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**WORLD CUSTOMS ORGANIZATION
ORGANISATION MONDIALE DES DOUANES**

Established in 1952 as the Customs Co-operation Council
Créée en 1952 sous le nom de Conseil de coopération douanière

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to Sub-Saharan countries.
Needs Assessment Mission Report, Nigeria 5-8 February 2002

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WCO/USAID Valuation Technical Assistance Programme to Sub-Saharan countries

**Richardt Vork
Project Manager**

Needs Assessment Mission Report Nigeria 5-8 February 2002

Summary

The first phase of the WCO/USAID Valuation Technical Assistance Programme to Sub-Saharan countries foresees a needs assessment mission to each of the five countries that have been selected as beneficiaries (Kenya, Lesotho, Nigeria, Senegal, and Tanzania). The Project Manager conducted the needs assessment mission to Nigeria during 5-8 February 2002, in Abuja and Lagos. The Nigeria Customs authorities, and the representatives of the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) and the National Association of Government Approved Freight Forwarders (NAGAFF) appreciated the offer of technical assistance and strongly confirmed their interest in the correct implementation of the WTO Agreement on Valuation.

The Nigeria Customs Authorities provided the Project Manager with a copy of their current customs law, and the draft legislation and draft administrative instructions relating to the implementation of the WTO Valuation Agreement. The authorities arranged for visits to the Customs Processing Center in Apapa Port, Lagos State. The authorities described Nigeria's legislation, policies and procedures, including how they work with Pre-Shipment Inspection companies, in relation to valuation, and explained their needs for technical assistance.

Representatives of the Nigeria Customs Service and the Project Manager had a meeting with representatives of the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) and National Association of Government Approved Freight Forwarders (NAGAFF). A scheduled meeting with USAID in Abuja could not be realized because the USAID official was absent.

The needs assessment talks with the Nigeria Customs Service and the business community resulted in agreement on a draft programme and a draft calendar for the technical assistance actions to be delivered in Nigeria. This will serve as the basis for the establishment of the detailed work plan.

WCO/USAID Valuation Technical Assistance Programme to Sub-Saharan countries

Report

Needs Assessment Mission
Abuja and Lagos
Nigeria

Member Administration

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Abidjan Street,
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Contact person:

Mr. A. K. HALIRU,
Assistant Comptroller-General,
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Same address as above.

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Location of Mission

Headquarters of the Nigeria Customs Service,
Abuja.

Field visit to Customs Processing Center, Apapa Port, Lagos State (on the way back from
Abuja to Europe).

Date of Mission

The mission was conducted from 5 to 8 February 2002.

Type of Assistance

Needs assessment in order to determine the technical assistance actions to Nigeria and the calendar of the WCO/USAID Valuation Technical Assistance Programme to Sub-Saharan countries. Meetings with representatives of Nigeria Customs Service, the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) and the National Association of Government Approved Freight Forwarders (NAGAFF).

Implementation date of the Valuation Agreement

Nigeria has not yet implemented the Valuation Agreement. The legislature is examining a bill on the implementation of the Valuation Agreement. Pending the adoption of the bill, Nigeria still applies the Brussels Definition of Value. Nigeria had invoked the five-year delay period granted to developing countries. The delay period expired on 31 December 1999. The WTO obligation to implement the Valuation Agreement took effect on 1 January 2000. The Nigeria Customs Service has prepared draft Service instructions for the implementation and envisages implementing the Agreement rapidly after adoption of the legislation.

Status

Nigeria is an active member of the WCO. Nigeria is a member of the WTO. The United Nations and the WTO recognize Nigeria as a developing country. Nigeria is a member of the Economic Community of West African States (ECOWAS). Nigeria benefits from tariff preferences as the Generalized System of Preferences (GSP), the Global System of Preferences between developing Countries, and regional arrangements. Nigeria also benefits from the African Growth and Opportunity Act of the USA, and the ACP/EU Cotonou Partnership Agreement signed in June 2000.

