

GOLD CARD SCHEME

APPLICANT INFORMATION PAMPHLET

What is the Purpose of This Pamphlet?

The purpose of this document is to provide prospective applicants with a description of the Gold Card Scheme. The document will outline the Gold Card objectives, describe the processes involved, and provide guidance for companies who want to apply to the Gold Card Scheme.

How Does the Gold Card Scheme Work?

Scheme Objectives

The Gold Card Scheme is intended to help Customs balance its conflicting mandates of trade facilitation and control. It will allow the Department to facilitate low risk consignments and permit it to focus its enforcement efforts on the transactions representing higher or unknown risk without unduly impeding the flow of goods.

Participant Benefits

The Gold Card Scheme will provide benefits depending on the nature of business. Businesses eligible to apply for the scheme are:

- Exporters
- Importers
- Warehouse Operators
- Customs Clearing and Forwarders
- Transporters; and
- Courier Services

The benefits to be enjoyed by a GCS beneficiary are divided into four business categories depending on the nature of business. The company shall enjoy the benefits for the category/categories that they are authorized for.

Importers/Exporters

Expedited processing of entries/declarations – all Gold Card Scheme declarations will be given priority throughout the whole clearance process. This will include:

a) Immediate release

Once all conditions for lodgment of a declaration are fulfilled by the GCS Company, the declaration shall be lodged and selected BLUE lane and then the system immediately releases the consignment.

b) No physical or document examination except for random or risk based interventions

Where a GCS declaration is randomly selected to the red or yellow lane, priority treatment shall be given during examination. The company shall also have the option to choose the location for the physical examination.

c) Expedited payment of refund claim

Priority shall be given in processing of refund claims in both Customs Services Department and Domestic Tax Department. Where applicable, some procedures can be simplified.

Customs Clearing and Forwarders/ Couriers Services

a) Guaranteed renewal of Customs agent's license

The renewal of the GCS Customs Agent's license shall not be subject to the vetting process but the Customs Agents shall be required to make payment for licensing fees and any other related payments and provide guarantee.

b) Priority treatment in cargo clearance

Any consignment declared by a GCS Customs Agent shall be processed before the non-GCS declarations. The consignments declared by GCS Customs Clearing and Forwarders or Couriers Services will be selected blue channel except on random selection or risk bases interventions.

Transporters

a) Priority in clearance of goods

Consignment transported by GCS will enjoy expedited Customs clearance processes at borders and other Customs premises.

Warehouse Operators

a) Self-management of bonded warehouse

Self-managed bonded warehouse is a facility extended to a warehousing operator where the responsibilities of a Customs Officer are delegated to the bonded warehouse operator. However the Warehouse Operator is required to adhere to the provisions of the law and any other conditions that may be given by the Commissioner. This facility is extended to GCS Warehouse Operator to enhance flexibility of bonded warehouse operations in terms of time and cost.

b) Guaranteed renewal of Warehouse Operator's license

The renewal of GCS Warehouse Operator's licence shall not be subject to the vetting process but the company shall be required to make payment for licencing fees and any other related payments.

Participation Requirements

Participation in the Gold Card Scheme is a privilege and available only to those companies who maintain a good compliance record in its dealings with Customs and other departments of the Rwanda Revenue Authority (RRA).

The applicants are required to meet the following requirements and their compliance will be assessed for 2 previous calendar years:

- Be a company registered in Rwanda;
- Be a commercial company;
- Have a good compliance records with RRA;
- Be a VAT registered taxpayer if applicable;
- Maintain proper books and records in accordance with Generally Accepted Accounting Principles;
- Comply with VAT requirements including but not limited to proper usage of EBM. Any applicant that will be assessed to have committed irregularities in EBM usage for more than twice (2 times) within the period under consideration and has been notified of non compliance behavior will not qualify for the scheme;
- Retain supporting documents required to substantiate the declarations made to customs and records of stock movements;
- Have annual financial statements audited or certified by a company or an agent recognized by RRA where applicable;
- Not having any outstanding tax arrears with RRA (all departments) or complying with approved payment plan;
- Have a volume of transactions equal or more than frw 200 million of Customs value or CIF in a calendar year. However, this criterion is only applicable on importers and exporters;
- Not assessed to be high risk in one of the years covering the period under consideration;
- Not have demonstrated dishonesty or any serious misbehaviour in dealing with Customs staff; and

- Provide information requested by RRA in a timely manner and not have been charged with statement of offence resulting from denying to provide the requested information in time.

An applicant being denied participation in the Scheme does not necessarily mean that participation will not be granted in the future.

How Do I Apply?

Obtaining an Application Form

Importers can apply for participation in the Scheme by completing a Gold Card Scheme application form. Application forms are available on the RRA website and from RRA Customs Head Office in Gikondo - MAGERWA.

Completing and Submitting the Application Form

Applicants should be diligent to ensure that they complete the application form completely and accurately. Once the application has been completed, it must be signed by an authorized officer of the company and submitted to the Customs Department Head Office. Applications should be delivered by hand to the Reception Desk at the Customs Head Office in Gikondo - MAGERWA where it will be acknowledged.

