

Customising the Ease of Doing Business Survey Ghana



Starting a Business

Trading Across Borders

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List of Acronyms

AMA	Accra Metropolitan Assembly
BOP	Business Operating Permit
CEPA	Center for Policy Analysis
CEPS	Customs, Excise and Preventive Service
DIC	Destination Inspection Companies
EPA	Environmental Protection Agency
FCVR	Final Classification Valuation Report
FDA	Food and Drugs Administration
GCMS	Ghana Customs Management System
GCNeT	Ghana Community Network Services Limited
GEPC	Ghana Export Promotion Council
GHAPOHA	Ghana Ports and Harbours Authority
GIFF	Ghana Institution of Freight Forwarders
GoG	Government of Ghana
GSB	Ghana Standards Board
GTZ	German Technical Cooperation
IRS	Internal Revenue Service
KIA	Kotoka International Airport
KMA	Kumasi Metropolitan Assembly
MDAs	Mandatory Declaration Analysis
MMDAs	Metropolitan, Municipal and District Assemblies
MOTI	Ministry of Trade and Industry
NTE	Non-Traditional Export
PSDS	Private Sector Development Strategy
RAs	Research Assistants
RAGB	Revenue Agencies Governing Board
RGD	Registrar General's Department
SAEMA	Shama Ahanta East Metropolitan Authority
STMA	Sekondi-Takoradi Metropolitan Assembly
TIN	Tax Identification Number
TIPCEE	Trade and Investment Program for a Competitive Export Economy

Background and Objectives

In 2005, the Government of Ghana (GoG) declared its vision to enter into a “Golden Age of Business.” The implementation of this vision is constrained by many factors as the private sector sees itself confronted with a variety of institutional and regulatory obstacles detrimental to its development. Businesses face a weak infrastructure, difficulties in obtaining credit, registering land, trading internationally and enforcing contracts to name but a few of these challenges.

A comprehensive National Medium-Term Private Sector Development Strategy (PSDS) was launched to create a policy environment conducive to private sector-led growth. Through the PSDS, Government has committed itself to reducing the cost of doing business in the country. An assessment of the real costs of doing business is hereby a prerequisite to implementing business-friendly policies. Within this context and as part of the PSDS, the Ministry of Trade and Industry (MOTI) commissioned this study on the cost of doing business in Ghana.

Over the years, a number of indicators have been used to measure the cost of doing business. In particular, the World Bank’s Doing Business indicators have become a basis for discussions on the ease of doing business in Ghana. The World Bank uses ten indicators to measure the ease of starting a business, dealing with construction permits, employing workers, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business.

The methodology and consequently the results of the World Bank’s Doing Business surveys have been criticized by private and public stakeholders as not adequately capturing the realities on the ground. In order to examine the ease of doing business in Ghana based on criteria and assumptions acceptable to all stakeholders, GoG commissioned this study to assess the time and costs associated with completing all legal requirements and procedures for two of the ten indicators, “starting a business” and “trading across borders”. Contrary to the World Bank’s Doing Business indicators, this study tracks actual cases on a real-time basis. Results of the study are expected to form the basis of frank discussions and public-private dialogue to move the business environment reform agenda forward. Additionally, the results are intended to be used as baseline data to track reform progress.

In October 2006, an Inter-Agency Working Group was set up by the Ministry of Trade and Industry to propose the general approach and methodology for developing and institutionalizing the study. The group decided that the survey would be modelled after the World Bank’s Doing Business indicators but customised to reflect local realities. With support from the working group, MOTI developed a first draft of a customised methodology and hired consultants to review the draft methodology and to test it through a pilot survey. Before the pilot survey was carried out, the methodology was presented to stakeholders at a workshop involving implementing agencies and private sector organizations in July 2007. This led to further modifications of the methodology.

The pilot survey was conducted in August 2007 to assess existing procedures for starting a business and trading across borders. Interviews with officials of the relevant agencies and companies were conducted and records analysed. Results of the pilot survey were discussed at a second stakeholder workshop which informed the preparation of the methodology for the

main survey. The main instruments used in the surveys were “Job Cards” and “Time and Motion Studies.” These instruments aim at assessing the actual time and costs associated with doing business in Ghana. The fieldwork for the main survey commenced in February 2008.

This study attempted to track the actual costs, processes as well as the required time associated with starting a business and trading across borders. The first part of this monogram outlines the results of the study on starting a business while the second part illustrates the survey results for trading across borders. The annexes show how the field work was conducted, what instruments were used and outline the detailed field results obtained.

Starting a Business

1 Background

Starting a business in Ghana involves dealing with several government agencies. To start operating as a generic limited liability company in Ghana, a business is required to be incorporated as a limited liability company with the Registrar General's Department (RGD) of the Ministry of Justice and Attorney General's Department and to meet other legal requirements specified in table 2. For the purpose of capturing the procedures, time, and cost for starting a business, this study focused on businesses that are generic and exempt from industry-specific requirements such as specific permits and licenses.

The RGD is responsible for processing the registration of business entities and issuing incorporation certificates in Ghana. During the registration process RGD contacts the Revenue Agencies Governing Board (RAGB) which is responsible for generating Tax Identification Numbers. After incorporation as a limited liability company, each business entity is required to obtain a Business Operating Permit (BOP) from the respective Metropolitan, Municipal or District Assembly (MMDA). The BOPs are required to be renewed on an annual basis. Furthermore, business entities are required to register with the Internal Revenue Service (IRS) for the payment of taxes.

The aim of this study is to measure the time and cost required to obtain the necessary certifications, permits or registration in order to commence operating a generic limited liability company in Ghana.

After an outline of the methodology, the main findings will be presented. Recommendations and policy implications conclude this report.

2 Methodology

2.1 Scope of Coverage and Sample Selection

The Registrar General's Department (RGD) currently has over 600,000 companies on its register with an estimated average of eighteen applications daily for limited liability company status. Even though registration is centralised in Accra, applications are received in the Kumasi and Takoradi regional offices of the RGD before transmission to Accra. The coverage of the survey was therefore extended to include both regional offices. Even though the survey remained limited to the southern region, it represents an expansion of the geographical coverage compared to the World Bank's Doing Business survey.

All new applications for incorporation of limited liability companies filed during the survey period were selected as long as they met the following criteria:

- All proposed shareholders are Ghanaians;
- The objectives of the business as specified in the regulations filed at the RGD reflect general industrial or commercial activities;

- The registered address and principal place of business as indicated in the completed forms confirm that the business will operate in Accra, Kumasi, or Takoradi;
- The company meets the minimum stated capital of five hundred Ghana cedis (GH¢500), required for generic companies.

The results obtained from the pilot survey suggest that many companies do not properly follow the sequence of the registration process at the relevant agencies after incorporation with the RGD. Therefore, it is not possible to monitor the same companies through all agencies. Different companies applying for registration/permits at the relevant agencies were targeted and the total time and costs for complying with legal requirements for starting a business were added up.

Overall, a total of 44 businesses were surveyed at the relevant agencies between February and April 2008. Table 1 shows the number of businesses surveyed in each region and in each agency.

Table 1: Number and Geographical Coverage of Businesses Surveyed

	RGD	IRS	MMDA	Total
Accra	15	3	1	19
Sekondi/Takoradi	8	1	3	12
Kumasi	10	3	0	13
Total	33	7	4	44

2.2 Research Instruments

Preceding the main survey, relevant procedures and legal requirements for starting a business were identified in the pilot survey and stakeholder workshops. However, only officials of agencies in Accra were interviewed to ascertain their internal processes for obtaining certificates and permits for starting a business. Officials of agencies in Kumasi and Takoradi were interviewed during the main survey to ascertain whether differences existed in the processes for obtaining licences and permits for starting a business in these areas. Appendices 1 to 3 show the legal requirements and process flow charts that were identified in the pilot survey. This framework was used as the basis of tracing through the processes and costs involved.

The instruments used during the main survey were “Time and Motion” studies as well as “Job Cards.”

2.2.1 Time and Motion studies

Time and Motion studies involved research assistants (RAs) approaching applicants at the point of filing their application forms at the various agencies. With the approval of an applicant, the RA noted details of the proposed business, the nature of the application, the date and time the application was filed and the contact details of the applicant for follow up. In addition, the RA noted the appointed date and time communicated to the applicant by the agency for follow up or collection of certificates or permits. Using a stop-clock, the researcher timed the following: 1) *waiting time*, i.e. the time the applicant waited for his/her

turn at the agency; and 2) *processing time*, i.e. the time during which the applicant was engaged with the service provider.¹

RAs communicated with the applicants through phone calls to obtain information on whether or not they were able to collect their documents as scheduled and obtained the applicants' consent to meet them at the agencies at the scheduled time for further monitoring. The RAs subsequently visited the premises of the relevant agency together with the applicant until he/she obtained the required certificate, registration, or permit, at which point the RA noted the date and time the process was completed.

In Accra, RAs targeted two new applications daily for the first five days of the main survey to get a sample of ten applications at each agency to be followed and monitored throughout the survey period. Two RAs were responsible for applications at each agency. In Kumasi and Takoradi, one new application was to be targeted daily for the first five days of the survey, resulting in a sample of five applications to be monitored at each agency in Kumasi and Takoradi throughout the survey period.

The time and motion instrument was used at RGD, IRS, and the Accra Metropolitan Assembly (AMA), all in the Greater Accra Region. The form of this instrument used by the RAs is included in Annexes A1, A2 and A3.

2.2.2 Job Card

The Job Card instrument was used to track the time required for the completion of internal procedures at all relevant agencies starting from the point an application was filed until the final delivery by that agency. A Job Card was attached to each application in the selected sample, and was to be dated and signed off by a designated official at each stage of processing of the documents.

The Job Card instrument was used at the RGD and IRS in Accra, Kumasi, and Sekondi-Takoradi, as well as Revenue Agencies Governing Board (RAGB) in Accra and the Metropolitan Assemblies of Accra, Kumasi and Sekondi-Takoradi. All Job Cards used by the relevant agencies are shown in the Annexes A3 to A8.

2.2.3 Interviews

The duration of the field work was too short in some cases to capture the entire registration cycle from the beginning to the end. Therefore, follow-up interviews with applicants were carried out after the end of the field work to confirm whether documents had been received and fees paid. Applicants were also asked about their level of satisfaction and recommendations for improvements.

In addition, interviews with officials of the various agencies involved were conducted. Questions addressing perceived bottlenecks and the overall level of satisfaction with the procedures as part of a self-assessment were raised.

¹ Methodology largely adopted from the GTZ Philippines supported Small and Medium Enterprise for Sustainable Employment Program report "Improvement and Documentation of Business Licensing Procedures in the Cities of Bacolod and Ormoc," April 2005, p.37f

2.3 Organization and Implementation of the Survey

Four RAs provided by MOTI and two coordinators carried out the survey under the supervision of a lead consultant and a technical consultant.

Three training sessions were held for RAs, with officers of the implementing agencies involved in one of these sessions. The first training session was conducted by international consultants with considerable experience in the use of Job Cards as well as Time and Motion studies. Concepts, issues and provisional application to Ghana were discussed. The two remaining training sessions were held by researchers involved with “Starting a Business” and “Trading across Borders,” respectively.

Prior to the start of the fieldwork, the RAs met with officials from implementing agencies to ensure their cooperation. Subsequently, RAs commenced their work initially at RGD, followed by AMA and the IRS, respectively.

The consultant in charge of the research on “Starting a Business” visited Kumasi and Takoradi to examine whether there were any differences between Accra and the regions with respect to procedures and to modify designs of the survey instruments accordingly. Subsequently, the consultant administered the Job Card for the Kumasi Metropolitan Authority (KMA) and the Shama Ahanta East Metropolitan Authority (SAEMA), as well as the RGD in Kumasi and Takoradi.

2.4 Monitoring and Quality Control

To monitor the research and to maintain the quality of the data collected, a technical committee consisting of senior staff of MOTI, the Trade and Investment Program for a Competitive Export Economy (TIPCEE), German Technical Cooperation (GTZ) as well as the lead consultant, and the two technical consultants was formed. This committee was responsible for monitoring and overall quality control. It also met to resolve any difficulties or issues that emerged from the field.

2.5 Data Processing and Analysis

Data analysis was based on the concepts, processes and data summary sheets related to the use of the Job Card and Time and Motion instruments. The relevant formulas and procedures were applied using excel spreadsheets.

3 Findings

To start operating as a limited liability company in Ghana, a business is required to meet specific legal requirements as outlined in table 2. To operationalise these requirements, the various agencies involved in entry regulation have developed internal procedures for dealing with applicants. These procedures are not mandated by law per se, but are developed by the respective agencies within their broad mandate given by applicable laws. Table 2 below captures current procedures applicable at the four agencies as gathered from interviews held with officials. Tasks carried out by the same person at the same time counted as one procedure.

Table 2: Basic Legal Requirements for Starting a Business

	Requirement	Details Required	Legal Basis
A. Incorporation	Submit completed form 3, company regulations to RGD	Basic information about the business e.g. company name, particulars of directors and secretary, external auditors, registered shares, shares issued, registered office and principal place of business, etc.	Companies Code 1963 (Act 179)
	Pay incorporation fee to RGD	Processing fee	
B. Commence Business	Submit form 4 to RGD	Declaration that requirements for commencement of business (minimum capital raised etc) have been met	Companies Code 1963 (Act 179)
	Pay stamp duty to RGD	Required to be paid on stated capital (currently 0.5% of stated capital)	Companies Code 1963 (Act 179)
	Submit completed TIN form to RGD	Required for generating of TIN for corporate tax purposes	Procedural
C. Register with IRS	Put in application for registration at IRS district office	Incorporation details and interviews of applicant based on which “Notice of Assessment” is issued	Internal Revenue Act 2000 (Act 592) as amended and Regulations
D. Apply to local government authority for business operating permit.	Put in application at Metropolitan Assembly (Accra, Kumasi, Takoradi) for a Business Operation Permit	Inspection of business premises based on which permit fees are assessed	Local Government Act, 1993 (Act 462) as amended and various By-laws issued by the Metropolitan Assemblies

3.1 Registrar General’s Department

The Registrar General’s Department of the Ministry of Justice and Attorney General is the department responsible for processing the registration of business entities and issuing incorporation certificates in Ghana. The RGD is headquartered in Accra and has forms collection and screening offices in Kumasi and Sekondi.

The survey was conducted in the Accra, Kumasi and Sekondi offices of the RGD. A Time and Motion Study was however carried out in the Accra office only. Two different Job Cards were designed based on the internal processes and procedures for the Accra office on the one hand and the two regional offices on the other hand (see annexes A4 and A5 for the two kinds of Job Cards). The findings from the Accra, Kumasi and Sekondi offices for both the “Time and Motion” and the “Job Card” instruments used are set out below.

3.1.1 RGD, Accra

The survey started at the Accra office two weeks before the RGD switched from the manual registration system to an automated system of operation. The procedures in place at the RGD office in Accra prior to the start of the automation exercise are as shown in table 3. Procedures currently in place after the start of the automation project are as shown in table 4. The Time and Motion study was however not affected by the change as these were limited to the RGD’s internal processes. As can be seen, the processes involving the applicant’s interface with the RGD remained the same (processes 1 through 5 and 32 of table 3 and processes 1 through 5 and 22 of table 4). While the automation project is aimed at ultimately enabling applicants to register online, only partial automation has been achieved so far. Searches and the generation of certificates are currently carried out under the automation system.