Objective of Mission

1. To assess the needs of Nigeria for technical assistance regarding valuation, ensuring the full picture of customs valuation is taken into consideration, including the infrastructure problems, the cooperation with other departments, and the partnership with the private sector, relating to the implementation of the WTO Valuation Agreement.
2. To lay the basis for a detailed work plan by establishing a draft programme and calendar for the technical assistance to be provided to Nigeria.

Participants

The Comptroller-General, the Acting Comptroller-General, the Deputy Comptroller-General responsible for Economic Relation, Research and Planning, senior managers at Headquarters, and Customs Officers of the Apapa Port in Lagos State. Representatives of the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) and the National Association of Government Approved Freight Forwarders (NAGAFF). Annex 1 contains a list of persons encountered during the mission.

WCO Representative

Mr. Richardt Vork – Project Manager, WCO/USAID Valuation Technical Assistance Programme to Sub-Saharan countries.

Opening Meeting

In the absence of Mr. A. A. MUSTAPHA, ComptrollerGeneral, Mr. D. A. OGUNGBEMILE, Acting ComptrollerGeneral, chaired the first meeting on 5 February 2002 where the senior management of Nigeria Customs Service was present. He warmly welcomed the offer of technical assistance and confirmed his full support to the implementation of the WTO Valuation Agreement.

On behalf of the WCO, the Project Manager thanked the Acting ComptrollerGeneral for the words of welcome. He explained the content of the draft programme and the draft calendar for the technical assistance. The Acting Comptroller-General agreed to the Project Manager's suggestion to arrange a field visit to the port in Lagos.

The Acting Comptroller-General explained that the Nigeria Customs Service operates under the Customs and Excise Management Act (CEMA) CAP 84 (1990). CEMA Section 45 provides: "Where a duty of customs is chargeable on imported goods by reference to their value, their value shall be taken to be that laid down in the First Schedule to this Act, and duty shall be paid on that value". The First Schedule to CEMA lays down the conditions for applying the Brussels Definition of Value. It begins with the provision: "1. (1) The value of any goods imported for use in Nigeria shall be taken to be the normal price, that is to say, the price which, in the opinion of the Board such goods would fetch at the time when the duty becomes payable on a sale in the open market between a buyer and a seller acting independent of each other."

The Acting Comptroller-General further explained that the National Assembly was currently examining a "Bill for an Act to amend the Customs and Excise Management Act to provide for a new method of valuation of goods based on the transaction value". The bill had reached the stage of the second reading, and it would now enter the committee stage. The Nigeria Customs Service would implement the Valuation Agreement as soon as possible after adoption of the legislation.

The Acting Comptroller-General considered that the timing of the technical assistance programme was excellent. The actual implementation of the Valuation Agreement was now drawing closer, and training would be essential for its success. The Acting Comptroller-General agreed that there would be economy in providing experts from abroad to train groups of staff in Nigeria, rather than sending groups of staff abroad for training. Where larger numbers of staff needed training, the concept of "train the trainers" should be used. An effort directed towards the business community would also be appropriate.

With regard to the financial arrangements for the training actions, the Project Manager explained that the policy of the WCO is that the WCO will bear all the costs incurred by the trainer (travel and per diem). The beneficiary administrations would be expected to bear the costs of the training room and the costs of the participants, including their travel to the place of training and per diem expenses.

The Acting Comptroller-General explained that a Committee composed of representatives from all Departments concerned (notably Tariff & Trade including Valuation, Training, Administration, and Legal Unit) had been set up to oversee the preparations for the implementation of the Agreement. He suggested that the detailed discussions be pursued in a meeting of that Committee.

Programme

Annex 2 contains the programme of the mission.

Closing Meeting

The Comptroller-General Mr. A. A. MUSTAPHA received the Project Manager. On behalf of the WCO, the Project Manager thanked the Comptroller-General and the Nigeria Customs Service for the support and for the excellent cooperation that the staff of the Nigeria Customs Service had extended to him.

