1.3 Chad Customs Information

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    - Exemption Regular Regime (Non-Emergency Response):
    - National Customs Legislation and Regime
    - Exemption Certificate Application Procedure:
    - Exemption Certificate Document Requirements
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  - Customs Clearance Document Requirements
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Duties and Tax Exemption

Tariffs for imports into Chad, mainly the Common External Tariff of the CEMAC, are generally too high to facilitate Chad's diversification strategy. Other duties and taxes levied at the border increase the tax burden at the border from 7% to 10%. This import regime, in addition to the slowness and administrative complexity, explains that the informal trade dominates agro-pastoral trade and even a significant part of trade in everyday consumer of goods. Chad's exporters face complex and expensive procedures for borders. Exit taxes are particularly high for agricultural goods and livestock products, reaching 7%. For live cattle, these taxes are up to 13% in total.

Chad Customs is made up of 70 customs posts throughout the country. A total of six customs offices located at the border posts constitute the main official points of entry for goods in Chad. Since several years, the most important post has always been Ngueli (according to trade), which contributes at least a third of national customs revenue. Depending on the year, the second place of the other positions is alternately attributed to Komé or at the airport. Overall, the city of N'Djamena constitutes, by land or air, the most important entry point for Chad with a contribution of at least half of the revenue national imports. In 2010, the total volume of imports by N'Djamena was estimated at more than 677.5 million tones.

The operation of the monetary component of CEMAC integration is effective, but the question of the free movement of goods and services is still a serious handicap, despite community provisions in force on transit trade the application of which remains limited. This situation is exacerbated by the lack of free circulation (free movement of goods once officially introduced into the Community). Yet, the zone of free trade is in principle launched since 1994, with the entry into force of a preferential zero rate on intra-Community trade which was planned for 1998.

4.2.1 Chad Government Contact List

For information on Chad Customs duties, please see the following links:

http://www.izf.net/content/tarifs-douaniers-en-afrique-centrale

The Chadian legislation on the importation and exportation of goods is based on CEMAC Customs Code. Section 8 Chapter 1 of the CEMAC Customs Code is dedicated to the regime applicable to international organizations. More specifically, article 276 refers to duties & taxes exemption for humanitarian organizations. According to it, these organizations are exempted from duties and taxes. NGO must be registered and approved by Chadian government to pretend on exemptions. The Vienna Convention on diplomatic relations of 1961 is also applicable for items imported for the purposes of supporting operations, as well as program–related commodities of international organizations.

A recent reform within the Chadian customs has resulted in the reorganization and restructuring of its services. Of the 70 customs posts in the country, a total of ten are computerized: Adré, Gozbéida, Abéché (border with Sudan), Bol (borders with Niger, Nigeria), Komé, Koutéré, Djarmaya, Kribi, Sahr and Bongor (RCA border). Other posts that are located in N'Djamena and Moundou benefit from the support of the administrative services prefecture for the supply of electricity.

Emergency Response:

[Note: This section contains information which is related and applicable to ‘crisis’ times. These instruments can be applied when an emergency is officially declared by the Government. When this occurs, there is usually a streamlined process to import goods duty and tax free.]

<table>
<thead>
<tr>
<th>Agreements / Conventions Description</th>
<th>Ratified by Country?</th>
</tr>
</thead>
<tbody>
<tr>
<td>WCO (World Customs Organization) member</td>
<td>Yes</td>
</tr>
<tr>
<td>Annex J-5 Revised Kyoto Convention</td>
<td>Yes</td>
</tr>
<tr>
<td>OCHA Model Agreement</td>
<td>Yes</td>
</tr>
<tr>
<td>Tampere Convention (on the Provision of Telecommunication Resources for Disaster Mitigation and Relief Operations)</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Regional Agreements (on emergency/disaster response, but also customs unions, regional integration)

- CILSS
- CEMAC (Regional Integration between Countries in Central Africa on Emergency/Disaster response and Customs Union)
- Customs Union
- NEPAD

Note: Chad is also a member state of the Communauté Économique et Monétaire de l’Afrique Centrale (CEMAC).

