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ARTICLES OF AGREEMENT

BETWEEN

THE GOVERNMENT OF SIERRA LEONE.
[REPRESENTED BY ITS MINISTRY OF TRADE AND INDUSTRY]

AND

SIERRA INSPECTION COMPANY LIMITED

April 2012

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1950
1951
1952
1953
1954
1955
1956
1957
1958
1959
1960

TABLE OF CONTENTS

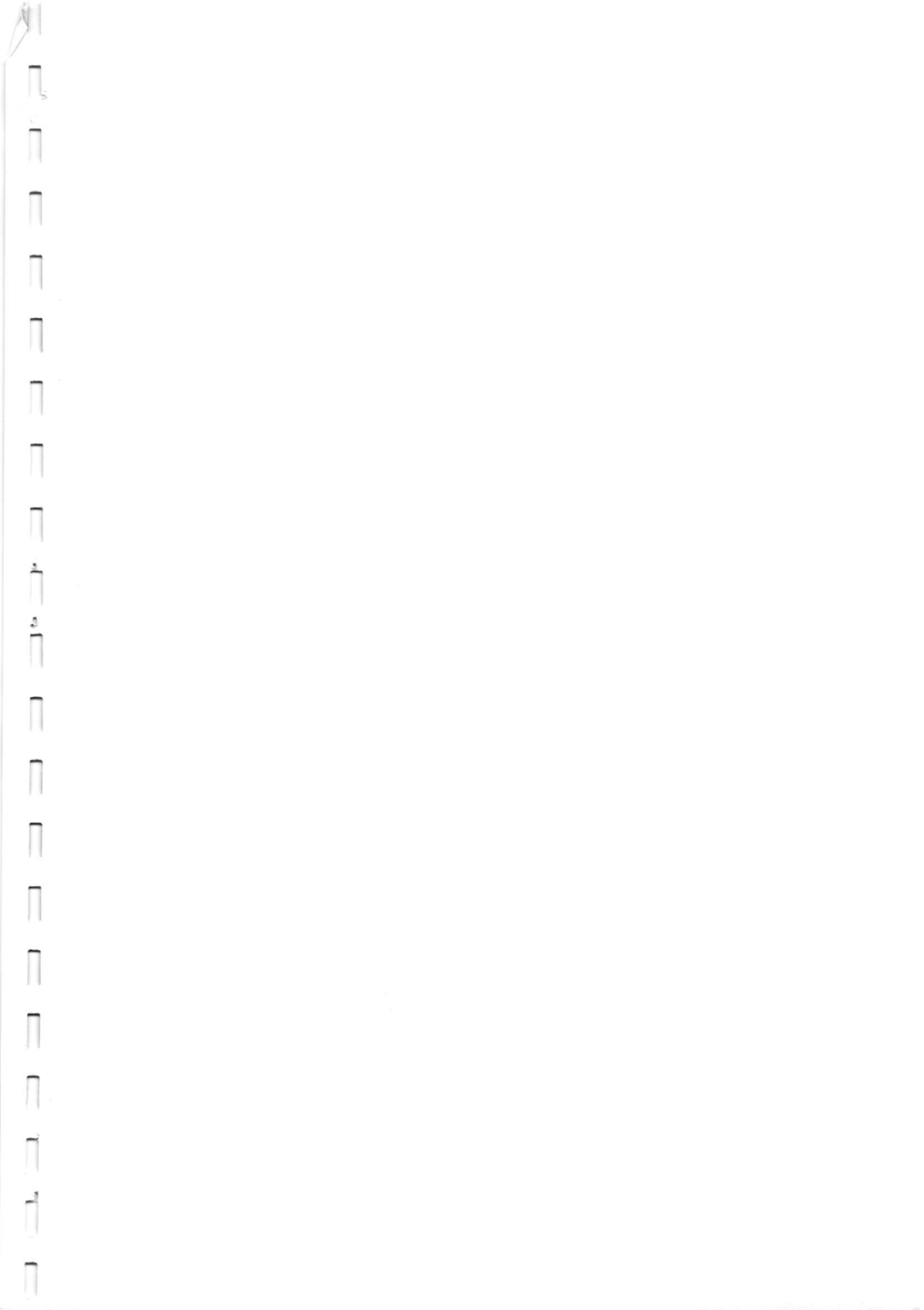
Article 1:	DEFINITION OF TERMS
Article 2:	APPOINTMENT
Article 3:	IMPORT TRANSACTIONS SUBJECT TO THE SERVICES
Article 4:	SERVICES TO BE PROVIDED BY SIERRA INSPECTION COMPANY LIMITED (SIC)
Article 5:	INSPECTION OF HIGH RISK GOODS
Article 6:	OBLIGATIONS OF SIC
Article 7:	OBLIGATIONS OF THE GOVERNMENT
Article 8:	IMPLEMENTATION MECHANISM BY SIC
Article 9:	IMPLEMENTATION BY THE GOVERNMENT
Article 10:	FEES
Article 11:	METHOD OF PAYMENT
Article 12:	RESPONSIBILITY AND LIABILITY OF SIC
Article 13:	RESPONSIBILITY AND LIABILITY OF THE GOVERNMENT
Article 14:	THE SINGLE WINDOW CONCEPT
Article 15:	GOVERNING LAW AND DISPUTE SETTLEMENT
Article 16:	JURISDICTION
Article 17:	FORCE MEASURE
Article 18:	TERM OF AGREEMENT
Article 19:	ASSIGNMENT AND SUCCESSION
Article 20:	TERMINATION
Article 21:	GENERAL PROVISIONS
Article 22:	NOTICES