The Project Manager explained the fruitful discussion that had taken place with the members of the Valuation Agreement Implementation Committee, and mentioned the scheduled meetings with representatives of the business community and USAID, and the visit to the Apapa Port in Lagos State.

The Project Manager informed Mr. MUSTAPHA of the results obtained during the mission.

The Valuation Agreement Implementation Committee had agreed the following draft programme and draft calendar:

<u>Technical Assistance Action</u>	<u>Time period</u> <u>Days</u>	<u>Number of participants</u>
1. Visit by a high-ranking official from a developed country, if possible the U.S.A., already having implemented the Valuation Agreement for advisory talks on how to overcome initial implementation problems, including the risk of revenue loss caused by under-declaration of value.	Summer 2002	Senior management of NCS Headquarters
2. Valuation workshop for customs officials in Lagos combined with a 1 day Valuation seminar for the business community (importers and licensed customs agents) in Lagos	08.07. – 19.07.2002	90
3. and combined with a 1 day Valuation seminar for the business community (importers and licensed customs agents) in Kano		300
4. and combined with a 1 day Valuation seminar for the business community (importers and licensed customs agents) in Port Harcourt		300
5. Valuation workshop "Train the trainers"	16.09. – 20.09.2002	25
6. Valuation workshop on risk management methodology, including targeting and profiling and risk assessment	09.12. – 13.12.2002	50
7. Valuation workshop on post clearance audit	17.02. – 21.02.2003	50
8 ¹ . Valuation workshop for customs	07.04. – 11.04.2003	50
9 ² . Valuation workshop for customs officials	16.06. – 20.06.2003	50

Technical assistance material requested: Power Point programme and presentations, laptop, projector, screen, WCO manuals, overhead projector with slides for training up-country, and PCs for two classrooms dedicated to valuation training in the two Customs Colleges.

On the basis of the information obtained during the mission, the Project Manager would establish a detailed work plan as soon as possible.

The Project Manager confirmed that the mission report would be made available to the Comptroller-General as soon as possible.

¹ Budget permitting.

² Budget permitting.

The Comptroller-General expressed his gratitude to the WCO and the USAID for having included Nigeria in the programme. He also thanked the Project Manager for having taken the risk to come to Nigeria at a time of serious unrest in Lagos³. The Comptroller-General requested the Project Manager to convey greetings to Mr. Danet, Secretary General of the WCO, and to Mr. Kappler, WCO Director of Tariff and Trade.

The Comptroller-General expected that the legislature in the course of 2002 would adopt the draft legislation on the implementation of the WTO Valuation Agreement. He confirmed his commitment to rapid implementation of the Agreement, once the legislation had been adopted.

Evaluation

The first phase of the WCO/USAID Valuation Technical Assistance Programme to Sub-Saharan countries foresees a needs assessment mission to each of the five countries that have been selected as beneficiaries (Kenya, Lesotho, Nigeria, Senegal, and Tanzania). The Project Manager conducted the needs assessment mission to Nigeria during 5-8 February 2002, in Abuja and a field visit in Lagos. The Nigeria Customs authorities and the business community appreciated the offer of technical assistance and strongly confirmed their interest in the correct implementation of the WTO Agreement on Valuation.

The authorities provided a copy of the "Bill for an Act to amend the Customs and Excise Management Act to provide for a new method of valuation of goods based on the transaction value" and a copy of the foreseen service instructions regarding the new valuation rules. They supplied a copy of the Customs and Excise Management Act (CEMA) CAP 84 (1990) and a host of information regarding the current customs clearance procedures, with particular emphasis on information regarding customs valuation. At the end of the talks, a draft programme and draft calendar were agreed.

Meetings with the Valuation Agreement Implementation Committee

Dr. John NWAIWU chaired the Committee's meetings. The Project Manager presented the draft programme and the draft calendar.

The Chairman of the Committee explained that the Committee, aided by three sub-committees (legislation, procedures, and training) had prepared the implementation of the Valuation Agreement. The Committee and the sub-committees had worked until the end of 1999 with the aim of implementing the Valuation Agreement on 1.1.2000. However, the legislature had not yet adopted the bill, and implementation therefore had been delayed. The Nigeria Customs Service was planning for implementation as soon as possible after adoption of the proposed legislation.

