



Ref: MOF/OM/890/2024

October 6, 2024

**THE MINISTER OF FINANCE OF THE FEDERAL GOVERNMENT**

- Having understood:** The necessity of issuing standard operating procedures that will ensure consistency and efficiency in customs declarations and minimize errors;
- Recognizing:** That Standard Operating Procedures are crucial for compliance with existing legal frameworks, enhancing transparency and accountability in customs processes;
- Acknowledging:** These Standard Operating Procedures will streamline the customs declaration process, facilitating quicker and more accurate clearance of goods; and
- Taking into consideration:** The authority vested in the Minister of Finance as stipulated in Article 6 of the Revenue Administration Law, 2019 and Article 28 of the Customs Act, 2020;

**Hereby issues the following decree:**

**Article 1**

**Approval of the Standard Operating Procedures on Process of Customs Declarations through SOMCAS**

1. The Standard Operating Procedures on Process of Customs Declarations through SOMCAS attached to this Ministerial Decree, is hereby approved.
2. The approved Standard Operating Procedures shall be made available for public access through publication on the Ministry of Finance's official website, and shall enter into force immediately upon publication.

**H.E. Bihi Iman Egeh**  
The Minister





**MINISTRY OF FINANCE**

**STANDARD OPERATING PROCEDURES  
ON  
PROCESS OF CUSTOMS DECLARATIONS THROUGH SOMCAS**

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## **DEFINITIONS**

|                                 |  |
|---------------------------------|--|
| Air Waybill (AWB)               | The commercial document required for the movement of all goods transported by air as cargo   |
| Bill of Lading (BoL)            | The commercial document required for the movement of all goods transported by sea as cargo   |
| CD                              | Customs Department   |
| Commercial goods                | Means any goods imported or exported for sale or for any industrial, institutional or other commercial purposes  |
| Consignment Note                | The commercial document required for the movement of all goods transported by road as cargo  |
| Customs controls                | Means specific acts performed by Customs in the territory of Somalia or another country in order to ensure the proper administration of the Customs laws, and may include – <ul style="list-style-type: none"><li>a) examining goods</li><li>b) verifying declaration data and the existence and authenticity of electronic or written documents</li><li>c) examining the accounts of undertakings and other records</li><li>d) inspecting means of transport</li><li>e) inspecting luggage and other goods carried by or on persons.</li><li>f) carrying out official inquiries; and</li><li>g) other similar acts.</li></ul> |
| Customs supervision             | Means action taken in general by Customs with a view to ensuring that provisions applicable to goods subject to the Customs laws are observed  |
| Declarant                       | The Declarant is the person who makes the declaration in his own name, or in whose name the declaration is legally made  |
| Entry File                      | The file containing the declaration and all supporting documents and reports as the declaration is processed through the EPU   |
| EPU                             | Entry Processing Unit  |
| Exporter                        | The Exporter is the person (either company or physical person) who is exporting goods from Somalia. The exporter might be either the owner, the seller or merely the sender of the goods   |
| Import Declaration              | Declaration on the Somali Single Administrative Document (SOMSAD), indicating a wish to clear the goods to home use on payment of import charges   |
| Importer                        | The Importer is the person (either company or physical person) who is importing the goods into Somalia. The importer might be either the owner, the buyer or merely the consignee of the goods   |
| SOMCAS                          | The Somalia Customs Automated System   |
| SOMSAD                          | The Somalia Single Administrative Document   |
| Tariff Specification Code (TSC) | A 4-digit code that is which is used, when required, for distinguishing goods that fall in the same Tariff sub-heading but have different values   |

due to differences in brand, quality or type of packaging, for reference value purposes

Temporary Storage

The place where goods are stored under Customs control (warehouses or open storage areas) pending lodgement of the Goods declaration

## **1. INTRODUCTION**

### **1.1 Who Should Read This Manual**

This Instruction Manual is compulsory reading for all staff dealing with processing of goods declarations.

### **1.2 Scope of this Manual**

The manual describes the actions to be carried out in the process of importation, from submission of the manifest to the release of the goods.

### **1.3 Importance of this Manual**

This manual is important because it establishes:

- Uniform procedures.
- The responsibilities of staff for actions to be observed.
- The rules for effective and efficient processing of import declarations.
- The actions necessary for applying the law.

### **1.4 Objectives of system**

To facilitate the speedy customs clearance of goods combined with the effective, efficient, accurate and timely collection of customs revenues legally due, and/or the effective application of rules established in the law for prohibiting and restricting certain imports.

### **1.5 Control objectives**

To ensure that:

- all imported goods are declared or otherwise legally accounted for.
- declarations are valid, accurate and complete.
- the import controls, prohibitions and restrictions set out in the law are applied and the collection of duties is duly fulfilled.
- all relevant documents and registers are systematically filed and kept securely.
- the information is sufficient to produce statistics on Customs traffic, revenue accounting data and other statistics.
- all users of the system including Customs staff, importers, and agents involved in the system are fully aware of their obligations.

### **1.6 Balance between controls and facilitation**

The need to carry out effective controls and secure the revenue has to be weighed against the need to facilitate trade and avoid delaying the clearance of goods.

### **1.7 Management**

Managers are to exercise overall control of the whole system to ensure that it works efficiently. They should also ensure that cases which require their intervention are speedily resolved.

### **1.8 Law**

This manual is supported by the following legislation:

- The Customs Act 2020 (Law No.21 of 5<sup>th</sup> February 2020).

- The Customs Declaration Regulations 2023 (MOF/OM/050/2023).
- The Customs Valuation Regulations 2023 (MOF/OM/1675/2023).
- Regulation MoF/OM/273/20 on Auction of Delayed Goods

## **2. GENERAL PRINCIPLES**

### **2.1 Authorisations**

#### **2.1.1 Tax Identification Numbers**

All economic operators, including transport operators, declarants, importers and exporters, must be registered with the Inland Revenue Department of the Ministry of Finance, who will issue the Taxpayer Identification Number (TIN) for the organisation, company or individual involved.

#### **2.1.2 SOMCAS Authorisation**

Only physical persons that have been provided with a username and password will be able to login into SOMCAS and make a Customs declaration. The Customs Department are responsible for the authorisation, issuance and management of SOMCAS usernames and passwords, this includes:

- a) Customs employees that are involved in Customs clearance process or maintenance of the system and update of the reference data.
- b) Employees of economic operators that are nominated to act as their representatives in the Customs clearances process.

### **2.2 Need for Import Declaration**

Regulation 16 of the Customs Declaration Regulations 2023 states that all goods that are intended to be imported into Somalia shall be declared to Customs by means of an import customs declaration.

### **2.3 The Declaration and Supporting Documents**

The declaration form approved by the Minister of Finance is the SOMSAD. The supporting documents required for an import customs declaration are:

- a) a copy of the house bill of lading for the consignment, endorsed by the local shipping agent.
- b) a commercial invoice or an invoice for Customs purposes.
- c) a packing list of the goods in the consignment.
- d) an authorization for favourable tariff treatment (when required)
- e) a certificate of origin (when required)

The supporting documents should contain all the necessary information that is captured in the declaration.

The supporting documents may be original or photocopies but must be authentic without any corrections or/and attempts of forgery.

### **2.4 Tariff Classification**

Goods to be imported or exported are classified in accordance with the Somali National Tariff, which is based on the WCO Harmonized Commodity Description and Coding System (HS).

Tariff commodity codes are composed of:

- a) a 6-digit sub-heading, based upon the HS 6-digit code.
- b) a 2-digit code that represents a national division of the HS sub-heading. When there are not subdivisions, the default code is “00”.

- c) a 4-digit Tariff Specification Code (TSC), which is used, when required, for distinguishing goods that fall in the same sub-heading but have different values due to differences in brand, quality or type of packaging. When there are no TSCs linked with a HS sub-heading, the default code is “0000”.

When a consignment is made up of goods falling in the same tariff commodity code but have a different country of origin, they will be declared as separate items in the declaration.