CEMAC is the successor of the Customs and Economic Union of Central Africa (UDEAC).

Their objectives are the promotion of trade, the institution of a genuine common market, and greater solidarity among peoples and towards under-privileged countries and regions.

Currently, CEMAC countries share a common financial, regulatory and legal structure and maintain a common external tariff on imports from non-CEMAC countries.

Exemption Regular Regime (Non-Emergency Response):

Humanitarian goods imported by NGOs or UN Agencies can have total or partial exemptions of duties and taxes according to agreements signed with Chadian government.

VAT: It concerns: Tax on imported goods from all origins or Countries. It applies on CAF value + Custom duty + Import duty. The current rate in Chad is 18%.

The following essential goods are exempted of Vat: Medicine, Milk, Meat, Poultry, bread etc.

Common External Tariff (Tarif extérieur commun): All imports coming from outside CEMAC.

Following products are exempted: flour, rice, sorgho, and pharmaceutical products, products for public administration or financed on donation or external loans.

The following table shows: the type of product; the category and the amount of taxes to be applied

<table>
<thead>
<tr>
<th>Type of product</th>
<th>Category</th>
<th>Taxes rates %</th>
<th>Type of goods concerning in each category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essential goods</td>
<td>1</td>
<td>5</td>
<td>Milk powder, rice, any foodstuffs, pharmaceutical products etc.</td>
</tr>
<tr>
<td>Materials and goods</td>
<td>2</td>
<td>10</td>
<td>Agriculture machineries, cement, NTI Communication, etc.</td>
</tr>
<tr>
<td>Intermediate goods and miscellaneous</td>
<td>3</td>
<td>20</td>
<td>Vehicle batteries, vehicle light spare parts etc.</td>
</tr>
<tr>
<td>Consumer goods</td>
<td>4</td>
<td>30</td>
<td>Luxurious goods, alcohol, cosmetics products, perfumes, cigarette, teeth paste, high class v</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Luxurious vehicles etc.</td>
</tr>
</tbody>
</table>

Storage charges: Collected on all goods without detailed declaration within the legal given time (15 days) or that stay in area subject to custom authority without any reason. Not applied on oil products. Rates vary according duration.

Statistics tax (Taxe Statistique): Minimum rate is 2% with 1000 CFA minimum on each declaration on CAF Value.

Customs transit tax: Applied on oil products. Rate is 0.8 % on taxable value;

Vehicle registration tax (CGI. Art. 646 à 652): Tax on registration, change of registration, change of owner or similar operations. Vehicles of public administration, embassies or NGOs are exempted. Rate is fixed from 10000 to 53000 CFA according to vehicle type and engine power;


National Customs Legislation and Regime

The importation and exportation of goods is based on CEMAC Customs Code pertaining to Chadian legislation.

The Section 8, Chapter 1 of the CEMAC Customs Code is dedicated to the regime applicable to international organizations. More specifically, article 276 refers to duties & taxes exemption for humanitarian organizations which are exempted from duties and taxes.

However, the Vienna Convention on diplomatic relations of 1961 and the Kyoto Revised Convention are also applicable for items imported for the purposes of supporting operations, as well as program–related commodities of international organizations.

Organizational Requirements to obtain Duty Free Status

United Nations Agencies
United Nations Agencies Convention must be signed between UN Agencies and Ministry of Foreign Affairs. A letter of understanding regarding duties & taxes exemptions is signed between UN agencies and Chadian government for each project.

The request is submitted to the Direction of Immunities, Privileges, Acts and Protocolled Documents of the Ministry of Foreign Affairs and African Integration.

NGOs arriving in Chad must sign a draft agreement (protocole d’accord) with the Ministry of Plan and Economy After the report of the Interministerial Committee for the Coordination of the Activities of NGOs (CICA) and the opinion of the Ministry of the Interior.

The DONG which is the intermediary between the NGOs and the Ministry of Planning and International Cooperation is responsible to monitor the implementation of commitments signed by the NGOs and the Government of Chad and also to ensure the respect of the government obligations towards NGOs legally chartered.