Facilitating an Accreditation Visit

During the course of the application review by Customs Department, the applicant may be subjected to an accreditation audit. The purpose of this audit will be to ensure that the information on the application form is accurate and that the applicant meets the requirements of the Scheme. If an applicant has recently been audited by Customs, the applicant may not undergo an accreditation audit depending on the results of that audit.

To facilitate an accreditation audit, applicants are expected to:

- Respond fully to Customs' pre-audit requests for information including completing the systems questionnaire;
- Ensure that their books and records are well maintained and available to the audit team for review;
- Have qualified personnel available to provide a systems walk-through and explanation of the accounting system to the audit team; and
- Ensure that key personnel are aware of the purpose and importance of the audit and are available to participate fully in the audit by responding to questions and providing requested information in a timely manner.

During the course of an audit, the identification of some irregularities in declarations or shortcomings in accounting systems should be expected. The existence of these irregularities or shortcomings, unless they are significant in terms of frequency or impact, will not necessarily preclude a company from being accepted into the Scheme. The company will, however, be expected to submit and commit to a compliance improvement plan that will outline how it will address the identified non-compliance issues or systems shortcomings to improve its overall performance. Execution of the plan will be necessary for the company to remain on the Scheme.

Acceptance into the Scheme

Upon approval of an applicant into the Scheme, the company will be required to sign a Memorandum of Understanding (MOU) with Customs Department with respect to its commitment. This MOU sets out the formal arrangements of the Gold Card Scheme including the obligations of the Rwanda Revenue Authority/Customs Services and the Gold Card Scheme Company/Agent.

The Gold Card Scheme Company /Agent should become fully aware of their obligations under the scheme and the requirements of the clearance process. They should make their clearing agents aware of their participation and ensure that the agents prepare their declarations accurately and correctly and act in accordance with the obligations of the participants under the Scheme.

Upon reception of the reply letter, the successful applicant will be required to sign an MOU within 30 days and failure to do so will lead the applicant to lose the facility until another opportunity comes.

What happens if my application is rejected?

An application can be declined for any number of reasons ranging from the occurrence of infractions involving fraud or dishonesty including failure to use Electronic Billing Machine properly, to the adequacy of accounting systems and retention of records, and to an unacceptable level of non-compliance in the declaration of goods to Customs.

An applicant being denied participation in the Scheme does not necessarily mean that participation will not be granted in the future. Before a company may reapply, however, it will be required to adhere to a compliance improvement plan to address the shortcomings and demonstrate to Customs that the reasons for it being declined have been fully addressed.

How Will I Clear My Goods?

Under the Gold Card Scheme, beneficiaries will have to clear their goods as per Single Customs Territory Clearance processes but with simplification of procedures. GCS beneficiaries will be allowed to remove their goods from Customs with less or minimum control.

A container(s) with goods loaded on a truck carrying goods for more than one importer (“Groupage”) shall be re-routed to the normal clearance process. The clearance of Gold Card Scheme consignment should consider the following:

- The importer/exporter or his clearing agent electronically lodges a declaration with the necessary supporting documents;
- After payment of duties and taxes, selectivity will be triggered and the declaration will be given immediate release through blue lane;
- Declarations may be selected for documentary review or physical examination on a random basis;
- The declarations selected for documentary review will be given priority treatment to reduce waiting times;
- Physical verification will be undertaken at the company’s premises to avoid the necessity of offloading the consignment in Customs premises;
- Consignments selected for physical examination may be scanned, at the discretion of Customs, rather than having the goods physically examined;
- Rwanda Standard Board (RSB) examination will be undertaken as required on a priority basis. Customs will attend to break the seal on the truck.

How Will My Scheme Performance Be Monitored?

On-going performance of Scheme participants will be monitored by the Department through transactional verification and/or post clearance audit. Participants’ declarations will be subject to random selection to verify continued compliant behaviour. Transactional verification may involve either documentary review or physical examination. Where physical examination is required, the consignment will be offloaded for verification purposes. Alternatively, at the discretion of the Department, the consignment may be subjected to scanning to satisfy the requirement for examination. In the case of surprise checks, the consignment will remain sealed and physical examination will be conducted at the importer’s premises.

On a risk assessment basis, participants will be subjected to post clearance audit to ensure that an acceptable level of compliance is being maintained and that all provisions of any previous compliance improvement plan have been addressed. This audit will encompass both a review of the integrity of the accounting systems and a verification of the accuracy and completeness of declarations made to

Customs. Results of an audit may precipitate the development of a compliance improvement plan by the participant to address shortcomings identified during the audit.

How Do I Ensure That I Stay in the Scheme?

Maintaining participation in the Scheme is easy! A participant need only:

- Maintain a good record of compliance with all Customs' requirements;
- Comply with other requirements of the Rwanda Revenue Authority;
- Respond in a timely manner to Customs' enquiries including the commencement of a post clearance audit; and
- Pay assessments resulting from audits in a timely manner.

Failure to comply with these requirements will result in companies being removed from the GCS. In order to regain participation in the Scheme, a company will have to provide a Compliance Improvement Plan addressing the shortcomings and compliance issues for approval by the Department. Reinstatement into the Scheme will be considered once the company has demonstrated that it once again meets the requirements of the Scheme.