## 2.5 SOMCAS Business Process

The following table shows a brief description of the SOMCAS Business Process as approved by the Minister of Finance. The detailed SOMCAS Business Process is available on the Ministry of Finance Website.

| Function                  | Comments  |
|---------------------------|---|
| Manifest                  | <p>The Transport Operator is responsible for the capture of the goods manifest in SOMCAS. When the operator registers the manifest, SOMCAS will assign a Manifest Registration Number to enable the declaration to be linked with the manifest.</p> <p>A Guide for the Completion of the Manifest in SOMCAS is available on the MoF website.</p> <p>A hard copy of the Manifest will be presented to the Customs Manifest Office.</p> <p>The Customs Manifest Office can view the Manifest in SOMCAS.</p> <p>The Manifest Officer will perform a cross-check with the registered Manifest. If any discrepancies are found (e.g., extra BLs, weights, numbers), the Officer shall inform the Head of Manifest Section.</p> <p>The Head of Manifest Section shall amend the manifest.</p> <p>Refer to Section 3: Procedure Table 1: Manifest Office for more detailed guidance.</p> |
| Declaration               | <p>The Declarant is responsible for the capture of the goods declaration in SOMCAS (using information presented by the importer on the BoL / AWB, packing list or invoice).</p> <p>The declarant shall then print a registered SOMSAD, attach the required supporting documents, and present the declaration to the Customs Reception Officer.</p> <p>A Guide for the Completion of the Declaration in SOMCAS is available on the MoF website.</p>  |
| Customs Reception Officer | <p>The Reception Officer is responsible for checking that the SOMSAD has been registered in SOMCAS and completing a ‘face-vet’ of the SOMSAD and supporting documents to ensure:</p> <ul style="list-style-type: none"> <li>• All necessary data fields have been completed.</li> <li>• All required supporting documents are attached and are of acceptable quality.</li> </ul> <p>If satisfactory, the Officer selects ‘Request for Assessment’ in SOMCAS.</p>  |

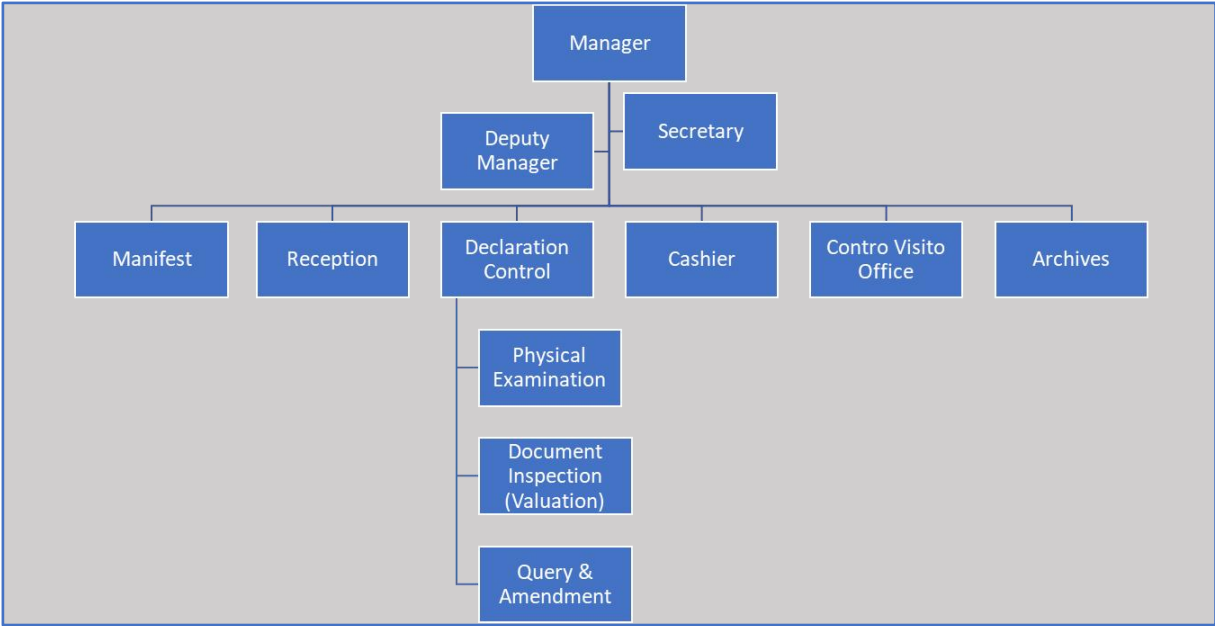


| Function   | Comments  |
|--|---|
|  | <p>Selectivity is performed by the system when the Request for Assessment is made and the declaration will be selected for one of the following routes: GREEN, YELLOW or RED.</p> <p>Refer to Section 3: Procedure Table 2: Declaration Reception for more detailed guidance.</p>   |
| <p>DECLARATION CONTROL SECTION</p> <p>Goods Examination (Red Lane)</p>       | <p>Declarations selected in the Red Lane will be assigned an examiner to complete the goods examination.</p> <p>The examiner is responsible for completing a physical check of the goods, referring to the SOMCAS selectivity profile.</p> <p>The officer will ascertain the quantity, quality and any other related parameters to the importation or exportation of the said goods and enter the inspection results into SOMCAS after completion of the examination.</p> <p>Refer to Section 3: Procedure Table 3: Goods Examination for more detailed guidance.</p>   |
| <p>DECLARATION CONTROL SECTION</p> <p>Documentary Inspection / Valuation</p> | <p>Declarations selected in the Yellow Lane will be assigned an inspector to complete the documentary inspection.</p> <p>The officer is responsible for completing a documentary inspection, referring to SOMCAS selectivity profile.</p> <p>The officer shall ensure that the minimum documentary checks are conducted in addition to any instructions given against the selectivity profile.</p> <p>The officer will enter the inspection results into SOMCAS after completion of the inspection.</p> <p>Refer to Section 3: Procedure Table 4: Documentary Inspection for more detailed guidance.</p>  |
| <p>DECLARATION CONTROL SECTION</p> <p>Query and Amendment</p>                | <p>Compliant declarations (those with Inspection Report “conform”) will be re-routed to GREEN Lane and the Assessment Notice issued (Payment Notice).</p> <p>The Query and Amendment Manager may re-route declarations to Red/Yellow Lane to request the documentary/physical inspections to be repeated, if he/she is not satisfied with the quality of controls.</p> <p>Non-compliant declarations shall be reviewed to determine the appropriate action:</p> <ul style="list-style-type: none"> <li>• Minor amendments: Can be completed in SOMCAS by Customs following clarification with the declarant.</li> <li>• Major amendments: Declaration deleted, and declarant requested to make a new declaration.</li> <li>• Each case will be reviewed to determine the severity of the discrepancies and whether the goods may be seized, and penalties applied.</li> </ul> |

| Function                   | Comments   |
|----------------------------|--|
|                            | Refer to Section 3: Procedure Table 5: Query and Amendment for more detailed guidance.   |
| Customs Cashier            | <p>The declarant shall present proof of payment of the revenue to the Customs Cashier.</p> <p>The Customs Cashier shall check and confirm the payment in SOMCAS.</p> <p>The Customs Cashier shall issue a Customs Receipt from SOMCAS to the Declarant.</p> <p>Refer to Section 3: Procedure Table 6: Custom Cashier for more detailed guidance.</p>   |
| Release of Goods           | <p>The Declaration shall be passed to the Customs Manager who make a final check of the declaration.</p> <p>The Manager will release the declaration in SOMCAS, and the Release Note will be issued.</p> <p>Refer to Section 3: Procedure Table 7: Release of Goods for more detailed guidance.</p>  |
| Exit Note                  | <p>The declarant shall prepare the goods for removal from the Customs Area and create an Exit Note in SOMCAS, identifying the goods to be removed and details of the transport.</p> <p>The Customs Contro Visito Officer shall Validate the Exit Note in SOMCAS to authorise removal of the goods.</p> <p>Refer to Section 3: Procedure Table 7: Validation of Exit Note for more detailed guidance.</p> |
| Exit from the Customs Area | <p>At the Exit Gate, the Gate Officer shall check the details of the goods against the Exit Note and confirm the exit of the goods.</p> <p>Refer to Section 3: Procedure Table 7: Exit of Goods for more detailed guidance.</p>  |

## 2.6 Structure of the Entry Processing Unit

In order to ensure the efficiency of the declaration flow, the Customs Entry Processing Unit (EPU) should be structured according to the approved Business Process, as shown below.



