

1. The land surveillance area of customs is ~~const~~ by the territory ~~betw~~ between the land borders line

c) obtained or produced in the customs territory of the Republic of Albania, either from goods referred to in the paragraph (b) alone, or from goods referred to both in subparagraph (a) and (b) above.

8) 'Non-Albanian goods' means goods other than those referred in subparagraph 7.

on exportation) which apply to specific goods under
ia in force.

17) 'Customs declaration' means the act whereby a person indicates, in the prescribed form and manner, the wish to place goods under a given customs procedure.

18) 'Day of acceptance of declaration at Customs' means the moment when the declaration is presented at the Customs and is accepted by the Customs office.

19) 'Declarant' means the person making the customs declaration in his own name or the person in whose

4. Upon the proposal of the Minister of Finance the Council of Ministers, may amend the Implementing Provisions of this Code, concerning the competence and organisational structure of the Customs Administration.

Article 10

1. The opening hours of the Customs offices is determined in the Implementing Provisions of this Code.

2. At the customs offices of land and sea borders and in the airports the border crossing service is provided for every day, public holidays included, 24 hours per day, with all the controls and formalities provided for by the present Code being fulfilled.

3. In order to cover the customs activity, the Director General may set out working shifts or may authorise the payment of the hours worked over the normal daily working hours.

4. The Director General may introduce a different time-table of the working hours, or may reduce the opening hours of the offices whenever the working needs so require.

S e c t i o n 2

Formalities, controls, surveillance and powers of customs authorities

Article 11

1. Goods may cross the customs line of the land and sea border and in airports only at the state border crossing points where there are customs areas determined by the customs authorities.

2. The loading, unloading, embarking, discharge and transshipment of goods through the customs line and in airports must be carried out with the permission of the customs authorities and according to the modalities established by them.

3. The customs authorities are responsible for:

- a) carrying out all the formalities determined in the present Code for the goods entering or leaving the Albanian customs territory, according to the rules provided for in the Implementing Provisions;
- b) determining and collecting the customs duties legally due;
- c) preventing, determining and repressing the smuggling activity, offenses and illicit traffic of prohibited goods;
- d) ascertaining and verifying violations of the provisions of the this Code, as provided for in Title VIII;
- e) preparing and signing of international agreements and conventions in customs matters;
- f)

1. The General Directorate of Customs is given 2% of the annual customs income, save for the incomes referred to in Article 298 of the present Code, to be used for investments, improvement of the working and living conditions of the Customs Administration personnel as well as their rewards.

2. Without prejudice to all rules relating to the public employees, considering the peculiarity of the work performed, as well as the difficulties faced while carrying on their tasks, the personnel of the Customs Administration may be conferred an incentive payment, taking into account the following criteria:

- a) the work performed in the land, sea and airport border customs offices;
- b) the services of high danger for the person;
- c) the ascertaining of violations of the Customs Code and its Implementing Provisions;
- d) the efficiency at working.

2. The General Director of Customs, establishes the criteria for the delivery of the incentive payments between the Customs Administration personnel.

Article 16

1. The customs personnel that conducts controls and verification, whilst carrying out their tasks, enjoy the status of the Judiciary Police. This personnel wears the service uniform and at the discretion of the Director General may be provided with weapons. In the events that service needs make it necessary to work without wearing a uniform, the customs personnel must show the Identity Card, issued by the General Directorate of Customs.

2. The providing with weapons and their use by the customs personnel is done in accordance with the dispositions in force regarding the carriage of guns and the status of the Police authorities.

3. Customs personnel are not allowed to accept dire

grounds on which they are based. They shall refer to the right of appeal provided for in article 19 and 20.

4. Decisions taken and notified to the applicant shall be immediately enforced by customs authorities. In cases where the disputed decision requires payment of import duties or export duties, suspension of implementation of that decision shall be subject to the existence or lodging of a guarantee.

Article 19

1. A decision favourable to the person concerned shall be annulled if it was issued on the basis of incorrect or incomplete information and:

- a) the applicant knew or should reasonably have known that the information supplied was incorrect or incomplete, and
- b) such decision could not have been taken on the basis of correct or complete information.

2. The persons to whom the decision was addressed shall be notified of its annulment.

3. Annulment shall take effect from the date on which the annulling decision was taken. Annulment can be effected only within the period of time the authorization is valid.

4. The person concerned may appeal against the decision of annulment of authorization at the General Directory of Customs, within 10 days from the day of notification. The General Director of Customs will reply within 10 days on acceptance or denial of the appeal. In the event the General Director does not reply within this term, the appeal shall be deemed to have been accepted.

Information

Article 21

1. Any person may request information concerning the application of customs legislation from the customs authorities. Such a request may be refused where it does not relate to an ongoing import or export operation

Article 27

The value of foreign currencies in Albanian

h)

CHAPTER 3
VALUE OF GOODS FOR CUSTOMS PURPOSES
Article 33

- i) the transaction value in sales, between buyers and sellers who are not related in any particular case, of identical or similar goods for export to the Republic of Albania,
- ii) the customs value of identical or similar goods, as determined under Article 35 (2) (c);
- iii) the customs value of identical or similar goods, as determined under Article 35 (2) (d).

In applying the foregoing criteria, due account shall be taken of demonstrated differences in commercial levels, quantity levels, the elements enumerated in Article 37 and costs incurred by the seller in sales in which he and the buyer are not related and where such costs are not incurred by the seller in sales in which he and the buyer are related.

(c) The criteria set forth in subparagraph (b) are to be used at the initiative of the declarant and only for comparison purposes. Substitute values may be established under the said subparagraph.

3.a) The price actually paid or payable is the total payment made or to be made by the buyer to or for the benefit of the seller for the imported goods and includes all payments made or to be made as a condition of sale of the imported goods by the buyer to the seller or by the buyer to a third party to satisfy an obligation of the seller. The payment need not necessarily take the form of a transfer of money. Payment may be made by way of letters of credit or any negotiable instrument and may be made directly or indirectly.

b) Activities, including marketing activities, undertaken by the buyer on his own account, other than those for which an adjustment is provided in Article 37, are not considered to be an indirect payment to the seller, even though they might be regarded as of benefit to the seller or have been undertaken by agreement with the seller, and their cost shall not be added to the price actually paid or payable in determining the customs value of imported goods.

Article 35

1. Where the customs value may not be determined under Article 34, it is to be determined by proceeding sequentially through subparagraphs (a), (b), (c) and (d) of paragraph 2 to the first subparagraph under which it may be determined, subject to the provisions that the order of application of subparagraphs (c) and (d) shall be reversed if the declarant so requests; it is only when such value may not be determined under a particular subparagraph that the provisions of the next

- ii) an amount for profit and general expenses added that usually reflected in sales of goods of the same class or kind as those being valued which are made by producers in the country of exportation for export to the Republic of Albania,
- iii) the cost or value of the items referred to in Article 37 (1) (e).

3. Any further conditions and rules for the application of paragraph 2 above shall be determined in the Implementing Provisions.

