



Standard Operating Procedures (SOP) for the arrival of international consignments

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2. INTRODUCTION

This document describes in details the procedure used by the Three Diseases Fund (3DF) for the clearance of shipments arriving on behalf of implementing partners (IPs). The procedures apply to shipments regarding goods procured by the 3DF and to shipments of goods procured by implementing partners with 3DF grants.

3. IMPORT ASSISTANCE BY THE FUND MANAGER

The Fund Manager does not require import licenses and therefore can provide assistance in importing health commodities procured with 3DF grants for IPs. There are a number of prerequisites for the 3DF to provide this assistance:

1. All of the health commodities to be imported should have been procured with 3DF grants for the Fund Manager to be able to provide this assistance. The IP is expected to confirm in writing that all commodities have been procured with 3DF funds,
2. The implementing partner has to submit a list of the items to be imported,
3. No narcotics and/or psychotropic pharmaceuticals can be included in the shipment, unless the IP can provide an import license for these specific items,

4. The shipment should be consigned to the 3DF Procurement Unit, see below:

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It should be clear that the above pre-requisites are mandatory and that no exceptions will be made. There are a number of steps in below procedures which only apply when the shipment is related to a purchase order placed by the Fund Manager, e.g. the Reception Inspection Report. Where this is the case this has been indicated in the text.

Suppliers are required to provide pre-notification of consignments which are to arrive in Yangon (air)port. The first thing which is to be done is to check if the consignment contains any cold chain items. With the pre-notification information the implementing partner can already start the process of identifying a clearing agent if the clearance is not undertaken by their own office.

4. COLD CHAIN SHIPMENTS

The Operations Assistant in the Procurement Unit of the Fund Managers' office has the responsibility to check for any cold chain items present in the consignment, if so the Operations Assistant informs the implementing partner about the fact that there are cold chain items present in the consignment and that it is essential that either one of the two below options are carried out:

1. Arrange for storage in the cold chain facilities in the airport immediately after arrival of the goods pending their clearance. The customs department requires a minimum two days advanced notice for to ensure commodities are stored in the cold room, or,
2. If sufficient time is available, complete the Special Order (SO) procedure and clear the goods immediately upon arrival. (a minimum of 5 days are needed to process a Special Order and be able to clear on arrival.)

The second option is the safest option, since there is no dependency on the customs officers carrying out their work correctly. In those cases where there is

insufficient time to complete the Special Order prior to arrival of the consignment, the first option remains the only possible option. If option one is selected, preferably a clearing agent should ensure that the customs staff has indeed moved the goods to the cold room. In case the consignment is to arrive on a holiday and/or weekend, possible the best solution is to contact the supplier to postpone the arrival until the first possible working day, to prevent unnecessary heat exposure during storage in Myanmar.

5. ON RECEIVING THE SHIPPING DOCUMENTS FROM THE SUPPLIER

The implementing partner is to be informed as soon as possible about the pending arrival of a consignment. To allow the implementing partner to select a clearing agent¹, copies of the airway bill (or original bill of loading in case of sea freight), invoice(s) and packing list(s) should be sent to the attention of the implementing partner. Since UNOPS does not require an import license, the clearing agent will be able to provide the implementing partner with a quotation regarding the costs for the clearance and delivery at the final location(s) of the arriving cargo. In case of airfreight there will only be a copy of the airway bill available with the shipping documents received from the supplier, since the original is in the plane with the cargo. In case of sea freight there should be an original bill of loading available with the documents received from the supplier. In this case the original should be handed over to the implementing partner. The implementing partner should sign a form to indicate that they have received the shipping documents. As soon as the implementing partner has the original airway bill or bill of loading they take ownership of the supplies.

6. PAYMENT TO THE SUPPLIER

(Only applicable if the shipment is related to an order placed by the Fund Manager)

Simultaneously the Operations Assistant will check if all items listed in the packing list(s) conform the original order and perform a receipt in the Atlas system if so. The receipt number is to be kept and provided to the Finance Unit when requesting the payment. If the airway bill or bill of loading has a clear indication that freight was prepaid by the supplier and a FCR (Forwarders Certificate of Reception) has been received, payment can be initiated. The following documents are then submitted to the finance department by the Operations Assistant with the request to carry out the payment to the supplier:

- Original Invoice from the supplier.

¹ The selection of a clearing agent should be done through a competitive process unless a valid Long Term Agreement has been established through a competitive process with clearing agent in the past.

- Original Forwarders Certificate of Reception.
- Original signed Purchase Order (if a partial order the original is only provided with the last delivery, else a copy of the PO is provided.)
- Original packing list from the supplier
- Copy of the airway bill or bill of lading
- Copy of the quotation used for the order
- Copy of the signed award
- Copy of the evaluation
- Copies of any Notes for the record related to the procurement action.
- Reception number generated by Atlas.
- Completed and signed Payment Request.

In case of the final payment when all commodities have been delivered, a remark on the final invoice should indicate that it concerns the last payment for that order and that the purchase order can be closed if the payment has been completed.

