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# ALEXANDRIA MODERN CUSTOMS CENTER DATA ENTRY PROCESS

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# **ALEXANDRIA MODERN CUSTOMS CENTER DATA ENTRY PROCESS**

TECHNICAL ASSISTANCE FOR POLICY REFORM II

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BEARINGPOINT, INC.

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## BACKGROUND

This report is the result of several meetings with the following ECA officials:

- Mr. Mohamed Atia /AMCC, Head of Tariff Department
- Mr. Hamdy Abdel Gelil / AMCC – Data Entry Room, customs procedure department.
- Hisham Bayoumy / AMCC – Data Entry Room, customs procedure department.
- Mahmoud Abdallah / AMCC - custom tariff officer
- Mr. Alla /CRU - Internet
- Mrs. Amal / head of IT department at AMCC –Data entry room

as well as several hours of observation and actual practice on an ECA computer terminal at the AMCC data entry room and window 1. The purpose is to comprehend and create a block diagram for the AMCC documentation flow process, as a step towards uncovering inefficiencies that may exist within the AMCC process.

AMCC operation can be broken down into the following stages<sup>1</sup>:

### FIRST STAGE: CUSTOMS DECLARATION REGISTRATION, BOOK 46 REGISTRATION.

The data entry theoretically can be input through any of the following ways:

1. Importer/customs brokers' own computer link.

**Problem:** There exist only three or four of these links, as the cost of installing one of these goes as high as 40,000 LE and annual maintenance fees around 5,000 LE.

**Recommendation:** Powerful ECA internet website is the alternative where all above costs could be eliminated and encourage ECA stakeholders to deal electronically with ECA.

2. The data entry unit at the AMCC. A customs officer is present to provide support to the importer/broker if needed; this service is presented as per the importer/broker request and is not mandatory.<sup>2</sup>

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<sup>1</sup> These stages are set by advisor to facilitate problem findings and categorization

<sup>2</sup> See Appendix 1 for data entry process

**Problem:** Importers/brokers very rarely do data entry themselves; this is usually if not always done through an AMCC customs officer located at the AMCC data entry room. This is a problem as it develops direct interaction between the importer/broker and customs officials, and this opens doors for corruption. Customs officials speak of encouraging the importer/broker to do data entry on their own, but their acts are not congruent with their talk.

**Recommendation:** It is strongly recommended to issue a regulation by which the importer/broker who is willing to use AMCC is obliged to undertake the data entry process at his own responsibility at the AMCC /data entry room, where no customs officer should be present. It is especially important that the software application be user friendly -- a few changes to the software are required to make it self-explanatory.

3. Internet, through the Alexandria Customs website. This is applicable for Alexandria Customs only.

**Problem:** Internet website downtimes are relatively high.

**Recommendation:** The website needs to be upgraded. Outsourcing to a professional Webmaster will be required.

**Problem:** A user name and password are required to make data entry through the Internet or the AMCC data entry room. The Internet Website and data entry room at AMCC each assign different usernames/passwords to an importer/broker. Assigning a user name and password seems to be a problem at the data entry room at AMCC - it takes considerable time.

**Recommendation:** The Alexandria customs website and the data entry room at AMCC each assign their own username/password to an importer/broker. This needs to be changed so that an importer/broker is assigned a single username/password that can be used in both channels of data entry. This is a way to encourage importers/brokers to carry out data entry themselves.

**Problem:** The importer/broker has to go to the AMCC data entry room to apply for a username/password, and to wait for an unknown period of time to be assigned one.

**Recommendation:** As ECA has assigned an identification number for all stakeholders, a username and password should be immediately assigned to each identification number, so that the stakeholder only has to go to the AMCC data entry room once to collect the username /password.

**Problem:** The importer/broker inputting an entry through the internet website is unable to make a printout on the Pre-printed entry format, as this format is only available at the AMCC data entry room. Accordingly the importer/broker, after making entry through the internet, has to go to the AMCC data entry room to make a printout.

**Recommendation:** As customs considers this pre-printed format to be an official document and its circulation has to be controlled, the advisor recommends to insert a serial number into this format and that the importer/broker sign a receipt for the pre-printed formats for which he is held accountable. Reconciliation can be carried out at the end of each month where he provides to Customs a list of forms in stock, and may ask for more forms.

