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Incorrect Custom Declaration – Undeclared items

What happened?

The vessel arrived at Zona Charlie, Argentina, for STS operations. As part of the normal Port Clearance, the Master assisted by the local agent submitted the Custom Declaration including the Store List.

After completion of cargo operations, the vessel proceeded to Dock Süd Port, Buenos Aires and two other Argentinean Ports before arriving at San Lorenzo Port for loading. In each port a new Port Clearance was made, but as for the Custom Declaration the original Store List remained valid since the vessel had traded between Argentinean ports continuously since the arrival at Zona Charlie.

Once alongside at San Lorenzo the vessel was boarded by the Argentinean Custom Authorities who conducted a full search of the stores. Upon completion, the Custom Authorities advised the master that the vessel had failed to declare the bunkers and lube oil on board – an Argentina Custom Regulations infringement. No bunkers or lube oil figures had been inserted in the Store List submitted at Zona Charlie.

- 'Undeclared items'
401.40 MT IFO
86.90 MT MGO
50,000 litres lubricating oil

What was the result?

As bunkers and lube oil are necessary to operate the vessel, the 'undeclared items' were not confiscated by the Custom Authorities, but the vessel was imposed a fine corresponding to the value of the bunkers and lube oil, plus an additional charge instead of confiscation (equal to the value of the 'undeclared items'). In effect, twice the value of the bunkers and lube oil.

IFO value	USD 190,665
MGO value	66,044
Lube oil value	100,000
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Subtotal	USD 356,709
Additional charge	356,709
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Fine in Total	USD 713,418
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Why did it happen?

- Most likely instead of using the provided form submitted, the vessel had the figures as an attachment to the form which was then lost or simply disregarded by the Custom Authorities.
- As per the vessel's copy of the submitted Custom Declaration with Ship Store List at Zona Charlie, the documents did not contain information of bunkers and lube oil carried on board as required per Art. 962 of the Custom Code (Law 22.415).
- The vessel advises that although the Master usually fills in the figures by hand upon arrival, it is possible that the bunkers and lube oil sheet in this case was submitted as an attachment to the Store List.

What can we learn?

- Masters should be particularly vigilant and attentive when filling in the Custom Declaration and Ship Store List in order to prevent any future misunderstanding or confusion. This applies to the content of the declaration, but also the form of the declaration.
- The main areas of concern: The problem of Custom Fines is not isolated to certain African countries, e.g. Senegal, Ivory Coast. Also countries in South America are imposing heavy fines for incorrect declarations. In these areas, the Member should stress to the agent that the formal requirements are double checked.
- Immediately contact the local SKULD P&I Correspondent who will be able to assist with the handling of the fine and at least negotiate a reduction.

If in any doubt, do not hesitate to contact Skuld or the Association's P&I correspondent in the relevant jurisdiction for further advice.

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