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

 **25 NOVEMBER 2021**

**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. List 4 conditions that need to be fulfilled in order to be able to use transaction value of Similar goods when valuing donated goods on import. (4 marks)
2. Identify any two non-transactional valuation methods and explain how each may be used in the valuation of imports. (6 marks)
3. A company in Chirundu purchases a consignment of goods from Madrid in Spain. The goods are moved from the Spanish capital, Madrid to Madrid International Airport where they are airlifted to R G M International Airport. The goods are then placed on a truck owned by the importer for delivery to Chirundu. The following charges were incurred for the importation:

Purchase price EUR16000

Discount @ 5% EUR800

Packing and Crating EUR250

Documentation EUR100

Transport to Airport EUR300

Airfreight to Harare EUR2500 (EUR 2380 plus EUR 120 other charges)

Handling charges (RGM Airport) USD480

Transport (RGM – Chirundu) NIL

**REQUIRED:**

Using the information above,

1. Identify the FOB point (1 mark)
2. What would be the appropriate INCOTERM for the consignment if all the above charges were indicated on the Invoice? (2 marks)
3. Identify the non-dutiable charges if any. (1 mark)
4. Calculate the following:
5. Ex Works value in EURO (2 marks)
6. FOB value in EURO (2 marks)
7. VDP in Zimbabwe dollars (6 marks)

**Duty is payable in Zimbabwe Dollars.**

**Rates of exchange are as follows: USD = 99.9903 EUR = 106.4425**

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1. Describe with an example for each the four circumstances that warrant the use of deemed freight for goods imported by Road transport. (8 marks)
2. Identify 2 situations where value declaration forms may not be required in the clearance of imports through Zimra. (4 marks)
3. On what basis are the following goods valued:
4. Exports (2 marks)
5. Non-commercial goods imported for personal use. (2 marks)

**(Total 40 marks)**

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

QUESTION TWO

1. Draw a new table on your answer sheet and complete the missing information. (5 marks)

|  |  |
| --- | --- |
| **TITLE** | **REPORTS TO** |
| Station Manager | Regional Manager |
| Revenue Specialist |  |
|  | Commissioner General |
| Supervisor |  |
| Revenue Trainee |  |
|  | Zimra Board  |

1. List any 3 revenue heads applicable to imported goods when imported by a tax compliant importer.

(3 marks)

1. Books of reference are divided into 3 categories namely, Principal legislation, Subsidiary Legislation and Non-legislated. From each category, identify any two that are used in the field of Customs and Excise. (6 marks)

i. What do you understand by deferred clearance? (2 marks)

ii. Identify any two such clearances and explain their purpose in the movement of goods. (6 marks)

1. Explain the purpose served by each of the following places in the movement of goods in international trade: (8 marks)

i. Air Cargo Shed

ii. State Warehouse

iii. Bonded Warehouse

iv. Export Processing Zone

**(Total 30 marks)**

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QUESTION THREE

1. Identify and explain any four rules of origin applicable to SADC Trade Agreement. (12 marks)
2. The Harmonized Commodity Coding System is a system used by several countries in classifying goods in International Trade. Identify 3 different types of notes found in the Customs Tariff. Explain each of them and give a specific example from the Customs tariff. (9 marks)
3. The Asycuda World system is an electronic system that uses codes in place of narrations or descriptions. One such code is the Customs Procedure code which is a combination of Extended Procedure code and an additional code is 4080403
4. From the example given above, identify the Extended Procedure code and the Additional code.

(2 marks)

1. Explain the purpose served by each of the above codes. (4 marks)
2. Explain the following as they relate to the clearance of goods under Asycuda: (3 marks)

 i. Form Number 1

 ii. Post Entry

 **(Total 30 marks)**

**QUESTION FOUR**

1. Identify two types of travellers that may benefit from 2 different rebates on entry into Zimbabwe and explain the two rebates each may benefit from. (6 marks)
2. Your client is in the business of manufacturing handbags and uses various materials for their manufacture. Some materials are imported and some are obtained locally. The following materials were imported and duty paid for their importation. **(Assume that all the below products pay duty in forex.)**

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In order to produce one handbag, the following is required:

 Leather 0.75m2

Silk fabric 0.5m2

 Strap supports 1.1m

 Sewing thread 2000m

 Zippers (slide fasteners) 3

Your client advises you that he had registered his formula with ZIMRA for drawback purposes and would like you to help him on the claim on 150 handbags he intends to export. He has on him import documents showing that the following were imported:

 **Material Qty Imported Duty paid (USD)**

 Leather 600m2 425.00

 Silk fabric 400m2  280.00

 Zippers 800 220.00

**Advise your client on the following:**

1. Within what period must the goods be exported from date duty was paid? (1 mark)
2. Since the handbags will be exported by Air transport, in what form will the proof of export be presented to Zimra? (3 marks)
3. Why he cannot include on his drawback claim form VAT paid on import bills entry since he is registered by Zimra for VAT. (2 marks)
4. How much may be claimed as drawback of duty? Show your calculations. (10 marks)
5. Explain the following terms as they relate to the clearance and valuation of goods: (6 marks)

 i. Pre-clearance

 ii. Removal in Bond

1. Re-warehousing
2. In the clearance of goods through Zimra, what is the difference (if any) between Frontier office and Clearance office? (2 marks)

**(Total 30 marks)**