Article 23:	ENTIRE AGREEMENT
Article 24:	MODIFICATION OF AGREEMENT
Article 25:	SEVERABILITY
Article 26:	SURVIVAL OF OBLIGATIONS
Article 27:	FURTHER ASSURANCES
Article 28:	CONFIDENTIALITY AND NON-DISCLOSURE OF INFORMATION
Article 29:	COUNTERPARTS
Article 30:	TABLE OF CONTENTS

ANNEXES

- I. GOODS SPECIFICALLY EXEMPTED FROM THE SERVICES
- II. HIGH RISK GOODS
- III. SCHEDULE OF ADDRESS OF PARTIES



THIS AGREEMENT is made the Day of.....
2012

BETWEEN

The Government of the Republic of Sierra Leone acting by and through its **Ministry of Trade and Industry** [herein after referred to as "the GOVERNMENT" of the one part

AND

SIERRA INSPECTION COMPANY LIMITED, a Company incorporated under the laws of Sierra Leone with its registered office at 44 Pademba Road, Freetown, Sierra Leone [Herein after referred to as **SIC** of the other part.

WHEREAS the GOVERNMENT intends to achieve the objective of the Sierra Leone Trade and investment Gateway Programme which is to attract a critical mass of export-oriented investors to Sierra Leone. In order to accelerate export-led growth, as well as to facilitate trade through modern, efficient and rapid verification of all imported goods on arrival in Sierra Leone.

AND WHEREAS the GOVERNMENT, seeking further to eliminate opportunities for fraud, fiscal evasion and price discrimination, by identifying and deterring over-invoicing and under-valuation and tariff code mis-declarations, intends that price verification and assessment of Customs valuation and classification of imported goods by undertaken prior to their clearance in Sierra Leone.

AND WHEREAS the GOVERNMENT agrees to appoint **SIERRA INSPECTION COMPANY LTD [SIC]** to perform the services described in this Agreement at the **AIRPORT AND LAND BORDERS OF SIERRA LEONE** and **SIC** accepts the appointment to provide such services for the benefit of the GOVERNMENT.

AND WHEREAS collectively, both the GOVERNMENT OF SIERRA LEONE and SIERRA INSPECTION COMPANY LTD are known as "the Parties".

