

REPUBLIC OF CAMEROON
Peace – Work – Fatherland

MINISTRY OF ECONOMY AND FINANCE MINISTRY OF COMMERCE AND INDUSTRY
CUSTOMS DIRECTORATE THE NATIONAL OFFICE FOR INDUSTRIAL FREE ZONE

CUSTOMS PROCEDURES HANDBOOK FOR THE INDUSTRIAL FREE ZONE REGIME

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FOREWORD

This handbook is designed for organizations and enterprises functioning within the framework of the Industrial Free Zone Regime.

As a customs procedures guide, it is intended for Industrial Free Zone promoters, operators and enterprises, approved clearing agents and Customs officials as well as to all other persons interested in the problems relating to the Industrial Free Zone in Cameroon.

This document is compiled in conformity with the basic texts of the Industrial Free Zone Regime, namely:

- Ordinance N° 90/001 of January 29, 1990 ratified by law N° 90/023 of August 10, 1990, and its Decree of application N° 51/MINDIC/IG1 of December 28, 1990;
- Decree N° 93/007 of 15 January 1993 to organize the functioning of the Administrative Service at NOIFZ;
- Order N° 007/MINDIC/IG1 of 11 March 1991 to lay down application modalities of the Free Zone Regime at the NOIFZ.

The text which follows centres around some key ideas which constitute the basis for a reflexion carried out at two levels:

- General information on the Industrial Free Zone;
- Its functioning

The expectations and suggestions of various users will certainly contribute to the improvement of this document.

FIRST PART

THE INDUSTRIAL FREE ZONE REGIME

CHAPTER 1: GENERAL INFORMATION

DEFINITIONS:

1 - The Industrial Free Zone

An Industrial Free Zone is a delimited and enclosed geographical area, including a controlled access within which the Industrial Free Zone Regime is applicable, to the Zone itself as an entity and to the enterprises implanted therein.

Therefore, goods received into such a zone can be stored, handled, transformed and exported, and in certain circumstances, transferred into the National Territory. During their storage in the Industrial Free Zone, the goods are exonerated from customs duties and taxes.

Except otherwise stipulated, goods subjected to Customs duties and taxes are exonerated once they enter an Industrial Free Zone or a Special Industrial Free Zone. These goods can therefore be stored and transformed in accordance with the laws and regulations within the Industrial Free Zone. Finished products, originating from the Industrial Free Zone and destined for exportation shall be exonerated from customs duties and taxes.

However, when the goods produced within the Industrial Free Zone has to be put into the National economy for local consumption, they are treated as normal importation and so shall be subjected to all custom duties and taxes.

2 - The Special Industrial Free Zone

The Industrial Free Zone can be reduced to the same surface area as the established Free Zone Enterprise; this then takes the denomination of a Special Industrial Free Zone whose establishment follows the same obligations of delimitation, enclosure and controlled access.

CHAPTER 2: COMPETENT AUTHORITIES AND RESPONSIBILITIES

A – ORGANS OF THE INDUSTRIAL FREE ZONE

1. The National Office for Industrial Free Zones (NOIFZ)

The National Office for Industrial Trade Zones (NOIFZ) is a non-profit making institution in charge of protecting the interests of the public and private organizations involved in the development of the Industrial Free Zone. NOIFZ has the responsibility to receive and review on behalf of the Minister for Industrial and Commercial Development, applications for designation as Industrial Free Zone or Special Industrial Free Zone, a given geographical area. It also receives and reviews all applications introduced by companies seeking Certificates of Compliance where necessary.

The approval of a given geographical area as an Industrial Free Zone or a Special Industrial Free Zone shall be subject to a ministerial order of the Minister in charge of Industry following a proposal made by the General Manager of NOIFZ.

Similarly, the certificate of compliance issued by the NOIFZ to the applicants shall serve as an approval of the status of the enterprise as an Industrial Free Zone enterprise.

NOIFZ is placed under the supervision of the Ministry in charge of Industry.

2 An Industrial Free Zone Developer and Operator

A promoter of Industrial Free Zones is a physical person or a corporate entity of public or private interest approved by the Minister in charge of Industry to create and manage an Industrial Free Zone.

An operator of an Industrial Free Zone is a physical person or a corporate entity of public or private interest who, on the basis of a contract signed with the developer (promoter), has obtained from NOIFZ a license enabling him/her to assume in the Industrial Free Zone certain capacities (powers) and responsibilities granted to the promoter (developer) by Ordinance. It will be noted in particular that a promoter (a developer) can, at the same time, be an Industrial Free Zone operator.

