



# INFORMATION SHEET

## CUSTOMS

### Depots

#### **Background**

Legislative amendments to the Customs Act were passed by Parliament during the November sittings to permit the establishment of "depots". The previous legislation did not differentiate between temporary storage facilities designed to facilitate the de-consolidation of imported LCL cargo, and warehouses designed for longer term storage for deferred duty purposes.

#### **The purpose of depots**

Depots, or temporary storage is primarily intended to facilitate the logistical requirements of international trade. They are basically for the de-consolidation of imported containerised cargo, consolidation of export cargo, and the examination of goods by Customs. Goods can be held in a depot for a maximum of 30 days.

#### **The application process**

Depot approvals are granted under Section 21(A) of the Customs Act, in the form of a permission, renewable annually. Pro-forma applications are available from your local Customs office or on the PNG Customs website. Applications may be refused on the grounds that:

- The applicant is not a fit or proper person;

- The applicant is not in a position to occupy or control the premises in question;
- Physical security is inadequate;
- Records are unsuitable to enable Customs' audits;
- The premises are too remote from customs operations.

#### **Who may apply**

Those agencies currently operating premises for the de-consolidation of cargo, either on the wharf or at airports; those currently licensed as Class I or Class V warehouses; or freight forwarders for whom this facility would improve logistical efficiencies.

#### **Depot operator responsibilities**

Depots are considered "Customs controlled areas" under Section 16 of the Customs Act. Consequently operators must:

- Only grant access to the premises to authorised personnel;
- Ensure authorised personnel are properly identified;
- Display signs stating the premises are a Customs controlled area and entry is prohibited to unauthorised persons;
- When requested, account to customs for all goods held in the premises.

#### **Depot operations**

Depot operators have legal requirements to account for goods

under their control to the satisfaction of Customs.

Containers are moved from a wharf to a depot by means of an FAK (Freight All Kinds) permission. The depot operator is expected to maintain a register of all goods taken into the depot and ensure that those goods are subsequently delivered into home consumption by means of a proper delivery authority.

Customs will undertake audits on a regular basis to ensure all goods are properly accounted for and released accordingly to law.

***This information is provided as a guide only.***

For more information please your local Customs office or write to The Chief Commissioner of Customs, PO Box 923, Port Moresby, NCD, or call +675 312 7500 or visit our website at [www.customs.gov.pg](http://www.customs.gov.pg).

***Legislative References:***

**Customs Act**

Part IV, Sections 16 to 18 and 21(A)