

## **(MODEL) TERMS OF REFERENCE FOR TIME RELEASE STUDY (TRS)**

### **A. INTRODUCTION**

1. The international movement of goods involves not only Customs administrations but also other national authorities such as national security, health, veterinary, agriculture and other agencies, as well as the trading community which include brokers, forwarding and shipping agents, carriers, banks and other intermediaries. The trade entities, in particular, are constantly concerned with measures to ensure faster clearance of goods. Delays in the release of goods are very often attributed to the procedural and documentary requirements of Customs since they are one of the more visible agencies at the border. It is therefore in the interest of the [eg. Customs Administration of \_\_\_\_\_] to initiate measures for faster clearance and for monitoring the release time for goods through regular review.

### **B OBJECTIVE OF THE TRS**

2. The broad objective is to determine where problems exist in the process on release of goods, the type of problems, the reasons for these problems, who is involved and possible solutions to these problems. Likewise the study results will facilitate in measuring the impact and progress of on going customs modernization/trade facilitation initiatives the customs is currently undertaking.

3. In particular, the TRS will establish the following:

- (i) The time taken between arrival of the goods at the border and their release;
- (ii) A calculation of the average time required for the release of goods by Customs clearance points, type of traffic (road and air) and customs regime;
- (iii) The average time taken for release of goods requiring the intervention of other government agencies (OGAs);
- (iv) The average time taken for release of exempted goods; goods under TIR carnet; and perishable goods
- (v) The average time taken for release of goods selected for Green, Yellow (examination of documents) and Red (physical examination on goods);
- (vi) Where procedural problems exist and the nature of such problems; and
- (vii) Possible corrective measures and recommendations.

### **C. METHODOLOGY**

#### **1. SCOPE AND DESIGN OF THE STUDY**

4. The TRS will measure the time from arrival of the goods in the land border station until they are released and physically removed from Customs control. It will cover both automated and manual customs procedures on samples of transactions during the specified period including

- (i) imports, exports and transit;
- (ii) dry cargo and bulk;
- (iii) goods of commercial value excluding baggage assessment

5. TRS will include, geographically, the busiest border crossing points (BCPs) in terms of traffic volume and be based on the possibility of joining the proposed Regional Improvement of Border Services (RIBS) project. These are [Name of the borders] which account for [ ]% of the total declarations processes in the country.

6. Duration and Timing of the TRS will coincide with season of normal traffic. The data collection phase will commence on [ , 2011] and end on [...2011] and the final report will be submitted to Senior Management on [ , 2011].

## 2. METHODOLOGY

7. Standard questionnaire developed with the help of WCO technical assistance. Customs staff and other selected stakeholders involved in the survey especially those who will be filling up the questionnaire will receive proper training. Pre-testing the questionnaire to assess the ability of stakeholders to fill and return the questionnaire.

Processed Entries by Sampled Station				
Customs Office	Annual No. of Entries	Weekly No. of Entries	Week Sample	Note
A				
B				
C				
D				
E				
Total				

8. Probability Proportion to Size (PPS) sampling procedures will be used to determine number of declarations for each selected BCP. Sample size of each selected station will depend on the total number of declaration administered in a period of [ ] days

## 3. ESTABLISHMENT OF A WORKING GROUP

9. The working group responsible for the management of the Time Release Study will be organized as follows:-

<b>Leader:</b>	[eg. Deputy Commissioner on Customs Field Service]
<b>Core members:</b>	[eg. ICT Systems Administrator]- [name of official] [eg. Statistic <b>Core members</b> ian]- [Name of official] [eg. Specialists in Customs Procedures Operations]-[name of official]
<b>Liaison officers from selected stations</b>	[eg. Manager of Customs Office A] [eg. Manager of Customs Office B]
<b>Representatives from Various Stakeholders</b>	[Bureau of Standards], [Immigration], [Police Authority],[Motor Registration Authority], [Quarantine], [ [Customs Agent Association], [Bank], [Forwarders Association], [Warehouse Operators Association]
<b>Technical Collaborator:</b>	Asian Development Bank, World Customs Organization and [ ]

10. Functions of the Working Group will include preparation of detailed instructions and guidelines covering the following;

- (i) aim of the study
- (ii) scope and methodology
- (iii) duration and timing of the study
- (iv) sampling size and sampling selection methods where a sampling method is used.
- (v) responsibility of collection of data by respective parties and within each unit
- (vi) a list of definitions to ensure uniformity and consistency in implementation
- (vii) procedures to be followed in manual, automated or a combination of both manual and automated procedures
- (viii) persons to be contacted where clarifications are needed.