3 Industrial Free Zone Enterprises

An enterprise is said to be an IFZ enterprise when it has obtained a certificate of compliance from the NOIFZ which enables it to function within an IFZ in accordance with the provisions of the Ordinance. In accordance with article 116 of Order n°51/MINDIC/G1 of 28 December 1990, any enterprise benefitting from the investment codes regime or from a production regime, cannot enjoy the advantages of an Industrial Free Zone unless the preceding regime has been cancelled.

B. ACTORS (OPERATORS) IN THE IFZ

Within the framework of customs transactions related to the Industrial Free Zone, two actors can validly be retained: these are the Customs Administration and approved Customs brokers.

I - Customs Services at the Ifz/Sifz

It intervenes in the operations of the IFZ at two levels: initially at the level of the Customs Unit created within the NOIFZ Administrative Service, and then at the level of each Industrial Free Zone or of each Special Industrial Free Zone.

1° - The NOIFZ Customs Unit

The principle of its creation is discussed in chapter 7 of the Ordinance, repeated in article 36 of the implementation Order and as specified in Decree n° 93/007 of 5 January 1993 to organize the functioning of the NOIFZ Administrative Service.

In close relationship with the Customs National Directorate, the NOIFZ Customs Unit is in charge of the supervision and the coordination of all the customs activity relating to the Industrial Free Zone regime in Cameroon as well as the handling of official registers and statistics on the movements of goods inside the Industrial Free Zones and Special Industrial Free Zones.

In particular, the Cell should be informed, at the behest of customs units which are attached to it and which are settled in the Industrial Free Zones, about all the customs transactions carried out in these units in compliance with article 37 paragraph 2 of Order n° 51/MINDIC/IG1 of December 28, 1990.

Similarly, Industrial Free Zone companies shall submit quarterly to the NOIFZ Customs Unit, a full report of operations relating to the movement of goods in accordance with article 40 paragraph 1 of the Order referred to above.

It shall build up, according to the information obtained from the customs units and companies operating in the Industrial Free Zone, a summary report (a synthesis report).

Reports drawn up by the chief of the Customs Unit shall be forwarded to the chief of the NOIFZ Administrative Service who shall forward a copy:

- to the Directorate-General of NOIFZ;
- to the Minister in charge of industry;
- to the Customs Directorate;
- to the Department in charge of foreign trade;
- to the Department in charge of national accounts
- to the Chamber of Commerce, Industry and Mines.

2° – Customs Office and Customs Brigade of the IFZ or Special Industrial Free Trade Zone

Article 37 paragraph 1 of the Application Order of the Ordinance envisages the creation of the above structures.

In addition to the fact that the capacities and responsibilities of the NOIFZ Customs Unit can be sub-delegated in the light of the provisions of article 36 paragraph 2 of the Order, the Customs Office created in an IFZ or a Special IFZ shall be entitled inter alia to:

- check the goods at the time of their unloading in the buildings of the company of the Industrial Free Zone, and during their loading in the same premises for their exit from the Industrial Free Zone;
- examine and make an inventory of the goods stocked in the Industrial Free Zone;
- examine the inventories of the goods stocked by the IFZ Company;
- draw up various reports as required by the Order and submit them to the chief of the NOIFZ Customs Unit.

The Customs Office along with the Customs Brigade of each IFZ or each Special IFZ shall control the entry and exit of goods in their IFZ by:

- the application of adequate safety measures;
- the handling of official documents giving way to authorizations and receipts;
- the handling of the inventories and the files of IFZ companies.

II° - Approved Customs agents

So long as the circumstances require it and in accordance with the regulation in force, IFZ companies can, at their convenience, request the services of any approved customs broker in view of the completion of customs formalities relating to the goods intended for the IFZ or to those to be exported from there. In particular, approved customs brokers shall carry out on behalf of companies of the IFZ all the customs formalities relating to transit goods on the national Territory i.e. goods going out of or bound for the Industrial Free Zone.

C. GENERAL OBLIGATIONS WITH RESPECT TO THE CUSTOMS ADMINISTRATION

NOIFZ, (developers) promoters, operators and companies of IFZ shall be bound, as far as each one is concerned, to facilitate access to their buildings to the customs agents regularly selected to enable them to carry out controls and checks of all sorts in accordance with the provisions of article 29 of Ordinance n° 90/001 of January 29, 1990.

They must in addition, put at the disposal of these agents all documentation, information and working material necessary to the achievement of their mission.