As there is interconnectivity between CMD computer system and custom declaration registration data entry system, when trying to make an entry and get a customs declaration number (book 46), importers / brokers will be faced one of the following situations:

- If his B/L is registered in CMD, the computer system will allow entry and registration of a new customs declaration, where a unique Custom declaration number is be assigned.
- If the B/L is not registered in the CMD computer system, entry and registration will be rejected, and the importer/broker has to approach CMD and request that his B/L to be data entered in the CMD computer system. The CMD will write on the front cover of the customs declaration the following information: B/L number, port of origin, route number and stamp these information with CMD stamp. The importer/broker then returns back to the AMCC to register in book 46.

N.B: the importer / broker usually brings over from CMD, a copy of the manifest printout covering his shipment to avoid any further problems concerning this matter.

**Problem:** Registration of the Bill of Lading is very time consuming; this time is not included in the AMCC clearance time.

**Recommendation:** This step needs to be cancelled as all B/L should be listed in the CMD computer system by the time importer does data entry.

N.B.: The Commissioner issued decree 17/2006 for the formation of a committee to look into problems and to propose solutions for Central manifest.

Customs provide an entry package / pre- printed entry form. The importer or his agent has to enter data into the computer screen and make a printout on the Pre printed entry format.

- The entry package / pre printed data entry form<sup>3</sup>, exists as a four copy package with a carbon to next page feature that repeats what is printed on the first page through the four pages.

**Problem:** There is a need for the members of the tariff committees to press hard to guarantee the signatures get through legibly to the 4<sup>th</sup> page.

**Problem:** There are nine computers and three printers in the AMCC data entry room. Customs officials complain that computers in use are quite slow, and printers have frequent paper jams.

**Problem:** Data entry is mainly done through customs officials. The advisor paid several visits to data entry room, and observed that importers rarely carry out the data entry process themselves. This is a real drawback, as it perpetuates direct contact between importers and customs officials. Even though there are nine computers in the office, only two are actually in use by customs officials. The other computers are rarely in use.

**Recommendation:** Training and encouragement should be given to importers / brokers on using data entry software, which seems to be fairly easy software with lots of drop down menus.

- The importer has to approach the warehouse/ container yard, where his consignment is stored, to have them write down the storage location and route number of his B/L in the customs declaration and stamp it. Only then will the AMCC, Window-1, consider accepting the customs declaration. The above is required as a confirmation that the goods are present at the warehouse / container yard, and ready for inspection if needed.

**Problem:** This is a time consuming process, and is not included in the MCC clearance time calculation. This process also opens doors for corruption.

**Recommendation:** The implementation of an E-manifest process linking CMD, warehouses, container yards, AMCC, and other complexes altogether through one comprehensive software program and computer network. The consumed time should be included in the AMCC clearance time calculation.

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<sup>3</sup> See Appendix 2 for more information on entry package /pre printed format



## **SECOND STAGE: CUSTOMS DECLARATION / DOCUMENTS SUBMISSION (WINDOW 1)**

The importer/broker approaches MCC to deliver his customs declaration and related documents. The process starts here at window 1, where the customs official reviews the customs declaration and attached documents. The declaration will be accepted if the following original documents are present:

1. Shipping line delivery order
2. Bill of Lading
3. Commercial invoice
4. Packing list.
5. Import permit/GAFI Approval.
6. Form 11 for commercial consignments and production components.
7. Value Declaration Form signed by importer or his agent and authenticated by a bank. The importer can delegate his broker to sign the value declaration form.

In case the above documents are not present, customs returns the customs declaration and asks the importer/broker to update and re-apply after fulfilling all the above. The above documents are not the only documents that may be requested by customs: further documents may be requested by the evaluation department -- for example, a certificate of origin. All presented documents should be listed on the inside cover of the customs declaration as a proof of delivery of the documents to customs.

After checking that all above documents are present, the customs official will then stamp each and every presented document with the Alexandria Modern Customs Center stamp.

At window 1, a second customs official inputs the customs declaration number (from book 46) into the computer. This is a stand-alone system where all customs declaration information input in Stage 1 is automatically displayed, and showing as well the decision whether this customs declaration will enter the red, yellow or green channel. Names of the tariff and valuation officials should be automatically displayed.