Table 3: Procedures for Incorporating a Business in Ghana Prior to Start of Automated Registration System

No.	Process Description	Responsibility
1.	Conduct name search at RGD to ascertain availability/appropriateness of name	Applicant
2.	Purchase and complete incorporation registration forms and TIN form	Applicant
3.	Assessment of registration fee payable and stamp duty	Companies Inspector
4.	Pay registration fees and stamp duty to RGD cashier and obtain receipt as evidence of payment	Applicant
5.	Submit completed forms together with receipt to registry	Applicant
6.	Receive completed forms with payment receipt record application in registry book. Transfer application to Front Desk Officer.	Registry Clerk
7.	Conduct name search and submit application to Companies Inspector for approval	Front Desk Officer
8.	Verification and approval of name Returns to FDO	Companies Inspector
9.	Review completed forms and assign to appropriate Registry Clerk for processing	Front Desk Officer
10.	Receive completed forms from Front Desk and submit to appropriate Companies Inspector	Registry Clerk
11.	Key in name and objects/nature of business of company to generate registration number	Front Desk Officer
12.	Typing name and registration number on certificate of incorporation, covering letters and notices required by status.	Typist

13.	Arrangement of all relevant documents including typed certificate, notices and cover letters to Company Inspector	Registry Clerk
14.	Signing attached cover notes	Companies Inspector
15.	Enter data into computer system	Data Entry Clerks
16.	Retrieve file from Data Room and submit to Legal Officer.	Front Desk Officer
17.	Signing of incorporated certificate and a cover note	State Attorney
18.	Retrieve signed certificates from Legal Officer for applicant's collection	Front Desk Clerk
19.	Collect certificate and copies of documents submitted	
20.	Verification of details on form 3 including auditor's consent letter etc	Front Desk Officer
21.	Submission of form 3 and TIN forms to ICT for entry	Data Entry Clerk
22.	Entries on TIN forms are sent to RAGB electronically for TIN	Front Desk Officer in IT Section
23.	Receive data electronically from RGD	RAGB Officer
24.	Verification of information	RAGB Officer
25.	RAGB generates and issues TIN and sends electronically to ICT Front Desk Officer	RAGB Officer
26.	Entry of TIN and other details into companies register	ICT Front Desk Officer
27.	Type TIN and other relevant details on commencement certificate and covering letter and notice of commencement	Typist
28.	Review details on commencement certificate and notice, and signing of cover note	Company Inspector
29.	Seal commencement certificate and submission to State Attorney	Front Desk Officer
30.	Random verification and signing of commencement notice and certificate	State Attorney
31.	Retrieve signed commencement notice and certificate from State Attorney for applicant's collection	Front Desk Officer
32.	Collect certificate and copies of documents submitted	Applicant

Table 4: Procedures for Incorporating a Business in Ghana after Start of Automated Registration System

No	Process Description	By
1.	Conduct name search at RGD to ascertain availability/appropriateness of name	Applicant
2.	Purchase and complete incorporation registration forms and TIN form	Applicant
3.	Assessment of registration fee payable and stamp duty	Companies Inspector
4.	Pay registration fees and stamp duty to RGD cashier and obtain receipt as evidence of payment	Applicant
5.	Submit completed forms together with receipt to registry	Applicant
6.	Receive completed forms with payment receipt and minuting on the forms	Front Desk
7.	Sends minuted forms to the back office	Clerk
8.	Sorting completed documents received from front desk.	Back office clerk
9.	Sends sorted completed forms to the data centre for inputting.	Clerk
10.	Input data into the data base.	Data Clerk
11.	Generation of TIN	Data Clerk
12.	Generation of certificates and covering letters	Data Clerk
13.	Sends covering letter and certificates for inspection by Companies Inspector	Clerk
14.	Signing of cover letter	Companies Inspector
15.	Sends certificates and covering letters to front office for sealing	Clerk
16.	Sealing of certificate	Front Desk
17.	Send sealed certificates for signing by attorney	Clerk
18.	Signing sealed certificates and covering letter	Attorney
19.	Send sealed and signed certificate to back office for CTC.	Clerk
20.	Certifying regulations and forms 3 & 4 as true copies	Back Office
21.	Send sealed and signed certificate with CTC copies to front office collection desk.	Front Desk
22.	Collect certificate and copies of documents submitted	Applicant

Time and Motion Studies

The Time and Motion studies were designed to track and record waiting and processing times at the RGD. In particular, it sought to track the time during which the applicant waited in a queue to see the appropriate official (waiting time) and the time spent with that official (processing time) in connection with the assessment of stamp duty payable by the applicant, the payment of the stamp duty, the submission of completed forms, and the collection of incorporation certificates (see processes 3 to 5 of table 3 and 4 as well as process 32 of table 3 and 22 of table 4).

In the first two weeks of the survey and before the switch to the automated registration system at the Accra office of the RGD, the RAs could not effectively track the time required to go through processes 1 to 5 and 32 of table 3 because of the existence of RGD staff who acted as ‘facilitators.’ Instead of applicants formally filing completed application forms at the

RGD front desk and making payments at the accounts office as required by the RGD's internal procedures, these 'facilitators' personally directed the application through the various offices. RAs observed that 'facilitators' varied from very low to the middle-level staff of the RGD, some of whom were recommended by previous applicants. Applicants claimed that the insiders provided the service for official payments but were not willing to disclose the amount of the consideration except to say that it depended on how soon they wanted the process completed and certificates issued.

After the introduction of the automated registration system, however, the existence of 'facilitators' was not observed. RAs were therefore able to monitor and track waiting and processing times of 15 applications. Details of the companies that were incorporated during this period are provided in table 5.

Table 5: Details of Business Applications monitored under the Time and Motion Study

	Name of Company	Authorised Business	Stated Capital
1	Kinglo Ghana Limited	Real estate development	Not captured
2	Delf Capital Limited	Delf Capital Ltd	GH¢ 500.00
3	Capitol Engineering Limited	Engineering services	GH¢ 5,000.00
4	F&D Investment Limited	Management consultancy services	Not captured
5	D-Sam Airduct Fabrication Ltd	Ventilation/air-conditioning	GH¢10,000.00
6	Fastmoov Courier Express Ltd	Import and export , general services	Not captured
7	Abiam Media Co. Limited	Advertising	GH¢ 500.00
8	Streamline Trading Limited	Import/export of general goods	GH¢10,000.00
9	Alliance Consulting Service	Consultancy services	GH¢10,000.00
10	Ofram Investments Limited	Import, export & construction	GH¢10,000.00
11	Risk Sam Strategic	Management consultancy services	Not captured
12	Agricofly Company Limited	Production export of agricultural products	GH¢20,000.00
13	Raymond Doughan & Sons Limited	General merchants, shower operators	GH¢ 5,000.00
14	Ebenpe Company Limited	Painting of buildings	GH¢ 1,000.00
15	Dream Big Africa Ltd	Promotions and adverts	GH¢ 500.00

Table 6 shows the results of the Time and Motion studies conducted at the RGD offices in Accra. The study reveals that each applicant spent an average of 57.10 minutes waiting and processing their incorporation documents from the assessment of stamp duty stage through payment of stamp duty, submission of forms, to the collection of incorporation certificates. Out of the 57.10 minutes total waiting and processing time, 25.40 minutes were accounted for as waiting time while 31.30 minutes were accounted for as processing time. With respect to waiting time, the applicant spent the longest amount of time (9 minutes) to wait for the payment of registration fees and stamp duty at the banking area. The shortest waiting time (4 minutes) was spent while waiting for the assessment of stamp duty. With respect to

processing time, the collection of certificates required the longest time (16 minutes) while the assessment of stamp duty required the shortest time (4.3 minutes).

Table 6: Results of the Time and Motion Studies at the RGD Offices in Accra

Procedure	Waiting Time (Minutes)	Processing Time (Minutes)	Total
Assessment of stamp duty	4.0	4.3	8.3
Payment of registration fees and stamp duty	9.0	5.0	14.0
Submission of completed forms for registration	4.2	6.0	10.2
Collection of Certificates	8.2	16.0	24.2
Total	25.4	31.3	57.1

Overall, it took an average of 14.5 days from the submission of completed forms to the date of collection of certificates by the applicant, of which one day was used for processes 3 to 5 while the remaining number of days (13.5) was spent on processing the incorporation certificate and certificate to commence business. Applicants were typically asked to collect their certificates two weeks from the date of submission of the applications. Seven out of the 15 applicants (representing about 47%) obtained their certificates on the date they were requested to collect them. About 33% of applicants obtained their certificates between 1 and 7 days after the date they were requested to collect them and another 20% of applicants obtained their certificates between 8 and 13 days after the date they were requested to do so.

A number of applicants expressed dissatisfaction with the fact that they had to make repeated visits to the RGD office in Accra to follow up on their delayed applications, resulting in increased costs and delays in scheduled business start dates and represented lost business opportunities. Sometimes, queries on applications were not communicated to the applicants until they called at the RGD to collect their certificates. Reasons given by officials for backtracking include the non-availability of relevant officials to move the process from one stage to the other or to sign certificates. In addition, the work load of legal officers of the Registry who were required to cross-check all information on certificates and add them into a database before they signed the certificates seems to be a challenge. The RGD has indicated that it is considering an automated data capture system to reduce delays identified in the study.

Annex A9 contains more detailed information on waiting and processing times from the Time and Motion studies.

Job Cards

Job Cards were designed to track the internal processes at the RGD which do not involve interface with the public. The Job Card as originally designed was based on procedures outlined in table 4 but was subsequently redesigned to reflect altered procedures under the new automated registration system. The new procedures involve 22 processes including 17 which do not involve the public as compared to the previous 32 procedures of which 27 did not involve the public.

Twenty Job Cards were submitted to the receiving Front Desk clerk of the RGD Accra with the approval of the Registrar of Companies (acting by a Chief State Attorney), accompanied by an explanation of the rationale of the exercise. Consequently, a Job Card was required to be attached to each file used during the application process and needed to be signed off by each official who subsequently dealt with the application. Completed Job Cards were to be retrieved by the RAs at the end of the survey period.

During the survey period, however, the RAs were able to retrieve only three Job Cards from the Front Desk clerk. The other 17 could not be traced by the Front Desk clerk. Of the three Job Cards that were traced, only one procedure (process 6 of table 5 – receiving of completed forms with payment receipt and minuting or making appropriate notes on the forms) had been noted. As a result of the lack of cooperation, no Job Card results were reported.

3.1.2 RGD, Sekondi and Kumasi

The Western and Ashanti Regional Offices of the RGD are located at Sekondi and Kumasi respectively and serve the two regions and the neighbouring regions. These two regional offices carry out the following functions:

- Conduction of name searches for applicants by accessing the Register of Companies in the Accra office of the RGD;
- Sale of business registration application forms to the public;
- Collection and screening of completed forms;
- Collection of registration forms and stamp duty on equity capital from applicants who submit completed forms;
- Transmittal of completed forms to the Accra office of the RGD;
- Follow up on company registration process at the RGD office in Accra and collection of incorporation documents and certificates for applicants; and
- Delivery of incorporation documents and certificates to applicants.

Applicants are advised to present at least three preferred names for the business they intend to incorporate to the RGD offices. The RGD offices in Kumasi and Sekondi verify the appropriateness of names submitted by applicants by faxing name search requests to Accra and advise the applicant on the outcome.

Only Job Cards were administered in the two regional offices of the RGD. No Time and Motion studies were conducted in the RGD regional offices since all applications were processed in Accra. Applicants were however contacted periodically to assess the time until they received their incorporation documents.

The processes at the Sekondi and Kumasi office of the RGD are identical and are outlined in table 7.

Table 7: Processes at the RGD offices in Sekondi and Kumasi

No.	Process Description	By
1.	Purchase incorporation registration forms and TIN form	Applicant
2.	Complete incorporation forms without the proposed name of the company	Applicant
3.	Assessment of registration fee payable and stamp duty	Receiving officer
4.	Pay registration fee and stamp duty as assessed	Applicant
5.	Submit completed forms together with receipt to registry and submit up to three proposed names	Applicant
6.	Conduct name search at RGD Accra office via fax transmission	Clerk
7.	Type acceptable name of proposed company on submitted forms	Typist
8.	Transmit completed forms to the Accra office of the RGD via public transport	Office Manager
9.	Liaise by telephone with officials of Accra office to follow up on registration	Office Manager
10.	Take delivery of certificates and other documents transmitted by Accra office of RGD when registration is complete	Office Manager
11.	Delivery of certificates and other documents to applicant when received from Accra office of RGD	Office Manager

The Sekondi office has no real-time access to the Register of Companies in Accra. Therefore, applicants cannot confirm available company names prior to completing and submitting forms. The Sekondi office only conducts name searches when it receives completed application forms from applicants. This is done by fax transmission between the two offices. The Sekondi office has no internet connection or email communication. If any of the three names proposed by the applicant is found to be available, the Sekondi office then types it in the appropriate parts of the submitted documents. If none of the names are found to be acceptable by the Accra office, the Sekondi office is informed and it in turn informs the applicant who then submits new names for another round of searches. The Sekondi office reported that it transmits name search requests to the Accra office on the same day the request is submitted by the applicant. It also reported that on average, it receives results of name searches from the Accra office by fax within a minimum of three working days or longer depending on the reliability of phone and fax communication at any given time. It was also observed that the Sekondi office did not have photocopiers to enable them to make copies of documents filed with them as back up in the event of loss or damage to documents in transit to or from Accra. This could result in inconvenience and possible losses for applicants who would have to start the registration process all over again.

Applications submitted by sponsors/promoters of companies to the Sekondi office are screened to ensure that the required information is provided. Payment is made by applicants upon submission of completed forms and before name approval. Contact details of applicants are obtained and applicants are typically told to return in four weeks for collection of incorporation documents.

Screened application forms filed by applicants in the region are dispatched to Accra for processing on a weekly basis (Fridays or Mondays) or when a minimum number of 20 completed application forms for incorporation of companies and registration of business names (sole proprietorships) have been collected. Completed application forms are

dispatched by public passenger transport such as the Ford Transport from Sekondi to Accra at no extra cost to the applicant. This mode of transport involves risks such as loss or damage to completed documents. Incorporation documents and certificates are dispatched from Accra to Sekondi by the same means. The Sekondi office calls applicants who leave their contact details to collect their incorporation certificates when these are received from the Accra office before the end of the four weeks.

Twenty Job Cards were submitted to the RGD's Sekondi Office as part of the survey and were handed over to the Assistant Registrar in charge of that office. Annex A5 provides sample Job Cards for the Kumasi and Sekondi offices of RGD. A Job Card was required to be attached to each completed application form received in the Sekondi office during the survey period. The Job Cards were to track the Sekondi office procedures only and were not to follow documents dispatched to Accra for processing. The Sekondi office agreed to send completed Job Cards by public transport to the consultant in Accra via the RGD office in Accra at the end of the survey period. To date the completed Job Cards have yet to be received by the consultant. The Accra office has confirmed that no Job Cards have been received from the Sekondi office, and there are consequently no results of the Job Cards in this report.

Meanwhile, the Assistant Registrar in charge of the Sekondi office has indicated in discussions with the consultant that eight applications were filed at the Sekondi office of the RGD during the period of March 4th and April 28th when the survey was ongoing. The Assistant Registrar further indicated that five of the eight applicants received their certificates within five weeks while the remaining three received their certificates after seven weeks. The Assistant Registrar blamed the slow process mainly on the absence of a representative from Sekondi at the Accra office to facilitate the processing of documents received from Sekondi. While a desk had been created at the Accra office to handle application forms sent from Sekondi, the officers in charge of the desk appeared not to follow-through the registration process with urgency. It also appears that the lack of physical follow-ups by applicants at the Accra office contributed to the delays they encountered in the registration process. The Assistant Registrar confirmed that the number of applications filed at the Sekondi office was lower than that filed in Accra over the same period. Officials also confirmed that some applications filed in Accra were filed by applicants from the regions who found it faster to file the applications on Accra than to file in the Sekondi office. According to officials of the Sekondi office, it appears that there was a general lack of awareness of the existence and role of the office.

The processes at the Kumasi office of the RGD are similar to those at the Sekondi office, as shown in table 7. Screened applications forms are dispatched to Accra by public transport at no extra cost on a weekly basis (Fridays or Mondays) or when a minimum number of 20 are collected.

Twenty Job Cards were submitted to the RGD's Kumasi office. Again, no completed Job Card was sent back to the consultants or to the Accra office of the RGD.

According to the Assistant Registrar in Kumasi, ten applications were filed at the Kumasi office of the RGD during the survey period. Six applicants received their certificates in five weeks while the remaining four applicants received their certificates after six weeks. Officials also explained that applications were not processed expeditiously in Accra due to the absence of a dedicated official to follow-through the required processes. Officials also observed that

application forms dispatched through the public transport services to the Accra office encountered delays.

As with the Sekondi office, it was observed that the number of applications filed at the Kumasi office was lower than in Accra over the same period. Officials confirmed that some applications filed in Accra were filed by applicants from the regions who found it faster to file the applications in Accra than in the Kumasi office. According to officials of the Kumasi office, it appears that there was a general lack of awareness of the existence and role of the office. All the challenges outlined in the survey on the Sekondi office were prevalent in the Kumasi office.

3.2 The Revenue Agencies Governing Board

The Revenue Agencies Governing Board is the body charged with the responsibility of generating Tax Identification Numbers (TIN) for business entities. Every business entity registered at the RGD is required to have a TIN without which the incorporation certificate cannot be issued. The RAGB therefore plays a vital role in the business registration process.

The RGD initiates the process of the generation of a TIN by sending details of business entities electronically in batches to the RAGB. After receipt of this information, RAGB goes through three processes and procedures to generate the TIN. These are:

- (a) Receiving and verifying details of entities sent by the RGD;
- (b) Generating the TIN; and
- (c) Dispatching the TIN to the RGD.

None of these processes involves the RAGB interacting with applicants directly. As a result, no Time and Motion studies were conducted. A Job Card was designed based on these three procedures. Fifteen Job Cards were submitted to the RAGB to track these processes and a sample Job Card is provided in Annex A6. Since the RAGB carries out batch processing of TIN registration forms, a Job Card was attached to each batch.

All 15 completed Job Cards were retrieved from the RAGB, the results of which are presented in table 8.

Table 8: Summary of RAGB Job Card Results

Procedure	Average Time Reflected in Job Card (Minutes and Seconds)
Receiving and verifying details of companies sent by the RGD	13.0
Generating the TIN	9.57
Dispatching the TIN to the RGD	5.17
Total	28.14

RAGB spent the longest time, 13 minutes on average, receiving and verifying details of companies from the RGD. According to the data clerk responsible for this task, more time was spent here in order not to admit any error to the system. Errors identified at this stage

were referred back to the RGD for the necessary corrections to be effected before further processing. It also appeared as expected that the larger the batch size for processing, the longer it took to generate and issue TINs.

