

# Generic Standard Operating procedures for transiting and importing goods/supplies

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Source: Logistics Cluster

## 1. Introduction

This annex provides a general description of the usual process for importing and transporting goods into countries. It also describes the documents required for obtaining these authorisations. During an operation, additional legal forms and documents will be required in order to comply with international regulations. Some of these forms are standardised international documents. Others will be self-made formats recommended for use in particular operations. Although most international formats are standardised (and hence non-negotiable), it is possible that some States will ask for specific documents and clearances not described in this document. ***A logistician's first responsibility will be to identify local procedures and facilitation measures for importing humanitarian goods and moving them within the country.***

## 2. Seaport Procedures

Ports normally have all necessary facilities for handling ships, carrying out customs inspections and storage of cargo: possessing the necessary equipment and machinery for loading and unloading operations. There is increasing use of modern transport technology such as containerization, cargo often moves inter-modally through a port. The port's functions then become mainly limited to transit operations whereby cargo moving in unitized form does not have to be packed or unpacked at the port.

The main formalities connected with the handling of goods by port authorities in the export or import trade are as follows:

- i. Before any cargo is landed, a copy of the cargo manifest must be delivered to the port authorities.
- ii. When cargo is discharged from the ship, it must be tallied.
- iii. The out-turn report, which is prepared based on such tally, is compared with the vessel's import general manifest to ascertain whether the full manifested cargo has been discharged. There may be short-landed or over-landed cargo.
- iv. Wharfage at the prescribed rates is levied on all goods landed and shipped.
- v. Goods not removed from the custody of the port authorities within the free storage period allowed are charged rent at the prescribed rate.
- vi. Rent may be waived or reduced under the following circumstances.
- vii. After the expiry of "free time" rent is charged at prescribed rates on cargo that may ultimately be sold at public auction.
- viii. Rent is charged on any un-manifested cargo not removed within the prescribed time after delivery of the "Out-Turn Report."
- ix. However, in the case of goods landed in a damaged condition for which a claim is made against the carrier, some extension of free time may be allowed to enable a survey of the damaged cargo to be made.
- x. A similar concession may also be permitted in the case of goods damaged subsequent to landing and for which an "Application for Survey" has been received by the port authorities.
- xi. No rent is charged on goods detained by the Customs authorities for special examination, chemical tests, etc.
- xii. No rent is charged when removal of goods is delayed due to no fault or negligence on the part of the importers.
- xiii. Areas used for the landing and storage of imported goods must be declared as Customs Areas under a Customs Act.

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- xiv. The discharge of some hazardous cargo may be permitted only in mid-stream into barges, or at berths or anchorages specially reserved for that purpose. If necessary, such cargo must be stored in specially designated areas.
- xv. Examination of cargo by Customs will be permitted only if the consignee or clearing agent produces to the port authorities the delivery order issued by the shipping agent together with the Bill of Entry prepared on behalf of the consignee.
- xvi. In the case of containerized cargo, containers may be unstuffed in the port area before the cargo is presented for examination by Customs. Alternatively, containers may be taken to an inland container depot, or warehouse, or factory of the consignee where they are unstuffed and delivered to the consignee after completing Customs formalities.
- xvii. Carting or transporting of export cargo, if it is Break Bulk, is permitted at the berth where the ship is ready to load. In the case of containerized cargo, carting is permitted to the location assigned to the shipping line by the port authority.
- xviii. Like imports, exports attract demurrage after the expiry of free time but port authorities sometimes waive this charge in the case of special cargo. Ports may defer acceptance of export cargo if there is a delay in the arrival of the vessel.
- xix. When export cargo is taken to an inland clearance depot, Customs formalities are completed there and the cargo is stuffed into containers, which are then brought to the port for direct loading onto the ship. The same procedure may also be followed if containers are stuffed at the factory or warehouse of the shipper.

## 3. Airport Procedures

Many airports provide a full range of services to aircraft operators and ground handling agents to facilitate all aspects of air cargo operations. Typically, airport authorities designate specific areas - including office and/or warehouse space - for use by aircraft operators, handling agents and freight forwarders. In order to offer such services, airports not only need to have the necessary facilities for aircraft maintenance and cargo handling but must also provide infrastructure for receiving different types of surface transport (e.g. road and rail).