³ According to the Guardian newspaper of 5 February 2002, fighting broke out at the weekend in the Idi-Araba area of Lagos State and spread to other areas of Lagos State (Mushin, Onipanu, Agege, and Bariga). On February 6 the Guardian reported that 100 persons had lost their lives, 430 had been wounded, and over 1000 houses had been torched. The violence had spread to Mushin Ikorodu, Rod, Yaba, Lawaanson, Aguda, Ojuelegba, Ebutte Meta, and Ajegunle. Residents of some of the affected areas had deserted their homes for safety.

The Nigeria Customs Service had been able to organize workshops for Customs Brokers to prepare them for the implementation of the Valuation Agreement. However, a lack of local funding had limited the scope of this effort. In February 1999 the WCO had provided training for 87 Customs Officers. The Nigeria Customs Service had also provided training to 54 of these Customs Officers. The officers were on stand-by for the implementation of the Valuation Agreement, but there would be a clear need to refresh their training and to train other officers.

The Chairman of the Committee confirmed that Nigeria has recourse to Pre-Shipment Inspection (PSI), using three companies: SGS (Société Générale de Surveillance), COTECNA INSPECTION S.A., and Swede Control Intertek. The PSI Companies operate in the exporting countries. Their task is to examine all imports into Nigeria in order to certify their correct quantities, qualities, values and duties payable, and issue appropriate Clean Reports of Inspection (CRI). The output of the PSI companies is used for foreign exchange controls and for customs purposes. The PSI contracts expire in June 2002. Nigeria had not renewed an earlier PSI contract with Bureau Veritas.

The Nigeria Customs Service wants to develop and modernize the Customs Service in order to reduce delays linked to customs clearance and at the same time increase the efficiency of revenue collection. In order to achieve this development, the NCS envisages:

- To upgrade the ASYCUDA system to make it possible for transporters to supply manifests electronically.
- To establish on-line connections with all stakeholders, including the banks so that information regarding payment of import duties would be available immediately.
- To establish internet connections to access websites of major exporters
- To move away from Pre-Shipment Inspection and towards examination of goods upon arrival (destination inspection). In this context it would be important to strengthen the Customs Service's ability with regard to risk assessment and post clearance audit.

Organization of the Nigeria Customs Service

The Service is composed of Headquarters in Abuja, headed by the Comptroller-General who is assisted by 6 Deputy Comptrollers-General, six Zonal Area Headquarters, and 51 Area Commands with ports and border stations.

The eleven most important ports are the following:

Ports		
Apapa Port, Lagos State	Tin Can Island Port, Lagos State	Lilypond Container Terminal, Lagos State
Kirikiri Lighter Terminal, Lagos State	Murtala Muhammed Airport, Ikeja, Lagos State	Port Harcourt Port, Rivers State
Onne Port, Rivers State	Calabar Port, Cross River State	Aminu Kano International Airport, Kano State
Warri Port, Delta State	Port Harcourt Port, Rivers State	

The eight most important border stations are the following:

Border Stations		
Seme Border, Lagos State	Idiroko Border, Ogun State	Ilela Border, Sokoto State
Maigateri Border, Katsina State	Gamboru Border, Borno State	Babamutumi Border, Katsina State
Kirawa Border, Borno State	Chikanda Border, Kwara State	

A map showing the Zonal Area Commands and Border Stations can be found in Annex 4. Working hours are 8:00 H to 17:00 H, with a lunch break from 12:30 H to 13:00 H. The staff totals 17,917 persons.

In Headquarters, Customs Valuation is the responsibility of Assistant Comptroller-General A. K. HALIRU who is also the NCS Delegate to the WCO Technical Committee on Valuation. Mr. HALIRU reports to Dr. John Nwaiwu, Deputy Comptroller-General in charge of the Tariff and Trade Department.