NGO must explain the reasons to work in Chad and provide some documentation on the organization: - legal status - rules and regulations - power of attorney from HQ - Documentation on activities in others countries and partners Agreement is valid 3 years and must be renewed after such a period.

Renewal will be done according evaluation by DONG (Direction des ONG) on the programs and good partnership between NGO and Chadian government.

NGOs must then take contact with DONG (Direction des ONG), under Ministry of Plan and Economy. Each project must be submitted in a detailed document and project agreement must be signed between DONG and NGO. DONG will ask technical expert from concerned ministry to attend meeting with the NGO in order to valid the project. Custom department will be present too.

- Project is validated according to:
- project responding Chadian government policy;
- Technical feasibility;
- Viability All goods and equipment’s needed for programs will be discussed between NGO and technical experts and specified in project agreement. Tax exemption will be done accordingly to this statement. Validation lasts approximatively 1 week. Agreement is signed by Ministry of Economics and Plan.

1 copy for DONG, 1 copy for NGO, 1 copy for customs dept.

DONG will then conduct half-course and final evaluation.

Follow-up must be done on a regular basis with DONG.

Each evaluation will engage some fees to be paid by NGO. Each person present will be paid by NGO, as incentives: - President: 50.000 CFA;
- Rapporteur: 45.000 CFA;
- Tech. Rep: 40.000 CFA.

Thus, NGO must forecast DONG evaluation cost in the budget of the project.

For Chad Customs contact details, please see the following link:

4.2.1 Chad Government Contact List

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**Exemption Certificate Application Procedure:**

<table>
<thead>
<tr>
<th>Duties and Taxes Exemption Application Procedure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Generalities (include a list of necessary documentation)</strong></td>
</tr>
</tbody>
</table>

In Chad, the Customs office is linked to the Ministry of Finance. The Import procedure is summarized in the table below.

Any organization can have the authorization to directly deliver its goods to its warehouses “enlèvement direct”.

This means that instead of going through all the procedure of the declaration to obtain the “bon d’enlèvement”, the organization can obtain, by presenting waybills and customs declaration from incoming country, the right to deliver directly to its warehouses while the forwarding agent is processing the declaration. This process is valid for all agencies or NGOs but only for dangerous, perishable or emergency goods.

To prepare the declaration, the forwarding agent needs the certificate of origin or the invoice. He then prepares a request of exemption that needs to be signed by organization / NGO before it is sent for approval to the Ministry of Foreign Affairs (if UN) or Ministry of Economy and Plan (for NGO) and finally validated by the Customs Office Director.

The process to apply for duties and taxes exemption is identical for Food and Non-food items and takes usually 7 to 10 days.

It is highly recommended to proceed through a forwarding agent, usual procedure in Chad for International organizations.

| Process to be followed (step by step or flowchart) |
NGOs:

All NGO’s use forwarding agent for custom process. It is not compulsory but highly recommended as process can be very long and tricky (unofficial fees to be paid, approx. 11 signatures to be collected on one form).

Vehicles:

For vehicles and others identifiable equipment (generator, equipment with engine…):

- Before car’s arrival in country, forwarding agent fills a temporary admission request form (invoice needed);
- Organization signs the temporary admission request form;
- Temporary Admission Request form sent to custom dept.;
- At arrival of car in Chad, D15 form (for internal transit from Cameroon for ex.) needed;
- Forwarding agent fills D18 for normal temporary admission process;
- D18 signed by organization;
- D18 sent to Customs Dept.;
- Value, car’s documentation is checked (frame number, engine number);
- If ok D18 signed by customs dept.;
- CI (registration certificate issued);
- Vehicle out of Customs;
- Central Police station with complete file (check if the vehicle is not stolen);
- Certificate issued by Police to be given to registration Office (Bureau des Mines) to issue car registration papers;
- Temporary Certificate issued (final after few days);
- Cost for 2 license plates: 7,500 CFA;
- All process must be renewed on yearly basis (expiration date written on the Temporary Admission Certificate by Customs Dept.)

