker may be allowed to make payments on their behalf.

- (e) Every Importer/Exporter shall keep records in accordance with Cap. 66 Section 251 (1), and the Value Added Tax (VAT) (Section 75 (3)).
- (f) 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.
- (g) Other miscellaneous payments shall be processed using the 'Other Payments' option in ASYCUDA.
- (h) Failure to comply with the requirements of the Customs Legislation shall render the Declarant liable to fines and penalties set therein.
- (i) An unlimited number of SADs can be paid on one receipt.

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 the amount greater than or equal to stipulated on the assessment notice.
- (d) Receipts for payments shall be issued electronically on ASYCUDA. The Declarant may access a paid SAD to print a receipt.
- (e) The cashier may scan the barcode or 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.
- (f) The Cashier shall issue receipts in the name of the payee when receiving payments by cheques or debit cards.
- (g) The cashier must ensure that the amount tendered corresponds with amount indicated on payment form prior to validating the payment.
- (h) The payment of duties and taxes is completed by the validation of the receipt.
- (i) 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.
- (j) 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.
- (k) The following shows the particulars of the Customs Receipt number after validation of payments:

R Customs payments Series Letter
250 Customs Payment Sequence number

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

5.0 PREPAYMENT ACCOUNTS

- (a) The establishment of a *prepayment account* is intended to provide importers with an alternative payment option on the computerised system. It will allow an account holder to have secured access to the system and make payments to the Barbados Customs and Excise Department in respect of their assessed declarations and other charges which may become due and payable.
- (b) The term prepayment indicates that a Declarant can deposit with 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 will give the account holder the opportunity of paying customs declarations online and then requesting release order/selectivity immediately thereafter.

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 Customs form.
- (b) If approved, the applicant becomes a Prepayment Account Holder (PAH) and will be notified by the Comptroller in writing, of the terms and conditions for establishment of the prepayment account.
- (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 through the cashier at the designated areas. This deposit will not form part of the general revenue but will be kept in an approved holding account.
- (e) A receipt for the amount deposited is given to the PAH or representative of the PAH.

- (f) 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.
- (g) 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.
- (h) 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.
- (i) The PAH may print a receipt which covers the amount of the cash transfer from the prepayment account. This is automatically generated as soon as the declaration is assessed.
- (j) The frequency of deposits or the amount credited to the account is determined by the PAH.
- (k) The PAH may at any time, request in writing, that the account be terminated and balance of funds remaining be refunded.
- (l) 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 tab 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 /CREDIT 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 use of the goods.

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 guarantee 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 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 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) Requests to discontinue a bond will be granted by the Comptroller Of Customs provided that all the Declarant's outstanding obligations have been met.

7.0 POST-ENTRY DECLARATIONS

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) In cases where monies collected by Customs have already been reported to treasury, Customs will issue a Credit note to the Import/Exporter or Broker.
- (e) Credit notes given for refund of duties and taxes may be applied to future payments made by Importers/Exporters or Brokers or can be used as a credit towards a prepayment account in the name of the beneficiary.
- (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 may be applied to future payments made by Importers/Exporters or Brokers or credit 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 the declaration is underpaid and the original means of payment is Cash or Prepayment, the Accounts Officer must collect the additional amount.
- (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 Accounts Section must issue a credit note for the duties and taxes.
- (i) 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 an application 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. If the claim is approved and the amount was not paid with a Prepayment Account, a refund receipt is processed in ASYCUDA and given to the applicant for submitting a claim to the Government Treasury.
- (g) The Government Treasury may access ASYCUDA to validate the authenticity of a refund receipt.
- (h) In the case where a post entry modification is not required, for example, in the event that goods were short-shipped and **no future claim is made with respect to those goods**; the amount previously paid for the goods short-shipped shall be refunded. The Accounts Officer must verify that the goods were short-shipped by making reference to the Inspection Act of the relevant entry, prior to the issuance of the refund.

