

LP 07/2025 Another Case of Customs Fines in Argentina Due to Inaccurate Ship's Store Declarations

In December 2024, the Association reported a case where an entered vessel was expected to be fined approximately USD 420,000 by Argentine Customs for inaccurate declaration of ship's stores. Regrettably, within less than three months, another entered vessel has incurred similar penalties at an Argentine port due to discrepancies in the ship's store declaration. Given the recurrence of such incidents, the Association prepared this article to advise vigilance against customs fines when calling at Argentine ports.

I. Case Overview

In late February 2025, an entered bulk carrier loading grain at San Lorenzo, Argentina, underwent an inspection by five customs officials. The inspection revealed discrepancies between the actual quantities of chemicals, thinners, paints, and lub oils on board and those declared in the vessel's customs declaration forms (submitted upon arrival).

Under Argentine Customs regulations:

- Undeclared or misdeclared goods may be confiscated, with fines equivalent to their market value.
- If goods remain on board, fines may amount to twice their market value.
- For undeclared lubricants and liquid chemicals, fines range from 1–5 times the FOB value of the goods, plus approximately 50% in taxes.

In this case, Argentine Customs intends to impose fines totaling approximately USD 360,000 on the shipowner/agent. Under local law, agents bear joint liability for such fines. However, the final penalty amount may take months or years to be confirmed. To secure the vessel's release, the agent demanded a bank guarantee from the shipowner.

II. Common Misunderstandings in Ship's Store Declarations

The master attributed the discrepancies to misunderstandings in completing the customs forms. Specifically:

1. Forms Required:

- OM 1645 (*Ship's Store Declaration*)

- OM 1646 (*Store List Deck*)
- OM 1647 (*Engine*)
- OM 1648 (*Crew Effect Declaration*)

2. Errors Identified:

- The master misinterpreted OM 1646 (*Store List Deck*) as applicable only to deck department stores and OM 1647 (*Engine*) as applicable only to engine department stores. Consequently, chemicals, paints, and thinners under the deck department were omitted from OM 1647.
- OM 1646 lacked dedicated fields for deck department chemicals, paints, or thinners, leading the master to assume these items need not be declared.
- Lub oils already in use (e.g., in machinery systems or sump tanks) were also omitted, as the master believed only unused stock required declaration.

Despite the master's explanation of an unintentional error, Argentine Customs upheld the penalties.

III. Guidance from Local Correspondents

The Association's correspondents Pandi Liquidadores S.R.L. highlights that lub oil misdeclaration remains a frequent issue and advises:

"The current practice, in general, is to include all measurable lubeoils, including drums, cans, all tanks such as M/E, Aux. Eng., sump tanks, hydraulic systems, etc on the Engine section of the form OM 1645 Ship's Store Declaration."

Surveyors (SURVEYS PLATE S.A.S.) provide additional clarifications:

- Form OM 1645 (Ship's Store Declaration): the item lub oils is to declare the lub oils in use (sump tanks)
- Form OM 1646 (Store List Deck): to fill out the 12 items only, paints and deck chemicals may be added if applicable.
- Form OM 1647 (Engine): where other oils are mentioned, the stored used and new oils should be declared.

In all above-mentioned forms, only the items requested should be filled out without adding any other. The only items to be added are paints and chemicals quantities stored on deck, if apply, in form OM1646.

Members are advised to consult local agents for updated requirements prior to submitting declarations, as regulations may change.

IV. Advice to Members

Building on previous guidance (*LP 31/2024*), the Association reiterates:

1. **Enhance Crew Training:** Strengthen case-based training for crew to reinforce compliance awareness and emphasize the severe financial consequences of misdeclaration.
2. **Provide Shore-Based Support:**
 - Remind crews to inventory stores thoroughly before arriving in Argentina.
 - Offer clear guidance on completing declaration forms.
3. **Encourage Proactive Communication:** Urge crews to seek clarification from local agents on the latest customs requirements pre-arrival. Avoid assumptions or reliance on outdated practices.

For more information, please contact Managers of the Association.