NOW THEREFORE in consideration of the agreements and undertakings set out in this Agreement and other good and valuable considerations the sufficiency of which is hereby acknowledged, the Parties intending to be legally bound, have granted the rights and accepted the obligations set out below:



Article 1

DEFINITION OF TERMS

In this Agreement, except as otherwise provided, the following terms shall have the meanings hereby assigned to them:

- AGREEMENT** - means this entire Agreement including
- ANNEXES** - 1, 11, 111 AND IV attached hereto, which form an integral and binding part and parcel of the Agreement
- BOE** - means Bill of Entry
- CEPS** - means the Customs, Excise and Prevention Service of the Republic of Sierra Leone.
- COMMENCEMENT DATE** - The commencement date shall be the date on which the actual operations will begin
- COUNTRY** - means the Republic of Sierra Leone
- CRMS** - means a computer model under the name of Computerized Risk Management System, developed, implemented and kept up to date by SIC for the evaluation of the degree of risk of revenue evasion, mis- classification, contraband goods and risks involving health and safety, associated with each consignment.
- DUMPING** - For the purpose of this agreement, a product is to be considered as being dumped if it is introduced into the commerce of Sierra Leone at less than its home consumption price of exporting country or, in the absence of a domestic price available from the exporting country if the product price is less than the cost of production in the country of origin plus a reasonable addition for profit, selling and any other costs.
- DEFECTIVE DATE** - Means the date on which this Agreement is signed by both Parties hereto, as stipulated in Article 19.1.
- FCL** - Means a full container load of goods



FINAL INVOICE

- Means the Commercial Invoice issued by the seller to the Importer for goods/services supplied.

FCVR

- Means the Final Classification and Valuation Report, which is a report issued by the SIC and transmitted to CEPS containing all the elements necessary for the assessment of the customs value and tariff classification of an import transaction by CEPS.

GIATT

- Means General Agreement on Tariff and Trade import consignment and resulting from the application of the CRMS.

IMPORTER

- Means a buyer of record of imported goods and shall include the Government where it imports goods into the country which is covered by the Services.

IMPORT DOCUMENT

- Means pro-forma invoice and all cases, final invoice and whenever relevant copy of contract, technical specifications and all other documents which is part of the purchase order.

MTI

- Means the Ministry of Trade and Industry of the Republic of Sierra Leone.

NON-INTRUSIVE CARGO VS

- Means a Non-intrusive Cargo Verification System, being a system designed for the examination of goods in container.

NOTICE TO IMPORTERS

- Means the legal document issued by the GOVERNMENT necessary to inform importers of the proceeds and obligations related to the Services and referred to in Article 7.1'

OFFENCE

- Means an offence subject to criminal prosecution resulting in a fine or imprisonment or both.

PHYSICAL VERIFICATION

- Means the verification of goods through physical examination of goods in Sierra Leone.



PUBLICATION

- Means publication in Sierra Leone in the Commercial and Industrial Bulletin and includes publication in the newspapers and other media of public information.

SELLER

- Means the seller of record of goods and includes suppliers of goods.

SERVICES

- Means all the activities, duties and obligations agreed upon between the GOVERNMENT AND SIC and to be performed by SIC under the terms and Agreement specified in Article 4 of this Agreement.

TARIFF CODE

- Means the Customs tariffs code application in Sierra Leone.

TPD

- Means a computerized database of transaction prices under the name of Transaction Price Database developed, implemented and kept up-to-date by SIC and used in comparison with the price of imports into Sierra Leone.

MDAs

- Ministries, Departments and Agencies

BLPA

- Sierra Leone Ports Authority

WTO

- Means the World Trade Organization.

BIC

- SIERRA INSPECTION COMPANY LIMITED



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Article 2

APPOINTMENT

The GOVERNMENT hereby appoints and constitutes SIERRA INSPECTION COMPANY LTD and accepts the appointment to carry out these services herein on the terms and under the conditions stated in this Agreement.