9.0 DAYBOOK

- (a) The Daybook records all the accounting transactions and is automatically opened and closed daily at times configured by the Administrator. The daybook is currently set to close at 23:45pm and is re-opened at 12:15am, daily. Payments of any type can only be done whilst a Daybook is open. Holders of Prepayment Accounts may make payment at any time during the open period of the daybook and beyond Customs/Barbados Customs and Excise Department's business hours.
- (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 12 noon of the following 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.
- (d) Only amounts received under government revenue heads as per Daybook will be deposited into the government designated bank accounts.
- (e) Amount received on behalf of other agencies in accordance with their Daybooks, will be deposited into accounts located at the same government designated banks.

9.1 Cashiers/ Simplified SAD Officers

- (a) Before posting any payments into ASYCUDA, the cashier shall, at the beginning of each day, verify that the Daybook is opened for the current day.
- (b) All payments received on behalf of other agencies must be paid separately to facilitate the deposit of these amounts directly into the agencies' accounts. In cases where all payments are made by cheque, the payee must prepare a separate cheque for each agency. The payee may choose to use multiple means of payment, once the amounts for each agency can be distinctly separated at the end of the day.
- (c) 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.

- (d) All cashiers and simplified SAD officers shall report their revenue collections to the Proper Officer or Supervisor of the Station where the revenue collection was processed.

9.2 Accounts Officers

- (a) The Accounts Officer must ensure that the Daybook opens every day before any payment transaction is conducted.
- (b) 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.
- (c) The Accounts Officer or designated Treasury official may view any receipt on ASYCUDA for auditing purposes.
- (d) 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.
- (e) 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, Cap 71.
- (b) The Accounts Officer shall, on a daily basis receive updated exchange rate sheets from the designated bank(s).
- (c) The Officer shall upload the new rates for the following day into the system using the 'Currency Exchange Management' electronic document.

(d) After the new rates have been entered the officer will verify and save 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

