DEPARTMENT OF THE NAVY
U.S. NAVAL SUPPORT ACTIVITY
PSC 817, BOX 1
FPO AE 09622-1000

NAVSUPPACT NAPLES INST 4400.5E
N4P:SM:md

2 OCT 2003

NAVSUPPACT NAPLES INSTRUCTION 4400.5E

From: Commanding Officer, U.S. Naval Support Activity, Naples, Italy

Subj: ORDERING AND RELEASING OF TAX-FREE TOBACCO PRODUCTS IMPORTED INTO ITALY

Ref: (a) Article XI to NATO Status of Forces Agreement of 19 Jun 51
(b) U.S. Government/Italian State Monopoly Rome Agreement of 19 Nov 54
(c) NAVSUPPACT NAPLES INST 4400.3G
(d) Italian State Monopoly Rome ltr 04-90163 of 31 Oct 80
(e) Italian Ministry of Finance Rome Circular Prot. N. 10003/N/XII of 17 Jan 83
(f) Italian Ministry of Finance Rome ltr Prot. N. 10619/N/XII of 23 Oct 85
(g) Italian State Monopoly ltr 04-38549 of 24 Nov 94

Encl: (1) Guidelines on Regulations, Policies, and Procedures
(2) Sample of Declaration of Responsibility (with English translation)

1. Purpose. To provide ordering and releasing procedures to U.S. military installations importing tax-free tobacco products.

2. Cancellation. NAVSUPPACT NAPLES INST 4400.5D.

3. Background. U.S. Naval Support Activity (NAVSUPPACT), Naples, Italy, validates tax-exempt tobacco requirements per references (a) through (g). NAVSUPPACT Naples assigns an importation number (MONITAL) to each tobacco purchase order. After the Italian Government certifies purchase orders, NAVSUPPACT Naples certifies that the order is approved for importation. The order is then forwarded to the U.S. supplier.

4. Point of contact. For additional information, activities' tax-free tobacco managers may contact NAVSUPPACT Naples Tax-free Products Administrator at DSN 626-5439 or Commercial 081-568-5439.

D. J. FREDERICK

Distribution:
NAVSUPPACT Naples Inst 5216.4X
Lists I through VII

JTI Duty Free, INC
401 Main Street
Winston-Salem, NC 27102

Philip Morris, Inc.
P.O. Box 26603
Richmond, VA 23261

Brown & Williamson Corporation
International Operations
2600 Weaver Road
Macon, Georgia 31298

Brown & Williamson
P.O. Box 35090
Louisville, KY 40232

Nexcen SDA 213,
1881 Baker Street
Norfolk,VA 23511

Army and Air Force Exchange Service
Sales Directorate, Specialty Stores and Consumables Division,
Beverage and Tobacco Branch
S/D-C/4
P.O. Box 660202,
Dallas, TX 7526-60202

Lane Limited
2280 Mountain Industrial Blvd
Tucker, GA 3008-45014

Swisher International
459 E. 16 Street
Jacksonville, FL 32206

U.S SMOKELESS TOBACCO BRANDS
100 West Putnam Ave
Greenwich, CT 06830

Altadis USA
3901 Riga Blvd
Tampa, FL 33601

Altadis USA
5900 North Andrews Avenue
Fort Lauderdale, FL 35309

Conwood Sales CO LP
P.O. Box 217/813
Ridge Lake BLVD
Memphis TN
38101-0217

Swedish Match No. America Inc.
P.O. Box 986
Owensboro, KY 42302

GUIDELINES ON REGULATIONS, POLICIES, AND PROCEDURES

1. Ordering Procedure.

a. Prepare separate purchase orders for each delivery consigned to different customs or command districts (i.e. Naples, Leghorn, Vicenza, etc.).

b. By the twentieth of each month, forward the original and seven copies of each purchase order to U.S. Naval Support Activity (NAVSUPPACT), Naples, Italy (Code N4P). Tobacco orders must be processed at least four months prior to the date the product is required in Italy. Include a cover letter that identifies the ordering installation, the quantity of the tobacco product being ordered (e.g., number of packages of cigarettes or cans of snuff), number of U.S. military, civilian, and family member personnel (over 18 years old) attached to the ordering installation at time the purchase order is placed and entitled to tobacco ration, and the required delivery date in Italy.

