

Memorandum of Understanding To Regulate Activities of Fuel and Liquid Gas Provider Companies [Enterprise] and other Border Agencies of the Ministry of Commerce and Industries

The parties to this MoU (Ministry of Finance and Ministry of Commerce and Industries) have agreed the following terms and conditions:

1. Purpose, Scope and Authorities:

The main purpose of this MoU is to determine duties, responsibilities and administrative measures for Afghanistan Customs Department employees and employees of Ministry of Commerce and Industries who are assigned to work in international borders of the country.

Besides, the purpose of this document is to establish the required framework to strengthen joint efforts of the parties to conduct customs clearance of goods and to facilitate trade in accordance with the best international practices.

2. Definitions:

In this MoU the following terms shall have the meaning provided below:

2.1 Customs Territory: the customs territory of the country shall include the land and water territory, and the airspace of Afghanistan.

2.2 Customs Areas: means the areas where the customs authorities exercise their activities as well as areas where customs authorities exercise direct and indirect control or supervision of the relevant affairs.

2.3 Customs: means the state agency which carries out and controls customs affairs of import, export, and transit goods, travelers and responsible person's baggage and parcel post in accordance with customs legislation.

2.4. Customs Control: means executing specific actions, such as (examining goods, accounts and other records, verifying the existence and the authenticity of customs documents, inspecting means of transport, luggage and other goods carried by persons, seizing goods, and reporting suspects to the judicial and justice authorities) with a view to ensuring that customs legislation and other provisions applicable to goods subject to customs supervision are respected in the customs territory of the country.

2.5. Manifest of Goods: shall contain information regarding the nationality, flag and crew of the means of transport, as well as all the information necessary for the identification of the cargo, as provided for in the separate procedures. Manifest of goods provides information about commercial specification of goods such as transportation documents,

number, consignor, consignee, trademarks, number and type of packages, description and amount of goods. The driver, captain or the person in-charge of commercial transportation mean must submit to the customs office a manifest of all goods carried on the transportation mean. The captain of an aircraft or vessel shall submit declaration of goods when the goods can be removed from the aircraft or vessel. The person in-charge of transportation mean (vessel or any other vehicle) shall be obliged to present declaration of goods when the vehicle enters into the territory of the country.

2.6 Customs Secured Areas: means specific areas used to keep goods with un-paid customs duties until they are cleared for internal use or exported outside the country. Security means a form for lawful commitment (which includes customs duty, tax and other charges) based on which the person commits to the customs authority for doing or not doing a specific task. Customs secured areas are permitted customs areas to be used for storing secured goods and shall remain under customs control, access and supervision.

2.7. Approved Customs Routes: mean any road, railway, water line, air line and other lines (pipeline etc) that are used for importation, transit or exportation of goods and shall be specifically under jurisdiction of Ministry of Finance.

2.8. Crew Declaration (ACCD): shall mean the document that is prepared by the master of the transportation mean and contains information about the crew of the vehicle entering into the territory of the country.

2.10. Internal Transit Declaration (T1): shall mean the document needs to be completed for custom clearance of goods in the authorized internal customs in order to permit transportation of imported goods in border customs.

2.11. FLGE: shall mean abbreviation for Fuel and Liquid Gas Enterprise of Ministry of Commerce and Industries.

3. Working Measures applicable to Fuel and Liquid Gas Provider Companies and Border Crossing Points:

3.1 The Customs authorities have the obligation to be present during the day and at night in the border entry points. The border is the point where the Afghan territory starts from and through which goods and imported materials are brought to the country. Customs authorities shall be obliged to collect documents (e.g. declarations) and submit them to customs office. The figures provided in the documents shall be accessible in the nearest customs office.

3.2 In accordance with the provisions of law, the imported goods could be imported to the country only through the approved transportation routes.

3.3 The Mobile Verification Department shall be obliged to ensure that the goods have not been imported to the country without customs declaration and that all the goods have been imported to the country only through the approved transportation lines.

3.4 The driver, captain and person in-charge of the transportation mean entering the Afghan territory should have the declaration of the goods, declaration of crew and other transport documents, in accordance with the Law.

3.5 Storage facilities of the FLGEs shall be declared as customs secured areas under the supervision of customs authorities.

3.6 Afghanistan customs authorities should have full access to imported fuel before they are made available to FLGE. The customs shall have full control on the imported goods entered into the territory of the country until the customs duty and charges are cleared and they are formally released for free circulation.

3.7 All documents related to fuel and imported goods such as invoice, packing list, contract and customs documents of the exporting country shall be submitted to the customs authorities by the person who imports the goods or is in-charge of transportation mean. Customs is the first agency to which details of importing goods are being reported. Customs shall be obliged to keep and maintain such documents in accordance with the Customs Law and procedures.

3.8 The fuel entering the storage facilities of the FLGE before storage should first be weighed in FLGE tankers. Ministry of Commerce and Industries shall be obliged to take necessary measures to install fuel weighing equipments in fuel and liquid gas provider companies as requested by the customs. Following a thorough check up and weighing the shipment shall be sealed by customs authorities and the details thereof shall be recorded in the book.

3.9 In accordance with the implementing procedures, the employees of FLGE are not permitted to release fuel shipment until the customs duty and charges are cleared through ACCD and internal transit permit (T1) is presented.

3.10 The employees of FLGE shall be obliged to provide customs authorities and border police the office space, in their working facilities.

3.11 All services including loading, unloading and storage of goods shall be done by FLGE. The FLGE administration shall act as preserving agency of the imported goods. The FLGE and Ministry of Commerce shall charge a legal fee on importers against the services they provided to the importers.

This Memorandum of Understanding has been signed by Ministry of Finance and Ministry of Commerce and Industries of the Islamic Republic of Afghanistan and shall come into effect after (Date).

Singed by:

HE Anwarulhaq Ahadi, Minister of Finance

Date: 07/03/1387 [27 May 2008]

Singed by:

HE Mohammad Amin Farhang, Minister of Commerce and Industries

Date: 07/03/1387 [27 May 2008]