### 3. PROCEDURE TABLES

**Procedure Table 1: Manifest Section**

| <b>Ref</b> | <b>Procedure</b>   | <b>Responsibility</b>                     |
|------------|--|---|
| <b>1.1</b> | <b>Submission of Manifest</b>  |   |
| 1.1.1      | The Manifest is received from the shipping line/airline company and is stored on SOMCAS Cargo Manifest Module.<br>A pdf of the original manifest shall be uploaded into SOMCAS as an attachment to the electronic manifest.                                    | Shipping Agent                            |
| 1.1.2      | When the shipping line/airline company has loaded the completed Manifest, the company shall register it on SOMCAS, an individual registration number is allocated for each Manifest.   | Shipping Agent                            |
| 1.1.3      | The Customs Manifest section shall receive a hard copy of the original manifest signed by the Master/ Chief Officer of the shipping line/airline company; this can be maintained for any future audit against the electronically registered SOMCAS Manifest.   | Shipping Agent                            |
| 1.1.4      | The shipping line/airline company shall inform Customs of the final tally of cargo unloaded from the craft, including any short shipment, over shipment, or damaged cargo.   | Shipping Agent                            |
| <b>1.2</b> | <b>Cross Check of Manifest</b>   |   |
| 1.2.1      | The Customs Manifest Officer shall perform a cross check of the completed Manifest.  | Customs Manifest Officer                  |
| 1.2.2      | If the Manifest Officer finds discrepancies between the registered Manifest and the hard copy Manifest, such as extra BoLs/AWBs, weights, numbers, etc, the Officer shall inform the Head of the Manifest Section of the discrepancies.                        | Customs Manifest Officer                  |
| 1.2.3      | The Head of the Manifest Section shall advise the shipping line/airline company of the discrepancies.<br>The Head of the Manifest Office shall then make any required amendments to the Manifest in SOMCAS, following approval of the Customs Station Manager. | Head of Manifest Office<br>Shipping Agent |
| 1.2.4      | When the hard copy Manifest agrees with the uploaded electronic copy on SOMCAS, The Manifest Officer shall note the confirmation on the hard copy and file it locally.   | Customs Manifest Officer                  |
| <b>1.3</b> | <b>Manifest Control</b>  |   |
| 1.3.1      | The Head of the Manifest Section shall monitor the reconciliation between the Manifest and cleared declarations.   | Head of the Manifest Section              |

|            |   |  |
|------------|---|--|
| 1.3.2      | <p>The Head of the Manifest Section shall complete a report of any cargo remaining at the Customs Area in excess of:</p> <ul style="list-style-type: none"> <li>• 60 days from registration of the Manifest for goods arriving by sea; and</li> <li>• 45 days from registration of the Manifest for goods arriving otherwise than by sea.</li> </ul>  | Head of Manifest Section   |
| 1.3.3      | <p>The Manifest Section shall liaise with the Customs Warehouse Officer and Manager of the Temporary Storage Facility to confirm that goods remaining on the Manifest are still located in the facility and have not been released without proper authority.</p> <p>If cargo cannot be located, the Head of the Manifest Section will submit a report to the Customs Manager for further investigation.</p> | Head of Manifest Section   |
| 1.3.4      | <p>The Customs Manager shall take appropriate action on goods remaining in the Customs Area in excess of the time limits in box 1.3.2 according to the Declaration Regulations 2023 and Regulation MoF/OM/273/20 on Auction of Delayed Goods.</p>   | Customs Manager  |
| <b>1.4</b> | <b>Manual Discharge of Manifested Goods</b>   |  |
| 1.4.1      | <p>When necessary, the Head of the Manifest Section may manually discharge a BoL/AWB or container.</p> <p>This may be:</p> <ul style="list-style-type: none"> <li>• when manifested cargo does not arrive/is ‘short-shipped’.</li> <li>• when the BoL is not automatically written-off by the system.</li> </ul>  | Head of Manifest Section   |
| 1.4.2      | <p>When completing the discharge in SOMCAS, a pop-up box will appear to confirm the reason for the manually discharge.</p>  | Head of Manifest Section   |
| <b>1.5</b> | <b>Un-Manifested Goods (Local Manifest)</b>   |  |
| 1.5.1      | <p>If any un-manifested goods are discovered at the Customs Station, the Head of the Manifest Section shall create a local manifest for the goods in SOMCAS, this may be:</p> <ul style="list-style-type: none"> <li>• when unmanifested cargo is identified when the cargo is unloaded from the ship.</li> <li>• when unmanifested cargo is identified during physical examinations.</li> </ul>            | Head of Manifest Section   |
| 1.5.2      | <p>The Head of the Manifest Section shall receive the list of excess goods identified during the unloading from the ship or during the physical examination.</p>  | Head of Manifest Section   |
| 1.5.3      | <p>The Head of the Manifest Section shall complete the Foomka Alaabaha Dheeriga Ah / Extra Goods Findings Form (Local Manifest), showing the Manifest, Shipping and Consignee details and the list of goods identified. Once completed, the form shall be signed by:</p> <ul style="list-style-type: none"> <li>• The consignee (or representative).</li> </ul>   | <p>Head of Manifest Section</p> <p>The consignee (or representative).</p> <p>The Customs Station</p> |

|       |  |                              |
|-------|--|------------------------------|
|       | <ul style="list-style-type: none"> <li>• The Customs Station Manager</li> <li>• The Head of the Manifest Section</li> </ul>  | Manager                      |
| 1.5.4 | <p>The Head of the Manifest Section shall create the local manifest in SOMCAS using the following steps:</p> <ul style="list-style-type: none"> <li>• Select the "Create Manifest" tab.</li> <li>• Fill in the general information about the shipment, including voyage details, dates of departure and arrival, and registration numbers which are auto filled by the system.</li> <li>• Enter additional shipping details such as the carrier, total number of bills, packages, containers, and the gross mass of the goods.</li> <li>• Specify the mode of transport and the master (captain) of the vessel, including their identity and registration details</li> </ul> | Head of the Manifest Section |
| 1.5.5 | <p>Validation and Storing:</p> <ul style="list-style-type: none"> <li>• After entering all necessary information, validate the general segment of the manifest to check for any missing mandatory information.</li> <li>• Store the verified manifest in SOMCAS, where it becomes available for further actions, such as adding BoLs/AWBs and other documents</li> </ul>   | Head of the Manifest Section |
| 1.5.6 | <p>Attachment of Documents and Waybills:</p> <ul style="list-style-type: none"> <li>• Attach relevant documents to the stored manifest for reference and compliance.</li> <li>• Add and validate BoLs/AWBs which detail the specific cargo items included in the shipment</li> </ul>   | Head of the Manifest Section |
| 1.5.7 | <p>Registration:</p> <ul style="list-style-type: none"> <li>• Finally, the manifest must be registered in SOMCAS, which confirms that all information is complete and accurate. This step is crucial for the legal and operational processing of the cargo.</li> </ul>   | Head of the Manifest Section |

**Procedure Table 2: Declaration Reception**

| Ref        | Procedure   | Responsibility            |
|------------|---|---------------------------|
| <b>2.1</b> | <b>Acceptance of the Declaration</b>  |                           |
| 2.1.1      | The Declarant shall present the Entry File containing the printout of the SOMSAD and supporting documents to the Reception Officer. | Declarant                 |
| 2.1.2      | The Reception Officer shall enter the R number of the SOMSAD in SOMCAS and click 'search'.  | Customs Reception Officer |