SECOND PART

CUSTOMS SERVICES WITHIN THE IFZ

CHAPTER 1: ADMISSION OF GOODS IN THE INDUSTRIAL FREE ZONE

A- TYPES OF REGIMES

The admission of goods into the IFZ shall be effected under the consumption regime duty and tax-free.

The admission of prohibited products into the IFZ can only be done after prior authorization from competent authorities.

B. THE SITUATION OF GOODS IN THE INDUSTRIAL FREE ZONE

1° - Goods allowed to enter the IFZ duty and tax-free

Imported goods conveyed from the point of entry to the IFZ/SIFZ are exonerated from custom duties and taxes. These goods can remain in the IFZ or be transferred from the IFZ and re-exported duty and tax-free.

Under certain conditions, goods manufactured from exonerated inputs can be put into consumption on the National Territory. In this case, these goods shall be treated as normal importation and so shall be subjected to the normal custom procedure for duties and taxes.

2°. Non-exempted Goods

Non-exempted Goods at importation can be allowed to enter the IFZ subject to the respect of the applicable laws and regulations in the sector. These goods can be transferred once more from the IFZ to the national territory under the same conditions as those mentioned above.

3° - Local goods

Local products coming from the national territory are acceptable in the Industrial Free Zone. They must be accompanied by appropriate documents justifying their origin.

These goods and products can again be transferred from the IFZ to the national Territory duty and tax-free, in compliance with the laws and regulations applicable to the Industrial Free Zone.

However, taxable goods which were allowed to enter the IFZ tax free and which leaves the IFZ unaltered to be introduced into the National Territory for consumption shall be subjected to the payment taxes from which they might have been exonerated.

4° - Ifz Restricted Goods

Products admitted into the IFZ and which cannot be transferred to the national Territory shall be regarded as products under restrictions in the Industrial Free Zone. These products must be destroyed, conveyed into another IFZ or a Special Industrial Free Zone, or be re-exported.

5° - Prohibited goods

It is prohibited for IFZ Enterprises to bring in prohibited products without prior authorization from competent Cameroonian authorities.

The following products are prohibited to enter the Industrial Free Zone:

- Firearms, ammunition or other military equipment;
- Explosives;
- Other dangerous products;
- Flammable, radioactive and other toxic substances dangerous for human and animal life, as well as the environment in general;
- Any other goods prohibited within the framework of the laws and regulations of the Republic of Cameroon, as well as International Conventions.

Any prohibited product, whose entry will have been authorized into the Industrial Free Zone, will be subject to verification and appropriate safety measures taken and should be recorded in the account books and specific inventories.

C. CATEGORIES OF GOODS

Products can be classified into four sub-categories:

- 1 – Material Equipment necessary for production;
- 2 – Raw materials and intermediate goods;
- 3 - Office supplies and Equipment;
- 4 - Finished products.

Enterprises shall clearly indicate these categories in their registers. Documents relating to equipment and raw materials and intermediate goods required for production shall be separated from those referring to equipment and office supplies.

D. NOTIFYING THE CUSTOMS ADMINISTRATION OF AN IFZ APPROVAL

A copy of the ministerial Order granting the status of IFZ or Special IFZ to a given geographical area shall be forwarded to the Customs Administration under the same conditions.

The Customs Authorities concerned are as follows:

- The Director of Customs;
- The chief of the NOIFZ Customs Unit who shall inform his/her collaborators of the Industrial Free Zones and Special Industrial Free Zones.

E. ADMISSION OF GOODS INTO THE INDUSTRIAL FREE ZONE

1° - General information

The submission of a customs declaration to the NOIFZ main custom office is compulsory for any introduction of goods into the Industrial Free Zone.

The procedure for admission of goods shall be same for all the IFZ except under exceptional circumstances.

2° -Types of declarations for admission of goods into the Industrial Free Zone

The admission of duty free goods into the IFZ shall be done under the cover of a detailed declaration: see sample Z-3.

The admission of non-exonerated goods into the IFZ shall be done under the cover of a detailed declaration: see sample Z-6.

3° – Admission Declaration

As from reception of shipping documents, the company or its representative shall prepare the admission declaration.

This declaration shall be accompanied by the following documents:

- A bill of lading, an airway bill, a waybill
- A Commercial invoice;
- A Packaginging list;
- An Authorization or technical visa in case of prohibited goods.

4° – Submitting the admission declaration

The admission declaration shall be submitted to the Main Customs Office of the IFZ as soon as necessary supporting documents are available and, if possible, before the goods reach the entry port or the Customs territorial borders. The Customs Service can process the submitted declaration before the arrival of goods.

