

Analyzing General and Special Customs Procedures: Re-Exportation

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ABSTRACT

This article provides a comprehensive analysis of customs regimes, encompassing both general and special procedures, with a particular emphasis on re-exportation. The research aims to elucidate the complexities and practical applications of re-exportation, a customs regime frequently employed yet often misunderstood due to limited information dissemination from customs authorities. The study explores the intricacies of re-exportation procedures, including the necessary documentation and operational processes, to ensure its effective and compliant implementation. The research employs a qualitative methodology, drawing upon legal documents, customs regulations, and official guidelines to examine the theoretical and practical aspects of re-exportation within the broader context of customs regimes. The data analysis reveals that re-exportation serves as a crucial mechanism in international trade, facilitating the movement of goods that were initially imported but subsequently require re-export due to various reasons, such as incorrect specifications, quality issues, or changes in market demand. The findings underscore the importance of meticulous planning and adherence to customs regulations to avoid penalties and ensure the seamless execution of re-exportation operations. Concludes by emphasizing the need for enhanced transparency and information sharing from customs authorities to promote a deeper understanding of re-exportation procedures among businesses and individuals engaged in international trade. This contributes to the existing body of knowledge by providing a detailed analysis of re-exportation and its implications for customs compliance and trade facilitation. The insights presented in this article can assist businesses and individuals in navigating the complexities of re-exportation, thereby fostering greater efficiency and effectiveness in their international trade operations.

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1. Introduction

Any application of a customs regime always requires planning and cost control, and special regimes, because they involve high costs and risks, require a higher level of planning so as not to incur penalties ranging from the payment of large sums of money for the same regime and the limitation by the blockade of the application of regimes for a certain period.

According to the Government Portal (2015), since the customs regimes emerged to improve procedures in foreign trade, the Mozambican government has adopted legislative measures to simplify the clearance process for imports and exports.

The most significant was in relation to imports, with the abolition of licensing for foreign trade operations, leaving the operator only obliged to register. From December 1998, the Single Document (DU) was introduced as the main document for customs clearance of all goods entering and leaving Mozambique, regardless of the customs regime applicable to them, except for transits, the simplified system, and other regimes provided for by law. Other measures adopted were the extinction of the pre-declaration for importing goods and the reduction of duties on consumer goods from 30 percent to 25 percent (GOVERNMENT PORTAL, 2015).

According to art. 13 cap. 2 of Decree 9/2017 of 6 April, there are two customs regimes:

- I. General Regime and
- II. Special regime.

2. General Scheme

This is the type of regime most applied in our local and international trade, and it is important to emphasize the two other types that are part of it.

2.1. Import

According to the Mozambique Tax Authority (2014), importation is the process of introducing goods into the customs territory that coincides with the geographical space of the Republic of Mozambique.

Importers are registered with the Ministry of Industry and Commerce (MIC), which issues them with an identification card certifying their authorization as an import operator. They are exempt from the need to hold an authorization issued by the MIC:

- Importers import goods with a value of less than 500 USD.
- Private individuals import personal goods (luggage) and separate pieces of luggage with a value of less than 1,500 USD, provided they fulfill the conditions set out in the simplified import system manual.
- Diplomatic missions and officials when importing goods for their representations or personal use.
- Foreign officials of international organizations for personal use under the United Nations Convention.
- United Nations agencies when they import goods for their own use.
- Missions and consular officials when importing goods for their representations or personal use.
- Entities that import samples with no commercial value; and
- MICTUR specifically authorizes other entities to carry out import operations.

2.1.1. Import Declaration

The provisions of Ministerial Diploma no. 16/2012, of 1st February, which defines it as "Provision of information by which the declarant indicates the goods and the respective customs procedure applicable, made by filling in the Single Document (DU), Abbreviated Single Document (DUA), Simplified Documents (DS) or in other forms provided for by law."

Mozambique Tax Authority (2014) states that the DU and accompanying documents will be processed for clearance at the customs offices where the goods and merchandise are deposited. DUs relating to goods and merchandise deposited in

bonded warehouses will be delivered and processed at the customs office of the respective jurisdiction.

