

CHAPTER 10
STORAGE AND MANUFACTURING WAREHOUSES

1. INTRODUCTION

1.1 The Permanent Secretary may in terms of Section 6(1) (c) of the Act appoint places as warehousing places where customs and excise warehouses may be established. Section 19 (1) of the Act permits the Commissioner by rule to license any Customs warehouse for the storage of dutiable goods (for either imported or locally produced goods or for the manufacture of dutiable goods from imported and locally produced materials). Commissioner may further in accordance of Section 19(2) of the Act, authorize that warehouses be licensed either as storage warehouses for the storage of dutiable goods or manufacturing warehouses for the manufacture of dutiable goods on the same premises, provided they are separated from each other in a manner which meets with his approval. This chapter will cover the following warehouses:

- Customs and Excise storage warehouses (OS)
- Special customs and excise storage warehouse (SOS)
- Manufacturing warehouses (VM)
- Duty free shops

1.2 The notes to storage and manufacturing warehouses will mainly concentrate on documentation which is required to place goods in the warehouse and also documentation required to remove goods from such warehouses.

1.3 The warehouses below are mainly concerned with imported goods with the exception of SOS which shall be covered under Duty At Source (DAS) procedures.

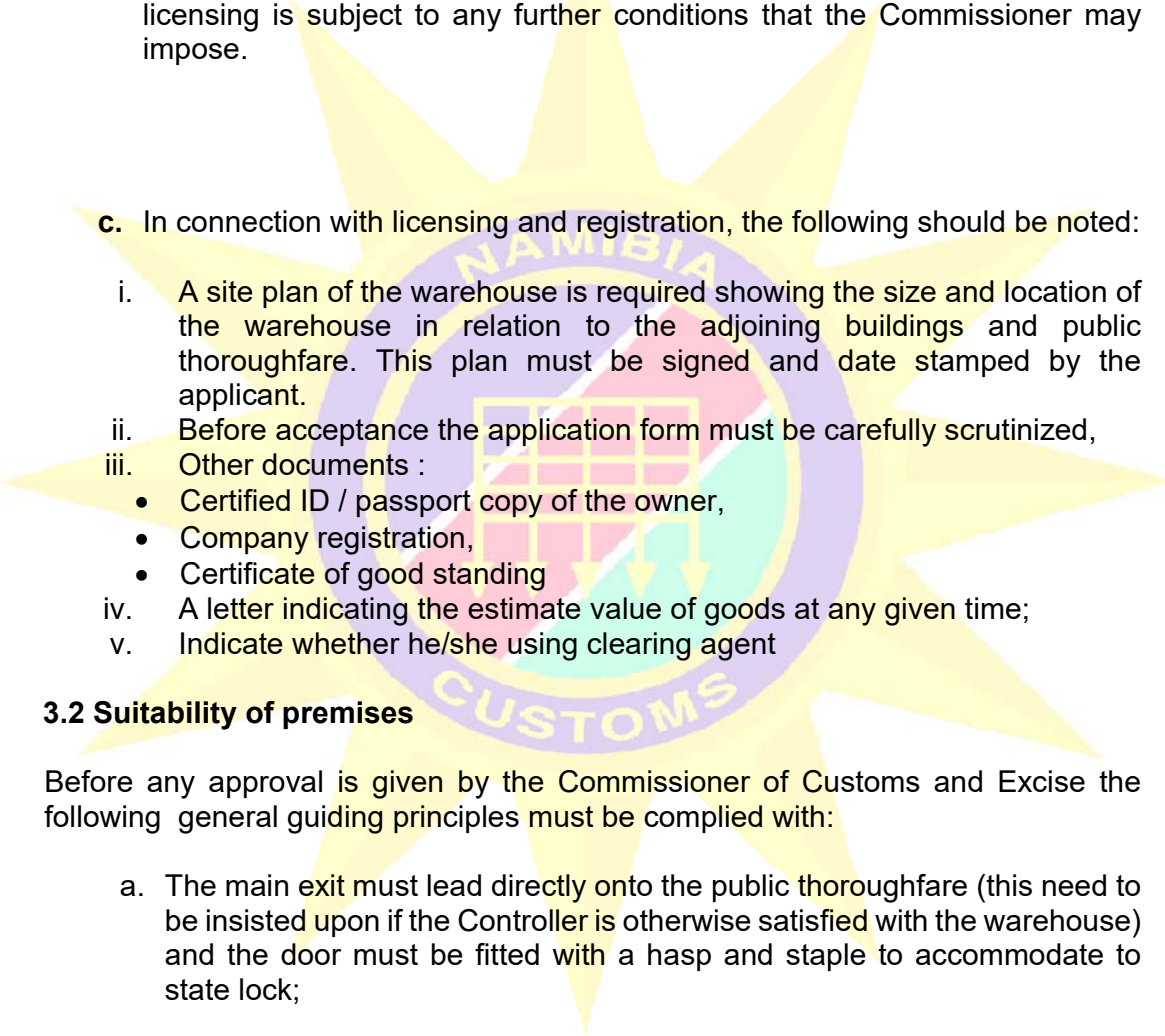
2. CUSTOMS AND EXCISE STORAGE WAREHOUSES (OS)

2.1 An acceptable abbreviation which is often used for Customs and Excise storage warehouses is "OS" which means: ordinary storage.

2.2 The purpose of a storage warehouse is the storage of dutiable goods where the payment of duty is postponed for a specified period at expiry of which the goods must finally be cleared either for home consumption or export. Where this is not done the goods may be unconditionally abandoned to Customs and Excise.

3. GENERAL MATTERS I.R.O CUSTOMS AND EXCISE STORAGE WAREHOUSES:

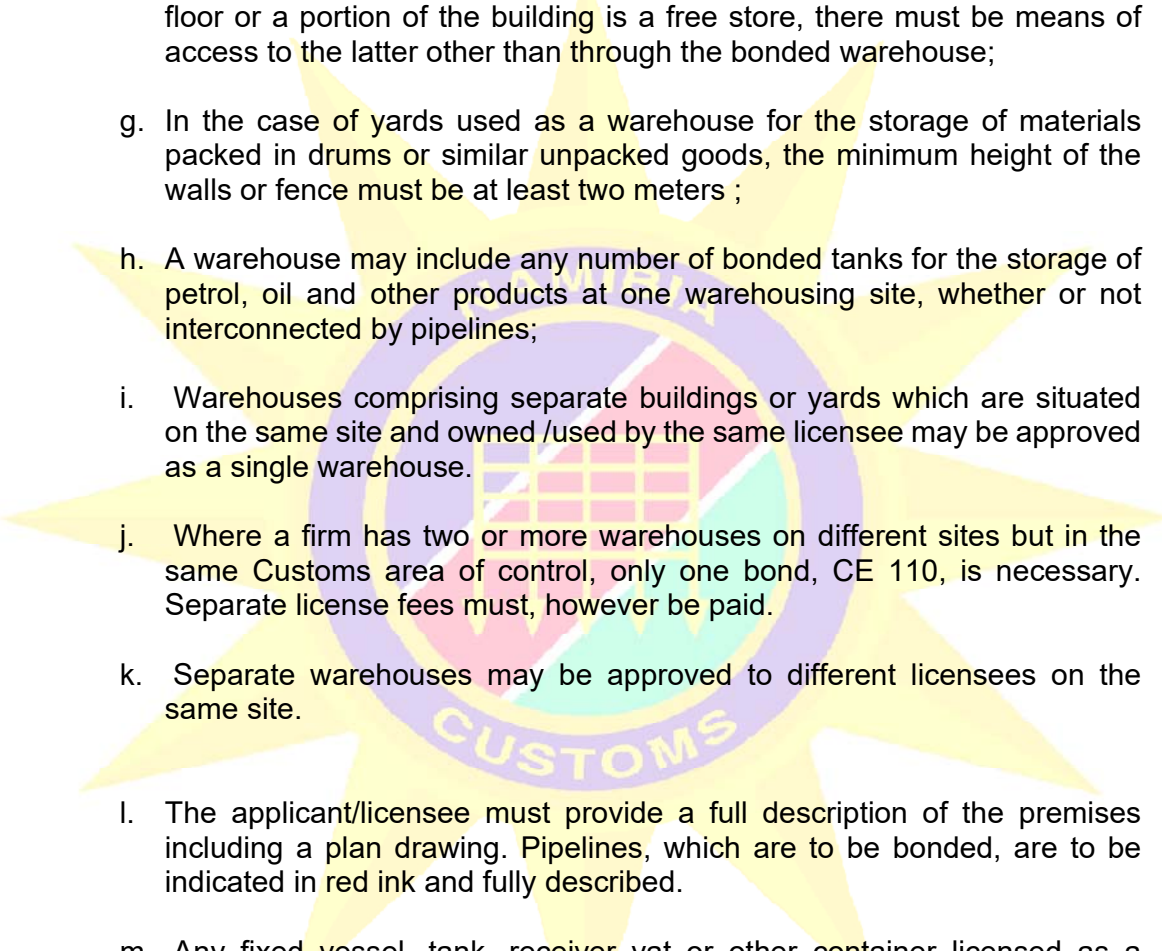
3.1 Licensing

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- a. In terms of Section 67(1) of the Act, no person shall perform any act or be in possession of or use anything in respect of which a license is required under the Act unless he/she has obtained the appropriate license prescribed in Schedule No.8. Persons wishing to operate a Customs and Excise warehouse must obtain a license from Commissioner: Customs and Excise. Instructions for applying for a license are provided at the end of this chapter.
- b. Item 801.00 of Schedule No.8 prescribes that persons who have a storage warehouse must license with Customs and Excise. The license fee is N\$100.00 and the period of validity of such license is indefinite, but such licensing is subject to any further conditions that the Commissioner may impose.
- c. In connection with licensing and registration, the following should be noted:
- i. A site plan of the warehouse is required showing the size and location of the warehouse in relation to the adjoining buildings and public thoroughfare. This plan must be signed and date stamped by the applicant.
 - ii. Before acceptance the application form must be carefully scrutinized,
 - iii. Other documents :
 - Certified ID / passport copy of the owner,
 - Company registration,
 - Certificate of good standing
 - iv. A letter indicating the estimate value of goods at any given time;
 - v. Indicate whether he/she using clearing agent

