**Directive No. 66/2004 issued for the Enforcement of Importation of Goods on Franco Valuta Regulation**

WHEREAS this directive was issued based on the amended Council of Ministers Regulation No. 88/1995 on the importation of goods on franco valuta basis as current technology transfer and the rise in the price of goods globally necessitated revising the implementation process.

WHEREAS, due to the need to prohibit implementation that are contrary to the purpose of the directive; to control unauthorized importation of commercial goods and to provide effective service for imported goods on franco valuta bases appropriately:

NOW, THEREFORE, in accordance with Article 3/1/ of the updated Council of Ministers Regulation No. 88/1995 on the importation of goods on franco valuta basis was issued, this directive by the Ethiopian Revenue and Customs Authority.

1. **Short Title**

This directive may be cited as “Directive for the enforcement of goods on franco valuta basis Directive No. 66/2004.”

1. **Definition**

Unless otherwise stated, in this directive:

1. “**Personal property**” is defined as a movable, non-commercial property that is owned by an individual and is used or occupied for temporary or permanent periods of time; which includes household goods.
2. “**Household item**" refers to things used, owned, and consumed by a family residing in the same home that includes clothing, footwear, toiletries, cosmetics, kitchenware, and other similar items.
3. "**Good of commercial size and character**" refers to goods that can be sold or used in other ways to generate income and are larger than those intended for regular or household use.
4. “**Passenger's personal items**” refers to any movable, new or used items that are kept by a traveler either permanently or temporarily for use on his or her trip.
5. “**Gift items**” refers to items sent to one of the following in Ethiopia by a person or organization outside of Ethiopia:
6. Personal or household items sent to family, relatives or friends
7. Items sent to Government Budget Office and Civil Society Institutions that are helpful and relate to their works
8. Sent to be used by civil societies, religious institutions, schools, and hospitals and are only intended for the activities of those institutions or organizations.
9. “**Government Budget Office**” refers to a federal or state government office managed by government budget.
10. “**Sample Item**” is an item to be used as a row material or test item and which falls under the business license or its manufacturing license.
11. “**Commercial Promotional Item**” refers to a non-commercial item with the logo, appearance, name, or label of a person's or business’s product that is given away for free to consumers as a promotion or for display at an authorized exhibition trade show.
12. “**Temporarily imported good**" refers to an item imported for technology transfer, tourism, cultural exchange, construction work, consulting, or services for international meetings, conferences, symposiums, or workshops that are later used for peacekeeping or other missions. It is an item that may be legally given to another person or returned to another country in the same condition that it was received.
13. “**International organizations**” refers to organizations established by two or more nations, of which Ethiopia is a member.
14. “**Regulation**” refers to the amended Council of Ministers Regulation No. 88/1995 issued for the importation of goods on Franco Valuta Basis.
15. “**Authority**” refers to the Ethiopian Revenue and Customs Authority.
16. **Purpose**

The purpose of this directive is to enable the importation of goods that that do not interfere with the regular trading system and has foreign financial source on Franco valuta basis ensuring their use is according to the permitted purposes.

1. **Scope**

This directive applies to the goods listed in Article 2 of the Regulation and approved for import by the authority in accordance with Article 32 of the Regulation.

1. **Goods imported on franco valuta basis.**

The quantity and type of goods specified in the table annex to this directive will be imported on franco valuta basis.

1. **Requirement of Permit and proof**
   1. Before goods are imported on franco valuta basis, proof of the authorization in accordance with the table attached to this directive must be presented to the authority other than the permit required to be provided by a relevant regulatory office depending on the type of the good.
   2. Notwithstanding sub-article one of this article, the required permit and proof may be processed and submitted while the goods are at the port's warehouse where the goods are already imported into the country via the international airport or directly stored at dry ports established by the country.
2. **Custom Duty and insurance**

Any imported goods shall be subject to duties in accordance with the applicable tariffs and regulations or shall be insured for duties and taxes as appropriate, unless an individual or organization has been granted a full or partial special privilege of exemption from duties and taxes under the law or international convention.