3.3 Metropolitan Assemblies

Section 79 of the Local Government Act, 1993 (Act 462) empowers local government agencies (Metropolitan, Municipal and District Assemblies) to raise revenue to finance their development activities. The Business Operating Permit (BOP) is a revenue generation mechanism used by MMDAs by virtue of various by-laws in force. Each business entity operating within the jurisdiction of the MMDA is required by these by-laws to obtain a BOP from the MMDA before the start of business. BOPs are required to be renewed on an annual basis.

For the above reasons the survey was carried out in the Accra, Kumasi and Sekondi-Takoradi Metropolitan Assemblies in order to determine the time and cost for obtaining a BOP. Job Cards and Time and Motion studies were administered and carried out at the Accra Metropolitan Assembly (AMA) (see annex A7). In the Kumasi and Sekondi-Takoradi Metropolitan Assemblies, only Job Cards were administered (see annex A8).

3.3.1 Accra Metropolitan Assembly

Pursuant to the Local Government Act, AMA's BOP by-law passed in 1995 requires all businesses operating within its jurisdiction to acquire a BOP from AMA prior to starting a business and subsequently on an annual basis. Table 9 summarizes the procedures for obtaining a BOP at the AMA.

According to officials of AMA, the first to the second quarters of the year typically record low levels of BOP applications. AMA sends out collection task forces from about the middle of the second quarter of the year sometimes until the end of the year. It is usually after the task force starts going around that businesses proceed to the AMA offices to register for BOPs. In view of this timing it was impossible to effectively carry out the Time and Motion study at AMA. The Time and Motion study recorded only one case during a routine inspection carried out by AMA inspectors at the premises of an applicant. There was no prior appointment with the client and the inspector conducted an inspection which lasted for 25 minutes. The Inspector sent the payment chit to the client after 3 working days and the client paid the amount on the chit instantly by cheque and was issued with a receipt immediately. All the procedures which formed the basis for designing the Time and Motion study forms were ignored in this particular registration exercise because the RA was only able to follow this particular process because he joined the AMA inspection team to the field.

Fifteen Job Cards were submitted to AMA officials. Each BOP application was to be tracked with one Job Card to capture the processes outlined in table 9. All Job Cards were to be retrieved by the consultant at the end of the survey period. In the one application for a BOP that was filed during the survey period, no Job Card was completed by AMA officials. This was because the applicant did not voluntarily call at AMA for the BOP.

Table 9: Summary of BOP Application Processes at AMA

	Processes	By	When
1.	Call at offices of AMA and arrange for business premises to be inspection by AMA	Applicant	
2.	Inspect work premises of Applicant	AMA Inspector	Same day
3.	Assess permit fee	AMA Inspector	
4.	Complete Assessment Form and Business Operation Permit Application Form based on information gathered from business premises inspected	AMA Inspector	
5.	Approve forms	Revenue Accountant	Same day or day after
6.	Data entry to generate Account Number	Information System Dept	2 nd day
7.	Issue of payment chit to applicant.	Inspector	2 nd day
8.	Pay permit fee in account number	Applicant	2 nd day
9.	Preparation of certificate	Inspector	2 nd day
10	Signing of certificate	Revenue Accountant	2 – 3 days
11	Sealing of Certificate	Deputy Director	2 – 3 days
12	Issue of certificate	Inspector	Same day sealed or day after

3.3.2 Sekondi-Takoradi Metropolitan Assembly

The Shama-Ahanta East Metropolitan Assembly (currently Sekondi-Takoradi Metropolitan Assembly) passed a Business Operation Permit by-law in 2000 which requires all businesses operating within its area of authority to acquire a Business Permit from Sekondi-Takoradi Metropolitan Assembly (STMA). The by-law specifically provides that no person shall carry out business within the metropolis without first obtaining a BOP duly granted by the Assembly. Businesses operating within the STMA must therefore register with and obtain a BOP from the STMA.

On the basis of the legal obligations of business entities to obtain BOPs before they operate within STMA, Job Cards were administered at the STMA to ascertain the procedures and time for issuing BOPs.

Three companies were issued with BOPs during the survey period. The Job Card could not be used because it took visits by the Revenue and Inspection Officer to go around to compel these companies to register. In all three cases, the inspection was conducted on the spot and the assessment was done instantly. Payments were also affected instantly by one company and the other two made payments the following day. A BOP sticker was posted on the premises by the STMA official when payments were made and receipts issued. Data were subsequently captured at the STMA office, and invoices were issued and back-dated.

According to the Revenue Officer, it took officials about 45 minutes in each case to complete the inspection and assessment and issue a receipt for payment.

3.3.3 Kumasi Metropolitan Assembly

The Job Cards which were designed for the Kumasi Metropolitan Assembly could not be administered due to misinformation by the licensing officer that KMA did not issue BOPs. It was later determined that KMA Business Operation Permit by-law requires all businesses operating within its area of authority to acquire a BOP from the assembly prior to starting. Businesses operating within the KMA must therefore register with and obtain a BOP from the KMA. Because the law was not being implemented, it was not possible to gather any information in Kumasi.

3.4 Internal Revenue Service

The Internal Revenue Service is mandated by the Internal Revenue Act 2000 (Act 592) as amended to collect taxes from business entities and individuals. Act 592 also requires businesses to register with the IRS prior to starting a business.

The key processes involved in registering a business entity with the IRS are shown in table 10.

Table 10: Processes for Registration of Company with IRS

#	Process	By
1	Submit incorporation documents to schedule officer	Applicant
2.	Review document and verify TIN	Schedule officer
3.	Conduct interview with applicant to raise assessment	Schedule officer
4.	Review and approve assessment	District Manager
5.	Make entry in record book and assign file no. and prepare assessment sheet with tax computation	Schedule officer
6.	Prepare notice of assessment	Schedule officer
7.	Approve and sign notice of assessment and certificate	District Manager / Schedule officer
8.	Make payment for processing notice with IRS	Applicant
9.	Issue certificate to applicant	District Manager / Schedule officer

The cost of registration includes a GH¢10.00 fee for the tax registration certificate and a tax assessment based on the prevailing corporate tax rate (currently 25%) applied to the IRS' projected net income for the first year for the type of business. The applicant has up to 90 days to object to the assessment after which the applicant is required to pay in equal quarterly instalments. The first instalment payment is due and payable before the first quarter of the applicant's registration if the business has been in operation before the application for IRS registration. Applicants are told that a penalty applies if this is not paid as soon as possible. Therefore, they typically try to mobilize funds for payment before the issuance of the IRS registration certificate.

A Time and Motion Study was carried out at the Accra offices of the IRS (Osu R.E) to track the procedures of the IRS which involved interacting with the applicant. Additionally, Job Cards were designed and administered to track the internal processes of the IRS offices in Accra (Osu R.E), Kumasi (Asokwa), and Takoradi (Harbour) which did not involve the applicant (copies of Time and Motion results and Job Cards for the IRS are provided in annexes A1, A10 and A11).

3.4.1 IRS, Accra

Three applicants were interviewed and monitored during the Time and Motion study at the Accra IRS (Osu R.E.) offices. The small number of interviews reflected the seasonal nature of registration at the IRS. There are fewer registrations during the first quarter of the year. Most of the applicants were sole proprietorships. Results of the Time and Motion study are shown in table 11.

Table 11: Results of the Time and Motion Studies at the IRS (Osu R.E. Office) in Accra

Procedure	Waiting Time (Minutes)	Processing Time (Minutes)	Total
Submission of incorporation documents to schedule officer for document review and verification of TIN	9	17	26
Interview with applicant to raise assessment	0	30	30
Payment for notice of assessment and certificate of registration	17	10	27
Deliver certificate of tax registration	18	10	28
Total	44	67	111

It took an applicant an average total waiting and processing time of 26 minutes to present the requisite documents, get interviewed and obtain an assessment. Overall, an applicant spent 111 minutes (1 hour 51 minutes) to complete and obtain a tax registration certificate. Each of the four procedures took approximately 30 minutes.

Fifteen Job Cards were submitted to the Osu R.E. office of the IRS. A Job Card was to be attached to each application for IRS registration and completed Job Cards were to be retrieved by the consultant at the end of the survey. However, only one completed Job Card was returned by the Osu IRS office because only one application process was completed. In this case, it took the IRS a total of 88 minutes to complete processing and issuing tax registration certificate.

3.4.2 IRS, Kumasi

The survey was carried out at the Asokwa Branch of the IRS following the advice of the Regional Director on the grounds that it was the busiest office in Kumasi. Only Job Cards were administered here. Although numerous applications from businesses were recorded during the survey period, only three limited liability companies called to register with the IRS. Out of the three companies who called to register, only one completed the registration process and obtained the tax registration certificate. In this case, an official of the company spent 83 minutes over a three day period to obtain the certificate. The remaining applicants

abandoned the registration process after going through documents inspection, interview, tax assessment, approval of assessment and issuing of assessment notice. Applicants claimed this was a result of a lack of funds to pay the assessment.

3.4.3 IRS, Takoradi

In the Western Region, the survey was conducted at the Harbour branch of the IRS office in Takoradi. The choice of the Harbour branch was influenced by the fact that it is located nearer to the central business area which in relative terms is the busiest IRS office in the region

The Job Card revealed that only one limited liability company was registered during the survey period among the registration of many other businesses. It took the applicant four visits but only 75 minutes were spent in completing the entire process to obtain the certificate.

4 Summary of Findings

The total time and cost involved in compliance with the procedures established for starting a business in Ghana are shown in table 12.

Table 12: Summary of Time and Cost for Compliance with Current Requirements

Agency	Place	Total Working Days	Cost	Means of Verification
RGD	Accra	14.5	Minimum of GH¢66	Time and Motion (15 observations)
	Kumasi	25-30	Minimum of GH¢66	Interview with Assistant Registrar
	Sekondi-Takoradi	25-35	Minimum of GH¢66	Interview with Assistant Registrar
IRS	Accra	1	Varies	Time and Motion (3 observations)
	Kumasi, Sekondi-Takoradi	Could not be established	Could not be established	
RAGB	Accra	1	No costs incurred	Job Cards (15 observations)
Metropolitan Assemblies	Accra, Kumasi, Sekondi-Takoradi	Could not be established	Could not be established	

In sum, it takes an applicant on average 14.5 days to register a business at the RGD in Accra. Adding one day for the issuance of a TIN by the RAGB and one day for registration with the IRS increases the total to 16.5 days. For an applicant in Kumasi, the number of days to register a business with the RGD is between 25 and 30. For Takoradi, it takes 25-35 days on

average to register a business with the RGD. Unfortunately, the baseline data for the Metropolitan Assemblies as well as for the IRS in Kumasi and Takoradi could not be established.

The process of obtaining a Certificate of Incorporation and a Certificate to Commence Business from the RGD officially costs (GHC 66) and a stamp duty of 0.5% of stated capital. The process of obtaining a certificate of registration from the IRS costs GHC 10 plus an assessment raised by the IRS. Obtaining a BOP requires an official fee which ranges from a minimum of about GHC 30 and a maximum of about GHC 1,000 depending on the type of business.

5 Recommendations

5.1 Registrar General's Department

(a) Slow Payments

The study clearly showed that more time was spent at the payment point than at any other stage during the initial processes. Therefore, the current system should be reviewed to expedite payment processes. More payment points should be created to enhance the speed of payments and services from the bank tellers. The RGD has indicated that more places for tellers have been opened since the survey was completed and as a result, the payment process has become faster than was observed during the survey. This could be verified by a follow-up study.

(b) Automated Registration System

The implementation of the automation system has reduced the phenomenon of “facilitators” processing documents for applicants. It has also reduced the internal processes of RGD from 32 to 24 procedures. With the new system, business registrations are expected not to exceed a maximum of five days. While the results of the pilot survey showed that it took 5 to 10 days to register a company with the RGD, the Time and Motion study revealed an average of 14.5 days. This is because the automation system has not been fully rolled-out.

There is a need to fully implement automation to ensure that all processes for registration and document retrieval are automated and expedited. As part of this, applicants should be able to apply online for registration of their businesses. The RGD is working towards a fully-automated system that allows online applications.

The RGDs regional offices must be linked to the automated system to facilitate registration of businesses from the regions. The RGD has again indicated that it expects to be linked to its regional offices by the end of December 2008. Its regional offices are also expected to be connected to the internet to facilitate communication.

(c) Tracing of Certificates for Collection

The study showed that applicants had to wait the longest time (16 minutes) for processing when it came to the collection of certificates. At this stage, it is the responsibility of the front desk officer to trace the applicant's file and locate the certificates to be collected. It is important for the RGD to review the current information storage and retrieval system in place to reduce the processing time leading to the delivery of certificates to the applicant.

(d) Infrastructural Challenges at Regional Offices

The regional offices of the RGD are currently under-equipped to carry out their functions effectively. Among other things, photocopiers to run copies of incorporation documents filed by applicants or scanners to store the documents electronically to back up documents and would result in a reduced number of losses of documents in transit. The RGD has confirmed that there are plans underway to improve logistics at its regional offices.

(e) Repeat Visits by Applicants

A good number of applicants who dealt with all three offices of the RGD surveyed were dissatisfied with the repeat visits they had to make to follow up on their documents. A number of reasons account for this including the lack of connectivity between the three offices and internal procedures, which could be enhanced in the following ways:

- (i) With the automated registration system in place, manual handling of documents should be reduced and officials should be held accountable by the RGD for signing documents expeditiously when required.
- (ii) Cross-checking of information on certificates and data capture before signing of certificates by legal officers of the RGD should be automated to reduce delays in the signing of certificates.
- (iii) While every effort must be made to simplify internal RGD processes, the three offices also need to be networked and made to share some common databases. Communications by internet should also be encouraged.
- (iv) Applicants whose applications are found to be incomplete should be notified by email or other means to ensure a speedier processing of their application. In addition, the screening/review process carried out at the Front Desk of the RGD on submission of the application should be strengthened to detect all gaps or problems related to the application. An online, call centre, or telephone enquiry system that allows applicants to verify the status of their applications would also be helpful in reducing the costs and time required to start a business by reducing the need for repeated visits by applicants.
- (v) The RGD should publish guidelines on the requirements of an application to reduce the number of rejected applications or delays in the processing of applications.

(f) Publicity and Education

The low patronage of the services provided by the RGD outside of Accra is largely due to the fact that potential applicants are not aware that the RGD's offices are located in the regional capitals of the Western and Ashanti Regions. Wide-ranging publicity and educational programmes should be carried out to create awareness and educate the public about the presence of the regional offices of the RGD. Such a campaign needs to take into account that services at the regional RGDs must be improved simultaneously to meet applicants' expectations and upsurge in service demand.

(g) Regional Desks in Accra

The current arrangements where desks have been created to handle incorporation documents filed in the regional offices at Accra should be reviewed to ascertain why it takes so long to

complete the process. This is very important to enable the RGD to achieve success in the decentralization of business registration/incorporation in Ghana. Specific officials of the RGD directly involved in the incorporation process such as a data entry clerk, a company inspector and a lawyer should be assigned permanently or on rotational basis to ensure speedy processing of the incorporation documents received from the regional offices.

5.2 Internal Revenue Service and Metropolitan Assemblies

It appeared that incorporated businesses infrequently seek to comply with the requirements to register with the IRS and with the Metropolitan Assemblies. For instance, almost all agencies seemed to expect and accept low compliance levels in the first two quarters of the year. There appears to be no coordination among the RGD and the other two agencies for purposes of promoting compliance. The RGD's automated registration system provides a good basis for networking among these agencies along the lines of the current coordination between the RGD and the RAGB for the purpose of the issuance of a TIN.

5.3 Tax System

A multiplicity of taxes must be paid in the process of registration as shown in table 13.

Table 13: Summary of Taxes Payable by Companies to Start a Business

Tax	Amount/Rate	Taxable Base
Stamp Duty	0.5%	Equity capital
IRS Assessment	25%	Forecasted profit for the year
Municipal Tax/Business Operating Fee	Various: Typically, GH¢30 up to GH¢1,000 and more depending on business type	Forecasted revenues

Applicants complained about the multiple taxes they are required to pay even before the business has started: Applicants are required to pay stamp duty of 0.5% of minimum capital registered at the RGD on submission of their application for incorporation² and a BOP fee at the Metropolitan Assembly. At the IRS, applicants were given an assessment of taxes payable for the first year of operations at the IRS. Assessments are required to be paid to the IRS on a quarterly basis, the first of which is payable at the end of the quarter in which the applicant files the application. Where the IRS perceives that the applicant has been in operation before the application, the applicant is made to pay some percentage of some assessed tax before the registration.

