

UNHRD Brindisi (Italy) Customs Regulations and Process

INTRODUCTION

As one of the five, globally positioned United Nations Humanitarian Response Depots (UNHRD) in the world, UNHRD Brindisi, Italy, is part of a WFP Network. The other locations are Dubai, Ghana, Malaysia, and Panama.



This Network is able to deliver humanitarian relief items worldwide within 24/48 hrs following a formal request for relief. It also provides storage and logistics support and services to UN humanitarian agencies, international humanitarian organizations, and governmental and non-governmental organizations, thus reinforcing capacity for humanitarian emergency response.

For information on UNHRD Network please visit the UNHRD web site



PART 1: LEGAL FRAMEWORK

Given its mandate as a storage facility for humanitarian aid, special customs conditions apply for the frequent and expected import and export of goods.

In particular, one document addressed the linkage between the UNHRD and customs issues:

- Two administrative acts issued by the local Customs Authorities during the authorization process. The Customs Services Section of the Puglia-Basilicata Region Directorate in Bari, Italy has released the administrative acts Prot. No. 31011/S.D. dated 16/11/00 and Prot. No. 32838/SD dated 01/12/00 that represent the authorization recognizing UNHRD as a Customs bonded warehouse.

In addition, the presence of UNHRD in Italy is governed by:

- One memorandum between the Italian Government and the United Nations regarding the 'Use by the UN of Premises on Military Installations in Italy for the Support of Peace-Keeping, Humanitarian and Related Operations' (signed in 1994);
- An Implementation Agreement covering the use of the Brindisi military base by the United Nations so far represented by both the DPKO (Department of Peace Keeping Operations) and WFP (UNHRD).
- An Implementation Agreement covering the use of the former Usa Base of San Vito dei Normanni by the UN

The MOU is an international protocol between the Italian Government and the UN that provides a legal basis for privileges, immunities, prohibitions, restrictions and the exemption of duties and taxes for the UNHRD itself and the goods on its premises.

As for customs issues, negotiation for day-by-day activity is not required (regular import and export activity); the above-mentioned administrative act foresees the possibility to discuss and process peculiar or exceptional cases with the Customs authority when required.

UNHRD Brindisi manages a Customs-controlled "BONDED WAREHOUSE": the material of non-EU origin is temporarily imported keeping the status of "foreign products", which means that the material remains under Customs control and benefits from the exemption of duty payment that applies on WFP – UNHRD cargoes. This benefit is extended to the Users/Partners of WFP.

Indeed, WFP is the custodian of the stock and therefore privileges, immunities and exemptions are granted to WFP and this applies to all stocks. WFP needs to be the consignee of the stock, which allows for all the privileges, immunities and exemptions.

VAT Refund

If required, given the Humanitarian Aid status of the goods, VAT can be refunded once the commodities depart from the Customs-controlled "BONDED WAREHOUSE", despite of the commodities' ownership.

The partner will be provided with the evidence of the export activity which consist of the duly stamped Customs Export Declaration: references of the invoice that escorted the commodities to WFP-UNHRD depot have to be duly reported on WFP-UNHRD Packing List/Pro-forma Invoice that represents the official attachment of said Export Declaration.

The administrative acts Prot. No. 31011/S.D. dated 16/11/00 and Prot. No. 32838/SD dated 01/12/00 reflect the same type of agreement, except on a regional/local level in line with article 98 of the Community Customs Code, European Council Regulation No. 2913/92 that applies to National and Communitarian levels. One of the two 'administrative acts' recognises UNHRD as a Customs bonded Warehouse managed by WFP. While the other contains more practical conditions for its use and functioning.

Special Customs Concessions for the Movement of Goods

As UNHRD Brindisi is officially designated as a Customs Warehouse for the storage of in-transit commodities, there are special concessions for the incoming and outgoing of goods.

In particular, goods do not have to be presented to the Customs authorities upon each arrival/departure while a formal customs declaration has to be lodged each time. Also internal accountancy of the movement of goods is kept and this is done by the depot's staff. This includes details of shipments that are split, moved, etc. and all documents related to the shipments such as invoices, packing lists, inspections, etc.

In return for this high level of trust extended by the Italian customs authorities, they request that tight internal control be kept, and a stock manifest presented to them every four months for verification and approval. (Quarterly Customs report)

The quarterly report lists extra communitarian and communitarian goods left in UNHRD depot, reporting all the importing and exporting information per each quarter of activity. Two documents that list all the importing and exporting information of material of non-European and European origin have also to be included in the quarter report.