1. **Permission to Import goods on Franco Valuta basis.**
   1. Notwithstanding the provisions of article 6 of this directive, in addition to the table attached to this directive, the manager of the authority's branch office may approve the importation of goods on Franco valuta basis in accordance with clause 3/2/ of the regulation.
   2. Foreign investors or investors of Ethiopian origin working in the manufacturing sector are allowed to import non-capital goods that support their business, spare parts for machineries they imported with tax incentives, and other accessories provided that it is confirmed the goods cannot be produced or found in the country.
   3. In addition to the conditions stated in sub-article one and two of this article, the deputy director of coordination and support department of the authority's branch office may also grant permission for the importation of goods on franco valuta basis under special circumstances.
2. **Prohibition**
3. Notwithstanding the provisions of article 8 of the directive, it is prohibited to import into Ethiopia goods of a commercial size and nature or goods that are not listed in the table annex to this directive on franco valuta basis.
4. Despite what is stated under sub-article 1 of this article, if the manager of the branch office approves, the goods brought by the people listed under row number 13 of the table are allowed to be imported on franco valuta basis.
5. **Legal Measures**
6. When someone imports goods in excess of the permitted amount or outside in violation of the prohibition specified under Article 9 of this directive, the act shall be deemed fraudulent and shall be punished under the directive issued for the purpose of adjudicating customs offenses under administrative procedure.
7. Any item that is handled improperly or cannot be handled in accordance with sub article one of this article will be investigated and reported to the authorities for violating the law.
8. **Repealed Laws**
   1. Regulation No. 9/ 1996 and No. 27/ 1998 that were published to enforce the amended regulation for the importation of goods on franco valuta basis are hereby repealed.
   2. Existing practices and procedures that were being applied previously shall not be applicable if they violate this directive.
9. **Transitory Provisions**

Cases that were under evaluation or did not receive decision prior to the coming into force of this directive may be resolved in accordance with this directive.

1. **Effective Date**

This directive shall enter into force effective from the date it is signed by the Director General of the authority.

