

Panama

ARTICLE 7: RELEASE AND CLEARANCE OF GOODS

Applicable Legal Framework:

1. Political Constitution of the Republic of Panama;
2. Decree Law 1 of February 13, 2008, which creates the National Customs Authority and dictates provisions concerning the Customs Regime;
3. Cabinet Decree No. 27 (Tuesday, September 27, 2011). Adopts the Integrated Customs Management System -SIGA- and dictates other provisions;
4. Law 26 of April 17, 2013. Adopts the Central American Uniform Customs Code (CAUCA) and the Regulations of the Central American Uniform Customs Code (RECAUCA);
5. Law 55 of September 9, 2015. Adopts the Protocol to Amend the Marrakesh Agreement, by which the World Trade Organization is established, and the annex to said Protocol referring to the Agreement on Trade Facilitation.

The process of release and clearance of goods:

1. The Cargo Agency (Land carriers, shipping companies, airlines, deconsolidators) will begin with the presentation of the cargo manifest in the Customs Information System;
2. Once the cargo manifest has been presented in the Customs Information System, the Customs assessor proceeds with its acceptance;
3. The analyst assessor will apply the risk to the cargo manifest in the Customs computer system, according to what is indicated in the Goods Entry Process (Dispatch);
4. The Customs Broker Agent carries out the Definitive Import declaration process, in the Customs Information System, attaching the required documents (transport document, invoice, certificates of origin, permits);
5. Merchandise that at the time of importation requires authorization by government institutions or internal approvals (OGAS: Valuation, Guarantee Deposits with or without bond, Standards, Tax Exemptions) and non-tariff obligations (Permits and Licenses) for restricted merchandise and /or controlled. They must carry out the procedures through the Customs Information System. Those procedures that are not approved must be corrected for approval;
6. Once authorization has been obtained from government institutions and the internal OGAS of the National Customs Authority; the Customs Broker Agent proceeds to pass the Import Predeclaration to a Final Declaration status and creates the Payment Ticket of the corresponding rights, fees and taxes;
7. The Customs Broker Agent will make the payment of duties, fees and taxes, electronically in the banks authorized by the National Customs Authority;

8. When, according to the risk analysis, the non-intrusive verification of the load will be carried out;
9. The assessor performs the documentary analysis in the Customs computer system, applying selectivity channels, will apply the risk and compliance with non-tariff obligations (Permits and Licenses);
10. The assessor proceeds to the physical review of the merchandise and that it corresponds to what was declared, if there is no inconsistency, the exit pass will be registered in the Customs Computer System, thus complying with the nationalization process;
11. The merchandise that in the physical or documentary examination finds incidents, must present the information and documents that justify the importation and, if such is the case, that it merits rectifying the declaration, before the corresponding Regional Customs Administration, for the correction of according to the type of case;
12. Once all the requirements for the definitive importation of merchandise have been satisfied by the interested party, the assessor proceeds with the release in the Customs Information System and thus the procedure ends with the merchandise nationalization process;
13. The changes made by the National Customs Authority are improvements in trade facilitation;
14. The implementation of the Proof of Origin Form, applied to imported goods whose final consignee is not the original or initial buyer.

Initiatives:

Web tools were developed and implemented within the framework of the Trade Facilitation Agreement (Article 1 of the TFA) that allows access to information on tariff rates (Article 6 of the TFA), permits and licenses required by Customs and other Institutions. of the State that intervene in Foreign Trade Operations, in addition to a tool that allows the release of procedures associated with containers prior to the arrival of the cargo (article 7 of the TFA), the application of the Study of Dispatch Time of merchandise that enters by the land borders of the country for the continuous improvement of processes and the generation of indicators (article 7, paragraph 6 of the TFA).

The initiatives are made up of 3 tools in operation and a study and measurement in the field of dispatch times.

- Interactive Tool of the National Import Tariff: they allow to consult the complete tariff structure, with the updates of the 7th amendment of the Harmonized System, taxes and Commercial Agreements applicable to each tariff item, permits and licenses required by tariff item, in addition to Advance Resolutions of merchandise associated with said code as well as the criteria (judgments) in tariff matters, among other variables.
- Container Validation Tool: search and query by container number to validate that it does not have pending procedures in the Customs Management System so that actions can be taken prior to its use in a new operation and prevent it from being processed. dilate.
- Tariff Approval Tool: allows individual searches and massive searches of up to 3,000 items and view all its historical changes due to amendments (from the IV). The results in

individual searches also show the divisions, the tariff structure and the permits of the other entities individually.

Results:

- Those newly developed applications decrease response times in requests for requirements for operations.
- They also improve the revenue collection based on the correct tariff classification of the merchandise.
- They led to the decrease in requests for refund of taxes and or voluntary payment for omissions in the application of the benefits of the Trade Agreements.
- Container clearance times are reduced in transshipment operations. Information is available to simplify processes and improve dispatch times and management indicators.

The governmental agencies involved into this process are: Panamanian Food Agency, Ministry of Health and its directorates, Agricultural Quarantine, Aquatic Resources Authority, Single Window for Exports.

The private agencies involved into this process are: Logistics Business Council, Chamber of Shipping of Panama, Union of Customs Brokers of Panama, Association of Cargo Agency of Panama.