With the exception of the level of the stamp duty, applicants were uncertain as to the required payments. This was because in each case, assessments were conducted by the officials of these agencies without any clearly defined parameters apart from the nature of the applicant's business and the perceived net turnover or net income of the first year. A more transparent basis for assessment of these taxes must be put in place if these are to be continued. A more

² 0.5% of minimum required stated capital of GH¢500 is GH¢2.50. Of the 15 companies surveyed at the RGD, only 3 had the minimum capital required. The others registered much higher stated capital with the highest being GH¢20,000 in which case the stated duty was GH¢100.

fundamental policy issue is the rationale for levying such taxes on a start-up business when no income has been generated and before any profits are likely to be declared for the first year. Typically, such taxes are paid out of savings by investors meant for starting the business, which then leaves less disposable capital for the business from the onset. This is particularly problematic as access to equity capital for start-up businesses in Ghana appears to be a challenge. The policy objective at the pre-start-up stage should be to capture adequate information about the business to facilitate future tax collection. The current system where the company pays tax even before it commences business or makes a profit should be abolished and should be replaced with more creative and practical ways of raising government revenues.

6 Concluding Remarks

This study has shown that in order to start a business, entrepreneurs have to go through cumbersome processes and are expected to pay a multitude of taxes and fees before commencing business. This leads to lost opportunities for entrepreneurs who have to wait a long time to get their businesses registered and is an obstacle to the formalisation of businesses.

Addressing the issues outlined above based on the recommendations made should contribute to reducing the time and costs associated with completing formalities for starting a business in Ghana.

Trading across Borders

1 Background

Trading across borders in Ghana involves dealing with several agencies. The procedures and costs associated with trading depend heavily on the point of entry and exit and the type and value of goods traded. The aim of this study is to measure the time and cost required to obtain the necessary certifications, permits or registration at five of the main points of entry and exit.

After an outline of the methodology, the main findings will be presented. Recommendations and policy implications conclude this report.

2 Methodology

2.1 Research Instruments

The overall approach was to use a mixture of survey instruments in order to obtain as accurate information as possible with respect to procedures, documents required, and time and payments necessary for trading across borders. The “Time and Motion” method was the main instruments for data collection. This was supplemented with, and in all cases preceded by, stakeholder interviews. Preceding the main survey, relevant procedures and legal requirements for trading across borders were identified in the pilot survey and stakeholder workshops.

2.1.1 Time and Motion Studies

The time and motion instrument requires Research Assistants (RA) to physically follow officials or agents of companies throughout the entire cycle of trading across borders. Upon getting the consent of the agent, a researcher followed him/her throughout the entire procedure while trying to avoid interaction.³ Specific actions per step, forms and signatures required, and fees were documented. Also, unnecessary actions of the service provider were noted, along with the manner with which the service was provided.

To elicit more co-operation from exporters/importers and their agents MOTI issued introductory letters to the RA, over and above those issued to them by Centre for Policy Analysis (CEPA) during the pilot.

2.1.2 Interviews

To obtain additional information, interviews with agencies and individuals involved in the process were conducted. In particular, interviews with the agents of the companies who were tracked as part of the time and motion study were conducted. Questions about the level of

³ Largely adopted from the GTZ Philippines supported Small and Medium Enterprise for Sustainable Employment Program (SMEDSEP) report “Improvement and Documentation of Business Licensing Procedures in the Cities of Bacolod and Ormoc,” April 2005, p.37f

satisfaction and recommendations to improve the trading process were asked after the agents had completed the entire process.

2.2 Scope of Coverage and Sample Selection

Several categories of exports and imports were tracked. Ports of entry and exit studied included Ghana's two sea ports, the only international airport, and two of the busiest land borders. This represents an attempt to expand the geographical coverage beyond the World Bank studies, and to also incorporate regional variations. Yet, due to resource constraints the study was limited to ports of entry and exit in southern Ghana (south of latitude 6° 45' Kumasi).

The following ports were studied: Elubo and Aflao land border, Takoradi and Tema harbour as well as Kotoka International Airport. These represent the entry and exit points used by Customs, Excise and Preventive Service (CEPS) for revenue estimation.

Due to the need for close cooperation the researchers relied on companies that have been working with the Trade and Investment Programme for a Competitive Export Economy (TIPCEE) and the German Technical Cooperation (GTZ). In addition, data bases of companies from the Association of Ghana Industries and The Ghana National Chamber of Commerce were used to identify potential cooperating firms. In all cases, exporters and imports were classified according to their sector. The Ghana Institution of Freight Forwarders (GIFF) assisted with a list of district offices and telephone numbers of members and district chairpersons.

In addition, CEPS, Destination Inspection Companies, the Ghana Union of Trading Associations, the Ghana Shippers Council and port authorities provided databases of firms that they believed would co-operate with the researchers. The researchers then contacted the individual companies to discuss the modalities of carrying out the exercise.

In settling on companies to survey, the researchers were mindful of the need to survey a broad cross-section of Ghana's imports and exports, as well as the need to reflect public policy priorities of the Government of Ghana. MOTI indicated to the researchers' five sectors of the economy for emphasis. These were food processing, textiles and garments, metals, furniture (wood products) and pharmaceuticals. Companies were selected from across all five sectors alongside others. A company's value of imports or exports was not an important factor in the choice of companies.

The exporters and importers surveyed were classified into four categories: (1) exporters, (2) importers (3) companies in free zones with imports and exports, and (4) companies with goods in transit through Ghana.

A total of 64 cases of imports and exports were tracked. Of these, 22 were exports, 28 were straightforward imports (that is, neither free zone imports nor transit goods), 6 were Free Zones imports and 8 were goods in transit. The researchers also tracked 4 additional cases that were not completed successfully. The distribution of products that were tracked at each entry or exit point is shown in Table 1. A description of the exports and imports is provided in Table 2.

Table 1. Composition of Sample

Port	Exports	Imports	Free Zones Imports	Transit
Tema	3	7 (3)	2	
KIA	5	8(1)	1	
Takoradi	5	6 (1)		
Elubo	2	4	2	4
Aflao	7	3	1	4
Total	22	28 (4)	6	8

Note: The number in brackets indicates the number of cases where a surveyed company did not complete the import process during the survey period.

Table 2. Items Tracked

Port	Exports	Imports	Transit
Tema	Cocoa paste, plastic household items, yam	TV stands, heavy equipment, plastic granules, frozen chicken feet, veterinary	
KIA	Fresh fruits and vegetables	Fresh fruits and vegetables, mobile phones, computers and accessories ,	
Takoradi	Rubber products, plywood, timber logs, veneer	Frozen food, generators, chemicals	
Elubo	Chemicals, foreign soap, Chinese cream	Nescafe, cosmetics, Maggi cubes, Omo, Crown SIEMS	Omo, soaps, fresh cola
Aflao	Aviation fuel, plywood, plastic products,	Smooth iron rods	

Source: Survey

2.3 Organization and Implementation of Survey

The Inter-Agency Working Group referred to earlier identified a lead consultant and a technical consultant as the fulcrum around which the study would be conducted. These consultants hired and trained research assistants that assisted in implementing the study.

Three training sessions were held for research assistants. Officers of the implementing agencies were involved in one of these sessions. Appreciation of the concept by implementing agencies helped to ensure full cooperation. One training session was conducted by international consultants with considerable experience in the use of the Job Card and Time and Motion instruments. Concepts, issues and provisional application to Ghana were discussed. The two remaining training sessions were held by researchers involved with Starting a Business and Trading across Borders, respectively.

To obtain the cooperation of companies the lead consultant and the technical consultant visited identified importers, exporters and their agents and discussed the survey prior to the implementation of the instrument by the research assistants. Similarly, they visited the district executives of the Freight Forwarders at Tema, Aflao, Elubo, and Takoradi prior to the implementation of the survey.

2.4 Monitoring and Quality Control

To monitor the research and to maintain the quality of the data collected, a technical committee consisting of senior staff of MOTI, TIPCEE, GTZ, the lead consultant, and the technical consultant was formed. This committee was responsible for monitoring and overall quality control. It also met to resolve any difficulties or issues that emerged from the field.

The fieldwork was divided into two phases with Accra-Tema as the first area of operation. This allowed for close monitoring of researchers by the technical consultant and lead consultant. Lessons learnt from this were useful in implementation in the other areas.

3 Findings

The findings are first reported for regular imports and subsequently for exports. Documented procedures for imports destined for free zones as well as goods in transit through Ghana are reported in the appendix.

3.1 Imports

Procedures, required documents, time and fees can vary between the different points of entry. Tema is the busiest point of entry, followed by KIA. In this section, only the detailed procedures for these two ports are shown. The procedures observed at land borders are reported in the appendix. Note that importers were often represented by special agents who handled the importation.

3.1.1 Procedures at Tema Harbour

The following import procedures were recorded for imports through the Tema harbor. Seven regular imports were tracked from beginning to end.

- 1) Agent buys Import Declaration Forms (IDF).
- 2) Agent submits IDF to the appropriate DIC
- 3) Agent checks on readiness of Final Classification Valuation Report (FCVR) and receives a copy.
- 4) Agent enters FCVR into GCNeT/GCMS
- 5) GCNeT/GCMS verifies if input agreed with information entered into the system by the shipping line
- 6a) Agent pays customs duty & other levies into CEPS bank account and receives receipt
- 6b) Agent may have to pay 1% of FCVR value to IRS if importer has no Tax Clearance Certificate. This step is supposed to be merged with step 6a
- 7) Agent then submits documents to CEPS for verification of compliance. The documents required are:
 - IDF
 - Commercial Invoice
 - Packing List
 - Original Bill of Lading
 - Certificate of Origin
 - Final Documentation Delivery Advice Form

- Supplementary Information Form
 - Ship rotation (for FZ Companies)
- 8) Agent pays fees to shipping company and receives receipt
 - 9) Agent completes delivery order
 - 10) Port terminal operator locates cargo for inspection
 - 11) Physical examination by CEPS – includes waiting to open cargo. Depending on the item being imported CEPS chemists, Food & Drug Board, Ghana Standards Board or other agencies may be involved. Also, laboratory test reports may be needed.
 - 12) CEPS examining officer approves or disapproves cargo release and submits documents to importer
 - 13) The cargo is repacked
 - 14) Agent pays container terminal operator fees, including possibly rent – demurrage – at the operator’s accounts office
 - 15) Agent obtains an audit permit (to leave the port), including a waybill
 - 16) Agent arranges transportation and loads goods
 - 17) Agent presents documents to port authority/police or other security agents at stop points
 - 18) At gate documents are checked and final permission to leave granted.

3.1.2 Procedures at Kotoka International Airport

Eight regular imports at KIA were documented. The importing procedures were:

- 1) Electronically generated IDF
- 2) Entry submitted to CEPS via GCNeT
- 3) CEPS manual endorsement obtained if value of goods less than US\$3,000
- 4) Documents are submitted to local (Airport) DIC for temporary FCVR if the value of goods is less than \$3,000. If the value exceeds US\$3,000, documents are submitted to DIC head office.⁴
- 5) Receive FCVR from local office of DIC, for imports with a value of more than \$3,000
- 6) Enter FCVR into GCNeT
- 7) Receive print out from GCNeT⁵
- 8) Pay provisional customs duty and other levies into CEPS bank account⁶
- 9) Pay 1% of FCVR to IRS, if necessary
- 10) Submit documents to CEPS for compliance verification – valuation, enforcement, and warehousing. The documents required are:
 - IDF

⁴ In the case of items with a value of less than \$3,000, importer returns to CEPS to stamp temporary FCVR and subsequently importer returns to DIC to submit stamped copy of FCVR. In the case of the import of mobile phones importer pays National Communication Authority (NCA) levy into NCA Account at any Barclays branch and subsequently importer proceeds to NCA office for NCA Permit.

⁵ For clearing in a rush (imports with a value of more than \$3,000 but without FCVR) the importer pays handling charges to airline and collects search note. Subsequently, documents are endorsed at CEPS registry and submitted to CEPS compliance for endorsement. Finally, a CEPS permit must be obtained to permit at permit seal to clear without FCVR

⁶ Goods may be cleared without waiting for a FCVR. However, importers must pay 50% extra of what is anticipated to be customs duties as security. When the FCVR is subsequently issued, the clearing agent must make post entries to complete the transaction (i.e. check on readiness of FCVR; enter FCVR into GCNeT; receive confirmation from GCNeT; submit documents to CEPS for compliance verification; print hardcopy of declaration from agent’s office; agent returns to compliance; agent perfects documents at permit seal; agent collects all or a portion of the 50% security deposit from CEPS accounts office).

- Airway Bill
 - Packing List
 - CEPS Customs Declaration
 - Invoice
 - FCVR
 - Tax Clearance Certificate
 - Ghana Shippers Council Receipt
- 11) Submit documents to security desk at warehouse for cross-checking
 - 12) Locate cargo with search note
 - 13) CEPS examines goods
 - 14) Examining officer approves or disapproves cargo release and submits document to agent
 - 15) Obtain collection note from port authorities
 - 16) Repack cargo after inspection
 - 17) When exiting the ports, the following procedure are required
 - CEPS books import
 - CEPS 2nd post checks for booking
 - Port Authority checks documents
 - Ghana Standards Board checks documents
 - For goods less than \$3,000 submit approved document to DIC office
 - 18) Move goods to Security Terminal and complete final security check

3.1.3 Time

The time required to import goods into Ghana depends on the entry point, the location and the type of product. Table 3 summarises data from the field survey relating to imports at all surveyed entry points. The time shown does not include waiting for FCVR.

Table 3. Summary of Time Required to Import

Location	Time in days*
Tema	11 (21)
Takoradi	15 (25)
Aflao	1**
Elubo	1**(8)***
Accra (KIA)	2**

*Time in brackets includes waiting time to receive FCVR

** Local DIC issue FCVRs and post entries are made after actual FCVR is received.

*** Based on seven days to actually obtain FCVR from head office of DIC.

The data show that imports take much longer to clear through the seaports than through land borders or the airport. On average, it took one day to clear goods from the land and airport entry points while it took eleven days at Tema and fifteen days at Takoradi. Part of the difference has to do with the types and the value of goods. The goods imported through land crossings or KIA tended to be consumer products or household durables. In contrast, imports arriving at seaports were more varied and included machines and equipment. In addition, the value of goods tended to be smaller for goods arriving through land crossings and KIA compared with seaports. This allows for some discretion and the use of different methods of valuation (see details in appendix). In particular, the system for clearing goods allows local DICs to issue FCVRs if the value of goods is less than US\$ 3,000. This system is used

frequently at KIA and the land border crossings. It seems that imports are broken down into batches of a value equal to \$3,000 or less to avoid delays at DICs. In all the cases tracked, this procedure took two days.

At Elubo harbour, goods are cleared with provisional FCVRs issued by GCNeT. Officials of CEPS explain that it would take too long to receive FCVRs from BIVAC's offices in Accra. However, in all cases agents must submit "Post Entries" into GCNeT when they receive the substantive FCVRs from BIVAC, and settle the differences in duties paid.

3.1.4 Costs

The categories of costs incurred by exporters and importers were port handling charges and shipping line costs. In addition to these, importers paid customs duties. At virtually all stages of clearing imports and forwarding exports, tips and other unofficial payments were made. It was however difficult to document these as most agents were unwilling to let RAs know the actual amounts involved. Table 4 shows the multiplicity of charges at Tema harbour, all which were not usually standardised.

Table 4. Costs Borne by Importers at Tema Harbour in GHC

Item	Quantity	Customs Duty	Internal Revenue	Shipping charges	Port charges
TV trolleys (stands)	1x20 container	5,911.80	146.00	204.80	215.00
Tire cover and rims	1x20 container	1,299	44.30	235.38	116.05
Heavy duty generator (1250 KVA)	1 piece	N/A	143.00	425.00	N/A
General equipment	1x20 container	470.00	N/A	N/A	20.00
Frozen hen legs	One container	N/A	N/A	N/A	411.41
Rice	1x40 container	5,700.00	143.00	425.00	N/A
Veterinary drugs	1x20 container	22,124	N/A	N/A	21.00
Assorted goods	1x20 container	4,998.00	124.00	228.26	N/A

At KIA similar charges and payments were made as illustrated in table 5. In addition to the official payments, unofficial facilitating payments were made. It was impossible to document amounts involved because freight forwarders were unwilling to disclose the amounts they paid.

One particular case is worth pointing out. Table B5d illustrates the implication of the restriction of textile imports to Takoradi. It suggests that the restriction to Takoradi has increased costs. This clearly has implication for the competitiveness of the textiles industry in Ghana. Finally, note that free zone importers paid only shipping and port charges as indicated in Table B1f.

Table 5: Costs Borne by Importers at KIA in GHC

Item	Quantity	Customs Duties	IRS Tax	Airline Charges	Port Charges	Tips	GFZB Form	NCA Payment
Computers & Accessories	1 pallet	6,100.00 **		94.00	N/A	1.00		
Mobile Phone Chargers and Housing	2 packages	135.00	25.00	N/A	N/A	11.00		
Packaging materials *	6 boxes	4.00	N/A	N/A	30.00	3.00	49.00	
Mobile Phones	222x14kg (1 bag)	289.00	81.00	N/A	N/A	N/A	N/A	500.00
Cartridge and Printers		297.00						

* Free Zones import

**Includes 50% extra duty paid as security deposit for clearing without FCVR.

3.2 Exports

In general, export procedures are less cumbersome than require less time than import procedures. At the land borders and KIA export procedures were completed in one day. At Takoradi, export procedures were completed in two days, once CEPS certification was obtained. At Tema, export procedures took more than one day. CEPS certifications were observed both at the port and at the premises of the exporters.

