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## **ACTION PLAN FOR THE IMPLEMENTATION OF THE GOLD LIST**

### Introduction

The Georgian State Revenue Service (SRS) has decided to implement risk management techniques to facilitate the flow of compliant trade by providing high-volume, low-risk importers the ability to deliver goods directly from the border to the importer's premises and to allow summary payments to the SRS. Accepted importers in the program will be designated as Gold List Importers. Goods delivered to the importer's premises will continue to remain in Customs custody until a notification of release is obtained from the SRS. SRS reserves the right to do infrequent compliance examinations at the importer's premises. Selected Gold List Importers will receive the benefit of expedited processing and simplified payments while cooperating with Customs in terms of compliant submission of e-declarations and allowing the SRS service to review any records related to international trade activity.

### Implementation Strategy

Since the program will coincide with the implementation of ASYCUDA WORLD with new processes to close out the Transit Record and Payment Methodology, a pilot program of 3-5 importers will be selected to access the program in action and to correct any glitches in the program or process.

### Time Line

The program has a target implementation date of September 2007. The pilot program will be initiated well before this target date. An action plan scorecard is attached.

### Acceptability

The pilot program and initial expansion of the program will start with shipments that fall into the following category:

- Shipments of goods which are exclusive of another importer's consignment (i.e., containers or trucks solely containing the goods of a single importer)
- Goods cleared through Opisa or Lasare (or as selected by the Working Group)
- Importers capable of e-document submission and payment

Following the initial expansion of the program, the Gold List may be expanded to include shipments to other Inland Clearance Terminals, as well as shipments of mixed goods where non-Gold List consignments are separated and stored at an Inland Clearance Terminal before the delivery of the Gold List shipment to the importer's premises.

### Customs – Trade Cooperation

In order for the program to be successful, both Customs and trade will need to make concessions for the greater benefit. While SRS will enjoy the benefits of risk management and resource efficiency, the trading community will receive expedited processing, simplified procedures, and transparency from the SRS. However, SRS will have to work with the Gold List Importers using Informed Compliance techniques with lenient discretion for small violations. On the other hand, Gold List Importers will need to comply with all SRS regulations and provide open access to SRS officers for compliance reviews. An agreement in written form should be executed between the SRS and a Gold List importer in advance. SRS reserves the right to terminate the participation of any non-compliant Gold List member.

### Critical Implementation Points

- Adoption of the necessary Customs Regulations – while there is nothing in the current Customs Code impeding the implementation of a Gold List program, SRS has decided that corresponding regulations should be instituted first. The draft has been promised by May 31<sup>st</sup> with formal indoctrination two weeks later
- Implementation of ASYCUDA WORLD – the system allows for the submission of e-documents as a part of the declaration electronically submitted to SRS. The installation and use of ASYCUDA WORLD is conservatively expected by mid-July
- Importer / Broker Training – the process will require the selected Gold List Importers to apply appropriate SMS technology to close out the Transit Document and the subsequent submission of the declaration through a direct interface link with ASYCUDA WORLD
- Inland Terminal Manager Training – Due to time restraints regarding the delivery of goods under transit procedures and the closure of the declaration upon payment, Opisa and Lasare staff and contact members must be fully aware of their responsibilities

A delay in any of the above can cause all subsequent action plans to be delayed. Therefore, it is critical that these issues be addressed as priority.

## **ACTION PLAN ITEM EXPLANATION**

### Group 1 – SRS Implementation Preparation

- 1.1 – Selection of the Gold List SRS Steering Working Group (GL Working Group) – The purpose of the Working Group is to communicate the action dates, their responsibilities, and others concerns within all divisions of Customs who are or may become involved in the Gold List process. The goal of the Working Group is to resolve any concerns and to ensure the successful implementation of the Gold List. Members of the GL Working Group should be comprised of at least one member from the following:
- Risk Management Subdivision
  - Audit Division (for Post-Clearance and Regulatory Audit)
  - Division of Methodology
  - Division of Organization of Custom Control
  - Subdivision of Expertise of Legal Documents
  - Subdivision of Indirect Taxes (special Customs declarations)
  - Opisa and Lasare Terminal Management
- 1.2 – Regulatory Draft Prepared and Distributed to GL Working Group – Once the draft is prepared, it is to be distributed to all members of the GL Working Group for review. Comments, concerns, and suggestions should be prepared for presentation to the GL Working Group
- 1.3 – First Gold List Steering Working Group Meeting – Led by USAID-GBCR Customs Advisor, all members will be asked to present any questions and concerns regarding the program and the drafted regulations. A final draft should result before the end of the meeting and forwarded through the appropriate channels for the concurrence of the Minister of Finance. A review of the action plan will be done with specific members being assigned as owners in the process to define specifics of the plan. Client Service Representatives (CSR) will also be determined. Each Gold List member will be assigned a CSR who will be a knowledgeable SRS Headquarters employee to immediately address any issues regarding the Gold List program. While the Client Service Representative may also field questions regarding other Customs issues, it will be the responsibility of the Client Service Representative to assist the Gold List member in the resolution of other Customs issues. Also at the first meeting, an agreement on the format of the Gold List invitation letter will be made. If necessary, additional sub-Working Group meetings may be held and regularly scheduled GL Working Group meetings will be scheduled.
- 1.4 – Regulatory Requirements Adopted - Minister of Finance approves regulatory measures presented
- 1.5 – Final selection of Gold List CSRs and Inland Terminal Managers – A list of available CSRs and managers from Inland Terminals will be finalized. In the pilot program, each CSR will only be responsible for one GL member. As the program expands, a CSR may be assigned additional GL Importers as long as the GL program and Inland Terminals managers have become comfortable with the program.

