

## MINISTRY OF FINANCE DEVELOPMENT – CUSTOMS DEPARTMENT



### AUCTION PROCEDURES IN SOMALILAND CUSTOMS

At present, seized or unclaimed goods may remain in a Custom's warehouse indefinitely taking up space and denying revenue collection. The Customs Act 73/2016 empowers the Customs Authority to dispose of such goods - those that have either been seized or have exceeded stipulated time limits, by way of 'sale' or 'Private Treaty' or 'Public Auction' or 'destruction' or 'disposal by other means'.

The Ministry of Finance Development (MoFD), has approved a new auction process for the sale of these goods, in accordance with the legal requirements of the Customs Act 73/2016, ensuring the use of transparent procedures and equal treatment of all those interested in purchasing the goods.

#### Summary of process

- **Approval:** Customs and other authorities involved in the importation of goods will form a local Auction Committee to identify goods liable for auction. Auction of the goods will be approved by the Customs Director and MoFD.
- **Notice of Auction:** At least 15 days before the auction date, advertisements will be placed on the MoFD website and social media accounts, in the Government Newsletter and national newspapers, specifying:
  - The date, time and place of auction
  - The description of goods to be auctioned, including photographs if possible
  - The Lot Number for each set of goods to be auctioned, and
  - Dates and times of public viewings of the goods.

Notices will also be sent to the Chamber of Commerce and to other associations of importers/traders in the area where the auction is to be held; and displayed at Customs Headquarters and the Customs Station where the goods are held.

- **Bidder Qualification:** Any person can participate in the auction as long as he/she:
  - Is over 16 years of age
  - Is resident in Somaliland
  - Holds a valid Tax Identification Number
  - Holds a Ministry of Trade, Industry and Tourism Import Licence, and
  - Has not been disqualified by the customs Authority to participate in auction.
- **Conduct of Auction:** A preliminary assessment of the value of the goods for sale is made by Customs prior to their sale and this amount is taken to be the minimum sale price. The customs Authority will decide on the method of the bidding process for each case. Bids may be made either by sealed tender/private offer, on-line, a public bidding auction, or a combination of the bidding methods
- **Payment of accepted bids:** A deposit of 50% of the amount of the highest bid accepted at an auction shall be payable by the bidder immediately after the final bid is accepted. The balance of the amount of bid shall be paid within a period of seven days of the final acceptance of the bid.

#### Notes:

Every bidder is considered to have inspected the goods and bidding is done on his/her own responsibility. Customs shall not give warranty on the quality, quantity, packaging condition or any other particulars of the goods offered for sale.

The successful bidder must pay any inspection or licence fees that may be due on the goods.

More information on the new auction process, including the 'Auction Rules' and a flowchart of the process are available to the public on the Ministry of Finance Development's website (<http://slmof.org/>).