c. The quantity of tobacco products ordered each month cannot exceed the formula of 1,200 grams or 1.2 kilograms (Kg) (60 packages of cigarettes), multiplied by the number of U.S. military, civilian, and family members entitled to a tobacco ration and attached to each military installation.

d. Each tobacco product purchase order must clearly indicate the net weight in kilograms for each line item in the purchase order. A copy of the purchase order and cover letter must be forwarded to the Receiving/Transportation Officer responsible for preparing the documentation required by Monopoly or customs officials for the verification or inspection of the tobacco shipment upon its arrival in Italy.

2. Releasing Procedure for Receiving/Transportation Officers

a. Obtain from the ordering office the number of U.S. military, civilian, and family member personnel entitled to a tobacco ration that are attached to the military installation.

b. Attach a declaration of responsibility to the Customs Form 302 for forwarding to the customs officials, per enclosure (2).

c. When preparing the declaration of responsibility, use the same numerical data of the cover letter, which accompanies the

advance copy of the purchase order. Use the MONITAL importation number printed on the outside of the tobacco-packing box.

d. Maintain an accurate record of the quantity of cigarettes and other tobacco products received per purchase order, MONITAL authorization number, and the number of eligible personnel justifying the size of the order. These records are important to facilitate customs clearance of these shipments.

e. Per reference (f), customs clearance for imported tax-free foreign tobacco products must be carried out through the customs office located closest to the ordering military command.

f. Receiving activities will be responsible for arranging at destination with the State Monopoly office located closest to their installations for the required monopoly verification.

3. Movement of Tax-Free Tobacco. Per reference (f), the emergency transfer of tax-free tobacco products between military installations in Italy is authorized on condition that Customs Form AE-302 accompanies the product. This customs form must be presented in advance to the customs office located closest to the final receiving command. Reference (f) also requires the insurance coverage for the shipment to include provisions for the payment of customs fines in case the product is stolen in transit. The total quantity of tobacco products transferred to a military installation must not exceed the maximum allowance of 1,200 grams or 1.2 Kg per month, multiplied by the number of personnel entitled to receive the product.

4. Per reference (b), U.S. tobacco vendors are required to use the MONITAL red seal stamps on each cigarette package manufactured in the United States for consumption by U.S. Forces in Italy. The MONITAL importation number of each tobacco product purchase order assigned by NAVSUPPACT Naples, Tax-free Products Division, must be printed on the outside of each packing case. Per reference (g), the MONITAL red seal stamp is also required on each pipe tobacco and cigar package.

5. Warning. Tobacco shipped into Italy without the red MONITAL seal stamp, quantities that exceed the amount listed on the purchase order, or shipments resulting from purchase orders submitted directly to U.S. based suppliers are considered illegal and will be impounded by customs officials. The ordering activity may also be fined. Such tobacco products will be

returned to the U.S. supplier or destroyed locally. If a determination is made to return the over-shipment to the U.S. vender, payment of the transportation cost will be negotiated between the vendor and the ordering officer.

Sample of Declaration of Responsibility

Alla direzione superiore della dogana di
si dichiara che i quantitativi dei tabacchi indicati nell'allegato modello 302 saranno esclusivamente consumati dal personale militare e civile statunitense e dai loro dipendenti di eta' non inferiore ai 18 anni assegnati presso questo ente militare. Il numero degli aventi diritto alla razione di tabacco e' il seguente:

COMANDO DESTINATARIO	AVENTI DIRITTO	QUANTITA' ORDINATA	AUTORIZZAZIONE MONITAL

In Fede
(Firma dell'Ufficiale responsabile)

English Translation of Sample Declaration of Responsibility

To the customs of _____,
this is to certify that the quantity of tobacco products listed in the enclosed importation customs form 302 will be consumed by the U.S. Military, civilian personnel, and their family members over 18 years of age serving at this military installation. The number of personnel entitled to tobacco rations is listed below:

INSTALLATION	NR AUTH. PERSONNEL	QUANTITY ORDERED	MONITAL NR

Signature of the
Receiving Officer