Article 36

1. Where the customs value of imported goods may not be determined under Articles 34 or 35, it shall be determined on the basis of data available in the Republic of Albania, using reasonable means, in accordance with:

- a) the agreement for the application of Article 7 of the General Agreement on Tariffs and Trade;
- b) Article 7 of the General Agreement on Tariffs and Trade;
- c) dispositions of this Chapter.

2. No customs value shall be determined under paragraph 1 on the basis of:

- a) the selling price in the Republic of Albania of goods produced in the Republic of Albania;
- b) a system which foresees for the acceptance for customs purposes of the higher of two alternative values;
- c) the price of goods on the domestic market of the country of exportation;
- d) the cost of production, other than computed values which have been determined for identical or similar goods in accordance with Article 35 (2) (d);
- e) prices for export to another country ;
- f) minimum customs values; or
- g) arbitrary or fictitious values.

Article 37

1. In determining the customs value under Article 34 there shall be added to the price actually paid or payable for the imported goods:

- a) the following, to the extent that they are incurred by the buyer but are not included in the price actually paid or payable for the goods:
 - i) commissions and brokerage, except the buying commissions,
 - ii) the cost of containers which is treated as being one, for customs purposes, with the goods in question,
 - iii) the cost of packing, whether for labor or materials;
- b) the value apportioned as appropriate, of following goods and services where supplied directly or indirectly by the buyer free of charge at reduced cost for use in connection with the

iii)

- iii) materials consumed in the production of the imported goods,
 - iv) engineering work, development work, design work, and plans and sketches undertaken elsewhere than in the Republic of Albania and necessary for the production of the imported goods;
- c) royalties and license fees relating to the goods being valued that the buyer must pay, either directly or indirectly, as a condition of sale of the goods being valued to the extent that such royalties and fees are not included in the price actually paid or payable;
 - d) the value of any part of the proceeds of a subsequent resale, disposal or use of the imported goods that accrues directly or indirectly to the seller;
 - e) (i) the cost of transport and insurance of the imported goods, and
(ii) loading and handling charges associated with the transport of the imported goods, to the place of introduction into the customs territory of the Republic of Albania.

2. Additions to the price actually paid or payable shall be made under this Article only on the basis of objective and quantifiable data.

3. No additions shall be made to the price actually paid or payable in determining the customs value except as provided in this Article.

4. For the purpose of this Chapter, the term 'buying commission' means fees paid by an importer to his agent for the service of representing him in the purchase of the goods being valued.

5. Notwithstanding paragraph 1 (c):

- a) charges for the right to reproduce the imported goods in the Republic of Albania shall not be added to the price actually paid or payable for the imported goods in determining the customs value, and
- b) payments made by the buyer for the right to distribute or resell the imported goods shall not be added to the price actually paid or payable for the imported goods, if such payments are not a condition of the sale for export to the Republic of Albania of the goods.

Article 38

Provided that they are shown separately from the price actually paid or payable, the following shall not be included in the customs value:

- a) charges for the transport of goods after their arrival at the place of introduction into the customs territory of the Republic of Albania;
- b) charges for construction, erection, assembly, maintenance or technical assistance, undertaken after importation of imported goods such as industrial plant, machinery or equipment;
- c) charges for interest under a financing arrangement entered into by the buyer and relating to the purchase of imported goods, irrespective of whether the finance is provided by the seller or another person, provided that the financing agreement has been made in writing and where required, the buyer may demonstrate that:
 - i. such goods are actually sold at the price declared as the price actually paid or payable, and

- ii. the claimed rate of interest does not exceed the level for such transactions prevailing in the country, where, and at the time when, the finance was provided;
- d) charges for the right to reproduce imported goods in the Republic of Albania;
- e) buying commissions;
- f)

aircraft in the circumstances specified in paragraph 2 and to ensure, where appropriate, that they are subsequently conveyed to a customs office or other place designated or approved by the authorities.

Chapter 2

SPECIAL PROVISIONS APPLICABLE TO GOODS BROUGHT INTO THE CUSTOMS TERRITORY OF THE REPUBLIC OF ALBANIA CONSIGNED BY AIR, SEA OR RAIL AND PASSENGER AND POSTAL TRAFFIC.

A. General Provisions

Article 44

2. The manifest shall be a document in which the captain of the vessel or a person authorized by the captain of the vessel enters the total cargo loaded on the vessel.
3. Another document or collection of documents containing the information prescribed for the manifest may be accepted as a manifest in the context of paragraph 1 and 2 of this Article.
4. The following vessels need not carry a manifest:
 - a) vessels carrying Albanian goods or goods brought into the customs territory of the Republic of Albania which have not been presented yet to customs authorities and for which they carry other appropriate documents;
 - b) vessels used for scientific purposes;
 - c) fishing vessels used only for fishing;
 - d) vessels of farmers used solely in their occupation;
 - e) sports vessels and private boats.

Article 53

1. Within 24 hours after the arrival of the ve

3. The competent customs authorities that receive the report will make sure that there are no customs violations involved. In that case, they will take the appropriate decisions according to what is provided for in Title VIII of the Code.

Article 56

1. Vessels arriving from abroad by lakes and rivers or departing abroad shall report to the border customs office the customs formalities to be carried out.

2. The customs formalities may also be carried out while the vessel is navigating a border lake or river.

E. Postal Goods

Article 60

1. All mail containing consignments for co

2. any person returning to the customs territory of the Republic of Albania where he is normally resident, after having been temporarily in a foreign country;

B. on exit

1. any person temporarily leaving the customs territory of the Republic of Albania where he is normally resident, and
2. any person leaving the customs territory of the Republic of Albania after a temporary stay, not normally resident there.

Article 64

1. While entering or leaving the Republic of Albania, the passenger shall declare and at the customs authority's request show all goods being carried.

2. In order to check the declaration referred in paragraph 1 of this article, the customs authority may, if necessary, control goods which the passenger is carrying.

3. Goods carried by diplomatic couriers on the basis of a diplomatic courier's letter shall not be subject to customs control. The members of the Parliament, their luggage and the mail addressed to them will not be subject to customs control. **This provision is valid also for any other person who by way of any other disposition is recognized to be eligible for this exemption.**

CHAPTER 3

PRESENTATION OF GOODS TO CUSTOMS

Article 65

Goods which pursuant to Article 42 (1) (a), arrive at the customs office or other place

CHAPTER 4

SUMMARY DECLARATION AND UNLOADING OF GOODS PRESENTED AT CUSTOMS

Article 68

1. Subject to Article 70, goods presented to ~~cust~~ within the meaning of Article 65 shall be covered by a summary declaration.
2. The summary declaration shall be lodged ~~before~~ the goods have been presented at customs. The customs authorities may, however, allow a period for lodging the declaration which shall not extend beyond the first working day following the day on which the goods are presented at customs.

Article 69

1. The summary declaration shall be made in the form corresponding to the model prescribed by the customs authorities. ~~Howe~~, the customs authorities may permit the use, as a summary declaration, of any commercial or official ~~docum~~ which contains the particulars necessary for identification of the goods.
2. The summary declaration shall be lodged by:
 - a)

Article 72

Goods shall not be removed from their original position without the permission of the customs authorities.

