Organizational Infrastructure Set Up and Management of Customs Valuation in Bangladesh

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Abstract:
The lack of understanding of customs valuation and related procedures are two principal factors affecting the efficiency of the customs administrations. The absence of effective customs valuation system influences the outcome of a country's customs and trade policies and its revenue mobilization performance, and also encourages corrupt practices. Customs valuation has been the subject of international agreements in a view to constituting barriers to trade if not handled properly. The recommended organizational infrastructure for valuation requires the establishment of a central valuation office and regional and local valuation office with operational role if needed together with other important supporting functions such as risk management and post clearance audit. The central valuation office will be responsible for establishing valuation policy, developing procedures, supervising correct and adequate implementation and monitoring international developments in valuation. This article will recommend for proper analysis and review mechanisms for Customs valuation in place to ensure the effectiveness of control procedures throughout the customs territory. Procedures must be kept under review and adjusted from time to time to meet evolving demands.

INTRODUCTION

The key action needed in modernizing a customs administration consists of designing and implementing a comprehensive custom modernization program. Customs valuation does not work in isolation from the overall customs operational and management system. The ability to effectively undertake a valuation function is directly related to the administration's overall quality. Effective implementation of The WTO Valuation Agreement requires an efficient customs administration, an initiative to modernize customs should take this into account. Valuation function can be strengthened by undertaking comprehensive reform that requires the following:

1. Provision of the necessary legislative framework, treatment of transport and insurance costs, right to appeal and so forth;
2. Development of value declaration and checking procedures, including self assessment, selective checking, risk analysis and post clearance review and audit.
3. Capacity building of valuation officers;
4. Introduction of post-clearance audit;
5. A strong risk management functions.

I. Overview about Bangladesh Customs

The National Board of Revenue (NBR) is the apex authority for customs administration in Bangladesh. It was established by the father of the nation Bangabandhu Sheikh Mujibur Rahman under President's Order No. 76 of 1972. Administratively, it is under the Internal Resources Division (IRD) of the Ministry of Finance (MoF). The Secretary, IRD is the ex-officio Chairman of NBR.

NBR is responsible for formulation and continuous re-appraisal of customs policies and laws, negotiating treaties with foreign governments and participating in inter-ministerial deliberations on economic issues having a bearing on fiscal policies and customs administration. The main responsibility of NBR is to collect revenues (primarily, Value Added Tax, Customs Duty, Excise Duty and Income Tax). It works with three tax-type wings namely, Customs Wing, VAT Wing and Income Tax Wing. Customs Valuation Administration is under Customs wing.

The Customs Valuation Administration in Bangladesh deals with the following assignments:

- To play the coordinators' role among Custom Houses and Customs Stations and work as the medium in exchanging information related to valuation,
- To monitor and enforce the uniformity in valuation process done by various customs offices including basis for prices of commodities,
- To audit and examine the correctness of the H.S. Code and valuation process in Bill of Entries and compliance to applicable laws and rules, and
- To secure revenue starts post clearance audit in importers premises/factories as well.

II. Introduction to Customs Valuation

Customs valuation is used to determine the value of goods when they are being entered into the various customs procedures e.g. import, export, warehousing and processing under customs control. The customs value is essential to determine the correct amount of any customs duty to be paid on imported goods. In the majority of cases customs duty is charged as a percentage of the value of the goods being imported – "ad valorem duty". In order to calculate the amount of duty payable the customs value must first be established.

In view of the importance of valuation to the correct assessment and application of what is essentially an ad valorem customs tariff, auditors and other staff concerned should pay special attention to the requirement for importers to declare the full and correct value of all products. This valuation should be based on the open-market or acceptable transaction value basis including additional charges.

Mission and Vision:

To set priorities and develop a roadmap for Customs modernization

- Identify time required at each step of clearance process for customs port and other government agencies and recommend measures

- Single point information repository for access to information to all

- Enhance revenue assurance, assess trade risk, and target scarce resources towards high risk transactions

- Reduce time and simplify process

- To improve valuation practices based on analytics as per international best practices

- To simplify current practices for licensing and post clearance audit

- Support reform initiatives for modernization

- To simplify and automate registration

III. Scope and Objectives

1. Provide an overview of current valuation infrastructure of Bangladesh

2. Identify weaknesses in valuation system

3. Explore the best practices and gaps in reference to customs valuation administration in Bangladesh

4. Provide adequate solutions that would enhance the efficiency and effectiveness of current customs valuation administration in Bangladesh

IV. Organizational Infrastructure for Customs Valuation

Organizational infrastructure is how companies organize the people side of their business. The first step in defining an organization's infrastructure is to articulate the organization's goal and result. Goals and result define the infrastructure that will allow the organization to achieve its vision and mission. Infrastructure determines how innovative, creative, response or bureaucratic an organization will be. It defines how things get done in the organization and establishes roles, responsibilities, authority, focus, control and the boundary of acceptable behaviors. It determines how well people work, and how well they work together. It is the engine that drives performance.