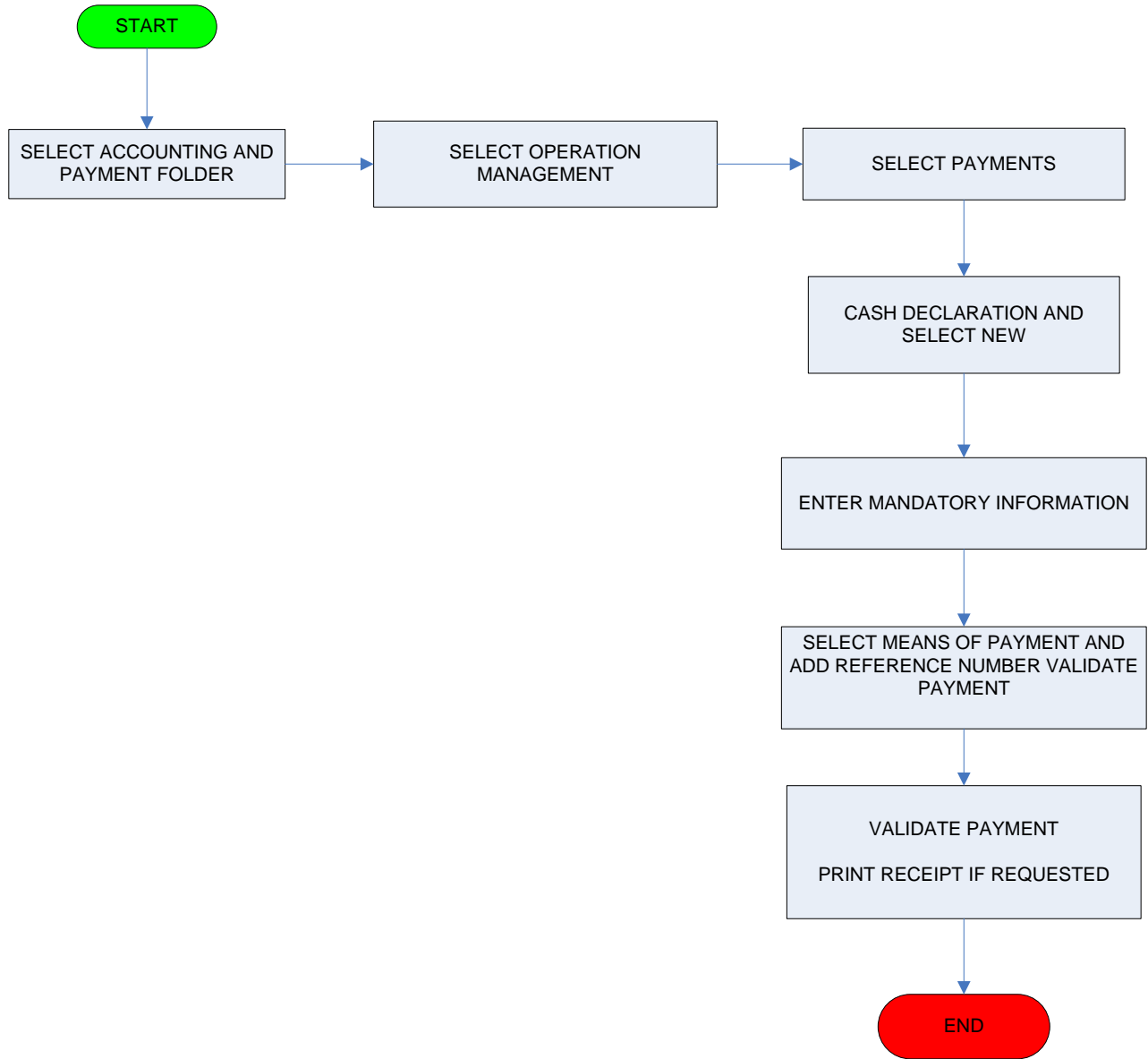


FIG. 2: CREATING A PREPAYMENT ACCOUNT

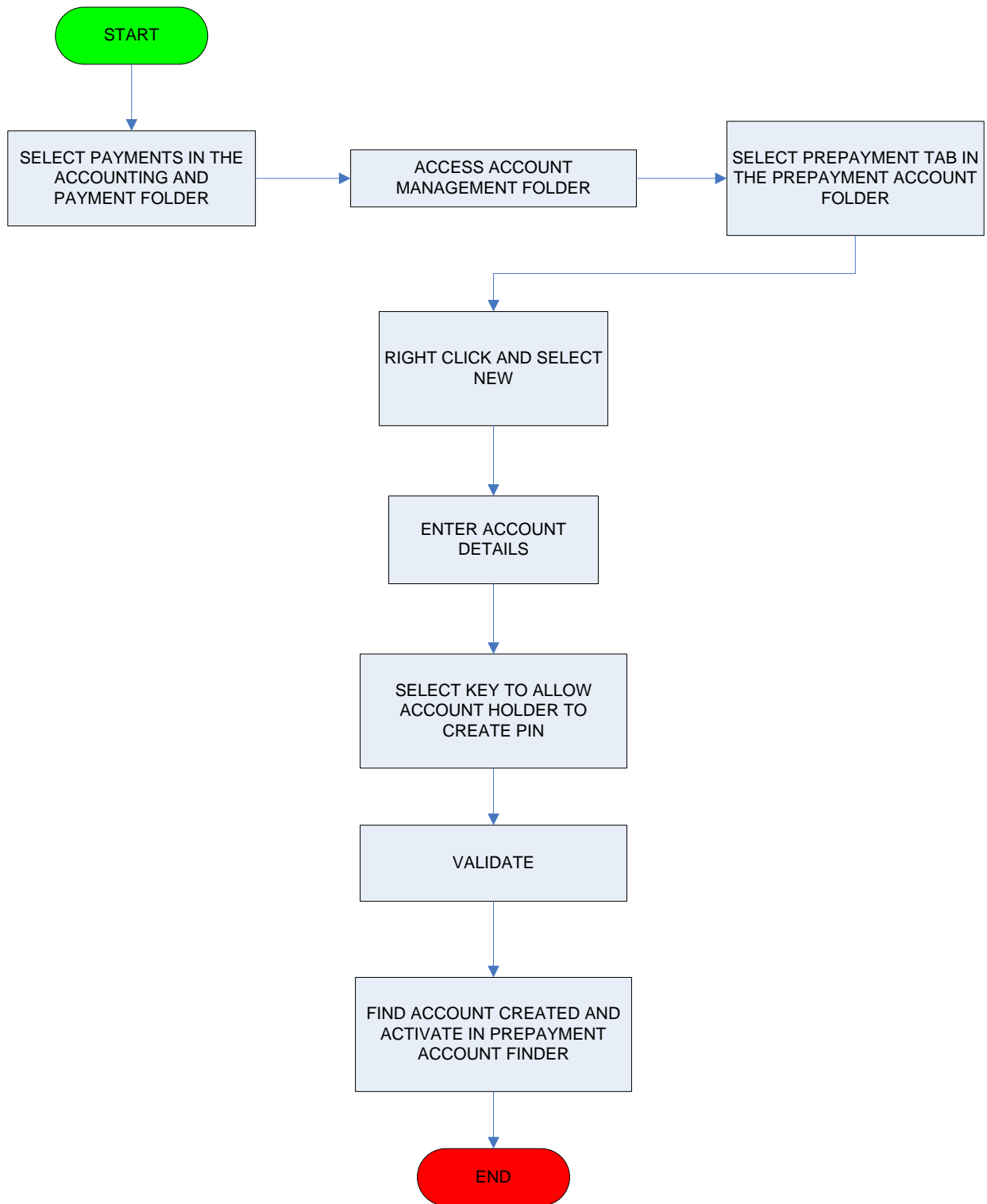