CHAPTER 5

OBLIGATION TO ASSIGN GOODS PRESENTED TO CUSTOMS A CUSTOMS-APPROVED TREATMENT OR USE

Article 73

Non-Albanian goods presented at customs shall be assigned a customs-approved treatment or use authorized for such non-Albanian goods.

Article 74

1. Where goods are covered by a summary declaration, the formalities necessary for them to be assigned a customs-approved treatment or use must be carried out within:
 - a)

Article 77

Without prejudice to the provisions of Article 67, goods in temporary storage shall be subject only to such forms of handling as are ~~needed~~ ^{required} to ensure their preservation in an unaltered state without modifying their appearance or technical characteristics.

Article 78

1. The customs authorities shall without delay ~~take~~ ^{take all} measures necessary, including the sale of the goods, to regularize the situation of goods ~~in respect of which the formalities necessary for them to be assigned a customs-approved treatment~~ ^{in respect of which the formalities necessary for them to be assigned a customs-approved treatment} are not initiated within the periods determined in accordance with Article 74.

2. The customs authorities may, at the risk and expense of the person holding them, have the goods in question transferred to a special place ~~where~~ ^{in which} is under their supervision, until the situation of the goods is regularized.

CHAPTER 7

PROVISIONS APPLICABLE TO NON-ALBANIAN GOODS WHICH HAVE MOVED UNDER A TRANSIT PROCEDURE

Article 79

Article 42, with the exception of paragraph 1(a) thereof, and Articles 43 and 65 to 78 shall not apply when goods already placed under a transit procedure are brought into the customs territory of the Republic of Albania.

Article 80

Once non-Albanian goods ~~which~~ ^{that} have moved under a transit procedure reach their destination in the customs territory of the Republic of Albania and have been presented to customs in accordance with the rules governing transit, Articles 68 to 78 shall apply.

CHAPTER 8

OTHER PROVISIONS

Article 81

Where the circumstances so require, the customs authorities may have goods presented to customs destroyed. The customs authorities shall inform the holder of the goods accordingly. The costs of destroying the goods shall be borne by the holder.

Article 82

1. Where customs authorities find that goods have been brought unauthorized into the customs territory of the Republic of Albania or have been withheld from customs surveillance, they shall take any measures necessary, including sale of goods, in order to regularize their situation.
2. As soon as the Albanian goods that circulate under transit procedure reach their destination in the customs territory of the Republic of Albania irregularly or having avoided the customs surveillance, the customs authorities take all the measures necessary, sale of goods included, in order to regulate their status.
3. The customs authorities upon request of the holder of a trademark or patent of production

1. All goods intended to be placed under customs procedure shall be covered by a declaration for that customs procedure.
2. Albanian goods declared for an export, out-processing, transit or customs warehousing

with all the documents which are required to be produced for the application of the rules governing the customs procedure in respect of which the goods were declared.

2. However,

- a) where acceptance of a customs declaration imposes particular obligations on a specific person, the declaration must be made by that person himself or the person who acts on his behalf;
- b) the declarant must be established in the Republic of Albania. However, the conditions regarding establishment in the Republic of Albania shall not apply to persons who make a declaration for transit through the Albania Customs territory with destination a third country or make temporary importation declarations.

3. Paragraph 2 (b) shall not preclude the application by the Republic of Albania of bilateral agreements concluded with another country or with group of countries, under which citizens of such countries may make customs declarations in the territory of the Republic of Albania.

Article 90

1. The declarant shall, at his request, be authorized to amend one or more of the particulars of the declaration after it has been accepted by cust

Save as otherwise expressly provided, the date to be used for the purposes of all the provisions governing the customs procedure for which the goods are declared shall be the date of acceptance of the declaration by the customs authorities.

2. Means of identification affixed to the goods means of transport shall be removed or destroyed only by the customs authorities or with their permission unless, as a result of unforeseeable circumstances or force majeure, the removal or destruction is essential to ensure the protection of the goods or means of transport.

Article 98

1. Without prejudice to Article 99, where the conditions for placing the goods under the procedure in question are fulfilled and provided goods are not subject to any prohibitive or restrictive measures, the customs authorities shall release the goods as soon as the particulars in the declaration have been verified or accepted without verification.

2. All the goods covered by the same declaration shall be released at the same time. For the 5

B. Other declarations

Article 101

Where the customs declaration is made by means of a data-processing technique within the meaning of Article 86 (b), or by an oral declaration within the meaning of Article 86 (c), Articles 87 to 100 shall apply mutatis mutandis without prejudice to the principles set out therein.

C. Examination Of Post-Clearance Declarations

Article 102

1. The customs authorities may, on their own initiative or at the request of the declarant, amend the declaration after release of the goods.
2. The customs authorities may, after releasing the goods and in order to satisfy themselves as to the accuracy of the particulars contained in the declaration, inspect the commercial documents and data relating to the import or export operations in respect of the goods concerned or to subsequent commercial operations involving those goods. Such inspections may be carried out at the premises of the declarant, of any other person directly or indirectly involved in the said operations in a business capacity or of any other person in possession of the said document and data for business purposes. Those authorities may also examine the goods where it is still possible for them to be produced.
3. Where revision of the declaration or post-clearance examination indicates that the provisions governing the customs procedure concerned have been applied on the basis of incorrect or incomplete information, the customs authorities shall, in accordance with any provisions laid down, take the measures necessary to regularize the situation, taking account of the new information available to them.

Section 2

Release for free circulation

Article 103

1. Release for free circulation shall confer on non-Albanian goods the customs status of Albanian goods.
2. It shall entail application of commercial policy measures, completion of the other formalities laid down in respect of the importation of goods and the charging of any import duties.

Article 104

Where a consignment is made up of goods falling within different tariff classifications, and dealing with each of those goods in accordance with its tariff classification for the purpose of drawing up the declaration would entail a burden and expense disproportionate to the import duties chargeable, the customs authorities may, at the request of the declarant, agree that import

Article 112

1. A suspensive arrangement with economic impact shall be discharged when a new customs-approved treatment or use is assigned either to the goods placed under that arrangement or to compensating or processed products placed under it.
2. The customs authorities shall take all the measures necessary to regularise the position of goods in respect of which a procedure has not been discharged under the conditions prescribed.

Article 113

The rights and obligations of the holder of a customs procedure with economic impact may, on the conditions laid down by the

- a) of total value exceeding an amount determined in accordance with provisions laid down enacted by the Minister of Finance; or
- b) which present increased risks on account of the levied import duties, to which they are subject in the Republic of Albania.

4. The General Directorate of Customs which grants the waiver shall issue to each person obtaining it one or more copies of a guarantee waiver certificate.

Article 119

1. The principal shall be the subject of the transit procedure. He shall be responsible for:

- a) presentation of the goods intact at the customs office of destination by the prescribed time limit and with due observance of the measures adopted by the customs authorities to ensure identification;
- b) observance of the provisions related to the transit procedure.