|        |  |  |
|--------|--|--|
|        | If the SOMSAD is not on the system, the Reception Officer shall return the SOMSAD to the Declarant.  |  |
| 2.1.3  | If the SOMSAD is registered, the Reception Officer shall open the list of the attached documents in the system and verify that each document in the system matches with the documents presented in the Entry File.   | Customs Reception Officer                                |
| 2.1.4  | <p>The Reception Officer shall perform a ‘face-vet’ of the declaration to confirm the following:</p> <ul style="list-style-type: none"> <li>• The SOMSAD declaration box has an original signature and is dated, and the following supporting documents are attached and are legible: <ul style="list-style-type: none"> <li>○ Final invoice</li> <li>○ Transport document (BoL/AWB/Consignment Note)</li> <li>○ Packing List</li> </ul> </li> <li>• The name of the consignee on the SOMSAD is the same as the name of the consignee/buyer on the transport document.</li> <li>• Complete a check of the number of items on the supporting documents to confirm all are declared on the SAD.</li> </ul> | Customs Reception Officer                                |
| 2.1.5  | The Reception Officer shall confirm that when the declarant is requesting exemption or remission of duties through the use of an additional procedure code in box 37 of the SAD, an authorization for favourable tariff treatment is included in the Entry File.   | Customs Reception Officer                                |
| 2.1.6  | If the Reception Officer is satisfied that the SOMSAD has been fully completed and the supporting documents are satisfactory, the Officer shall ask the declarant to confirm they are ready to proceed with the registration of the declaration, advising the declarant that after the declaration is registered, he/she will not be able to make any corrections or amendments.   | Customs Reception Officer                                |
| 2.1.7  | If the declarant confirms he/she wishes to proceed, the Reception Officer will stamp and endorse all supporting documents with the SOMSAD number, date, and his/her initials.  | Customs Reception Officer                                |
| 2.1.8  | In the Declaration Module, the Reception Officer shall select the ‘Request for Assessment’ in SOMSAD.  | Customs Reception Officer                                |
| 2.1.9  | <p>On Request for Assessment, selectivity will be performed by the system and the declaration will be selected for one the following lanes:</p> <ul style="list-style-type: none"> <li>• Red Lane: physical examination and documentary inspection</li> <li>• Yellow Lane: documentary inspection</li> <li>• Green Lane (standby): No physical/document controls</li> </ul>  | SOMCAS   |
| 2.1.10 | <p>The Entry File shall be placed in the dispatch tray for collection by the office messenger to take to the appropriate section.</p> <ul style="list-style-type: none"> <li>• Red Lane: Examinations Office</li> <li>• Yellow Lane: Documentary Inspection Office</li> <li>• Green Lane: Query and Amendment Section</li> </ul>   | <p>Customs Reception Officer</p> <p>Office Messenger</p> |

|       |  |                           |
|-------|--|---------------------------|
| 2.2   | <b>Rejection of the Declaration</b>  |                           |
| 2.2.1 | <p>The Reception Officer shall reject the declaration when:</p> <ul style="list-style-type: none"> <li>• the R Number cannot be found,</li> <li>• the declaration has not been fully completed and signed, or</li> <li>• if any of the required documents are missing or unacceptable</li> </ul> <p>The Reception Officer shall inform the declarant of the reasons for rejection.</p>   | Customs Reception Officer |
| 2.2.2 | <p>If minor amendments are required, the Officer shall agree the amendments with the declarant to amend the declaration accordingly, and then print a new SAD.</p> <p>“Minor amendments” means all amendments that are not major amendments.</p> <p>Minor amendments are change of data in the following data fields only:</p> <ul style="list-style-type: none"> <li>• Box 2: Exporter</li> <li>• Box 15: Country of Export</li> <li>• Box 17: Country of Destination (for exports)</li> <li>• Box 29: Office of Entry</li> </ul> | Customs Reception Officer |
| 2.2.3 | <p>If major amendments are required, the Officer may decide to cancel the declaration in SOMCAS and advise the declarant to make a new declaration.</p> <p>”Major Amendments” means any amendment that will affect the structure of the declaration (e.g, adding more items to the SOMSAD), or amendments affecting the assessment of revenue.</p>   | Customs Reception Officer |



**Procedure Table 3: Physical Examination of Goods**

| <b>Ref</b> | <b>Procedure</b>  | <b>Responsibility</b>                     |
|------------|---|---|
| <b>3.1</b> | <b>Selection of Examination Officer</b>   |   |
| 3.1.1      | At the start of each shift, the Head of the Physical Examinations Section shall activate all examiners who are present on duty at the Customs Station in SOMCAS.  | Head of the Physical Examinations Section |
| 3.1.2      | When a declaration is selected for the Red Lane, SOMCAS will automatically select the Examination Officer based upon his/her availability and workload.   | SOMCAS                                    |
| 3.1.3      | The Head of the Physical Examinations Section may override the automatic selection and reallocate a declaration to another Officer under the following circumstances: <ul style="list-style-type: none"> <li>• the officer has become unavailable for work,</li> <li>• the officer has been assigned too many examinations,</li> <li>• the examination requires a specialised examination officer,</li> <li>• the declaration has been assigned to a non-relevant section,</li> <li>• on the instruction of senior managers.</li> </ul> | Head of the Physical Examinations Section |
| 3.1.4      | The Examination Officer shall receive a notification of the declarations that are assigned to him/her by text message or email.   | SOMCAS                                    |
| <b>3.2</b> | <b>Preparing for the Examination</b>  |   |
| 3.2.1      | The Head of the Physical Examinations Section shall collect the Entry File from the pile of declarations awaiting examination and ensure that all the necessary documentation is present.   | Head of the Physical Examinations Section |
| 3.2.2      | The Head of the Physical Examinations Section shall open SOMCAS and view the selectivity profile, instructions, and criteria for the examination.<br>The Head of the Physical Examinations Section shall inform the Examination Officer the reasons for the examination.  | Head of the Physical Examinations Section |
| 3.2.3      | The Examination Officer will consult with the declarant and agree a time and place to perform the examination.<br>If other authorities are required to be present for the examination, the Examination Officer shall ask the declarant to request their attendance at the examination area to ensure the examination is completed in the presence of all agencies at one time, as a trade facilitation measure.   | Examination Officer<br><br>Declarant      |
| 3.2.4      | The Examination Officer shall make copies of SOMSAD and relevant supporting documents to take to aid the examination. The original Entry File must remain in the Examinations Office.   | Examination Officer                       |
| <b>3.3</b> | <b>Completion of the Examination</b>  |   |
| 3.3.1      | On arrival at the place of examination, the Examination Officer shall ensure only authorised persons are present for the examination and instruct any   | Examination Officer                       |

|       |  |                                  |
|-------|--|----------------------------------|
|       | <p>unnecessary spectators to leave.</p> <p>Only persons specifically required to be present need to be in attendance.</p> <p>The Examination Officer shall make a note of the names of persons present, and the time the examination starts on the Inspection Report.</p>  |                                  |
| 3.3.2 | <p>If the goods have been sealed, the Examination Officer shall confirm the seal has not been tampered with and the seal number corresponds with the number on the BoL/AWB and/or invoice.</p> <p>Once confirmed, the seal can be broken, and the goods unloaded for examination.</p>  | Examination Officer              |
| 3.3.3 | <p>When examining multiple types of goods, the goods shall be stacked according to type to facilitate the count of quantities for each type of goods.</p>  | Stevedore (Xamaal)               |
| 3.3.4 | <p>The Examination Officer shall check the goods against the declaration and supporting documents according to the instructions from the Examination Manager.</p> <p>In general, the following aspects must be checked:</p> <ul style="list-style-type: none"> <li>• full description of the goods</li> <li>• credibility of value</li> <li>• quantity and quality – marks, numbers, weight, etc</li> </ul>  | Examination Officer              |
| 3.3.5 | <p>The Examination Officer shall consider taking photographs or samples of the goods to confirm the valuation/classification.</p> <p>If samples are taken, the officer shall inform the declarant and record the details of the sample on the Inspection Report.</p>   | Examination Officer              |
| 3.3.6 | <p>Unless otherwise directed by the Head of the Physical Examinations Section, it may not be necessary to open every package. The Examination Officer shall decide which packages are opened for examination and record the marks and numbers of each package on the Inspection Report.</p>  | Examination Officer              |
| 3.3.7 | <p>If discrepancies are found during the examination, e.g.:</p> <ul style="list-style-type: none"> <li>• excess / non-declared goods are found; or</li> <li>• goods have been mis-classified/described; or</li> <li>• prohibited or restricted goods are identified; or</li> <li>• any other anomaly between the declaration and goods examined.</li> </ul> <p>The Examination Officer should secure the goods/container and inform the Head of the Physical Examinations Section.</p> | Examination Officer              |
| 3.3.8 | <p>On completion of the examination, the Examination Officer shall sign the Inspection Report, noting the time the examination ended.</p> <p>The Examination Officer shall request the witnesses of the examination to also sign the Inspection Report.</p>  | Examination Officer<br>Witnesses |
| 3.3.9 | <p>The Examination Officer shall give a copy of the Inspection Report listing any excess goods to the Manager of the Manifest Section for the completion</p>   | Examination Officer              |