**Problem:** The advisor noticed that the names of assigned customs officers to a certain customs declaration are input manually and not automatically assigned by the computer software program. The explanation given to advisor was that the head of AMCC issues a weekly list of all customs officials. In this list the head of AMCC assigns each customs official to process certain customs declarations based on their content (example: textiles). This weekly list was not input into the computer system. Accordingly, the customs officials' names had to be manually input for each and every customs declaration. This is not only a very time consuming process, it also causes errors in assigning the right customs officials. During a period of 15 minutes, the advisor observed 3 customs officials approach window 1 to complain that they were assigned to incorrect customs declarations.

**Recommendation:** This list should always be loaded into the computer system, to ensure transparency and to avoid errors and unnecessary wasted time.

**Problem:** The names of the assigned customs officials to a custom declaration are passed to the importer /broker. This is, as the advisor sees it, the most serious problem so far. The Advisor monitored this and was assured by brokers that this is a common practice. This not only opens the doors wide for corruption but more importantly turns AMCC into a regular complex, with the exception that the importer/broker and customs officials are not in a face to face contact but rather through many other ways of contact not least to mention mobile phones.

**Problem:** The window-1 process can be a very useful source of information for risk management, but there is no indication that any information is recorded in that matter.

**Recommendation:** All information is to be used for risk management, post audit and intelligence purposes.

## APPENDIX 1: DATA ENTRY PROCESS AT THE AMCC

This process starts by entering the following:

**1. Principal DATA:** These are elements of information that are required to be entered into the computer system for all custom declarations. They include:

- Year
- Custom Complex to be used – the customs complexes and AMCC are all coded, and the user can use a pull down menu to choose the corresponding code (AMCC code is 144).

Other complexes are, for example:

Complex No.1: handles all inbound shipments in warehouses under his domain, plus all inbound textile shipments to Alexandria port.

Complex No. 2: handles inbound shipments in warehouses under his domain, plus all inbound food shipments to Alexandria port

Complex No. 3: handles inbound shipments in warehouses under his domain, plus all inbound Engineering commodities shipments to Alexandria port handle all inbound shipment.

Complex no. 4: handles inbound shipments in warehouses under his domain, plus all inbound shipments to Alexandria port whose content is glass, rubber or paper.

Complex No. 5: handles inbound shipments in warehouses under his domain, and general cargo.

Complex No. 6: handles inbound shipments in warehouses under his domain, plus all inbound chemical shipments to Alexandria port.

N.B.: These specialized complexes will soon be replaced by MCCs.

- Book type (Book 46): this is a pull down menu, where the user has to choose one of the following options:
  - Regular book: this is generally used.
  - Emergency book: is never used unless in case where book 46 registration number is done manually.
- Importer customs Identification number.
- Customs broker Identification number.
- Choose custom declaration commodity type: there is a pull down menu from which the importer has to choose among 4 alternatives: Textiles; Engineering commodities; general cargo; and paper-glass-rubber
- CIF value of the goods
- The Importer /Broker must approach CMD to have them write on the front cover of the customs declaration the following information: Route No., B/L no., and Port of Origin; and apply the CMD stamp.

The Importer /broker uses this route no. to check the B/L in the concerned manifest/route no. and marks this B/L on the customs declaration. After this is done, a book 46 customs declaration No. is assigned.

**2. Invoice Data:** These are all data related to the shipment's commercial invoice:

- Invoice Value
- Currency
- Terms of delivery (FOB, C&F, CIF.)
- Enter all other cost components (Freight, insurance, off loading charges)  
If the actual cost of these components is available, then actual cost is entered. If actual costs are not available customs estimates these components as percentages of the invoice value: freight 12%, insurance 2.5%  
Container offloading fees 185 E.P. per 20' and 385 E.P. per 40'.

N.B.: This contradicts the provisions of the WTO Customs Valuation Agreement (GATT Article 7). This needs to be changed to be actual value only.

**3. Customs Tariff:** The applicable customs tariff classification numbers and corresponding rates are input.

**4. Purpose of Import:** There is a menu from which the importer can choose and code the purpose of import: for example; trade, production components.

-Additional Data: this is where additional data is input such as, for example, exemption from textile subsidization

-Bases of Valuation: transaction value or otherwise.

