

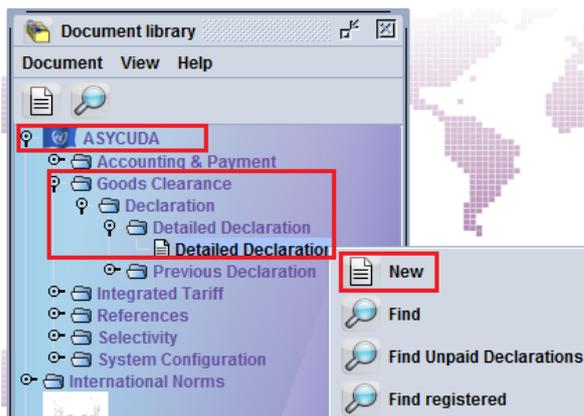
## Papua New Guinea Customs Service

### How to process a SAD with Goods entitled to Exemption

The following 'Functional Note' provides registered users of the ASYCUDA World (AW) system with the information necessary to enable them to process a SAD with goods entitled to an Exemption.

This is done as follows:

1. Once logged-in, go to ASYCUDA → Goods Clearance → Declaration → Detailed Declaration → Detailed Declaration
2. Right click and choose **New**



3. Once a new SAD is opened, complete the SAD (refer to the "How to process and assess a SAD" functional note)
4. The specific fields related to SADs dealing with exemption are:
  - **Box 37 – the first part** is to be filled with the Procedure Code used to identify the Customs regime under which the goods are being moved to and from (e.g. 4000 represents direct import for home consumption; 4072 import for home use from bonded Warehouse)
  - **Box 37 – the second part** is to be filled with an **Additional Code** used either to define the common regime or any specific concession treatment

The drop-down menu presents different lists of **Additional Codes** depending of the type of declaration and the Procedure code previously chosen.

37 PROCEDURE	30 Net mass (kg)	39 Quota
1000	1.000	
40 Bill Of lading	1000 000	Direct Export
VAL123	1000 205	Export of Reusable Freight Containers
	1000 207	Export of goods in Ships & Aircrafts stores
41 Suppl. qty	42 Item Price FCY	
1.000	1.000	1.000.000

OR

37 PROCEDURE	38 Net mass (kg)	39 Quota	
4000	000	1.000	
40 Bill Of lading	4000 000		Import for home use
VAL123	4000 001		Exemption for State Project under Section 110
	4000 002		Exemption for Community, Religious & Charitable Institutions
41 Suppl. qt	4000 003		Exemption for Education & Research Institutions
KGM	4000 004		Exemption for Medical Institutions & Medical Stores
	4000 005		Exemption for National Special Events
	4000 006		Exemption for Relief goods for National Natural Disasters
	4000 007		Goods imported for State Projects import duty exemption
	4000 008		Goods imported for State Project import & export duty exemption
	4000 009		Goods imported for State Project import, export & transit duty exemption
	4000 011		Other Import duty exemption
	4000 012		Other Import GST exemption
	4000 013		Other Import Excise exemption
	4000 030		Diplomatic Cargoes for Embassy use
	4000 031		Diplomatic Cargoes for Head of Mission
	4000 032		Diplomatic Mission Staff (6 months)
	4000 033		Technical and Admini Staff
	4000 034		Goods imported by designated Aid Statues
	4000 035		Goods imported for designated Aid Organisations
	4000 036		Goods & Personal Effects under Stronim G
	4000 071		Reduce Rate 10% - G167 28/12/2000
	4000 079		Personal & Household Effects, new not exc
	4000 080		Imported goods from Ships and Aircraft stores
	4000 082		Arms & Ammunitions imported by Royal PN

5. Complete **Scan. Doc.** TAB

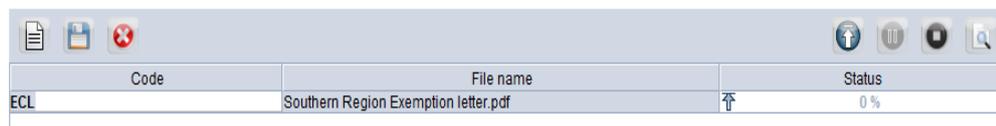
When requesting for relief some of the additional codes requires an Exemption letter to be scanned and attached, refer also to the “How to Upload Scanned Doc” functional note, for more details.

a) Verify the SAD, refer to the “How to process and assess a SAD” functional note