5° – Deadline for Processing the Declarations

The Main Customs Office of the IFZ shall carry out the checking of the admission declaration within one day of the submission of the Declaration.

F – TRANSFER OF GOODS FROM THE ENTRY POINT TO THE IFZ

1°. Customs authorization to transfer goods to the IFZ

- a) When the IFZ Main Customs Office is located outside the entry point within the national territory, the submission of a transit declaration of type Z15 at the entry Customs Office is necessary for the routing of goods to the IFZ. The Z15 form which should contain the references of the Ministerial Order of Approval, shall be cleared by an admission declaration into the IFZ. The transit operation thus considered shall be entrusted to an approved customs agent who will carry it out under his/her own responsibility and without customs escort.

- b) Where the Customs Office and the entry point are located in the same area, the submission of the admission declaration is sufficient to convey the goods from the entry point to the IFZ under customs escort.

2°. Verification and issuance of a Delivery note by the IFZ Customs Office

As from reception of the admission declaration, the IFZ Customs Office shall deliver the admission note on the goods in question after verification of supporting documents. The admission note shall be given to the company's clearing agent.

A copy of the admission declaration must be forwarded to the IFZ Customs Unit through the IFZ/SIFZ Customs Office involved.

3°. Period of deposit Submission of the admission declaration

The IFZ Customs Office can receive and process all admission declarations before or after the arrival of goods.

4°. Time Limits for the Processing by the Customs Administration

The IFZ Customs Office shall examine the declaration and deliver the admission note within one working day as from the date of submission of the admission declaration.

5°. Release of goods intended for the Industrial Free Zone

The Customs Office at entry will ensure that goods intended for the IFZ enjoy the same privileges of immediate release as perishable goods and other goods which can obtain their *Good to Release* note as soon as they are unloaded.

6°. Inspection Visit of imported goods from the entry point to the National Territory

The Customs Office at entry point does not inspect the goods intended for the IFZ as they enter the National Territory. However, in exceptional cases, such as the risk of violation of laws and regulations, these goods can be inspected at the unloading point. In this case, an inspection certificate shall be drawn up in due form. The inspection can be carried out at the entry of the goods into the Free Zone or at their entry into the warehouse.

7°. Releasing the goods at the Unloading point

The Active Customs Agents must immediately release the goods as soon as the admission note into the IFZ or the Special Industrial Free Zone issued by the IFZ Customs Office is presented, without prejudice of a possible customs escort.

8°. Transit of goods from the Customs area to the IFZ/SIFZ

The routing of goods from a given point within the customs area to an IFZ or a SIFZ shall be carried out under the transit regime.

Transit declarations of Z15 type, duly covered by a bank guarantee, shall be submitted to the Customs Office at the point of entry. The “brotherly” guarantee can be granted by a decision of the Minister in charge of Finances or the Director of Customs.

G. ARRIVAL, UNLOADING AND VERIFICATION BY THE CUSTOMS

1°. Entry into the Industrial Free Zone

The entry of goods into the IFZ shall be carried out by means of an admission note issued by the IFZ Customs Office.

2°. Delivery at the IFZ Enterprise

On arrival of the goods at the IFZ company premises, the company shall sign the discharge on the copy of the declaration. This will serve as a delivery receipt and at the same time an acknowledgment of receipt goods which shall then release the customs agent in charge from any responsibility with respect to this delivery.

3°. Authorization of the Customs for unloading

The IFZ Customs Office shall authorize the unloading of imported goods which are intended for the aforementioned Industrial Free Zone. This provides the possibility to carry out an inspection visit after which an inspection certificate may be drafted.

The inspection visit can be done either at entry into the Industrial Free Zone, or at the moment of their entry into the warehouse.

4°. Unloading the goods

In the presence of the Customs services, the company shall carry out the unloading of the specific goods into the Industrial Free Zone. It shall take care of these goods in the various registers opened for this purpose.

5°. The report of the unloading

The IFZ Company shall record, along with the Customs Service, the results of the unloading operation, this include shortages and surpluses, on the copy of the admission declaration.

6°. Goods not received

In case some goods are not received, the IFZ Customs Office shall contact the company or its representative who has initiated the admission declaration, in order to have the reason for such abnormality.

The admission declaration shall only be filed when an acceptable explanations and justifications have been provided.

In case no explanations or justifications have been given, the Customs Office shall take the necessary measure provided by laws and regulations in force.

A. STORING

1°. Storing conditions

The stocking of goods in Industrial Free Zone's firms must respect regulations on security, hygiene and sanitation.

