



EXPERIENCE SHARING ON

THE IMPLEMENTATION OF AN ADVANCE RULING MECHANISM IN MADAGASCAR

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I. FOUNDATIONS FOR THE IMPLEMENTATION OF THE ADVANCE RULING



- **National Trade Facilitation Committee roadmap 2018 - 2023**
Improve the **transparency** and **predictability** of formalities and requirements related to the customs clearance process towards businesses, and the predictability of origin and tariff classification

Malagasy Customs strategic plan 2020 - 2023

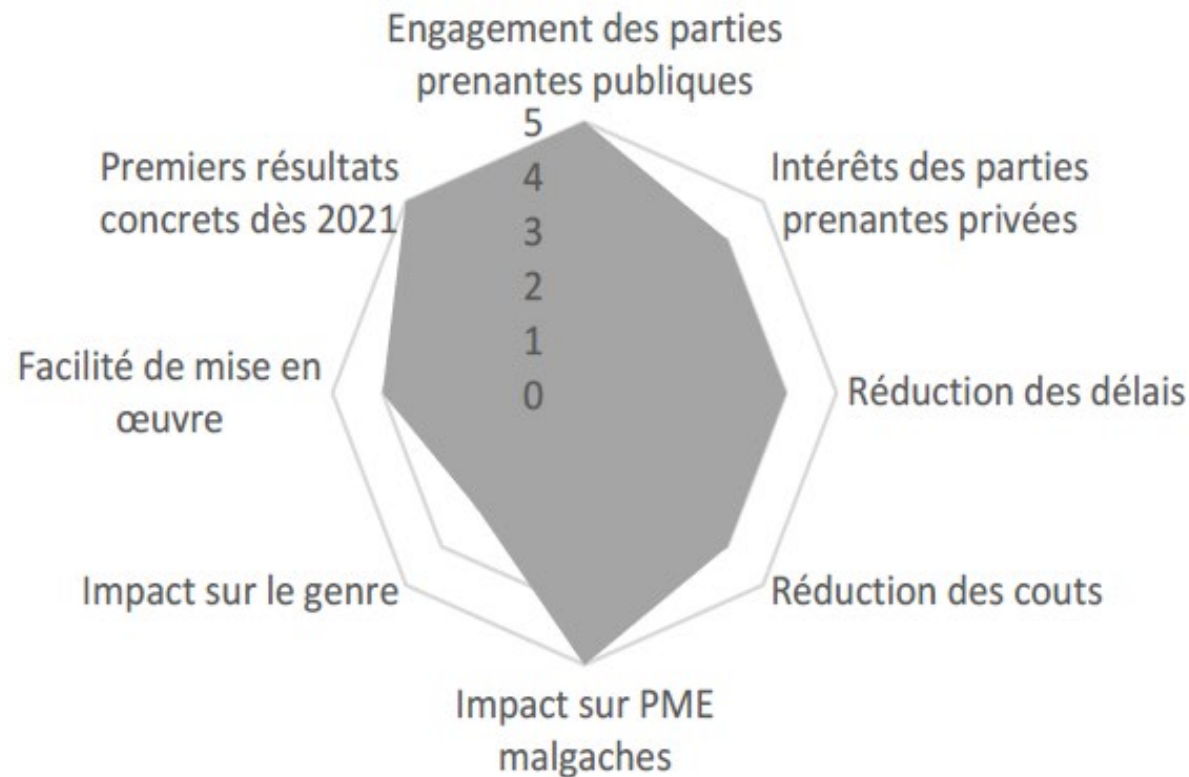
Trade facilitation through **transparency**, increased **partnership** and the promotion of tax compliance.



- **The Alliance approach**
Forging strong Public Private **Partnerships** in order to reduce trade barriers, through the implementation of projects with **high impacts on clearance time and cost savings**.

II. SCOPING MISSION APPROACH

Alliance scoping results on the the « advance ruling » project



- **Implementation:** fairly simple and can be started in 2021.
- **High impacts** on exportations, importations and on all types of businesses (small, medium and big)
- **Main risks:**
 - Reluctance of customs officers to respect the binding aspect of ARs,
 - Less interest for economic operators for lack of guarantees of the transparent application of ARs.

III. PROJECT IMPLEMENTATION

DEVELOPED ASPECTS



Legislation: Development of the texts governing the mechanism



Procedures and IT: Implementation of the mechanism itself and digitization on ASYCUDA World



Organization: Creation of the advance ruling unit and the technical committees on tariff classification and origin



Change management: Training of customs officers in tariff classification and origin, sensitization of the private sector and customs officers on the mechanism

IV. CHALLENGES AND SUCCESS KEY FACTORS

CHALLENGES



- ✓ Direct involvement of importers/exporters in the mechanism, without necessarily customs brokers.
- ✓ IT development based on the ASYCUDA customs clearance system within a limited time frame
- ✓ Understanding of Customs trade facilitation policy by businesses used to a "customs policeman" image.
- ✓ Reluctance of users to use the mechanism

SUCCESS KEY FACTORS

- ✓ Active involvement of the General Directorate of Customs in the execution of the project
- ✓ Strong partnership with the Alliance
- ✓ Close collaboration with the experts mandated by the Alliance and those of the World Customs Organization
- ✓ Private sector implication
- ✓ Malagasy NTFC support



V. RESULTS AND PERSPECTIVES

CURRENT RESULTS

32

Number of businesses registered on ASYCUDA

06

Number of received and processed ARs requests

01

Number of issued ARs

2023 TARGETS

100

50

30

ONGOING ACTIONS

- ✓ Continuous sensitization of targeted businesses
- ✓ Continuous optimization of the AR processing system

EXPECTED IMPACTS

- ✓ Reduction of customs clearance time
- ✓ Reduction of frauds on tariff and origin



THANK YOU FOR YOUR ATTENTION

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partenaire pour l'émergence du pays »*