3.2.1 Procedures at Tema Harbour

Three non-traditional exports (NTEs) going through Tema were tracked and the following procedures observed:

- 1) CEPS officer witnesses loading/packing of goods and seals container, if CEPS is on premises
- 2) Purchase of export documentation form – NTEF
- 3) Submit declaration electronically to GCNeT/GCMS
- 4) Receive customs validated entry report (customs declaration) from GCNeT
- 5) Submit customs declaration for CEPS to verify existence of purported transaction in GCNeT
- 6) Paying duties: If CEPS is on site, CEPS Officer records details of GCNeT output in Landing Account and works out duties due
- 7) Exporter submits export documents to customs compliance office (Long Room) for compliance verification, etc. The following documents are needed:
 - Export Declaration Form
 - Invoice
 - Certificate of Origin
 - Landing Account
 - Packing List

- Memorandum Letter to sector commander if physical examination is done at exporter's premises
- 8) Transport goods outdoor for CEPS inspection, if not sealed on site
- 9) Customs examines goods, if not sealed on site
- 10) Exporter or agent gives shipping instructions and receives shipping note from shipping company
- 11) Exporter submits shipping note to another office of the shipping company for assessment of handling charges due port authorities
- 12) Exporter pays handling charges to port authorities
- 13) Exporter to CEPS for final verification and clearance
- 14) CEPS releases documents to shipping company
- 15) Shipping Agency transports and loads goods on ship

At Takoradi harbour, export procedures for traditional exports were observed. There are no marked procedural differences between traditional exports at Takoradi harbor and NTEs at Tema harbor.

3.2.2 Time

On average, it takes longer to export through sea ports than via land crossings or KIA. Table 6 shows that it takes up to seven days to export through Tema if the goods are sealed and inspected by CEPS on the premises of the manufacturer. In Takoradi, which deals largely with traditional exports, it takes only two days to complete the process. For all other exit points it takes just one day to complete the entire process.

Table 6. Summary of Time Required to Export

Location	Time (Days)*
Tema	7 (2)
Takoradi	2
Aflao	1
Elubo	1
Accra	1

* The brackets indicate the number of cases for which goods are sealed at exporter's premises.

3.2.3 Costs

In general, exporters pay only handling charges but no duties. As indicated, costs involved in importing and exporting varied considerably according to the product and size of the container. To present information about costs the case of Tema will be used as indicative of the types of costs that exporters paid for transactions. Table 7 shows the fees charged at Tema harbour.

Table 7. Costs Borne by Exporters at Tema Harbour

Item	Quantity	Port Charges
Cocoa paste	1x20 container	GHC 51.00
Plastic household items	1x20 container	GHC 101.00
Fresh yam	1x20 and 1x40 containers	GHC 221.0

NOTE. Payment of shipping company handling charges depends on the shipping line used. For example, Mersk has a one-stop procedure, while OT African Line's procedures involve CEPS and GAPOHA. In this case, CEPS calculates the payment which is made to revenue office of GAPOHA.

Table 6 shows that the charges for NTEs varied according to the product and the size of the container. Charges ranged from GH¢51 for 1 X 20 container to GH¢101 for the same size involving plastics. In addition to these charges, the exporter may have to pay for Goods Movement Certificate issued by the Ghana National Chamber of Commerce and a Phyto-Sanitary Certificate.

In sum, the charges depend heavily on the items exported and their value. Therefore, an accurate comparison is difficult to make.

3.3 Comparison of Trading Procedures

The field work has shown that many processes and procedures are similar at all the ports for trading across borders. These include comprehensive involvement of CEPS, extensive use of GCNeT, payment of customs duties and levies at banks. Yet, marked differences exist from port to port. Some of these differences include:

- Customs procedures at land ports are more detailed and involve more interactions than at the harbours or airport;
- The Bureau of National Investigation (BNI) was involved for trading through the land ports of Elubo and Aflao but not for the sea ports of Tema and Takoradi
- On average, it took 4 days to obtain FCVR in Accra/Tema and 7 days in Takoradi
- There are no marked differences between the procedures for exporting NTEs and traditional exports.
- Contrary to Aflao and Elubo, no CEPS escort or tracking device was used for imports destined for free zones at Tema harbour.
- Elubo transits are based on tracking devices (associated with ECOWAS Log-Book). Aflao transits are mostly manual (human accompaniment)
- At Tema, Takoradi and KIA and for regular exports or imports (imports above US\$3,000 and not in a rush) CEPS verification for compliance is only one step, followed by physical examination. At Aflao and Elubo there are a minimum of two steps of CEPS involvement before physical examination of goods.
- Mandated Declaration Analysis from Ghana Standards Board was required for imports coming through Elubo (GCNeT based) and Aflao (manual based). It was not required for Tema, KIA, or Takoradi

4 Policy Implications and Conclusion

The trade regime and the accompanying procedures were not designed to facilitate trade. Instead, they were designed following balance of payments problem in 1962 as a means of protecting the domestic industry and the balance of payments position. Administrative procedures were therefore designed as non-tariff barriers to trade in addition to the high tariffs that were charged.

Over the last few years, there has been a reduction in the number of procedures and a reform programme to computerize certain operations and to reduce the time required to import was launched.

In spite of this, importers still find the processes cumbersome and time consuming. The three weeks required to go through the processes of clearing goods is high compared with the best performing countries.

The ongoing reforms need to be intensified. Capacity building as well as infrastructure developments may be necessary to ensure computers and other facilities required for importing work well. There is also a need to change the mentality of officers. Even though revenue generation is important, the trade regime must be seen as a means of facilitating trade.

A disproportionate amount of the time involved in processing comes from delays arising from the operation of the DICs. DICs indicate that it takes four days to issue the FCVRs, while importers indicate it takes up to two weeks. Some delays may arise from incomplete documents or fake documents presented. Moreover, irrespective of the delay in issuing the FCVR, CEPS has the power to reject the values quoted or endorsed the DICs.

Two options are possible under such circumstances. The first option is an appeal process at MOTI. Respondents suggested that either the process does not work or where it does work, it takes a long time to complete. While waiting for the process to be completed the importer accumulates demurrage. A second possible solution is to have the DICs assist CEPS to build a common database from which both organizations could obtain data. There is also a need to limit the number of days the DICs have to issue the FCVR.

There are a multiplicity of charges for imports at the entry points. Some of these charges are arbitrary, not transparent, and the legal basis is questionable. It was argued by importers that port charges are arbitrary and duplication is possible. In particular, freight charges on vehicles are determined by CEPS in a manner that seems arbitrary. Shipping line charges are also high and arbitrary. The 15% of value of goods charged by Aviance at KIA as royalties seems illegitimate. There is a need to rationalize the various charges at the ports and make them transparent. This would expose any duplication of charges that exporters and importers pay.

There is a need for better cooperation amongst the implementing agencies involved in the trading process. These agencies may include CEPS, Ghana Standards Board, Food and Drugs Board, Environmental Protection Agency, Energy Commission and the Port Authority. Different requirements and different working times affect the time required to clear goods.

Accountability to importers for fees collected and the use of unregistered clearing agents create some difficulties. The unregistered clearing agents are able to operate with the connivance of the licensed agents.

Government also needs to standardize the customs valuation methods. Annex B7 lists the standard valuation methods according to the World Trade Organisation. The commonly used methods in Ghana are one to three. Where officers have exercised their discretion with respect to these options goods have been cleared at a much faster rate. But where the system is tied inflexibly to the DIC system, the clearing of goods has been delayed.

The role of DICs has to be revisited with a view to imposing time limits on issuing FCVRs or clarifying their relationships with CEPS. Freight forwarders argue in favour of the return to a system whereby CEPS issues FCVR. Freight forwarders complain that DICs are redundant since CEPS can over-ride DICs.

Ghana needs to decide on the objective of its trade regime. With development based on an export-led growth strategy, trade facilitation is crucial. Trying to use the import-export regime to achieve multiple objectives, such as maximizing government revenue and protecting industry as well as unwanted balance of payments changes can be challenging as one objective is not necessarily consistent with the others.

Annexes

A. Starting a Business

A1. Time and Motion form, IRS

Time and Motion Instrument	
Observation and Process Documentation	
Date /Time of Observation: _____	Conducted by: _____
Name of Company: _____	
Processed by liaison/agent _____	Processed by owner _____ Other _____
Name of applicant: _____	Contact Number _____
Male___ Female___	
Nature of business: _____	

Step	Time	Begin		End		Elapsed Time	Back-tracks	Cost	Number of Forms and Signatures required	Remarks
		Date	Time	Date	Time					
Applicant submits incorporation documents and relevant information for assessment to schedule officer	WT									
	PT									
Applicant entertains interview with schedule officer	WT									
	PT									
Applicant follows up on completion of	WT									

Tax Assessment and Registration

tax registration certificate	PT									
Applicant pays tax registration fee and obtains receipt	WT									
	PT									
Applicant picks up and receives tax registration certificate	WT									
	PT									
Total										

Process Control Table (For Cause and Effect Analysis)

Step	Effect	Specific Description of Cause(s)	Categories of Cause(s): Material Personnel Procedure Equipment Others	Actions Taken by service-provider	Actions Taken by Applicants
	Delayed processing of form				
	Delayed processing of form				
	Delayed processing of form				
	Delayed processing of form				
	Delayed processing of form				

A2. Time and Motion form, RGD

Time and Motion Instrument	
Observation and Process Documentation	
Date /Time of Observation: _____	Conducted by: _____
Name of Company: _____	
Processed by liaison/agent _____ Processed by owner _____ Other _____	
Name of applicant: _____	Contact Number _____
Male ___ Female ___	
Nature of business: _____	

Business Incorporation

Step	Time	Begin		End		Elapsed Time	Back-tracks	Cost	Number of Forms and Signatures required	Remarks
		Date	Time	Date	Time					
Applicant calls at Accounts to assess the incorporation fees	WT									
	PT									
Applicant submits incorporation forms to Company Inspector and obtains information on incorporation fees/	WT									
	PT									
Applicant pays incorporation fees/ stamp duty to cashier	WT									
	PT									
Applicant submits completed forms to Registry Clerk (FDO)	WT									
	PT									
Applicant follows up on completion and receives incorporation documents from Registry Clerk (FDO)	WT									
	PT									
Total										

A3. Time and Motion form, AMA

Time and Motion Instrument Observation and Process Documentation	
Date /Time of Observation: _____	Conducted by: _____
Name of Company: _____	
Processed by liaison/agent _____ Processed by owner _____ Other _____	
Name of applicant: _____	Contact Number _____
Male ___ Female ___	
Nature of business: _____	

Booking an Appointment for Inspection at AMA

Step	Time	Begin		End		Elapse d Time	Back- tracks	Cost	Number of Forms and Signatures required	Remarks
		Date	Time	Date	Time					
Applicant calls at AMA to see inspector	WT									
	PT									
Applicant makes an appointment with inspector	WT									
	PT									
Total										

Entertaining Inspection for Local Business Operation Permit

Step	Time	Begin		End		Elapse d Time	Back- tracks	Cost	Number of Forms and Signatures required	Remarks
		Date	Time	Date	Time					
Applicant receives inspector and supports inspection	WT									
	PT									
Total										

Issuance of Local Operation Permit

Step	Time	Begin		End		Elapse d Time	Back- tracks	Cost	Number of Forms and Signatures required	Remarks
		Date	Time	Date	Time					
Applicant collects payment chit from AMA inspector	WT									
	PT									
Applicant pays fee and obtains receipt from bank	WT									
	PT									
Applicant collects business operation permit	WT									
	PT									
Total										

A4. Job Card, RGD Accra

Company Name check

No	Process Description	By	Date and Time received	Date and Time procedure completed	Date and Time dispatched for next procedure	Officer dispatched to	Costs
1	Checks availability of business name	Front Desk Officer					
2	Verifies, approves name	Companies Inspector					
3	Informs applicant	FDO					

BEFORE AUTOMATION
Incorporation of limited liability companies

No	Process Description	By	Date and Time received	Date and Time procedure completed	Date and Time dispatched for next procedure	Officer Dispatched to	Costs
4	Assessment of duty	Company Inspector					
5	Receives payment and issues receipt	Cashier					
6	Receives / inspects completed forms from applicant	Front Desk Executive					
7	Receives completed forms with payment receipt, records application in registry book, transfers application to Front Desk Officer	Registry Clerk					
8	Reviews completed forms and assigns to appropriate Registry clerk for processing	Front Desk Officer					
9	Receives completed forms from Front Desk and submits to appropriate Companies Inspector	Front Desk					
10	Validate incorporation documents, signs clearance and returns to front desk officer	Company Inspector					
11	Business name and number is generated	Front Desk Officer					
12	Types name and registration number on incorporation certificate and covering letters and notices Registry clerk	Typist					
13	Arranges all relevant documents including typed certificate, cover notes and forwards to company inspector	Registry Clerk					

No	Process Description	By	Date and Time received	Date and Time procedure completed	Date and Time dispatched for next procedure	Officer Dispatched to	Costs
14	Signs attached cover notes and forwards to Data entry clerk	Company Inspector					
15	Enters data in computer system and informs FDO	Data entry clerk					
16	Retrieves file from data room and submits to legal officer (state attorney)	FDO					
17	Signs incorporation certificate and cover note	State Attorney					
18	Retrieves signed certificates from legal officer (state attorney) for applicant collection	FDO					
19	Types TIN and other relevant details on Commencement Certificate, covering letter and notice of commencement and forwards documents to Company Inspector	Typist					
20	Reviews details on commencement certificate/ notice, signs cover note and forwards it to FDO	Company Inspector					
21	Seals commencement certificate and submits to State Attorney	FDO					
22	Randomly verifies and signs commencement notice and certificate	State Attorney					
23	Retrieves signed commencement notice and certificate for applicant collection	FDO					

POST AUTOMATION

Incorporation of limited liability companies

No	Process Description	By	Date and Time received	Date and Time procedure completed	Date and Time dispatched for next procedure	Officer Dispatched to	Costs
4	Receive completed forms with receipt and minutes receipt generate receiving date and time.	Front Desk					
5	Sends minuted forms to the back office	Clerk					
6	Sorting completed documents received from front desk.	Back office clerk					
7	Sends sorted completed forms to the Data centre for inputting.	Clerk					
8	Input data into the data base.	Data Clerk					
9	Generation of TIN	Data Clerk					
10	Generation of Certificates and covering letters	Data Clerk					
11	Sends covering letter and certificates for inspection by Companies Inspector	Clerk					
12	Signing of cover letter	Companies Inspector					
13	Sends certificates and covering letters to front office for sealing	Clerk					
14	Sealing of certificate Receiving point	Front Desk					
15	Send sealed certificates for signing by Attorney	Clerk					
16	Signing sealed certificates and covering letter	Attorney					
17	Send sealed and signed certificate to back office for CTC.	Clerk					
18	Certifying the true copies of regulations and forms 3 & 4.	Back Office					
19	Send sealed and signed certificate with CTC copies to front office collection desk.	Front Desk					

A5. Job Card, RGD Kumasi and Sekondi-Takoradi

Name of Applicant.....

Business Name & Location.....

Contact Number of Applicant.....

Date Applicant presented completed registration forms.....

Date and Time payment was made.....

Date and time registration forms were inspected.....

Date and time registration forms are dispatched from Kumasi/Sekondi-Takoradi.....

Date and Time incorporation and commencement certificates and certified copies of Regulations are returned to Kumasi/Sekondi -Takoradi

Date and time applicant is called to pick certificates and certified regulations

Date and Time applicant picked the certificates and certified regulations.....

Comments.....

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A6. Job Card, RAGB

No	Process Description	By	Date and Time received	Date and Time procedure completed	Date and Time dispatched for next procedure	Officer dispatched to	Costs
1	Receives and verifies data	RAGB Officer					
2	Generates and issues TIN and	RAGB Officer					
3	Sends TIN electronically to ICT at RGD	RAGB Officer					

A7. Job Card, AMA

No	Process Description	By	Date and Time received	Date and Time procedure completed	Date and Time dispatched for next procedure	Officer dispatched to	Costs
1	Assesses permit fee	AMA Inspector					
2	Completes assessment form and business operation permit application form based on the information gathered from the business premises inspected	AMA Inspector					
3	Approves forms and forwards it ICT department	Revenue Accountant					
4	Encodes data, generates account # and forwards set of documents to inspector	Information system department					
5	Issues payment chit to applicant for applicant collection	IMA Inspector					
6	Prepares certificate and forwards it to Revenue Accountant	Inspector					
7	Sings certificate and forwards to Deputy Director	Revenue accountant					
8	Seals certificate and returns sealed certificate to inspector	Deputy Director					
9	Issues certificate for applicant collection	Inspector					

A8. Job Card, Metropolitan Assemblies of Kumasi and Sekondi-Takoradi

Name of Applicant.....