Goods should be divided in such a way that:

1. the IFZ should not represent any danger to public health and security;
2. goods should be protected against theft and other risks such as loss, deterioration and other hazards;
3. verification, stock takings and audits can be effected efficiently by the customs services and the IFZ staff.

On each pack of goods (Raw materials, intermediate products), the firm shall stamp marks which should indicate that such goods have been allowed to enter the Industrial Free Zone. Those marks shall restate the admission declaration number, the entry date, as well as all other information required by NOIFZ.

The provisions above shall not apply to spare parts, although their storing shall be effected in such a way as to enable an efficient customs control.

Manufactured goods produced by IFZ Companies must be stored apart and reported in specific ledgers, so as to enable their identification.

2°. Separate stocking

The stocking of goods shall not respect their order of entry in the Industrial Free Zone. However, products subjected to restriction must be stored separately from the other goods. It shall be strictly prohibited to IFZ Companies to store goods out of the limits of their production site.

B. MANUFACTURING AND HANDLING

The processing of raw materials and intermediate products allowed within the Industrial Free Zone shall respect provisions described in the firm's agreement act to the IFZ regime.

1°. Waste and rejects

Waste from processing activities of a plant located within the IFZ must be stored in the firm until it is given a final destination (sale or destruction).

In any case, the IFZ Company shall be responsible for waste as well as for other goods inside the plant. That waste shall be registered in a different ledger. Waste products submitted for sampling from Industrial Free Zones that have no market value, shall be exempted from duties and taxes.

2°. Shortages during production

The firm shall keep stock of losses in the course of production. The accounting books and inventories as well as the ledger enclosed in annex A of this manual shall state quantities of production inputs and quantities of the finished products. Disparity between quantities at the start and the end shall be justified and recorded in the accounts books.

C. DESTRUCTION

1°. Authorisation

An IFZ Company may proceed to the destruction of waste, of damaged and non-usable materials only after obtaining an authorization from the Customs Administration.

The process of material destruction shall be carried out in the presence of at least two sworn Customs Agents duly commissioned who shall draw up a formal report of destruction. That report shall be countersigned by the company's representative.

2. Clearance of responsibility for destroyed goods

When damaged goods or waste have been destroyed in accordance with the above procedure, the firm shall be cleared of its responsibility.

CHAPTER 3: MOVEMENT OF GOODS FROM AN INDUSTRIAL FREE ZONE

A. AUTHORISED TRANSFERS

The following transfers can be authorised from an Industrial Free Zone:

- 1° Export from the Industrial Free Zone;
- 2° Transfer of goods to other Industrial Free Zones;
- 3° Goods for home use.

B. CUSTOMS PROCEDURES RELATING TO THESE TYPES OF TRANSFER

1°. Types of declarations for transfer

IFZ Companies shall make use of the following types of declarations:

Z3 : Goods for home use which calls for the settlement of customs duties and taxes.

Z6 : Goods moving from an IFZ for export or to another IFZ. If need be, that declaration shall go along with a Z15 transfer receipt drawn according to the conditions described above.

The submission of the transit declaration shall not be necessary in case of transfers between two Industrial Free Zones located in the same town, which shall only be carried out under customs escort.

2°. Deposit of transfer declaration

The transfer declaration of goods shall be deposited at the IFZ customs office by the IFZ Company or its duly commissioned representative at the time of submission of related commercial documents.

C. FINISHED GOODS FROM IFZ/SIFZ INTENDED FOR HOME USE

1°. Authorisation

At the request of NOIFZ, the Minister in charge of industry shall, in accordance with Article 14 of the Ordinance and Article 57 of its text of application, issue the Order whereby an IFZ Company may place its goods or services for consumption within the National Territory for local.

The Head of the NOIFZ Customs Unit shall receive notification of that Order through the NOIFZ and shall channel it to the concerned IFZ Customs Office.

2°. Value

a) Statistical value

It shall be determined on the basis of out-of-factory price of the goods. This value, as well as the taxable value, shall be written in the transfer declarations and in the related documents.

b) Taxable value

The taxable value shall take into account the value of raw materials and other intermediary values (according to their origin) as well as the added value evaluated at the end of the production process.

3°. Settlement of Customs Duties

Except in the case of serious damage, goods coming from Industrial Free Zones and intended for the National Territory shall be subject to the payment of customs duties and applicable taxes as if the goods were imported.

4°. Releasing of goods from the IFZ into the National Territory

Any removal (collection) of goods from the IFZ into the National Territory shall be subject to the presentation of the delivery order issued by the IFZ Customs Office upon presentation of clearance of payment of tax and duties into the Public Treasury relating to the declaration of the goods moving into the National Territory.