Customs Valuation is the process where customs authorities assign a monetary value to goods or services for the purposes of import or export. Generally, authorities engage in this process as a means of protecting concessions, collecting revenue for the governing authority, implementing trade policy, and protecting public health and safety. The procedures used throughout most of the world for customs valuation were codified in the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade (GATT) 1994 that is popularly known as WTO Valuation Agreement.

It is necessary to define the elements of organizational infrastructure and the relationship between those elements to create a dynamic model — a model that can be used to develop, define and change organizational infrastructure of customs valuation. Major components of organizational infrastructure of customs valuation are discussed here:

i. Organization

Effective customs control on valuation is a major feature of a modern Customs administration. It depends on a well-established control organization based on good co-operation and a comprehensive information flow between the various Customs units as well as on having a risk management strategy along with proper organogram to make the best use of available resources.

ii. Resources

Customs should identify human, technical logistic, physical infrastructure such as building, furniture, cars etc and financial resource needs for implementing control programmes by assessing and analyzing current and potential international trading activities.

iii. Management Philosophy

Customs should develop an organizational management philosophy for valuation of goods with the support of senior management. This could be done by training, education, and briefing of senior customs management. Building on the organizational philosophy, customs should develop and document a corporate policy and framework for valuation, which should receive endorsement by the senior management and be implemented throughout the organization.

iv. Degree of Centralization

Differences in countries traditions, legal procedures, volumes of trade, national priorities, geography and aims make it impractical to prescribe a uniform organizational structure for all sectors of customs administrations. The deployment of resources devoted to valuation should be determined by the kind of controls to be employed and by the location of the control procedure.

Such locations need not necessarily be at the frontiers.
The optimal organization is balanced between centralization, where Customs sets up a central office responsible for valuation process and the Customs valuation control programme, and decentralization, where individual Customs officers have responsibility for the testing of risks, identification of targets and building of expertise in areas which require additional focus.

v. Headquarters

The size and composition of the customs valuation unit depending on the national requirements and the degree of centralization, should always be staffed by officers with a variety of backgrounds, [e.g. inspectors, auditors, investigators, program analysts, etc.]. They should return periodically to their respective local offices to update themselves on any recent developments which may not have been brought to the attention of Headquarters.

Once the policy and framework have been established, the Headquarters should develop and implement an infrastructure for planning and management process of the entire Customs valuation organization.
This may involve establishing a team of senior management personnel to be responsible for internal communications, acquiring risk management skills, and developing the skills of staff through education and training, ensuring appropriate recognition, rewards and sanctions and establishing performance management processes.

vi. Intelligence Unit

The existence of a centralized intelligence unit would enable the collection and analysis of information which can be used to develop risk assessments on commodities, importers, industries, sources, etc. This would allow for more efficient targeting of shipments for examination at importation. This unit would also be responsible for developing information sharing networks with other Customs administrations and throughout the entire law enforcement community.

vii. Audit Unit

The establishment of properly trained audit units would enable officers to visit the premises of the auditee to verify declarations.

viii. Local Customs offices

The main functions of the local offices are to ensure the effective operation of valuation process by producing operational information for local Customs officers responsible for import/export clearance, and for inspection teams, audit units and investigation units, interfacing with the central valuation unit.
Teams of Customs officers at local offices/ports specializing in the analysis of goods declarations and commercial documents such as invoices and transport documents, can target high risk consignments on which a physical examination should be made.

ix. Formulation of new system & Procedures

Customs administration should develop proper valuation procedures to implement control methods to ensure uniform application throughout the Customs territory. In doing so, they should try to shift the emphasis from exclusive use of movement controls to greater use of audit-based controls, with a view to:
a) reducing delays during the movement of goods/persons;
b) increasing the use of periodic lodgment of declarations;
c) encouraging trader self-assessment;
d) enabling retention by the trader (instead of Customs) of accompanying official and commercial documents;
e) increasing the use of advance information submission and submission by electronic means;

f) increasing the use of the trader's commercial system and records instead of requiring the maintenance of designated Customs records;
g) encouraging greater compliance with Customs laws thereby giving the trading community a greater stake in working in partnership with Customs.