2. Notwithstanding the principal's obligations referred to in paragraph 1, the carrier or recipient of goods knowing they are moving under transit shall also be responsible for presentation of the goods intact at the customs office of destination by the prescribed time limit and with due observance of the measures adopted by the customs authorities to ensure identification.

Article 120

1. The detailed rules for the operation of the transit procedure and the respective exemptions shall be determined in provisions laid down in the Implementing Provisions.

2. Provided that the implementation of measures applying to goods is guaranteed, the Minister of Finance is entitled to establish simplified procedures in certain circumstances for goods not required to move on the territory of another country.

C. Customs warehouses

Article 121

1. The customs warehousing procedure shall allow the storage in a customs warehouses of the:

- a) non-Albanian goods, without such goods being subject to import duties or commercial policy measures;
- b) Albanian goods, where legislation governing specific fields provides that their being placed in a customs warehouse shall attract the application of measures normally attaching to the export of such goods.

2. 'Customs warehouse' means any place approved by and under the supervision of the customs authorities where goods may be stored under the conditions laid down.

Article 126

The rights and obligations of a warehousekeeper may, with the agreement of the customs authorities, be transferred to another person.

Article 127

Without prejudice to Article 111, the customs authorities may require that the warehousekeeper provide a guarantee in connection with the responsibilities specified in Article 124.

Article 128

1. The person designated by the customs authorities shall keep stock records of all the goods placed under the customs warehousing procedure form approved by those authorities. Stock records are not necessary where a public warehouse is operated by the customs authorities.
2. Subject to the application of Article 109, the customs authorities may dispense with stock records where the responsibilities referred to in Article 124 (a) and/or (b) lie exclusively with the depositor and the goods are placed under that procedure on the basis of a written declaration forming

Article 131

1. The goods may remain under the customs warehousing procedure for a period up to twelve months. The customs authorities, on the depositor's request, may accept an extension for a of another year.
2. However, where exceptional circumstances so warrant, the customs authorities may set , within reasonable limits, a shorter time limit by which the depositor must assign the goods a new customs-approved treatment or use.

Article 132

1. Import goods may undergo the usual forms of handling intended to preserve them, improve their appearance or marketable quality or prepare them for distribution or resale.
2. The list of the forms of handling referred to this paragraph shall be included in the implementing provisions of this Code. The Minister of Finance is entitled to make any necessary changes to the list.
3. The forms of handling provided for in paragraph 1 must be authorised in advance by the customs authorities, which shall lay down the conditions under which they may take place.

Article 133

1. Where circumstances so warrant, goods placed under the customs warehousing procedure may be temporarily removed from the customs warehouse. Such removal must be authorized in advance by the customs authorities, who shall stipulate the conditions on which it may take place.
2. While they are outside the customs warehouse the goods may undergo the forms of handling referred to in Article 132 on the conditions set out therein.

Article 134

The customs authorities may allow goods placed under the customs warehousing procedure to be transferred from one customs warehouse to another.

Article 135

1. Where a customs debt is incurred in respect of import goods and the customs value of such goods is based on a price actually paid or payable which includes the cost of warehousing and of preserving goods while they remain in the warehouse, such costs need not be included in the customs value if they are shown separately from the price actually paid or payable for the goods.
2. Where the said goods have undergone the forms of handling within the meaning of article 132, the nature of the goods, the customs value and the quantity to be taken into account in determining the amount of import duties shall, at the request of the declarant, be those which would be taken into account for the goods, at the time referred to in Article 209, if they had not undergone such handling.

The authorisation shall be issued at the request of the person who carries out processing operations or who arranges for them to be carried out.

Article 138

The authorisation shall be granted only:

- a) to persons established in the Republic of Albania. However, the authorisation may be granted to persons established outside the country in respect of imports of a non-commercial nature;
- b) where, without prejudice to the use of goods referred to in the last indent of Article 136(2)(c)(iv), the import goods can be identified in the compensating products.
- c) where the inward processing procedure may help create the most favourable conditions for the export or re-export of compensating products, provided that the essential interests of Albanian producers are not adversely affected (economic conditions).

III. Operation of the procedure

Article 139

1. The customs authorities shall specify the period within which the compensating products must have been exported or re-exported or assigned another customs-approved treatment or use. That period shall take account of the time required to carry out the processing operations and dispose of the compensating products.

2. The period shall run from the date on which the non-Albanian goods are placed under the inward processing procedure. The customs authorities may grant an extension on submission of a duly substantiated request by the holder of the authorisation.

Article 140

1. The customs authorities shall set either the rate of yield of the operation or where appropriate, the method of determining such rate. The rate of yield shall be determined on the basis of the actual circumstances in which the processing operation is, or is to be, carried out.

2. Where circumstances so warrant and, in particular, in the case of processing operation customarily carried out under clearly defined technical conditions involving goods of substantially uniform characteristics and resulting in the production of compensating products of uniform quality, standard rate of yield may be set by the Minister of Finance, on the basis of actual data previously ascertained.

Article 141

The cases in which and the conditions under which goods in the unaltered state or compensating products shall be considered to have been released for free circulation may be determined in provisions enacted by the Minister of Finance.

Article 142

1. Subject to Article 143, where a customs debt has occurred, the amount of such debt shall be determined on the basis of the taxation elements appropriate to the import goods at the time of acceptance of the declaration of placing of the goods under the inward processing procedure.
2. If at the time referred to in paragraph 1 the import goods fulfilled the conditions to qualify for preferential tariff treatment within tariff quotas or ceilings, they shall be eligible for any preferential tariff treatment existing in respect of identical goods at the same time of acceptance of the declaration of release for free circulation.

Article 143

By way of derogation from Article 142, compensating products:

- a) shall be subject to import duties calculated in accordance with the rules applicable to the customs procedure in question or to free zones or free warehouses where they have been placed under a suspensive arrangement or a free zone or free warehouse;
However,
 - i. the person concerned may request that duty be assessed in accordance with Article 142;
 - ii. in cases where the compensating products have been assigned a customs-approved treatment or use referred to above other than processing under customs control, the amount of the import duty and other charges levied shall be at least equal to the amount calculated in accordance with Article 142.

- a) shall be subject to import duties calculated in accordance with Article 142.

2. Where a customs debt is incurred in respect

1. The holder of the authorisation may ask for the import duty to be repaid or remitted where he can establish to the satisfaction of the customs authorities that compensating products obtained from import goods released for free circulation under the drawback system have been either:

- a) exported; or
- b) placed, with a view to being subsequently exported under the transit procedure, the customs warehousing procedure, the temporary importation procedure or the inward processing procedure (suspensive arrangement), or free zone or free warehouse,

- b) where the import goods can be identified in the processed products;
- c) cases where the goods cannot be economically restored after processing to their description or state as it was when they were placed under the procedure;
- d) where use of the procedure cannot result in circumvention of the effect of the rules concerning origin and quantitative restrictions applicable to the imported goods;
- e) where the necessary conditions for the procedure to help create or maintain a processing activity in the Republic of Albania without adversely affecting the essential interests of Albanian producers of similar goods (economic conditions) are fulfilled.

Article 154

Articles 139 and 140 shall apply mutatis mutandis.

