

LIBERIAN PROFESSIONAL NETWORK “DEMYSTIFY
LIBERIA” PROJECT - IMPORT & CLEARANCE
PROCEDURES FOR FREEPORT, MONROVIA

LPN **Liberian Professional Network**

Engage ■ Connect ■ Support

Import & Clearance Procedures for Freeport, Monrovia, Liberia

“The Liberian Professional Network “Demystify Liberia” project aims to simplify difficult to understand processes by engaging members and leveraging lessons learned from previous experiences. The first project in the “Demystify Liberia” initiative is “Import & Clearance Procedures for Freeport, Monrovia” - something that most business owners in Liberia and Liberians in the Diaspora can attest to as one of the most challenging processes to understand. This guide attempts to provide a guideline for the Import & Clearance Procedures for Freeport, Monrovia and to provide shippers insight into what to expect at the port.”

Disclaimer: *The information contained herein is for informational purposes only. Please note that this is not the legal process documented by the National Port Authority. This is simply a compilation based on individuals who have gone through the port process and have contributed their lessons learned. Please use this information at your own risk and if there are glaring errors in the process, please email us your experience at info@liberianprofessionalnetwork.org*

DRAFT

ACRONYMS & GLOSSARY

<p>AGENT/BROKER</p>	<p>The Act to incorporate the National Customs Brokers Association of Liberia was enacted by the interim Legislative Assembly of the Interim government of Liberia in Legislative Assembly. Section 1500 of the Customs Revenue Code of 2000 makes provisions for third party representation of importers and exporters under the category of “Customs Brokers”.</p> <p>The fact is due to the quagmire, inefficiency, perceived corruption, and complication of clearing goods from the port, individuals and companies do not generally have the time or the resources to devote on customs clearances. For this reason and more, the development of the customs broker or “agent” sector is of particular importance in Liberia.</p> <p>One should note that working with a Broker or Agent in Liberia is quite important; particularly a good one. Working with an agent who is irresponsive, uneducated, uninformed and corrupt could hinder the process of getting your goods out of the port.</p>
<p>BILL OF LADING</p>	<p>Is a receipt of goods shipped on board a ship signed by the person (or his agent) who contracts to carry them, and stating the terms on which goods are carried. It is a document of title and as such is required by the importer to clear the goods at the Port of destination. The Bill of Lading information includes the name of the Shipping Company; the name of the Shipping Company; the name of the shipper (usually the exporter); the name and address of the importer (consignee) or order; the name and address of the notify party (the person to be notified on arrival of the shipment (usually the importer); the name of the carrying vessel; the names of the ports of shipment and discharge; the marks and numbers identifying the goods; a brief description of the goods (possibly including weights and dimensions); the number of packages; whether the freight is payable or has been paid; etc.</p> <p>Bills of Lading are usually made out in signed sets of two or three original copies known as negotiable copies, any one of which can give title to the goods. The number of copies in a set is shown on each copy. There may also be non-negotiable (unsigned) copies which are not documents of title but are normally used for record purposes.</p> <p>Individuals or institutions shipping cargo to Liberia from other parts of the world to themselves become the consignor at the shipping end of the chain and the consignee on the receiving end of the transport chain. It is advisable to use recognized Shipping Agencies or alternatively forwarding companies that have proven record of sustained reliability. Delays experienced in the shipment of consignment are frequently the result of forwarding companies which handle consignment unprofessionally due to lack of organization and expertise. Consignees should always ensure that their Bill of Lading arrives in Monrovia before their shipment. This will allow for an early start of the clearing process once the Shipping Line confirms that the consignment has arrived</p>

BIVAC	<p>Bureau Veritas Group is the exclusive Pre-Shipment Inspection (PSI) provider for Liberia. The Pre-Shipment Inspection Services are intended to facilitate international trade and contribute to the economic development of the country.</p> <p>Since its creation, BIVAC International has provided Pre-Shipment Inspection services to countries on every continent. It is a wholly-owned subsidiary of Bureau Veritas, one of the world's leading independent control and inspection groups.</p> <p>Bureau Veritas is one of the most widely represented French companies in the world. This world-wide coverage is provided by nearly 900 offices, located in 140 countries on every continent with a total workforce of more than 40 000.</p>
CONSIGN	To forward goods from one place to another.
CONSIGNEE	Name of agent, company, person receiving consignment.
CONSIGNOR	Name of agent, company, person sending consignment; the shipper
CONSIGNMENT	One or more pieces of goods accepted by the carrier from one shipper at one time and at one address, receipted for in one lot and moving on sea waybill to one consignee at one destination address.
FOB	Freight On Board
IMPORT PERMIT DECLARATION	Import Permit Declaration is an import control document provided by the Ministry of Commerce & Industry (MCI) to monitor imports into the country. It is a regulatory requirement of the Ministry of Commerce & Industry (MCI) that an Import Permit Declaration accompany all imports into Liberia.
PRE-SHIPMENT INSPECTION (PSI)	<p>Pre-shipment inspection (PSI) is the inspection of goods being exported or imported by an independent inspection company. This assures correctness to the agreed quality and quantity, and is conducted in most cases prior to shipment, and in the country of exportation.</p> <p>In Liberia, a Pre-shipment Inspection is required for all eligible imports by the BIVAC Liaison Office, upon submission by the Importer of the Import Permit Declaration (IPD) set and approved by the Ministry of Commerce & Industry (MCI). Where the Freight on Board (FOB) value equals or exceeds USD 2,500, the goods will be subject to the Pre-Shipment Inspection (PSI). The following imports irrespective of their values and mode of financing, shall be subject to inspection unless specially exempted by the Ministry of Finance : foods, beverages - alcoholic and non-alcoholic, pharmaceutical products, used or second-hand goods, vehicles.</p>