Business Name & Location.....

Contact Number of Applicant.....

Date Applicant called at KMA/SHAEMA.....

Date and time applicants premises was inspected.....

Date and time inspection was completed.....

Date and Time Schedule Officer prepares assessment.....

Date and Time Revenue Accountant approves assessment.....

Date and time applicant made payment.....

Date and Time applicant was to call for BOP Licence.....

Date and time BOP Licence was prepared and signed/sealed.....

Date and time applicant was required to pick BOP Licence.....

A9. Time and Motion Results, RGD Accra

Name of Company	Date & Time	Steps				Total Days/Time	Comments
		Assessment of Duty	Payment of Duty	Submission of Forms	Collection of Certificates		
1.Kinglo Ghana Ltd.	Date	25/02/08	25/02/08	25/02/08	10/03/08	11 days	Applicant was asked to collect the certificates on 10/03/08 but went there on 14/03/08
	W T	10	4	1	3	18 min	
	P T	5	3	4	5	17 min	
2.Delf Capital Ltd.	Date	27/02/08	27/02/08	27/02/08	11/03/08	11 days	Applicant obtained certificate on the 11/03/08 as was requested
	W T		5	2	12	19 min	
	P T	3	3	5	13	24 min	
3.Capitol Engineering Ghana Ltd.	Date	27/02/08	27/02/08	27/02/08	21/03/08	19 days	Applicant was asked to call 11/03/08 but the certificates were not signed so was asked to come on 21/03/08. Applicant called on 28/03/08 for his certificates.(after 10 days)
	W T	4	4	4	5	17 min	
	P T	4	4	4	25	37 min	
4.F&D Investment Ltd.	Date	29/02/08	29/02/08	29/02/08	14/03/08	13 days	Applicant was required to collect the certificate on 14/03/08 and he obtained it on the same day
	W T		7	3	8	18 min	
	P T	4	3	8	9	24 min	
5.D-Sam Airduct Fabrication Ltd.	Date	10/03/08	10/03/08	10/03/08	18/04/08	16 days	Applicant was asked to call on 24/04/08 but was asked to come back on 28/04/08. He obtained the certificates on that day. (3 days after)
	W T		3	14	10	27 min	
	P T	2	9	3	15	29 min	
6.Fast Moov Courier Express	Date	10/03/08	10/03/08	10/03/08	31/03/2008	19 days	Objectives were queried and Applicant changed these on 24/03/08 and was asked to come 31/03/08 but he went on 01/04/08
	W T	2	9	1	12	24 min	
	P T	5	4	3	30	42 min	
7.Abiam Media Co. Ltd.	Date	10/03/08	10/03/08	10/03/08	31/03/08	18 days	Applicant was asked to come for certificates on 25/03/08. He was again asked to call on 28/03/08. He got it finally on 31/03/08. Personnel cause (13 days after)
	W T	5	1	20	10	36 min	
	P T	6	4	4	40	54 min	

Name of Company	Date & Time	Steps				Total Days/Time	Comments
		Assessment of Duty	Payment of Duty	Submission of Forms	Collection of Certificates		
8.Streamline Trading Ltd.	Date	10/03/08	10/03/08	10/03/08	25/03/08	12 days	Applicant was asked to come on 25/03/08 but came on 03/04/08
	W T		12		5	17 min	
	P T	3	6	2	6	17 min	
9.Alliance Consult Services	Date	11/03/08	11/03/08	11/03/08	27/03/08	13 days	Applicant was asked to come on 26/03/08. The certificates were not found as he went back on 27/03/08 (a day after)
	W T			2	8	10 minis	
	P T	2	3	7	10	22 min	
10.Ofram Investments Ltd.	Date	11/03/08	11/03/08	11/03/08	26/03/08	12 days	Applicant had to keep time to get certificates on the same day.
	W T	5	5	3	15	28 min	
	P T	7	6	2	25	40 min	
11.Risk Sam Strategic Investment Consult	Date	12/03/08	12/03/08	12/03/08	04/04/08	17 days	Applicant was to collect the certificates on 26/03/08 but it was not ready when he called on that day until 04/04/08 (6days after)
	W T		16.07		7	23.07 min	
	P T	3	16.13	16.22	10	45.35 min	
12.Agriculture Co. Ltd.	Date	12/03/08	12/03/08	12/03/08	27/03/08	12 days	Applicant called and obtained the certificates on the same day.
	W T	8	20		5	33 min	
	P T	7	4	5	10	26 min	
13.Raymond Doughan & Son Co. Ltd.	Date	13/03/08	13/03/08	13/03/08	07/04/08	17 days	Applicant was asked to collect the certificates on 31/03/08 but did not get it that day due to technical problems and was asked to back on 07-04-08
	W T	10	19	6	8	43 min	
	P T	5	4	4	3	16 min	
14.Ebenpe Co. Ltd.	Date	26/03/08	26/03/08	26/03/08	09/04/08	10 days	It took a while to trace applicant's certificates obtain certificate the same day.
	W T		2		5	7 min	
	P T	1	4	10	25	40 min	
15.Dream Africa Volunteer Service Ltd	Date	02/04/08	02/04/08	02/04/08	25/04/08	18 days	Applicant was asked to collect the certificates on 14/04/08. Was asked to call on 18/04/08 but again was asked call again on 25/04/08. He received it this time (after 8 working days)
	W T	16	22	1	5	44 min	
	P T	2	3	9	15	29 min	

Summary of waiting and processing time recorded in minutes

	Waiting Time			Processing Time		
	Longest	Shortest	Average	Longest	Shortest	Average
Assessment of Duty	16	0	4	7	1	4.3
Payment of Duty	22	0	16	16.13	3	5
Submission of Forms	20	0	4.2	9	2	6.1
Collection of Certificates	15	3	8.2	40	3	10.1
Total			24.26			31

B. Trading across Borders

B1. Field Report, Tema Harbour

B1.1 Items and Companies tracked

The following categories of exporters and importers were tracked: non-traditional exports, regular importers, and imports by free zone companies. The types of goods studied were:

Non-Traditional exports

- Cocoa products (not cocoa beans)
- Plastic household items
- Fresh yams

Regular imports

- Veterinary drugs
- Television trolleys
- Tire covers
- General equipment
- Generators
- Frozen chicken legs
- Rice

Incomplete cases

- Plastic granules
- Resin
- Copper

Free Zones imports

- Plastic granules
- Packaging materials

Destination Inspection Companies

- BIVAC
- Gateway Services Ltd
- Ghana Link Network Services
- Inspection and Control Services

B1.2 Non-Traditional Exports

The procedures for the export of NTEs are described in the main text. Of the three NTEs tracked, the exports of two were sealed on the exporters' premises. The export of the third was examined and sealed at the Tema port. When goods are sealed on premises, this step precedes processing of documents. In addition, there may be a time lag between sealing and processing of documents. For the two such cases tracked, it took seven days from packing and sealing to handing over goods to shipping company.

The third case, in which the goods were inspected and sealed at the harbour, took three days from initiation to handing over the goods to the shipping line.

The researchers were not allowed to observe the actual loading of goods onto ships, mostly because the ships were not loading (or had not arrived) at the time the agent finished his job and the shipping companies took possession of the goods.

Table B1a reports the average time it took to go through the export steps identified.

Table B1a: Procedures and Time required to Export

	Step	Avg	Min	Max	No
1	If CEPS Officer is on site, pack goods on premises for CEPS to seal				
2	Paying for Export Documentation NTEF				
3	Submitting declaration electronically to GCNet/GCMS	35	22	60	3
4	Receive declaration from GCNeT	37	14	60	2
5	If CEPS is on site, CEPS Officer records details of GCNeT output in LANDING ACCOUNT and works out duties due	32	32	32	1
6a	Submit documents for CEPS to verify existence of purported transaction	3	3	3	1
6b	Submit Export documents to Customs Compliance office (Long Room) for verification, etc.	54	15	97	3
7	Transportation of goods to OUTDOOR for Inspection	4	4	4	1
8	Customs examination of goods based on declaration	53	53	53	1
9	a) At port exporter/Agent gives shipping instructions and receives Shipping Note	27	27	27	1
	b) Submission of Shipping Note and assessment of handling charges due port authorities	22	13	30	2
	c) Payment of handling charges to port authorities	62	22	140	3
10	Go to CEPS for final verification and clearance	80	80	80	1
11	Documentary release of goods to shipping company	29	5	56	3
12	Shipping Agency transports and loads goods on ship				

*Note: Avg = average time in minutes; Min = minimum time; Max = maximum time; No. = number of cases whose times were recorded

Only one company needed CEPS final verification and clearance. The time reported for this step was unusually long because the CEPS officer who was to do this was observed to be busy doing other things before attending to the forwarding agent.

It was observed that payment of port charges appeared to take a long time as well as the process of going through customs compliance verification.

The research assistants observed forwarding agents paying only port handling charges. The amounts paid were GHC 51 for a 20 foot container, GHC 101 for a 40 foot container, and GHC 221 for one 20 foot and one 40 foot container. Along the exporting process unofficial amounts were also paid 'to pave the way', but in most cases forwarding agents were unwilling to disclose the amount they paid.

B1.3 Imports

The procedures for importing through Tema harbour are described in the main text. For imports tracked from beginning to end, it took an average of seven calendar days to clear the goods at Tema harbour. FCVRs were ready in an average of four days. The FCVR for a rice import was, however, ready in 12 minutes, and the entire process was completed in three days.

Note that sometimes agents submit Pro-forma invoices to DIC with the view to kick-start the process. However, this is treated only as an intention to buy on the part of the importer. Therefore the DICs do not process these documents or issue FCVRs until the importer/agent brings a substantive invoice, indicating that the goods have been purchased.

Table B1c provides details of the time it took to go through the steps required to clear goods at the Tema harbour.

Of the procedures, the data suggest that GCNeT verification of data input by agents took the longest time. The explanation is, at least in part, that the GCNeT does not respond immediately after the agent enters data. Therefore, the agent may go about other business before coming to verify whether his input has been accepted by the GCNeT.

The next longest step was the physical examination of goods.

Table B1c: Procedures and Time required to import

	Step	Avg	Min	Max	No
1	Importer/Agent buying IDF	6	5	7	3
2	Submitting IDF to DIC Officer	15	10	22	4
3	Importer/Agent checks on readiness of FCVR. If so, receives a copy.	17	10	32	6
4	Agent enters FCVR into GCNet/GCMS	25	9	36	6
5	GCNeT/GCMS verifies if input agrees with Shipping Line Information	63	10	152	5
6	a) Paying customs duty & other levies into CEPS bank account and receiving receipt	15	10	30	6
	b) Paying 1% of FCVR value to IRS if importer has no Tax Clearance Certificate	15	8	19	6
7	Submitting documents to CEPS for verification of Compliance	43	8	190	8
8	Paying fees to shipping company and receiving receipt.	36	8	72	5
9	Completing DELIVERY ORDER	22	8	65	7
10	Locating cargo for inspection	42	11	106	7
11	Physical examination by CEPS – includes waiting to open cargo. Note if CEPS chemists, Food & Drug	47	21	105	7
12	Examining Officer Approves or disapproves cargo release and submits document to Importer	33	1	70	8
13	Repacking cargo after inspection	49	20	108	5
14	Paying rent to container terminal operator at Accounts Office	33	5	110	6
15	Obtaining Audit permit (to leave the port). Issuing waybill to Importer/Agent	34	10	97	6
16	Loading goods and presenting import documents for inspection.	31	18	68	5
17	Checking documents and giving permission to leave the port gate to Importer	26	8	71	7
18	Presenting documents to Port Authority/ Police at stop points	11	1	26	7
19	Checking documents and giving permission to leave the port gate to Importer	12	2	24	8

*Note: Avg = average time in minutes; Min = minimum time; Max = maximum time; No. = number of cases whose times were recorded

B1.4 Free Zones Import

Table B1e outlines the procedures for imports destined for free zones. Each of the two free zone imports took five days to complete. The steps involved and the costs are discussed below.

Table B1e shows that compliance verification took the most time on average, followed by physical examination of goods. These observations may reflect the fact that CEPS officials took extra care to assure themselves that importers qualified to import goods duty free as free zone companies.

Free zone companies do not pay customs duties. However, customs may collect fees on behalf of certain agencies. Free zone companies do pay shipping fees and port fees.

Table B1e: Procedures and Time used to clear Imports from Free Zones

	Step	Avg	Min	Max	No
1	Agent enters FORM 9 details into GCNet/GCMS	20	5	60	4
2	GCNet/GCMS Verifies if input in 1 agrees with Shipping Line Information	17	10	25	3
3	Paying customs Inspection fee into CEPS bank account and receiving receipt	9	3	15	2
4	Paying 1% of FCVR value to IRS if importer has no Tax Clearance Certificate				
5	Submitting documents to Customs Excise Preventive Service for verification for Compliance ⁷	94	15	172	2
6	Paying fees to shipping company and receiving receipt.*	23	23	23	1
7	Authorisation to locate Cargo/DELIVERY ORDER	18	15	20	2
8	Locating cargo	38	18	58	2
9	Physical examination by CEPS – includes waiting to open cargo. Note if CEPS chemists, Food & Drug	61	16	105	2
10	Examining Officer Approves or disapproves cargo release and submits document to Importer	59	9	109	2
11	Repacking cargo after inspection				
12	Paying rent to container terminal operator at Accounts Office*	15	15	15	1
13	Obtaining Audit permit (to leave the port). Issuing waybill to Importer/Agent	56	19	93	2
14	Loading goods and presenting import documents for inspection. Must load before 3 pm.	11	6	15	2
15	Checking documents and giving permission to leave the port gate to Importer	5	4	5	2
16	Presenting documents to Port Authority/ Police at stop points	9	2	15	2
17	Checking documents and giving permission to leave the port gate to Importer	6	2	9	2

*Note: Avg = average time in minutes; Min = minimum time; Max = maximum time; No. = number of cases whose times were recorded

⁷ Forms required: Free Zones Form 9; invoice from exporter; HS Code of import; Ship “rotation”

Table B1f: Indicative Costs incurred by Free Zone Companies

Item	Quantity	Customs Duties*	Shipping	Port
Packaging materials for processed fruit	2x40 container	GHC 3.50	GHC 460	GHC 480
Plastic Granules	1x40 container	N/A	N/A	GHC 242

*This includes not only custom duties, but other fees collected by customs on behalf of certain agencies, such as the Ghana Shippers' Council. GHC 3.50 was collected on behalf of Ghana Shippers Council.

B2. Field Report, Kotoka International Airport

B2.1 Items and Companies tracked

At the Kotoka International Airport, the researchers tracked the following products:

Non-Traditional Exports

- Fruits and Vegetables (2 cases)
- Plastic Products
- Aluminum Products
- Rock Samples

Regular Imports

- Perfumes
- Mobile Phones
- Mobile Phone Accessories
- Machinery Spare Parts
- Computers
- Computer Accessories

Free Zone Import

- Packaging Material

B2.2 Non-Traditional Exports

The following procedures were documented in respect to the five non-traditional exports tracked. Step 1, weighing of goods on pallet, pertains to one export of fruits and vegetables only. The other exporters weighed and sealed goods on his premises. All goods were exported in less than a day upon arrival at KIA.

One payment was documented as port handling fees only. In addition to this, certain standard fees were paid:

- Goods Movement Certificate (EUR) was issued by the Ghana National Chamber of Commerce at a cost of GHC 10 for members and GHC 80 for non members.
- Phyto-sanitary certificate GHC 7.0
- When submitting declarations agents used the exchange rate for that day provided by the Bank of Ghana
- Payment of handling charges. Some paid cash; others accumulated and paid at the end of month, others prepaid.

Table B2a: Procedures and Time Taken to Export

No	Steps	Average	Min	Max	No
1	Packing goods on pallet for weighing	109	109	109	1
2	Need to take goods weight	4	4	4	1
3	Approval of goods weight by Custom	3	3	3	1
4	Submitting declaration electronically to GCNeT ⁸	28	16	35	3
5	Receive declaration from GCNeT				
6	Submit documents for Customs Compliance and Clearance	4	1	9	3
7	Go to plant quarantine for Phytosanitary Certificate	4	4	4	1
8	Transport goods to OUTDOOR Inspection	3	3	3	1
9	Customs examination of goods	108	13	356	3
10	CEPS final approval	18	10	34	3
11	Port Authorities (Aviance) clearance				
	a) Pay Handling charges	18	7	29	2
	b) Obtain port clearance & release of goods	25	14	34	4

*Note: AVG = average time in minutes; Min = minimum time; Max = maximum time; No. = number of cases whose times were recorded

Table B2b: Charges paid by one Exporter

Item	Quantity	Port Handling Fees
Fresh Vegetables	N/A	GHC 45.5

B2.3 Regular Imports

The procedures for importing through KIA are outlined in the main text. KIA goods may be cleared without waiting for a FCVR. However, at KIA importers must pay 50% extra of what is anticipated to be the customs duties as security. When the FCVR is subsequently issued, the clearing Agent must make post entries to complete the transaction. Seven regular imports were documented. Seven regular imports were documented. Most imports were

⁸ Export Declaration Form; Invoice; Certificate of Origin – Goods Movement Certificate; Landing Account; Packing List; Memorandum Letter to Sector Commander if physical examination was done at exporter's premises; Health Certificate from Plant Quarantine

cleared in 2 days. A mobile phone importer cleared his goods in 9 days, while computers were cleared in a rush (without FCVR) in five days.

