



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. Cancellation of Levy Exemption / Duty Exemption Approval.

Please note that based on a decision of the Iraqi Parliament, the Iraqi Ministry of Finance – Directory of customs, has cancelled all previously granted LEVY / DUTY EXEMPTION permits for all governmental contract. The TAX EXEMPTIONS remain in place.

At Baghdad Airport and Trebil border, we can currently only clear shipments from customs by paying 5% duties. So far the only exceptions are shipments for the Ministry of Health.

As per today's information, the border points at Zakho, Erbil and Umm Qassar are not affected by this new regulation.

Within the next week we expect a clear announcement by the Iraqi customs Authorities.

II. Import License (Private Sector)

With immediate effect, the private sector requires a valid import license to clear goods from customs. The Importing/receiving Company in Iraq has to apply for the Import License. The application can be done through the Chambers of Commerce / Industries, but the final certification has to be done by the new department Commercial Services in the State Company for Fairs and Commercial Services in the Ministry of Trade, Baghdad. Please contact us to get the Application Form and a draft of an Import License.

III. Ramadan

Ramadan Mubarak – The holy month of Ramadan will start on 20th/21st July 2012. During Ramadan, the working hours are reduced. We expect, that similar to the last year, the working hours will be as follows:

Public Sector: 0800 - 1300 hrs.

Port Working hours:

09.00 – 16.00 hrs - Day shift

20.00 – 00.00. Hrs - Night shift

In general we expect delays in the operation, customs clearance and at port / airport and the discharging due to the reduced working hours.

IV. New Customs Tariff

The implementation of the new customs tariff has been postponed to 1st October 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.

V. 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.

VI. VoC Documents

Northern Iraq (Ibrahim Khalil, Erbil, Sulaimaniyah):
Bureau Veritas and SGS have been approved by the KRG to carry out the VoC inspections. For all shipments (Governmental or Private sector) a valid VoC Certificate issued by one of the a.m. organizations is required, subject cargo is under the VoC program.

From 1st of August onwards, the VoC is also required for vehicles and spare parts for vehicles.

Central and South Iraq:

Only Bureau Veritas is approved to carry out Voc Inspections as of today. However, the program is not yet fully implemented but shall be fully in place by 1st October 2012 latest.

In case of a missing certificate the shipper has 48hrs to provide it – if this is not possible, the cargo will be rejected and has to be returned back to its origin.



VII. 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 information.

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)

So far the actual waiting time, without considering the trucks having insufficient papers, is approx 3-4 days for entering Iraq and approx 6-7 days for departure from Iraq.

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 strongly limited number of Visas for Drivers therefore the number of Kuwaiti trucks is strongly limited.

Yours faithfully,

M.G. International Transports GmbH