3.2 Suitability of premises

Before any approval is given by the Commissioner of Customs and Excise the following general guiding principles must be complied with:

- a. The main exit must lead directly onto the public thoroughfare (this need to be insisted upon if the Controller is otherwise satisfied with the warehouse) and the door must be fitted with a hasp and staple to accommodate to state lock;
- b. All other doors or lifts communicating from the warehouse must be capable of being locked from within;
- c. The walls of the building should in general be brick, stone or concrete and the roof of slate, tiles, iron or any other material that may be approved by the Commissioner;

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- d. In the case of a building comprises of bonded and free stores on the same floor the partition may be of wood or other substantial material, but must extend to the ceiling, and if this is not the case, suitable steps should be taken to prevent access to the materials via the walls e.g. by covering the top with stout wire mesh;
 - e. All windows on the ground floor and on other floors when accessible from outside and all skylights must be securely barred.
 - f. The warehouse must be independent and self-contained, i.e. if another floor or a portion of the building is a free store, there must be means of access to the latter other than through the bonded warehouse;
 - g. In the case of yards used as a warehouse for the storage of materials packed in drums or similar unpacked goods, the minimum height of the walls or fence must be at least two meters ;
 - h. A warehouse may include any number of bonded tanks for the storage of petrol, oil and other products at one warehousing site, whether or not interconnected by pipelines;
 - i. Warehouses comprising separate buildings or yards which are situated on the same site and owned /used by the same licensee may be approved as a single warehouse.
 - j. Where a firm has two or more warehouses on different sites but in the same Customs area of control, only one bond, CE 110, is necessary. Separate license fees must, however be paid.
 - k. Separate warehouses may be approved to different licensees on the same site.
 - l. The applicant/licensee must provide a full description of the premises including a plan drawing. Pipelines, which are to be bonded, are to be indicated in red ink and fully described.
 - m. Any fixed vessel, tank, receiver vat or other container licensed as a Customs warehouse or used in a Customs warehouse for the storage or manufacture of any goods shall be gauged in by a qualified independent gauge and a report thereof provided with the application. Any fitting, meter, gauge or indicator necessary for ascertaining the quantity of goods contained within shall be supplied and fitted by the licensee at his own expense.

Note: If any doubt should exist about the suitability of a warehouse, Head office, should be consulted. Furthermore, note that premises for Customs storage

warehouse must be reasonably secure to prevent the loss of goods on which duties have not been paid and must be adequately described in the application.

3.3. Preparation of forms

The following forms must be completed and handed in at the Regional office where the intended Warehouse is situated:

- NA 101(application for a bonded warehouse)
- NA 102

3.4 Preliminary inspection.

Upon receipt of an application forms, the Regional Controller will ensure that a preliminary inspection is conducted.

Since the degree of physical security of the proposed warehouse premises will be considered in determining the amount of bond required, the Controller will report his finding to the Program Manager. If, in their joint opinion, additional security enhancements would reduce the amount of the bond to be required, the Controller shall notify the licensee. If the licensee undertakes to implement such recommendations, the Controller will conduct a follow-up inspection to ensure that they have been completed in a satisfactory manner and so notify the Program Manager.

3.5 Security/Surety Bond.

Before a warehouse can be licensed as a Customs and Excise warehouse security to cover the duty involved must be furnished.

- Security is normally given in the form of a bond. Only insurance companies or registered banking institutions may be accepted as sureties or bonds.
- Security may also be given in the form of a cash deposit on a provisional payment (NA 70).
- The amount of security given when establishing the amount of the bond for the first time is established arbitrarily by a Control officer who will consider the matter in a logical manner.

a. Determining the bond amounts

The amount of the bond will depend on the risk to the revenue. The licensee is responsible for the duty and associated charges on all goods entered into his/her warehouse. From the documents included in the licensee's original application, subsequent correspondence and reports of inspections following each visit, the Program Manager will be in a position to assess the risk to the revenue that a given warehouse poses. The process is continuous and constantly refined as more

information about the trader is accumulated. The criteria the Program Manager will consider are:

- i. The maximum amount of revenue deemed to be at risk.
- ii. the rate of import duties and taxes to which the imported goods are liable,
- iii. the desirability of the goods on the home/local market,
- iv. the location and security of the trader's premises and the reliability of his business records and accounts,
- v. The quality and accuracy of the warehouse's records.
- vi. the licensee's previous experience with revenue control procedures and requirements
- vii. the licensee's profitability

As a general guideline the following may be taken into consideration when assessing the actual bond amounts, bearing in mind what are mentioned in the above paragraph:

Category A: High Risk Goods

High risk goods can be considered the following: Weapons and ammunition, medicines, jewellery, made up clothing, etc.

After considering the factors above, and any others deemed appropriate, the Program Manager will recommend to the Director the bond amount. The maximum amount which can be required on a bond is the estimated import duties and taxes on goods to be imported annually and shall be determined based on the high and low risk goods.

Note: Bond amounts should be sufficient to protect the Government from potential losses of duty and import taxes on warehoused goods.

b. Increased bond required.

As a result of periodic reviews and/or requests from the licensee, the bond amount may be varied. If the Program Manager determines an increase is required, the licensee will be advised and given a reasonable amount of time to affect the increase. Otherwise, the Program Manager may require that the portion of the bonded goods be removed to another warehouse at the risk and expense of the licensee. Alternately, the licensee may pay the duty or tender provisional payment on the goods in question.

c. Term of approval and extension.

Registrations will be for a term of three years. Requests for extension require new applications to be submitted 60 days prior to expiration of the current approval period.

d. Approval.

If the bond has been signed by all concerned, the licensee will be informed in writing that the bond is registered and the Customs office concerned will be notified of the approval and provided a copy. The Program Manager will maintain the original bond.

3.6 Approval of warehouses

- a. If the bonded Warehouse has been approved by the Commissioner the applicant should be informed in writing that the bond is registered in the Customs office concerned attaching a copy of the bonded regulations and also include the receipt under which license fee (Schedule 8) has been paid. The wording of the receipt is very important and should be carefully worded, e.g. "Licensing of a Customs and Excise Warehouse for storage purposes in terms of item 810.20.05 to Schedule No. 8 of the Customs and Excise Act no. 20 of 1998".
- b. Note that after approval all relevant documents should be forwarded to the Regional office and original kept at Head Office.

3.7 Obligations of the licensee

The licensee must provide Customs officers access to his records at any reasonable time.

- a. The licensee must store bonded goods in a secure location, identified by markings and signs, and segregated by aisles or otherwise in such a manner that they can be quickly identified and inventoried.
- b. The licensee must provide officers with access to conduct an inventory of stored rebate goods at any reasonable time.
- c. The licensee must post a security bond in an amount determined by Customs and Excise.
- d. The licensee must provide a description of the goods which will be place in the warehouse with an indication a to whether it is the property of the licensee; and state whether the warehoused goods will be marketed locally, supplied as stores to ships of aircraft; sold in duty free shops, or consumed in a manufacturing process.
- e. If manufacturing is to be conducted, the licensee must describe the manufacturing process or the nature of the operation to be performed in the warehouse.

3.8 Change in identity.

An approved warehouse licensee must notify the Program Manager immediately of any change in legal identity, business name, address or particulars of its premises, or surety. A new or corrected application and new bond must be submitted prior to the

effective date. Failure to do so may result in withdrawal of license. A licensee wishing to cancel his/her license must apply in writing to the Controller who will conduct a full inspection to ensure that all obligations under the bond have been discharged. Once all obligations have been met, the Controller will advise the Program Manager who will notify the bond surety in writing of the cancellation.

3.9 Bankruptcy or liquidation of warehouse licensee.

If a warehouse licensee goes into liquidation or is placed under judicial management, the Program Manager must be immediately notified. Bonded materials on hand should be placed under seal and verified. The Program Manager shall liaise with the Legal office and update Regional Controller about the progress on the matter.

3.10. Transfer of ownership of a warehouse

- a. Section 26 of the Act dictates that the owner of any dutiable goods in a Customs and Excise warehouse may not enter into any agreement whereby his ownership of such goods is transferred to any other person without the prior permission of the Commissioner.
- b. When bonded goods are sold, a new warehousing entry must be filed. The SAD 500/501 must be signed by the transferor. Block 49 must contain the name and registration number of the recipient, the statement "Transfer of liability for warehoused goods Under C & E Act", and the signature of the recipient or his agent. The previous warehousing entry must be identified in block 40. An extra copy is required for inclusion in the transferor's warehouse file.
- c. These declarations may be completed on the bill of entry and box 1 and 37 endorse accordingly.