x. Modernization of Customs Act

The modernization of the Customs Act envisages improved risk management techniques, de-congestion and sharp turn-around cycle times at port facilities for customs clearance, remote centralized pre-arrival processing of duty payment and customs clearance with intelligent selection methods for full audit and verification in high risk cases. The reform of customs Act will streamline the tariff structure and bring the customs statute and practice in line with international practices would include:
(a) Provision for full implementation of Revised Kyoto Convention (RKC)
(b) Introduction of WCO SAFE Framework of Standards (FoS)
(c) Review of related SROs
(d) Introduction of Authorized Economic Operators (AEO)
(e)Tariff rationalization to promote investments and prevent mis-declarations and eliminate distortions

xi. Customs tariffs restructuring and rationalization

The basic thrust of customs tariff reform will be to place increasing reliance on tariffs to regulate and progressively reduce the role of quantitative restrictions. The move in this direction should increase revenues, encourage less import-intensive forms of production, moderate the unjustifiably high protection granted by quantitative restrictions to certain industries and reduce the delays and uncertainties associated with the administration of import licensing. At the same time, tariffs need to be tailored to reduce the enormous multiplicity of nominal and effective rates of protection conferred by the customs tariff structure. The reformed tariff structure also has to balance the advantage of cost reducing pressures from import competition against the need for adequate levels of protection for domestic industry and the necessity to earn and ration scarce foreign exchange and the need for revenue.

xii. Proper Automation

The use of information technology is an effective tool for customs valuation. Automation allows Customs administrations to establish a national valuation database of information on all transactions and movements which can be updated and used for rapid information sharing.

An automated system allows Customs administrations to subject declarations to a series of selectivity filters to determine which declarations may require further examination. The system will also have to be designed to ensure all data goes through the national profiles but only the declaration data relevant to a specific region or Customs office goes through the local profiles for that region or office. Facilities are often included to allow profiles to be switched off temporarily by authorized managers.

Selectivity profiles are only as good as the information they contain. Regular review of profiles will tell Customs officials which data elements and combinations of data elements have successfully detected non-compliant declarations. Analysis of the declaration information itself will also present clues to trends and identify potentially high-risk consignments.

xiii. Data Warehouse & Data Mining Technology

The development of database with the capability to mine it for analysis is a critical component of valuation, which, in turn, is key to effecting a migration from a transaction-based border control to an account-based tail end monitoring of import entry declarations. Technical assistance in the development of these facilities could play a pivotal role in facilitating compliance and smooth implementation of the Valuation Agreement.

xiv. Capacity Building

Customs valuation should be carried out by professionally trained Customs personnel. With the increased use of electronic record-keeping and the sophistication of global trade, the need for higher standards of training becomes increasingly important. Customs administrations should be committed to providing control officers with the levels of training necessary to equip them to perform their duties. The ability to draw on the following skills is important and will improve efficiency and effectiveness :

a) accounting techniques and principles;
b) auditing standards and procedures;
c) international trade/business including banking procedures;
d) customs laws, regulations and procedures (valuation codes, origin, etc.);
e) electronic record-keeping and computer systems.

Customs recruitment and training should address these needs.

xv. Performance Appraisal

With the implementation of the organizational renewal and modernization plan, performance appraisal has to be strongly re-visited with emphasis shifting on established measurement standards for tasks performed by the customs officers and staff. Presently, the appraisal is largely dependent upon subjective evaluation. Integrity needs to be reinforced and improved and it is proposed to put in place an effective ethics management policy that encourages adherence to expected ethics standards and values and also adoption of incentives/disincentives schemes based on quantifiable performance appraisal system.

xvi. Mutual administrative assistance for exchange of information

Information exchange system may be set up on a bilateral or multilateral basis. Data concerning export value declarations, corporate ownership, marketing and pricing structures to the extent that they are not confidential, invoice verification, country of origin, and similar data may be helpful in the value verification process and may even serve as deterrence against erroneous or fraudulent value declarations. Donor economies or international organizations may bankroll the cost of developing such a facility.