Article 155

Where a customs debt is incurred in respect of

Article 158

Authorisation for temporary importation shall be granted at the request of the person who uses the goods or arranges for them to be used.

Article 159

1. The customs authorities shall refuse to authorise use of the temporary importation procedure where it is impossible to ensure that the import goods may be identified.
2. However, the customs authorities may authorise use of the temporary importation

1. The amount of import duties payable in re

2. Temporary exportation of Albanian goods shall entail the application of export duties, commercial policy measures and other formalities for the exit of Albanian goods from the customs territory of the Republic of Albania.

3. The following definitions shall apply:

- a) 'temporary export goods' means goods placed under the outward processing procedure;
- b) 'processing operations' means the operations referred to in Article 136 (2) (c) first, second and third indents;
- c) 'compensating products' means all products resulting from processing operations;
- d) 'rate of yield' means the quantity or percentage of compensating products obtained from the processing of a given quantity of temporary export goods.

Article 166

1. The outward processing procedure shall not be open to Albanian goods:

- a) whose export gives rise to repayment or remission of import duties;
- b) which, prior to export, were released for free circulation with total relief from import duties by virtue of end use, for as long as the conditions for granting such relief continue to apply;
- c) whose export gives rise to the granting of export refunds.

2. However, derogation from the second subparagraph 1 (b) may be determined in provisions enacted by the Minister of Finance.

II. Grant of the authorisation

Article 167

1. Authorisation to use the outward processing procedure shall be issued at the request of the person who arranges for the processing operations to be carried out.

2. By way of derogation from paragraph 1, authorisation to use the outward processing procedure may be granted to another person sponsor of goods of Albanian origin within the meaning of Title II, Chapter 2, Section 1, where the processing operation consists in incorporating those goods into goods obtained outside the public of Albania and imported as compensating products, provided that use of the procedure shall promote the sale of export goods without adversely affecting the essential interests of Albanian producers of products identical or similar to the imported compensating products.

3. The cases in which and the arrangements under which the preceding subparagraph shall apply shall be determined in the Implementing Provisions of this Code.

Article 168

Authorisation shall be granted only:

- a) to persons established in the Republic of Albania;

- b) where it is considered that it will be possible to establish that the compensating products have resulted from processing of the temporary export goods. The cases in which derogation from this subparagraph may apply and the conditions under which such derogation shall apply shall be determined in the Implementing Provisions of this Code;
- c) where authorisation to use the outward processing procedure is not liable seriously to harm the essential interests of Albania processors (economic conditions).

III. Operation of the procedure

Article 169

1. The customs authorities shall specify the period within which the compensating products must be re-imported into the customs territory of the Republic of Albania. They may extend that period on submission of a duly substantiated request by the holder of the authorisation.
2. The customs authorities shall set either the rate of yield of the operation or, where necessary, the method of determining that rate.

Article 170

1. The total or partial relief from import duties provided for in Article 171 (1) shall be granted only where the compensating products are declared free for free circulation in the name of or on behalf of:
 - a) the holder of the authorisation, or
 - b) any other person established in the Republic of Albania provided that that person has obtained the consent of the holder of the authorization and the conditions of the authorisation are fulfilled.
2. The total or partial relief from import duties provided for in Article 171 shall not be granted where one of the conditions or obligations tied to the outward processing procedure is not fulfilled, unless it is established that the failure has no significant effect on the correct operation of the said procedure.

Article 171

1. The total or partial relief from import duties provided for in Article 165 shall be effected by deducting from the amount of the import duties applicable to the compensating products released for free circulation the amount of the import duties that would be applicable on the same date to the temporary export goods if they were imported into the customs territory of the Republic of Albania from the country in which they underwent temporary export.

accordance with Article 37 (1) (b)(i) or, if the value may not be determined in that way, the difference between the customs value of the compensating products and the processing costs determined by reasonable means. However,

- a) certain charges determined in provisions enacted by the Minister of Finance shall not be taken into account in calculating the amount to be deducted;
- b) where, prior to being placed under the outward processing procedure, the temporary export goods were released for free circulation at a reduced rate by virtue of their end use, and for as long as conditions for granting the reduced rate continue to apply, the amount to be deducted shall be the amount of import duties actually levied when the goods were released for free circulation.

3. Where temporary export goods could qualify for their release for free circulation for a reduced or zero rate of duty by virtue of their end use, that rate shall be taken into account provided that the goods underwent operations consistent

processing el

IV. Outward processing with use of the standard exchange system

Article 174

1. Under the conditions laid down in this section IV which are applicable in addition to the preceding provisions, the standard exchange system shall permit an imported product, hereinafter referred to as a 'replacement product', to replace a compensating product.
2. The customs authorities shall allow the standard exchange system to be used where the processing operation involves the repair of Albanian goods.
3. Without prejudice to Article 179, the provisions applicable to compensating products shall also apply to replacement products.
4. The customs authorities shall, under the conditions they lay down, permit replacement products to be imported before the temporary expo

In the case of prior importation and where Article 171 is applied, the amount to be deducted shall be determined on the basis of the items of charge applicable to the temporary export goods on the date of acceptance of the declaration replacing them under the procedure.

Article 179

Article 167(2) and Article 168(b) shall not apply in the context of standard exchange.

V. Other provisions

Article 180

The procedure provided for within the framework of outward processing shall also be applicable for the purposes of implementing non-tariff commercial policy measures.

Section 4

Export

Article 181

1. The export procedure shall allow Albanian goods to leave the customs territory of the Republic of Albania. Exportation shall entail the application of exit formalities including commercial policy measures and, where appropriate, export duties.
2. With the exception of goods placed under the outward processing procedure, all Albanian goods intended for export shall be placed under the export procedure.
3. The case in which and the conditions under which goods leaving the customs territory of the Republic of Albania are not subject to an export declaration shall be determined in the Implementing Provisions of this Code and provisions enacted by the Minister of Finance, if necessary.
4. The export declaration must be lodged at the customs office responsible for supervising the place where the exporter is established or where the goods are packed or loaded for export shipment. Derogation shall be determined in the provisions enacted by the Minister of Finance, if necessary.

Article 182

Release for export shall be granted on condition that the goods in question leave the customs territory of the Republic of Albania in the same condition as when the export declaration was accepted.

CHAPTER 3

OTHER TYPES OF CUSTOMS-APPROVED TREATMENT OR USE

Section 1

Free zones and free warehouses

A. General

Article 183

Free zones and free warehouses shall be ~~part~~ ^{outside} the customs territory of the Republic of Albania or premises situated in that territory and separated from the rest of it in which:

- a) non-Albanian goods are considered, for the ~~purpose~~ ^{purpose} of import duties and commercial policy import measures, as not being on Albanian custom

remaining in a free zone or free warehouse. Where such checks are required, the goods shall be made available to those authorities.

B. Placing of goods in free zones or free warehouses

Article 186

1. Both Albanian and non-Albanian goods may be placed in a free zone or free warehouse.
2. However, the customs authorities may require that goods which present a danger or are likely to spoil other goods or which, for other reasons, require special facilities be placed in premises specially equipped to receive them.