3.11. Treatment of bills of entry affecting customs and excise warehouses, at the counter in the section securities.

- a. Bills of entry affecting Customs and Excise warehouses are presented by agents/importers to the section securities; warehousing and re-warehousing bills of entry are checked to ensure that the goods are destined for licensed warehouses. Warehousing bills of entry may be accepted by a Controller of an area than that where the storage warehouse is licensed provided a copy of such warehousing bill of entry is submitted under cover of a form P.2.07 to the Controller in whose area the warehouse is situated. However, note that this arrangement is no longer in force since all movements are catered in the form of T1 in Namibia. But take note that other BLNS states may make use of this arrangement still and care should be practice in order to warehouse goods forwarded to Namibian warehouses accordingly.
- b. It is a requirement that all entries for the removal of goods from a Customs and Excise warehouse must be presented in the first place to the counter clerk in the section securities, who must carefully check such entries, amongst other to

ensure that they agree in all respect with the particulars on the relevant warehousing entries.

- c. When an entry for the removal of part consignments from a Customs and Excise storage warehouse is tendered, particular care must be taken to ensure that the correct proportionate quantity and values are shown on such entry. It follows that no entry for the clearance of goods from bond must be accepted by checking officers unless it has been stamped by the section securities. **(SEEN BY SECURITY ENDORSEMENT)**

3.12 Where warehousing entries are presented by other than the licence of the customs and excise warehouse.

- a. Warehousing entries presented by other than the license of the bonded warehouse to which it is proposed the goods shall be delivered are not to be accepted unless the license of the warehouse has signified in writing (by way of endorsement on the warehousing entry or the letter attesting) that his permission has been obtained for goods to be deposited in his Customs and Excise warehouse by any particular importer or agent.
- b. It is provided for under section 20 (3) that upon entry of any goods to be warehoused the Controller must take and record a particular account of such goods.
- c. The liability for duty on goods in a Customs and Excise warehouse will only cease when it is proved to the satisfaction of the Director by the licensee concerned that the goods in question have been duly entered in terms of section 20 (7) and have been delivered or exported in terms of such entry.

3.13. The danger of acceptance of incorrect clearance as far as customs and excise storage warehouse are concerned.

- a. When entries (both warehousing and ex-warehouse) are accepted unnecessary errors, which can be ascribed mainly to negligence, occur repeatedly.
- b. The most common errors in this connection are:
 - i. Warehouse names and numbers are omitted or incorrectly shown.
 - ii. Unequal packagings are not reflected separately on warehousing entries.
 - iii. Particulars on ex-warehouse entries are not properly checked with the particulars appearing on the relative warehousing entries. In particular as country of origin, tariff heading, description, quantity, and value are concerned. Checking officers have to rely entirely on the particulars on warehousing entries and the necessity for proper pre-checking by the counter clerk cannot be over empathized.

- iv. Certain goods are allowed to be imported and warehoused for specific purposes only e.g. for export. Ex-warehouse entries for home consumption are then accepted unchallenged.
- v. Simultaneous “in” and “out” entries are accepted when the “out” entry only covers part of the warehousing entry.
- vi. Where transfers of ownership take place in a storage warehouse, forms SAD 500 are accepted although they are not endorsed or transfer permission is obtained.
- vii. Warehousing entries are accepted, when presented by other than the licensee of the warehouse concerned, which do not bear an endorsement by the licensee that goods may be deposited in his warehouse by any particular importer or agent.

3.14. Liability for duty on goods deposited or to be deposited in a customs and excise warehouse.

- a. In terms of section 19 (5) the state or any officer shall in no case be liable for any loss or damage of whatever nature to any goods in a Customs and Excise warehouse or for any loss or damage sustained by reason of wrong delivery of such goods.
- b. In terms of section 19 (6) the licensee of a Customs and Excise storage warehouse shall, subject to the provision of subsection (7), be liable for the duty on all goods stored or manufactured in such warehouse from the time of receipt into such warehouse of such goods or the time of manufacture in such warehouse of such goods as the case may be. This means that up to the time of receipt of goods in a Customs and Excise warehouse the owner/importer is liable for the duty thereon.
- c. In terms of section 20 (7) and regulation 4.04.01 it is, provided that the licensee of a Customs and Excise warehouse shall not cause or permit any goods to be delivered or removed from such warehouse until the goods have been cleared for one or both of the purposes specified in section 20(7) (a)-(c) and the licensee is in possession of the relative ex-warehouse bill of entry, in the prescribed form, numbered and date-stamped by the Controller concerned.
- d. Imported packages which have been entered into a warehouse but which are leaking or are incomplete, or of which part of the contents is missing shall be deemed to have imported intact unless an examination is requested and conducted to verify such shortage.
- e. The licensee of any warehouse shall notify the owner of any imported goods entered into such warehouse of non-receipt of the goods or any part thereof and the owner is required to take immediate steps to account for such goods to the satisfaction of the Controller or to pay the duties due on them.

3.15. Control of goods in a customs and excise warehouse

a. Sorting and filing of “in” and “out” warehousing entries and other relevant forms.

Note: Officers should clearly understand that the efficient control of warehouse transactions is solely dependent upon the adequate control, acceptance and filing of the correctly completed bills of entry.

- i. Customs will maintain in files a copy of the SAD 500/501 on which goods were entered into warehouse but will not maintain records of withdrawals, relying instead on the warehouse licensee to maintain files of all goods entered for warehousing. The licensee’s files shall be located at the warehouse premises and shall consist of:
 - The warehouse copy of the SAD 500/501 on which the goods were entered and any SAD 503 corrections,
 - Any subsequent approved requests to manipulate or repack the goods, and
 - The warehouse copy of all SAD 500/501’s on which goods were removed and any SAD 503 corrections.
 - A folder for each open warehouse entry. This folder shall contain a ledger (manual or automated) of running balances and the warehouse copies of all documents relating to the entry (removals, repacking or manipulation letters, etc.)

Customs officers will periodically conduct announced and/or unannounced inventories of open warehouse entries and compare on-hand inventories against the originally entered amount less amounts covered by approved withdrawal documents in the licensee’s files. Any discrepancy between actual inventories and inventories as reflected in warehouse files must be brought to account.

a. Lodging of entries and record-keeping procedures

- i. Place of filing. Warehousing and re-warehousing entries may only be accepted at the Customs office in the area where the storage warehouse is located.
- ii. Right to lodge warehousing entries. Generally, warehousing entries are filed by the warehouse licensee or his designated agent. The licensee may advise Customs on company letterhead of any agents authorized by him to file entries on his behalf. Otherwise, entries presented by other than

the licensee are not to be accepted unless the licensee has signified in block 28 his permission.

- iii. Goods entered for specific purposes. Certain goods are allowed to be warehouse for specific purposes only; e.g., for export. Any such restrictions must be clearly and prominently noted in block 28 of the SAD 500/501.
- iv. Hazardous or prohibited goods. Hazardous or prohibited goods may not be entered into a warehouse without written authorization of the Director. Any hazardous goods must be segregated and clearly marked. If approved, importers shall note the presence of hazardous or prohibited goods in Block 28 of the SAD 500/501 and attach a written explanation of the hazard.
- v. Number of copies – entry into warehouse. Entries placing goods into warehouse shall be files in triplicate (with the exception if transfers of ownership and re-warehousing entries, which require an extra copy).
- vi. The original entry, with invoices and supporting documents shall be maintained in a file folder in the Customs office and until such time as all goods covered by the entry have been properly withdrawn and accounted for by the licensee.
- vii. The duplicate (first copy) and the triplicate (second copy) shall be signed and dated by the receiving Customs officer and returned to the licensee.
- viii. Exemption from removal in bond procedures for licensed warehouses. It is no longer required for Customs warehouses to prepare a removal in bond for goods to be exported or moved to another Customs warehouse or Customs office to be entered for home consumption. Since the warehouse licensee remains liable for the duties under his warehouse bond until that liability is terminated through the filing of a subsequent entry (exportation, home consumption, re-warehousing, export processing zone), it is not necessary to prepare an in bond entry, obligate an additional bond, obtain provisional payment, or utilize a bonded carrier for the movement of the goods.
- ix. Number of copies – removals from warehouse Entries removing goods from warehouse shall be filed in duplicate (with the exception of transfers of ownership and re-warehousing entries, which require additional copy).
 - The original and duplicate shall be approved by a Customs Officer, signed and dated in the Official Use block and, after entry into the ASYCUDA system, returned to the licensee. The licensee is required to maintain the original in his or he files until all merchandise covered by the warehouse entry has been removed from warehouse, at which

