

### **PURPOSE:**

The purpose of this Mission Notice is to clarify the support related to registration and tax and duty exemptions that the Regional Legal Office (RLO) will provide to contractors and grantees implementing USAID-financed activities.

### **POLICY:**

It is USAID/Afghanistan policy to assist its contractors and grantees (or “Implementing Partners” or “IPs”) to the extent possible by issuing necessary recommendation letters to the Government of the Islamic Republic of Afghanistan (GIROA) regarding registration with ministries, tax exemptions, duty free customs clearances and, if needed, introduction of an IP to GIROA ministries as a USAID-funded entity.

### **PROCEDURE:**

The RLO will issue required letters to GIROA upon request from the USAID COR/AOR in response to a written request from the IP. USAID IPs may request letters from RLO in order to avail themselves of the following benefits from the host government:

**A) Registration with Host Government Ministries:** The IP should send a written request to USAID regarding registration with Afghan ministries in order to carry out or continue a USAID-funded development assistance program/project in Afghanistan. Normally, this letter will come through the COR/AOR. Once the letter is received, the RLO will coordinate with the relevant COR/AOR to verify the facts and obtain clearance including necessary documents such as federal tax ID number on IRS letterhead, articles of Incorporation that have been registered by one of the U.S. States, scanned copy of passport ID page of the entity President, Vice President and Country Director/Chief of Party. Once the request is cleared by the COR/AOR and the required documents received, the RLO will coordinate with the Economic Section of the U.S Embassy in Kabul to issue a registration letter introducing the organization as a USAID-funded organization for registration. Once the letter is prepared by the Economic Section of the U.S Embassy in Kabul, the RLO will notify the COR/AOR for onward transmittal of the letter to the IP (Attachment A).

**B) Duty Free Customs Clearance:** The IP may request a letter through the COR/AOR to be addressed to the Customs and Revenue Department of the Ministry of Finance (MoF/ARD) to obtain duty free clearance of an item purchased under a USAID-funded program/project or a USAID-funded IP employee’s personal effects (only for expatriate staff). Upon receipt of the request by the COR/AOR, the RLO will request the necessary information regarding the program/project, accuracy of facts, etc, from the COR/AOR and obtain the COR/AOR clearance. Once all the information and documents are available, the RLO will issue the standard customs duty free letter and notify the COR/AOR when all papers are ready (Attachment B).

**C) Tax Exemption:** IPs may request a tax exemption letter through the COR/AOR from the RLO. The letter will be addressed to the MoF/Afghanistan Revenue Department for tax exemptions. The exemption will apply to USAID-funded

program/project relying on the authority of the 1951 Bilateral Agreement and SOAGs. The RLO will clear the request with the COR/AOR and will issue the standard tax exemption letter only to programs/projects financed by USAID (Attachment C).

**D) Customs Clearance Facilitation in Karachi, Pakistan:** The RLO assists IPs in transshipment of their commodities through Karachi port, Pakistan to Afghanistan. The RLO works with the U.S Consulate in Karachi to facilitate the clearance of USAID financed commodities at Karachi port. IPs may request assistance from RLO through their COR/AOR. Upon receipt of required documents, information and COR/AOR clearance, RLO will send a confirmation e-mail to the U.S Consulate based in Karachi to facilitate customs clearance in Karachi port (Attachment D).

#### **NOTES:**

- 1.** All communication with IPs should be coordinated through the cognizant COR or AOR.
- 2.** USAID/RLO will only issue the letters referenced above. It is the responsibility of IPs to work with concerned departments/ministries in the host government to avail themselves of the requested benefits.
- 3.** CORs/AORs are responsible for confirming and certifying each request referenced above prior to the issuance of a letter by the RLO. In the event that required information is not received from the COR/AOR or IP, the RLO will return the request to the COR/AOR for appropriate action.
- 4.** In order to avoid any confusion, CORs/AORs are strongly encouraged to brief IPs regarding their obligations and the role of USAID with regards to the above-referenced services. Upon request from COR/AOR, the RLO can participate in post-award meetings in order to provide clarification with regard to the above referenced benefits.
- 5.** The IP is responsible for ensuring that the letters issued by USAID requesting benefits from the host government are not misused at any time. Upon finding of misuse, the RLO may refer the matter to Contracting Officer to take appropriate action.
- 6.** CORs/AORs are not authorized to issue the above referenced letters.
- 7.** Finally, there should be sufficient advance notice (at least one week) for any of the above-referenced request.

Questions, if any, regarding this Mission Notice should be directed to one of the RLAs at: [KabulAIDRLO@state.gov](mailto:KabulAIDRLO@state.gov).