


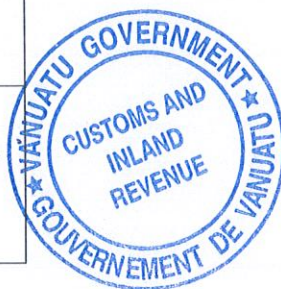


STANDARD OPERATING PROCEDURE

Temporary Importations and Securities

Owner : **Manager Customs Revenue Unit**
 Manager Border
 Manager North

Issue Date:	25/10/2016
Review Date (Annually)	
Approved by Director (Name)	Benjamin MALAS
Signature	



1. Legislation

Customs Act	Section 91. Section 211 – 213
Customs Regulations	Regulation 30, and 50 (f).
Import Duties Act	Code 080 Part 3 Schedule 1
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2. Introduction

- 2.1 Not all goods imported into Vanuatu are for home consumption, those that are imported temporarily with an intention to be re-exported have to be afforded special treatment. There is also an inherent risk that goods imported temporarily and afforded concessional treatment may remain permanently in the country thus possibly avoiding normal rates of duty and VAT. Temporary importation is a legitimate means of making use of foreign assets or resources for particular purposes in Vanuatu, however the revenue risk must be appropriately assessed.
- 2.2 Securities are not only taken for temporary imports, but as a means of ensuring the revenue risks presented by licensed, customs controlled areas are met. Bank guarantees are held to negate the perceived risk of the particular licensed premises.
- 2.3 Securities in the form of bank guarantees are also held for licensed principal customs brokers based on the value and frequency of customs declarations lodged.
- 2.4 Taking of a security is a means of facilitating the clearance of cargo in instances of dispute in relation to the amount of revenue which may be payable. Rather than delaying the delivery of the cargo while the matters being disputed are resolved, it is preferable that a security equal to the amount of revenue in question is taken while the matter is being resolved.

3. The Goods

(Note: Goods imported under exemption code 160 for foreign vessels or aircraft are not covered by this SOP)

- 3.1 Those goods permitted temporary entry are:

- i. Goods imported for use by visitors during their stay, including means of transport;
- ii. For display, demonstration or use at exhibitions or expos;
- iii. Goods imported for hire or loan on projects that contribute to the economic development of Vanuatu if no suitable alternate machinery is available in Vanuatu;
- iv. Tools of trade and professional equipment for use in Vanuatu;
- v. Scientific and educational material for the purposes of research, educational or vocational training.

3.2 To obtain the temporary import concession the goods being imported must fall within the above criteria, and they are permitted to remain in Vanuatu for a period of six months or for whatever period the Director DCIR may permit. The Customs Act provides a validity period of one year for securities, however it also provides for a security to be renewed after that period of time, for a maximum of two years.

3.3 Risk assessment must be wisely applied on each occasion of a temporary import. In normal circumstances, low value items imported by visitors would be of low risk and thus would not warrant a security, however expensive earth moving equipment for a particular project would require a security, as there is a likely hood that the items may be sold or otherwise disposed of rather than facing expensive freight rates to return the goods to their country of origin.

3.4 In every case a risk judgement is required as to the likelihood of the temporarily introduced goods being re-exported or remaining permanently in Vanuatu. A security is to be taken if any doubt exists as to the goods being re-exported, and the revenue involved is significant. As a rule of thumb, if the revenue implications exceed Vt50,000 then a security should be taken as a matter of course. However if the risk of re-exportation is considered high, then a security may still be taken, even though the revenue is below this benchmark.

3.5 Export documentation from the country of origin may provide an indication if the goods were exported with the intent to return or exported permanently.

4. On Importation

4.1 Many temporarily imported items are introduced by passengers, the value of which exceed those allowed as part of passengers' concessions. The decision on the action to be taken as to the risk of being re-exported and the revenue implications has to be made at the time.