In addition to these services, airports normally provide secure storage for cargo ranging from perishables and general freight to high-value goods. Major international airports also provide facilities for Customs authorities to enable the examination of cargo and collection of duties, taxes and other levies. The main formalities connected with the handling of export/import cargo by airport authorities are as follows:

- i. The original copy of the cargo manifest should accompany the cargo. This document must be produced to Customs. A copy should subsequently be given to the airport authorities if required.
- ii. After cargo is unloaded from the aircraft, tallying is carried out by the airline staff or handling agent. The out-turn report prepared on the basis of this tally is then compared with the airline's manifest to ascertain whether the full manifested cargo has been discharged. Cargo may be either short- landed or over-landed.
- iii. A terminal charge at the prescribed rate is levied on all goods landed and shipped.
- iv. Rent may be levied or waived as follows:
  - v. Rent will be levied on goods not removed from the custody of airport authorities within the permitted free storage period, even if this cargo is ultimately sold by public auction.
  - vi. Rent will be charged on any un-manifested cargo not removed within the prescribed time after delivery of the out-turn report.
- vii. Charges may be waived on goods detained by Customs for special examination.

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- viii. Locations used for the unloading and storage of imported goods must be designated as Customs Areas under a Customs Act.
- ix. Storage of hazardous cargo will be permitted only in locations specially designated for that purpose.
- x. Examination of cargo by Customs is permitted only if the consignee or appointed agent produces to the airport authorities or handling agent the delivery order issued by the airline or airline's agents, together with the import declaration prepared on behalf of the consignee.
- xi. Containerized loads may be unstuffed at the airport before being presented for Customs examination. Alternatively, they may be taken to an inland container depot or warehouse nominated by the consignee where they are unstuffed and cleared by Customs prior to delivery to the consignee.
- xii. Cargo destined for export may be cleared by Customs and stuffed into containers at the shipper's factory, warehouse or designated inland depot. The containers are then taken to the airfield for direct loading onto the aircraft.
- xiii. Larger airports usually provide facilities inside designated Customs Areas for transit cargo to be de-consolidated and consolidated with local export cargo.

## 4. Customs Law and Regulations (Ships)

Basic Customs laws or regulations applicable to the arrival and departure of ships and to imported or exported goods are more or less the same in most countries, although they **may differ in procedural and documentary details**. Several countries have enacted strict legislation for controlling and regulating imports and exports. Rules or regulations issued under such legislation will have to be followed in obtaining Customs clearances. Essentially, imports/exports and vessels carrying such goods are subject to the following procedures:-

### a. The main arrival formalities are as follows:

- i. A vessel entering a country from overseas must use a designated Customs Port as its first port of call.
- ii. A vessel can start unloading goods only after Customs have granted the necessary permit (called "Entry Inwards") following submission by the Master or Shipping Agent of an "Import Manifest" containing particulars of the cargo on board in the prescribed format.
- iii. The import manifest must be accompanied by other documents as may be required such as:
  - Certificates of load line.
  - Safety certificates for radiotelegraphy.
  - Certificate of registration.
  - Port clearance from previous port of call.
  - Crew list.
  - Stores list.
  - Declaration of personal property of officers and crew.
- iv. In some countries, Customs authorities will accept the cargo manifest even before the arrival of the vessel under the so-called "pre-entry" procedure (pre-arrival clearance), final "Entry Inwards" being granted after the vessel has berthed.

### b. Customs clearance:

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- i. All imported cargo must be landed at a designated Customs port and should not be removed from Customs control without written permission of the Customs authorities.
- ii. Before permission is given to remove goods from Customs control, the owner or agent is required to submit a Bill of Entry, Customs Declaration or Inward Permit, as may be required by law, in the prescribed form to enable Customs authorities to examine the goods. The Bill of Entry includes details such as value, quantity; description of goods, name of vessel, port of shipment, and such other particulars as may be prescribed by the Customs authorities. These particulars must tally with those contained in the relevant import manifest.
- iii. The Bill of Entry (Customs Entry) must be accompanied by all supporting documents required by Customs such as invoices, import licenses, certificates of origin, bills of lading and marine insurance certificates. When goods are destined for warehousing, application for permission to warehouse those goods and a bond must accompany the Bill of Entry (Customs Entry).
- iv. Customs authorities are empowered to examine all imported goods. The examination may be physical (visual inspection, counting, weighing, measuring, chemical test, etc.) or documentary (involving examination of relevant documents such as invoices, bankers' notes, insurance policies and forms listing the quantity and description of goods).
- v. If goods are dutiable, either Customs tariffs must be paid at the time or the importer must give a bond to guarantee payment of the duty.
- vi. If goods are not removed within the prescribed period after the arrival of the importing vessel, they are liable to be sold at public auction by the port authorities who will recover from the sale proceeds all charges due to them, including Customs duty.
- vii. Customs authorities are entitled to recover from the importer any shortfall in duty levied or erroneous refund of Customs duty, in accordance with prescribed procedures.
- viii. In cases where import licenses are required, Customs authorities will check the legality of the imported goods against those licenses.