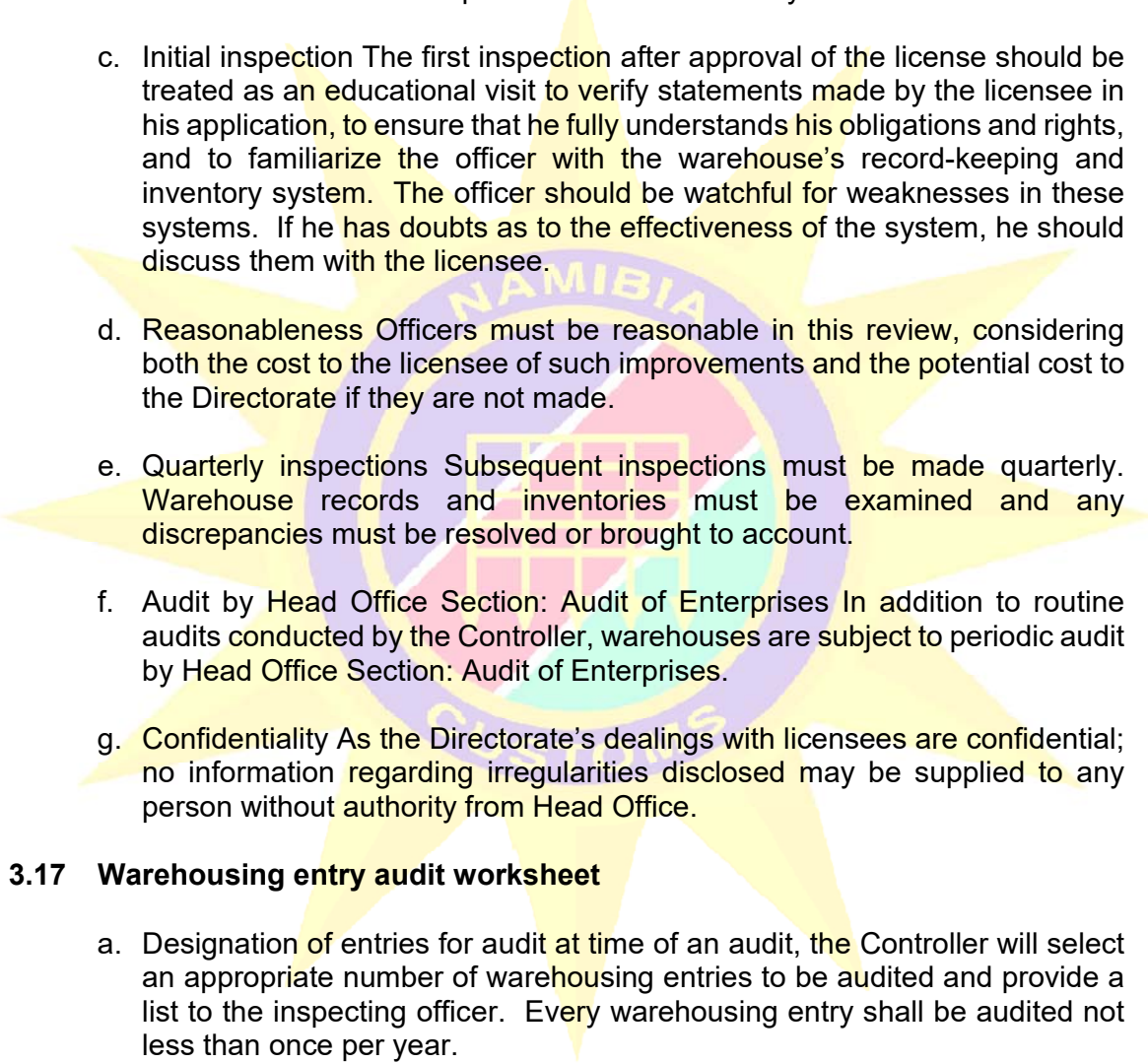
time the original is returned to Customs. The duplicate is for the licensee's own records.

- The triplicate, when required, shall also be signed and dated by the receiving Customs officer in the Official Use block in the upper right hand corner and returned to the licensee to be provided to the person making goods declaration for transfer of ownership or re-warehouse.
- x. Procedure for re-warehousing entries Goods entered into one warehouse may be withdrawn and entered into another warehouse. An entry using CPC S770 will be submitted in triplicate and signed in block 55 by the transferor. Block 40 must contain the following:
- Particulars of the previous warehouse entry,
 - The name and warehouse number of the recipient,
 - The date the goods were originally entered into warehouse,
 - The statement Transfer of liability, and
 - The signature of the recipient licensee/agent.

The original is maintained in the Customs Office file. The duplicate is signed and dated by Customs and, after entry into the ASYCUDA system, returned to be maintained in the original warehouse licensee's files. This copy serves as a warehouse removal document to relieve the original licensee from liability for goods covered therein. The triplicate is required for inclusion in the subsequent warehouse licensee's or transferor's warehouse entry file.

- xi. Transferring warehouse goods to another port for entry for home consumption. The procedure described in the preceding paragraph will also be used for warehoused goods to be removed from warehouse and transferred to another Customs office where they will be entered for home consumption. The duty paid entry for the goods filed in the subsequent Customs office must indicate the particulars of the warehouse entry in block 40. It is the licensee's responsibility to secure an extra copy of the duty paid entry of the goods to clear his liability.
- xii. Closing of warehousing entries when all goods covered by a warehousing entry have been properly withdrawn from warehouse, the licensee shall provide Customs an itemized list annotating each removal document. The removal documents shall be attached to this list in date order. Customs will verify that all goods have been withdrawn. If so, the list and attached removal documents shall be fastened to the original entry and the warehouse entry shall be marked 'CLOSED' and filed. The licensee's receipt copy shall also be marked and returned.

3.16 Inspection and audit

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- a. Records to be open the warehouse licensee's records shall be open for inspection by an officer who may, at any reasonable time, inventory warehoused goods.
 - b. Officers' preparation before proceeding to the warehouse, the officer should study the office files for that warehouse; ensure that previous queries have been settled and make any notes which may help him with the inspection. On arrival the officer should introduce himself/herself to the person in charge of the warehouse show his authority card and explain the purpose of the visit. He should then request the warehouse entry folders.
 - c. Initial inspection The first inspection after approval of the license should be treated as an educational visit to verify statements made by the licensee in his application, to ensure that he fully understands his obligations and rights, and to familiarize the officer with the warehouse's record-keeping and inventory system. The officer should be watchful for weaknesses in these systems. If he has doubts as to the effectiveness of the system, he should discuss them with the licensee.
 - d. Reasonableness Officers must be reasonable in this review, considering both the cost to the licensee of such improvements and the potential cost to the Directorate if they are not made.
 - e. Quarterly inspections Subsequent inspections must be made quarterly. Warehouse records and inventories must be examined and any discrepancies must be resolved or brought to account.
 - f. Audit by Head Office Section: Audit of Enterprises In addition to routine audits conducted by the Controller, warehouses are subject to periodic audit by Head Office Section: Audit of Enterprises.
 - g. Confidentiality As the Directorate's dealings with licensees are confidential; no information regarding irregularities disclosed may be supplied to any person without authority from Head Office.

3.17 Warehousing entry audit worksheet

- a. Designation of entries for audit at time of an audit, the Controller will select an appropriate number of warehousing entries to be audited and provide a list to the inspecting officer. Every warehousing entry shall be audited not less than once per year.
- b. Worksheet A new Warehouse Entry Audit Worksheet, provided at the conclusion of this chapter, replaces form P.2.48. The officer will complete a worksheet for each designated entry inspected.
- c. Assistance of warehouse employee The officer will request the assistance of an employee of the warehouse to assist in the physical inventory. The

name and signature of that employee will be entered on the worksheet and he or the warehouse manager will be given the opportunity to enter any relevant comments onto the space provided on the worksheet.

- d. **Overages** If an inventory results in overages (goods in excess of the amount reflected by warehouse records), officers should check whether they may be goods for which removal documents have already been approved but the goods have not yet been physically removed from the warehouse. In such a case, the license should be thoroughly reviewed to determine whether penalty action is warranted.
- e. **Shortages** The warehouse employee will be notified of shortages detected and given a reasonable amount of time to account for them. Unaccountable shortages require a demand for duty and the matter should be reviewed to determine whether penalty action is warranted. The corrective action and related document number will be noted on the worksheet. The original will be filed in the Customs warehouse entry file. The duplicate will be returned to the licensee to be filed in his warehouse file.
- f. **Demand for duty** Any goods entered into warehouse which are unaccounted for or which are subsequently entered for home consumption shall be dutiable at the rates which were in effect on the date the original rebate was assessed.

3.18. Warehouse inspection report

A new worksheet, provided at the conclusion of this chapter, replaces form P.2.42. Every licensed warehouse shall be inspected not less than annually. The original report will be maintained in the Customs office warehouse file. The first copy will be forwarded to the Program Manager and the second copy will be provided to the licensee. When serious deficiencies are noted, the Controller will advise the licensee that a follow-up inspection will be conducted to determine if the deficiencies have been resolved.

3.19. Repacks in bond (section 25 of the act)

Applications to manipulate or repack goods shall be submitted to Controller in duplicate on the licensee's letterhead. (Form DA/CE 69 will no longer be accepted.) Previous restrictions such as those limiting the number of repackings which could be performed in a year are rescinded.

The only requirements are that the request be reasonable and that repacking be done in such a way that repacked goods are identifiable to the original entry.

3.20. Packages opened for examination of the content or for extraction of sample

- a. Where packages are opened for examination or for extraction of samples in terms of section 22 of the Act, such examination or extraction of sample must take place under official supervision.
- b. Prior permission must be obtained from the Controller and the application for permission must state the number of the bill of entry on which the goods were entered for warehousing and the marks and numbers of the package to be examined or from which the sample are to be extracted.
- c. The officer assigned to attend the examination or extraction must supervise the complete operation and on completion must seal the package remaining in bond.
- d. In every instance a report by the supervising officer is to be placed on record, detailing all that transpires at the examination for future reference if required.
- e. Authorizing officers must satisfy themselves that application for special attendance have been received on the proved form CE 73 and that such form are properly recorded prior to the attendance.

3.21. Overtime goods in a customs and excise storage warehouse

- a. In terms of regulation 4.01.10, no goods entered for storage in a Customs and Excise storage warehouse may be retained for a total period of more than 5 years but the Commissioner may, in exceptional circumstances and on such conditions as he may impose in each case, allow such goods intended for trade purposes to be retained for a further period not exceeding 1 year and such other goods as he may decide to be retained for such period as he may specify.
- b. Applications to retain goods in a storage warehouse for a period of more than 5 years must be made in writing to the Controller before the expiry of the five year period. It should be pointed out to all licensees that **ex-post facto** approval to retain goods for longer periods will not be granted.
- c. Application for the extended period of 1 year may be granted by Commissioner where after no further extension will be allowed. It follows that no goods are to remain in a storage warehouse for more than 6 years. In this connection adequate reason is to be given in support of the application e.g. goods warehoused for export or supply as ships' stores or state stores only. In exercising their discretion, Controllers should bear in mind that the inability to affect a sale is not necessarily sufficient reason and goods should not be permitted to remain in bond if there is any likelihood of their deterioration.