Article 3

IMPORT TRANSACTIONS SUBJECT TO THE SERVICES

3.1 Specified transactions for the importation of goods into Sierra Leone shall be subject to the services, except where specifically exempted as per Annex 1 of this Agreement or extended by the GOVERNMENT by legislative instrument or in emergency situations by Notice to Importers or in writing to the Commissioner of CEPS, as appropriate.

Article 4

SERVICES TO BE PROVIDED BY SIC

SIERRA INSPECTION COMPANY LTD shall perform the following services:

4.1 Computerized Risk Management System

4.1.1 SIERRA INSPECTION COMPANY LTD shall develop, implement and keep up-to-date a Computerized Risk Management System [CRMS] which will be used by SIC and CEPS for the verification of such imports as shall be allocated to them.

4.2 Transaction Price Database

4.2.1 SIERRA INSPECTION COMPANY LTD shall develop, implement and keep up-to-date a Transaction Price Database [TPD] on prices of all imports into Sierra Leone which will be used by the SIC and CEPS for the customs valuation of imports.

4.2.2 SIERRA INSPECTION COMPANY LTD shall verify its allocated import transaction for price, customs value and classification before clearance and shall, on the basis of results of the CRMS, identify which transaction must be physically inspected on arrival in Sierra Leone.



4.2.3 SIERRA INSPECTION COMPANY LTD shall report, on a Final Classification and Valuation Report [FCVR] for each consignment imported, in accordance with the WTO Agreement on Pre-shipment Inspection and the GATT/WTO Agreement on Customs Valuation [ACV] information concerning the transaction values, and where applicable:

- The basis for having reasonable doubts about the truth or accuracy of the declared value;
- Comparative transaction values for identical or similar goods;
- Where relevant and upon request by CEPS, information relating to the deductive, computed or fall-back valuation methods.

4.2.4 SIERRA INSPECTION COMPANY LTD shall include on the FCVR:

- a) The appropriate Customs classification on the goods under the Tariff Codes;
- b) The related tariff rates for import duties and other taxes;
- c) The import duty and taxes payable on each consignment in order to assist CEPS in the assessment and collection of import duties and taxes.

This shall be done for all consignment, whether physically verified or not.

