

CUSTOMS CLEARANCE

A. Exemptions (Duty free)

This exists in three categories namely:

- ✓ PRO 1B FORM (Diplomats & Embassies)
 - ✓ DA1 FORM (NGO's and Government Funded Projects)
 - ✓ GENERAL EXEMPTION LETTERS
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- All applications put in for exemption are accompanied by supporting documents depending on the type of exemption. Information on the type of supporting documents needed can only be gotten from the relevant Ministry. Each case for exemption is unique and differs from customer to customer.
 - Direct contact with the Ministries issuing/processing exemptions must be done by the applicant directly as exemption from duty & VAT are very sensitive. The agent/supplier can only come in after exemption has been approved fully and all relevant documents have been received by the applicant.
 - Approval for exemption could take long (sometimes even months) at the discretion of the relevant Ministry
 - For clearance of vehicles duty free, the applicant is provided with an exemption letter. The exemption depends on the applicant and where he comes from. For example, embassies and UN org. will go to Ministry of Foreign Affairs for a PRO 1B Form. JICA (for example) will go to Treasury to get the DA1 Form. And MP's & churches (for example) will go to Treasury to get Exemption letters.

Application Documents For Exemption From Duty & VAT:

PRO 1B FORM – Applicable to Embassies/Diplomats

- Applicant applies for exemption through Ministry of Foreign Affairs
- The application is either rejected or accepted. It can be rejected for various reasons. In case it is accepted by the Ministry of Foreign Affairs, it is then sent directly to the Ministry of Finance for processing
- Pro 1B Form automatically exempts the applicant 100% from duty & VAT
- Once it is approved, **3 original copies** are prepared and duly stamped
 - ✓ 1st original document remains with Ministry of Finance – It is then sent internally to Customs & Excise Dept.
 - ✓ 2nd(Duplicate) and 3rd(Triplicate) to support customs entry lodged by applicant.
 - ✓ During clearance, duplicate is retained by customs. Triplicate(stamped with customs release date) and its returned by customs direct to Protocol.
- To dispose off duty free goods permission is made through the Chief of Protocol to the Commissioner for customs & Excise

DA1 FORM – Applicable to NGO's/Vehicles for use in Government - Funded Projects

- The application is put in to the Ministry of Finance in quadruplicate (4 copies)
- The application is lodged with the Ministry of Finance duly completed, stamped etc. and attached with the Invoice & Bill of Lading/Airway Bill.
- If approval takes place, the Ministry releases **4 original copies**.
 - ✓ Original + Duplicate - They are sent internally to Customs & Excise Department.
 - ✓ Triplicate - Issued to the applicant for clearance purposes
 - ✓ Quadruplicate - Retained by Ministry of Finance for their records(Treasury)

GENERAL EXEMPTION LETTERS(from Treasury) – Applicable to Government Executives/Organizations running Government Projects

- The Ministry of Finance does general exemption letters. On very rare occasions, Ministry of Foreign Affairs issues the letters.
- Once the exemption is approved, the Ministry writes a letter direct to the Commissioner of Customs & Excise.
- The applicant is given a photocopy of the original letter for customs clearance.

CUSTOMS CLEARANCE ON EXEMPTIONS

The customer must also fill in a "C25 Form" which is a transfer of ownership form. It is the transfer of ownership from TEAL to the customer.

These documents are all forwarded to Express (K) with the chassis and engine numbers.

Express (K) will pay a "Processing Fee" to the Customs Dept. on our behalf. This is an amount of *Kshs. 10,000*. This is then paid back to us from the customer.

NOTE: Not all duty free vehicles are charged the processing fee. For eg. a big Government project will not require the processing fee. Such vehicles are exempted from this fee.

1. Once the customer receives the exemption letter, this is submitted to TEAL with the C25 for clearance procedure to proceed.
2. Teal will attach the C25/P.Invoice/Exemption letter/Pin certificate and avail the same to the clearing agent for clearance.
- 3.

| Stages | |
|--------|----------------------------------------------------------|
| 1. | Agent will obtain an Exemption code from customs |
| 2. | Entry is registered |
| 3. | Processing fee is paid |
| 4 | Exemption letter is approved by the assist. Commissioner |
| 5. | Entry is passed |
| 6. | Examination account is done the vehicle in Bond |
| 7. | The vehicle is released from bond |
| 8. | CC is applied |
| 9. | Memo is issued |
| 10. | Registration of the vehicle |