- 4.2 If the goods are of significant value such as trade tools or expensive camera equipment, then the goods should be detained and the passenger referred to a customs broker for formal entry and payment of security.
- 4.3 If however the goods are not of significant revenue risk, a personal undertaking may be taken without a formal entry.
- 4.4 Commercial importations by air or sea freight would expect to be imported with lodgement of a secured security.
- 4.5 Temporary Importations are to be made on an IM5 with exemption code 080.
- 4.6 In circumstances where the importer does not have sufficient information to complete an IM4 for importation, a provisional entry may be lodged in the form of an IM9. In these circumstances the need for a security must be considered.
- 4.7 Release may be given to a broker on the basis of his own security. If this option is not taken or provided, then a security must be taken to ensure the goods are properly entered within a specified period.
- 4.8 In all circumstances the Security Form at Annex 1 must be completed.

5. The Security.

- 5.1 A security may be secured or unsecured. An unsecured security is in the form of a personal undertaking, and may be used in circumstances of temporarily imported goods of low value and low risk in relation to re-exportation. Tools of trade imported by tradesmen, or professional equipment imported by medical practitioners for particular projects while in Vanuatu for a short time are an example.
- 5.2 Details of the person's departing transport arrangements must be identified at time of importation so that exportation of the temporarily imported goods can be verified if required.
- 5.3 A personal undertaking is able to be provided on the Security Form at Appendix 1.
- 5.4 A security may be provided as cash or as a bank guarantee. Cash or the bank cheque is to be deposited in the specially established account within the Department of Finance. Customs Trust Account No. 5990 9999 3700 TF0060.

- 5.5 Securities for temporary importations are for the duty component only, not VAT as well.
- 5.6 Bank guarantees are able to be arranged by the importer lodging the required funds with their preferred banking institution.
- 5.7 In the case of revenue disputes which may delay the delivery of cargo, the standing security lodged by principal brokers can be used as the guarantee to ensure the correct amount of duty and VAT will be paid once the dispute is resolved.
- 5.8 Corporate Importers/Exporters are not obliged to submit securities, so separate security arrangements will have to be made whenever their consignments are delayed due to disputes concerning the correct revenue to be paid.

6. Return of Securities

- 6.1 Prior notice of the impending export of goods imported temporarily on which a security has been taken, is required to enable sufficient time to arrange either the cancellation of the guarantee or refund of the security.
- 6.2 An export entry EX3 must be completed for all goods that have been subject to a security, except those which are being carried as passenger's baggage. Once air waybill or bill of lading has been cut for the export of the goods, the refund process may begin.
- 6.3 For cash securities that have been held by the Department of Finance in the Customs Trust Account, the Form "Refund of Security" (Annex 2) must be completed and delivered to Finance to permit the refund process to begin. How the refund is to be paid, either by cheque or by transfer to a nominated local or overseas bank account, is to be identified on the form.
- 6.4 Where the security is held as a bank guarantee a letter under the Deputy Director Customs' signature must be provided to the bank to authorise the release of the guarantee. Refund of those funds is to be determined between the bank and the owner.

Annex 1.



DEPARTMENT OF CUSTOMS & INLAND REVENUE

Application For Permission To take Delivery of Goods Upon Giving a Security or An Undertaking For the Payment of Duty

Registration
No.....

I: *(the owner of the goods or authorised agent of the owner)*

Of *(full address)*

I hereby apply for permission under Section 211 of the Customs Act No.7 of 2013, to take delivery of the goods in the attached form, and for that purpose, am prepared to give security or undertaking for the payment of duty and VAT on those goods

The goods are the property of: *(full name)*

Of: *(full address)*

GOODS : (Please tick the appropriate box)

- ☐ For the use by a visitor to Vanuatu
- ☐ For display, demonstration, or use at an exhibition or expo
- ☐ For hire or loan on projects that contribute to the economic development of Vanuatu if no suitable alternate machinery is available in Vanuatu
- ☐ Tools of trade and professional equipment for use in Vanuatu
- ☐ Scientific and educational material for the purposes of research, educational or vocational training

Arrival Details of the Goods:

The goods were imported on the ship or aircraft: <i>(name or flight No. of ship or aircraft)</i>	
From: <i>(originating port)</i>	Arrived on: <i>(date)</i>

Details of the goods to be temporarily imported are to be entered on the continuation sheet attached.