11. The Working Group will identify the following;

- (i) all the processes and steps in the release process
- (ii) all the documents required for the release process
- (iii) various data to be collected, by who and how
- (iv) evaluation how the of the data is to be done, by manual means or by a computer software
- (v) what are the release times to be captured and evaluated in terms of the type of traffic and goods
- (vi) will the data to be captured identify the reasons for the delays? if any
- (vii) will the evaluation be based on capturing the total time or the time required for each phase of the clearance process.

12. The Working Group will meet as often as necessary to discuss the following issues;

- (i) ensure that all decisions pertaining to the study are taken.
- (ii) prepare a timetable for work to be done
- (iii) plan the study and determine the methodology
- (iv) develop form for the collection of data
- (v) develop instructions and guidelines for the collection of data
- (vi) establish a calculation method for the calculation of the results
- (vii) develop a programs for the data capture and analysis
- (viii) analyze the results
- (ix) compare the results with data from previous studies or pre-set form. if any
- (x) prepare final report with proposal for improvements
- (xi) present the results of the study to the customs administration and stakeholders involved in the clearance process.
- (xii) prepare an action plan to rectify identified problems

13. ADB and WCO, as technical advisor, will advise on all technical aspects with regard to undertaking of the Study. The advisors will make visits subject to availability of resources. The physical visits will focus on the detailed design of TRS during the planning stage. ADB will also

support the review of a draft TRS report and presentation of the final report. The WCO will also assist to review a draft TRS report for quality assurance. The advisors will be available during all phases of the study by phone and e-mail.

#### **4. ORGANISZATION**

14. Preparation phase of the TRS will include following steps:

- (i) determine the scope of the study
- (ii) planning the study
- (iii) duration and time of the study
- (iv) geographical scope
- (v) type of goods
- (vi) choice of traffic
- (vii) sampling
- (viii) designing a questionnaire or data form
- (ix) testing of procedures
- (x) training of customs staff and staff of other agencies involved in customs clearance process on study questionnaire management.

15. Regarding collection and recording of data, if the customs clearance process in [ ] is only partially automated, it will be impossible to extract information required for the study from the computer system. Consequently, data collection for this study will be entirely based on the manual completion of a questionnaire.

16. A WCO questionnaire module with some modifications will be used for capturing data. The questionnaire will be attached to the Customs declaration selected for the study to gather information from point of arrival of the goods at the frontier until final release of goods from Customs control. Customs staff, staff of other agencies and staff of other stakeholders involved in the release process will be given briefings on the objectives of the study, the guidelines and the completion of the study questionnaire.

17. Core group members will interview some members of staff of selected stations and traders while on site to obtain various explanations as to why certain process segments are usually lengthy.

18. The processing of data covers all steps from the completion of the interview to the final tabulation. Some important steps are manual handling of data, editing or verification, data entry, tabulation and analysis.

19. Questionnaires from each BCP should be properly handled, filed and kept secure in each station.

20. Editing is a process, which aimed at reducing errors in the data collected. Part of the data editing process will be done in the field before keying them into computer. Other part of editing process will be done through computer-assisted program. . [WCO TRS Software] or [MS Access computer package] or [Statistical Package for Social Science (SPSS)] will be used to create data capture format and for data analysis.

**D. TIME FRAME:**

21. [ ] Months ( 2011 – , 2011).

**E. FUNDING SUPPORT**

22. The Customs Administration of [ ] will cover the operation costs including salary and domestic travel expense for its Customs officials responsible for TRS. ADB will support the cost of engaging international advisor(s) if necessary, data analysis on the regional level and capacity building activities.