V. The legislation that governs customs valuation in Bangladesh

Regulation of Customs Valuation for direct taxation purposes requires provisions in the domestic legislation. When considering the legal framework for valuation, reference to both domestic legislation and the relevant international legal framework is required.

According to The Customs Act, 1969 article 25 Value of goods for assessment purposes is-
(1) Whenever customs duty is leviable on any goods by reference to their value, the actual price, that is, the price actually paid or payable, or the nearest ascertainable equivalent of such price, at which such or like goods are ordinarily sold, or offered for sale, for delivery at the time and place of importation or exportation, as the case may be, in course of international trade under fully competitive conditions, where the seller and the buyer have no interest in the business of each other and the price is the sole consideration for sale or offer for sale, shall be the value.
(2) Subject to the provision of sub-section (1), the price referred to in that sub-section in respect of imported goods shall be determined in accordance with the rules made in this behalf.
(3) Notwithstanding anything contained in this section, the Government may, by notification in the official Gazette, fix, for the purpose of levying customs duties, tariff values 8 [or minimum values] for any goods imported or exported as chargeable with customs duty ad valorem: Provided that any imported or exported goods, the declared value of which is higher than its tariff value fixed under this sub-section, shall be chargeable with customs duties on the basis of its declared value.

VI. Weaknesses in Present Valuation System

I. Lack of human resources
ii. No proper automation for customs clearance of imported goods
iii.Lack of complete integration and coordination between banking channel and customs offices
iv. Poor database in the banking institutions
v. Lack of total integration and monitoring from import stage to sell stage
vi. Unrecorded money transaction and huge rackets of hundee(a form of remittance instrument to transfer money from place to place) or hawala (a form of credit instrument to borrow money and as a bill of exchange in trade transaction in Africa)
vii. Tendency to misdeclaration and under valuation
viii. Secret and unrecorded godown and warehouses that cannot be monitored
ix. PCA has no specific section in The Customs Act,1969
x. Law and order always does not persist to visit warehouse of unscrupulous importers.

VII. Best Practices For Customs Valuation

WTO /WCO Instruments and guidance

It should be borne in mind that the organization of valuation work and procedures differs from country to country, particularly in striking the optimum balance between border and post-clearance controls. It is recommended that the concept of self-assessment of the Customs value is promoted. This means the importer and clearing agent need adequate information to determine the Customs value when making the Customs declaration.

i. Pre-entry stage valuation: Taking into account the WTO TFA the WCO strongly recommends that Members establish a system for providing advance rulings on valuation matters. It is preferable if a central/headquarters unit is responsible for issuing rulings to ensure consistency in the decisions given. The number of offices having the ability to issue advance rulings should be limited to ensure uniform determination of valuation. Nevertheless, advance rulings work may be centralized i.e. handled by one approved centre or unit in the country or decentralized (handled by various approved centers or units throughout the country) taking into account the advantages and the efficiency of such procedures for certain administrations. If regional offices are entitled to issue advance rulings on valuation, there should be a procedure of centralized monitoring, reviewing, approving and registering in a database by the valuation centre or department of the headquarters for the uniformity of the advance ruling procedure. Details of advance rulings issued should be included in a centralized database so as to enable checking by others (headquarters, valuation centre or regional/local offices) and thus avoid issuance of conflicting information on the same product by different offices. This database should be easily accessible and searchable by Customs officers. It is highly desirable that any advance ruling issued to an applicant should also be published in order to provide guidance to the general public on the valuation of similar or related merchandise. Advance rulings on valuation shall be published with censoring of sensitive and confidential information.

ii. Clearance stage valuation: Documentary and physical checks should be conducted on the basis of targeted risk profiling. Physical examinations can be useful where goods descriptions on the Customs entry are vague or incomplete but otherwise have limited use for Customs valuation purposes. It should be borne in mind, however, that at the time of clearance, Customs have a limited amount of documentary information available to them: typically an invoice, bill of lading and ship's manifest. Such documentation is important but limited in use. Effective verification of valuation requires access to the importer's/exporter's accounting and financial records and related documentation, which is typically not made available at the time of clearance. Physical examinations can be useful where goods descriptions on the Customs entry are vague or incomplete but otherwise have limited use for Customs valuation purposes. Where a valuation database has been established by Customs for use during clearance stage checks it is vital that this tool is used appropriately. Such a database can provide a useful risk indicator regarding the declared value but should be used alongside other risk indicators as part of a comprehensive risk management programme.