Other goods:

If specified in project agreement signed between NGO and DONG, all goods for programs are exempted of:

- Customs duties (Cat I: 5%, Cat II: 10%, Cat III: 20%, Cat IV: 30 %);
- VAT: 18%;
- Statistic fee (Redevance Statistiques) 2% must be paid. No exemption;
- Before good’s arrival in the country, forwarding agent fills exemption request (invoice, waybill, bill of lading… and draft agreement with Chadian government needed);
- Exemption request is signed by organization;
- Exemption request is sent to Customs Dept.;
- At arrival of goods in Chad (D15 attached), forwarding agent fills D03 (mise a la consommation = issue authorization);
- Approx. 11 signatures by different customs dept. services needed (unofficial payments can be asked to speed up the process…);
- Goods cleared and out of custom

Exemption Certificate Document Requirements

<table>
<thead>
<tr>
<th>Duties and Taxes Exemption Certificate Document Requirements (by commodity)</th>
<th>Food</th>
<th>NFI (Shelter, WASH, Education)</th>
<th>Medicines</th>
<th>Vehicles &amp; Spare Parts</th>
<th>Staff &amp; Office Supplies</th>
<th>Telecoms Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invoice</td>
<td>Yes, Original, applies to UN and not NGOs!</td>
<td>Yes Original</td>
<td>Yes Original</td>
<td>Yes Original</td>
<td>Yes Original</td>
<td>Yes Original</td>
</tr>
<tr>
<td>AWB/BL/Other Transport Documents</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Donation/Non-Commercial Certificates</td>
<td>Copy or Original</td>
<td>Copy or Original</td>
<td>Copy or Original</td>
<td>Copy or Original</td>
<td>No need or Original</td>
<td>Original BL</td>
</tr>
<tr>
<td>Packing Lists</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>Optional</td>
<td>Original or copy</td>
</tr>
<tr>
<td>Other Documents</td>
<td>Phytosan. certif. Original</td>
<td>No need</td>
<td>Phytosan. certif. Original</td>
<td>No need</td>
<td>No need</td>
<td>No need</td>
</tr>
</tbody>
</table>

Additional Notes

- For any request of exemption certificate, the UN Agency or NGO should attach copy

Customs Clearance

General Information
Requirements:

Invoice, Way bill, Convention or Agreement with the Government, authorization to import, transit document (D15); packing list, copy of project agreed (for NGO's)

Embargoes:
NONE

Prohibited Items:
n/a

General Restrictions:
Thuraya satellite phone is not allowed to enter to the country.

Customs Clearance Document Requirements

<table>
<thead>
<tr>
<th>Customs Clearance Document Requirements (by commodity)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Food</strong></td>
</tr>
<tr>
<td>D&amp;T Exemption Certificate</td>
</tr>
<tr>
<td>Invoice</td>
</tr>
<tr>
<td>AWB/BL/Other Transport Documents</td>
</tr>
<tr>
<td>Donation/Non-Commercial Certificates</td>
</tr>
<tr>
<td>Packing Lists</td>
</tr>
<tr>
<td>Phytosanitary Certificate</td>
</tr>
</tbody>
</table>

Additional Notes:

When original shipping documents are received, a cover letter is prepared by UN office and given to the forwarding agent. On the cover letter are specified instructions on the custom regime, dispatching plan, tonnage.

When the forwarding agent receives this document, he starts customs formality that will end by goods' withdrawal.

A certificate of Electronic Cargo Tracking Note (ECTN) in French Bureau Electronique de Suivi des Cargaisons (BESC) to be delivered from the departure port is very useful to speed up the Customs clearance process.

<table>
<thead>
<tr>
<th>Value &amp; Weight Band Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Class</strong></td>
</tr>
<tr>
<td>Document</td>
</tr>
<tr>
<td>Non-Doc HV</td>
</tr>
</tbody>
</table>

Transit Regime:

Most of the commodities destined to Chad transit mainly from Douala port (Cameroon). The procedures are as follow:

When containers are transferred from DIT to the warehouse and that the customs documents are ready, then dispatching process starts.

Goods loaded on trucks are not escorted but transit order (laissez-passer) and custom declaration are joined. Both documents are signed by all customs offices along the corridor up to the border.