Nigeria Customs Service has appointed Valuation Officers. These officers examine all customs entry declarations. A Valuation Declaration Form has been designed, but its use awaits the implementation of the Valuation Agreement.

Customs clearance procedure

In 1974 Nigeria Customs Service (NCS) computerized the payroll system. The Account Department took advantage of this computerization and computerized the financial transcript records for the Federal Ministry of Finance. In 1989/90 NCS computerized port operations using personal computers. The software had been developed locally under the name IDERA (International Data for Evaluation, Reporting, and Accounting). The scope of IDERA was limited to Customs Processing Centre operations. IDERA's architecture was based on local area networks. By 1997 IDERA had spread to over 15 ports in Nigeria. At the time the majority of NCS staff was not computer literate. In July/August 1997 the NCS decided to switch to ASYCUDA, the project being managed by CCC-ECOWAS as executing agency. Federal Ministry of Finance is the Financier, NCS is the implementing agency, and KPMG is the supervising agency.

Nigeria is using the ASYCUDA system, version 2.7. The system is operational in 7 sites, as follows:

ASYCUDA sites		
Apapa Port, Lagos State	Tin Can Island Port, Lagos State	Lilypond Container Terminal, Lagos State
Kirikiri Lighter Terminal, Lagos State	Murtala Muhammed Airport, Ikeja, Lagos State	Port Harcourt Port, Rivers State (2 sites, area I and II)
Onne Port, Rivers State	Calabar Port, Cross River State	Aminu Kano International Airport, Kano State
Warri Port, Delta State	Port Harcourt Port, Rivers State	Seme Border, Lagos State
Idiroko Border, Ogun State	Aminu Kano International Airport, Kano State	Kaduna
Maigateri Border, Katsina State (Katsina Border Station)	Zonal HQ, Harvey Road Yaba, Lagos State	Nigeria Customs Service HQ, Wuse, Abuja

Also installed are seven bonded warehouses all located in Lagos Area Command.

The ASYCUDA sites cover 99,5 % of all goods imported into Nigeria. Lagos, Kano, and Port Harcourt generate 90 % of the revenue. In these sites the Valuation Officers have on-line access to the valuation database.

The ASYCUDA system has the following capabilities:

1. Registration of Single Goods Declarations (SGD).
2. Examination and assessment and documentation.
3. Manifest data capturing and storing.
4. Valuation management.
5. Gate control procedure.
6. Importer/agents control.
7. Tariff control.
8. Wide/local area network facilities.
9. Control files management.
10. Bonded warehouse control.
11. Transit and transshipment management.
12. Management information regarding the workload of the examining Customs Officers.

Training of many Customs Officers preceded the introduction of ASYCUDA in 1999. Today the officers are getting used to the system. Currently, the transport companies lodge paper manifests that are data captured by customs personnel. The Customs Service would wish to receive the manifests electronically or at least on diskettes, and preferably before the arrival of the vessel. NCS Headquarters are aware that ASYCUDA needs upgrading, notably in the areas of communication, networking, inter bank money transfer, and electronic transfer of manifests.

The recourse to licensed customs agents is optional. This means that customs declarations (Single Goods Declaration or SGD) may be lodged by importers or by licensed customs agents acting on behalf of the importer. Customs agents are personally liable for the payment of duties. The importers are also liable for the payment of duties.

On 31 December 2001, there were 2243 licensed customs clearance agents in Nigeria. Qualifications of staff of the customs clearance agents are monitored through the licensing system. There is a need for further training of the staff of the customs agents. A new Academy for customs agents has been set up. There are 24904 registered importers, each of them has been attributed an ASYCUDA identification number.

The SGDs are data captured by customs personnel. When an entry has been lodged, it is passed to a Customs Officer who controls ("vets") that all supporting documents are present, including the PSI Clean Report of Inspection (CRI). The vetting Officer decides on the allocation of the SGD. Customs may take samples of the goods (CEMA Section 146). All imports are examined. The conversion rate of foreign currency is the rate published on the day of processing of the entry. The customs value is determined locally by the Valuation Officer.