iii. Post-clearance stage valuation: As noted in the Common Part, post-clearance audit is widely seen as the optimum way to conduct Customs controls and to assess and improve compliance. Such audits may be carried out to : i) On a risk-selection basis, verify Customs value declarations where no checks were performed at the declaration-processing stage; ii) Identify and correct any valuation mistakes made at the declaration processing stage; iii) Assist and encourage the importer to accurately determine the value of his goods PCA controls are particularly important for effective valuation controls. In particular, it provides access to documentation which supports the Customs value, including sales contracts, commission contracts and royalty agreements. Additionally, evidence of payment should be available, including bank records. Businesses should have a legal obligation to retain and produce such information to Customs on request.

VIII. Proposed Valuation System

Valuation Infrastructure - The proposed solution to help to address the gaps in Customs Valuation System in Bangladesh: Valuation infrastructure consists of the offices or departments within a Customs administration or a Customs or economic union, responsible for the policy and operational control of Customs valuation. Such an infrastructure should be supported by an adequate number of valuation experts with clearly defined functions and responsibilities. A valuation expert is a Customs officer who has knowledge and experience, both practical and theoretical, in respect of valuation work. He or she can interpret not only the legislation on valuation but also the policies that affect valuation work. Valuation experts should be provided with all necessary reference materials. This includes up to date national legislation, guidelines, WCO tools and instruments and training materials.

Central unit: Valuation work should be coordinated by a headquarters unit within a Customs administration. This coordination function may be performed, for example, by a valuation unit or department in the headquarters with responsibility for valuation policy, legislation, management, control and coordination issues, which could be supported by a valuation centre. The latter is optional, established by Customs administrations depending on their size, organizational policy, priorities and workload. The valuation centre, a specialized body of the administration on valuation issues, is established to monitor, coordinate pursuant to its terms of reference, and provide assistance and uniform guidance on technical valuation issues.

Specialist valuation posts or units may also be established at the regional or local level to give advice to declaration-processing units and post-clearance audit units, as well as importers, to issue binding valuation information at the request of the trade community, and to serve as a liaison with headquarters or the valuation centre. The number of units/specialists at the regional/local level will depend on the size, needs and resources of a country. Declaration-processing units which handle routine valuation work. In major Customs offices, such units may be organized on the basis of industry sectors or HS chapters. Where valuation disputes or problems occur, the declaration-processing units should refer the matter to an valuation unit for advice or a ruling which may, in turn, decide to refer the matter to headquarters or the valuation centre.

Post clearance audit unit: Post-clearance audit units which check valuation on the basis of risk assessment and random selection. Audits are more effectively performed at an importer's or exporter's premises because the payment records and operations of the company can be more easily and comprehensively examined. These audits may include checking and comparing the declared valuation of a company's goods cleared by any Customs office. More basic audit controls may also be carried out in Customs offices via written or 'phone communication.

Risk assessment units: Risk assessment units help target suspect or high-risk declarations and operators with regard to valuation fraud or help target goods for which valuation irregularities frequently occur. This might be achieved by, for example, identifying high-risk commodity categories, screening cargo manifests, gathering intelligence, maintaining surveillance, maintaining importers' profiles, etc. and alerting the declaration-processing units or post-clearance audit units. The risk assessment function may be centralized at headquarters for higher efficiency. Normally, the risk assessment function is centralized in headquarters for greater efficiency and coordination. Risk and intelligence units are responsible for gathering intelligence, maintaining importers' profiles, and conveying relevant information to both clearance and post-clearance audit units. This is a key function in ensuring that controls are conducted primarily on high risk consignments and operators, thus facilitating the compliant trade sector. As mentioned above, where a valuation database is established as part of a risk management programme, the risk assessment unit should ensure proper application by all users, in accordance with TCCV Guidelines.