- d. When granting a year's extension, the storage warehouse licensee should be warned that no further extension will, under any circumstances, be granted.
- e. The fact that goods have become overtime in a Customs and Excise storage warehouse does not prevent such goods from abandonment in terms of item 412.07.
- f. At each inspection of a storage warehouse, the licensee concerned must be informed, in writing, of all goods which have been in the warehouse for more than 5 years and requested to pay the duty thereon in terms of section 19 (8) of the Act. The licensee should also be requested to remove such goods from the warehouse (with the exception, of course, of those goods for which an extension has been granted).
- g. The licensee should furthermore be requested to deposit an amount of 10% of the duty payable on such time-expired goods to cover a penalty for the contravention of regulation 4.01.10 read with regulations 11.01.01 and 11.01.02 and section 83 (a). The 10% penalty deposit must also be lodged in cases where the fact of the goods being overtime was brought to the notice of Controllers by licensees or by means of computer messages.
- h. Where storage warehouse bonds have been endorsed to cover excisable goods and such goods subsequently become overtime in bond, particulars of such items must be included in the advice to licensees. This also applies to goods on which the extension of 1 year has been granted and which are still in the warehouse.

Note: In terms of Duty at Source, goods must be retained in Special storage warehouse for only 2 years. Extension can be granted for 1 year based on valid reasons since all goods kept in SOS is meant for exports and not merely for storage purposes. Controllers can weight each case according to its merits.

3.22. Storage of goods outside a customs and excise storage warehouse.

- a. Where warranted, permission to storage goods, cleared for warehousing purposes, outside a storage warehouse may be granted by Controllers and or/Chief Customs and Excise officers.
- b. Permission for storage anchors, chains, propellers and other parts of the boats which are bulky or heavy and which are difficult to handle, outside Customs and Excise warehouses for a longer period than six months may be granted by the Controllers and or/Chief Customs and Excise officers.

3.23. Burglaries, fires and losses in customs and excise storage warehouse.

- a. In the event of a Customs and Excise storage warehouse being burgled, duty should immediately be called for on any goods burgled or alleged to have been

stolen from such warehouse or no provision in law exists whereby the duty may be waived as such goods have entered into consumption.

- b. In the event of goods being destroyed or damaged by fire, floodwater etc, and duty amounts to not less than N\$ 2500.00 the licensee may apply for a rebate of the duty in terms of item 412.09. In this regard the following is to be said:
- i. Powers are not delegated as far as item 412.09 is concerned and all application in this regard must be submitted to Head office for decision.
 - ii. Before an application for a rebate of duty under the provisions of item 412.09 can be considered, at least the following must be submitted to Head Office:
 - An application by the applicant setting out the full facts and circumstances of the particular case and on what grounds a rebate is claimed;
 - A full report by the officers assigned to investigate the claim;
 - A copy of the relevant insurance policy indicating that the applicant is only entitled to claim on a non-duty-paid basis;
 - Documentary evidence that claim on a duty-paid-basis against Trans Namib (if applicable) was unsuccessful; and
 - Comments by the Controller in regard to the applicability of the conditions set out in item 412.09 and in particular as far as subparagraphs (i), (ii) and (iii) are concerned.

4. **MANUFACTURING WAREHOUSES**

- a. **Record-keeping** Manufacturing warehouse licensees must keep a stock record of all bonded goods entered for manufacturing purposes. The record keeping system must ensure that bonded goods may be tracked by Customs Entry from receipt until completion of the manufacturing process.
- b. **Normal manufacturing losses** Normal manufacturing losses, waste and scrap must be accounted for in the trader's record-keeping system. Duty on disposals thereof are not normally recoverable if the bonded goods have been used in the manufacturing process. Duty is not recoverable on sale of packing cases etc., originally imported containing bonded material. If the Controller believes losses are unreasonable or have resulted from negligence or abuse, he should advise the Program Manager and provide a copy of the licensee's explanation, for decision as to whether duty should be collected.

- c. Processing of bonded goods prior to manufacture Manufacturing warehouse licensees may send materials out for processing to sub-contractors. The licensee's records must document where the goods are, the process the transfer and their return. No customs entry or permission is required.

5. SPECIAL STORAGE WAREHOUSES

- a. **General** Section 21(1) of the Act permits the Director to license Customs warehouse licensees may send materials out for processing to sub-contractors. The licensee's records must document where the foods are, the process the transfer and their return. No customs entry or permission is required.

Special storage warehouses include duty free stores and warehouses, which provide bonded stores and supplies to vessels and aircraft. The object of this type of licensing is to allow the licensees to open and to leave open containers in their warehouses.

- b. **Limited use** Licensees of Special Storage warehouses may not permit their warehouse to be used for the storage of goods on behalf of other owner or importers.
- c. **Containers** Goods must be entered in the original containers, where after they may be unpacked or left open in the original containers as required.
- d. **Blanket permission to withdraw goods from Duty Free Stores** Duty-free store licensees are granted blanket permission to withdraw goods from the bonded warehouse for the purpose of sales in their own facility or for use as a display item in the sales showroom. It is not necessary for a duty-free shop operator to obtain Customs approval prior to each sale. Goods removed from a duty-free shop for any other purpose require prior approval by Customs.
- e. **Period withdrawal procedure for duty-free stores** Rather than requiring duty-free store operators to file SAD 500/501 withdrawal for each purchase, a period withdrawal procedure will be utilized in which a quarterly SAD 500/501 withdrawal, using either CPC E170 or C476, is filed to cover all goods exported from the warehouse or sold to accredited diplomats during the preceding month.

- Since a consolidated monthly withdrawal entry may cover goods warehoused under a variety of entries, each line item on the consolidated monthly withdrawal must identify the warehouse entry from which the goods in that line item were withdrawn by including the warehouse entry number in block 24 (marks and numbers).

- A copy of the monthly period withdrawal entry must be placed in each warehouse entry folder from which goods were withdrawn.
- (For example, a given warehouse has three open warehouse entries (00001-00003). During a month twenty sales are made of goods from entry 00001, ten sales are made of goods from entry 00002, and five sales are made of goods from entry 00003. One consolidated monthly withdrawal may be made. If the twenty sales from entry 00001 included goods with four different tariff classifications, these would be listed as the first four items on the consolidated withdrawal and the entry number 00001 would be indicated in block 24 of each item. If the ten sales from entry 00002 were all the same merchandise and only one tariff classification is involved, then they would be listed as one time on the consolidated withdrawal and the entry number 00002 would be placed in block 24 of that item. If the five sales from entry 00003 included goods covered by three tariff classifications, three additional items would be completed on the consolidated withdrawal and the warehouse entry number 00003 would be listed in block 24 of those three items. The monthly consolidated withdrawal entry would cover thirty five sales from three entries and would have a total of 8 line items. (Note that only 99 line items may be entered on one SAD 500/501).
- If sales are made to accredited diplomats from these same entries, an additional monthly consolidated withdrawal entry would be required using CPCC476 in the same manner as explained above.
- Each consolidated monthly withdrawal entry for withdrawal will be supported by attached delivery tickets, as explained in the following sections.
- A copy of the Customs-approved consolidated monthly withdrawal must be placed in the warehouse entry file for each warehouse entry from which goods were withdrawn so that Customs officers conducting warehouse inventories can accurately account for remaining balances.

6. AIRPORT DUTY-FREE STORES

Duty-free goods may be sold to airline passengers holding immediate departure tickets for foreign (non-common customs area) destinations. By immediate departure, it is meant that the ticket is for a flight scheduled to depart within three hours of that time of purchase. It is the responsibility of the duty-free shop operator to verify that purchasers have immediate departure tickets. Duty-free goods may also be sold to non-resident aircrew. Where the duty-free goods

store is located in a secure airport departure lounge, duty-free goods may be delivered directly to the passenger or non-resident aircrew member.

- a. Delivery ticket system will be utilized as follows:
 - i. A delivery ticket will be prepared in duplicate for each purchase and include the purchaser's name, the vessel or aircraft on which he or she is departing, the date of departure, a description of the goods, and the warehouse entry number from which the goods are being withdrawn.
 - ii. The original will be signed by the customer and retained by the duty-free store operator to be placed in the associated warehouse file.
 - iii. When one sale includes purchases from more than one warehouse entry, only one delivery ticket will be required; however, each item on the ticket must reflect the entry number of the warehouse entry from which goods have been withdrawn. A copy of the delivery ticket will be placed in each warehouse entry folder from which goods have been withdrawn.
 - iv. The duplicate delivery ticket will be provided to the customer.
- b. **Other duty-free stores** Duty-free shops located elsewhere that at an airport may sell duty-free goods to air passengers and non resident aircrew departing for foreign, to vessel passengers and crew departing for foreign, and to accredited representatives of foreign governments stationed in Namibia. (Departing for foreign means departing for a foreign country outside the common customs area.) In the case of passengers or crew, the duty-free goods must be delivered by the duty-free store operator to the departing vessel or aircraft. The duty-free store operator shall utilize a delivery ticket system as follows:
 - i. A delivery ticket will be prepared in duplicate for each purchase and will include the purchaser's name, the vessel or aircraft on which he or she is departing, the date of departure, a description of the goods, and the warehouse entry number from which the goods are being withdrawn.
 - ii. The original and the first copy are attached to the duty-free parcel.
 - iii. The second copy is presented to the departing passenger with his or her receipt.
 - iv. At the operator's discretion, an extra copy may be required as a suspense document.
 - v. They duty-free goods must be delivered by the duty-free store operator to the vessel or aircraft where they will be receipted for by

the purser, chief steward, or person in charge on the original delivery ticket. Duty-free goods may not be delivered by the operator directly to the passenger or crew member.

