

10-216

The Secretary of State presents her compliments to Their Excellencies and Messieurs and Mesdames the Chiefs of Mission and informs them of the changes in the Department's policy regarding procedures for authorizing foreign missions and their members the privilege of duty and tax-free purchasing at U.S. Customs and Border Protection (CBP) approved bonded warehouse facilities in the United States. This note replaces diplomatic circular notes No. 04-47, dated March 16, 2004 and No. 05-292, dated December 14, 2005.

The extension of this privilege is managed by the Department's Office of Foreign Missions (OFM). Additional information concerning OFM's "Bonded Warehouse Program" is available at its website (<http://www.state.gov/ofm/bondedwarehouse/index.htm>).

This note outlines newly revised policies and procedures associated with the authorization of duty and tax-free purchases at bonded warehouse facilities in the United States. Effective November 15, 2010, all foreign missions located in the Washington, DC Metropolitan Area will be required to submit requests for the approval of tax and duty-free purchases from bonded warehouses to OFM using

the E-Government Program. All foreign missions in the Washington, DC Metropolitan Area have been separately invited to attend training sessions associated with this new feature of the E-Government Program.

The Chiefs of Missions will be advised when the use of this system also becomes mandatory for foreign missions located outside of the Washington, DC Metropolitan Area.

ELIGIBILITY

Certain foreign missions and their members enjoy tax and duty-free privileges in accordance with Articles 34, 36, 37.1 and 37.2 of the Vienna Convention on Diplomatic Relations, and Articles 49.1, 50.1 and 50.2 of the Vienna Convention on Consular Relations, and as well other related multilateral and bilateral treaties and agreements. OFM's extends such privileges on the basis of reciprocity.

OFM's Bonded Warehouse Program allows foreign missions and their members to obtain authorization to purchase tax and duty-free merchandise from CBP-approved Bonded Warehouse facilities in the United States.

Such requests will only be approved if the associated merchandise is intended for either the official benefit of foreign missions or for the personal use of their eligible members. Such articles include, but are not limited to alcoholic beverages, tobacco products, and foodstuffs.

Such requests are expected to be of reasonable quantities. OFM reserves the right to impose quantitative restrictions on foreign missions or their members on the basis of reciprocity. In general, OFM expects responsible senior officials of all eligible bilateral missions and international organizations to screen such requests for reasonableness of quantity and frequency of submission. However, OFM will not authorize purchases of tobacco products that are intended for use or distribution at official parties or functions.

For administrative reasons, OFM will only accept personal requests for approval of purchases from bonded warehouse facilities when such requests are consigned to a principal member of a foreign mission. Thus, OFM will reject requests for which the consignee is a dependent family member.

In accordance with Article 62 of the Vienna Convention on Consular Relations, honorary consular officers are not entitled to receive an exemption from taxes or duties imposed on the types of commodities sold by bonded warehouse vendors in the United States.

PERSONAL GOODS REQUESTS

Eligible foreign mission members wishing to obtain tax and duty-free purchases from a bonded warehouse facility must adhere to the following procedures:

1. Eligible mission members must submit requests associated with purchases of tax and duty-free merchandise from bonded warehouse facilities via the Department's E-Government System.
2. The mission member must provide the following information:
 - a) Name of Bonded Warehouse facility
 - b) Name of Embassy, Legation or International Organization
 - c) Intended Use
 - d) Purpose
 - e) Personal Identification Number
 - f) Consignee's Surname
 - g) Consignee's Given Name
 - h) Consignee's Date of Birth
 - i) Delivery Address of Merchandise (The delivery address must be either the consignee's home or that of the foreign mission/international organization to which s/he is assigned.)
 - j) For the Description of Merchandise the following information is required:
 - Product Type
 - Brand Name
 - Size

- Quantity
 - Cost Per Unit
 - Catalog Code
3. If the consignee is eligible for this privilege, the e-Government request form is completed correctly, and the request is determined to be of a reasonable quantity, OFM will authorize the mission member's request to purchase the associated tax and duty-free merchandise.

OFFICIAL GOODS REQUESTS

Eligible foreign missions wishing to obtain duty and tax-free purchases from a bonded warehouse facility that are intended for official use should adhere to the following procedures:

1. Eligible missions must submit requests associated with purchases of tax and duty-free merchandise from bonded warehouse facilities via the Department's E-Government System.
2. The mission must provide the following information:
 - a) Name of Bonded Warehouse facility
 - b) Name of Embassy, Legation or International Organization
 - c) Intended Use

- d) Purpose
 - e) Point of Contact's Personal Identification Number
 - f) Point of Contact's Surname
 - g) Point of Contact's Given Name
 - h) Point of Contact's Date of Birth
 - i) Delivery Address of Merchandise
 - j) For the Description of Merchandise provide the following:
 - Product Type
 - Brand Name
 - Size
 - Quantity
 - Cost Per Unit
 - Catalog Code
3. If the mission is eligible for this privilege, the e-Government request is completed correctly, and the request is determined to be of a reasonable quantity, OFM will authorize the mission's request to purchase the associated tax and duty-free merchandise.

APPROVED REQUESTS

Once OFM authorizes the mission's or mission member's request to purchase the associated tax and duty-free merchandise, within the e-Government Program, the specific transaction/request's status will be reflected as "ACCEPTED."

Once the status of the request has been changed to "Accepted," foreign missions are required to access such requests in the E-Government Program via the "view service requests in E-Government" feature. Once the relevant request is retrieved, the mission will be able to print from the E-Government Program the associated "Approval for Merchandise Release" document. This document should then be provided to the appropriate bonded warehouse facility/vendor, at which time the merchandise described on the document may be released to the foreign mission or member.

E-GOVERNMENT PROGRAM INFORMATION

Foreign missions are required to designate specific employees as being certified to have the right to submit applications to the Department via its E-Government Program. Detailed information concerning the process foreign missions must follow to make such designations is available at OFM's website (<http://169.253.2.36/eGov/public/accessRequestInstructions.jsp>).

Foreign missions may access the Department's E-Government Program at
(<http://169.253.2.36/eGov/public/login.jsp>).

Department of State,

Washington, September 14, 2010.

A handwritten signature in blue ink, consisting of a stylized, cursive letter 'D' followed by a vertical line that curves slightly to the right at the bottom.