

THIRTY-NINTH REPORT

OF

THE SALARIES REVIEW COMMISSION

OF

THE REPUBLIC OF TRINIDAD AND TOBAGO

May *2011*, 1996

THIRTY-NINTH REPORT OF THE SALARIES REVIEW COMMISSION

Review of the Salary and Other Terms and Conditions of Service of the Office of Comptroller of Customs and Excise, Ministry of Finance

The President of the Republic of Trinidad and Tobago has conveyed his approval for a review by the Salaries Review Commission of the salary and other terms and conditions of service of the office of the Comptroller of Customs and Excise, Ministry of Finance.

2. In the course of its deliberations on the terms and conditions of service of the office of Comptroller of Customs and Excise, the Commission held separate discussions with the Permanent Secretary, Ministry of Finance and the incumbent Comptroller of Customs and Excise in order to be more fully apprised of the functions of the Customs and Excise Division and the role of the Comptroller as head of that Division. The Commission also considered it necessary to understand the mission of the Customs and Excise Division for the 90's and beyond, especially in terms of Government's policy on trade liberalization and its efforts in the area of law enforcement.

Role and Function of the Customs and Excise Division

3. The role of the Customs and Excise Division is that of facilitating trade, protecting and collecting revenue due to the State, eliminating unfair trade practices and combatting smuggling - especially of illicit drugs, arms and ammunition - through the administration and enforcement of all laws under which the Division is empowered to act.

4. There are a number of Laws under which the Division operates, the main two being the Customs Act, Chapter 78:01 and the Excise (General Provisions) Act, Chapter 78:50. Under these Acts, the Division is required to collect and administer import or export duties imposed upon imported or exported goods. The Division also performs certain 'Agency Duties' for several State bodies. Foremost among these duties is the collection of Value Added Tax (VAT) on behalf of the VAT Administration of the Inland Revenue Division. The Commission was advised that, at present, the Customs and Excise Division collects approximately 66% of total VAT collected.

5. Recent initiatives of the Government with respect to trade, namely, trade liberalization and the implementation of appropriate safeguard mechanisms such as anti-dumping legislation, have brought into focus the important role and function of the Customs and Excise Division. The initiatives have placed the Division in a significant position in the economic life of the country. In terms of revenue collection the Division is second only to Inland Revenue, collecting one-third (1/3) of total annual revenue between 1992-1994. The Division also has an extensive data base on trading patterns which is tapped during the annual budgetary exercise to provide information on trade trends and expected revenue.

6. The Division also has certain regional and international responsibilities. At the regional level, Trinidad and Tobago is an Executive Member of the Caribbean Customs Law Enforcement Council which is responsible for policy formulation. In addition, the Division operates the Regional Training School which provides training for Customs Officers of the Region. In the area of international trade, the Division oversees the management of several trade agreements, such as the Common External Tariff.

Reform of the Customs and Excise Division

7. A major reform exercise has been taking place in the Division since 1992, the aim of which is to improve and streamline all aspects of its operations in keeping with Government's policy of trade liberalization and facilitation. To date the Division has successfully introduced a number of important reform measures such as, the construction and implementation of a Container Examination Station (CES) at Point Lisas; the implementation of the Automated System for Customs Data (ASYCUDA) and the reorganisation and restaffing of the Valuation Branch for verification of claims.

Duties and Responsibilities of the Comptroller of Customs and Excise

8. The Commission was informed of the duties and responsibilities attaching to the office of Comptroller of Customs and Excise. The Comptroller heads the Customs and Excise Division and is the chief technical adviser in the Ministry of Finance on customs related matters. He is responsible for the administration and enforcement of the various laws under which the Division operates. He exercises overall supervision over a staff of approximately eight hundred (800). Work is performed under the general direction of the Permanent Secretary, Ministry of Finance, but the incumbent is expected to exercise considerable judgement and initiative in the planning and guiding of the work of the Division.

9. Under both the Customs Act, Chapter 78:01 and the Excise (General Provisions) Act, Chapter 78:50 the Comptroller, as indeed are all Customs and Excise Officers, is given the same powers, authorities and privileges as are given by law to members of the Police Service for the purpose of carrying out the provisions of the customs and excise laws. As such, he enjoys powers of arrest, entry, search and seizure.

10. In terms of qualifications for this office, the office-holder is required to have extensive experience in all areas of Customs and Excise work. Qualification as evidenced by the possession of a General Certificate of Education or its equivalent is supplemented by the successful completion of the Customs and Excise Officers' training course.

