DATE ………………………….......... STUDENT NO.…………..……………….........….

EXAMINATION CENTRE …………………………………………………...……………………..….

THE SHIPPING AND FORWADING AGENTS’ ASSOCIATION OF ZIMBABWE



## CUSTOMS LEGISLATION AND PROCEDURES DIPLOMA COURSE

**FINAL EXAMINATION**

**PAPER TWO**

#  GENERAL PAPER

 **3 SEPTEMBER 2020**

**TIME ALLOCATION: (2 HOURS)**

**INSTRUCTIONS**

* Part A – Answer compulsory Valuation question.
* Part B - Answer 2 questions in this part.
* Remember to write your student number on all your answer sheets.
* Start each new question on a fresh answer sheet.
* This examination script is the property of SFAAZ and must not be removed from the examination room.
* This paper carries 25% of the final examination mark.

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**PART A:**

**QUESTION ONE- Compulsory**

1. The attached Invoice, Airwaybill and Rates of Exchange are for a shipment imported by Air transport.

**You are required to calculate the VDPs for the two items on the invoice using a worksheet. Please show all your calculations on the worksheet. (20 marks)**

1. Explain with an example a situation that warrants the use of 7.5% of FOB value as deemed freight.

 **(5 marks)**

1. VDP is arrived at by adjusting the invoice value. Explain how the invoice value is adjusted to arrive at VDP for a consignment imported by road on a commercial carrier who has charged commercial rates on the consignment. Your answer must give reference to legislation. **(10 marks)**
2. List the six valuation methods used in Zimbabwe in their order. **(3 marks)**
3. Give the formula for calculating VAT on imports. **(2 marks)**

**[Total 40 marks]**

|  |  |  |
| --- | --- | --- |
| **Exporter** | **Invoice no. Date** | **Exporter’s Ref** |
| WEST-COAST PHARMACEUTICALS WORKS LTDAURVEY NO. 313, MELADY ESTATE, B/S MELDI TEMPLEGOTAA RAILWAY CROSSING, GOTAAHMEDABAD-382481, GUJARAT, INDIDA | E00188 | 22/08/2020 | IEC NUMBER: 0888011652PAN NUMBER: AAACW7013Q |
| **Consignee** | **Buyer (If other than Consignee)** |
| **INVESTMENTS (PRIVATE) LIMITED****HILLSIDE, HARARE, ZIMBABWE****Tel: 04-792802** |  |
| **Pre-Carriage By.****BY AIR** | Place of receipt By Pre-CarrierAIR CARDO COMPLEX, AHMEDABAD | Country of Origin of GoodsINDIA | Country of Final DestinationZIMBABWE |
| **Vessel/Flight No.****N.A** | Port of LoadingAIR CARDO COMPLEX, AHMEDABAD | Terms of Delivery and Payment100% ADVANCE PAYMENT BY AIR |  |
| **Port of Discharge****HARARE, ZIMBABWE** | Final DestinationZIMBABWE |  |
| **Marks No. / Container No.****No. Kind of packages** | **Description of Goods****BOOKS** | **Quantity**  | **Rate****EUR €** | **Amount****TOTAL EUR** |
| **INVESTMENTS (PRIVATE) LIMITED****HARARE, ZIMBABWE****117 CARTONS**1. **NEW ENGLISH VERSION BIBLES**
2. **96 PAGE EXERCISE BOOKS**
 | **22,300****2000** | **0.36****0.01** | **8028.00****20.00** |
| **Amount Chargeable** | **Eight thousand and forty Euro only** | **EUR €** | **8068.00** |
| **SHIPMENT UNDER DRAWBACK SCHEME****“ We intend to claim rewards under merchandise Exports from India Scheme (MEIS)** |

**GSTIN: 24AAACW7013Q172 STATE: GUJARAT**

**LUT BOND NO. ARN NO. AD2406180018163 Dated. 22/08/2020**

**Total Gross Weight: 952 kgs**

**Total Net Weight: 940 kgs**

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**PART B: ANSWER TWO QUESTIONS FROM THIS PART**

**QUESTION TWO**

1. The Minister of Finance recently announced measures to combat the COVID 19 pandemic. One of the measures was the gazetting of the Customs and excise (General) amendment regulations under Statutory Instrument 88 of 2020.

1. Explain the procedures that an importer should follow to import the goods without paying duty. **(5 marks)**
2. Explain how a Clearing Agent ensures that duty is suppressed on the bill of entry he will lodge. **(4 marks)**
3. An importer has to look at important areas before he can say he qualifies for the rebate.

One of them is “Who qualifies?” Name the other three important areas. **(3 marks)**

1. Explain the procedure followed by the Minister in gazetting the Statutory Instrument.

 **(2 marks)**

1. Name two organizations/institutions that may import the gazetted goods without using the rebate but using other procedures. **(2 marks)**
2. Explain in point form the stages a Bill goes through before it becomes law. **(5 marks)**

1. Explain three rules of origin that you are familiar with **(9 marks)**

**[Total 30 marks]**

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QUESTION THREE

1. Briefly explain with examples and with reference to the Customs Act the following offences:
2. Using a fake freight statement
3. Smuggling
4. Bribing a Customs officer
5. Using a vehicle with false compartments for smuggling
6. Diverting from an authorized transit route **(15 marks)**
7. In table form explain three import controls and two export controls you are familiar with. Your explanation should include the controlling authority. You are also required to quote the relevant legislation and type of permit.

**Use the suggested format below:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Type of Control** | **Authority** | **Legislation** | **Permit issued** |
| Import of agriculture products such as groundnuts | Ministry of Agriculture | SI 350 of xxxx | Phytosanitary certificate |
| **Note: Don’t give your answer on this question paper. Marks will not be awarded for repeating above example or different products from same Authority.** |

 **(15 marks)**

 **[Total 30 marks]**

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**QUESTION FOUR**

1. Explain in point form and with examples - the same state and industrial drawbacks.

 **(15 marks)**

1. Your uncle wants to sell his second hand vehicle. Briefly explain to him the need to pay excise duty on change of ownership. You have to clearly explain to him how the amounts are calculated and how much he has to pay. Convince him with legislation. **(6 marks)**
2. Incoterms FOB and CIF are usually misused. Clearly explain the obligations of buyer and seller. Your explanation should include the passing of risk from buyer to seller. **(9 marks)**

**[Total 30 marks]**