For small commercial orders using the DUA and for the simplified system using the DS, the declaration will be lodged at the customs offices designated by the Director General of Customs.

However, the declaration and accompanying documents must be submitted electronically by the declarant or their representative from anywhere in the country, and it is sufficient to indicate the customs office where the goods are deposited or where they are to be cleared. The customs import declaration is lodged when the goods arrive or before if Customs has the cargo manifest available.

2.1.2. Import Process Periods

As for the periods the declarant has:

- 10 working days to pay the duties and other charges due on the DU, from the date the relevant payment notice is issued.
- 60 days to pick up the certified Single Document issued by the pre-shipment inspection company. This period is counted from the date of issue of the certified DU.
- Once the goods have arrived in the country, the importer has 25 days to collect the goods, after which they are considered abandoned. The process of forfeiture in favor of the State for abandonment begins, and they are removed to the auction warehouse.

2.1.3. Import Process Support Documents

Depending on the regime to be applied and the means of transport used, the DU must be accompanied by supporting documents:

- Proof of MIC importer authorization.
- Transit document (if necessary).
- Original invoices.
- DU certificate in cases where a pre-shipment inspection is carried out.
- If the certified DU signed by the declarant is not presented, a new complete DU signed by the declarant must be attached in resorts with a manual system.
- Title deeds, bills of lading, airway bills, arrival notices, etc.
- Certificate of origin (if applicable).
- Other documents include exemption authorization, phytosanitary certificate, veterinary license, etc.
- Fees slip if verification is requested outside normal office hours.

2.1.4. Import Franchises

As for the allowances to be granted in the import process, we have the following: individual allowances are granted monthly for goods imported by destined travelers:

- Tobacco Products: 200 cigarettes, 100 cigarillos, 50 cigars, or 250 grams of smoking tobacco.
- Alcoholic drinks 1 litre of spirits and 2.25 litres of wine (travelers under the age of 18 do not benefit from the duty-free allowance).
- Perfume: 50 ml of perfume or 250 ml of eau de toilette.

- Pharmaceutical Specialties Reasonable quantities for own consumption.
- Other Articles Up to 5,000.00 MT.

2.2. Export

According to the Mozambique Tax Authority (2014), export is the process in which the exit or withdrawal of goods in the customs territory, in this specific case and for our study of Mozambique.

Exporters are registered with the Ministry of Industry and Commerce (MIC), which issues them with an identification card certifying their authorization as an export operator. They are exempt from the need to hold an authorization issued by the MIC:

- Private individuals who export personal goods (luggage).
- Diplomatic missions and officials.
- Consular and religious missions.
- Organizations that export samples with no commercial value and
- The MIC specifically authorizes other entities to carry out export operations.

2.2.1. Export Declaration

This is written and signed by the exporter on the Single Document containing all the information required by law on the goods to be exported, and it must be presented at the Customs Offices where the goods will be cleared; by regulation and obligation, these declarations must be presented before the goods are exported.

An Export Declaration must be accompanied by:

- Proof of MIC exporter registration.
- Commercial invoices.
- Packing list or bulk cargo list.
- Document proving ownership of the goods.
- Certificate of origin or EUR 1 if required by the country of destination.
- Any license required for the goods.
- Special authorization in cases where the goods to be exported are listed in Table IV, annexed to Decree 34/09 of 6 June.
- Import DU if the goods are being re-exported.
- Warehouse DU if necessary.
- Request for assistance in packing goods for export, if necessary.

3. Special Arrangements

According to art. 23 of chapter 3 of Ministerial Diploma no. 51/2019 of 24 May, there are 11 types of special regimes:

- a) Temporary Import
- b) Temporary Export
- c) Re-import
- d) Re-export
- e) Customs Transit (Goods in Transit)
- f) Cabotage
- g) Transfer
- h) Customs bonded warehouses
- i) Duty-free shops

- j) Free Trade Zones
- k) Special Economic Zones

3.1. Temporary Import

According to Article 24 (1) of Chapter 3 of Ministerial Order No. 51/2019 of 24 May, temporary importation is the customs procedure that allows goods, merchandise, valuables, and means of transport imported for a specific purpose to enter the customs territory with suspension of payment of duties and other charges, intended to be re-exported within a certain period, without undergoing any modification or alteration, except for normal depreciation due to their use.

