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## Introduction

Each and every country has a custom department which is the government chosen authority to implement the guidelines related to the collection of customs duties, dealing with import and export, and simplifying movement of people, goods and consignment into and out of a certain kingdom. In any country, custom division plays a very crucial role in regulating the unlawful imports and exports of goods (Bhala, 2001). Every single country has a distinct custom rules and guideline in which export or import of definite goods may be constrained or prohibited. Also, custom department in every country is mandated to collect taxes and duties which are charged to the import and export goods. Collection of duties and taxes by the custom department is a very important role since taxes and duties in most countries in the world constitute the biggest percentage of the national income (IMF, 2003). Since customs procedures is made up of sets of interconnecting processes, in order to enhance efficient and effective of custom department in any country, there is need of adapted to the varying trade practices, and modern organization techniques in addition to taking into account the various intentions of a given country (Younis, 2006). If a country is not in agreement with these customs practices criteria, that country stand to lose a lot of money due to the inefficiency in the import and export duty and tax collection. Also, a country which is not keen with the international custom trends and regulations has a propensity of delaying the approval of consignment (World Bank, 2005). In addition, a country which has not adopted the appropriate custom procedures is likely to conduct custom processes in a non-transparent way. Adopting the collect and appropriated custom procedures help the country in creating effective customs department which has modernized processes. With modernized custom procedure, a country is able to initiate investigative work in order to identify the inadequacies of the present custom system (WCO, 2002). After identifying the shortcomings, that given country is able to institute an inclusive approach that includes all features of a customs administration to deal with the issues identified, in addition to an adequate sequencing of actions to rectify and improve custom procedure. The policies that a country may choose in rectifying the inadequacies in the custom department must be realistic and ought to consider the country’s capability to implement within the given time framework time. Also, any reform efforts, in custom department, chosen by a particular country need to be in line with the trade guidelines and must have the ability to adapt to fluctuating circumstances. This paper will seek to provide a report to the Director General (DG) of Customs suggesting a new and effective method to regulatory compliance management for belmontia customs. The issues that will be contained in this report include: an outline of international trends and standards relating to compliance management; explanation of aspects of effective approach that will help in dealing with the specific problems faced by Belmontia; actions to improve Custom’s compliance management, ways of ensuring that the correct amount of revenue is collected; ways of improving facilitation of trade; ensuring that prohibited items do not enter the country; and discussion of ways of ensuring that relevant permits or licenses have been obtained when required for the export of particular goods and that goods which are prohibited exports, are not exported.

## International Trends and Standards Relating To Compliance Management

The international trends and standards relating to compliance management are well outlined in the Revised Kyoto Convention (RKC). RKC is an extensively scheme for modern and well-organized customs measures for the 21st century. Its provisions are aimed at facilitating international trade with sureness and competence which is essential in the modern trade and particularly in custom procedures (Pryles & Davies, 2004). The RKC elaborates key central principles, topmost of which are: Synchronized intermediations with other border organizationsSimplified processes for certified personsMinimum required Customs control to warrant compliance with guidelinesTransparency and sureness of Customs actionsNormalization and simplification of the product assertion and supporting documentsMaximum application of information technologyUse of risk management and audit-based controlsThere is need for Belmontia to implement all the principles and standards in RKC due to many benefits that it is likely to gain. Being party to RKC, Belmontia by implementing these principles and standards will achieve important and quantifiable results which will lead to the improvement of the efficiency and proficiency of customs administrations and also help in custom’s compliance management. There will be gains in time and cost saving which will be as a result of simplified custom procedures. With no doubts, these effectiveness gains will increase the efficiency in the custom procedure which will in turn help the country in collecting a lot of revenue from custom taxes and duties. With the intention of enhancing custom’s compliance management, the RKC has outlined standards for certain legal processes, transparency and application of modern practices. Legal requirements and criterions in the RKC are harmonious to, in addition to corresponding with, the GATT articles V, VIII and X expressed in the perspective of Custom’s compliance management in Doha declaration. It is true to say that the mentioned GATT articles V, VIII and X outline the codes for procedures for movement of goods and services in which WCO, together with the procedures of the RKC offer the foundation Custom’s compliance management meaning that Belmontia will have a lot to gain by employing this international trends and standards relating to compliance management outlined in GATT articles V, VIII and X, WCO and Revised Kyoto Convention (Steinberg, 2002). During the implementation of RKC in 2006, WCO (2006) offered the agreement as the entry to modern competent customs processes of the 21st century. After the implementation of RKC, it has offered all the assurance and proficiency required in the modern global trade and also helped in improving Custom’s compliance management. This convention encourages trade acceleration and all at once makes sure that tasks of Customs are not undermined.