And, further to the last quarter report for each year of activity, an Annual Report has to be issued to include a statement by which UNHRD Manager declares that the consignees at final destination received all the shipment handled by UNHRD during the current year.

PART 2: OPERATIONAL INFORMATION

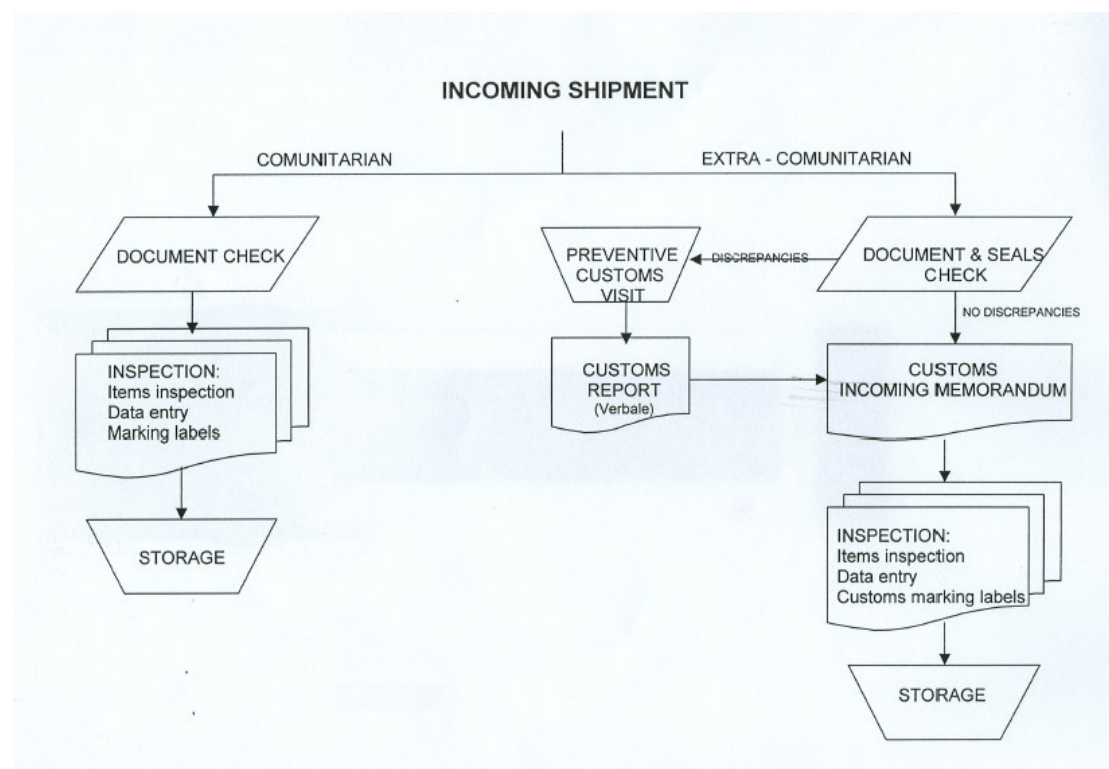
2.1. "IN" PROCESS: Bringing things into Brindisi

- Originating within the European Union

Bringing things into Brindisi means, technically speaking, that "community goods" are being placed under a customs procedure (called customs warehousing), therefore leaving the customs territory of the community.

But in practice, this does not mean any customs collecting excises or VAT, not even more formalities than the obligations imposed in the authorization (above explained "administrative act") for the warehouse keeping.

In this case, these obligations are very advantageous for the depot: no entry submission to the Customs Authorities has to be done; just internal accountancy of the in movements needs to be kept by UNHRD staff being material of EU origin does not require Customs clearance



Shipping Documents: one or more of the following shipping documents can escort material of European Union origin:

- Delivery Note
- Convention Merchandise Routers (CMR)
- Invoice / Pro-forma Invoice
- Packing List
- EX1

Upon receipt of material of European Union origin, the above mentioned shipping documents will be archived together with relevant documents that escort the material to UNHRD depot (e.g. gift certificates, sanitary certificates, etc.) and correspondence exchanged between partners, supplier, donors, shipping agent and UNHRD. Each archived file has to report the UNHRD internal chronological reference number. (E.g. Ref. IN 07/001)

A customs log for material of European Union origin is kept, its first page containing a statement that lists the log details. This statement has to be signed by both Director of Brindisi Customs Department and UNHRD Manager.