3.1.1. Goods and merchandise

Temporary imports of the following goods are permitted:

- 1) Breeding animals - 180 days.
- 2) Goods, materials, or animals intended for competitions, exhibitions, fairs or public shows, including advertising material - 90 days.
- 3) Goods that are part of showcases with no commercial value, or when with commercial value duly rendered unusable under the terms of customs legislation, that enter the country for demonstration purposes - 30 days.
- 4) Motor vehicles, whether accompanied by trailers or not, tractors and other vehicles, caravans, pleasure boats, motor homes, motorcycles, and motorbikes, within the time limits set for the temporary importation of vehicles.
- 5) Airplanes and airliners for tourism or business travel - 30 days.
- 6) Goods imported temporarily to receive any improvement, processing, or repair and subsequently re-exported - 90 days.
- 7) Discs and other sound or image media intended for radio or television broadcasts by authorized news organizations - 90 days.
- 8) Tarpaulins are packing goods or not - 90 days.
- 9) Instruments, films, and materials for scientific or study purposes - 180 days.
- 10) Appliances, utensils, tools, and machinery are for temporary use in agricultural, industrial, and construction activities for 360 days.
- 11) Equipment and material necessary for producing and realizing films or photographic documentaries - 90 days.
- 12) Portable equipment for broadcasting reports owned by foreign news organizations - 90 days.
- 13) Apparatus, machinery, instruments, utensils, vehicles, camping equipment and any other artifacts intended for the execution of works belonging to the State, upon deposit of a copy of the said contract with Customs - 360 days, or as referred to in the Table of time limits for the temporary importation of vehicles.
- 14) Cinematographic tapes for exhibition in public venues - 180 days.
- 15) Hunting weapons with authorization from the Ministry of the Interior - 30 days; and
- 16) Other goods provided for in special legislation - 360 days.

3.2. Temporary Export

According to Article 25 (1) of Chapter 3 of Ministerial Order no. 51/2019 of 24 May, temporary importation is the customs procedure that allows the temporary exit of goods, merchandise, valuables, and means of transport from the national customs territory, with a purpose other than consumption, which is subject to subsequent re-

importation, enjoying suspension of payment of customs duties and other charges if they fulfill the conditions laid down in specific legislation.

3.2.1. Goods and merchandise

Temporary exports of the following goods are permitted:

1. Tourist aircraft.
2. Breeding animals.
3. Apparatus necessary for producing or realizing photographic or cinematographic documentaries, even if mounted on vehicles.
4. Camping equipment for scientific or hunting excursions.
5. Cars and other vehicles belonging to people leaving the country temporarily, under the terms of the regulations.
6. Discs and other sound or image media intended for radio broadcasts are the property of the news organizations.
7. Developed cinematographic films, soundtracked or not.
8. Equipment and materials that accompany duly accredited organizations traveling on official missions.
9. Scenic material and artistic work belonging to artists, companies, or public performance entrepreneurs.
10. Goods that are part of showcases.
11. Goods and animals go to competitions, exhibitions, fairs, or public shows.
12. Goods that are going to be perfected, improved, repaired, or supplemented.
13. Tarpaulins and other coverings to protect cargo being transported in vehicles of any kind.
14. Goods in small quantities destined for border fairs or public markets.
15. Collections and works of art that constitute national artistic or cultural heritage are subject to a favorable opinion from the Ministry overseeing the Culture area.
16. Tarpaulins packing goods.
17. Other goods whose temporary export is permitted by special legislation.

3.3. Re-import

According to Article 26 (1) of Chapter 3 of Ministerial Diploma no. 51/2019 of 24 May, re-importation is the customs procedure that allows national or nationalized goods that have been temporarily exported to enter national customs territory.