INTRODUCTION

Like many underdeveloped and post conflict countries, Liberia is a country of bureaucracy and complication – understanding simple processes and procedures within ministries and government as a whole can be a daunting and sometimes rigorous task which tends to frustrate business owners which directly impacts the country’s economy.

The Liberian Professional Network “Demystify Liberia” project aims to simplify difficult to understand processes by engaging members and leveraging lessons learned from previous experiences. The first project in the “Demystify Liberia” initiative is “Import & Clearance Procedures for Freeport, Monrovia” - something that most business owners in Liberia and Liberians in the Diaspora can attest to as one of the most challenging to understand. This guide attempts to provide a guideline for the Import & Clearance Procedures for Freeport, Monrovia and to provide shippers an insight into what to expect at the port.

Most countries have in place some customs controls for revenue generation, domestic economic interests, and national security purposes. While there are similarities between countries (like the universal need for shipment documentation, including commercial invoices and Bills of Lading) there are local, specific requirements in Liberia, including the complexity of using a Broker or Agent. Broadly, customs clearance can be defined as the set of functions undertaken by the National Port Authority, which include, but are not limited to—

- Processing of import, export, and transit declarations
- Assessment of origin, value, and classification of goods
- Collection and processing of duties and fees
- Physical inspection, examination, and release of cargo
- Conduct of post-clearance audits
- Processing of urgent consignments
- Administration of waivers and exemption schemes and drawback (re-exportation) schemes

Customs clearance procedures, regulated by the Government of Liberia, can change over time and can become quite complex. While this document provides detail steps, it will continue to be a “Work in Progress” by soliciting views and feedback from members’ experiences.

We look forward to further feedback from our members and readers. Please visit <http://www.liberianprofessionalnetwork.org/> or email info@liberianprofessionalnetwork.org.

BACKGROUND

Freeport of Monrovia Overview

The Freeport of Monrovia is the largest in the Liberia Port Authority's Network. The United States Military built the port during World War II for strategic purposes. It handles most of the country's imported cargoes. Two breakwaters, 2,359m and 2,200m long, protect the harbour, enclosing a basin of 300 hectares of protected water. The general cargo berth, (the main pier), consists of an opened piled, 610m long by 11m wide marginal wharf with a reinforced concrete deck. The main wharf serves 2nd and 3rd generation coastal and mainline vessel.



FIGURE 1: FREEPORT OF LIBERIA

Things to know about Inspection

Liberia requires that Pre-Shipment Inspection [PSI] - Import Permit Declaration (IPD) - is carried out for all imports into the country. This exercise is undertaken in the port of the load country for purpose of Customs clearance of the goods or in Liberia when the cargo arrives. PSI is mandated by the Ministry of Finance for the provision of PSI services. PSI is managed by BIVAC International / Bureau Veritas Group.

Documents Required: Final invoice, Copy of Transport Document and Packing list. A health certificate is required for fresh dairy products (milk and cheese), eggs and fresh meat and fish, and for pharmaceuticals, a certificate of analysis is required.

Inspection Fees: Fees are levied based on the declared FOB value in the seller's pro forma invoice and paid directly by the importer to one of the designated bank accounts. Nevertheless, BIVAC may invoice the Seller in the event of supplementary inspection visits (in vain or unsatisfactory results). The costs incurred by the Seller in presenting the goods for inspection, such as unpacking, handling, testing, sampling, repacking are for the account of the Seller.