FIG.3: CREDITING A PREPAYMENT ACCOUNT

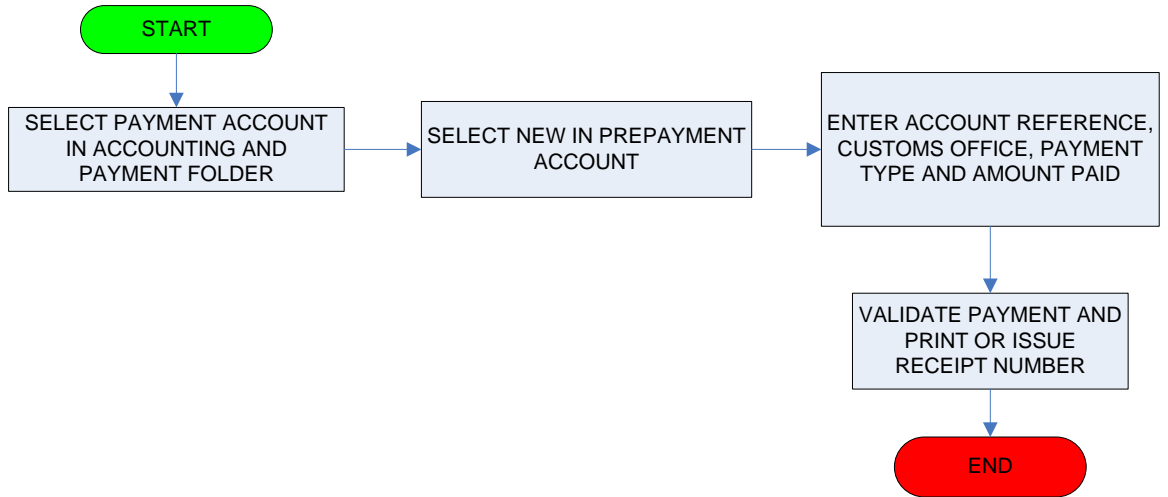


FIG. 4: REFUNDS

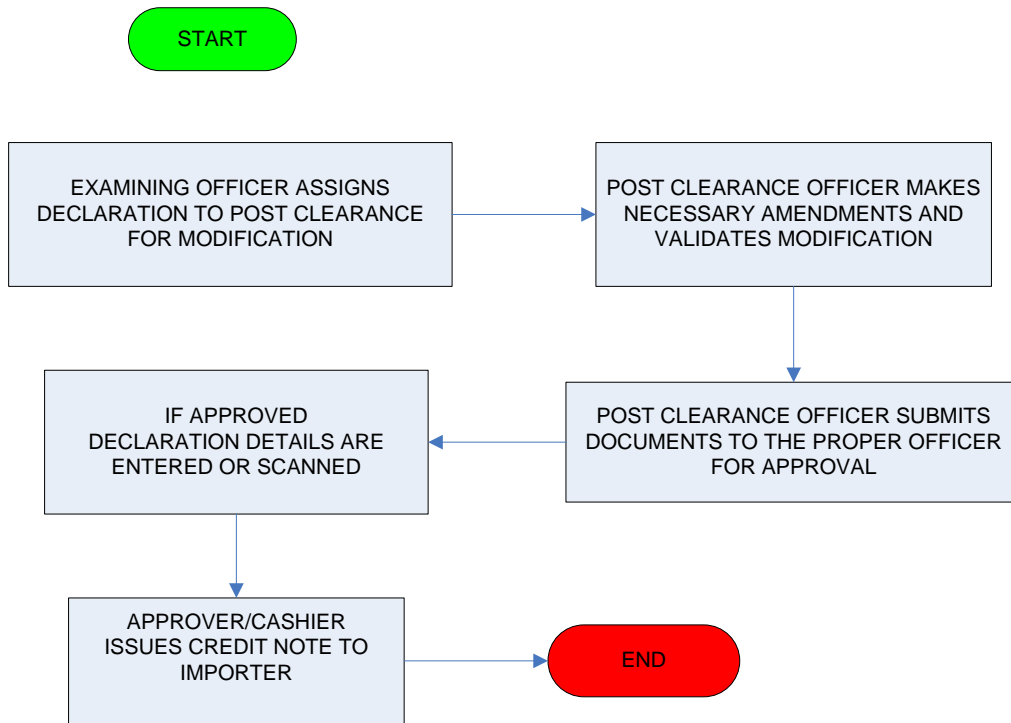