D. VERIFICATION, LOADING AND REMOVAL OF GOODS FROM THE INDUSTRIAL FREE ZONE

1°. General provisions

No IFZ Company can load goods onto a vehicle for transportation purposes without authorization from the Customs Service, as described in this manual.

2°. Releasing IFZ goods for transfer

The order for transfer issued by the IFZ Customs office shall constitute the document enabling the Customs agents to let the goods out of the Industrial Free Zone. No other authorisation shall be required.

CHAPTER 4 : LEDGERS AND REPORTS

A. GENERAL RULES

The entry and removal of goods from the IFZ shall be effected by means of declarations and specific forms available at the Industrial Free Zone.

B. ACCOUNTING AND INFORMATION SYSTEM

1°. The official Registers for IFZ goods

The accounting system of the NOIFZ Customs Unit shall constitute the official source of accountability for the movement of goods and statistical data on the activities of IFZ Enterprises.

2°. The NOIFZ Customs Unit

It shall establish a system of accounting and information that enables the follow up of the entry, exit, handling and the processing of goods in each Industrial Free Zone.

The NOIFZ accounting system shall be linked to that of the Customs Administration and updated thanks to copies of customs declarations and reports submitted by the IFZ customs Offices.

3. Accounts books of IFZ Companies

Any firm located within the Industrial Free Zone shall keep accounts and stock taking books.

a). Accounts books (Ledgers):

Books held by IFZ Companies shall be in accordance with those generally admitted within the framework of operating plants. They shall be numbered and signed by the Customs Administration. Files shall be regularly updated and available to the Customs Service for possible check of stock takings.

Each firm shall keep an account of each dispatch of goods: those allowed to enter the IFZ or those produced therein. See the samples of forms in appendix A.

b). Loading Registers at the Industrial Free Zone

In addition to ledgers and stock books, the IFZ Enterprise shall keep a register for each dispatch of goods and equipment allowed to enter the Industrial Free Zone. These registers shall contain references of customs and commercial documents relating to the said loading.

Each register shall bear a specific number referring to the commodity and to the entry or transfer order issued by the IFZ Customs Office.

The registers shall be kept for a minimum period of 3 years as from the date of entry or transfer of goods in/out of the IFZ.

c). Reports

Every organisation related to the IFZ (NOIFZ and other public organisations) shall draw up periodic reports on their activities in the IFZ as indicated in this manual.

1°. IFZ Customs Offices and Brigades

They shall have to collect all declarations, all reports and documents related to the activities and flows of goods within an Industrial Free Zone such as admission declarations, commodity

destruction documents, verification and inspection reports, reports on shortages, on surplus and damaged goods.

Each IFZ Customs Office shall have to collect all copies of received documents and forward them to the NOIFZ Customs Unit according to the time schedule stipulated in the text of application of the Ordinance to set up the IFZ Regime in Cameroon.

2°. The NOIFZ Customs Unit

In conformity with the regulation in force, the manager of this unit shall draw up, on the basis of available information and inventories, a quarterly report on the IFZ activities. This report shall be addressed to the NOIFZ, to the Customs Directorate and other related public organisations. The form for this report can be found in appendix A.

3°. IFZ Companies

a) Quarterly reports of IFZ Enterprises on their activities

Every IFZ Enterprise shall draw up a quarterly report of its activities (see Z-212 form. Inventory reports of goods) that shall indicate among other things, and in accord with the stock registers, the quantities of finished products as well as those transferred.

This report shall be forwarded to the NOIFZ Customs Unit. The form for this report is found in appendix A.

b) Inventory reports on transferred goods from the Industrial Free Zone

Every IFZ Enterprise shall present a report on transferred goods (Z-211 form; report on transferred goods) that shall indicate all transfers of goods, equipment and supplies that have moved out of the Industrial Free Zone for any authorised reason. This report must be attached to the transfer declaration.

This sample form for this report is found in appendix A.

c) Report on goods destroyed

The report on goods or waste destroyed shall be valid only if it has been drawn up by at least two sworn agents duly commissioned by the IFZ Customs Services. The IFZ Company shall draw up a report on goods destroyed. This report shall be approved by one of the Custom agents who witnessed the destruction and shall specify, amongst other things:

- the origin of the commodity;
- the date of destruction;
- the designation of the Industrial Free Zone and the firm concerned;
- the admission declaration of the commodity into the Industrial Free Zone;
- the description and nature of the goods destroyed;
- the quantity destroyed;
- reason(s) for the destruction;
- mode of destruction.

d) Reports on surpluses and shortages

Surpluses and shortages shall be recorded on a report drawn up by at least two sworn

Customs Agents and duly commissioned. A copy of this report shall be forwarded to the NOIFZ Customs Unit.