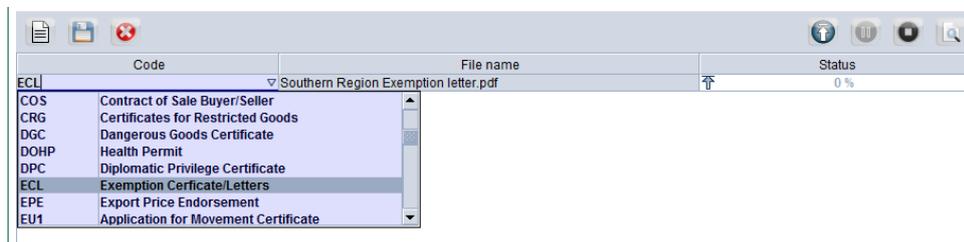
- o the AW system will display the following error



- o Go to the **Scan. Doc.** TAB



- o Click on  new and click on the scanned document file to be displayed
- o Click on the Code drop-down menu and select the type of scanned document



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- Click  to upload the scanned document

Code	File name	Status
ECL	Southern Region Exemption letter.pdf	100 %

- Once completed, the SAD should be verified and assessed (refer to the “How to process and assess a SAD” functional note).

As an example, for the additional code is 002 only the GST component is fully relieved, while the IMD remains payable

With additional code 000 (no exemption)

47 Calculation of taxes	Type	Tax base	Rate	Amount	MP
	IMD	17,475.79	15.000	2,621.37	1
	GST	20,097.16	10.000	2,009.72	1

With additional code 002

47 Calculation of taxes	Type	Tax base	Rate	Amount	MP
	IMD	17,475.79	15.000	2,621.37	1
	GST	20,096.16	0.000	0.00	1

As another example, for the additional code is 030, all taxes are fully relieved.

With additional code 000 (no exemption)

47 Calculation of taxes	Type	Tax base	Rate	Amount	MP
	IMD	100.00	55.000	5,500.00	1
	IXD	100.00	103.060	10,306.00	1
	GST	33,281.79	10.000	3,328.18	1

With additional code 030

47 Calculation of taxes	Type	Tax base	Rate	Amount	MP
	IMD	17,475.79	0.000	0.00	1
	IXD	17,475.79	0.000	0.00	1
	GST	17,475.79	0.000	0.00	1

- In addition, the AW system has been configured, to control the company and/or the commodity authorised for the exemption.

As an example, the additional code 101 is restricted to HS 09019000. If another commodity code is used, the following error message is automatically displayed.

Marks and numbers - Number and kind		32 Item No.	33 Commodity code
Marks & no of packages		1	22030040 000
Nbr & Kind	1 CT Carton		
		37 PROCEDURE	38 Net m
		4000	101
		40 Bill Of lading / Airway Bill /	
		VAL123	
		41 Suppl. qty	4:
		LTR	1.000
			A.I. C

**Messages**

Error: Additional Code and Commodity code are incompatible

When errors are corrected and company, commodity match with the requested exemption code, the SAD is verified and tax calculated based on the exemption.



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The control on the authorised company can be done at Declaration level or at Item level.

- Declaration level – the additional code is linked to a Company TIN (Box 8)
- Item level – the additional code it is linked to a Company TIN (Box 44)

a) Declaration level

The specific fields related to the SAD entitled to exemption at, at declaration level:

- Box 8 (Importer code) – Type the TIN of the company/organization in PNG who may be entitled to exemption. (e.g. TIN 50000019- Nestle PNG Ltd)
- Box 37 (Procedure) – Type the additional code of the exemption

If the TIN is not the TIN of the company/organization entitled to the exemption, the following error message will be displayed at verification.

As an example, the additional code 101 is restricted to TIN 500000189 – Nestle (PNG) Ltd

8 Importer South Pacific Brewery Limited P.O.Box 6550, Port Moresby Sec 52 Lot 88, Spring Garden RD National Capital District, PNG Alois.Tarsi@sp.com.pg		9 Person resp. for financ settl. TIN	
14 Declarant/Agent TIN 500713097 ICM LTD P.O BOX 1587, PORT MORESBY, NCD SECT 116, LOT 52, KANAGE ST. NCD		15 Country of export Singapore	
18 Identity and nationality (Vessel / Flight) at arrival SINGAPORE		17 Country of destination Papua New Guinea	
21 Date of arrival (Vessel / Flight)		20 Delivery terms CIF Port Moresby	
25 Mode transport 1 at border Transport		22 Currency & total amount invoiced USD 10,000.00	
29 Office of entry POM PORT MORESBY		23 Exch. rate 0.2900	
30 Temp Shed/Location of goods POM1		24 Nature of transac.	
31 Packages and description of goods		28 Financial and banking data Bank Code 0100 Terms of payment 99 Other terms of payments ANZ Banking Group (PNG) Ltd 0150	
Messages <b>Error: Agreement does not match with consignee</b>		32 Item No. 1	
		33 Commodity code 09019000 000	
		34 Cty. orig. Code AU	
		35 Gross mass (kg) 1.000	
		36 Prefer.	
		37 PROCEDURE 4000 101	
		38 Net mass (kg) 1.000	
		39 Quota	
		40 Bill Of lading / Airway Bill / Previous document VAI 123	

