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YOUR RELIABLE PARTNER FOR SHIPMENTS TO IRAQ

December 28th, 2018 NEWSLETTER

Dear Clients, Partners and Friends,

we are pleased to update you on the current situation in Iraq as follows:

1. Customs Clearing

Duty & Tax Exemptions

As already expected and mentioned in our previous newsletter, Duty and Tax Exemption will expire by Dec 31st 2018.

Meanwhile General Customs issued a circular to all customs offices in Iraq confirming that all Duty and Tax Exemptions will expire by Dec 31st 2018.

For all new contacts duties and taxes will apply.

Investments contracts (e.g. with International Oil Companies) will still enjoy a Tax and Duty Exemption. Same may apply also for Governmental shipments running under old contracts. But in any case a new "duty" and a new "tax exemption is required.

Full wording is as follows:

The General Administration of Customs announced on Friday that all imported goods will be subject to customs duties and taxes from the first day of next year 2019.

And "announces the beginning of the subjection of all imported goods by the government departments and the public sector

and mixed or for its own account for customs duties and taxes and as of 1/1/2019", "as the end of the financial year 2018".

"According to the provisions of Article (80 / I) of the Customs Law No. 23 of 1984, the rate on which goods imported by the State, public and mixed sectors and popular organizations are subject to fees and taxes."

Excludes the goods received for the ministries and departments set out in the Council of Ministers Decision No. 23 of 2018 based on the investment contracts included in the investment budget in the draft federal budget law of the Republic of Iraq for the year 2018 after supporting the official letter issued by the Ministry of Planning"

2. Clearing under Guarantee Letter

Certain Ministries, particular the Ministry of Health, Defense, Interior, Electricity and the Ministry of Oil have dedicated agreements with the Iraqi Customs Authorities to clear cargo under so called "guarantee letters", if legalized documents are not available or re-newed DEL & TEL letters are not available. Please consider that in

such a case the previous guarantee letter must be completed prior to do another clearing under a new guarantee letter.

Last but not least we would like to thank you for your cooperation and support during the year.

We wish you all the best for the season, and a Happy New Year 2019.

Yours sincerely,
M.G. International Transports

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