|            |   |  |
|------------|---|--|
|            | of the local manifest in SOMCAS.  |  |
| <b>3.4</b> | <b>SOMCAS Inspection Report</b>   |  |
| 3.4.1      | <p>If the examination is satisfactory, the Examination Officer shall complete the SOMCAS Inspection Box by selecting ‘conform’.</p> <p>The Examination Officer shall re-route the declaration in SOMCAS to the ‘Yellow Lane’.</p> <p>The hard copy of the Inspection Report completed during the examination shall be added to the Entry File and be sent to the Documentary Inspection Section.</p>  | Examination Officer                                |
| 3.4.2      | <p>If any discrepancies are identified during the examination, the Examination Officer shall note the discrepancies on the Inspection Report and inform the Head of the Physical Examinations Section of his findings.</p> <p>The Examination Officer shall complete the SOMCAS Inspection Box by selecting ‘non-conform’ and enter the details of the discrepancies in the Inspection Box, selecting the offence type in the drop-down list provided.</p> <p>The Examination Officer shall re-route the declaration in SOMCAS to the ‘Yellow Lane’.</p> <p>The hard copy of the Inspection Report shall be added to the Entry File and sent to the Documentary Inspection Section.</p> | <p>Examination Officer</p> <p>Office Messenger</p> |

Note: Further guidance in the conditions and completion of physical examinations can be found in Annex A.

**Procedure Table 4: Documentary Inspection (Valuation)**

| <b>Ref</b> | <b>Procedure</b>   | <b>Responsibility</b>              |
|------------|--|------------------------------------|
| <b>4.1</b> | <b>Selection of Inspection Officer</b>   |                                    |
| 4.1.1      | At the start of each shift, the Head of the Documentary Inspection Section shall activate all inspectors who are present on duty at the Customs Station in SOMCAS. | Head of the Documentary Inspection |
| 4.1.2      | When a declaration is selected for the Yellow Lane, SOMCAS will automatically select the Inspection Officer based upon his/her availability and workload.          | SOMCAS                             |
| 4.1.3      | The Head of the Documentary Inspection Section may override the  | Head of the                        |

|            |  |                                |
|------------|--|--------------------------------|
|            | <p>automatic selection and reallocate a declaration to another Officer under the following circumstances:</p> <ul style="list-style-type: none"> <li>• the officer has become unavailable for work,</li> <li>• the officer has been assigned too many examinations,</li> <li>• the examination requires a specialised examination officer,</li> <li>• the declaration has been assigned to a non-relevant section,</li> <li>• on the instruction of senior managers.</li> </ul>  | Documentary Inspection         |
| 4.1.4      | The Inspection Officer shall receive a notification of the declarations that are assigned to him/her by text message or email.   | SOMCAS                         |
| <b>4.2</b> | <b>Completion of the Documentary Inspection</b>  |                                |
| 4.2.1      | The Inspection Officer shall collect the Entry File from the pile of declarations awaiting inspection and ensure that all the necessary documentation is present.  | Documentary Inspection Officer |
| 4.2.2      | <p>The Inspection Officer shall:</p> <ol style="list-style-type: none"> <li>1. open SOMCAS and view the declaration.</li> <li>2. check the selectivity profile, instructions, and criteria for the inspection.</li> <li>3. check the SOMCAS Inspection Report to view the results of any physical examination (if completed) and confirm the hard copy Inspection report is included in the Entry File.</li> <li>4. ensure that the minimum documentary checks are conducted in addition to any instructions given against the selectivity profile.</li> </ol>   | Documentary Inspection Officer |
| 4.2.3      | <p>Minimum checks</p> <ol style="list-style-type: none"> <li>1. The BoL/ AWB and Invoice attached to the SOMSAD are clearly legible and show no signs of correction or forgery.</li> <li>2. The importer/exporter declared is compatible with the supporting documents (BoL/AWB, invoice and packing list).</li> <li>3. Check the dates and serial numbers on the Invoice. It must show full descriptions of the goods, prices per unit and a realistic value.</li> <li>4. The volume, weight and quantity of the goods shown on the BoL / AWB match with the SOMSAD.</li> <li>5. Each commodity is declared individually with the correct tariff classification code, including the Tariff Specification Code (TSC), and agrees with the goods described in the supporting documents.</li> <li>6. Check that all the appropriate 'Units of Quantity' are included in the declaration.</li> <li>7. Any request for exemption or remission of duties is supported by the proper authorization.</li> </ol> | Documentary Inspection Officer |
| 4.2.4      | <p>If the inspection is satisfactory, the Inspection Officer shall complete the SOMCAS Inspection Box by selecting 'conform'.</p> <p>The Inspection Officer shall endorse and stamp the hard copy of the SOMSAD in the Entry File with 'Result: Conform'.</p>  | Documentary Inspection Officer |

|       |   |  |
|-------|---|--|
|       | The Inspection Officer shall re-route the declaration in SOMCAS to the 'Query Lane'.<br>The Entry File shall be sent to the Query and Amendment Section.  |  |
| 4.2.5 | If the inspection is not satisfactory, the Inspection Officer shall discuss the appropriate action with the Head of the Documentary Inspection Office.  | Documentary Inspection Officer                         |
| 4.2.6 | The Inspection Officer shall complete the SOMCAS Inspection Box by selecting 'non-conform' and enter the details of the discrepancies found in the Report.<br>The Inspection Officer shall endorse and stamp the hard copy of the SOMSAD in the Entry File with 'Result: Non-Conform'.<br>The Officer shall re-route the declaration in SOMCAS to the 'Query Lane'.<br>The Entry File shall be sent to the Query and Amendment Section. | Documentary Inspection Officer<br><br>Office Messenger |

Note: Further guidance in the completion of controls on Tariff Classification and Customs Valuation can be found in Annexes B and C.

**Procedure Table 5: Query and Amendment**

| <b>Ref</b> | <b>Procedure</b>   | <b>Responsibility</b>       |
|------------|--|-----------------------------|
| <b>5.1</b> | <b>Verification of the Declarations</b>  |                             |
| 5.1.1      | The Query and Amendment Manager shall receive all Entry Files that have been routed to the Query Lane, this includes: <ul style="list-style-type: none"> <li>• All Green (Standby) Lane declarations; and</li> <li>• All Red and Yellow Lane declarations that have been re-routed to the Query Lane following completion of the physical examination / documentary inspection.</li> </ul> |                             |
| 5.1.2      | On receipt of the Entry File, the Query and Amendment Manager shall open SOMCAS and view the declaration.  | Query and Amendment Manager |
| 5.1.3      | If the declaration has been re-routed from Red or Yellow Lane, the Query and Amendment Manager shall check the relevant hard-copy Inspection Reports and/or Inspection Reports in SOMCAS.  | Query and Amendment Manager |
| 5.1.4      | After reviewing the declaration, the Query and Amendment Manager may re-route the declaration to Red or Yellow Lane to request a physical examination/documentary inspection. This may be done when:   | Query and Amendment Manager |

|            |  |                             |
|------------|--|-----------------------------|
|            | <ul style="list-style-type: none"> <li>the Manager identifies a possible anomaly in a declaration waiting in the Green (Stand-by) Lane; or</li> <li>the Manager is not satisfied with the quality of the initial controls completed by the physical examiner/documentary inspector.</li> </ul>   |                             |
| <b>5.2</b> | <b>Non-Compliant Declarations</b>  |                             |
| 5.2.1      | When assessing non-compliant declarations, the Query and Amendment Manager shall determine the severity of the discrepancies and whether the goods may be seized, and penalties applied.   | Query and Amendment Manager |
| 5.2.2      | <p>If a minor amendment of the SOMSAD is required, the Query and Amendment Manager may amend the SOMSAD in SOMCAS.</p> <p>Examples of minor amendments are:</p> <ul style="list-style-type: none"> <li>Change of data in specific data fields, e.g., change in the name of the consignee, country of exportation, tariff classification/TSC, etc.</li> <li>If the change in tariff classification results in an increase in revenue, the Manager shall determine whether the error was deliberate and further action should be taken.</li> </ul> <p>The declarant shall be advised of the reasons for the amendments prior to the completion of the amendments in SOMCAS to allow for a possible appeal.</p> | Query and Amendment Manager |
| 5.2.3      | <p>Declarations requiring major amendments that have been recommended for deletion shall be deleted by the Query and Amendment Manager.</p> <p>”Major Amendments” means any amendment that will affect the structure of the declaration (e.g, adding more items to the SOMSAD), or amendments affecting the assessment of revenue.</p> <p>The declarant shall be advised of the deletion and informed to make a new declaration.</p>   | Query and Amendment Manager |
| <b>5.3</b> | <b>Compliant Declarations</b>  |                             |
| 5.3.1      | If the Query and Amendment Manager is satisfied that the declaration is compliant, the declaration shall be re-routed to GREEN Lane and ‘Assessed’ and the system will assign the ‘A’ number.  | Query and Amendment Manager |
| 5.3.2      | <p>The Query and Amendment Manager shall print, sign and stamp two copies of the Assessment Notice.</p> <p>One copy of the Assessment Notice shall be given to the declarant and the second copy shall be placed in the Entry File.</p> <p>The Entry File shall remain in the Query and Amendment Section.</p>   | Query and Amendment Manager |