Article 187

1. Without prejudice to Article 185 (4), goods entering a free zone or free warehouse need not be presented to the customs authorities, need a customs declaration be lodged.
2. Goods shall be presented to the customs authorities and undergo the prescribed customs formalities only where:
 - a) they have been placed under a customs procedure which is discharged when they enter a free zone or free warehouse; however, where the customs procedure in question permits exemption from the obligation to present goods, such presentation shall not be required;
 - b) they have been placed in a free zone or free warehouse on the authority of a decision to grant repayment or remission of import duties;
 - c) they qualify for the measures referred to in Article 183 (b).
3. Customs authorities shall require goods subject to export duties or to other export provisions to be notified to them.
4. At the request of the party concerned, the customs authorities shall certify the Albanian or non-Albanian status of goods placed in a free zone or free warehouse.

C. Operation of free zones and free warehouses

Article 188

There shall be no limit to the length of time goods may remain in free zones or free warehouses.

Article 189

1. Any industrial, commercial or service

2. The customs authorities may impose certain prohibitions or restrictions on the activities referred to in paragraph 1, having regard to the nature of the goods concerned or to the requirements of customs supervision.

3. The customs authorities may prevent persons who do not provide the necessary guarantees of compliance with the provisions laid down in this Code from carrying on an activity in a free zone or free warehouse.

Article 190

1. Non-Albanian goods placed in a free zone or free warehouse may, while they remain in a free zone or free warehouse:

- a) be released for free circulation under the conditions laid down by that procedure and by Article 194;
- b) undergo the usual forms of handling referred to in Article 132 (1) without authorisation;
- c) be placed under the inward processing procedure under the conditions laid down by that procedure;
- d) be placed under the procedure for processing under customs control under the conditions laid down by that procedure;
- e) be placed under the temporary importation procedure under the conditions laid down under that procedure;
- f) be abandoned in accordance with Article 197;
- g) be destroyed, provided that the person concerned supplies the customs authorities with all information they judge necessary.

2. Where goods are placed under one of the procedures referred to in paragraph 1 (c), (d) or (e) the customs authorities shall, in so far as is necessary to take account of the operating and customs supervision conditions of the free zones or free warehouses, adapt the control arrangements laid down.

Article 191

1. Where Article 190 is not applied, non-Albanian goods and the Albanian goods referred to in Article 183 (b) shall not be consumed in free zones or in free warehouses.

2. Without prejudice to the provisions applicable to supplies or stores, where the procedure concerned so provides, paragraph 1 shall not preclude the use or consumption of goods the release for free circulation or temporary importation of which would not entail application of import duties or measures under commercial policy. In that event, a declaration of release for free circulation or temporary importation shall be required. Such declaration shall, however, be required if such goods are to be charged against a quota or ceiling.

Article 192

1. All persons carrying on an activity involving the storage, working or processing, or sale or purchase, of goods in a free zone or free warehouse shall keep stock records in a form approved by the customs authorities. Goods shall be entered in the stock records as soon as they are brought into

- a) Albanian goods, for the purposes of applying export duties and export licenses or export measures laid down under the commercial policy;
- b) Non-Albanian goods in all other cases.

Article 196

The customs authorities shall ensure that the rules governing exportation or re-exportation are respected where goods are exported or re-exported from a free zone or free warehouse.

Section 2

Re-exportation, destruction and abandonment

Article 197

1. Non-Albanian goods may be:
 - a) re-exported from the customs territory of the Republic of Albania;
 - b) destroyed;
 - c) abandoned to the exchequer where legislation makes provision to that effect.
2. Re-exportation shall, where appropriate, involve application of the formalities laid down for goods leaving, including commercial policy measures. Cases in which non-Albanian goods may be placed under a suspensive arrangement with a view to non-application of commercial policy measures on exportation may be determined in provisions enacted by the Minister of Finance.
3. Re-exportation or destruction shall be the subject of prior notification of the customs authorities. The customs authorities shall prohibit exportation should the formalities or measures referred to in the first sentence of paragraph 2 be provided. Where goods placed under an economic customs procedure when on Albanian customs territory are intended for re-exportation, a customs declaration within the meaning of Articles 84 to 215 shall be lodged. In such cases, Article 181 (3) and (4) shall apply. Abandonment shall be made as described in the Implementing Provisions of this Code.
4. Destruction or abandonment shall not entail any expense for the exchequer.
5. Any waste or scrap resulting from destruction shall be assigned a customs-approved treatment or use prescribed for non-Albanian goods. It shall remain under customs supervision until the time laid down in Article 41 (3).

TITLE V

GOODS LEAVING THE CUSTOMS TERRITORY OF THE REPUBLIC OF ALBANIA

Article 198

Goods leaving the customs territory of the Republic of Albania shall be subject to customs supervision. They may be the subject of checks by customs authorities in accordance with the provisions in force. They shall leave the said territory using, where appropriate, the route determined by the customs authorities and in accordance with the procedures laid down by those authorities.

TITLE VI

PRIVILEGED OPERATIONS

CHAPTER 1

RELIEFS FROM CUSTOMS DUTY

Article 199

The cases in which, on account of special circumstances, relief from import duties or export duties shall be granted where goods are released for free circulation or exported are determined by specific law.

CHAPTER 2

RETURNED GOODS

Article 200

1. Albanian goods which, having been exported from the customs territory of the Republic of Albania, are returned to that territory and released for free circulation within a period of three years shall, at the request of the person concerned, be granted relief from import duties.

However:

- a) the three year period may be exceeded in order to take account of special circumstances;
- b) where, prior to their exportation from the customs territory of the Republic of Albania, the returned goods had been released for free circulation at reduced or zero import duty because of their use for a particular purpose exemption from duty under paragraph 1 shall be granted only if they are to be re-imported for the same purpose. Where the purpose for which the goods in question are to be imported is no longer the same, the amount of import duties chargeable upon them shall be reduced by any amount levied on the goods when they were first released for free circulation. Should the latter amount exceed that levied on the entry for free circulation of returned goods, no refund shall be granted.

2. The relief from import duties provided for in paragraph 1 shall not be granted in the case of:

- a) goods exported from the customs territory of the Republic of Albania under the outward processing procedure unless those goods remain in the state in which they were exported;
 - b) goods which have been the subject of a measure involving their exportation to another country.
- The circumstances in which and the conditions under which this requirement may be waived shall be determined in the Implementing Provisions of this Code.

Article 201

The relief from import duties provided for in Article 200 shall be granted only if goods are re-imported in the state in which they were exported. The circumstances in which and the conditions under which this requirement may be waived shall be determined in the Implementing Provisions of this Code.

Article 202

1. Articles 200 and 201 shall apply *mutatis mutandis* to compensating products originally exported or re-exported subsequently under the inward processing procedure.
2. The amount of import duty legally owed shall be determined on the basis of the rules applicable under the inward processing procedure, the date of re-export being regarded as the date of release for free circulation.