3.3.1. Goods and merchandise

Temporary re-importation of the following goods is permitted:

1. Temporarily exported goods.
2. Works and publications printed in Mozambique are duly registered.
3. Goods with a Mozambican certificate of origin that are returned to the country for justified reasons.
4. Goods without a Mozambican certificate of origin, but for which proof can be produced that they were exported from the customs territory of Mozambique and which are returned to the country for justified reasons.
5. If it is possible to identify the tarpaulins that have been used in the export of goods.

6. Other goods whose re-importation is permitted by special legislation.
7. Narcotics and psychotropic substances, except when imported for hospital use.

3.4. Re-export

Re-export is the customs regime under which temporarily imported goods are withdrawn with exemption from customs duties and other charges unless they have incorporated improvements, parts, and components that are taxable on export. In some cases, there may be a need to re-export imported goods that are of the wrong specification or of a lower quality standard than normal; machinery and equipment used in Mozambique being re-exported to be used or returned to its source (Janela Única Electrónica).

3.5. Customs Transit

According to Article 28 (1) of Chapter 3 of Ministerial Order no. 51/2019 of 24 May, customs transit is the customs procedure whereby goods, merchandise, valuables, and means of transport from abroad, destined for another point abroad are transported, under customs control, from one customs office to another.

3.6. Cabotage

According to Article 29 (1) of Chapter 3 of Ministerial Diploma no. 51/2019 of 24 May, the maritime cabotage regime is applicable to goods, merchandise, valuables, and means of transport in free circulation, or those which, having been imported, still need to comply with tax obligations, transported on a vessel other than the one of import, from one point in the customs territory to another point in the same territory.

3.7. Transfer

The transfer is the customs procedure that allows the transfer of goods, merchandise, and valuables subject to customs duties and other charges, from one office of departure to another of destination within the national customs territory, subject to the provision of a guarantee (art. 30 of chapter 3 of Ministerial Diploma no. 51/2019 of 24 May).

3.8. Customs bonded warehouses

The customs regime warehouse allows goods, merchandise, and valuables to be deposited in secure locations, with the suspension of payment of customs duties and other taxes due (art. 31 of chapter 3 of Ministerial Diploma no. 51/2019 of 24 May).

3.9. Duty-free shops

According to Article 32 (1) of Chapter 3 of Ministerial Order No. 51/2019 of 24 May, the duty-free shop regime applies to commercial establishments authorized to trade in convertible currency, goods, and merchandise intended for passengers or travelers leaving the country or in transit in areas built or adapted to constitute an enclosure isolated from the rest, under the permanent supervision of the customs authorities.

Duty-free shops are set up in the bonded areas of ports, airports, and land borders, enjoying the suspension of customs duties and other impositions, and the goods and merchandise they import are destined for exclusive sale in those areas.

3.10. Free Trade Zones

According to Article 33 (1) of Chapter 3 of Ministerial Order No. 51/2019 of 24 May, the industrial free zone regime applies to the physical area free of import and export trade, established for the purpose of creating exclusion within the customs territory.

Article 16 of the FTZ Customs Regulations requires that the respective FTZ Operator or Company submit Customs Declarations for the movement of goods in and out of the FTZ after authorization of the FTZ Regime. In cases where DUs are required for transactions to be carried out by the FTZ Operator or Company, they must be accompanied by the necessary supporting documents under the terms of the legislation in force (Janela Única Electrónica).

3.11. Special Economic Zones

According to Article 34 (1) of Chapter 3 of Ministerial Order No. 5/2019 of 24 May, the special economic zone regime applies to a geographically delimited area of economic activity governed by a special tax and customs regime, based on which all goods entering, meeting, circulating, industrially processed, or leaving national territory are exempt from payment of any customs duty.

4. Conclusion

The entry and exit of merchandise, goods and persons, valuables, and their means of transport into customs territory is subject to customs control and must take place through ports, airports, and customs offices duly authorized for this purpose.

Customs regimes can take different positions. It is up to the agents involved in the foreign trade process to have specific knowledge of the customs regimes in their countries of origin and their purposes.

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