**Procedure Table 6: Customs Cashier**

| Ref   | Procedure  | Responsibility                   |
|-------|--|----------------------------------|
| 6.1   | <b>Confirmation</b>  |                                  |
| 6.1.2 | <p>Once the declarant has completed the payment at the bank, he/she shall attend the Cashier Office and present:</p> <ul style="list-style-type: none"> <li>• a copy of the SOMCAS issued Assessment Notice; and</li> <li>• the signed/stamped bank receipt confirming the payment details.</li> </ul>                 | Declarant                        |
| 6.1.3 | <p>The Cashier shall check the authenticity of the Assessment Notice and bank receipt.</p> <p>The Cashier shall open the SOMCAS Cashier module and check the details of the Assessment Notice and bank payment details in the system.</p>  | Customs Cashier                  |
| 6.1.4 | <p>If satisfactory, the Cashier shall complete the relevant sections of the SOMCAS Cashier module to confirm the payment has been completed and the SOMCAS receipt number will be generated automatically.</p> <p>The Cashier shall print out two copies of the SOMCAS Receipt and stamp and initial the receipts.</p> | Customs Cashier                  |
| 6.1.5 | <p>One copy of the SOMCAS receipt shall be provided to the declarant as proof that all duties are paid.</p> <p>The second copy of the SOMCAS Receipt shall be sent to the Query and Amendment Section to add to the Entry File.</p>  | Cashier<br><br>Officer Messenger |

**Procedure Table 7: Release of Declaration**

| <b>Ref</b> | <b>Procedure</b>   | <b>Responsibility</b>   |
|------------|--|-------------------------|
| <b>7.1</b> | <b>Authorization for the Release of the Declaration</b>  |                         |
| 7.1.1      | The Customs Station Manager shall receive the Entry Files from the Query and Amendment Section following confirmation of payment.  | Office Messenger        |
| 7.1.2      | The Station Manager shall collect the Entry File from the pile of declarations awaiting release and ensure that all the necessary documentation is present, and all documents have been stamped and signed by the relevant sections. | Customs Station Manager |
| 7.1.3      | The Station Manager shall open SOMCAS and view the history of the declaration to check for any anomalies.  | Customs Station Manager |
| 7.1.4      | If satisfied, the Station Manager shall approve the declaration for release in SOMCAS and print two copies of the Release Order.   | Customs Station Manager |
| 7.1.5      | The Station Manager shall stamp and sign the two copies of the Release Orders.<br>One copy shall be provided to the declarant, the other copy shall be added to the Entry File.  | Customs Station Manager |
| 7.1.6      | The Entry File shall be sent to the Archives.  | Office Messenger        |



**Procedure Table 8: Exit of Goods**

| <b>Ref</b> | <b>Procedure</b>   | <b>Responsibility</b>                              |
|------------|--|--|
| <b>8.1</b> | <b>Registration and Validation of Exit Note</b>  |  |
| 8.1.1      | <p>When the Declarant is ready to collect goods that have been released, they shall complete the Exit Note in SOMCAS by selecting the goods to be collected.</p> <p>These goods may be part of the consignment released under one declaration, or goods that are covered by one or more declarations.</p> <p>The Exit Note shall include the details of the goods to be removed and identify the means of transport and name of the driver/s collecting the goods.</p> <p>Once completed, the declarant will register the Exit Note in SOMCAS, and a Registration Number shall be issued by the system.</p> <p>Once registered, the declarant shall print two copies of the Exit Note.</p> | Declarant  |
| 8.1.2      | The person responsible for collecting the goods shall attend the Customs Contro Visito Office and present the Exit Notes, along with Release Orders for the goods, to the Customs Contro Visito Officer.   | Declarant / Authorised person collecting the goods |
| 8.1.3      | <p>The Customs Contro Visito Officer shall verify that the goods presented are listed on the Exit Note.</p> <p>The Customs Contro Visito Officer shall open SOMCAS and enter the Registration Number to open the Exit Note and validate it in the system.</p>  | Customs Contro Visito Officer                      |
| 8.1.4      | Once validated, the Customs Contro Visito Office shall stamp and sign the two copies of the Exit Notes. One copy shall be filed locally, and the other copy shall be given to the driver/s.  | Customs Contro Visito Officer                      |
| <b>8.2</b> | <b>Exit of Goods</b>   |  |
| 8.2.1      | The driver shall present the stamped/signed copy of the Exit Note to the Exit Gate.  | Driver/s   |
| 8.2.2      | The Exit Gate Officer shall confirm that the Exit Note has been endorsed by the Warehouse Officer and allow the exit of the goods.   | Exit Gate Officer                                  |

**ANNEXE A PHYSICAL EXAMINATION OF GOODS****Opening and examination of containers**

Before authorising the opening of a container, check that any seals applied to the container are intact

and that the numbers of the seals correspond with the numbers shown on the documentation accompanying the Declaration.

Containers should be opened by the Terminal Operator or representative of the Importer, in the presence of the Customs officers. Care should be taken to stand well clear of the container doors, since goods may have moved during transportation and may fall out of the container.

Unloading of goods from a container is the responsibility of the Importer and should be carried out under the supervision of Customs officers, who should keep a record of the quantities and types of goods unloaded.

After the unloading has been completed, as well as examination of the goods, an examination should be made of the container itself in order to check whether there are any false compartments built into the container which may conceal dutiable or prohibited goods.

### **Opening and closing of packages**

The Terminal or other approved operator is responsible for the production, opening and closing of the packages. Packages should normally be opened by employees of the operator or a representative of the importer. This may be carried out in the presence of the importer or of his representative.

The physical opening of packages by officers is to be confined to instances where opening by the staff of the terminal operator is impracticable, or where there is suspicion of fraud, or where the packages are to be removed to a secure area.

In cases where Customs officers open packages there must be at least two officers present, and great care must be exercised to avoid damaging the contents or packing. Similar considerations apply to closing of packages which must be made secure.

### **Dangerous goods and goods of unknown properties**

Harmful, dangerous, poisonous or toxic goods, for which there are no safe conditions of storage, should be subject to special storage and treatment.

Officers should not examine, or even approach, goods whose properties are unknown without the presence of the importer or his representative, or in his absence with the authorisation of the head of the Customs post. In suspect cases, the head of the Customs post should be consulted before examination.

Examples of goods which need special care are:

- radio-active materials.
- chemical products.
- fuel products.
- explosives.
- firearms and ammunition.
- medicines.
- narcotic drugs and psychotropic substances.
- goods which may be infected.
- viruses, bacteria and fungi.

- animals and birds with transmittable diseases.
- asbestos.
- other carcinogenic substances.
- heavy machinery,

### **Care in examination**

Care must be taken not to cause damage when examining goods. Valuable, delicate or fragile goods are to be treated with the utmost care. Goods liable to contamination, deterioration or physical change by exposure to air, light or non-sterile conditions may need to be examined under special conditions provided by the importer, usually at the importer's own premises.

### **Procedure for physical examination**

The importer, or his representative, should normally attend the examination, unless there are valid reasons for his presence not being required.