The IFZ Company shall draw up a report on surpluses and shortages, which shall be approved by one of the Customs Agents having recorded the discrepancies.

CHAPTER 5 : CUSTOMS LITIGATION

A. RESPONSIBILITY

The responsibility of the IFZ Company with regard to the Customs Administration shall entirely cover goods allowed to enter the IFZ in conformity with the UDEAC's Customs Code. However, this responsibility may be cleared off in case of loss, robbery, destruction, non-delivery of goods, and, generally, in case of unavoidable causes i.e. circumstances beyond control duly recorded.

The IFZ Company shall have to indicate surpluses noticed, shortages recorded and deterioration of goods if only a Customs Agent was present at the unloading of goods.

B. SHORTAGES

If the firm can provide evidence that the shortage was due to one of the causes (circumstances) stated above, the Customs Service shall clear the firm of any responsibility according to appropriate procedures.

If the Customs Service finds that the demand to clear responsibility is not justified, the IFZ Company shall be held responsible and shall settle the customs duties and taxes in force without prejudice to penalties that may have accrued.

1°. Shortages recorded at reception

Shortages recorded at reception may indicate:

- that the consignment has not been sent though it has been recorded in the cargo manifest and commercial invoices;
- that the consignment was stolen or lost during transportation at the national or international level.

In either case, the Customs Service shall hold the firm responsible as regards that consignment and on the basis of the commercial transport documents, unless these shortages have been immediately notified by the firm at delivery on its premises and provided that the firm justifies (explains) those shortages in appropriate documents. The shortages must be confirmed by the Customs Agent who supervised the delivery and unloading of the commodity.

2°. Shortages recorded after reception

The Customs Service can clear a firm of its responsibility for shortages discovered after reception of the consignment in the IFZ only if evidence has been given to the customs official concerned that the consignment has never entered the country's market network because it has never been delivered to the IFZ or transferred from there with a formal authorisation, or else it has got lost or destroyed by accident in the IFZ (fire, evaporation, discharge, absorption, etc.) and, as such, has not entered the National Territory.

The IFZ Companies shall have to report, on forms normally used for the transfer of goods out of the Industrial Free Zone, recorded shortages after delivery of the consignment.

C. DETERIORATIONS RECORDED AT RECEPTION

IFZ Enterprises may, when they notice that the consignment has been damaged at reception, request to be cleared partially or totally of their responsibility, in conformity with laws and regulations in force in customs matters. The firms shall have to register those cases of deterioration in the appropriate customs documents and those of the Industrial Free Zone. Deteriorations shall have to be confirmed by the Customs Agent having supervised the delivery and unloading of goods.

D. SURPLUSES

IFZ Companies shall have to report all consignment found in the Industrial Free Zone, but that did not feature on the IFZ commercial or customs documents. Those surpluses must be registered in reports, declared at the customs and possibly included amongst the products featuring in the firm's ledgers and inventories.

1°. Surpluses recorded at reception

The firm shall have to report in appropriate customs documents and forms surpluses discovered at reception of goods. The surpluses must be controlled and confirmed by the Customs Agent having supervised the delivery and unloading of the said goods.

2°. Surpluses recorded after reception

Firms shall immediately report, using the customs forms designed for the admission of goods in the Industrial Free Zone, any surplus recorded after the delivery of goods.

E. NON REPORTED SHORTAGES AND DETERIORATIONS

If the IFZ Enterprise has not discovered a shortage or deterioration at delivery because the packaging did not allow a thorough inspection, it may request the service of an average surveyor in order to record the said shortages and deteriorations, in the presence of the Customs Service.

The IFZ Company shall register the shortage or deteriorations in the appropriate form (used for the transfer of goods within the Industrial Free Zone), that they shall submit to the IFZ Customs Office and to the NOIFZ Customs Unit in order to be cleared of its responsibility.

F. CORRECTION OF ERRORS

If a promoter (a developer) can give evidence, to the satisfaction of the Customs Service, that a shortage recorded in the package corresponds exactly to a surplus in one or several other packages or categories of inventory; and that those cases are due to clerical errors or handling of registers, the Customs Agent in charge of the case may consider the promoter as cleared of their responsibility. In this case, the firm shall submit to the IFZ Customs Office, a declaration of admission into the IFZ (as regards surpluses) and requests the modification of the initial declaration of admission (as regards shortages) to enable the Customs Office to consequently modify accounts and stock books.