IX. Benefits of the proposed System

This proposed system would have major impact on trade and customs procedure and would benefit the Bangladesh Customs by-

1. Ensuring accurate revenue collection

2. Improved trade facilitation

3. Complying with the WTO Valuation Agreement

4. Gives real time information sharing with stake holders

5. Ability to monitor staff performance

6. Providing an effective risk management system, including an operational valuation database

X. Implementation Strategy

1. **Establish an Action Plan:** For proper Valuation work it is needed to establish an action plan for performing the following function:

i. Ensuring implementation and application of the WTO Valuation Agreement;
ii. Establishing and managing valuation policy to ensure uniform valuation work in the administration;
iii. Coordinating, monitoring, providing guidance to regional/local Customs offices;
iv. Issuing or approving advance valuation rulings and pre-entry valuation requests from the trade community and issuing valuation rulings for uniform application throughout the country;
v. Working with the legal unit to update national legislation and regulations on valuation as required;
vi. Contributing information to a centralized risk management database on valuation matters;
vii. Where a valuation database is established as part of a risk management programme, ensure proper application by all users, in accordance with TCCV Guidelines;
viii. Publishing legislation, regulations and other valuation information for the information of the public and the trade community;
ix. Serving as a liaison with the WCO and monitoring/participating in sessions of the TCCV;
x. Maintaining contacts with other Customs administrations and Customs or economic unions on valuation matters;
xi. Coordinating with other government departments and agencies on valuation and related matters;
xii. Maintaining contacts with private sector to discuss their concerns; xiii.Contributing to planning of training activities on valuation.

2. Set up an implementation team

It should be noted that a lack of good valuation facilities such as specialized units, a valuation centre, risk analysis, intelligence capabilities and most importantly experts that means an expert implementation team may lead to non-uniform valuation determination of goods, losses of revenue in cases of misapplication of valuation, uncoordinated valuation determinations, conflict within the administration, etc. It also results in valuation disputes, delays in Customs clearance, unnecessary costs to the administration and the private sector, and revenue losses to the government.

Some administrations have established a valuation committee, or other body; e.g. a review team, to address difficult valuation questions that arise out of valuation disputes and cannot be resolved by local or regional offices, or by the valuation centre. Such a committee can be composed of valuation experts from headquarters, valuation centre and regional offices. The committee may invite comments from the trade community and government departments interested in valuation matters. It may hold periodic or ad hoc meetings to discuss valuation questions.

Members who have not done so are encouraged to consider this option, where resources allow. They provide a gateway for solving valuation disputes within the administration without recourse to the courts. They also provide a good learning environment for those involved. They promote dialogue between traders and Customs and within the Customs administration itself. They promote the uniform valuation determination of goods and can act as a source of technical advice to management.

3. Organize appropriate training and development for staff

Training programmes on valuation should be developed to meet the identified needs. Many Customs administrations include basic training on valuation in their induction programmes for new staff. Alternatively, an introduction to valuation can be provided as a standalone course.
The content of basic training should include, inter alia:
1. the key principles of the Agreement, including an explanation of the methodology
2.an explanation of the transaction value method. It should be stressed that the transaction value is the prime method of valuation and should be used to the greatest extent possible
3.where a valuation database is used, students should understand that the database may only be used as a risk assessment tool.
More advanced training can be developed to meet specific needs. This would be more appropriate for officers working in valuation policy, specialist valuation units and audit teams dealing with multi-national enterprises.

Content may include:
-detailed analysis of transaction value, in particular sale for export, assists and royalties and license fees
-the linkage between Customs valuation and transfer pricing
-other complexities of the Agreement.
It is also important to consider related training needs in such areas as risk management and post-clearance audit. To support administrations with national training programmes, the WCO has developed a series of interactive e-learning modules that cover a variety of Customs topics, including valuation.

XI. Recommendations

1.Ensure the uniform application of the WTO Valuation Agreement via national legislation.
2. Develop and establish a consistent policy in respect of key valuation issues.
3.A balanced valuation control programme at pre-entry, clearance and post-clearance stages.
4. Strong communication channels between relevant departments.
5. Provide accurate, timeous and up-to-date advice to valuation queries from other parts of Customs.
6. Deal with valuation enquiries from business and disputes in accordance with agreed procedures and time frames.
7. Identify fraudulent practices efficiently and effectively.
8. Facilitate the clearance of goods.
9. Keep records and obtain quick access thereto.
10. Effective valuation risk management.
11.Respond to training needs in an objective manner.
12.Update national legislation and relevant provisions on valuation as required.
13.Have proper automation throughout the channel.

XII. Conclusion

Customs valuation should aim for a reasonable and equitable balance between ensuring compliance and minimizing disruption and costs to legitimate trade and the public. Facilitation and control need not conflict. If managed well, facilitation can enhance the success of control procedures. The modernization of customs at the policy level will also factor in the mutation in the role and mandate of the customs authority from being a pure revenue collecting agency in the era of the high tariff walls to a multi-role organization in the current era of borderless movement of goods, services and currency flows.

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