When the SGD has been processed, the customs agent or the importer is informed of the amount due. Payment must occur before the goods are released. Payment is made to a bank, not directly to Customs. The Customs Service would wish to have online connections to the banks for immediate notification of payments.

Appeal procedure

If the importer does not accept the value as determined by Customs, he may appeal by writing a letter of protest to the Customs Area Controller who will decide. If necessary the Valuation Unit of the Department of Tariff and Trade in NCS Headquarters will decide. If the importer wishes to obtain the immediate release of the goods, he must pay the amount due in accordance with the value determined by customs. Any excess duty paid will be refunded when the appeal case has been decided. The importer may take the appeal further, to the normal courts within six months (CEMA Section 136). Nigeria does not have an administrative tribunal for customs valuation appeal cases. The burden of proof of value of import is on the importer or his authorized agent in the first instance. If the case is prosecuted, the onus shifts to the State.

Guarantee provisions

The procedure for provision of guarantee is in line with the General Bond procedure.

Control possibilities

CEMA Section 145 provides for the possibility for Customs to examine imported goods, and Section 146 authorizes the taking of samples. CEMA Section 147 authorizes Customs Officers to enter and search premises where there are reasonable grounds to suspect that any thing liable to forfeiture under the customs and excise laws is kept or concealed.

Risk assessment

There is no system for risk assessment at the moment. All imported goods are examined.

Post Clearance Audit

Post Clearance Audit is authorized by CEMA Section 71, which provides that documentation regarding imported goods must be kept for inspection for three years. Certain documents must be kept for seven years. These documents are: final invoice, Clean Report of Inspection, SGD Form, Bill of Lading and Form "M" concerning bank transfers of money. The compliance with this requirement is considered to be fairly good.

The Customs legislation makes it possible for Customs to visit importers' premises without needing permission from a judge.

Systematic Post Clearance Audit is not currently in practice and the NCS does not have a section that has been especially set up for carrying out Post Clearance audit. The Inspection and Investigation Department of Headquarters handles reported cases of valuation fraud.

Business communities' reaction to valuation audit is described as "not very cordial".

The most common types of valuation fraud are under-invoicing, under-valuation, concealment, and under-declaration of quantity.

Penalty regime

CEMA, Section 161 provides that making a declaration that is untrue in any material respect shall constitute an offence. If the offence is committed knowingly or recklessly, the penalty is a fine or two years of imprisonment, or both, and any goods in relation to which the document or statement was made shall be forfeited. If the offence was not committed knowingly or recklessly, the penalty shall be a fine. The penalty for counterfeiting or falsifying documents is also a fine or imprisonment for two years, or both.

No proceedings may be instituted except within seven years of the date of the commission of the offence.

Training.

Nigeria Customs Service has two Training Colleges:
Ikeja Training College, Lagos
Kano Training College, Kano.

The Training Colleges form part of Customs Headquarters. There is no separate unit in Headquarters responsible for training activities, except those for technical assistance from overseas countries.

All General Duty officers of the Nigeria Customs Service receive valuation training as part of their basic training. At specified periods they receive further training through refresher courses of 1 to 3 months duration. Ad hoc courses are also organized on specific subjects. When Customs Officers are posted to the Valuation Unit in Headquarters they receive in-house training on the modern trends in valuation. It is planned to establish a Customs Academy for high-ranking officials.

Field visit

Mr. J. O. BOBATOPE, Comptroller Headquarters, Economic Relations, Research, and Planning Department, accompanied the Project Manager on a field visit to the Customs Processing Centre (CPC) Apapa Port in Lagos State. The Area Comptroller and his senior Customs Officers explained the customs clearance procedure and the work practices. The clearance procedure is based on ASYCUDA version 2.7 operating in a local area network. The Customs Service physically examines all consignments. The examining Customs Officer issues an "Assessment Notice". The Account Department verifies that payment of the import duties has been made to the bank, and the ASYCUDA system then generates a release order and sends a copy to the Port Authority. When the importer or his agent has paid the port handling charges to the Port Authority, the Port Authority issues a "Delivery Traffic Order" to the shipping company, authorizing the loading of the consignment to a truck. The last control is carried out at the harbor gate where the exit is datacaptured to the ASYCUDA system and an exit note is established.