- 1.6 – Invitation Letters sent to Importers currently using Opisa and Lasare for GL consideration – SRS should send Invitation Letters to the top Importers in the country to attend an Introductory meeting regarding the Gold List. Brokers can be asked to attend not only for the purposes of data entry, but also to communicate the new program to its clients.
- 1.7 – Introductory Meeting with Perspective Gold List Applicants - The purpose, benefits, and requirements of the program will be explained clearly with an opportunity to review the application. Questions and concerns about the program will be addressed.
- 1.8 – Gold List Application Due – self-explanatory
- 1.9 – Gold List Importers Selected and Notified – SRS should select 3-5 applicants who have demonstrated past compliance with the Customs Code and have sufficient import volume in Opisa and/or Lasare. The goal should be to capture approximately 15% of the import volume into Georgia by value, revenue, and lines. However, if the highest volume importers do not apply or are not qualified, more than three importers for the pilot program may be selected.
- 1.10 – Gold List Selectee Overview and Responsibilities Meeting – At this meeting, select members of the GL Working Group, all CSRs, and the selected Gold List Importers (and their agents) will be provided with greater detail about the program, including the appropriate number to send a SMS notification of the shipment’s arrival and instructions on payment. More details on ASYCUDA training will also be provided.

## Group 2 – ASYCUDA WORLD IMPLEMENTATION

2.1 – ASYCUDA WORLD implemented by UNCTAD. Constantine Ciuta, who is stationed in Georgia, has been tasked with this requirement and is prepared to install the program in mid-July.

## Group 3 – Training

3.1 – Training for Pilot Gold List Importers on ASYCUDA WORLD – A one-day training session with selected representatives of the Gold List Importers will be held by Constantin Ciuta on how to log-in, obtain status, and enter the required information and documents into ASYCUDA WORLD.

3.2 – Training for Inland Terminal Customs Personnel – The main contact and 3-4 SRS officers from Opisa and Lasare will be trained on the SMS transit notification system and responsibilities of timely transit close-outs. These officers will also be trained on the proper procedure for declarations that are routed for physical examination. An explanation of the payment verification process will also be explained.

#### Group 4 – Commencement of the Gold List Preferential Shipments

4.1 – Gold List Shipment Pilot Processing Commencement – The program goes into full force. Any problems or issues are communicated directly between the importer (or broker) to the CSR. IT assistance will be provided by UNCTAD's Mr. Ciuta. The importer will not be held culpable for violations directly attributable to the pilot process (not the content of the Customs declaration) or ASYCUDA WORLD.

4.2 – Review of Pilot Process – The GL Working Group will meet with the CSRs and will invite the pilot Gold List Importers to the meeting. The purpose of the meeting will be to resolve any non-operational issues or problems with the Gold List program. Actions to adjust or correct any problems will be determined.

#### Group 5 – Expansion of the Gold List

5.1 – 5.4 – Expansion of Gold List membership – The SRS will select additional Importers for Gold List inclusion. The goal is to have the next block of accepted Gold List Importers represent approximately 30% of the imported volume, revenue, and/or lines. As this will more than likely require a greater number of importers (approximately 15 expected for the first block, 20-25 for the subsequent block), it may be necessary to assign more than one GL member to a CSR. Action Items 1.9, 1.10, 3.1, and 4.1 - 4.3 are repeated.

#### Group 6 – Audit of Gold List Member and Program

6.1 – First Audit of the Pilot Gold List Importers – The audit department will conduct an audit of an original pilot GL importer. The purpose of the audit will be for Customs compliance purposes, not Gold List procedures. In other words, the audit will focus on a review of the Customs valuation, classification, origin determinations, accounting methods, international contracts, and purchase orders. The results of this audit will be forwarded to the Risk Analysis Unit for presentation to the GL Working Group.