

25 March 2020

# Oman Logistics Center

Trade Facilitation

# NEWS- FLASH

Trade Facilitation Newsflash shares information with logistics practitioners on various important topics in the business environment. All information provided as part of this Newsflash is intended to be general in nature and should not alone be relied upon for making of any business decisions.

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## Dealing with Covid-19 situation

**Several alleviating actions have been announced by public and private sector parties in order to help the Omani traders and the logistics sector to deal with the COVID-19 situation.**

### Documentation requirements

Documents accompanying the goods will be considered original documents without collecting guarantee stipulated in Clause (9) of Article 1 Resolution No. 38/2017 and Customs Circular No. 37/2017.

Approval of the proof of origin should be fixed on the goods in case the Certificate of Origin cannot be submitted. Importers must adhere to customs procedures related to values, weights and correctness of origin to avoid any legal accountability.

### One Stop Shop in Sohar

In order to avoid physical contacts the One Stop Shop at Sohar Port and Freezone is closed. The business continues electronically.

### Customs clearance

Customs brokers are not required to attend the cargo inspection at ports and airports.

### Discounts in storage and handling

Hutchinson Ports Sohar announced a waiver of 20% to all the import laden storage charges incurred at the terminal. The discount only applies to containers discharged at Sohar port on or after 20. March.

As part of the government's efforts to fight Covid19, the Oman Aviation Group companies reduce air cargo handling prices for food and medicine to 15 baizas per kilo from 26 baizas per kilo.

### Dealing with Letter of Credit and Original B/L – tips and suggestions

Sellers in country of origin often have original Bill of Lading issued in order for them to ensure payment for the traded amount before hand over of the goods to the buyer.

(cont.)

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At import, the procedure requires physical delivery of the B/L, which we now want to avoid. Arrangements differ a lot on whether a Letter of Credit is used and by the many details it may include. In order to avoid the physical handling of documents, following tips may fit to your business.

### **Use Express B/L when possible**

If possible, the simplest way to avoid original B/L is to agree with the seller that no originals are issued and that the shipment is carried under “express” B/L. Sellers may use a delivery term so that they still have “control” over the delivery and thus maintaining the right to stop it from being delivered if necessary.

### **If original B/L is used**

Once the importer has made the payment for the traded goods, he may ask the seller in the exporting country to keep the originals at the shipping line and request them to change the B/L to express release.

In such case the shipping line would instruct the counterpart in Oman to

release the goods without presentation of the original B/L.

### **If Letter of Credit is used**

Once the seller in the country of export has received the payment, the importer in Oman may request similarly the seller to change the shipment to “express release.” Letters of credit can have other detailed instructions that may prevent traders from using this option, but it can be worthwhile to check if it is feasible.

### **Stay tuned**

OLC will monitor the situation and inform the sector on further changes. Traders and logistics service providers are encouraged to report any issues in dealing with the unexpected COVID-19 situation at:

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**Greetings from Trade  
facilitation team!**