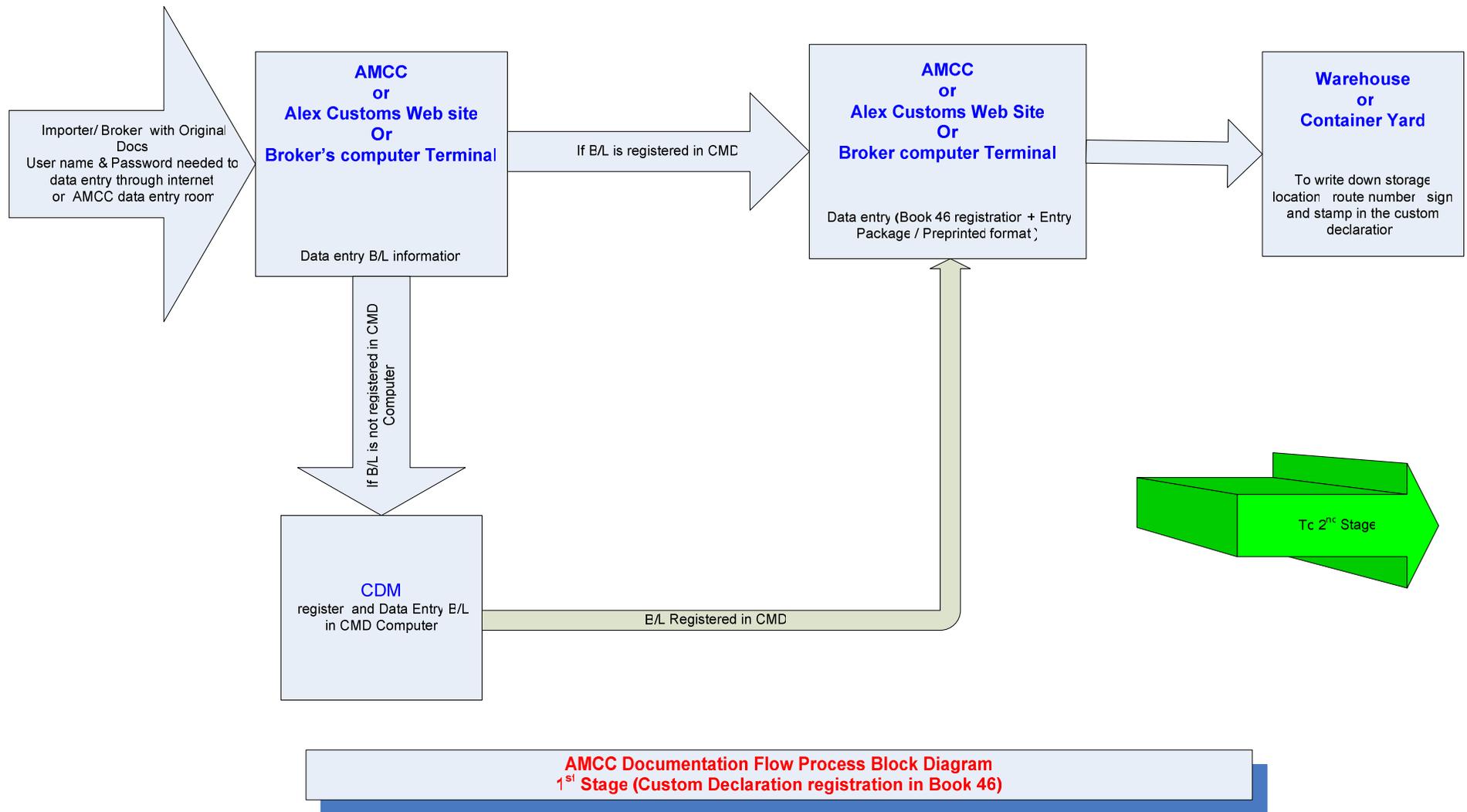
## APPENDIX 2: THE ENTRY PACKAGE /PRE-PRINTED FORMAT