Table B2c: Procedures and Time required to clear regular Imports

No.	Step	Avg	Min	Max	No
1	Generated/Entered IDF electronically	19	10	38	5
2	a) Submitted documents to CEPS electronically	11	2	19	5
	b) CEPS manual endorsement if goods less than \$3,000				
3	a) Submitted documents to local (Airport) DIC for FCVR	16	7	39	6
	b) Submitted documents to DIC HQ if over \$3,000				
	c) Response from GCNet. Submitted documents to DIC HQ.	6	1	14	7
For items less than \$3,000					
i	Went to CEPS to stamp temporary FCVR	3	3	3	2
ii.	Went to DIC to submit stamped copy of FCVR	1	1	1	1
For the import of mobile phones					
i	Paid NCA levy into NCA Account at any Barclays				
ii	Proceeded to National Communication Authority (NCA) office for NCA Permit	12	12	12	1
iii	Receive FCVR if over \$3,000	8	8	8	1
iv	Entered FCVR into GCNeT	7	3	23	7
v	Received print out from GCNeT	18	2	46	8
If cleared without FCVR					
i	Paid handling charges to airline and collect "search note"	7	7	7	1
ii	Went to CEPS Registry to endorse documents	4	4	4	1
iii	Submitted documents to CEPS compliance for endorsement	23	23	23	1
iv	Obtained CEPS Permit at PERMIT SEAT to clear without FCVR	127	127	127	1
5	a) Paid customs duty and other levies into CEPS bank account	30	30	30	1
	b) Paid 1% of FCVR to IRS	21	7	94	8
6	Submitted documents to CEPS for compliance verification – valuation, enforcement, and warehousing	21	7	33	9
7	Submitted documents to Security desk at Warehouse for cross-checking	12	3	20	2
8	Located cargo with Search Note	42	1	128	9

9	CEPS examined goods	38	21	63	9
10	Examining Officer approved or disapproved cargo release and submitted document to importer	18	1	33	9
11	Port released of collection note	25	5	62	3
12	Repacked cargo after inspection	17	3	30	8
13	Exiting port involved				
	a) CEPS Booking	4	2	5	2
	b) CEPS Checking documents				
	c) Port Authority Checking documents	5	2	8	4
	d) Ghana Standards Board checking	6	4	7	3
14	e) DIC office checking	7	6	7	2
	a) Moved goods to Security Terminal	3	1	5	
	b) Completed final security check	2	1	3	
15	Perfecting clearance done without FCVR				
	a) Checked on readiness of FCVR	1	1	1	1
	b) Entered FCVR into GCNet	4	4	4	1
	c) Received confirmation from GCNet	25	25	25	1
	d) Submitted documents to CEPS for compliance verification	4	4	4	1
	e) Agent went back to office to print hardcopy of declaration				
	f) Went to compliance	8	8	8	1
	g) Agent went to PERMIT SEAT to perfect documents	2	2	2	1
	h) Agent went to CEPS accounts office to collect 50% security	9	9	9	1

*Note: Avg = average time in minutes; Min = minimum time; Max = maximum time; No. = number of cases whose times were recorded

Clearly, obtaining a permit to clear goods without an FCVR was the longest step by a wide margin. CEPS had to be thoroughly satisfied that the applicant was in good standing and not likely to mislead CEPS.

Locating one's cargo was the next longest step, followed closely by physical examination of goods.

The system of electronically generated IDFs for KIA imports from the GCNeT was criticized by the agents. It takes an average of 19 minutes to generate and enter information into an electronic IDF, and another 11 minutes to submit such a declaration. It takes another 7 minutes on average to enter FCVR information into the GCNeT and another 18 minutes to receive a response from the GCNeT. Taken together, it appears that interfaces with the GCNeT are numerous and take time to complete.

B2.4 Free Zones Imports

Table A2d outlines the procedures for imports destined for free zones at KIA. The costs are shown in the main text

Table B2d: Procedures and Time required to clear Imports destined for Free Zones

	Step	Avg	Min	Max	No
1	Agent enters FORM 9 details into GCNet/GCMS	35	35	35	1
2	GCNet/GCMS Verifies if input in 1 agrees with Shipping Line Information & issues GCNet's version of Form 9	122	122	122	1
3	a) Pay exemption fee to FZB cashier & take receipt	11	11	11	1
	b) Present receipt to FZB Registry	5	5	5	1
	c) Collect exemption	47	47	47	1
4	Enter documents including exemption into GCNet	55	55	55	1
5	Paying Shippers Council charges into CEPS bank account and receiving receipt	57	57	57	1
6	Paying 1% of FCVR value to IRS if importer has no Tax Clearance Certificate				
7	Submitting documents to Customs Excise Preventive Service for verification for Compliance ⁹	7	7	7	1
8	Paying fees to shipping company and receiving receipt	18	18	18	1
9	Authorization to locate Cargo/DELIVERY ORDER	5	5	5	1
10	Locating cargo	27	27	27	1
11	Physical examination by CEPS – includes waiting to open cargo. Note if CEPS chemists, Food & Drug	1	1	1	1
12	Examining Officer Approves or disapproves cargo release and submits document to Importer	22	22	22	1
13	Repacking cargo after inspection				
14	Paying rent to container terminal operator at Accounts Office*	10	10	10	1
15	Obtaining Audit permit (to leave the port). Issuing waybill to Importer/Agent	5	5	5	1

⁹ Required documents: Completed Form 9; Airway Bill; Packing List; CEPS Customs Declaration; Invoice; Tax Clearance Certificate; Ghana Shippers Council Receipt.

16	Loading goods and presenting import documents for inspection.	4	4	4	1
17	Checking documents and giving permission to leave the port gate to Importer**				
18	Presenting documents to Port Authority/ Police at stop points**				
19	Checking documents and giving permission to leave the port gate to Importer**				

* Note: Avg = average time in minutes; Min = minimum time; Max = maximum time; No. = number of cases whose times were recorded

** May have an escort or an electronic tracking device.

B3. Field Report, Elubo Border

B3.1 Items and Companies tracked

Two non-traditional exports were tracked at Elubo, four regular imports, three transiting through Ghana and one free zone import. The Destination Inspection Company involved was BIVAC.

B3.2 Non-Traditional Exports

Two exports were documented at Elubo. Each took one day to complete. The two steps that took the most time were verification of compliance and acceptance and/or rejection of exports declaration after physical declaration. Both processes involved GCNeT perhaps a contributory factor.

Table B3a: Procedures and Time required to export

	Steps	Avg	Min	Max	No
1	a) Typing declaration electronically into GCNeT/GCMS	16	14	18	2
	b) Submission of declaration (after typing)	5	3	7	2
2	GCNeT generates of PROCESS EXPORT Entry	1	1	1	2
	NB. Agent may check on readiness of document several times				
3	Submission of documents to Customs Compliance Office (Long Room)	8	2	14	2
4	Verification of documents, assessing risk, scheduling examination and assignment of examination officer from CEPS Compliance.	17	10	24	2
5	Submission of forms at CEPS Preventive unit for assignment of examinations officer from that section. ¹⁰	3	2	3	2
6	Transporting goods to OUTDOOR area for customs inspection				
7	Conduct of physical inspection;	13	3	23	2
8	Certifying or rejecting exporter declaration, inputting into GCNeT; giving Agent a copy;	28	17	39	2
9	Repacking of goods	4	4	4	2
10	Proceed to CEPS Preventive for final release	8	3	13	2
11	Submit gate or departure pass for endorsement at Ghanaian departure gate for Booking	2	1	3	2
12	At Destination boarder to endorse documents	4	4	4	1

¹⁰ Customs Declaration (Customs Validated Entry); Invoice; Packing List

13	Show/submit endorsed pass	1	1	1	1
14	Endorse documents at destination border	7	7	7	1
15	Agent returns with copies of documents to CEPS Preventive	1	1	1	1

*Note: Avg = average time in minutes; Min = minimum time; Max = maximum time; No. = number of cases whose times were recorded

B3.3 Regular Imports

Table B3b shows the procedures and cases tracked of imports through Elubo.

Table B3b: Steps involved in regular Imports at Elubo

No.	Steps	Avg	Min	Max	No
1	Paying fee to cashier for IDF forms from MOTI				
2	Ensuring Correct fee and handing over IDF form				
3	Filling out IDF and submitting IDF to BIVAC	3	3	3	1
4	Submission of MDA (Mandated Declaration Analysis) to Ghana Standards Board via GCNeT*				
	a) Data entry	23	7	47	4
	b) Submission of data to Standards Board via GCNet	1	1	2	4
	c) Receive provisional declaration from GCNeT	40	23	68	4
5	Submission of declaration to CEPS via GCNeT				
	a) Data entry	34	2	60	4
	b) Submission of data to CEPS via GCNet	2	1	6	4
	c) Receive provisional declaration from GCNet	13	12	14	3
6	Paying GIFF levy	2	1	4	3
7	Submission of invoice to local BVAC office!	1	1	1	1
8	Paying CEPS duty & levy at bank	8	4	11	2
9	Submission of documents to CEPS Systems Administrator for selection of Compliance Officer -GCNeT ¹¹	16	1	26	4
10	Go to CEPS Preventive for minuting of declaration to an examinations officer.	13	2	40	4
11	Mobilize Compliance officer (CEPS Long Room), Examinations officer (CEPS Preventive), Staff of Ghana Standards Board, Staff of BVAC for physical inspection.	3	3	3	1
12	Unloading goods from truck at CEPS examination bay**	300	300	300	1

¹¹ Invoice from exporter; Certificate of origin from country of origin; Import Declaration Form (IDF): prepared and submitted by importer in Ghana; Export Declaration Form received from exporter, E101; Tax Clearance Certificate for Ghanaian importer; Customs Declaration – customs validated entry; MDA from Ghana Standard Board

13	Physical examination	30	3	75	4
14	Approval/disapproval	9	1	16	3
15	Re-loading goods into truck**	163	163	163	1
16	Compliance officer at CEPS Long room writes a report of the physical examination and hands over forms to declarant.	5	5	5	1
17	Go to GSB for final MDA approval	39	4	135	3
18	Go to CEPS Preventive for final release.	4	3	6	3
19	Food and Drugs Board for approval	4	4	4	1
20	Go to Bureau of National Investigations for them to take record of the import	5	3	6	3
21	Submit copy of documents to CEPS Preventive Unit	3	4	4	2
22	Submit undertaking for endorsement (if driver non-Ghanaian)	3	1	4	2
23	Submit driver's license for Booking at computer room for an undertaking for Driver (if driver non-Ghanaian)	3	3	3	2
24	Give copy of documents to driver to leave (if driver non-Ghanaian)	4	5	5	3

*Note: Avg = average time in minutes; Min = minimum time; Max = maximum time; No. = number of cases whose times were recorded

**Note that the 300 minutes reported for unloading goods and 163 for reloading refer to one import only. For the other three imports trucks were not unloaded and loaded.

CEPS allowed imports to be cleared based on provisional FCVRs generated by GCNeT. Subsequently, when the DIC (BIVAC) generated substantive FCVRs, agents of importers had to enter post entries into the GCNeT to complete the process for goods just cleared. The following steps are involved.

Post Entry Steps

When Agent received FCVR from BIVAC local office:

- 1) Agent re-entered details on old document used to clear goods in addition to the FCVR number but with the current exchange rate.
- 2) Agent submitted details through GCNet and received customs Declaration.
- 3) Agent submitted documents to CEPS compliance
- 4) Agent returned to office to print accepted declaration from GCNet.
- 5) Agent went to the Bank where he/she first paid the previous duty to pay difference.
- 6) Agent made copies of new accepted documents and submitted them to BIVAC's local office, CEPS Compliance and CEPS Preventive.

Because of the need to rationalize the provisional FCVR against the substantive one that is issued later, DIC representatives (BIVAC) were always part of the physical examination team.

Regular imports through Elubo took one day. This is possible because importers did not have to wait for FCVRs from DICs. Instead, the GCNeT generated provisional FCVRs that may be

used to clear goods, but Agents must subsequently enter POST ENTRIES into GCNeT to make up any deficiencies in duties paid.

Mandated Declaration Analysis offices of GSB did not work Saturdays and Sundays even though CEPS and Agents did. This naturally limits the clearing activities on those days.

Some idea of the customs duty paid is provided by one case in the table below. No data could be obtained for the remaining cases. The local Ghana Institution of Freight Forwarders charged a fee per truckload of goods cleared as indicated earlier. Here too, tips were paid but the amount paid was difficult to determine.

Table B3c Fees charged for clearing regular Imports in GHC

Item	Quantity	Customs Duties	GIFF Dues*	Tips
Omo multi-active	3000x1kgx10sachets	8,761.6	4	1
Nescafe Classic	N/A	N/A	4	N/A
Maggi Cube	N/A	N/A	7	N/A

*GIFF stamp GH 4 for 1st truck, GHC1 per additional truck

B3.4 Free Zone Imports

Only one case was observed. Table B3d outlines the procedures. It becomes clear that there are fewer steps involved here than in either regular importing or for transit through Ghana.

Table B3d Procedures and Time required to clear Imports destined for Free Zones

No	Steps	Avg	Min	Max	No
1	Submission of declaration via GCNet:				
	a) Entering into GCNet	25	16	34	2
	b) Submitting declaration	1	1	1	2
	c) GCNeT responds with Declaration	32	11	52	2
2	Submission of Declaration and documents to CEPS long room for approval and assignment of compliance officer	10	4	15	2
3	To CEPS preventive for details of examination officer	4	4	4	2
4	Physical examination	12	7	17	2
5	Collect report from compliance officer	9	5	12	2
6	Go to CEPS-Preventive for release and assignment of physical escort	10	4	16	2
7	Go to BNI for them to take record of the import	8	3	13	2
8	Submit documents to CEPS Preventive and pay Escort Fee GHC 120	2	2	2	2
9	Hand over documents to driver of truck	10	10	10	2
10	Booking at Security gate pay GHC 3, includes tip of GHC 1	10	10	10	2

*Note: Avg = average time in minutes; Min = minimum time; Max = maximum time; No. = number of cases whose times were recorded

Interfacing with the GCNeT (step 1) appears to be the one that costs the largest delay. We note that the physical examination team is made up of one officer from CEPS Preventive and One from CEPS compliance.

Table B3e Fees charged for clearing one Import for a Free Zone in GHC

Item	Quantity	Escort fee	Booking vehicle fee	Tips
Lacquered & Printed Cans	2 trucks	120	2	1

B3.5 Transit Procedures

Three sets of truck loads of goods crossed into Ghana in transit. Table B3f outlines the steps observed:

Table B3f Procedures and Time required for Transit Goods

	Steps	Avg	Min	Max	No
1	Making declaration via GCNeT				
	a) Data entry	32	8	64	4
	b) Submission to GCNet	1	1	2	3
	c) Receiving declaration from GCNeT	13	10	18	4
2	Submit documents for GIFF stamp for GH 4 for 1st truck, GHC1 per additional truck	2	2	3	3
3	Pay Transit Administration Fee to CEPS accounts	8	5	10	2
4	Submit documents to CEPS Compliance to minute documents for SIC bond	17	14	29	3
5	a) Obtaining Transit Bond from SIC Insurance Limited	15	12	19	4
	b) Obtaining ECOWAS ISRT Log book at a cost of GHC 1.5 and buying a Sticker for GHC 1	11	7	14	2
6	Take Transit bond and declaration back to CEPS Long Room for compliance officer to complete his portion.	8	4	15	4
7	Go to CEPS Preventive for him to designate an examination officer.	4	2	8	4
8	Physical examination - includes mobilizing parties involved	11	4	19	1
	Approval/Rejection - receive SEAL	23	14	46	4
9	Obtain tracking device from GCNeT Office	4	1	8	4
10	Go to CEPS Registry to endorse ECOWAS Bond* - Unusual delay	16	1	51	4
11	Go to CEPS Compliance for print out	11	1	31	2
12	Fixing Tracking device on vehicle*	19	6	44	3
13	GO to SIC office to endorse Log-book & present a copy	5	4	6	2
14	At Preventive Unit for final release	6	4	8	3
15	CEPS Long Room for print out	17	15	18	3
16	At BNI for Booking *	5	4	7	3
17	At CEPS to endorse ECOWAS Log-book	7	2	11	2
18	If non Ghanaian submit Passport & driver's license for undertaking	11	11	11	1
19	At SIC office to submit copy of Transit Bond	7	1	12	2
20	Agent submits original copy of Declaration and SIC Bond to Preventive Unit	4	2	5	2
21	Agent submit ECOWAS Log-Book to Drivers	4	2	5	2
22	At security gate for Booking - GHC 2.4 per truck	6	5	7	2
23	Trucks exit border	5	4	6	3

*Note: AVG = average time in minutes; Min = minimum time; Max = maximum time; No. = number of cases whose times were recorded

Custom duties are not paid on transit goods; rather they paid a Transit Administration fee per transit. In addition, they paid the same level of GIFF dues, but higher vehicle booking fees.