Goods Exempted from PSI

- Imports less than US\$3,500 FOB, save not duly exempt vehicles

- Reasonable amount of personal effect and household items
- Supplies for diplomatic missions, and United Nations organizations
- Gold and precious stones,
- Explosives and pyrotechnic products,
- Arms, ammunition, weapons and implement of war imported by the Liberian Armed Forces and the Liberian Police
- Fresh fish caught by local Liberian canoes
- Goods imported by parcel post not exceeding US\$3,500
- Gifts from International Organizations
- Goods which originate from a country in which no price verification is available
- Goods which originate from countries where PSI is contrary to the applicable law

The Revenue Code of Liberia Act of 2000

The Revenue Code of Liberia Act of 2000 is the current revenue code used in Liberia. This Code was drafted during the Charles Taylor regime and requires major reforms to foster the growth of the private section and small-medium size business which will help spur economic growth in Liberia.

The Revenue Code with regard to import tariff is summarized below:

$$\text{Tariff} = (\text{GST} * (\text{Taxable Import} + (\text{Import Tax} * \text{Taxable Import}))) + (\text{Import Tax} * \text{Taxable Import}) + (\text{ECOWAS Tax} * \text{Taxable Import})$$

- **GST:** Goods and Service Tax. It is 7% on every Taxable Input into Liberia
- **Taxable Import:** Value of your goods. Custom uses market value not transaction price to determine the value of your goods plus the cost of freight and insurance (CIF Value)
- **Import Tax:** The rate at which a particular good is taxed
- **ECOWAS Tax:** Tax on goods from non-ECOWAS country. It is 1.5%

Documents Requirements, Duration & Cost

The table below shows the list of procedures, duration and cost required for importing cargo to Liberia based on The World Bank Group Doing Business project. The table lists the procedures necessary to import a standardized cargo of goods. The documents required to import the goods are also shown.

Nature of Import Procedures	Duration (days)	US\$ Cost
Documents preparation	9	480
Customs clearance and technical control	1	355
Ports and terminal handling	3	127
Inland transportation and handling	2	250
Totals:	15	1212

Import documents

- Bill of lading
- Cargo release order
- Certificate of origin
- Commercial invoice
- Customs import declaration
- Import license
- Inspection report
- Packing list
- Terminal handling receipts