### Model List of Questions

The following is a series of elements that could be included in the form. It should be pointed out that this list of questions is not exhaustive and the administration may include any other questions that they feel are useful and necessary for this study and/or their organizational objectives.

1. Region (use codes)
2. Customs office (use codes)
3. Name of Transporter
4. Mode of transport (use codes) [Sea, Rail, Road, Express consignments, River]
5. Type of transport document (use codes) [Airway bill, Seaway bill, Consignment note, Despatch note, Manifest, Multi-modal document, Combined documents]
6. Transport document number
7. Declaration number
8. Declarant code [Broker, Clearing Agent, Self]
9. Name and identification number of declarant
10. Type of declaration [Prescribed forms, Others (invoice, transport document, administrative document, etc.)]
11. Form of declaration [Manual, Electronic, Type of cargo, Containerized (FCL (Full Container Load), LCL (Less than Container Load), Non-containerized]
13. Goods regimes [Dutiable, Non-dutiable, Suspension/exemption/relief, Preferential status (bilateral, multilateral, GSP, etc.), Inward processing, Free Zones, Transit, Others (Perishable goods, Express Consignments, Relief consignments]
14. Classification of goods [Tariff heading, Value (High, Medium, Low), Origin of goods, Gross weight]
15. Date and time of arrival of the goods at port/airport/land border
16. Date and time of unloading – start
17. Date and time of unloading – end
18. Date and time of delivery to temporary storage
19. Date and time of the lodgement of the Goods declaration
20. Complete declaration : Yes/No - if No, reasons;
  - Insufficient information in the Goods declaration
  - Incomplete documentation [invoice, certificate of origin, certificate of duty/tax exemption/relief, import licence, health certificate, veterinary certificate, other documents (specify)]

21. Customs request for the presentation of complete Goods declaration : Yes/No If Yes;
  - Date and time of Customs request
  - Date and time of re-presentation
22. Date and time of acceptance of the Goods declaration
23. Documentary control : Yes/No
24. Date and time of the start of documentary control
25. Date and time of the end of documentary control
26. Physical inspection of the goods : Yes/No if yes :
  - Selection based on : [random selection, targeted by risk analysis]
  - Type of inspection ; [random, cursory inspection, detailed inspection]
27. Date and time of the start of the inspection
28. Date and time of the end of the inspection
29. Laboratory analysis : Yes/No If Yes :
  - Date and time of the start of laboratory analysis
  - Date and time of end of the laboratory analysis
  - Date and time laboratory analysis received
30. Intervention by agencies other than Customs: Yes/No If Yes, name of agency (use codes):[Veterinary services, Agriculture services, Health services, Other authorities or services (specify)]
31. Date and time of the start of intervention by other agencies
32. Date and time of end of intervention by other agencies
33. Date and time of assessment of duty – start
34. Date and time of assessment of duty – end
35. Method of Payment of Duty and taxes (use codes) [Cash, Cheque, Banker's Draft/Order, Electronic Funds Transfer, Other (specify)]
36. Date and time of payment of duty (if required before release of goods) – start
37. Date and time of payment of duty - end
38. Date and time of the release of the goods
39. Date and time of removal of the goods

The order of questions above follows a logical sequence of the clearance process. However the actual location of the items on the form may be modified according to practical needs in developing and designing the form.

The layout and presentation of the form and questions should be as simple as possible in order to assist those participating in the study.

The questions asked should be worded in such a way that they are easily understood and easily answered. Questions requiring lengthy answers should be avoided wherever possible.

In view of the voluminous data to be captured, the questions should be grouped into various categories. A simple method would be to group all common questions such as region, Customs office, declaration number, name of Customs broker, etc. into one category and to group the rest of the questions according to each process in the clearance chain.

There is a possibility that some extraordinary delays could occur in some clearance process(es) for one reason or another and the administration might want to capture the reasons for these delays. An element can be added after each clearance activity in the Survey Questionnaire Form to cater for such delays. An analysis of the reasons for the extraordinary delays can provide insights into the existence of a problem in the clearance activity.