## International Trends and Standards Relating To Clearance and Other Customs Formalities

Clearance and other customs formalities standards are outlined in the Revised Kyoto Convention General Annex Chapter III focusing on various aspects of clearance of goods and services. These standards include the following:

## Standards on Competent Customs offices

This includes a set of standards stating that Customs should have Customs agencies at which point goods may be created or cleared. It also says that expenditures chargeable by the Customs should be restricted to the estimated cost of the services rendered. Also in this, the Customs managements concerned ought to operate cooperatively at the controls mutual border crossings.

## Standards on the declarant

This standard includes Persons entitled to act as declarant in which national legislature must stipulate the circumstances under which an individual is permitted to act as declarant. In this standard, any individual having the authority to dispose of the goods is allowed to act as declarant. On the issue of responsibilities of the declarant, the declarant should be answerable to the Customs for the exactitude of the details given in the Goods affirmation and the disbursement of the duties and tariffs (Todd, 2003). The Rights of the declarant states that before lodging the Goods affirmation the declarant is permitted, under conditions stipulated by the Customs: to draw samples; and to check the merchandises.

## Standards on The Goods declaration

## Goods declaration format and contents

Under goods affirmation format and contents, the substances of the Goods declaration should be approved by the Customs with the paper layout of the Goods declaration complying with the UN-layout key. The Customs has the mandate to limit the data necessary in the Goods affirmation to only such details which are essential for the calculation and collection of duties and taxes. Also, incomplete Goods assertion is allowable to be lodged, on condition that it contains the details considered necessary by the Customs and the tariff treatment rendered to those goods should be the same as what would have been accorded had a correct and the complete Goods affirmation been lodged initially (Todd, 2003).

## Documents supporting the Goods declaration

Under this, in support of the Goods affirmation, the Customs only need those documents essential to permit control of the procedure and to ensure that all necessities with regard to the submission of Customs law have been adhered to. The Customs permit the lodging of the Goods declaration and supporting documents by automated means with the Customs authorizing the lodging of the Goods affirmation at any chosen Customs office during the hours selected by the Customs.

## Special procedures for authorized persons

This outline the provisions to the authorized persons who meet standards quantified by the Customs, including having an suitable record of compliance with Customs necessities and a acceptable scheme for managing their commercial registers.

## Examination of the good

Under the standards on examination of goods, there are issues on: Time necessary for examination of goods; attendance of the declarant at inspection of goods; and the provision on sampling by the Customs

## (a)Time required for examination of goods

In this provision, Customs decide that goods affirmed shall be examined; with the inspection taking place immediately after the Goods confirmed has been recorded. Also, if the goods need to be examined by other competent specialists and the Customs schedules an inspection, by ensuring that the examinations are co-ordinated and, preferably, performed at the same time.

## (b)Presence of the declarant at examination of goods

This provision states that the Customs must consider applications by the declarant to be represented at the inspection of the goods and such applications should be settled unless exceptional conditions exist.

## (c)Sampling by the Customs

In this provision, it is stated that samples be taken only where thought required by the Customs to establish worth of goods confirmed or to ensure the submission of other requirements of general rule.

## Release of goods

This provision states that goods confirmed should be freed the moment the Customs have inspected them or decided not to inspect them, on condition that: No transgression has been found; all authorizations pertaining to the process concerned have been attained; the import or export authorization have been attained; and any duties and taxes have been compensated or that suitable action has been taken to guarantee their collection (Todd, 2003). Having looked at various custom international trend, rules and regulations, in the next part of this paper is the ways in which Belmontia can improve Custom’s compliance management

## Action to Improve Custom’s Compliance Management

## Training Customs staff on Custom Laws

In order to increase compliance in custom procedures, there is need for the government of Belmontia take the initiative of training individuals working in Custom offices and various work stations in Custom department. The custom staffs should be trained on the rules and regulations governing the movement of goods into and out of the country. They should also be trained on tax and duties charged on import of certain kind of goods. Also, all custom employees should be taught about any amendment done to the previous custom laws. This will increase the efficiency of custom administration in enforcing custom laws. In addition, since the employees will be aware of the amount of duties and tax charged on different kind of goods, the government will be able to ensure importers always pay import duties. This in turn will help the country in reaching revenue target by collecting all import taxes and duties.

