HELP DEVELOP SOMALILAND - BE A GOOD TAXPAYER

SELF-DECLARATION OF GOODS FOR CUSTOMS

Paying taxes and customs duties is a legal duty in Somaliland as in any civilised society.

The money paid in taxes and duties goes directly to services the government provides, such as security, health and education.

The Customs Department of the Ministry of Finance (MoF) has established a new goods declaration procedure at all customs stations at the ports, airports and land border crossings with the aim of modernising and reforming the goods clearance process in line with international standards and best practice. A legal requirement of the Customs Act 73/2016, the new goods self-declaration process enables Somaliland to move from a system that relies on customs officers completing an examination/declaration form to self-declaration by the owner or his/her own agent in accordance with the law.

In 2016, Somaliland Customs introduced the use of the Single Administrative Document (SAD), which is the main customs form used in international trade, to assist traders and agents to declare commodities for Customs procedures, including import, export, and transit. To prepare for the eventual trade completion of the SAD, a simplified goods only declaration process was designed through the use of the Goods Declaration Form (GDF). This form was trialled at Egal International Airport over a four-week period, and the trial proved that the GDF is acceptable, tested and fit for use.

In addition to the completion and submission of the GDF, the new self-declaration process requires that traders also present trade documents such as invoices, airway bills, bills of lading and all other documents that provide Customs with detailed information on the goods imported. The required information is necessary to help Customs assess the value, classification and origin of the goods. The failure to submit invoices with the GDF may lead to delays in the declaration process and the release of goods.

Traders are responsible for the completion of the list of goods on the GDF. Customs will continue to identify the classification and value of the goods from the Customs Valuation Book.

Self-declaration allows Customs to use modern methods such as risk management, which will reduce the extent to which businesses need to deal with Customs for most shipments, which are unproblematic. Customs will continually work with Somaliland private sector to implement other trade facilitation measures to ease the importation process for business.

Once in full use, the benefits of the introduction of GDFs in Somaliland are:

- Compliance with the law and international best practice
- Standardised approach to clearance
- Improved accuracy of trade statistics
- Data collection for risk management
- Improved valuation database

In time, it is hoped that the owner/agent will have the option to either make a declaration at the customs' office or complete the declaration electronically from his/her own premises.

More information on the new self-declaration process and a copy of the GDF are available to the public on the Ministry of Finance's website, somalilandmof.org.

FAIRER CUSTOMS RULES

Transaction values indicated on invoices will be used to improve trade statistics and gradually develop a new valuation database with credible values.

This information is vital to help the MoF plan to regularise the Tariff rates to coincide with the implementation of transactional values in accordance with the Customs Act.

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