APPENDIX A

FORMS, REPORTS AND INSTRUCTIONS

A1. DESCRIPTION AND INSTRUCTIONS

NOIFZ CUSTOMS UNIT

The following reports and procedures shall be used by the NOIFZ Customs Unit in order to follow up goods operations in the IFZ and set up statistics data.

1°. Ledger for admission declarations (Z.101 model)

It is the official ledger for the declarations of goods allowed to enter all Industrial Free Zones. It shall be handled and updated by the staff of the NOIFZ Customs Unit thanks to declaration copies forwarded by IFZ different Customs Offices.

2°. Ledger for transfer reports (Z.102 model)

Transfers from Industrial Free Zones and Special Industrial Free Zones shall be recorded in this ledger. It shall be updated by the NOIFZ Customs Unit thanks to declaration copies forwarded by the IFZ Customs Offices.

3°. Ledger for commodity flows (Z.103 model)

Each admission or transfer of goods shall be recorded in this official ledger that shall also contain the stock list of goods for which each IFZ Company is responsible. The NOIFZ Customs Unit shall be in charge of its updating thanks to transfer and admission declarations forwarded by the IFZ Customs Offices.

4°. Activity reports (Z.111A and Z.111B model)

This is an IFZ activity report drawn up by the NOIFZ Customs Unit. It shall comprise two sections:

- section A: admissions and transfers in all Industrial Free Zones.
- section B: admissions and transfers in a special Industrial Free Zone.

B. IFZ COMPANIES

The following ledgers and reports shall be drawn up and handled by IFZ Companies under their thorough responsibility.

1°. IFZ declaration ledger (Z.201 model)

The ledger shall contain all admission and transfer declarations. The firm shall have to indicate goods coming from or going to the Industrial Free Zone in this ledger.

2°. Ledger for commodity stock list in Industrial Free Zone (Z.202 model)

This stock list ledger must restate commodity flows in Industrial Free Zone from their admission to their transfer in either identical or equivalent form.

For any equipment or commodity admitted into the Industrial Free Zone, the firm shall have to design a Z.202 form. This form, which is the stock list of admitted goods, shall be filled in for each admission declaration and for each Industrial Free Zone. Any equipment or commodity admitted into an Industrial Free Zone shall be recorded in this document up to its transfer in either identical or equivalent form.

3°. Ledger for goods manufactured in the Industrial Free Zone (Z.203 model)

It is a stock list ledger for goods manufactured in Industrial Free Zone that shall as well state the nature, the quantity and the value of raw materials as well as other costs necessary to the manufacturing of the final product. In this same ledger, shall equally be recorded goods of the same nature and quality (identical goods) from different packs of manufacture.

4°. Report on transferred goods (Z.221 model)

This report shall be accompanied of all declarations relating to the final exit of the commodity from the Industrial Free Zone (export, supplying for local consumption, transfer to another Industrial Free Zone). This report must contain all information on raw materials used for the manufacturing of a product as well as relating costs of production.

5°. Report on status inventory (Z.212 model)

This quarterly report drawn up by the IFZ Company and for which it shall bear thorough responsibility is a report on status inventory.

The firm shall include goods admitted or manufactured within the Industrial Free Zone during the period (three months) in this report.

This report shall comprise two sections:

- section A shall be reserved for admitted goods in Industrial Free Zone.
- section B shall be reserved for transferred goods.

Section A shall contain all information about commodity admissions into Industrial Free Zone.

When a commodity is admitted into the Industrial free Zone, it shall have to feature in this quarterly report and shall be restated in the report each term until it is transferred either in its original state or processed. It must be recorded in Z.211 form.

Section B shall contain all information about goods⁰ produced in Industrial Free Zone.

When the commodity is produced in Industrial free Zone, it must be first recorded in the ledger for the period. It shall as well be reported in the quarterly ledger for each period up to

its transfer from the Industrial Free zone. That commodity must be registered in the transfer report (form Z.211)

6°. Report on goods transferred towards another Industrial Free Zone (Z.213 model)

This form shall serve as the commodity final transfer document either to the Industrial Free Zone or from another Industrial Free Zone. The commodity transfer from an Industrial free Zone and its admission into another Industrial Free Zone shall be recorded in the same form.

7°. Report on goods temporarily transferred from an Industrial Free Zone (Z.214 model)

This form shall serve as a commodity temporary transfer document. The transfer and the return of goods to the Industrial Free Zone shall be recorded in the same form.

A.2 . Samples of forms and reports.

Samples of forms and reports are enclosed to this manual.