



**Ministry of Finance Development  
Somaliland Customs Department**

**CUSTOMS AUCTION RULES**

**1. Introduction**

The Customs Act 73/2016 empowers the Customs Authority to put up for sale goods that have either been seized, abandoned, or have exceeded time limits to clear goods through Customs stipulated in the Customs Act Regulations 03/2019.

The sale of these goods if completed through the Customs auction process, ensuring the use of transparent procedures and equal treatment of all those interested in purchasing the goods.

**2. 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:

- i. The date, time and place of auction;
- ii. The description of goods to be auctioned, including photographs if possible;
- iii. The Lot Number for each set of goods to be auctioned; and
- iv. 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.

The Customs Station Manager where the goods are stored shall arrange for potential bidders to inspect the goods between 14:00hrs and 16:00hrs on the Saturday, Monday and Wednesday prior to the auction date.

Every bidder is considered to have inspected the goods and bidding is done on his/her own responsibility. The goods are sold and delivered in the state they are at the time of the sale and the Customs Department cannot be held responsible for any damages, defects or deficiencies or for any misinterpretation that may arise from the description of the goods on sale in the publication.

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. Contact the local Customs Station for further guidance

**3. Qualification for bidder/tender**

Any person can participate in the auction as long as he/she:

- a) Is over 16 years of age;
- b) Is resident in Somaliland;



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- c) Holds a valid Tax Identification Number;
- d) Holds a Ministry of Trade, Industry and Tourism Import Licence;
- e) Has not been disqualified by the customs Authority to participate in auction.

**4. 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.

- a) Sealed Tender/Private Offer: The bidder may participate in auction by way of submission of sealed tender/private offer indicating the lot number and the amount of the bid to Customs prior to the day of auction;
- b) On-line bidding: The bidder may submit a price they are happy to pay by way of email to a designated email address. The bids will be registered and assessed on the day of the auction;
- c) On the day of the auction the public verbally bid for each Lot in the following manner:
  - i. On the day of auction bidders shall be granted access to the nominated auction site. The customs Authority shall nominate a Customs Officer to act as an auctioneer to oversee the auction.
  - ii. Before the start of bidding the auctioneer shall announce the **lot** number and the details of the goods.
  - iii. The auctioneer declares a starting price (highest sealed tender/private offer) and bidders declare whether they wish to increase the starting price, and each subsequent bid amount, until no further bids are made. At this point, the person who bid the highest amount secures the goods.

No bid shall be accepted if it is lower than the preliminary sale price. The officer in charge is not obliged to accept the highest, or any bid.

**5. 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. If the deposit is not paid the bid will be cancelled and the goods may be sold to the second highest bidder, or re-auctioned, as deemed appropriate.

The balance of the amount of bid shall be paid by the successful bidder in cash or cheque (accompanied by a bank statement to prove possession of the balance), as prescribed by the Director, within a period of seven days excluding holidays, of the final acceptance of the bid.



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If the balance of the amount of the bid is not paid within the given period, the deposit shall be forfeited in favour of the Ministry of Finance Development, and the goods may be re-sold by auction or otherwise.

If the successful bidder is unable or refuses to comply with the terms of these rules, the Director of Customs will have the right to sell the goods to another bidder or initiate a new auction process. The Director of Customs may disqualify the bidder who failed to comply with these rules from any further auction process.

**6. Customs to issue a confirmation of sale at auction**

The customs Authority shall issue a confirmation of sale at auction giving the name and address of the successful bidder, his/her Identity Card/Passport Number and Tax Identification Number, the date and place of the auction, the number of the lot, full description and quantity of the goods in respect of which bid was accepted and the price at which such goods were sold.

The successful bidder must pay any inspection or licence fees due on the goods before they can be released.

The successful bidder shall present the confirmation of sale issued to him/her to the Customs Manager of the Station where the goods are warehoused. Customs shall give delivery of the goods specified in the delivery order to the bidder, and Customs and the bidder will sign the confirmation of sale to confirm release/receipt of the goods.

**7. Refund of adjustments**

The amount of the deposit shall be deducted from the final payment of the whole amount of the bid, but where a bid is not accepted by the appropriate authority, the amount of the deposit shall be refunded to the bidder.

**8. Power of Director to cancel auction, etc. –**

- a) Notwithstanding anything contained in these procedures, the Director may:
  - i. Cancel the whole proceeding of an auction.
  - ii. Accept or reject any bid or offer at auction at any time before the goods are delivered to the successful bidder. He/she may also recall the proceedings and recover the goods even after delivery of goods if it is proved that there has been a deliberate attempt to cause loss to the public purse; and
  - iii. Restrict or refuse the entry of persons to the premises where an auction is held or their taking part in the auction.
- b) Notwithstanding the procedures prescribed above, the Director may issue such general or special orders, regulating the auction as he/she thinks fit in order to safeguard the public interest.