CONDITIONS OF TEMPORARY IMPORTATION:

I undertake that:

1. The goods will be exported no later than...../...../20
2. That except with the consent of the Director, DCIR the goods will not be lent, sold, pledged, mortgaged, hired, given away or otherwise disposed of or part with possession of the goods, or in any way alter the goods.
3. No refund of a security given, or cancellation of an undertaking will occur unless proof of exportation or intent to export is provided to DCIR.

FOR CLIENT USE	FOR CUSTOMS USE
Owner/Agent of the owner of the goods	Application to take delivery of goods under Section 211, Customs Act No.7 of 2013.
Signed by me this.....day of.....20	
Signature.....	*Approved, upon giving a security of VT.....
Name.....	*Approved upon giving an undertaking for the payment of duty and VAT.
Address	Date. / / 20
.....	Signature.....
.....	Officers Name:.....

TO BE COMPLETED BY THE APPLICANT

Address to which advice of payment or cheque for refund of security amount is to be sent

Address:.....
.....

NOTE: a completed authority must be presented to customs if the security deposit is to be refunded to someone other than the person who provided the security.

Please refund the security deposit to me by:

- ☐ EFT payment to my nominated bank account
- ☐ Cheque

CUSTOMS USE ONLY

UPON IMPORTATION	UPON EXPORTATION
<p style="text-align: center;">SECURITY DETAILS</p> <p>Security amount of:</p> <p>VT.....</p> <p>*May be retained on deposit.</p> <p>*Accept secured bank guarantee</p> <p>Signature.....</p> <p>Officer Name.....</p>	<p style="text-align: center;">SECURITY RETURN</p> <p>Customs Duty & VAT VT.....</p> <p>*may be returned to depositor</p> <p>*Bank guarantee cancelled.</p> <p>Customs Duty & VAT VT.....</p> <p>*may be transferred to revenue</p> <p>Date...../...../20</p> <p>Signature.....</p> <p>Officer Name.....</p>

<p align="center">Receipt Details</p> <p>Deposit paid into Dept. Finance Security Account.</p> <p>Official receipt No.....of...../...../20</p> <p>Date...../...../20</p> <p>Signature.....</p> <p align="center">Cashier</p>	<p align="center">Export Details</p> <p>Export Entry No.....</p> <p>Date...../...../20</p> <p>Exportation verified</p> <p>Signature.....</p> <p>Officer name.....</p>
<p align="center">Bank Guarantee Details</p> <p>Name of Bank.....</p> <p>Branch.....</p> <p>Name of Guarantor.....</p>	<p align="center">Additional Comments</p>

**APPLICATION FOR PERMISSION TO TAKE DELIVERY OF GOODS UPON
GIVING A SECURITY OR AN UNDERTAKING FOR THE PAYMENT OF DUTY**

CONTINUATION SHEET – DESCRIPTION OF GOODS

Marks & Numbers	Description of Goods	Quantity	Value

Annex 2
REFUND OF SECURITY DEPOSIT

(To be completed by Customs)

The security deposit of VT..... deposited on/...../.....
on receipt

number And entered on customs entry
number..... may be

refunded. Bill of Lading No/Air Waybill No
attached.....

Please pay the amount of VT.....to
.....

- ☐ Payment is to be made by cheque collectable at the Dept. of Finance.
OR
☐ Payment is to be made to the following bank account:

Account Name.....

Bank Name.....

Bank Address.....

Swift Code No.....

BSB No.....

Account No.....

(To be completed by Finance)

Sum of VT..... Refunded

Name of Finance Officer.....

Signature.....

Date...../...../.....