



Date: 15/ 06 /2008

**Customs Policy** 

Policy Code: DCP (19)

#### **Policy Name: Sale of Goods by Public Auction**

Pursuant to the provisions of Articles (166-171) of the Common Customs law in respect of the provisions and rules of sale of goods, the following have been decided:

### Article (1)

The Customs office by authorization from the respective Executive Director has the right to sell the perishable seized goods and those subject to shortage or leakage as well as animals and goods which are subject to a considerable depreciation or they are in condition that might endanger the safety of the other goods or the facilities therein.

The sale of goods shall be based on a report showing the conditions of the goods and the justifications of sale without having to get an order from the competent court, provided that the owner of the goods shall be notified of such sale.

If a judgment of the competent court to return the goods to its owner issued thereafter, then the price of the sold goods shall be paid to him after deducting any payable customs duties or service charges.

### Article (2)

A. The Customs office by authorization from the respective Executive Director, may sell the goods placed in general and private customs warehouses upon expiry of the period of placement if their owners fail to clear them for re-exportation or taking them out to the local market.

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B. The sale of goods shall take place within one month from the date of notifying the investing body or the owner of the goods or his representative.

## Article (3)

C. The Customs office may sell the goods placed in customs warehouses, those existing in the yards or wharves or left out goods at the customs offices including deposits left out by passengers.

## Article (4)

# Subject to the provisions of Articles (1, 2, and 3) of this policy, the grace periods for sale of goods by public auction shall be as the following:

D. The goods arriving by sea:

- 1. One month for refrigerated and dangerous containerized cargo.
- 2. Three months for containerized cargo, vehicles and other road-moving equipment.
- 3. Three months for general / bulk cargo.
- A. Three months for goods arriving by land and air.
- B. Three months for storage of deposits left out by passengers.

## Article (5)

#### The Customs office shall sell the following:

- 1. The goods and means of transport which become property of the Customs under a confiscation judgment, a compromise or written waiver.
- 2. The goods and items whose owners are unknown or which have not been claimed within the period specified herein (Article 4).





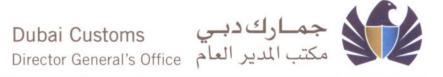
## Article (6)

The goods and modes of transport shall be sold without the customs duties and other taxes excluding the commission that shall be borne by the buyer during the sale procedures.

## Article (7)

- A. The proceeds of sale shall be distributed as follows:
- 1. Customs duties to be calculated in accordance with the actual or estimated value of goods.
- 2. The cost of the sale process.
- 3. The expenses incurred by the Administration whatsoever.
- 4. Transportation charges for purposes of sale.
- 5. Storage charges in customs warehouses or the warehouses, yards or wharves of the investing bodies in accordance with the prescribed charges.
- 6. Any other charges.
- B. The Balance remaining from the proceeds of selling the goods, the importation of which is permitted on the day of sale, after deducting the sums stated in Para (A) of this Article shall be deposited with the Administration as a deposit. The persons concerned may claim refund within one year from the sale date otherwise such balance will be transferred to the treasury.
- C. Goods that are prohibited or not allowed to be imported and which sold under a compromise, penal order or a court judgment related to smuggling, the remaining balance shall be deposited, after deducting the amounts provided for in Para (A) of this Article, as follows:
  - 1. The share of the treasury from the remaining balance is determined at 50%.
  - 2. The remaining portion of the balance shall be deposited with the customs rewards fund.





## Article (8)

# When prohibited or restricted goods or those requiring a procedure for their clearing shall be subject to the following:

- A. Prohibited cargo: shall only be sold to agencies that approved by the competent authority under a written consent.
- B. Restricted cargo: shall be sold only upon a written consent by the competent authority.
- C. Goods requiring a procedure for their clearing: shall be sold upon a written consent from the competent authorities in the country.

## Article (9)

# A: A "Public Auction Committee" shall be established under the chairmanship of the respective Customs Office Manager (Customs Center) and membership of:

- 1. Manager of Inspection section.
- 2. Manager of the Operation Section.
- 3. An employee from the Customs Center.