General Provisions:
The roads defined in Cameroon/Chad as concerned land transportation of goods are the sole legal roads known for the transit to Chad.

The customs services shall stamp transit declarations only in fix check points established according to the provisions of these conventions. Transit is done by land (road or railway) under the cover of IM8 customs declarations models. This instruction does not apply to transit by air or by sea.

The D15 model declaration is liquidated by one or many transit vouchers, a transit voucher being a customs document which identifies a precise traveling cargo. It refers to the original IM8 declaration. It is stamped by the customs office services which have issued the original IM8.

In case of mixed transportation ways (rail/road) with loading disrupting at Ngaoundéré, new transit vouchers liquidating the first ones are issued there to escort the goods on Ngaoundéré – Chad trip.

It is forbidden to visit goods in transit.

Customs escort practice is finished.

The transportation of manufactured products for export under the VAT system is done according to the provisions of this instruction.

As concerns goods going to the other countries of the CAEMC (CEMAC) sub-region apart from CAR and Chad, the traditional procedure remains applicable.

PROCEDURES TO BE FOLLOWED AT THE CUSTOMS OFFICE ISSUING THE IM8

- An IM8 model declaration is subscribed by a CAEMC (CEMAC) chartered customs broker.
- The proof that the import operation has been made in the destination country’s currency is attached to the file.
- The handling of transit files is done by the competent office chief and the appointed visit inspector. The deadline for the handling of a file, from its reception to the signing of the “Good for Transit” shall not exceed two hours.
- The formalities to be fulfilled at the goods withdrawals point are the following: a transit voucher is issued for all goods withdrawals. It is signed by the Transit Chief of Service as soon as the cargo is loaded on the transportation vehicle.
- The service shows the legal road to follow on the transit voucher which keeps the same prescribed value as the IM8.
- No other visa is required until the withdrawal of the goods from the port or from the factory.

FORMALITIES TO BE FULFILLED ON THE WAY

- The customs agents present at check points shall make sure that the lead knots, the seals and the marks on the parcels transported have not been broken or altered, and that their numbers are identical to those mentioned on the original IM8 accompanying them or the transit voucher.
- They put their stamp on the original IM8 or on the transit voucher with the inscriptions “Seen on passage with seals or lead knots intact” and they mention the number of parcels presented. When the lead knots or seals are broken, the service mentions it on the IM8 or the transit voucher with the inscriptions “Seen on passage with lead knots or seals broken”. The customs agents immediately check the cargo and establish a report. A report may validly be written by a gendarmerie unit or by an administrative authority.

LIQUIDATING A IM8 AND A GUARANTEE REPLEVIN

The liquidation takes place at the customs issuing office on presentation:

- For goods going to Chad, transit vouchers duly signed on the road as well as in the destination country
- As concerned goods going to the other countries of the sub-region:
- The original IM8 bearing the inscription (Seen on passage, lead knots intact, marks conform) by the customs units crossed
- Of the proof that the goods shall be taken care of in the country of destination.
- This complete file is deposited at the issuing customs office which after studying it, gives a guarantee replevin or any other answer within a period not exceeding two (02) clear days as from the registration date of the file. The period of 2 clearing days applies that the Customs scanner is working well and the port power supply which depends the office of Customs does not have any interruption.
- Apart from the IM8 suspended for the export of products manufactured under the VAT system, any other IM8 model declaration are subjected to bank guarantees, except for special derogation given by the Minister of Finance and Budget.
- The bank guarantees cover the amount of duties and taxes.
- Partial replevin can be issued on presentation of N° 1 transit voucher samples having received a visa from the customs services of the country of destination.
- The immediate liquidation of duties in case of non-respect of the subscribed engagements is done after a previous contradictory procedure with the customs broker at the end of which a report is written and a copy of it notified to the tax payer. The latter has a period of eighty (08) days to settle the dispute. After this period, the guarantee is liquidated by the customs office Chief having issued the IM8.
- The guarantee must fulfill its engagements within a maximum period of seven (07) as from the first written application sent to it by the competent customs office chief.
- The chartered customs broken is responsible for the execution of the subscribed engagements.