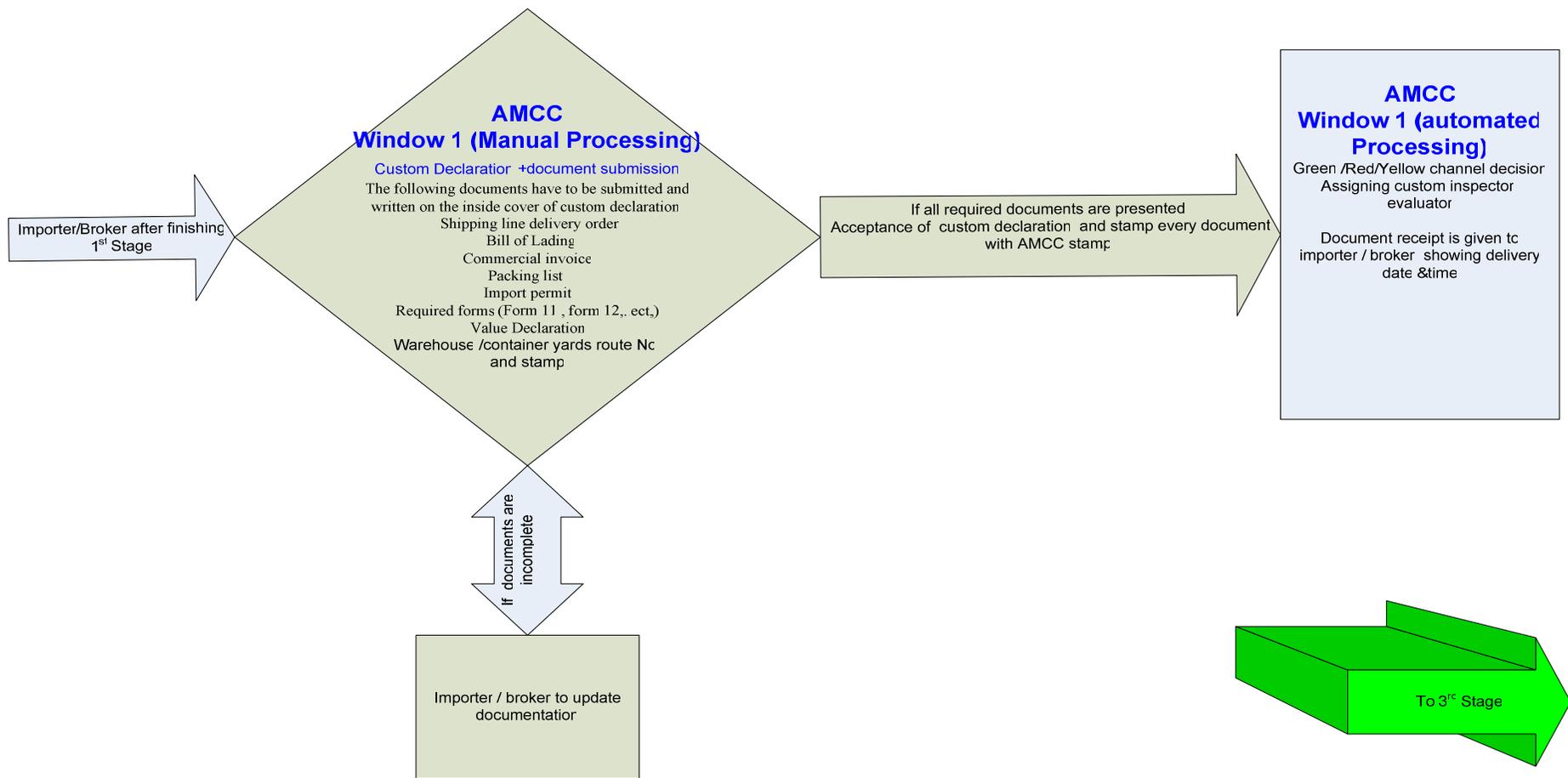
The entry package consists of:

1. Blue Copy (Top) Copy: that is the prime copy that has on the back the GOIEC information.
2. Red Copy (Second Copy): Goes to the importer and contains the same information on the front as the blue copy, but on the back there are the following details:
  - Customs duties amount paid, Receipt number, date, ECA accounting department signature and stamp.
  - Inspection data, date, inventory form Number/s, signature of movement officer and movement department head inspection report, releasing and movement of goods approvals.
3. Green Copy: that goes to the gate; this copy has the same details as exist on the red copy back and front.
4. Gold Copy: This is the archives copy that only has information on the front of the document.

The importer takes the blue/prime copy and his (importer / broker) copy, red copy, to GOEIC, because GOEIC has to sign the back of the prime copy to permit release. After the GOEIC signatures, the importer / broker returns the blue copy, green copy, and the gold copy and keeps his red copy.

The prime (blue) copy is kept at the AMCC. When all duties and taxes are paid, the AMCC sends the green copy to the gate, and the importer / broker gets the red copy. The importer takes his copy to the gate, and the gate officer checks that the information and release stamps are complete before goods are released. If necessary, stamps and information on the gate copy and the importer/broker copy can be matched if identical goods are released.





**AMCC Documentation Flow Process Block Diagram**  
**2<sup>nd</sup> Stage Custom Declaration /Documents submission (Window 1)**

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