The Customs Officers in the CPC explained that their aim is to clear goods within 48 hours after the lodging of the SGD. It was often possible to finish the clearance within 24 hours. The CPC handles 200-300 SGDs daily, on busy days 350-400 SGDs. It takes 20-30 minutes to process a SGD. Mr. UMAR who is in charge of the verification of the SGDs said that he found the WCO HS Commodity Data Base very useful for his daily work.

The CPC places a large emphasis on facilitating the clearance procedure for the importers and their agents, but they had to bear in mind that "people are often trying to cheat". The Area Comptroller chairs a weekly management meeting to address any problems.

Some of the Customs Officers said that importers frequently complained of delays caused by the PSI regime, notably when a Clean Report of Inspection did not arrive in time to the port where the goods should be cleared. Clearance was not possible if the CRI was not attached to the SGD.

Meeting with USAID in Abuja

This meeting did not take place, as the person in USAID was absent.

Meeting with the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) and the National Association of Government Approved Freight Forwarders (NAGAFF)

Dr. John NWAIWU chaired the meeting. The Project Manager explained the WCO/USAID Valuation Technical Assistance Programme to Sub-Saharan countries. He provided the Associations' representatives with a copy of the WCO "Brief Guide to the WTO Valuation Agreement". The NACCIMA and NAGAFF representatives welcomed the initiative. They said that they fully supported the WTO Valuation Agreement and the fact that Nigeria was prepared to work towards harmonization of rules and procedures with the rest of the world. They saw the WTO Valuation Agreement as an improvement compared to the Brussels Definition of Value. They wanted an acceleration of the customs clearance process. The Chairman commented that this was the aim of the desired upgrade of the ASYCUDA system. All stakeholders should recognize the need to for interconnectivity of the ASYCUDA system. Importers and Customs licensed agents should connect to the system without asking for the Government to foot the bill.

The NACCIMA and NAGAFF representatives said that the main problem for their members, both importers and customs licensed agents, was ignorance of the new rules. They also said that lack of honesty on the part of importers constituted a large problem. To improve the situation, an effort of education and enlightenment would be necessary. There was a strong need to train the stakeholders. An Academy for Customs Agents now existed, and they would welcome lecturers from the Customs Service. One week courses on customs valuation should be arranged for officials of the organizations. These officials could then in turn train the business community.

NACCIMA and NAGAFF would warmly welcome WCO/USAID seminars for Customs licensed agents and importers. The Project Manager explained the financial conditions for such seminars. In the interest of transparency, the NACCIMA and NAGAFF

representatives suggested that the Nigeria Customs Service should establish a website for the information of importers and Customs Licensed Agents. They suggested establishing a Committee of public and private sector representatives to monitor the effectiveness of implementation of the Agreement on Customs Valuation.

The Chairman promised that Nigeria Customs Service would arrange seminars for the business community on a regular annual basis.

The Association of Nigerian Licensed Customs Agents (ANCLA) had been invited to the meeting, but had been unable to attend. The Associations' representatives undertook to convey the information received to ANCLA.

Recommendation

1. That this report be noted.

Forwarded.

13 February 2002

Richardt Vork
Project Manager

Annexes:

- Annex 1. List of persons encountered during the needs assessment mission.
- Annex 2. Programme of mission.
- Annex 3. Bill for an Act to amend the Customs and Excise Management Act to provide for a new method of valuation of goods based on the transaction value.
Valuation Code: Instructions relating to the valuation of imported goods liable to an ad valorem duty (not yet in force).
Extract of the WCO country database.
Information on Nigeria (*source: "The World Factbook"*).
- Annex 4. Map showing the Zonal Area Commands and Border Stations.

List of persons encountered during the needs assessment mission.