Table B3g Fees charged for Transit Goods in GHC

Item	Quantity	Admin. fee	GIFD dues	Booking vehicle fee	ECOWAS Log-Book
Assorted soaps	4 trucks	572.5	7.0	9.6	10.0
Croco soaps/Rubber footwear	4200/42 packages – 2 TRUCKS	174.5	5	4.8	5
Fresh Kola nuts	1000sacksx80kgx 2	329.3	5	4.8	5

B4. Field Report, Aflao Border

B4.1 Procedures

Four broad trading procedures were observed at Aflao, namely, procedures for

- Non-Traditional Exports
- Traditional Exports
- Regular Imports
- Free Zone Imports
- Goods Transiting through Ghana

The Destination Inspection Companies used BIVAC

B4.2 Non-Traditional Exports

Five non-traditional export cases were observed. In all cases, the goods were exported in one day. The detailed steps and times taken are reported Table B4a.

Table B4a Procedures and Time required to export NTEs

	Steps	Avg	Min	Max	No
1	Filling out NTE declaration form	14	1	23	5
2	Submit documents for ROTATION at State Warehouse.	2	2	2	1
3	Submit documents to a Landing Officer who raises a Landing Account and minutes it to his in-charge	37	26	52	3
4	Physical examination of goods	9	2	16	2
5	Officer in-charge at State Warehouse approves report of examination and minutes documents to CEPS Preventive.	7	2	18	4
6	CEPS preventive officer gives final release and minutes to Ghanaian exit gate (First gate)	3	1	6	5
7	Booking and endorsement by officer in charge of first gate	11	3	22	5
8	If vehicle is not from the destination country, a Temporal Vehicle Importation Certificate (TVI) is taken from Vehicle Examination unit	4	4	4	2

*Note: Avg = average time in minutes; Min = minimum time; Max = maximum time; No. = number of cases whose times were recorded

B4.3 Traditional Exports

In this category, three cases of plywood exports were observed crossing the border into Togo. These procedures differed from those used in exporting NTEs. For example, there was no state warehouse involvement, nor were Landing Accounts opened. Table B4b shows the relevant procedures. The three cases were all completed in one day.

Table B4b Procedures and Time required to export Traditional Goods

	Step
1	Submit entry via GCNet
2	Agent checks on readiness of declaration, received it and printed a hard copy
3	Take forms to CEPS long room for it to be rotated ¹²
4	Take forms to CEPS registry for them to be received
5	To CEPS Second-in-command to have forms minuted to CEPS compliance officer
6	Forms taken for verification and checking for compliance by CEPS compliance officer who minutes to examination officer
7	Physical examination and receiving report
8	Submit documents to CC Compliance to minute to CC Preventive Unit for release
9	Obtain final release from CC Preventive who then minutes to Ghanaian exit gate
10	Exporter/Agent books at Ghanaian exit gate and hand over forms to truck drivers

B4.4 Regular Imports

Two regular imports entering Ghana through Aflao were tracked. Regular imports were defined as non-transit imports and non-vehicular imports. Clearing these two categories of imports involved steps that were different from those entailed in regular imports and are reported separately.

For the two regular imports, FCVRs were ready by the time the goods arrived at the border. The agents explained that they had applied for the FCVRs much earlier. In fact, they added that this is how they handle most imports. They explained that these imports arrived by sea at Lome port, which business men and women tend to use because of its free port status. These business people presented their invoices well ahead of the arrival of the goods. The two imports were cleared within one day.

¹² Customs Declaration; Commercial Invoice; Importation & Exportation by Overland Routes (C68) from CEPS; Ghana Exchange Control Form A2 for Exports; Timber Industry Development Form /Export Permit for wood Products (TIDD) from Forestry Commission; Landing Report from CEPS Examination officer on company premises; Export Entry of Domestic Goods Free of Duty (C31); Contract Letter between Exporter and Recipient; Memorandum Letter to Sector Commander if physical examination is done at exporter's premises

Table B4c Procedures and Time required to import

No.	Steps	Avg	Min	Max	No
1	Entered declaration via GCNeT and received output	10	6	14	2
2	Paid duty at the Bank	6	6	6	1
3	To CEPS for checking of forms for compliance and assignment of examinations officer ¹³	26	26	26	1
4	To CEPS examinations officer for inspection of documents	19	19	19	1
5	At Ghana Standards Board office for inspection and approval of documents.	10	10	10	1
6	Took forms to examination officer to minute GSB report to Chief Collector (Long Room) – if system is down!	1	1	1	1
7	Examination officer carries out physical examination and gives report. Examination of goods may involve:				
	a) Physical/outward examination only	59	59	59	1
	b) CEPS weighing samples	12	12	12	1
	c) CEPS Laboratory testing	3	3	3	1
	d) Obtain CEPS Laboratory results/clearance	19	19	19	1
	e) Receive Ghana Standards Board approval	10	10	10	1
8	CEPS examinations officers okaying transaction in GCNeT and giving their report	72	72	72	1
9	Obtain release from Compliance and minutes to AC	5	5	5	1
10	Loading task force supervise the loading and sealing of the truck	10	10	10	1
11	Book at the Ghanaian entrance gate for truck to be allowed into Ghana	5	5	5	1

*Note: Avg = average time in minutes; Min = minimum time; Max = maximum time; No. = number of cases whose times were recorded

Examination of goods and issuing reports of the examination were the processes that took the longest time.

B4.5 Transit Procedures

Four transit cases were tracked. Table B4d shows the relevant procedures. The numerous steps were all completed in one day.

¹³ Documents; Invoice; Ghana Standards Board Permit; Certificate of origin; IDF; FCVR; GCNet Printout from bank

Table B4d Procedures and Time required for Transit Goods

No.	Steps	Avg	Min	Max	No
1	Agent completing all necessary documents to be used				
2	Agent entering and submits Transit details into GCNet	36	27	45	2
3	Agent checking on readiness of Declaration, and printing a hard copy	5	4	6	2
4	Going to insurance company to buy Insurance Bond	15	12	18	2
5	At the Bank to pay Transit Administration fee	11	9	12	2
6	Taking Form C68 to CEPS long room for it to be rotated	5	2	7	2
7	Take C68 to CEPS registry for it to be received and minuted to CEPS Longroom	3	3	3	2
8	At long room for verification and minute documents to examination officer ¹⁴	21	21	21	1
9	Physical Examination by CEPS officer	21	3	35	3
10	CEPS Examiner goes back to Longroom to write report of findings after physical examination	18	14	21	2
11	Submit documents to Chief Collector at Compliance to minute to Principal Collector Preventive	7	2	13	2
12	Goes to Chief Collector's office at Preventive Unit to request for Escort	15	6	23	2
13	At front desk of Preventive Unit to pick Escort officer's name	50	35	64	2
14	Submit documents to Assistant Commissioner's Secretary at CEPS Administration for memorandum	15	9	24	3
15	At Assistant Commissioner's office to endorse Memorandum	11	9	12	2
16	At CEPS Communication for officer to relay Transit information to Elubo	2	2	2	1
17	CEPS Preventive writes an official letter assigning escort	2	2	2	1
18	Have documents endorsed at Preventive (Final release)	6	4	7	2
19	Buy sticker at SIC	13	11	15	2
20	At CEPS Intelligent office to pay Escort fee and get serial number for sticker	6	3	9	3
21	Paste sticker on vehicles				

¹⁴ Customs Declaration; Invoice; Packing List; Importation & Exportation by Overland Routes Forms (C68) from CEPS; Insurance Bond from Unique Insurance Services; Movement of Transit Goods from CEPS Assistant Commissioner Aflao to Commissioner Info-AC/OPS; Transit Administration fee receipt; Insurance Bond; Home Delivery Value Form from CEPS for transit vehicles only

22	Submit documents to CEPS officer at Last Check Point (First Gate) for Booking [Escort also signs here]	6	4	7	2
23	Vehicle moves to first gate for brief examination and checking of documents and final release given				
24	Submit documents to CEPS officer at Baggage Duty Goods Exit Point (1 st Gate) for Booking	7	3	11	3
25	Escort officer joins vehicles as they enter Ghana	1	1	1	1

*Note: AVG = average time in minutes; Min = minimum time; Max = maximum time; No. = number of cases whose times were recorded

Table B4e: Transit Costs

Item	Quantity	Administration Fees	Insurance Bond	Escort Fee
Assorted goods	2 trucks	GHC 210.1	GHC 65.0	GHC 65.0
Assorted goods	880 packages	210.08	20.8	80.5

B5. Field Report, Takoradi Harbour

B5.1 Items and Companies tracked

Exports

- Rubber extracts (3)
- Lumber (2)
- Veneer

Imports

- Machinery parts
- Mining consumables/chemicals (2)
- Generator
- Protective clothing and factory material

B5.2 Non-Traditional Exports

Although the exports tracked were both traditional and non-traditional in nature, the steps followed were rather similar to Tema Harbour. Table B5a shows the result of the field work. In general, receiving declarations from the GCNeT took the most time. This was followed closely by the time it took to receive the Timber Inspection permit.

Table B5b provides some indication of costs borne by exporters. Note that the GHC 3.0 paid into CEPS account was collected on behalf of the Ghana Shippers Council.

Table B5a Procedures and Time required to export

No.	Step	Avg	Min	Max	No
1	Pack and seal goods if have resident CEP				
2	Obtain Export Documentation NTEF or A2	18	12	23	3
3	Receive permit from Timber Inspection	50	10	89	2
4	Submitting Declaration Electronically to GCNet/GCMS				
5	Receive declaration from GCNeT	79	28	151	5
6	Submit Export documents, including LANDING ACCOUNT if have resident CEPS officer, to Customs Compliance office (Long Room) for verification, etc.	13	5	22	5
7	Transportation of goods to OUTDOOR for Inspection	56	34	78	2
8	Physical examination of goods based on declaration	36	9	80	5
9	a) Assessment of handling charges due				
	b) Payment of handling charges to port authorities	9	3	20	5
10	Loading to ship				
11	a) Documentary release of goods to shipping company	26	9	42	5
	b) Shipping Agency transports and loads goods on ship	41	10	83	5

*Note: AVG = average time in minutes; Min = minimum time; Max = maximum time; No. = number of cases whose times were recorded

Table B5b: Export Costs in GHC

	Quantity	Customs costs	Shipping costs	Port costs
Veneer	16 pallets	3.0	1,473.0	101.7
Lumber/Boules Round ones	54 metric tons	3.0	N/A	174.7
Lumber 80 cubic meters	80 cubic meters	3.0	N/A	169.0

B5.3 Regular Imports

Table B5c shows the relevant procedures and results of the field work for imports at Takoradi harbour and Table B5d shows the costs tracked.

Table B5c: Procedures and Time required to Import

No.	Step	Avg	Min	Max	No
1	Completion of hard copy of IDF	39	39	39	1
2	Submitting IDF to DIC Officer	12	9	15	5

3	a) Importer/Agent checks on readiness of FCVR. If so, receives a copy.	10	8	14	3
	b) Agent enters FCVR into GCNet/GCMS	35	30	41	5
4	GCNeT verifies if input in 5 agrees with Shipping Line Information and gives print out	66	54	Overnight	3
5	Paying customs duty & other levies into CEPS bank account and receiving receipt	17	5	36	5
6	Paying 1% of FCVR value to IRS if no Tax Clearance Certificate				
7	Submitting documents to CEPS for verification for Compliance	11	6	17	5
8	Paying fees to shipping company and receiving receipt.	16	7	29	3
9	Completing Delivery Order				
10	Locating cargo for inspection	22	7	39	5
11	Physical examination by CEPS – includes waiting to open cargo	26	13	36	5
12	Ghana Standards Board Inspection	19	14	24	2
13	CEPS gives chemical report	22	22	22	1
14	Examining Officer Approves or disapproves cargo release	22	10	55	5
15	Repacking cargo after inspection	18	2	36	5
16	Paying rent to container terminal operator at Accounts Office	10	6	15	4
17	Obtaining Audit permit (to leave the port). Issuing waybill to Importer/Agent	15	9	20	5
18	Loading goods and presenting import documents for inspection.	56	35	102	5
19	CEPS Checks documents and gives permission to leave the port gate	15	10	27	5
20	Presenting documents to Port Authority/ Police at stop points	10	7	15	5
21	Checking documents and giving permission to leave the port gate	8	6	11	5

*Note: AVG = average time in minutes; Min = minimum time; Max = maximum time; No. = number of cases whose times were recorded

Table B5d Fees charged for Imports

Quantity	Customs fees	Shipping charges	Port charges
2 containers	GHC 9.7	N/A	GHC 258.0
2 containers	6.3	N/A	192.9
2543 bags	133.9	150.0	24.0

B6. Ghanaian Imports

Table B1. Ghanaian Imports with a Value exceeding \$100,000 in 2006

2 Digit HS Code	2006 Value	Value as % of total	Number sampled
01-05 Animal & Animal Products	223,359,248	5%	2
06-15 Vegetable Products	287,454,206	6%	3
16-24 Foodstuffs	228,051,791	5%	3
25-27 Mineral Products	877,248,798	19%	10
28-38 Chemicals & Allied Industries	821,643	0%	0
39-40 Plastics / Rubbers	157,913	0%	0
41-43 Raw Hides, Skins, Leather & Furs	16,277,099	0%	0
44-49 Wood & Wood Products	323,476,609	7%	4
50-63 Textiles	167,701,080	4%	2
64-67 Footwear / Headgear	44,342,727	1%	0
68-71 Stone / Glass	74,403,465	2%	1
72-83 Metals	368,008,656	8%	4
84-85 Machinery / Electrical	546,785,607	12%	6
86-89 Transportation	1,246,597,523	28%	14
90-97 Miscellaneous	111,877,169	2%	1
98-99 Service			
	4,516,563,535	1	50

B7. Methods of Valuation

Method 1 - Transaction value

The Agreement stipulates that customs valuation shall, except in specified circumstances, be based on the actual price of the goods to be valued, which is generally shown on the invoice. This price, plus adjustments for certain elements listed in Article 8, equals the transaction value, which constitutes the first and most important method of valuation referred to in the Agreement.

This rule should be applied not only to arms-length transactions but also to transactions between related parties (i.e. transnational corporations, parent – affiliate). In case of doubt, customs should inquire whether the relationship has influenced the price. Importers have the right to ask for acceptance of the price if they can demonstrate that in the past imports are valued at about the same prices between unrelated parties of identical or similar goods.

Method 2 — Transaction value of identical goods (Article 2)

The transaction value is calculated in the same manner on identical goods if the goods are:

- the same in all respects including physical characteristics, quality, and reputation;
- produced in the same country as the goods being valued;
- and produced by the producer of the goods being valued.

For this method to be used, the goods must be sold for export to the same country of importation as the goods being valued. The goods must also be exported at or about the same time as the goods being valued. Some exceptions are accepted, in particular.

Method 3 — Transaction value of similar goods (Article 3)

The transaction value is calculated in the same manner on similar goods if:

- Goods closely resembling the goods being valued in terms of component materials and characteristics
- goods which are capable of performing the same functions and are commercially interchangeable with the goods being valued
- Goods which are produced in the same country as and by the producer of the goods being valued. For this method to be used, the goods must be sold to the same country of importation as the goods being valued. The goods must be exported at or about the same time as the goods being valued.

Method 4 — Deductive value (Article 5)

The Agreement provides that when customs value cannot be determined on the basis of the transaction value of the imported goods or identical or similar goods, it will be determined on the basis of the unit price at which the imported goods or identical or similar goods are sold to an unrelated buyer in the greatest aggregate quantity in the country of importation. The buyer and the seller in the importing country must not be related and the sale must take place at or about the time of importation of the goods being valued. If no sale took place at or about the time of importation, it is permitted to use sales up to 90 days after importation of the goods being valued.

Method 5 — Computed value (Article 6)

Computed value, the most difficult and rarely used method, determines the customs value on the basis of the cost of production of the goods being valued, plus an amount for profit and general expenses usually reflected in sales from the country of exportation to the country of

importation of goods of the same class or kind. Computed value is the sum of the following elements.

Method 6 — Fall-back method (Article 7)

Customs value determination based on “reasonable means consistent with the principles and general provisions of the Agreement, Article VII GATT and on the basis of available data”.

When the customs value cannot be determined under any of the previous methods, it may be determined using reasonable means consistent with the principles and general provisions of the Agreement and of Article VII of GATT, and on the basis of data available in the country of importation. To the greatest extent possible, this method should be based on previously determined values and methods with a reasonable degree of flexibility in their application.

Source: United Nations Department of Economic and Social Affairs, Statistics Division; Expert Group on International Merchandise Trade statistics; First Meeting, New York, 3 – 6 December 2007; Paper, WTO; Item 9: Customs Valuation.

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