The following should be borne in mind when carrying out physical examinations:

- health and safety requirements (some goods may be dangerous to touch, or it may be dangerous to breathe fumes from the goods);
- some goods are fragile e.g., electronic equipment, glassware etc, which will require careful handling.
- the declaration should have the relevant supporting documents and there should be a work plan before the start of the examination.
- identify externally the packages selected from the declaration. Use details of marks, numbers and other identifying information from supporting documents.
- packages selected should be opened by the warehouse operator or his representative.
- check contents against the declaration and supporting documents such as invoices, packing lists and others.

The following aspects must be checked:

- description of the goods.
- tariff classification.
- credibility of value.
- quantity and quality – marks, numbers, weight etc

### **Extent of examination**

Goods are normally only to be weighed or measured where this is necessary or where the weight or quantity is in doubt, and this could materially affect the declaration and/or the revenue.

In general, a minimum of weighing or measuring is sufficient to provide an accurate check on the goods, but if there are discrepancies between what has been declared on the declaration and the examination then the examination should be extended.

### **Establishing the Net Weight of Goods**

Where a net weight has been declared or is shown on the supporting documents, a check of the weight

of the internal contents of packages may be required. Where possible the goods should be removed from the packaging and weighed. Occasionally it will be necessary to weigh the empty packaging and deduct the total weight of all packaging from the gross weight shown on the Bill of Lading, packing list or Air Waybill.

A sufficient quantity of the goods is to be weighed to enable the Officer to calculate the net weight of the package with reasonable accuracy. Every effort is to be made to check the net weight sufficiently without unnecessary damage to the goods or their packaging.

### **Taking of Samples**

Samples should only be taken when the correct classification or Customs value of the goods cannot be determined by reference to the supporting documents.

Where there is a dispute on classification or valuation it is advisable to take samples where this is practical, for use in the appeals process. Where it is not practical to take samples, alternative means should be used, for example photographs or catalogues which give a detailed specification of the goods.

### **Recording the result of Examinations**

Details of the examination are to be recorded on the Goods Declaration Form or Examination Report. This constitutes a report of the examination that took place.

The Report must include:

- place, date and time.
- the names of other persons present.
- full description of the goods, including any makes/models, and quantities of each type of goods.
- name(s) and signature(s) of the examining officer(s).
- Any damaged goods, whether damaged before or during the examination, must be recorded on the report. If possible, photographs should be taken.

### **Completion of examination**

Once the examination of the goods has been completed, the Examination Form should be given to the Documentary Inspection / Valuation Officer. If during examination differences in quantities, values or tariff classification are found, details of the correct information are to be referred to the Head of Section / Manager for a decision on any offence action.

## **ANNEXE B TARIFF AND TARIFF CLASSIFICATION**

### **Tariff**

The Somali Customs Tariff is based on the international system of goods classification known as the World Customs Organisation Harmonised System (HS). The Tariff consists of a complete commodity listing of written descriptions and 8-digit code numbers. The Tariff has a logical structure, being divided into Sections, Chapters and Sub-Chapters which have titles indicating concisely the categories or types of goods that they cover. There is a set of 6 General Rules for the interpretation of the Harmonized System that are vital for the accurate interpretation of the Tariff.

### **Structure of the Tariff**

The Tariff includes preliminary instructions to the Tariff and the schedule of goods and rates.

The Preliminary Instructions include the General Rules for the Interpretation of the HS.

The schedule of rates of duty in the Tariff is structured into 5 columns:

- Commodity Code.

The code is the tariff code. The first 6 digits correspond exactly to the WCO HS code and the 2 additional digits, making 8 in all, are used in Somalia for the purpose of subdividing the HS tariff heading.

- Commodity Designation.

The designation is the written description of the goods covered by the tariff code. As an 8-digit code it is based on the description found to be necessary for each country, in order to describe unambiguously goods which are involved in international trade.

- Unit.

The unit is the unit of quantity with which the goods must be declared. It is invariably a metric unit.

- Import Duty;

The Tariff shows the rate of Import Duty that is applicable to each tariff heading.

### **Tariff Specification Code (TSC)**

The TSC is a 4-digit code which is used, when required, for distinguishing goods that fall in the same sub-heading but have different values due to differences in brand, quality or type of packaging.

When there are no TSCs linked with a HS sub-heading, the default code added to the 8-digit code is “0000”.

When a consignment is made up of goods falling in the same HS sub-heading but there is no a TSC that distinguish them clearly from other goods of the same kind, they will be declared in separated items in the declaration using the default TSC “0000”.

When a consignment is made up of goods falling in the same tariff commodity code but have a different country of origin, they will be declared in separated items in the declaration.

### **Tariff Classification**

Tariff classification must be done in accordance with the General Rules for the interpretation of the HS. Reference should be made to these rules in determining tariff classification.

Classification of goods in many cases is straight forward and can be done by careful reading of the nomenclature descriptions, the relative Section or Chapter Notes, and application of the General Rules. In addition, the World Customs Organisation issues guidance on difficult cases in the form of Harmonized System Explanatory Notes.

It is the responsibility of the Customs Officer to confirm the correct tariff code. To do this he/she should study the tariff nomenclature, and the 6 General Rules for classification. The officer should examine all supporting documents, bearing in mind that the HS System is in widespread international use, and scrutiny of invoices or shipment documents may often show the HS code used by the consignor. The report of the physical examination of the goods may also be used to identify the correct tariff code.

## **ANNEXE C CUSTOMS VALUATION**

### **Valuation according to the Customs Act 2020 and Customs Valuation Regulations 2023**

Under the Customs Act 2020, the dutiable value of imported goods is determined by reference to the goods' "normal price". The evidence of a "normal price" is usually an invoice issued under normal commercial arms' length arrangements. These arrangements are aligned to some extent with the principle of "transaction value" of imported goods set out in the WTO Valuation Agreement.

The importer is required to declare the transaction value of the goods when making the goods declaration to Customs.

It is the responsibility of the Customs Officer to confirm the transaction value. To do this he/she should examine all supporting documents, bearing in mind the known risk of undervaluation through the use of false invoices or shipment documents. Physical examination of the goods may be necessary to confirm the full description of the goods in order to aid confirmation of the transaction value.

If the Customs Officer doubts the transaction value declared by the importer, they may request further information from the declarant. It is responsibility of the declarant to prove the declared value to the satisfaction of Customs.

If the declarant fails to provide proof of the declared value, the Customs Valuation Regulations 2023 empowers Customs to apply Customs Reference Values (CRVs) when the “normal price” is not available, or the supporting invoice/documents are not acceptable. In other words, either when a supporting invoice is missing or when Customs is not satisfied with the content or authenticity of the supporting invoice.

The primary aim of the CRV Schedule is to encourage voluntary compliance by importers. It is an important tool to be used by Somali Customs in developing a risk managed approach to customs compliance (consistent with WCO Guidelines on valuation and the use of CRVs).

### Documents used to Assess Valuation of Goods

Submission of supporting documents to support an import declaration is not always enough to confirm the transaction value, it is always important to verify if the documents are authentic and the table below gives us some of the indicators that can be applied in this regard.

| Indicator                      | Specific Point   | Remarks  |
|--------------------------------|--|--|
| VALUE                          | Exceptionally Low Value on Import                                | Attempt to evade import duties   |
|                                | Exceptionally High Value on Export                               | Attempt to evade Internal/Domestic Taxes   |
| CLASSIFICATION                 |  | The classification of the commodities declared are often displayed on commercial/ transport documents. Any discrepancies between the HS Codes on the supporting documents and the declaration must be treated as suspicious that the goods have been misclassified to apply a lower rate of duty.  |
| FALSIFICATION OF DOCUMENTATION | Erasing/crossing out, smudges, use of correction fluid (tipp-ex) | Any alterations on a document must be treated as suspicious  |
|                                | Presentation of scanned documents                                | Scanned documents may have been altered before scanning, only originally documents should be accepted.   |
|                                | Varying font   | When a document is falsified, the font of the inserted/altered information may be different from the original. Similarly, the formation of numbers may be different, and columns may be ‘off-line’.  |
|                                | Date and serial number   | Serial numbers may be manual, or system generated, however the numbers of major suppliers will generally increase as the year progresses. A forger may not be aware of the progression of the serial number. Comparisons can be made with invoices lodged with previous declarations.<br><br>Low serial numbers are also an indicator of forgery, especially for invoices dated later in the year (e.g., |