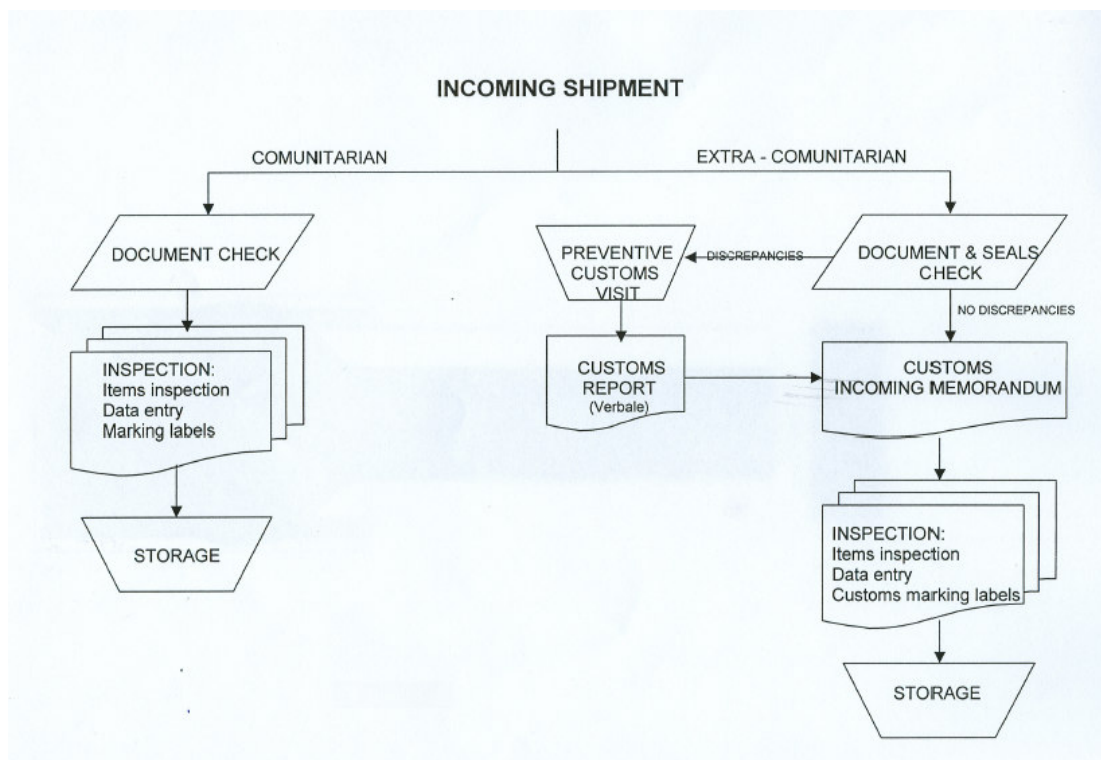
Each page lists the following information:

- UNHRD internal chronological reference number
- incoming date
- main documents accompanying the goods
- items description listing any units per piece received
- total pieces received
- total gross weight received
- origin including both city and country
- means of transport

The customs process for incoming/outgoing takes in the average max 1 hour ea.

- Originating outside the European Union

“Non-community goods” into Brindisi are also placed under the same customs procedure, customs warehousing, with all the facilitation that it entails. The formal obligations imposed by the Customs Authorities differ slightly from the previous case thought (see flow chart below).



Shipping Documents: material of non-European Union origin is escorted by one or more of the following Customs documents:

- Air Way Bill (AWB)
- Bill of Lading (B/L)
- T1 / T2
- Carnet tir

- Cargo Manifest

Also EX1 document can also escort material of non-European Union origin but no action is required at the incoming.

A customs log for material of Non European Union origin is kept, its first page containing a statement that lists the log details. This statement has to be signed by both Director of Brindisi Customs Department and UNHRD Manager.

As well as for the Customs Log for material of European Union origin, the first page of the Customs Log for Material of Non-European Union origin contains a statement that lists the log details. This statement has to be signed by both Director of Brindisi Customs Department and UNHRD Manager.

Each page lists the following information:

- Customs import chronological reference number (e.g. IN 001/02, IN 002/02; UNHRD internal chronological reference number doesn't need to be stated on this log) On this material it is anyway applied the internal tracking system (e.g. Ref. IN 07/001); it means that material of non –European origin is subject to both the tracking systems.

- import date
- Means of transport
- Origin including city and country
- References of Customs documents accompanying the goods
- Items description (listing packaging levels)
- Total pieces received
- Total gross weight received

Brindisi Customs Department requires the issuance of 2 copies of Customs Declarations for import purposes to temporarily import the material of non-European origin in UNHRD depot. The Import Declaration has to duly state all the information listed in this section and has to be signed by the UNHRD Manager or the Officer in Charge. Attachments of the Import Declaration can be Invoices, Packing Lists, Cargo Manifest, etc.