- vi. The purchaser will present his or her copy of the delivery ticket to the purser, chief steward, or person in charge of the vessel or aircraft who will match it with the copy attached to the duty-free goods and deliver those goods to the purchaser subsequent to departure.
- vii. When on sale includes purchases from more than one warehouse entry, only one delivery ticket will be required; however, each item on the ticket must reflect the entry number of the warehouse entry from which goods have been withdrawn. A copy of the delivery ticket will be placed in each warehouse entry folder from which goods have been withdrawn.
- viii. The original delivery ticket will be returned to the duty-free store operator to be placed in the warehouse entry file as proof of export of the goods.

c. **Diplomats and other accredited foreign representatives** Duty-free goods may be sold to diplomats and other accredited representatives of foreign governments. The authorised purchaser is required to present a **Ministry of Foreign Affairs Certificate of Identity** signed by the Chief of Protocol. A delivery ticket system will be utilised as follows:

- i. A delivery ticket be prepared in duplicate and will include the purchaser's name, a description of the goods, and the warehouse entry number from which the goods are withdrawn. A photocopy of the **Ministry of Foreign Affairs Certificate of Identity** will be attached to the delivery ticket.
- ii. The accredited diplomat or foreign representative will receipt for the duty-free goods by placing his signature on the original delivery ticket.
- iii. The original delivery ticket and the attached photocopy of the **Ministry of Foreign Affairs Certificate of Identity** will be placed in the warehouse entry files to document authorised removal from warehouse.
- iv. The duplicate delivery certificate shall be provided to the customer.

d. **Period withdrawal procedure for special storage warehouses other than duty free shops** Special storage warehouses dealing in repetitive sales of similar bonded goods (fuel, bonded stores or supplies, etc.) may file a monthly withdrawal, using the appropriate customs procedure code to cover all goods exported from during the preceding month. The

procedures are basically the same as identified for duty free stores. A separate period withdrawal is required for each Customs Regime (C4, C9, etc.) Application to use this procedure must be made to the Controller in charge of the area in which the warehouse is located. If permission is granted, a delivery ticket system shall be used as follows:

- i. A delivery ticket will be prepared in duplicate for each purchase. The delivery ticket will include the purchaser's name, identification of the vessel or aircraft for which goods are being withdrawn or a description of the goods (tariff item and quantity), and the warehouse entry number.
- ii. The goods may be delivered. The original delivery ticket will be certified by the purser, chief steward, person in charge of the vessel or aircraft or purchaser on delivery and retained by the licensee to be placed in the associated warehouse file.
- iii. When one transaction includes withdrawals from more than one warehouse entry, only one delivery ticket will be required; however, each item on the ticket must reflect the entry number of the warehouse entry from which goods have been withdrawn. A copy of the delivered ticket will be placed in each warehouse entry folder from which goods have been withdrawn.
- iv. The duplicated delivery ticket will be provided to the person who receipts for the goods.
- e. **Delivery ticket format** No specific format is prescribed for delivery tickets used in the above-described procedures. Duty-free store licensees may develop internal forms for this purpose designed to best address their business activity. The forms must provide the information required as described above, must have the warehouse name and license number and date of transaction.
- f. **Filing Requirements** Period withdrawals will be presented to Customs in the same manner as regular withdrawals except that delivery tickets must be grouped and attached to each withdrawal SAD 500/501 in order to substantiate the authorized sale and/or exportation. Customs will not retain a copy of the withdrawal, but will sign and date it after entering it into the ASYCUDA system and return it to the licensee to retain in his files until such time as all goods covered by the warehousing entry have been withdrawn.

7. STATE WAREHOUSES

A State warehouse is defined as follows i.t.o. Chapter 1 ,Section 1(1)-of the Customs and Excise Act: “State warehouse means any premises provided by the State for the purpose of the deposit of goods, in order to secure such goods or to hold such goods as security for the duties due in respect thereof , or pending compliance with any law relating to such goods.”

The State warehouse is thus a place (usually a store) where goods are stored under the supervision and control of Customs and Excise. The goods are deposited and stored in the State warehouse for the security of the goods and where applicable for the security of the duty payable on such goods. Goods may also be deposited and stored in the State warehouse where goods are imported (or excisable goods are manufactured) in contravention of any law which affects the importation/manufacture of such goods.

The State warehouse is not intended to be and must not be used as a storage warehouse for the convenience of importers. The State warehouse is run by a Chief Customs Officer (enforcement) and such officer is held solely responsible for the safe-keeping of all goods accepted into the State warehouse.

7.1. Receipt of goods into the state warehouse:

- The various goods which are stored in the State warehouse must on receipt into the State warehouse be taken up in the State warehouse register – CE 322.
- The fields of the CE 322 are analysed in conjunction with annexure No. 75. The relevant fields have been numbered and each field is briefly discussed.
- No. 1 Mode of Transport: The transport name is inserted in this field. This can be obtained from the import documents.
- No. 2 Mass: The gross mass of the consignment must be reflected. The goods must be weighed, unless acceptable evidence of the mass in question is available.
- No. 3 Slip No.: The CE 322 is given a serial number. The serial number is numbered in a yearly series. The first number is 1 after which the numbers progress numerically. The year such serial number was allocated also forms part of the serial number example: 1/2014, 2/2014, 3/2014 etc. Each serial number must also have one of the following prefixes, depending on the type of goods being placed into the State warehouse:

<u>Prefix</u>	<u>Type of goods</u>
UG	Unentered goods
PD	Provisional detentions
EG	Entered goods
AB	Abandoned goods
SG	Seized goods
FG	Flotsam goods
JG	Jetsam goods

- b. No. 4 Marks and Nos.: The marks and Nos. of the goods taken into the State warehouse must be endorsed on the CE 322.
- c. No. 5 Number and description of packages: The total number and type(s) of packages must be inserted in this field.
- d. No. 6 Reputed contents: The contents of the packages must be inserted in this field. The contents may be obtained by scrutinizing the relevant documents e.g. bill of lading or railway advice note, air waybill or consignment note and cargo manifest.
- e. No. 7 Date received: The date the goods are entered ~~taken on charge~~ (i.e. for State warehouse rent purposes) in the State warehouse register (CE 322) must be inserted in this field.
- f. No. 8 Remarks: Where any monies are due to e.g Container Depot or cargo shed this fact will be endorsed in this field. Other relevant endorsements/remarks must also be inserted in this field. (See Note 2 below.)
- g. No. 9 Officer in charge: The officer in charge of the State warehouse must sign the relevant entry into the CE 322 in this field.
- h. No. 10 Row No.: Individual consignments must be stacked separately in numbered rows and ticketed with State warehouse cards. A view of the State warehouse illustrating this fact is given below:

	1	2	3	4	5	6	7
A	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
B	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
C	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

7.2. Notes on the storage of goods in the state warehouse;

- Cargo of a dangerous nature e.g. Explosives should be stored in an approved area or handed over to the relevant authorities.
- Goods may be stored outside the warehouse where such goods are too large or where the State warehouse is full, however, these goods must still be taken up in the State warehouse register. A suitable endorsement must be made on the CE 322 in field number 8. When goods are stored outside the State warehouse, this may be done on a free rent note (form CE 68).
- Perishable goods cannot be accommodated in the State warehouse and such goods may be stored in a cold storage outside the State warehouse. Such goods must also be taken up in the State warehouse register although rent is not payable.

7.3. Removal of goods from the state warehouse

Goods may be removed from the State warehouse in three ways viz.:

- a. On compliance of the conditions of placing the goods in the State warehouse and on payment of State warehouse rent on a form CE 68 (in certain specified cases a free rent note may be issued).
- b. In the case of goods destroyed a destruction certificate (P1. 154) is issued.
- c. Where the goods are sold on a customs and excise auction then the goods are released from the State warehouse on production of a receipt from the auctioneer.
- d. The three ways in which goods may be removed from the State warehouse are briefly discussed below:

7.4. Release on a form CE 68

- a. The fields on a form CE68 have been briefly analysed in conjunction with annexure No. 47. The relevant fields have been numbered and are discussed.
- b. **No. 1:** The Controller in whose area the State warehouse is situated must be inserted in this field. The importer/agent's name, signature and the date the form is drafted must also be filled in. Certain information must also be deleted in this field. See the example given in annexure No. 47.

- c. **No. 2: Slip No. and date:** The State warehouse register's CE 322 slip number and date must be inserted in these fields.
- d. **No. 3: B/E No. and date:** Where applicable, the import bill of entry number and date must be inserted in this field.
- e. **No. 4: Ex Ship/Aircraft/Rail/Road:** One of the four transportation means must apply. This means that the other three must be deleted. Where the means of conveyance is by ship then the ship's name must also be reflected. The place the ship, aircraft, train or truck left from must be inserted in this field as well.
- f. **No. 5 Marks and numbers of original package(s) entered:** The marks and numbers of the package(s) must be inserted in this field and must agree with the particulars entered in the State warehouse register (form CE 322).
- g. **No. 6 Description and particulars of goods for duty purposes:** The description of the goods as entered on the relevant bill of entry must be inserted in this field.
- h. **No. 7 Date of receipt into State warehouse:** This date must agree with the date entered in the field "Date received" on the form CE 322 (see annexure No. 75 field No. 7).
- i. **No. 8 Rent paid up to:**
- j. **No. 9 No. of weeks:**
The number of weeks shall be calculated from the date the goods entered the State warehouse, excluding the day of receipt (except when the period to be assessed is less than 7 days). Any portion of a week must count as a full week thus the date to be reflected in No. 8 viz. "Rent paid up to" must be extended to reflect a full week(s).
- k. **No. 10 Mass:** The gross mass of the goods being removed must be inserted in this field. This mass must agree with the mass entered on the CE 322 unless only part of the consignment is being removed. In such instances physical weighing of the goods may be resorted to. The correct mass must be reflected as this has a direct bearing on the amount of State warehouse rent payable.
- l. **No. 11 Rent:** The calculation of State warehouse rent formula is as follows:
- m. **No. 12 For official use only:** This field is used by Customs and Excise. The Section: Clearance endorses in this field whether the goods have been detained/stopped for Customs and Excise or whether the goods have been released.

