CONTROL OF CUSTOMS VALUE IN THE DEMOCRATIC REPUBLIC OF CONGO (DRC)

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Customs valuation in the DRC, April 2019
0. Brief Presentation of the Democratic Republic of Congo (DRC).
DRC Identity Card:

Independence: The 30/06/1960
- Population: 81,340,000 Hab.
- Surface area: 2,345,000 km²
- Currency: Congolese Francs (1 Fc = 0.36 XAF)
- Capital city: Kinshasa (+ -12,000,000 Hab.)
- Customs revenue: + or -30% State Budget
- Official language: French
- Member: WTO, COMESA, SADC, ECCAS and CEPGL
I. BRIEF HISTORICAL OVERVIEW OF CUSTOMS VALUE CONTROL IN THE DRC.

I. A. BEFORE 2003

• The control of the customs value in the DRC was regulated by the DVB "Brussels Value Definition".

• DVB = a theoretical notion of the value of goods

• the customs value is the price at which, under certain assumptions, the goods to be valued would be sold.
I. B. AFTER 2003

- The transposition of the provisions of the 1994 WTO Agreement into national law No. 009/03 of 18 March 2003 on the customs valuation of imported goods. With a few exceptions, the same provisions have been included in the current Customs Code, promulgated on 10 August 2010.
  (WTO Decision 6.1 on reasonable doubt).

- The transaction value of imported goods to which the duties apply or, alternatively, the transaction value of comparable goods.
On November 30, 2005, a contract was signed with a private company for the inspection of goods before shipment.

Objectives:

1. Prevent the possible decrease in customs revenue that would result from the misinterpretation and application of the provisions of the WTO Agreement on Customs Valuation;

2. Improve the quality control of imported goods.
II. FACTORS ACHIEVING EFFECTIVE REAPPROPRIATION

THE OUTSOURCED FUNCTION OF CUSTOMS VALUATION

After 9 years of assistance in the field of evaluation in customs by the selected inspection company, the General Directorate of Customs and Excise (DGDA) faced a number of challenges, including:

- Poor capacity of some managers and control officers of the value of imported goods at the operational offices level

- Multi-speed goods valuation
- Absence of an integrated value database and coupled with an automated risk management system;

- Obligation to implement recommendations of WTO (Bali Agreement on Trade Facilitation) and WCO (Niamey Declaration on the Intervention of Inspection Companies)
III. **RECOMMENDED SOLUTION: ORANGE SYSTEM**

- In collaboration with UNCTAD:

  1. Establishment of a centralized system of control of the value of imported goods referred to as: "**ORANGE SYSTEM**";

- Development of a Values Database integrated in the Sydonia World software;

- Capacity building for DGDA managers and staff in customs valuation in collaboration with the WCO.
A. DEFINITION

The Orange System is:

• A control system for the centralised valuation of goods with a high risk of value fraud;
• Assistance from the Value Department to operational offices;
• It consists of the computer system directing a goods declaration to the Value Directorate in order to alert operational offices of the acceptable customs value.
B. STRUCTURE AND ORGANIZATION

1. The Unit that applies the Orange System is an integral part of the Value Department, one of the Central Departments of the DGDA.

2. It consists of:
   - 3 Supervisors;
   - 6 Database Managers and
   - 23 Evaluators.

3. It operates with two shifts from 6h30' to 13h30' and from 13h30' to 21h30'.

4. To this day, it supports 39 customs offices using Sydonia World software.

5. The 39 offices are located in 07 of the 11 customs provinces of the Congolese customs, the other provinces still use Sydonia ++.
C. OPERATION

- When registering the declaration of targeted goods whose declared value is 5% lower or higher than the database value, the system simultaneously directs it into one of the selectivity circuits involving customs control (yellow & red) and to the Orange Cell.
From the Value Database

The components of the Data base are as follows:

- Tariff items deemed to be at risk;
- Tariff Specification Codes (TSC)
- Brand;
- Presentation of the product;
- Country of origin and;
- Country of consignment;
- The value.
The TSC is a 4-digit alphanumeric code that is added to the tariff heading. Its configuration takes into account countries of origin and provenance as well as additional information (brand, type, presentation, variety, grade, size, quality, etc.) on the goods in order to allow for a more accurate revaluation.
The Orange System only covers a limited number of sensitive goods due to their impact on customs revenues and the risk of value fraud on them.
VALUE CONTROL BEFORE THE ORANGE SYSTEM

Examination of the goods declaration

Triggering Selectivity

Entering the goods declaration

Filing of the goods declaration in the system

E-Registration de déclaration

Payment

LIQUIDATION

Documentary Control

Physical Verification

Inspector Head of visit

Release of the goods

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VII. CONCLUSION

With the implementation of the Orange System and the strengthening of the capacity of its staff in customs valuation, the DGDA has effectively taken over its previously outsourced functions.

However, an effort still needs to be made to make this reform more effective.
THANK YOU FOR YOUR ATTENTION.