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The Secretary of State presents his compliments to their Excellencies and Messieurs and Mesdames the Chiefs of Mission and has the honor to restate 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 note No. 11-22, dated February 18, 2011.

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>).

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, as well as other related multilateral and bilateral treaties, agreements, and reciprocity.

OFM's Bonded Warehouse program allows foreign missions and their members to obtain authorization to purchase certain 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 a foreign mission or for the personal use of their eligible members. Such articles include but are not limited to alcoholic beverages, tobacco products under certain circumstances, and foodstuffs.

Such requests are required to be of reasonable quantities. OFM reserves the right to impose quantitative restrictions on foreign missions or their members. OFM expects responsible senior officials of all foreign missions to screen such requests for reasonableness of quantity and frequency of submission.

OFM will not authorize the purchase of tobacco products that are intended for use or distribution at official parties or functions. In addition, in order to adequately protect this privilege associated with tax- and duty-free purchasing from bonded warehouse facilities in the United States from abuse, OFM will only authorize the purchase of tobacco products by individual members of foreign missions.

Furthermore, effective immediately, all order requests must include the detailed intended purpose for the order such as: personal consumption; use as

gifts; or use during a specific event with a predetermined number of guests. The quantities are expected to be reasonable for the personal consumption of the eligible members and their eligible dependents, and for official use at mission events.

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. OFM will reject requests for which the consignee is a dependent family member.

Missions are required to provide accurate quantities, prices, and catalog codes for all bonded warehouse requests. Orders that do not provide such information will be returned to mission. Promotional items should be so noted and entered with a cost per unit of one cent. Catalogs including the latest prices and product assortment may be obtained from the bonded warehouses. Missions are reminded that, for liquor and wine orders, the prices and quantities must be stated per individual bottle. Orders for beer, soda, and water must be stated in quantity and price per case. Cigarette orders must be stated in quantity and price per carton.

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 and are therefore not accorded this privilege.

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 eGov system.
2. The mission member must provide the following information:
 - a) Name of Bonded Warehouse facility
 - b) Name of Embassy 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 eGov 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 tax and duty-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 eGov system.
2. The mission must provide the following information:

- a) Name of Bonded Warehouse facility
 - b) Name of Embassy 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 eGov 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, the specific transaction/request's status will be reflected as "ACCEPTED" within the eGov system.

Once the status of the request has been changed to "Accepted," foreign missions are required to access such requests in the eGov system via the "view service requests in eGov" feature. Once the relevant request is retrieved, the mission will be able to print from eGov 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.

Questions regarding the Bonded Warehouse program may be referred to OFM's Services and Special Projects Unit at OFMTaxCustoms@state.gov.

Department of State,

Washington, July 13, 2018. . HS