4.3 Training and Transfer of Know-How

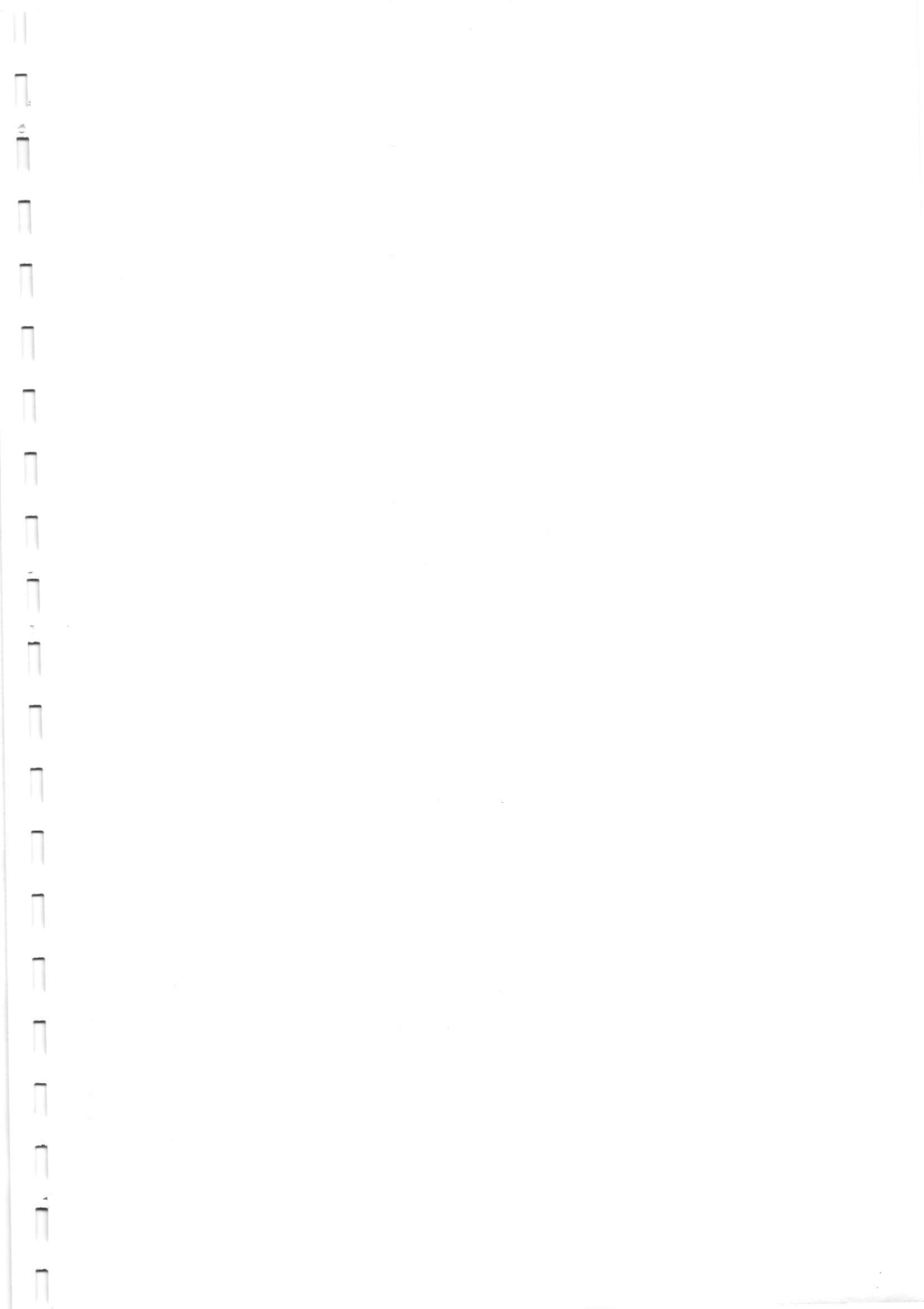
4.3.1 SIERRA INSPECTION COMPANY LTD shall ensure adequate training of its staff and management and provide training and support to CEPS in the areas of computerized risk management and the use of transaction price database, when requested by Government in order to achieve a proper transfer of know-how.

4.3.2 In fulfillment of its obligation of training and transfer of know-how, SIC shall provide two [2] training programme overseas each year, to be composed of two courses, for a total of five [5] CEPS and other Sierra Leonean officials. The training shall be in the areas of computerized Risk Management System [CRMS], Transaction Price Data and other areas of inspection, and shall be for a period of four weeks.

4.3.3 All expenses relating to any such training shall be fully borne by **SIERRA INSPECTION COMPANY LTD**

4.3.4 Every year SIC shall have a minimum of five [5] CEPS official on attachment at their offices in Sierra Leone to be trained in Computerized Risk Management and the use of the Transaction Price Database.

4.3.5 SIERRA INSPECTION COMPANY LTD shall organize local seminars twice [2] a year on Destination Inspection for Sierra Leonean Importers.



Article 5

INSPECTION OF HIGH RISK GOODS

- 5.1** After SIC has classified goods as high risk by the CRM, such goods shall be subject to physical inspection by the appropriate authority on arrival in Sierra Leone. All other consignments shall be physically examined by CEPS and SIERRA INSPECTION COMPANY LTD where necessary with the exception of consignment classified as low risk, which may be cleared through the Green Channel without physical inspection.
- 5.2** In all cases the physical inspection and examination results identified by the appropriate authority in accordance with provision of clause 5.1 above by CEPS shall be reported to **SIC** and in a timely manner for the purpose of keeping the CRMS database accurate and up-to-date.