Nigeria Customs Service Headquarters

Mr. A. A. MUSTAPHA, Comptroller-General.

Mr. D. A. OGUNGBEMILE, Deputy Comptroller-General, Finance Administration and Technical Services (1).

Dr. John Nwaiwu, Deputy Comptroller-General, Tariff and Trade (1), (2), (3).

Mr. Mustapha M. AHMED, Deputy Comptroller-General, Enforcement & Drugs (1)

Mr. Isaac A. OGILO, Deputy Comptroller-General, Economic Relations, Research, and Planning, Technical Advisor to the Implementation Committee on Valuation (1), (2), (3).

Mr. M. T. BELLO, Deputy Comptroller-General, Investigation & Inspection (1).

Mr. A. D. DEDEKE, Deputy Comptroller-General, Excise & Industrial Incentives (1).

Mr. A. A. SADIQ, Principal Staff Officer to the Comptroller-General (1).

Mr. A. K. HALIRU, Assistant Comptroller-General, Tariff & Trade (1), (2), (3).

Mr. B. YAMUSA, (mni⁴) Assistant Comptroller-General, Economic Relations, Research, and Planning (2).

Mrs. Adebayo O. OTUNBA, Legal Advisor (2) (3).

Mr. F. O. AMASA, Comptroller (1).

Mrs. A. I. EFEYINI, Comptroller (2), (3).

Mr. J. O. BABATOPE, Comptroller, Economic Relations, Research, and Planning (2), (3).

Mr. M. T. UTHMAN, Comptroller (2).

Mrs. C. A. OFODILE, Comptroller (2).

Mr. O. O. OLOJO, Comptroller (2), (3).

Mr. C. E. EBUTE, Comptroller (2), (3).

Mr. OGUNDEJI, Comptroller (2), (3).

Mr. E. D. ABDULLAHI, Comptroller (2), (3).

Mr. M. O. ABUTU, Assistant Comptroller (1).

Mr. U. M. BUMPA, Assistant Comptroller (2), (3).

Mr. P. I. NEBE, Superintendent, ASYCUDA (2).

Mr. L. E. THOMAS, Assistant Superintendent, Protocol Unit.

Mr. A. D. HABU, Customs Officer, Enforcement & Drugs Division.

(1) Participated in the Management meeting on 5 February 2002.

(2) Participated in the Meeting of the Implementation Committee on Valuation on 5 February 2002.

(3) Participated in the Meeting of the Implementation Committee on Valuation on 6 February 2002.

Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA)

Mr. Andrew E. OGBAR, Principal Economist.

⁴ Member of National Institute.

National Association of Government Approved Freight Forwarders
Mr. Sanusi S. USMAN, Acting National President.

Apapa port, Lagos State

Mr. A. A. HAMIDU, Comptroller

Mr. A. A. ABDULLAHI, Deputy Comptroller in charge of Customs Processing Centre,
Area Project Manager (ASYCUDA).

Mr. SANUSI UMAR, Assistant Comptroller.

Ms. Lisa A. DOROTHY, System Technical Supervisor.

**Programme of mission of Project Manager Richardt Vork
WCO/USAID Valuation Technical Assistance Programme
to Sub-Saharan countries**

- | | |
|-----------------|---|
| 4 February 2002 | Arrival of Project Manager. |
| 5 February 2002 | Meeting with the Acting Comptroller-General of the Nigeria Customs Service
Meetings with senior management of the Nigeria Customs Service.
Meeting with the Valuation Agreement Implementation Committee. |
| 6 February 2002 | Meeting with the Valuation Agreement Implementation Committee.
Closing meeting with the Comptroller-General of the Nigeria Customs Service. |
| 7 February 2002 | Meeting with USAID (the meeting was cancelled).
Meeting with the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA), and the National Association of Government Approved Freight Forwarders |
| 8 February 2002 | Field visit to Apapa port in Lagos State. |

Annex 3

This annex is composed of voluminous books and documents. This annex is attached only to the original of the needs assessment report.