CLEARANCE PROCEDURES FOR FREEPORT, MONROVIA

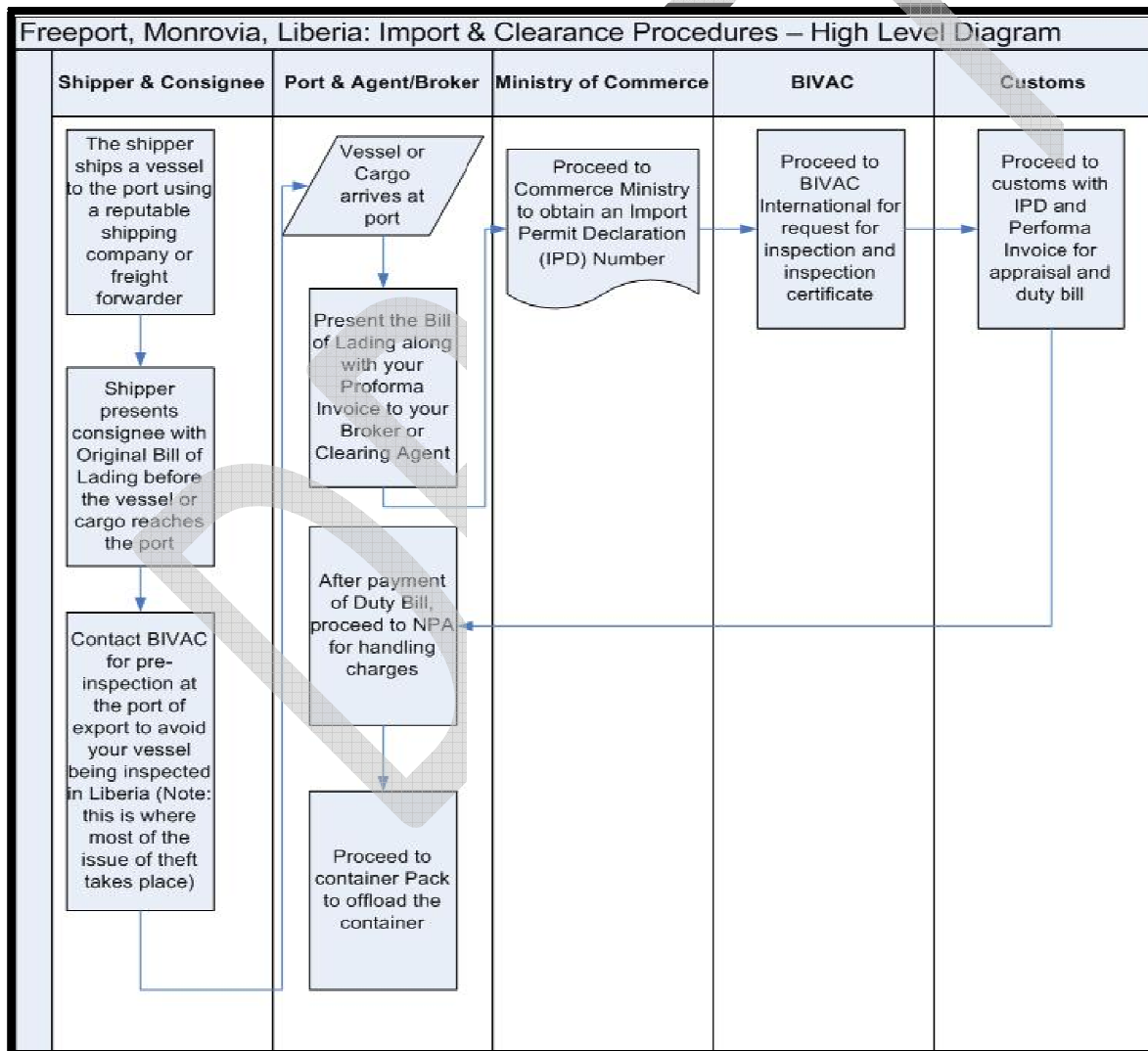


FIGURE 2: FREEPORT, MONROVIA, LIBERIA: IMPORT & CLEARANCE PROCEDURES – HIGH LEVEL DIAGRAM

Step #	Process	Document(s)	Cost/Notes
1	The shipper should arrange the shipment of their cargo/vessel through a reputable shipping company or freight forwarder		
2	Obtain and transmit the Original Bill of Lading to the Consignee before the cargo arrives in Liberia. Optionally, you can contact BIVAC International for pre-inspection if required or inspection can be performed in Liberia	Original Bill of Lading	
3	Present the Bill of Lading along with your Proforma Invoice to your Broker or Clearing Agent	Original Bill of Lading and Proforma Invoice	
4	Proceed to Commerce Ministry to obtain an Import Permit Declaration (IPD). The IPD number for your file is generated. Note that the IPD form is free but you will have to pay a processing fee		\$25
5	Proceed to BIVAC International for request for inspection. At this stage, a BIVAC file reference number will be generated. The two banks that accept BIVAC payments are IBL and Global Bank	Import Permit Declaration (IPD)	\$190-250 – Inspection Fee is 1.4% of Freight On Board (FOB).
6	Following receipt of inspection report from BIVAC and submission of final invoice, certified by BIVAC, the IPD is taken back to the Commerce Ministry for stamping and signature validation by the Director of Foreign Trade and Assistant Minister of Commerce.	Import Permit Declaration (IPD)	
7	Proceed to customs in the port along with IPD and Performa Invoice attached for appraisal of goods to provide duty bill (tax) due to the Government of Liberia. The appraiser process is performed by Automated System for Customs Data (ASYCUDA), a new computerized system that is used in 95% of ports globally. Also, depending on the cargo/vessel type, the appraisal must be accompanied by a Permit from the relevant government Agency responsible for the Cargo: (e.g. Health Permit for health related Cargo; Agriculture Permit for agricultural related Cargo; Transport Permit for transport related Cargo, etc.)	Import Permit Declaration (IPD), Performa Invoice, Receipts and Permits	
8	Proceed to the Shipping Line and surrender the original Bill of Lading, (which comes in a set of three copies), to the	Original Bill of	

	Shipping Agency representing the Shipping Line for a designated agent on (free in free & out terms). Upon surrender of the Bill of Lading, a set of Delivery Order is issued which authorizes the Shipping Line to release the cargo to the consignee. In the absence of a Delivery Order, a Letter of Indemnity is required.	Lading	
9	Proceed to bank to any Authorized Commercial Bank and obtain a Manager’s Check for duty/tax payment to be made to the Central Bank.		
10	Proceed to the Port’s Dock Office and Billing Section for which handling charges and Manifest running (\$101.50/20 ft. container & 151.50/40ft. container) are levied. Charges for other cargoes depend on cargo type, weight or measurement. Gate passes are prepared following certification of all requirements for clearing.		<p>For a 40 ft container – \$151.50 – This amount includes the Cost of handling and \$20.00 for Weigh Bridge fee</p> <p>For 20 ft container – \$101.50 – This amount includes the cost of handling and \$10.00 for Weigh Bridge fee</p>
11	Proceed to container pack in the port to offload the container from the storage yard unto a flatbed truck for transport to BIVAC for inspection		

FIGURE 3: FREEPORT, MONROVIA, LIBERIA: IMPORT & CLEARANCE PROCEDURES – DETAIL STEPS