FIG. 5: PAYMENT OF REFUNDS IN ASYCUDA

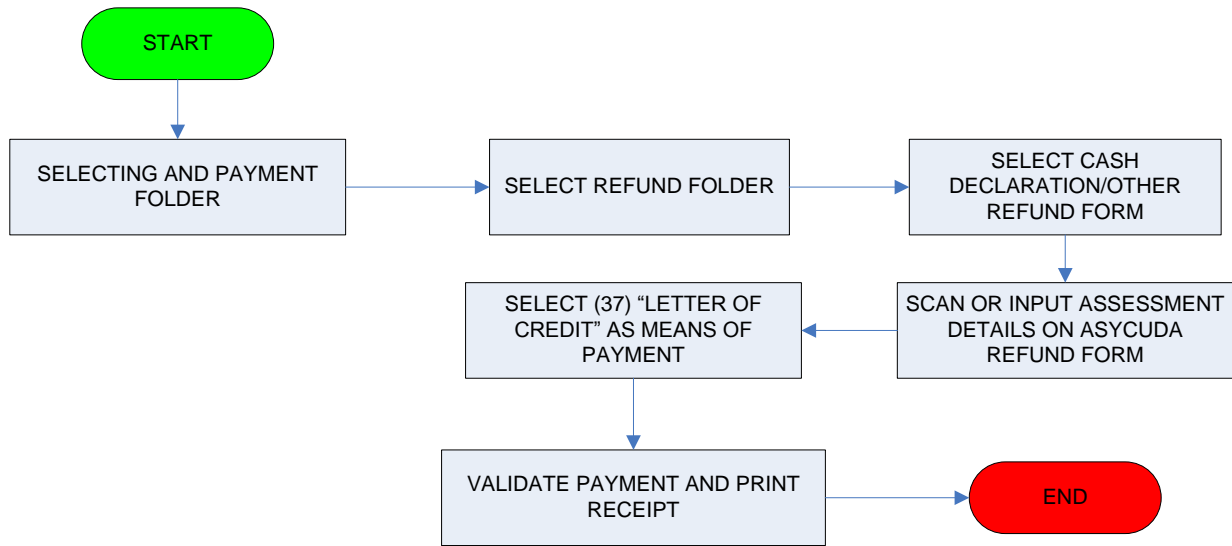


FIG. 6: UPDATING CURRENCY EXCHANGE RATES

