

OVERVIEW OF THE ROLE AND FUNCTIONS OF CUSTOMS

The Customs and Excise Department is a department in the Ministry of Finance and Planning. It is one of the most important revenue administration departments and key border security agencies in St. Vincent and the Grenadines. The legal framework is set by the principal Act # 14 of 1999 – Customs (Control and Management) Act and other subsidiary legislation which are all embodied in CAP 422 of the Revised Laws of St. Vincent and the Grenadines 2009.

MISSION STATEMENT

We serve our customers professionally, efficiently and with integrity, enforcing impartially the laws under which the Department is empowered to act, while we collect the revenue, protect our borders and facilitate legitimate international trade and travel.

VISION STATEMENT

The Customs and Excise Department envisages a dedicated, skilled, professionally trained and equipped staff that takes pride in their work and are fully committed to the mission of the Department.

Customs and Excise strives to build effective partnerships with our clients and stakeholders; we are committed to excellent service and to improve literacy in Customs and Customs related matters.

VALUE STATEMENT

In achieving the Customs and Excise vision and mission, the Department is guided by principles of **professionalism and integrity** – that officers act with dedication, skill and honesty; **fairness and transparency** – that all clients are treated with consideration and openness with full explanations to assist in understanding their obligations; **respect** – being sensitive and responsive to the rights of others; **cooperation** – the foundation for meeting the challenges of the future and building partnerships aimed at realizing common goals and **consistency** – interpreting the procedures and processes in the same manner regardless of the individual, industry or situation.

When someone decides to order items from a supplier outside of St. Vincent and the Grenadines, he automatically becomes a potential importer. As an importer, there are four (4) main questions that one should seek the necessary answers to before the order is made.

- 1) Are these items prohibited or restricted imports?
- 2) What are the duties and taxes payable on the items on importation?
- 3) What are the customs requirements for assessing the correct duties and taxes?
- 4) Is there any exemption or concession that can be accessed on these items?

Ninety nine percent (99%) of duties or taxes levied on imported goods are *ad valorem*. An *ad valorem* duty or tax is charged as a percentage of the value for duty of goods imported. The value for duty of goods imported is the customs value.

The other one percent (1%) levied are *specific* duties or taxes. A *specific* duty or tax is assessed on items of a given kind at a flat rate per unit of quantity e.g. litres (wines), gallons (spirits), piece (cigarettes).

A specific duty or tax is quite easy to calculate. Hence, we would focus mainly on calculating ad valorem duties and taxes. To do this we must understand fully the term “customs value”.

CUSTOMS VALUE

SECTION I(1) of the Second Schedule of the Customs Act defines customs value as *“the value of goods for the purposes of levying ad valorem duties of customs on imported goods.”*

TARIFF CODES

The correct tariff code is also very important to ensuring that the correct duties and taxes are paid by the importer. Duties should not be overpaid nor underpaid by the importer. In determining the correct tariff code, the importer, broker or customs clerk must have a basic knowledge of the rules governing the interpretation of classification in the customs tariff.

DUTIES AND TAXES

Once the correct tariff heading or subheading for the particular item has been determined, the importer must apply the rate of import duty listed in the tariff along with any other tax or charges applicable to that tariff code under any other customs law. These include:

- Excise Tax
- Value-Added Tax
- Customs Service Charge
- Vehicle surtax (vehicles over 4 years)
- Environmental Levy (bottles and cans)
- Television License (TVs)

CONCESSIONS AND EXEMPTION

Some goods are free of import duty based on the tariff code; others are free of import duty because of preferential treatment under the CARICOM Agreement while others may be free of duty and/or taxes based on a concession granted by Cabinet. Concessions are also authorized by legislation enacted by Parliament. Some of these concessions may be full while others may be partial.

Duty Free Concessions refer to a full or partial waiver of import duty and taxes for reasons of economic, fiscal and administrative importance to government.

Exemptions refer to for the full waiver of import duty and taxes to fulfill a variety of government policy objectives resulting from national, regional or international decisions, conventions and/or agreements

For additional information on customs procedures, please visit the Customs website at www.customs.gov.vc