## c. Departure Formalities

- i. Export goods can be loaded onto a vessel only after the necessary permit "Entry Outwards" has been issued by Customs, and after documents duly endorsed by Customs have been delivered by the exporters to the Master or person in charge of the ship.
- ii. A vessel which has brought in imports or has loaded exports can leave the port only when written permission, known as "Port Clearance," is granted by the Customs authorities.
- iii. Application for Port Clearance must be made in good time before planned departure. This application must be accompanied by the Export Manifest showing particulars of the cargo loaded and such other documents as may be required by Customs. Examples include the vessel's certificate of registration, load line certificate, safety certificates for radio telegraphy and safety equipment, inward clearance certificate, income tax clearance certificate (if proceeding to a foreign port with export cargo) and certificate of payment of all dues issued by the port authority.
- iv. In many countries, most goods are freely exportable. Only a limited number of specified items or commodities are subject to export control.

## 5. Required Documents (General)

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In the field of freight forwarding, there is no international uniformity of documents or documentary procedures. Nevertheless, efforts have been made by the International Federation of Freight Forwarders (FIATA) to promote the use of standardised freight forwarding documents and thereby improve professional standards. FIATA has produced several documents, which correspond with layouts used by the UN Economic Commission for Europe (ECE). In the air transport sector, ICAO and IATA recommend a series of standardised documents that are used in most countries.

## **b. The Commercial Invoice**

This is a document issued by the seller to the buyer of the goods. It is often used by Customs authorities at the destination to determine the true value of the goods on which duties will be assessed. It also serves as the basis for consular documentation.

Other documents to be signed by the shipper and handed over to the carrier if needed include:

- i. Shipper's Declaration of Dangerous Goods
- ii. Shipper's Certification for Live Animals
- iii. Shipper's Certification for Arms and Ammunition
- iv. In addition, there may be other documents required by the Customs authorities of the exporting and importing countries, which should be submitted with the Waybill.

## **c. Documents Received From Customer**

- i. FIATA Forwarding Instructions (FFI.)  
The customer passes this document to the forwarder thereby establishing a forwarder-customer contractual relationship for provision of transport from place A to place B. The customer is expected to furnish all relevant particulars regarding the goods to be dispatched and to enclose such documents as may be required.
- ii. FIATA Declaration for Transport of Dangerous Goods (SDT)  
A shipper will complete, sign and hand this document to a forwarder whenever the transport of dangerous goods is involved. This document provides detailed information about the classification of dangerous goods according to regulations governing the transport of such goods.

## **d. Documents Issued To Customer**

- i. FIATA Forwarder's Certificate of Receipt (FCR \*)  
This is an official acknowledgement of goods received by the forwarder. The forwarder assumes responsibility for the dispatch and delivery to the consignee named in the document. The FCR should be handed to the consignor (customer) immediately after the consignment is received by the forwarder.
- ii. FIATA Combined Transport Bill of Lading (FBL \*)  
This is a through transport document used by international freight forwarders acting as combined transport or intermodal transport operators. The forwarder assumes responsibility not only for the performance of the contract but also for the acts and omissions of any third parties employed by him.

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iii. FIATA Warehouse Receipt (FWR \*)

A warehouse receipt for use in the forwarder's warehousing operations, It is subject to any national law and applicable to standard trading conditions.

iv. House Bill of Lading/House Air Waybill

Usually applicable to consolidation services, the house Bill of Lading is issued in respect of sea freight while the house Air Waybill is issued in respect of airfreight. There is no uniformity in the terms and conditions of these documents, which vary from forwarder to forwarder.

\* While the FBL is a negotiable document, the FCR is not negotiable. The FWR is not negotiable unless marked otherwise. When a document is negotiable, it can be endorsed by the holder in favour of another party, thereby transferring his right to the goods referred to in the document.