Article 6

OBLIGATIONS OF SIC

- 6.1** **SIERRA INSPECTION COMPANY LTD** shall report to the Government Instance[s] where it has any information or suspect that an imported item[s] is being dumped on the Sierra Leonean market.
- 6.2** Where the **SIC** has to verify used goods, due to the nature of such goods their valuation **can only be approximate?**
- 6.3** In the performance of its obligations, **SIC** shall comply with Sierra Leone's import laws and regulations in respect of licensing, prohibitions, quotas, packaging, labelling, health, safety, technical standards and environmental standards.

6.4. RECONCILIATION

- 6.4.1** **SIERRA INSPECTION COMPANY LTD** shall perform a monthly reconciliation of revenues collected by the Government with the FCVRs issued by **SIC** and the manifests and Bills of Entries processed by CEPS. **SIC** shall maintain accounting, time and other records hereunder, which shall always be opened to the GOVERNMENT for inspection as and when required upon issuing a day's notice.



6.5 CO-ORDINATION WITH GOVERNMENT AGENCIES

6.5.1 SIERRA INSPECTION COMPANY LTD shall co-operate with MTI, SLPA and Customs Department of the National Revenue Authority respectively, in the design of cargo handling procedures for the Airport and Land Borders of Sierra Leone with the object/purpose of ensuring the most efficient flow of cargoes through the Non-intrusive Cargo Verification System.

6.6 REPORTING BY SIC

- I For each transaction verified for customs value, classification and price, **SIC** shall issue an FCVR to CEPS and the importers summarizing its findings.
- II **SIC** shall submit to the Government regular reports as follows:
 - a) On a daily basis, data on FCVRs, issues the previous working day shall be sent to CEPS, by electronic data transfer.
 - b) On a monthly basis, reports will be submitted to the Government, summarizing the activities of **SIC** under this Agreement for the previous month.
 - c) On a 6 - month basis, report summarizing the activities of **SIC** under this Agreement will be submitted to the Government.
 - d) On a 12 months or annual basis, reports summarizing the activities of **SIC** under this Agreement will be submitted to Government.