## Amendment of Custom Law

The government of Belmontia needs to revise their Customs law and ensure that necessary authority implements new custom procedures which are in line with international custom trend, rules and regulation. By ensuring that Belmontia custom law is uniform to the international custom laws, it will be easier for the importer and exporters to comply with the custom law since every rule and regulation will be very clear to them.

## Creation of Measures to Increase the Efficient Customs Procedures

To ensure that all trading parties comply with the custom rules and standard laid down in Belmontia custom department; there is need to create a very efficient custom process. This is due to the fact that incompetent customs procedures and strategies are costly, time consuming and always result in irregularity in the clearance process. Therefore, since goods that are passing through the custom department in Belmontia are obtained in many different nations, undergo multifaceted supply chain procedures, and have little life cycles, trading parties may result into shortcut incase the custom procedure are not efficient at all five ports and two airports. Since these shortcuts employed by trading parties, importers and exporters, involve using illegal means, including tax and duty evasion, to ensure that their goods are cleared and released on time, there is need to ensure that Customs Procedures are efficient to ensure that all the importers and exporters comply with all custom law, rules and regulations.

## Increased Co-ordinated Interventions with Other Agencies

For a smooth and timely clearance of goods and ensuring other formalities are carried out effectively and to improve custom’s compliance management, Belmontia must increase the co-ordination with other government agencies which are party to the clearance of goods at the custom department. The agencies that need to work together with the custom administration include national revenue authority and national bureau of standards. This will helped in ensuring that the relevant custom laws are followed and only legal activities are carried out and also ensure only the right goods enter and leave the country. Also, this will ensure that the importers do not evade paying import duties. Therefore, this will help in increasing custom’s compliance at Belmontia.

## Creation of Risk Management Systems for Customs control

In ensuring customs compliance which is in line with clearance of goods and other formalities there is need for creation of risk management systems for customs control in order for the whole process to be commercially effective. Risk management systems for customs control will help in ensuring that there is a reliable supply chain which is not overwhelmed with delays and penalties. As mentioned in before in this paper, delays in clearance may influence the importers or exporters to bend the custom law. Therefore, there is need to create risk management systems for Customs control which is very important for managing high-risk shipments and also in improving customs compliance.

## Introduction of Post clearance audit

Post clearance audit which is process by which the Customs satisfy itself as to the correctness and genuineness of confirmations of goods through the inspection of the relevant books, records, and commercial data, need to be introduced to ensure that all custom law, rule and guidelines are followed. Post clearance audit involves physical inspection, confirmation of value, source and classification of goods, confirmation of certificates, sampling, licenses and authorizations. It is a very important practice in ensuring on correct goods inter or leave the country. Also, it will help the revenue authority to certify whether all payments were made on all imported goods. Since this audit is transaction-based controls related to each individual consignment, it will help in improving customs compliance.

## Increasing Security

To ensure that right goods enter and leave the country and to secure transportation of the goods from the said customs region to another customs region, at the same or any other customs location which in line with the authorization granted by the proper officer, custom departments in Belmontia will be able to increase security at all bonder points. This was also in line with improving customs compliance by all trading parties, importers and exporters. This is due to the fact that with security being guaranteed, it is easy to ensure that all rules and regulations are enforced.

## Ways of Reducing Time Taken To Clear Imported Goods

## Increasing the number of staffs at the custom department

To reduce the time taken to clear imported goods, the government through custom department, need to increase the number of employees in all 5 international ports and 2 international airports. This will ensure that there is division of labor and specialization which will make clearance and release of good faster.

## Creation of Custom Database

Created custom database will help the custom department in keeping a record of goods brought for export, imported goods or transshipment. This database will make retrieval of various records, when required for use in various purposes, very easy and time saving (Islam, 1999). Custom Database will be very important in ensuring all custom requirements are met, including payment of duties and other charges. But most importantly, it will help in saving while conducting custom procedures.

