

An Initiative of the Customs Reforms Unit (CURE)

Procedure for Exemptions

As per Article 27(2) (5) of the Customs Code, only government projects funded by loan and national and international relief and development agencies are exempted from paying customs duty. However it has been observed that exemptions worth millions of Afgs are being granted to different organizations including government departments, national and international NGOs only on the recommendation of the ministries without due regard to Article 27(2) (5) in violation of the Customs Code.

It has therefore been decided that an Exemption Committee comprising of the following members be formed to scrutinize and approve all exemptions applications.

1. Mr. Khushal Rassi Director Kabul Customs House -Chairman.
2. Mr. Abdul Sittar Sarhal- Manager Laboratories-Member
3. Mr. Farid Stanikzai- Program Manager Customs Reforms Unit-Member

The committee will meet three times a week on alternate days to process the exemption applications.

Each member will sign and stamp the exemption form approving or rejecting the application. An exemption form without the signature of any of the three members will not be acceptable.

The Committee will ensure that statistics regarding exemptions including the value of exempted goods and the amount of customs duty foregone are maintained and provided to the ACD on a monthly basis.

In case of dispute the Chairman will have the final say.

It is directed that the following information be obtained before granting exemptions to any applicant:

In case of government departments:

1. Name and complete address of the applicant
2. Description and value of goods
3. Project documents/ contract showing that the project is being funded by loan
4. Attestation by the concerned Ministry clearly stating that the project is funded by loan and that the particulars declared by the applicant are correct.

In case of NGOs:

1. Name and complete address of the applicant
2. Description and value of goods
3. Type of NGO; Relief or development
4. Attestation by the Ministry of Economy that the particulars declared by the NGO are correct

Based on this information, the Manager Exemption will prepare the case for the approval or rejection of the application and send it along with all supporting documents and his recommendation to the Exemption Committee.

No application will be entertained if the applicant has not declared complete name and address.

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A copy of the exemption form will be forwarded to the Post Clearance Audit Section which will include the exempted organizations in their monthly audit schedules on regular basis.

Government projects not funded by loan and NGOs not falling into the category of relief or development organization will not be granted exemption.

This procedure is applicable with immediate effect.