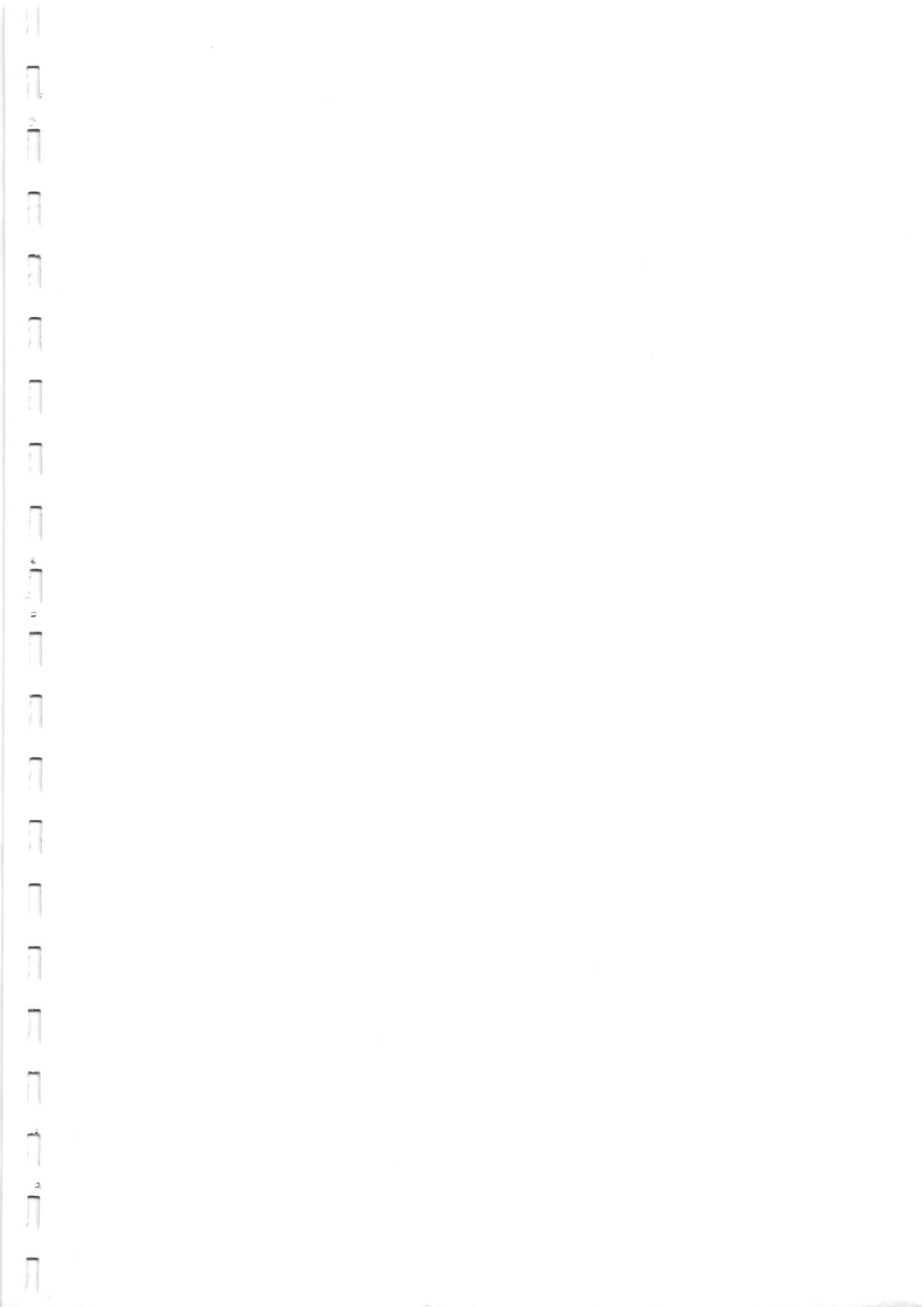
Article 6.7: NON - SUBLETTING PROVISION

In the performance of its obligations under this Agreement, **SIC** shall not subcontract any of its services relating to the development and keeping up-to-date of the computerized risk management system [CRMS] and the valuation support system unless permitted in writing by the GOVERNMENT.

Article 7

OBLIGATIONS OF THE GOVERNMENT

- 7.1** The GOVERNMENT shall apply the laws of Sierra Leone set out in the investment promotion Act 2004, among other related statutes to **SIC** particularly with regard to guarantees against expropriation and exemption from import duties VAT and any other taxes where applicable.
- 7.2** THE GOVERNMENT shall issue all necessary laws, legal notices, and any other similar regulations whenever necessary, and shall promptly notify



SIC of all amendments and changes thereto, so as to enable SIC perform the services.

7.3 THE GOVERNMENT shall take all necessary measures to facilitate the prompt and effective implementation of the services by SIC.

7.4 Any modification or amendment to this Agreement shall be made by mutual consent of the parties in writing.

7.5 The GOVERNMENT shall, subject to the laws and regulations in force in Sierra Leone ensure that SIC is granted all licenses necessary for the operation of SIC 'S office as well as immigration and work permits for any of its expatriate staff.

7.6 THE GOVERNMENT shall ensure that the various Government Agencies and any other bodies appointed to perform services related to the Service defined herein shall co-operate with SIC and with each other to ensure the timely and effective implementation of the Services.

Article 8

IMPLEMENTATION MECHANISMS BY SIC

8.1 SIC shall establish and maintain an adequately staffed office in Sierra Leone which shall, inter alia:

- a) Compose of Twelve [12] expatriate staff to support the management of SIC Operation
- b) Liaise with the GOVERNMENT, [Represented by the Ministry of Trade and Industry] CEPS, SLPA and other Governmental Agencies and entities directly involved in the administration or enforcement of the GOVERNMENT'S trade rules, regulations and legislation, and
- c) Provide administrative and support services in relation to the Services to the rendered under this Agreement.

8.2 SIC will advice the GOVERNMENT [Represented by the Ministry of Trade and Industry] of any necessary changes to be made to the notice to importers in a timely manner.