CHAPTER 3

PRODUCTS OF SEA-FISHING AND OTHER PRODUCTS TAKEN FROM THE SEA

Article 203

Without prejudice to Article 29 (2) (f), the following shall be exempt from import duties when they are released for free circulation:

- a) products of sea-fishing and other products taken from the territorial sea of another country by vessels registered or recorded in the Republic of Albania and flying the Albanian flag;
- b) products obtained from products referred to in (a) on board factory-ships fulfilling the conditions laid down in that subparagraph.

TITLE VII

CUSTOMS DEBT

CHAPTER 1

SECURITY TO COVER CUSTOMS DEBT

Article 204

1. Where, in accordance with the customs rules, the customs authorities require security to be provided in order to ensure payment of a customs debt, such security shall be provided by the person who is liable or who may become liable for that debt.
2. The customs authorities shall require only one security to be provided in respect of one customs debt.
3. The customs authorities may authorise the security to be provided by a person other than the person from whom it is required.

Article 205

1. Where customs rules provide that the provision of security is optional, such security shall be required at the discretion of the customs authorities in so far as they consider that a customs debt which has been or may be incurred is not certain to be paid within the prescribed period. Where the security referred to in the preceding sentence is not required, the customs authorities may nevertheless require from the person referred to in Article 204(1) an undertaking to comply with the obligations which that person is legally obliged to fulfill.
2. The security referred to in the above paragraph shall be required:
 - a) at the time of application of the provisions requiring such security to be provided, or
 - b) at any subsequent time when the customs authorities find that the customs debt which has been or may be incurred is not certain to be paid within the prescribed period.

Article 206

At the request of the person referred to in Article 204 (1) or (3), the customs authorities shall allow comprehensive security to be provided to cover two or more operations in respect of which a customs debt has been or may be incurred.

Article 207

1. Where the customs rules make it compulsory for security to be provided, the customs authorities shall fix the amount of such security at a level equal to:
 - a) the precise amount of the customs debt or debts in question where that amount may be

1. Where the rules adopted in accordance with the Implementing Provisions this Code so provide, the customs authorities may accept types of security other than those referred to in Article 208 where they provide equivalent assurance that the customs debt will be paid.
2. The customs authorities shall refuse the security proposed by the debtor where they do not consider that such security is certain to ensure payment of the customs debt.
3. Subject to the reservation referred to in the second paragraph, the customs authorities may accept a cash deposit without the conditions set down in Article 209 (1) being fulfilled.

Article 213

Where the customs authorities establish that the security provided does not ensure, or is no longer certain or sufficient to ensure, payment of customs debt within the prescribed period, they shall require the person referred to in Article 204 (1) in his opinion, to provide additional security or to replace the original security with a new security.

Article 214

1. The security shall not be released until such time as the customs debt in respect of which it was given is extinguished or can no longer arise. Once the customs debt is extinguished or can no longer arise, the security shall be released forthwith.
2. Once the customs debt has been extinguished, a debtor can arise only in respect of part of the amount which has been secured, part of which shall be released accordingly at the request of the person concerned, unless the amount involved does not justify such action.

Article 215

Derogation from the provisions contained in this Chapter shall, where necessary, be made only when International Conventions provide otherwise.

CHAPTER 2

INCURRENCE OF A CUSTOMS DEBT

Article 216

1. A customs debt on importation shall be incurred through:
 - a) the release for free circulation of goods liable to import duties; or
 - b) the placing of such goods under the temporary importation procedure with partial relief from import duties.
2. A customs debt shall be incurred at the time of the acceptance of the customs declaration in question.

3. The debtor shall be the declarant. In the event of indirect representation, the person on whose behalf the customs declaration is made shall also be a debtor. Where a customs declaration in respect of one of the procedures referred to in paragraph 1 is drawn up on the basis of information which leads to all or part of the duties legally levied not being collected, the persons who provided the information required to draw up the declaration and who knew, or who ought reasonably to have known that such information was false, may also be considered debtors in accordance with the provisions in force.

Article 217

1. A customs debt on importation shall be incurred through:
 - a) the unlawful introduction into the customs territory of the Republic of Albania of goods liable to import duties, or
 - b) the unlawful introduction into another part of that territory of such goods located in a free zone or free warehouse.

For the purpose of this Article, unlawful introduction means any introduction in violation of the provisions of Articles 42 ,43, 65 and 66, and the second indent of Article 193.

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- d) where appropriate, the person required to fulfill the obligations arising from temporary storage of the goods or from the use of the customs procedure under which those goods are placed.

Article 219

1. A customs debt on importation shall be incurred through:
- a) non-fulfillment of one of the obligations arising, in respect of goods liable to import duties, from their temporary storage or from the use of the customs procedure under which they are placed, or
 - b) non-compliance with a condition governing the placing of the goods under that procedure or the granting of a reduced or zero rate of import duty by virtue of the end-use of the goods,

in cases other than those referred to in Article 218 unless it is established that those failures have no significant effect on the correct operation of the temporary storage or customs procedure in question.

2. The customs debt shall be incurred either at the moment when the obligation whose non-fulfillment gives rise to the customs debt ceases to be met or at the moment when the goods are placed under the customs procedure concerned, where established subsequently that a condition governing the placing of the goods under the said procedure or the granting of a reduced or zero rate of import duty by virtue of the end-use of the goods was not in fact fulfilled.

3. The debtor shall be the person who is required, according to the circumstances, either to fulfill the obligations arising, in respect of goods liable to import duties, from their temporary storage or from the use of the customs procedure under which they have been placed, or to comply with the conditions governing the placing of the goods under that procedure.

Article 220

1. A customs debt on importation shall be incurred through the consumption or use, in a free zone or a free warehouse, of goods liable to import duties, under conditions other than those laid down by the legislation in force. Where goods disappear and where their

1. A customs debt on exportation shall be incurred through the removal from the customs territory of the Republic of Albania of goods liable to export duties without a customs declaration.
2. The customs debt shall be incurred at the time when the said goods actually leave that territory.
3. The debtor shall be:
 - a) the person who removed the goods, and
 - b) any persons who participated in such removal and who were aware or should reasonably have been aware that a customs declaration had not been but should have been lodged.

Article 226

1. A customs debt on exportation shall be incurred through failure to comply with the conditions under which the goods were allowed to leave the customs territory of the Republic of Albania with total or partial relief from export duties.
2. The debt shall be incurred at the time when the goods reach a destination other than that for which they were allowed to leave the customs territory of the Republic of Albania with total or partial relief from export duties, or, should the customs authorities be unable to determine that time, the expiry of the time limit set for the production of evidence that the conditions entitling the goods to such relief have been fulfilled.
3. The debtor shall be the declarant. In the event of indirect representation, the person on whose behalf the declaration is made shall also be a debtor.

Article 227

The customs debt referred to in Articles 216 to 220 and 224 to 226 shall be incurred even if it relates to goods subject to measures of prohibition or restriction on importation or exportation of any kind whatsoever. However, no customs debt shall be incurred on the unlawful introduction into the customs territory of the Republic of Albania of counterfeit currency or of narcotic drugs and psychotropic substances which do not enter the economic circuit strictly supervised by the competent authorities with a view to their use for medical or scientific purposes. For the purposes of criminal law as applicable to customs offences, customs debt shall nevertheless be deemed to have been incurred, where, under criminal law, customs duties provide the basis for determining penalties, or the existence of a customs debt is grounds for taking criminal proceedings.