Existing Terms and Conditions of Service

11. At present, the Comptroller of Customs and Excise is remunerated in salary range 68 in the Public Service Classification and Compensation Plans as follows:-

<u>Salary</u>	\$8403 per month
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<u>Cost of Living Allowance</u>	-	\$317.20 per month (which varies in accordance with the negotiated formula).
<u>Travelling Allowance</u>	-	Upkeep Allowance of \$625 per month plus a Kilometric Allowance of 60 cents per kilometre (96 cents per mile)
<u>Subsistence Allowance</u>	-	A rate of \$39 per day subject to the conditions set out in Regulation 43 of the Travelling Allowances Regulations, Chapter 23:50.
<u>Telephone</u>	-	Telephone rental and expenses related to official business met by the State.
<u>Vacation Leave</u>	-	1-10 years service - 28 working days Over 10 years service - 35 working days.
<u>Pensions/Gratuity</u>	-	Entitlement to pension benefits in accordance with the provisions of the Pensions Act, Chapter 23:52.

Conclusions and Recommendations

12. The Salaries Review Commission has noted the developments which have been taking place within the Customs and Excise Division over the past four years. Based on information received, the Commission recognises that the ongoing reform exercise has not only facilitated the transformation of the Division into a more efficient and effective organisation in the important area of revenue collection but has also enhanced the Division's capability and image.

13. With the advent of trade liberalization and the consequential increase in commercial activity (imports increased by 33% since liberalization) we are well aware that the Customs Division is now part of the 'global customs village'. This new environment demands that the Comptroller must not only be fully cognizant of international trading patterns, but also be conversant with the appropriate safeguard mechanisms such as anti-dumping legislation. In addition, the Government's focus on curbing illegal activities in the areas of drugs, arms and ammunition and the very pivotal role of the Division in this regard place greater demands and responsibilities on the Comptroller.

14. Consequently, the Commission considers that as the country approaches the twenty-first century the demands of the office point to the desirability of the incumbent being required to possess relevant professional training.

15. Taking into account the duties and responsibilities of the Comptroller of Customs and Excise particularly in the new environment in which the Customs and Excise Division must now operate, the Commission is of the view that the work of the Comptroller is no less onerous than that

of his counterparts, who head other Divisions within the Ministry of Finance, namely, the Chairman of the Board of Inland Revenue, the Comptroller of Accounts, the Director of Budgets and the Director of Contracts. Accordingly we recommend that the holder of the office of Comptroller of Customs and Excise should be provided with the same terms and conditions of service as the holders of those offices as follows:-

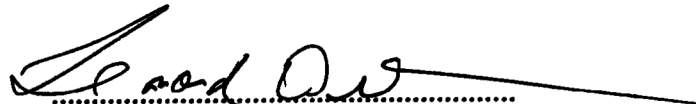
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| <u>Salary</u> | - | \$10,500 per month |
| <u>Housing</u> | - | Rent free, furnished quarters of Grade I specification or a housing allowance of \$1,000 per month in lieu. |
| <u>Transport</u> | - | <p>(i) A maximum loan of \$100,000 at a rate of interest of 6% per annum to facilitate the purchase of a locally assembled or imported motor vehicle with maximum total exemptions as follows:-</p> <p>(a) Motor Vehicle Tax - the amount payable on a vehicle with a cubic capacity of 1999; and</p> <p>(b) Value Added Tax - the amount payable on a vehicle costing \$100,000</p> <p>(ii) A loan to cover the cost of Motor Vehicle Insurance Premium.</p> <p>(iii) A Commuted Travelling Allowance of \$1,200 per month.</p> |
| <u>Service Allowance</u> | - | An allowance of \$1,500 per month. |
| <u>Subsistence Allowance</u> | - | A rate of \$40.00 per day when travelling beyond a radius of ten (10) miles (16 kilometres) from official headquarters and when in Tobago, \$50.00 per day. |
| <u>Entertainment</u> | - | Actual expenses to be met from an official Entertainment Vote under the control of the Ministry of Finance. |
| <u>Vacation Leave</u> | - | Thirty (30) calendar days per annum. |

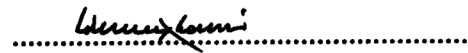
- Medical Benefits** - Entitlement without charge to pathological examination and physiological treatment and all incidental services at any hospital or other State institution or with approval, to be paid the cost of such treatment at any other institution in Trinidad and Tobago.

- Pensions/Gratuity** - Entitlement to pension benefits in accordance with the provisions of the Pensions Act, Chapter 23:52.

16. The Commission also recommends that the effective date of implementation should be May 1, 1996.

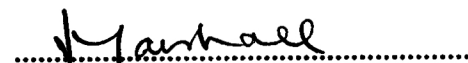
Dated this day *24th* May, 1996.


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Leonard Williams
(Chairman)


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Edward Collier


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Rowell Debysingh


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Keith Ortiz


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Joyce Marshall