|                                       |   |   |
|---------------------------------------|---|---|
|                                       |   | Invoice Number 012 dated 12 July)   |
| Previous Documents from same Supplier | Invoice format, Company Logo and colour   | Companies have brands that identify them from others, including preferences for a unique logo, invoice format and fonts/ink colours. An experienced Customs Officer will be able to recognise the invoices from major suppliers and identify any that may have been forged.   |
| Accuracy of Arithmetic                | Unit price v sub-totals v total value   | Check each line to confirm the values of each commodity to confirm the sub-totals/total value. Falsified documents often contain errors in calculation.   |
| Consistency in information            | Weight<br>Goods Description<br>Value<br>Ownership   | Check the information shown on the bill of Lading/Air Waybill, Packing Lists and Invoices. Any differences are an indication of an anomaly.   |
| Terms of Delivery (Incoterms)         | FOB (Free on Board)<br><br>CIF (Cost, insurance, and freight)   | When the terms are FOB, the Commercial Invoice should be supported by Freight Invoices and Insurance Certificates. Freight and Insurance are commonly undervalued.<br><br>When the terms are CIF, deduct approximate freight and insurance charges to check the unit value of the goods (if not shown separately). The remaining FOB value may be suspiciously low. |
| Vague Information                     | Suppliers Name and Address<br>Importers Name and Address<br>Description of Goods<br>Breakdown of packages/weights | The commercial/transport documents should contain detailed information on the supplier, importer and goods. Any vague or missing information is an indicator that the documentation has been falsified.   |
| Incomplete Documentation              |   | At a minimum, the declaration should be supported by the transport document, commercial invoice and packing list (when consignment contains two or more packages)<br><br>Customs may ask the declarant to supply further documentation to support the value declared.   |
| Signature and Stamp                   |   | If a document has a provision/box for a signature and stamp then it should bear the signature and stamp,  |



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|  |  | otherwise it may not be authentic. |
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## Overview of International Documents

Customs officers should be familiar with the types of documentation associated with international trade and their expected content. Below are different categories of documents used in international trade emphasizing vital information content. Customs may request these documents, where available, be produced, when challenging the Value/Tariff Classification declared.

Note: A detailed list of documents has been provided, however many of these are not currently in use in the trading systems in Somaliland and are included to increase Customs Officer's knowledge.

### Commercial documents

#### (a) Purchase order

This is a commercial document used by the Buyer/Importer in placing an order with the supplier/seller. Important information on this document for customs purposes include the date when the order was placed, the company that ordered, the quantity ordered, suggested price to be paid or payable, signature and stamp of the ordering importer, preceding documents (e.g. Price quotation, catalogues, price list, etc.). However, it must be noted that different importers use different means of placing their orders; some have formal purchasing order forms, others order by telephone while others order by e-mail. Therefore, it is important for customs to establish the method of ordering that the importer used.

#### (b) Proforma Invoice

This is the document which the seller issues in response to the purchase order. It stipulates the terms and conditions upon which the seller will sell the goods to the buyer. Some of the important information contained in this document includes date of issue, description of goods, unit price and total consignment price, the terms of payment, terms of delivery, obligations of each party and signatures of contracting parties.

#### (c) Sales Contract

This is a legal document that is enforceable by parties demonstrating that the buyer and seller agree on a sale of a particular good. Important information on this document for customs purposes include date of contract, terms of sale, description of goods, unit price and total contract price, terms of payments, seller's bank details, swift code and arbitration clause.

#### (d) Commercial Invoice

This is a commercial document prepared by a seller as indication of the final agreement on the sale of goods. It lists all items sold and presented to the buyer for payment. It contains the following information: date of issue, description of goods, quantity sold, the actual price paid or payable, terms of payment, terms of delivery, the serial number, and the stamp of the issuing authority.

#### (e) Receipt

This is a document that is issued in cases of transactions in cash or cheque, certifying receipt of payment by the seller. Vital information in this document includes the date of issue, serial number, payee, amount paid, means of payment (i.e. cash or cheque), balance due if any, signature and stamp of the seller.

#### (f) Packing list

This is a document that accompanies goods from the exporting country, and it gives a detailed

breakdown of the way goods have been packed in the consignment to facilitate both the importer and customs authorities to easily verify the quantities and description of the consignment. Vital information to consider in this document includes, date and serial number, preceding document, goods description, weights, quantities and dimensions and signatures.

### **Transport Documents**

#### **(a) Shipping Bill/Export entry**

This is a Customs document that is generated/issued by Customs of the exporting country. Vital information contained in this document includes the Customs reference number of the exporting country, the exporter, the consignee, the country of export, importing country, description of goods, Incoterms, carrier used, total export Customs Value, currency and preceding document (if any).

#### **(b) Bill of Lading/Airway Bill**

This is an official document prepared by the carrier/shipper duly accepting the goods for shipment and it contains the following information; the serial number, type of Bill of Lading/Airway Bill (master, house, combined transport, non-negotiable), date and place of issue, date shipped on board, name of the shipping line, name of the consignee, name of the vessel, the items shipped, the quantity and weight of goods, port of loading, the point of destination, preceding documents (if any), pre-carriage information, signatures and stamps.

#### **(c) Freight Invoice**

This is a document issued by the shipper/carrier as acknowledgement on the agreed freight terms. It contains the following information: date of issue, serial number, name of carrier/shipper, name of the importer, amount paid, balance due if any, signature and stamp.

#### **(d) Freight debit note**

This is a document issued by the shipper/carrier in the event that freight amount is due. It contains the following information, date of issue, serial number, name of carrier/shipper, name of the importer, amount to be paid and date due, signature and stamp.

#### **(e) Insurance certificate**

This is a legal document certifying that goods or products are insured against certain risks before carriage. This can be marine insurance, marine and road insurance, or all risks cover.

### **Financial Documents**

#### **(a) Form E**

This is the declaration made by the exporter to the central bank of the exporting country showing the amount in foreign currency that the goods are worth. Vital information on this document includes the issuing bank, date and serial number, place of issue, name of the exporter, description and quantity of goods, foreign exchange value, signature and stamp of both the bank and exporter.

#### **(b) Payment Documents**

These are documents that provide evidence that the goods in question have been paid for or will be paid for depending on the agreed terms of payment. These documents include, Telegraphic Transfer (TT), Letters of Credit (LC), Documentary credits, Bank draft/ Bill of exchange and credit agreement etc. Vital information on these documents varies depending on agreed terms of payment.

### **Regulatory Documents**

(a) Certificate of Origin

This is a document that certifies the origin of goods. This certificate may provide for the preferential treatment of the goods, if applicable, may be used non-preferential purposes, such as statistical, origin marking or quota purposes. The certificate of origin is usually issued either by the national chamber of commerce or by the export promotion boards and may be counter signed by the Customs authority. Vital information on this document includes date and serial numbers, preceding documents (especially the commercial invoice Number), description of goods, name of the exporter, name of the importer, status of the goods, issuing authority, signature and stamps of both the issuing authority and exporter.

(b) Permit/certificate of analysis

This is a document issued by the manufacturer or bureau of standards in various countries certifying that the goods exported have undergone inspection and are certified to be consumed. This analysis is very crucial because apart from Customs collecting revenues, they also protect the environment and human health. This certificate therefore recommends that goods to be consumed are safe to the environment or human health. Vital information on this document includes serial number, name and address of the certifying authority, name of inspector, materials compound of the item, description of goods analysed, recommended life span of the goods, date, signature, and stamps of the issuing authority.

(c) Fumigation Certificate

This is a document that certifies that goods imported or exported have been tested /inspected and treated to make them free from pests or fungus and qualify to be consumed or used. Vital information on this document includes name of fumigator, name of the exporter, descriptions of goods fumigated, date of fumigation, methods and chemical components used in fumigation, stamp, and signature of the authorized institute.

(d) Phytosanitary Certificate

This is a document that certifies that livestock and plants imported or exported have been tested/inspected and vaccinated to make them free of infectious diseases. Vital information on this document includes name of vaccinating authority, name of the exporter, details of livestock or plants vaccinated, date of vaccination, methods and chemical components used in vaccination, stamp and signature of the authorized institute.

(e) Transit documents

These are customs documents used to convey goods from point of entry into a country in transit to a final destination. Vital information on these documents includes customs reference number, name of the exporter, consignee name, description of goods, means of conveyance/truck or wagon number, manifest number, customs value, signatures and stamps of Customs processing officers.