- n. **No. 13:** This field must be completed by the Officer in charge of the Section: Enforcement. Such officer must ensure that the particulars appearing on the form CE 68 are correct in all respects. Once he/she has signed the form CE 68 it may be accepted by the Customs Officer in the State warehouse after payment of the State warehouse rent.
- o. **No. 14:** Once the form CE 68 has been processed in the State warehouse, a copy/ies is handed back to the importer/agent. When the goods are collected from the State warehouse then the officer in charge of the State warehouse will endorse the date the goods are removed from the State warehouse on the form CE 68 in this field. He will also place his date stamp and signature in this field. **NB!** **Officers must ensure that the delivery date is on or before the date reflected in the field “Rent paid up to” (No. 8 above).** Where the delivery date is after this date then the goods may not be released as extra State warehouse rent is due.
- p. **No. 15:** This field is completed by a Senior Customs Officer who must audit the forms CE 68 after the goods have been removed from the State warehouse. If the officer is satisfied that all the particulars on the form are correct then he will sign and date the declaration.
- q. **No. 16 Cash Book Receipt No. and date:** The receipt number and date as entered in the cash book (form CE208) on which the State warehouse rent was paid, must be inserted in this field.
- r. **No.17:** The form CE 68 number must be inserted in this field. Each form CE 68 is given a number and is also date stamped once the State warehouse rent has been collected. The serial number given is in a monthly series starting at “1” and commencing numerically upwards.

7.5. Goods destroyed

Where goods in the State warehouse are destroyed, for example undesirable publications, then a form P1.154 (destruction certificate) must be completed by the officer destroying the goods under whose supervision the goods are being destroyed. The destruction certificate is given a number in a yearly series example 1/2014, 2/2014, 3/2014 etc.

7.6. The disposal of goods i.t.o. section 46 of the act

- a. The disposal of goods in the State warehouse, on failure by interested parties to comply with departmental requirements, is provided for in Section 46 of the Act.

b. Section 46(3) of the Act specifies as follows:

“If after the expiration of three months from the date of removal to the State warehouse or other place indicated by the Controller or, where no such removal has taken place, from the date of expiry of the period prescribed in Section 40(41), any goods remain unentered, the Commissioner may cause them to be sold.’

The goods once sold on a Customs and Excise auction must be collected by the buyer of the goods. Removal of the goods from the State warehouse will be allowed only on production of the receipt issued by the auctioneer of the goods.

Once the goods have been removed from the State warehouse then the removal particulars must be endorsed in the State warehouse register on the CE 322 for the specific consignment viz. The CE 68 number and date, the destruction certificates particulars (number) of the auctioneers receipt particulars.

7.7. Inspections in the state warehouse

State warehouse are inspected every 3 months. State warehouse inspections must be carried out by two Customs Officers, one of which is not connected to the State warehouse concerned. Once the inspection has been completed a form P1. 59 (i.e. Quarterly certificate of goods in the State warehouse) must be completed and signed by the inspecting Officers. This report should be submitted to the Chief of Enforcement for recommendation and to the Controller for approval.

**SCHEMATIC PRESENTATION OF THE FLOW OF FORMS AND DOCUMENTS IN
A CUSTOMS AND EXCISE OFFICE I.R.O. STATE WAREHOUSE**

Goods intended for storage in the state warehouse are taken up in the warehouse register (from CE 322). The Form CE 322 is completed by an officer in the state warehouse

All goods which are entered into the warehouse must be accounted for, and inspection of the state warehouse is conducted every 3 months to ensure that inter alia state warehouse register is properly completed and the goods are accounted for

Form CE 68
This is a rent note on which state warehouse rent (if applicable) is collected. The form is drafted by the applicant who then hands it in at the state warehouse. The CE 68 is checked and processed by the Customs Officer at the state warehouse. The CE 68 number is endorsed on the relevant

Form P1.154
This is the destruction certificate which is completed by the officer carrying out the instructions. The destruction certificate is given a number and such number is endorsed on the relevant CE 322.

Where goods in the state warehouse have been sold by way of an auction, the buyer receives a receipt from the auctioneer after payment of the goods. The receipt from the auctioneer is used to release the goods from the state warehouse. Such receipt number is endorsed on the CE 322

Section 7

7.8. REGULATIONS FOR SECTION 16 OF THE ACT

Rent to be paid on goods in a state Warehouse

16.1 The charge for rent on goods (except State Stores) in any state warehouse in Namibia shall, depending upon the circumstances, be calculated as follows:-

- (a) Goods landed at a place to which they were not consigned, at the rate of 50 cents per 100 kg or portion thereof for seven days or portion of seven days;
- (b) Goods imported by an individual and which are seized in terms of the provisions of section 99 (1) of the Act and subsequently delivered in terms of the provisions of section 99 (1) of the Act and subsequently delivered in terms of section 104 of the Act, at the rate of 20 cents per 10 kg or portion thereof for every seven days or portion of seven days;
- (c) Goods imported by an individual and which are seized in terms of provisions of section 124(1) of the Act pending the production of a certificate, permit or other authority and subsequently released in terms of section 118 of the Act, at the rate of 20 cents per 10 kg or portion thereof for every seven days or portion of seven days;
- (d) Goods which are removed within 14 days from the date of receipt, at the rate of N\$1.00 per 100 kg or portion thereof for every seven days or portion of seven days;
- (e) Goods which are removed after 14 days but within 28 days from the date of receipt, at the rate of N\$2.00 per 100 kg or portion thereof for every seven days or portion for seven days;
- (f) Goods which are removed after removed after 28 days from the date of receipt, at the rate of N\$4.00 per 100 kg or portion thereof for every seven days or portion of seven days; or
- (g) Unentered goods which are sold in terms of the provisions of section 45 (4) of the Act, at the rate of N\$2.00 per 100 kg or portion thereof for every seven days or portion of seven days.

Provided that the Commissioner may in any special circumstances, rebate the rental charge to such extent as he or she may in his or her discretion decide.

NAMIBIA CUSTOMS AND EXCISE PUBLIC INFORMATION NOTICE INSTRUCTIONS FOR LICENSING A CUSTOMS AND EXCISE WAREHOUSE

Application to license a Customs and Excise warehouse should be made on Company letterhead (in duplicate) to the **Director, Customs and Excise, Private Bag 13185, Windhoek**. New applications must include all information listed below. (Extensions of or charges to previously approved registrations need only contain any changes from the original registrations.) Applications should be presented in the following order:

1. APPLICANT

- a Provide the full name (legal identity) and address of applicant.
- b Describe the nature of business (sole proprietorship, partnership, corporation, etc.)
- c Provide the full name(s) and address (es) of sole proprietor or partners.