The Import Declaration has to be logged by Brindisi Customs Department following the internal official procedures and has to be duly visaed and signed by the Customs Department representative. One copy of the 2 Import Declaration is meant to stay with Brindisi Customs Department for archive purposes while the other copy will complete UNHRD Incoming archive.

A copy of the Import Declaration has to be archived in a separate folder in order to facilitate the inspection from Brindisi Customs department representative performed every 2 years.

In case of any change of the Import Declaration contents (e.g. change to be applied on received packaging), a specific letter has to be issued and delivered to Brindisi Customs Department to amend the information as originally reported.

Customs Department Officer official inspection upon receipt of material

In case of import of material in sealed containers and trucks, a preventive Customs visit might be required. In case of discrepancies between the cargo and the related Customs documents the Customs inspection is mandatory. In this case seals, if any, have to be removed and offloading of the cargo have to start only upon Customs and Finance Guard representative arrival. In any other cases, customs clearance can be performed once downloaded is completed.

In case of inspections the Customs and Document has to be pre-cleared in case Finance Guard representative will be escorted to the depot by UNHRD, in order to survey the incoming shipment during the offloading operations. Upon completion of the offloading operation, to officially import the material, a Customs Declaration has to be issued accordingly with the Customs document that escorts the goods. The Customs representative will issue a survey report that represents an official attachment of the said Customs Declaration.

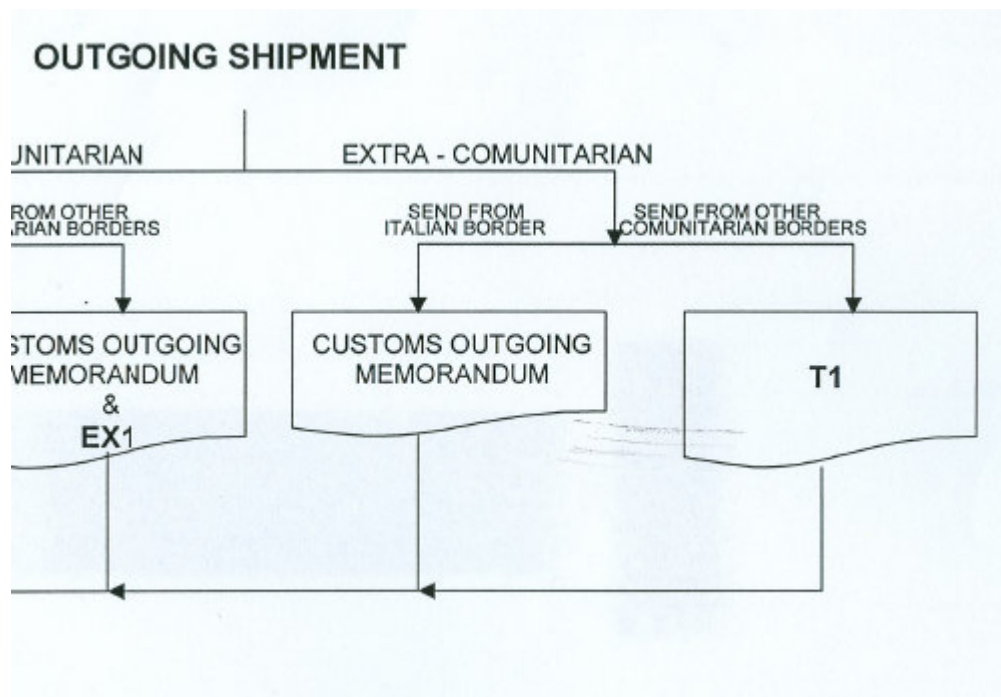
In case of no discrepancy between the Customs documents and the offloaded items, the Customs Declaration will be logged by Brindisi Customs Department. In case of discrepancies UNHRD will also issue a discrepancy report according with Customs representative survey report. This report will also represent an attachment of the Customs Declaration.

After 10/15 days the Finance section of the Brindisi Customs Department will issue a payment voucher in connection with the Customs Representative inspection. This voucher has to be paid by the carrier/forwarding agent entitled of the shipment.

The EU-originated material stored in the depot has to be marked with stack cards printed on white paper while stack cards related to material with non-EU origins will be printed on yellow coloured paper (see UNHRD Operational Manual for Incoming shipment – page 1 Section 1 Ln 42-)

2.2. “OUT” PROCESS: Sending things out of Brindisi

The export formalities apply the same for communitarian or non-communitarian goods: the commodities are sent out of the customs warehouse, therefore, out of the European Union, following the formalities imposed by the regulation.