# B. The sale processes of goods contained herein by public auction shall take place in accordance with the following grounds:

- 1. The Customs valuation department shall determine the value of goods for the purposes of sale upon the report that prepared by the customs office for such purpose and in accordance with Form (1) herein.
- 2. Lists of goods intended to be sold shall be published in at least two local daily newspapers according to Form (2) herein or the handling authority lists.
- 3. The Committee shall collect 10% of the sale price, to be paid by the last bidder as an advance payment.
- 4. The Chairman of the Auction Committee at the Customs office may approve the sale at the last bid price or re-auction the goods for two consecutive times if the last bid



price found to be less than the estimated value of goods providing that the advance payment paid by the last bidder shall be retained until the goods are sold or offered to another bidder or otherwise awarded to him.

- 5. If the bidder to whom the auction is finally awarded withdraws or refrain in writing from the payment of the remaining sale price within the prescribed period for goods withdrawal, the goods shall be offered to the next bidder as per the bidding list and if he so agrees, the auction shall be awarded to him.
- 6. The advance payment paid by the last bidder referred to in Article (3) herein is non-refundable if the bidder fails to pay balance amount due.
- 7. The sold goods shall be delivered at the places of their storage and the buyer shall bear all expenses thereof for taking the goods out including expenses of loading, packing, stuffing and any other costs.
- 8. The buyer shall withdraw the goods from the places of their storage within a period not exceeding one week from the date of the auction award, and the customs office Manager may, whenever necessary, grant him an additional week against which storage charges shall be collected as per the prescribed charges.
- 9. If the goods are not withdrawn within the period provided for in Article (8) herein, they shall be deemed to be legally assigned and will be sold for the account of the treasury.
- 10. Bidding shall be accepted only from the bidders physically attending the auction or their representatives who are required to produce a power of attorney or an official authorization.
- 11. Form (3) herein shall be approved for the purposes of registering names of bidders and the advances paid by each and as a final auction award.
- 12. The Forms herein are integral part of this policy and the Administration may amend them as it deems appropriate.





## Article (10)

The Chairman of the Auction Committee may revoke the sale if the goods owner submits a written request for clearing his goods prior to the decision on the final award of the auction.

## Article (11)

This Policy supersedes any contradicting decision or customs notice.

This Policy shall come into force as from 15<sup>th</sup> June,2008.

Ahmed Butti Ahmed **Director General** 





#### FORM No. (1)

Types, si	pecifications and	details of	goods set ou	t in the	Notice No	( ) of (	).

Upon inspecting and examining the goods provided for in the above mentioned Notice, the contents of such goods are as follows:

<b>Customs Inspector</b>	Storage In Charge
Name:	Name:
Signature:	Signature:

#### For Customs Valuation Department use only

Actual or/Estimated value in numbers and words. Estimated value for sale by public auction in numbers and words

Valuat	ion O	fficer
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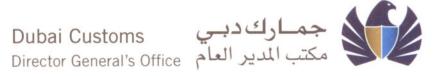
Manager

Notice: The customs inspector and the storage in charge shall mention types, specifications and quantity of goods in details if possible.

A separate report on the goods may be produced providing that such report shall be referred to in this Form.

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#### FORM No. (2)

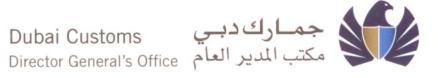
### Public Auction Notice No. ( ) of

1. ----- Customs Center announces the sale of the goods belonging to the following documents by public auction.

Document	No.	Date	Source

- 2. Every bidder shall be deemed to have already reviewed and examined the documents and no claim thereafter on the contrary shall be accepted.
- 3. Where the sale price found to be less than the estimated value of goods, the Committee may suspend the sale process and re-auction the goods for two consecutive times provided that the advance payment by the last bidder shall be retained.
- 4. All the provisions of the customs policy on sale of goods by public auction shall be observed and no bidder shall deny his knowledge of the contents thereof.





#### Form No. (3)

Names of bidders for the Notice No ( ) of ( ) and Final auction award

Date:

Name	Paid amount	Remarks

### For the bidder to whom the auction is finally awarded

Name of the Last Bidder		Signature		
			_	
Customs Center manager	Committee member	Committee member		