7. CUSTOMS CLEARANCE OF THE CONSIGNMENT

After the implementing partner has indicated (in writing or by email) which clearing agent they have selected for the clearance, the Operations Assistant generates the necessary documents for the clearance:

- **Authorization letter for clearance.** Since UNOPS is the consignee, anybody trying to clear the goods needs a letter whereby UNOPS authorizes this organisation to clear on their behalf.
- **Special Order request.** To allow the commodities to be cleared from customs pending tax exemption being granted, a SO (Special Order) request is required. This document is generated by the Fund Managers Office on behalf of the implementing partners and subsequently handed over to the implementing partners. With this letter the clearing agent will be able to clear goods prior to obtaining tax exemption. It does stipulate that if tax exemption is not granted within 30 days, fines are going to be charged to the consignee, it should be clear that these fines are to be paid by the implementing partner who is responsible for requesting the tax exemption.
- **TAX exemption request letter.** All commodities procured with 3D Fund grants are exempted from tax and the Fund Manager generates the TAX exemption request and submits this to the proper authorities. After approval has been granted the Fund Manager will handover the original approved Tax exemption document to either the implementing partner or the clearing agent, depending on who cleared the shipment, for finalizing the clearance with the customs department.
- **A Reception Inspection Report Form.** (Only applicable if the shipment is related to an order placed by the Fund Manager) This form is to be used by the implementing partner to indicate to the Fund

Manager if all goods as indicated in the freight documents have indeed arrived. Within **2 weeks** after arrival of the goods this form should be back with in Fund Manager's Office to allow for payment to the supplier.

With the authorization letter and the Special Order the clearing agent will clear the goods from the air(port) and deliver these at the destination(s) as indicated by the implementing partner. When the approval for tax exemption has been received from the Fund Manager's office, the clearing agent should be informed by the implementing partner so the clearing process can be finalized. Once the case has been finalized, the implementing partner should receive an "Import Declaration" statement from Custom Department via the clearing agent. The Import Declaration mentions the approved tax exemption for the specific consignment. The original "Import Declaration" should be sent to Operations Assistant in the Fund Management Office. When using a Special Order, the implementing partner agrees to the following fines if the procedure cannot be completed within the below mentioned time limits:

1. 0.06% of the various duties and taxes if not finalized within 31 to 60 days, for those goods which are free of duties and taxes,
2. 0.08% for those exceeding 61 to 180 days, and
3. 0.10% for those exceeding 181 to 360 days.

The above percentages are related to the invoice value in Myanmar Kyats, whereby the following ex-change rate is used 1 USD = MMK 450.

Important: It is essential to finalize the clearing process after reception of the tax exemption documents; if this is not done it will jeopardize future clearances by UNOPS of any cargo with the customs department.

To prevent risking fines in case the customs clearance is not finalized within the stipulated period, the implementing partner can chose not do a Special Order. In this case the commodities remain with in the customs department storage until the tax exemption has been finalized, which will take at least three weeks, only then the commodities will be released from customs and the clearance procedure is immediately finalized.

7.1 Combined consignments for more than one implementing partner

In cases of combined consignments for more then one implementing partner, the Fund Manager will request the implementing partner with the largest share in the consignment to coordinate the clearance on behalf of all parties involved. The tax exemption requests in these cases will be carried out by the Fund Manager. If due to late finalization of the TAX exemption penalties need to be paid, these will be shared between the partners based on the values of the individual invoices per partner.

7.2 Original way bills

The clearing agent will receive original airway bill (or bill of loading) with shipping documents when clearing the consignment and is responsible to return the 2nd set of original shipping documents to implementing partner when the goods has been cleared. In case of sea freight the implementing partner has already received the original bill of loading.

8. RECEPTION INSPECTION REPORT

(Only applicable if the shipment is related to an order placed by the Fund Manager)

When the implementing partner receives the consignment they are responsible to ensure that the items as listed on the packing list are in the actual consignment. The "Reception Inspection Report" (RIR) should be completed and in case there are items not in the consignment which have been mentioned on the packing list this should be reflected in the RIR. In case the consignment was complete, it suffices to indicate on the RIR goods received as on attached packing list. All packing lists should be attached and signed by the implementing partner who has the Memorandum of Agreement with the 3D Fund. The original should then be handed over to the Operational Assistant.

In case of short deliveries or damaged cargoes the implementing partner should indicate this to the Operations Assistant. The Fund Management Office will then take this up with the supplier and keep the implementing partner informed about the status.

In case of questions please contact the 3DF Procurement Unit

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9. MATRIX OF RESPONSIBILITIES FOR THE CLEARANCE OF CONSIGNMENTS

Action	Responsible	Remarks
Receiving pre-notification of arriving consignments.	Fund Manager/implementing partner	Sometimes waybills are included but not always.
Informing implementing partner pending consignment.	Fund Manager	Provide any documents available at that time.
Check for cold chain commodities.	Fund Manager/implementing partner	Informs 3DF/implementing partner if this is the case.
Taking action in case of cold chain.	Implementing partner	Clear immediately or arrange cold storage at the airport (to request 3DF to prepare a cold chain request to custom)
Receiving shipping documents from supplier.	Fund Manager/implementing partner	Official original documents arrive
Initiate payment to the supplier.	Fund Manager	For the orders placed by 3DF
Selecting clearing agent.	Implementing partner	Competitive procedure or valid LTA.
Informing Operations Assistant about selected clearing agent.	Implementing partner	By mail or email.
Generating clearance documents and tax exemption request.	Fund Manager	TAX exemption, clearance authorization, Special Order, Reception Inspection Report Form.
Clearing consignment.	Implementing partner or clearing agent	Immediately with SO or after tax exemption has been granted.
Requesting tax exemption.	Fund Manager	
Finalizing clearance procedure in case of SO.	Implementing partner with clearing agent	Clearing agent should "close" the incomplete clearance procedure.
Generating RIR and send original to 3D Fund.	Implementing partner	Within 2 weeks after arrival of shipment