هيئة الزكاة والضريبة والجمارك
Zakat, Tax and Customs Authority

Post-Clearance Audit (PCA)

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The Post-Clearance Audit (PCA) is a risk-based control tool implemented to improve customs compliance while facilitating legitimate international trade. This is achieved by reviewing and verifying the accuracy of the declarations and information submitted to ZATCA after goods have been cleared. This process contributes to safeguarding customs revenue and enhancing the efficiency of customs procedures.

Post-Clearance Audit (PCA) Definition

PCA is a systematic examination of documents, records, and related commercial, financial, and non-financial systems associated with customs operations. Its purpose is to verify compliance with customs laws and regulations and to assess the accuracy of the declarations submitted to ZATCA following the release of goods.

Entities Subject to Customs Audit

- Importers and the like.
- Exporters.
- Customs Brokers.
- Other persons or establishments directly or indirectly involved in customs operations.

The provisions governing the application of PCA are set out in the Common Customs Law of the States of the Gulf Cooperation Council (GCC), together with its Implementing Regulations and Explanatory Memorandum.

The Common Customs Law grants customs administration officials the authority to examine papers, documents, records, correspondence, commercial contracts, and other documents of any type that are directly or indirectly related to customs operations, and to seize them when offences are found out which shall be done at the premises of the shipping and transportation companies and the natural and legal persons involved in customs operations. Such companies and persons shall keep all the aforesaid documents for a period of five (5) years from the date of completion of the customs operations.

Post-Clearance Audit (PCA) Objectives

1. To assure the accuracy and completeness of the submitted Customs declarations.
2. Ensure the collection of applicable customs duties, taxes, and revenues due.
3. To verify compliance with customs laws, regulations, and requirements.
4. To ensure the proper declaration of goods subject to restrictions and special requirements.
5. To facilitate international trade movements of the compliant traders.

Powers and Authorities of Auditors

Customs laws and regulations grant auditors the powers and authorities required to conduct audits at the premises of entities subject to audit. These powers include:

1. Visiting entities subject to audit at their premises.
2. Examining records, systems, and commercial data related to customs declarations and financial statements.
3. Asking questions and making inquiries to auditees' officials.
4. Taking and retaining documents and business records.
5. Taking samples of goods and conducting inventory counts of warehouses.
6. Employees of ZATCA are considered judicial officers while performing their duties.

Rights of the Entity Subject to Audit

1. Notification of the Audit: ZATCA is required to notify and coordinate with the entity subject to audit in advance to agree on a suitable date for conducting the audit. The notification should specify the date of the visit, as well as the documents and records required. However, ZATCA may conduct the audit without prior notification where there are indications or evidence that documents or information related to customs violations may be concealed or destroyed.
2. Impartiality and Objectivity during the Process: ZATCA is required to conduct the audit in accordance with the principles of impartiality, objectivity, and professionalism.
3. Confidentiality of Information: ZATCA is required to maintain a high level of confidentiality when examining and auditing documents and information. Commercial information obtained during the examination must not be disclosed except where disclosure is required in connection with judicial proceedings, in accordance with the provisions of the GCC Common Customs Law.
4. Issuance of the Final Audit Report: Upon completion of the audit, ZATCA shall prepare a final report setting out the audit findings and the actions taken and shall provide the report to the entity subject to audit.
5. Return of Documents and Records: ZATCA is required to retain the documents, records, and other documentation received during the audit and return them to the entity subject to audit upon completion of the audit, unless their retention is required under applicable laws and regulations.

6. Right to Object: The entity subject to audit has the right to object to collection orders within 60 (sixty) days from the day following the date on which the decision is notified, in accordance with Article (5) of the Rules of Procedure of the Zakat, Tax and Customs Committees through ZATCA website. To suspend the implementation of statutory collection procedures upon submitting an objection, a cash or bank guarantee must be provided for the amounts required, in accordance with Article (7/2) of the Rules of Procedure of the Zakat, Tax and Customs Committees.

Obligations of Auditees

1. Keeping the records and documents required under the applicable regulations.
2. Entities subject to audit must retain all documents and records related to customs operations and transactions for the period specified by law (five years), whether maintained in paper or electronic form. The original document must be provided upon request during the specified retention period.
3. Entities subject to audit must cooperate with ZATCA's officials to facilitate the performance of their duties and provide the required information and records.
4. Employees, department managers, and other relevant personnel must be available during the audit to respond to auditors' questions and inquiries.

Scope of Liability

Owners of goods, employers, and carriers of goods shall be responsible for the acts of their employees and all persons working for their account in respect to the duties and taxes collected by the Customs Administration, as well as the fines and confiscations prescribed by law.

Failure to Cooperate with the Post-Clearance Audit (PCA) Team

Failure to cooperate with the PCA team may result in the application of statutory measures prescribed under the Common Customs Law and its Implementing Regulations.

Examples of such violations include:

- Failure to retain records, documents, and other equivalent documentation.
- Obstructing customs administration employees from performing their duties or exercising their rights of inspection and audit.

For more information, please contact us at 19993
or visit: Zatca.gov.sa



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