## Ways of Ensuring That Revenue Targets Are Met

## Modernization of the custom procedures

In order to ensure that all custom taxes and duties and other custom payment are made, there is need to introduce modernized technique. This will ensure that no a single importer who evade to pay import tax and duties. Also, automated submission of required documents through the modernized custom procedures will help in increasing the efficiency in the carrying out custom procedures (Burnett, 2004). It is through this efficiency that custom authority will be able to collect all custom duties and in turn able to meet revenue target. In line with this, there is need to maximize the use of information technology and automated systems. In order to ensure that all the custom procedures are carried out effectively use of information communication technology must be maximized thus ensuring that there is no delay in clearance of imported goods. Due to increase in the rate of clearance of goods at custom department in airports and seaport, more goods will be cleared in a very short period of time (Martin, 2003). With increase in good being cleared, a lot of import duty and other custom payment will be collected thus increasing the government revenue and also able to meet the se revenue target. Also, there is need for adoption of automated data system. The custom authority must install computerized data management system replacing manual data management system. This will help in increasing the efficiency in the clearance of goods and other customs procedures especially when retrieving the specific data requirements (Chuah, 2009). Due to the importance of payment of record keeping, chances of earning being lost due to loss of documents will be reduce or eliminated thus helping in increasing government revenue and in meeting annual revenue target.

## Improving Transparency

Improving transparency in custom departments and offices will help in reducing revenue lost annually as a result of corrupt employees who collude with the imported who evade paying import duties and other custom payments. Improving transparency will be done by educating the members of the staff on the importance of adhering to the custom laws; imposing heavy penalty on the employees who are involved in corruption; and rewarding of highly performing workers. Transparency in all custom departments in all clearance point will help the government to effectively and efficiently collect revenue and thus be able to meet the set revenue target.

## Improved facilitation of trade

## Improved relationship between traders and Customs

Collaboration between Customs and dealers is very important in facilitating the process of assessing the risks allied to goods carried, exported or imported by particular traders. Usually such contact and communication should be encouraged at all custom point because it may lead to healthier understanding between both parties and increase their relationship in overall terms. Increase in understanding between custom and traders will help in facilitating trade in the country thus increasing movement of good in and out of the country (Davies, 2012). This in turn will help the custom department in collecting more revenue.

## Reducing release time

The custom should consider implementing measure that will help in reducing release of goods. This can be done by increasing efficient by use of technology and automated database to clear good. By doing this, customs will be able to release the vast bulk of consignments instantly after the clearance document have been filled and checked. This will encourage trading of goods, especially in import and exports (Fletcher, 2001).

## Lowering transaction costs

It is very simple for custom to lower transaction cost to the traders. This can be done by reducing time taken to clear and release goods in Customs by substituting old- fashioned procedures with the automated custom procedure. Old-fashion technique can amount to as much as several weeks with the introduction of up-to-date techniques will help in releasing 80-90% of the goods within a few hours (WCO, 2008). This therefore will help in saving substantial transaction costs to traders. Thus, this will in turn help in facilitating trade.

## Ways to Control Goods Being Exported

## Certification requirements

There should be certification requirements to determine whether or not the goods to be exported meet the specific or global safety, ecological or other standards. Also, there should be legislation enforced to ensure product safety requirements are met, including the possible testing. This will be important in ensuring only goods that meet a certain set standards are exported.

## Export controls and restrictions:

There should be an export controls and regulations imposed on some goods which are prohibited from being exported. These are goods which are essential to the economy of the country and if they are exported, the country’s economy will be negatively affected (Inama, 2009). Therefore, there should be regulation preventing export of those kinds of goods.

## Permits

The custom should come up with rules and regulations that would determine whether or not a permit is necessary so as to export the goods. For instance, permits like license, should be introduced with regard to the exportation of dangerous goods, explosives, lethal waste and dangerous biodegradable material. Having examined the international tend, rules and regulation, the above outlined measure are very helpful in the custom authority. All these measures should be fully implemented in order to: improve regulatory compliance management for belmontia customs; ensure that the correct amount of revenue is collected; ensure that prohibited items do not enter the country; to ensure that revenue targets are met; reduce time taken to clear imported goods and facilitate of trade.