Does MARISKA Work?

The Impact of Risk Management System on The Proof of Origin Documents Validation Process by Customs

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Abstract

The proliferation of Free Trade Agreements (FTAs) signed by the Indonesian Government comes with an overwhelming consequence for Indonesian Customs administration as the receiving authority of the proof of origin documents such as certificate of origin (COO) and origin declaration (OD). There are over than 354,086 proof of origin documents to be validated by the Customs officials during the period of December 2023 to August 2024 alone. In order to support the seamless trade process from and into Indonesia, in December 2023, Directorate General of Customs and Excise implemented a risk management system called MARISKA to help Customs officials validate the proof of origin documents and cutting down the time spent on verifying the data elements within the documents. The objective of this paper is to conduct a monitoring and evaluation process of MARISKA and deliver the findings. First, it is found that the risk profiling output of MARISKA help Customs officials to identify 3,242 high-risk documents and 82,579 medium-risk documents. Among these numbers of medium and high-risk documents, only 129 proof of origin documents are actually sent back for a retroactive check or rejected, resulted in the issuance of the Letter of Determination of Tariff and Customs Value (or SPTNP, a correction letter issued by Customs for tariff and/or customs value). This implies the low accuracy rate of MARISKA output. Secondly, this paper investigates the possible weaknesses causing the low accuracy rate of MARISKA using the users survey. Thirdly, this study uses a regression model and shows that MARISKA's flag for the COO issued retroactively and goods included in the reciprocal tariff treatment are the significant determinants for the issuance of SPTNP.