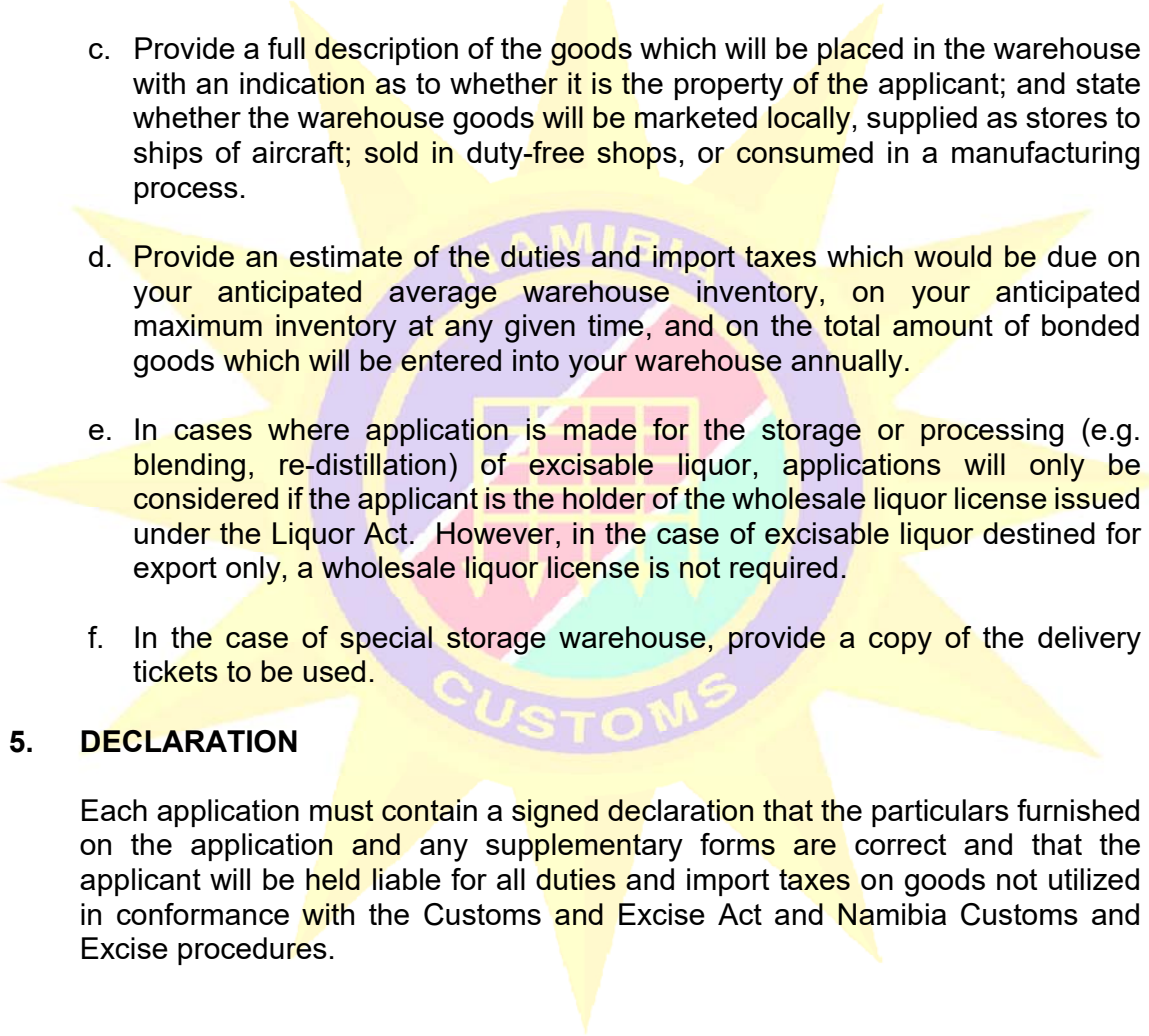
2. PREMISES

8. Provide a full description of the premises including a plan drawing. Pipelines which are to be bonded are to be indicated in red ink on the plan and a description thereof should be given in full. Any fixed vessel, tank, receiver vat or other container licensed as a customs and excise warehouse or used in a customs and excise warehouse for the storage or manufacture of any goods shall be gauged in by a qualified independent gauger and any fitting, meter, gauge or indicator necessary for ascertaining the quantity of goods contained within shall be supplied and fitted by the licensee at his own expense.
9. State whether any other industry, warehouse or retail business is carried on at the same address and if so, the nature and operator/owner of each.

3. SECURITY

- i. Provide a full description of measures which will ensure the security of bonded goods stored on the premises: barred doors and windows, alarm system, locking systems, etc.
- j. Provide the full names and capacities of the persons who will sign the bond on behalf of the applicant, the name and address of the
 - i. Bank/insurance Company that will sign as sureties, and the estimated amount of duty to be rebated annually.
- k. Provide a full description of the manual or automated record keeping system to be used by the warehouse.

4. WAREHOUSE PROCEDURES

- 
- a. Provide a full description of nature of the operation to be performed in the warehouse (i.e. storage only, special storage for duty-free sales, special storage for vessel supplies, storage of bottled liquor, blending of brandy, distillation of gin, etc.).
 - b. Provide a full description of any manufacturing process to take place within the warehouse, including formula for determining the quantity of bonded goods per finished product, the normal waste, etc. The formula must be sufficient that Customs can identify the quantities of bonded goods entered into warehouse that have been consumed in the manufacturing business.
 - c. Provide a full description of the goods which will be placed in the warehouse with an indication as to whether it is the property of the applicant; and state whether the warehouse goods will be marketed locally, supplied as stores to ships of aircraft; sold in duty-free shops, or consumed in a manufacturing process.
 - d. Provide an estimate of the duties and import taxes which would be due on your anticipated average warehouse inventory, on your anticipated maximum inventory at any given time, and on the total amount of bonded goods which will be entered into your warehouse annually.
 - e. In cases where application is made for the storage or processing (e.g. blending, re-distillation) of excisable liquor, applications will only be considered if the applicant is the holder of the wholesale liquor license issued under the Liquor Act. However, in the case of excisable liquor destined for export only, a wholesale liquor license is not required.
 - f. In the case of special storage warehouse, provide a copy of the delivery tickets to be used.

5. DECLARATION

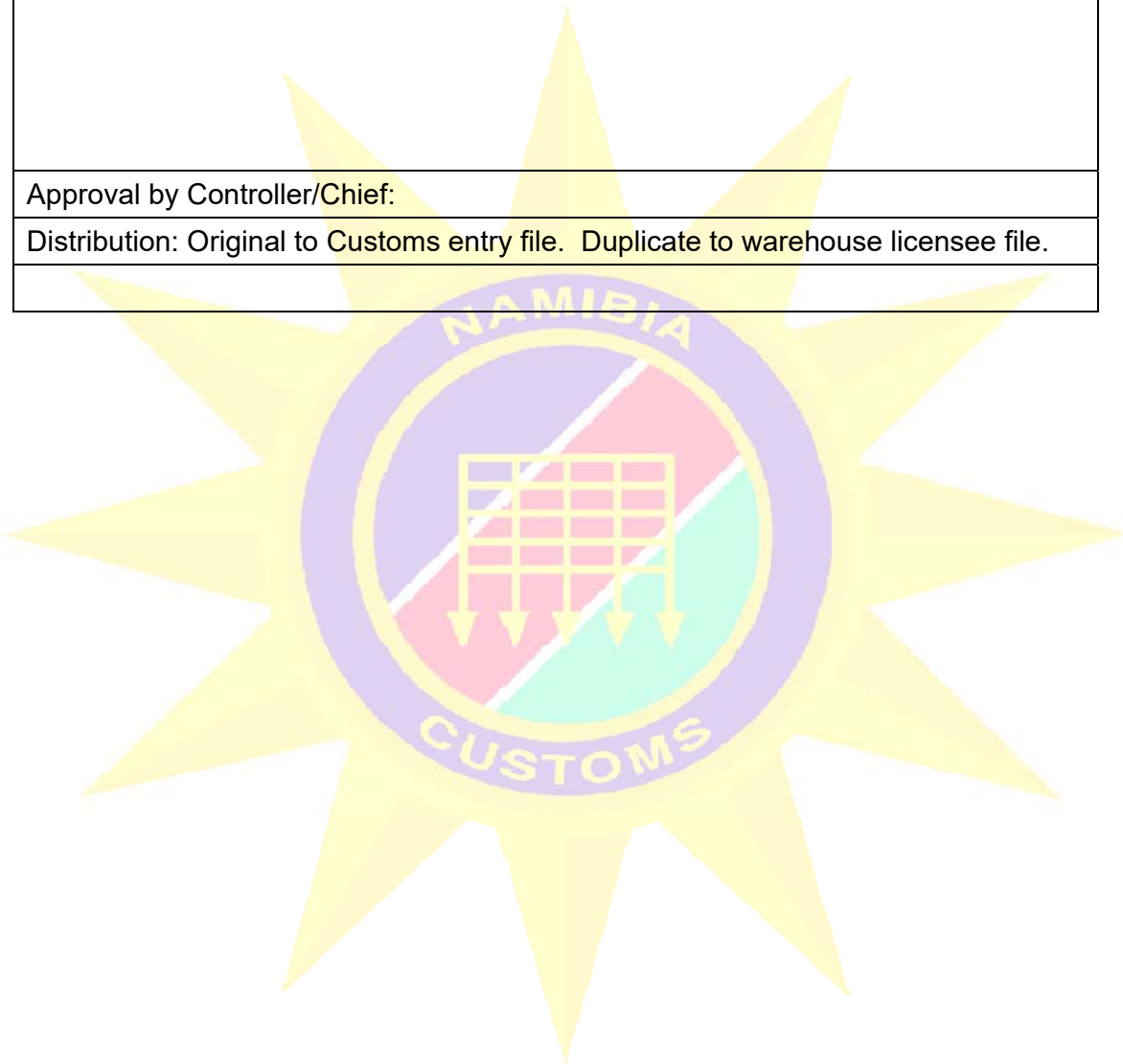
Each application must contain a signed declaration that the particulars furnished on the application and any supplementary forms are correct and that the applicant will be held liable for all duties and import taxes on goods not utilized in conformance with the Customs and Excise Act and Namibia Customs and Excise procedures.

WAREHOUSING ENTRY AUDIT WORKSHEET – Page _____ of _____						
Warehouse:	Entry:					
	Date of Entry:					
	Date of Inspection:					
Warehouse employee:	Signature					
Inspector:	Signature					
RESULTS OF AUDIT						
COMMODITY	QUANTITIES					
Description	Entered	Removed	Balance	Inventory	Over	Short
Comments by Warehouse employee or manager:						

Corrective action (tender of duty on shortages, supplemental entry to account for overages, penalty action, etc.) Cite relevant collection or entry number.

Approval by Controller/Chief:

Distribution: Original to Customs entry file. Duplicate to warehouse licensee file.



WAREHOUSE INSPECTION REPORT

Warehouse:

Inspecting Officer:

Date:

Bond Amount:

Potential liability for duty and taxes on bonded goods:

Does the stock register contain the minimum particulars?

Is the warehouse used for purposes other than the storage of goods in bond?

Is a copy of the warehouse guidelines displayed?

Are time-expired goods still in the warehouse?

Are goods properly stacked and identified?

Are bonded goods in closed trade containers with the exception of goods in special storage warehouses?

Are there any goods in damaged condition?

Is the general condition of the warehouse satisfactory? (i.e., the warehouse is not over full so that goods cannot be properly checked.)

Are repacked goods in a satisfactory condition? Are records sufficient to permit Custom to conduct inventories?

Are any of the goods of a hazardous or dangerous nature? If so, has permission been granted by Customs for their storage and are they properly segregated and marked?

WARREHOUSE INSPECTION REPORT

Page 2

Warehouse:

Inspecting Officer

Date:

Inspecting Officer's Comments and Recommendations:

Warehouse Licensee's comments:

Signatures:

Customs Officer:

Warehouse representative:

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