First of all, any movement out of goods must be reflected in the 'Dichiarazione d'Esportazione' (Export Declaration). These forms identify the cargo details and accompany them while in-transit.

A customs log for export activity is kept, its first page containing a statement that lists the log details. This statement has to be signed by both Director of Brindisi Customs Department and the UNHRD Manager. Furthermore, the progressive number of this

declaration has to be reported on the left side of the pages listing the customs information related to the material subject to the export activity.

All material to be exported is duly recorded on the log, listing the following information:

- Customs export chronological reference number (e.g. OUT 001/02, OUT 002/02, etc.)
- Exporting date
- Import Customs chronological reference number for the extra communitarian items and UNHRD internal chronological reference number for the communitarian items
- Means of transport
- Final destination listing both city and country
- UNHRD packing list accompanying the goods
- Items description of material separated in material of European and non-European origin, listing all packaging levels
- Total number of pieces to be shipped
- Total gross weight to be shipped

Brindisi Customs Department requires the issuance of 3 copies of Customs Declarations for export purposes. For visa requirements, 2 out of 3 copies of the Customs Declaration report the exporting Customs template on the back of the first page. The Declarations for export purposes has to state all the information detailed including the Italian Customs Department at the last Italian boundary. An original Packing List/Pro-forma Invoice dully signed and stamped by the UNHRD Logistics Officer has to be attached to each Customs Declaration.

The Export Declarations have to be stamped and verified by the Brindisi Customs Department representative prior to the departure of the material from UNHRD depot. The copy of the Customs Declarations without back for visa requirements is meant to stay with Brindisi Customs Department for archive purposes while the other 2 copies will be logged and stamped by Customs or Finance guard representative before the loading operation, to allow the cargo survey and at the last Italian border for road/sea transports or upon the completion of loading operation for air transports, as confirmations of the fact that all the material has been duly exported as stated on the Customs Declaration. The copy of Customs Declaration that contains the side banner "To be returned to the Customs Department" has to be returned duly stamped and logged by the Customs or Finance Guard representative to Brindisi Customs Department while the 3rd copy will follow the material to final destination. A photocopy of the Customs Declaration for export purposes has to be kept in UNHRD archive.

The Customs Declaration for export purposes has 20 days validity. In case the cargo won't be exported within the 20th day, UNHRD has to issue a request to Brindisi Customs Department to cancel the said Declaration. The requesting letter represents an attachment of the related Customs Declaration.

In case any change of the Customs Declaration contents that might incur during the loading operations, the issuance of an amendment letter is required to officially inform the Customs Department of the said changes. The Customs Declaration and the attached Packing List/Pro-forma Invoice will be changed handwriting to report cargo composition changes. Also the Customs or Finance Guard representative has to record the cargo changes on the backside of the 2 Customs Declarations. This amendment letter has to be considered as an attachment of the related declaration (see Annex A)

In case of EX1 document that escorts the material of European Union origin at the incoming stage, the number of pieces of the material exported has to be recorded by the Customs or Finance Guard representative on the back of the EX1 document

itself. When all the material listed on the EX1 will be exported, the original EX1 document has to be returned to the supplier.

2.3. HOLIDAYS

LOCAL BANK HOLIDAYS (Italy)

1. Tuesday 1 Jan 2008 – New Years Day
2. Sunday 6 Jan 2008 – Epiphany
3. Monday 24 March 2008 – Easter Monday
4. Friday 25 April 2008 – Italian Liberation
5. Thursday 1 May 2008 – Labour Day
6. June 2 June 2008 – Republic Day
7. Friday 15 August 2008 – Assumption Day
8. Saturday 1 Nov 2008 – All Saints
9. Monday 8 Dec 2008 – Immaculate Conception
10. Thursday 25 Dec 2008 – Christmas
11. Friday 26 Dec 2008 – Saint Family

UNHRD BRINDISI HOLIDAYS (WFP HQs)

1. Tuesday 1 January 2008 - New Year's Day
2. Friday 21 March 2008 - Good Friday
3. Monday 24 March 2008 - Easter Monday
4. Thursday 1 May 2008 - Labour Day
5. Friday 15 August 2008 - Assumption Day
6. Monday 3 November 2008 - In lieu of 1 November (All Saints' Day)
7. Thursday 25 December 2008 - Christmas Day
8. Friday 26 December 2008 - Boxing Day

2.4. FOCAL POINTS

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