When errors are corrected and company, commodity match with the requested exemption code, the SAD is verified and tax calculated based on the exemption.

b) Item level

In some very specific cases, a Custom Broker can do clearance on behalf of a company/organization entitled for the exemption (i.e. Ela motor selling a car to an Embassy that is exempted from taxes).

For this, the specific fields related to the SAD entitled to exemption are:

- Box 8 (Importer) and Box 49 (Warehouse) should remain the same than the ones used at the time the goods were entered into the Warehouse
- Box 37 (Procedure) – Type the additional code of the exemption
- Box 44 - Type the TIN of the company/organization in PNG who is entitled to exemption



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If the TIN is not the TIN of the company/organization entitled to the exemption, an error message will be displayed at verification.

<b>8 Importer</b> TIN <b>500000312</b> <b>Ela Motors</b> P.O.Box 74,Pascal Avenue, Badili Sec 139, Lot 5 POM, NCD, PNG ElaCustoms@elamotors.com.pg		<b>9 Person resp. for financ setti.</b> TIN <b>500000312</b> <b>Ela Motors</b> P.O.Box 74,Pascal Avenue, Badili Sec 139, Lot 5											
<b>14 Declarant/Agent</b> TIN <b>500008528</b> <b>DHL EXPRESS (PNG) LTD</b> P O BOX 1775, PORT MORESBY, NCD SECT 36, LOT 05, KITTY HINK, 6 MILE		<b>15 Country of export</b> Australia											
<b>18 Identity and nationality (Vessel / Flight) at arrival</b> MV ASYCUDA <b>NZ</b>		<b>19 Ctr.</b> CIF <b>POM</b>											
<b>21 Date of arrival (Vessel / Flight)</b>		<b>22 Currency &amp; total amount invoiced</b> AUD <b>10,000.00</b>											
<b>25 Mode transport</b> <b>1</b> at border		<b>23 Exch. rate</b> <b>0.4266</b>											
<b>26 Inland mode</b> Transport		<b>24 Nature of transac.</b>											
<b>27 Place of discharge</b> PGPOM <b>Port Moresby</b>		<b>28 Financial and banking data</b> Bank Code <b>0200</b> Terms of payment <b>10</b> <b>Advanced payment</b>											
<b>29 Office of entry</b> POM <b>PORT MORESBY</b>		<b>30 Temp Shed/Location of goods</b> POM4											
<b>31 Packages and description of goods</b> Marks and numbers - Number and kind Marks & no of packages <b>1</b> Nbr & Kind <b>1 CT</b> <b>Carton</b>  <b>Brand new sports and racing cars</b>		<b>32 Item No.</b> <b>1</b> <b>33 Commodity code</b> <b>87032451</b> <b>000</b> <b>34 Cty. orig. Code</b> <b>000</b> <b>35 Gross mass (kg)</b> <b>1.000</b> <b>36 Prefer.</b> <b>37 PROCEDURE</b> <b>030</b> <b>38 Net mass (kg)</b> <b>1.000</b> <b>39 Quota</b> <b>40 Bill of lading / Airway Bill / Previous document</b> S/L <b>MVIL009</b> <b>41 Suppl. qty</b> <b>NMB</b> <b>1.000</b> <b>42 item Price FCY</b> <b>10,000.00</b> <b>43 V.M. code</b> <b>44 A.I. Code</b> <b>45 Adjustment</b> <b>1.00</b> <b>41bis Write-off units</b> <b>46 Value for duty PGK</b> <b>28,129.40</b>											
<b>44 Add. Info Documents Produced Certificates and authorization</b> Licence No <b>2,344.12+0.00+2,344.12+0.00-0.00</b> Attach.Doc.Cod... <b>DIPFR0030</b>		<b>48 Deferred Account No.</b> <b>49 Warehouse</b> <b>CLW1POM09</b> / Days susp.											
<b>47 Calculation of taxes</b>		<table border="1"> <thead> <tr> <th>Type</th> <th>Tax base</th> <th>Rate</th> <th>Amount</th> <th>MP</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>		Type	Tax base	Rate	Amount	MP					
Type	Tax base	Rate	Amount	MP									

When errors are corrected and company matches with the requested exemption code, the SAD is verified and tax calculated based on the exemption.