Addis Ababa ----------------------- Date 2011

Melaku Fenta

Ethiopian Revenue and Customs Authority

General Director

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| **Item** | **Type of Goods to be imported on Franco valuta** | **Number of items that can be imported on franco valuta and FOB value in US dollars** | **Proof to be presented for the import of goods on franco valuta** |
| 1 | Items imported for recognized services by diplomatic and consular missions. | All item used in diplomatic or consular missions. | Embassy document authenticated by the Ministry of Foreign Affairs. |
| 2 | Imported goods for known services by international organizations. | All item used in international organizations. | Documentation provided by the international organization and authenticated by the Ministry of Foreign Affairs. |
| 3 | Items used by an aid organization in the provision of its services. | All item used in aid organizations. | Documentation provided by Ministry of Agriculture or any other relevant government body. |
| 4 | Personal and household items imported by officials, staff, and missions of diplomatic and consular missions. | All items used by the officers and employees for Personal and household appliances. | Embassy document authenticated by the Ministry of Foreign Affairs. |
| 5 | Household goods and personal items imported by employees and officers of international organizations. | All items used by the officers and employees for Personal and household appliances | Documentation provided by the international organization and authenticated by the Ministry of Foreign Affairs. |
| 6 | Household goods and personal items imported by employees and officers of international aid organizations. | All items used by the officers and employees for Personal and household appliances | Documentation provided by Ministry of Agriculture or any other relevant government body. |
| 7 | The gifts, grants, and donations that the Ethiopian Government Budgeted Office receives that are pertinent to their work. | Only items that are necessary for their work and support their activities | Confirmation from the budgeted office |
| **Item** | **Type of Goods to be imported on Franco valuta** | **Number of items that can be imported on franco valuta and FOB value in US dollars** | **Proof to be presented for the import of goods on franco valuta** |
| 8 | Items that civil associations receive as donations and gifts related to their work and support their activities. | Only items that they require for and are beneficial to their work. | A certified document that memorandum of association of the entity as well as gift certificate |
| 9 | Non-commercial items received as gifts or donations for use by religious, educational, medical, or vocational training institutions for use by the institutions for the sole purpose of their work. | Only items that they require for and are beneficial to their work. | memorandum of association of the entity as well as gift certificate |
| 10 | Non-commercial items brought into the country as gifts or donations for family, relatives or friends, with the exception of vehicles. | In accordance with the personal use items list directive issued by the authority. |  |
| 11 | Items imported as gifts and donations for researchers in any field, related to their research work. | In relation to the research work | Evidence showing the item is imported for research work from a research institute |
| 12 | Individuals moving to Ethiopia for the first time may import personal items and household goods except automobiles. | * + - That are not of commercial nature and amount.     - Personal use items not exceeding 5,000 can be imported tax free | * + - Ethiopian Resident ID     - Attestation given by Ministry of Foreign Affairs or another relevant entity. |
| **Item** | **Type of Goods to be imported on Franco valuta** | **Number of items that can be imported on franco valuta and FOB value in US dollars** | **Proof to be presented for the import of goods on franco valuta** |
| 13 | Personal and home appliances and equipment used by Ethiopians and foreigners with Ethiopian origin who return home after traveling abroad for a variety of reasons. | Items that are not of commercial nature and amount, listed under table 2 | * + - Confirmation from the Ethiopian embassy or consular office where they used to live attesting, they are returning home for good.     - Employment contract or business license confirming that the item imported was used by the traveler in his/her profession or personal use authenticated by the Ethiopian Embassy/ consular and Ministry of foreign affairs. |
| 14 | Capital goods up to commissioning stage and personal use items and equipment relevant to the works of foreign investors or Investors having an Ethiopian Origin who obtained Investment License from relevant government authority | * + - Capital good only relating to the investment that relates to the investment work and permitted amount of row material for production of test materials.     - Personal use items not exceeding 10,000 and having FOB value | * + - Confirmation from Import and other items processing office, If the items are to be imported duty free. |
| 15 | Prizes such as trophies and medals sent to individuals and companies for reasons of sport, art etc. which are non-commercial and only for gift purposes. | * + - Trophy and medal and other prizes given to the person that are not of commercial nature and amount. | * + - Certificate to be given by the awarder and confirmation from relevant government body. |
| 16 | Row materials such as unique seeds to be used for export as well as packages and containers. | * + - Only unique seeds, packages and containers to be used for the export item | * + - Confirmation from Ministry of Trade that it is covered under export trade incentive scheme. |
| 17 | Non-commercial gifts; samples and promotional materials, | * + - If promotional materials, they must be non-commercial and must contain the purpose of the product, name of the company, unique ID add label and should not exceed 5,000 FOB value.     - Gifts and samples not having commercial size and not exceeding 4,000 | * + - Evidence confirming the items imported are for the trade or service s/he is conducting |
| 18 | Containers, boxes, Cans, bottles, Jars and other containers which stay for longer period after import | * + - According to the amount of the items they hold | * + - Documents presented for imported goods |
| 19 | Non-commercial items and equipment sent to person with disability. | * + - All items and equipment imported for person with disability | * + - Confirmation from Ministry of Labor and Social Affair |
| 20 | Items imported to replace missing or faulty parts based on the warrantee terms the importer has with the supplier. | * + - The same amount as the items to be replaced or faulty | * + - Confirmation as to the presence of missing item or fault and proof showing the warrantee the supplier given to the importer. |
| 21 | Urgent items that are important for the health of a person or regular functioning of an institution and can cause damage to the life of the person or the work of an institution | Based on the type and size of the important item or spare part; If the item imported is medication, as much as needed without the FOB value being restricted. If it is automobile spare part, as per the magnitude of repair needed except engine, Cambio, and differential parts | Confirmation given from a doctor/ ministry of health or the company and vehicle registration document if it is for vehicle. |
| 22 | Items travelers carry into the country | In accordance with the personal use directive to be issued by the authority |  |
| 23 | Items temporarily imported and be returned | Permitted amount and type | Agreement entered with the relevant government authority or any other relevant document. |