

NEWSLETTER for Shipments to Iraq

June 11th, 2012

**M.G.
International
Transports GmbH®**



Dear Ladies and Gentlemen,
Dear Friends and colleagues,

We are pleased to provide you with our updated Newsletter for shipments to Iraq. In case of any specific request, please feel free to contact us.

I. Airfreight Services to/from Iraq

Until now international airlines have only been allowed to carry max. 3 tons of airfreight cargo to / from Baghdad and Basrah. Based on the approval of the Civil Aviation Authority of Iraq, this restriction has been removed with immediate effect. Therefore, we are pleased to inform you that we are now allowed to send cargo on all commercial flights to Iraq with no restrictions in regard to the weight.

II. New Customs Tariff

The Iraqi Ministry of Finance, Directorate of Customs has announced that the new customs tariff will now be in place by 1st July 2012. The new tariff is based on the HS-Code system with different duties depending on the various products. Once the tariff is available, you can download it from our website.

III. New Tariff for Iraqi Seaports

The Iraqi Ministry of Transport has announced that by 1st July 2012 a new port tariff will be in place. So far no further details are available.

IV. VoC Documents

Since 01.06.2012 VoC has been fully integrated for all shipments entering Iraq via the border points in North Iraq (KRG): Ibrahim Khalil, Erbil and Sulaimanyiah Airport. (VoC has already been in place for central /south Iraq since 2011).

Prior to any customs clearance process a SGS/BV representative will check if the cargo is related to the VoC and if the provided paperwork is sufficient. The customs clearance process can only start with their approval. In case of a missing certificate the shipper has 48hrs to provide it – if this is not possible then the cargo must be sent back abroad.

In case of any further questions please feel free to contact us.

INFO: SGS only provide approval for shipments destined to KRG via the KRG entry points. BV is authorized for KRG entry points as well as all other Iraqi entry points.

For further information please check our website under [Customer information](#).

V. Legalization of Documents

The Iraqi authorities have implemented new procedures for the legalization of documents. According to these new procedures, in addition to the Commercial Invoice and the Certificate of Origin, the following documents also require legalization:

- Bill of Lading legalized by the consular section at the Iraqi Embassy.
- Insurance certificate legalized by the consular section at the Iraqi Embassy.
- Certificate of Inspection legalized by the consular section at the Iraqi Embassy.

These instructions only apply for goods exported to the private sector or to the Iraqi Ministries and State Companies through a third party (mediator) and do not include goods exported directly to the Iraqi Ministries and State Companies.

Remark: Above is the official wording of the Commercial Section of the Iraqi Embassy in Berlin/Germany. Please note that so far the Chamber of Commerce is not allowed to legalize Bills of Lading. In Germany the legalization process will be: Notary Office, Regional Court, District Court, German-Arab Chamber of Commerce, Iraqi Consulate. Please consider that the legalization process will take a minimum of 2-3 weeks and therefore this new application can really create difficulties.

For further information please check our website under [Customer informations](#).

VI. New Regulations for shipments to IoC's via Southern entrance points

There is a new procedure in place for the process of documents for shipments via southern Iraqi entrance points. Each of the Iraqi State Oil Companies now have a slightly different procedure. Therefore, please contact us for further details.





VII. New Regulations of KRG Authorities for shipments to loC's in Iraqi Kurdistan.

We need to highlight again that for oil and gas equipment shipped to the Iraqi Kurdistan region, a dedicated import/export permit issued by the "Iraqi Kurdistan Region Council of Ministers, Ministry of Natural Resources" office is required.

The importation and exportation of oilfield supplies is not permitted at all without an approval by the Ministry.

VIII. Border situation

a.) Al Karameh / Trebil (Jordan/Iraqi border)

Border is working well but subject to absolute correctness and availability of all original (legalized) documents such as Certificate of Origin and Commercial Invoice.

b.) Syrian/Iraqi borders

Due to the current political situation we are not using the Syrian gateway right now.

c.) Habour/Zakho (Turkish/Iraqi border)

Due to the implementation of the VoC Inspection via the Ibrahim Khalil border point there is already a queue of approx 400 trucks waiting to enter but not having the proper documents in place. If there are no proper documents available upon arrival, the trucks will be rejected within 48 hours.

So far the actual waiting time, without considering the trucks having insufficient papers, is approx 10-12 days on a round trip basis. The freight rates are still increasing due to the long waiting time at the border.

d.) Umm Qasr Port

At the moment, there is no major congestion for berthing and discharging of Vessels at Umm Qasr and Khor Al Zubair port. The main delays occur due to the complicated customs clearing process, in particular for Oil and Gas Equipment.

e.) Safwan/Abdali

Commercial Border Point (Kuwait/ Iraqi border)

Due to the recent political disputes the border clearing is taking longer than usual. Furthermore the Iraqi authority's only issue a very limited number of Visas for Drivers therefore the number of Kuwaiti trucks is very limited.

Yours faithfully,

M.G. International Transports GmbH