Article 228

Where several persons are liable for payment of one customs debt, they shall be jointly and severally liable for such debt.

Article 229

1. Save as otherwise expressly provided by this Code and without prejudice to paragraph 2, the amount of the import duty or export duty applicable to goods shall be determined on the basis of

the rules of assessment appropriate to those goods at the time when the customs debt in respect of them is incurred.

2. Where it is not possible to determine precisely when the customs debt is incurred, the time to be taken into account in determining the rules of assessment appropriate to the goods concerned shall be the time when the customs authorities conclude that the goods are in a situation in which a customs debt is incurred. However, where the information available to the customs authorities enables them to establish that the customs debt was incurred prior to the time when they reached that conclusion, the amount of the import duty or export duty payable on the goods in question shall be determined on the basis of the rules of assessment appropriate to the goods at the earliest time when existence of the customs debt arising from the situation may be established from the information available.

3. Interest should be applied, in the circumstances and under the conditions to be defined in the Implementing Provisions of this Code, in order to prevent the wrongful acquisition of financial advantage through deferment of the date on which the customs debt was incurred or entered in the accounts.

Article 230

1. A customs debt shall be incurred at the place where the events from which it arises occur.
2. Where it is not possible to determine the place referred to in paragraph 1, the customs debt shall be deemed to have been incurred at the place where the customs authorities conclude that the goods are in a situation in which a customs debt is incurred.
3. Where a customs procedure is not discharged for goods, the customs debt shall be deemed

2. The moment when such customs debt is incurred shall be deemed to be the moment when the customs authorities accept the exportation relating to the goods in question.
3. The debtor shall be the declarant. In the event of indirect representation, the person on whose behalf the declaration is made shall also be a debtor.
4. The amount of the import duties corresponding to this customs debt shall be determined under the same conditions as in the case of customs debt resulting from the acceptance, on the same date, of the declaration for release for circulation of the goods concerned for the purpose of terminating the inward processing procedure.

2. Where it is provided that goods may be ~~used~~ subject to meeting certain conditions laid down by the legislation which govern either determination of the amount of the debt or its collection, entry in the accounts shall take place no later than two days following the day on which the amount of the debt or the obligation to pay the duties ~~resulting~~ from that debt is determined or fixed. However, where the customs debt relates to a provisional anti-dumping or countervailing duty, that duty shall be entered in the ~~accounts~~ no later than two months following the date of issue of the definitive anti-dumping or countervailing duty.

3. Where a customs debt is incurred under ~~conditions~~ other than those referred to in paragraph 1, the relevant amount of duty shall be entered ~~in the~~ accounts within two ~~of~~ of the date on which the customs authorities are in a position to :

a)

1. As soon as it has been entered in the accounts, the amount of duty shall be communicated to the debtor in accordance with appropriate procedures described in the implementing provisions of this Code.
2. Where the amount of duty payable has been entered, for guidance, in the customs declaration, the customs authorities specify that it shall not be communicated in accordance with paragraph 1 unless the amount of duty indicated does not correspond to the amount determined by the authorities.
3. Communication to the debtor shall not take place after the expiry of a period of three years from the date on which the customs debt was incurred.

Section 2

Time limit and procedures for payment of the amount of duty

Article 237

1. Amounts of duty communicated in accordance with Article 236 shall be paid by debtors within the following periods:
 - a) if the person is not entitled to any of the payment facilities laid down enacted by the Minister of Finance, payment shall be made within the period prescribed. An extension shall be granted automatically where it is established that the person concerned received the communication too late to enable him to make payment within the period prescribed. Extension of the period may also be granted by the customs authorities at the request of the debtor where the amount of duty to be paid results from action for post-clearance recovery. Such extended time limit shall not exceed 10 days;
 - b) if the person is entitled to any of the payment facilities laid down enacted by the Minister of Finance, payment shall be made no later than the expiry of the period or periods specified in relation to those facilities.
2. Where an application for the remission of duty is made in accordance with Article 250, 251 or 252 or where goods are seized with a view to subsequent confiscation in accordance with Article 246 (b), (c) (ii), or (d), the debtor's obligation to pay duty shall be subsequent in accordance with conditions laid down in the implementing provisions of this Code.

Article 238

Payment shall be made in cash or by any means with similar discharging effect in accordance with provisions in force.

Article 239

Provided the amount of duty payable by the person concerned relates to goods declared for a customs procedure which entails the obligation to pay such duty, the customs authorities shall, at

the person's request, grant deferment of payment of that amount under the conditions laid down in Articles 240, 241 and 242.

Article 240

1. The granting of deferment of payment shall be conditional on the provision of security by the applicant.
2. In addition, the granting of deferment of payment may give rise to the charging of incidental expenses for the opening of files for services rendered.

Article 241

The customs authorities shall decide which of the following procedures must be used when granting deferment of payment:

- a) separately in respect of each amount of duty entered in the accounts under the conditions laid

- a) if the period is a calendar week, on the Friday of the fourth week following that calendar week;
- b) if the period is a calendar month, by the 16th of the month following that calendar month.

Article 243

Whatever the payment facilities, ~~and~~ granted by the Minister of Finance, granted to the debtor, the latter may in any case pay all or part of the amount of duty without awaiting expire of the period he has been granted for payment.

Article 244

An amount of duty owed may be paid by a third person instead of the debtor.

Article 245

1. Where the amount of duty due has not been paid within the prescribed period:
 - a) the customs authorities shall avail themselves of all options open to them under the legislation in force, including enforcement, to secure payment of that amount. Special provisions may be adopted in the Implementing Provisions of the Code, in respect of guarantors within the framework of the transit procedure;
 - b) interest on arrears shall be charged over and above the amount of duty. The rate of interest on arrears may be higher than the rate of credit interest. It may not be lower than that rate.
2. The customs authorities may waive collection of interest on arrears if the duty is paid within 5 days of the expire of the period prescribed for payment.
3. The customs authorities may fix:
 - a) minimum periods for calculation of interest;
 - b) minimum amounts payable as interest on arrears.

CHAPTER 4

EXTINCTION OF CUSTOMS DEBT

Article 246

1. Without prejudice to the provisions in force relating to the time-barring of a customs debt and non-recovery of such a debt in the event of the legally established insolvency of the debtor, a customs debt shall be extinguished:
 - a) by payment of the amount of duty;
 - b) by remission of the amount of duty;
 - c) where, in respect of goods declared for ~~at~~ transit procedure entailing the obligation to pay duties:
 - i. the customs declaration is invalidated in accordance with Article 91,

- ii. the goods, before their release, are seized and simultaneously or subsequently confiscated, destroyed on the instruction of the customs authorities, destroyed or abandoned in accordance with Article 107, destroyed or irretrievably lost as a result of their actual nature of unforeseeable circumstances or force majeure;
- d) where goods in respect of which a customs debt is incurred in accordance with Article 217 are

- b) resulting from circumstances in which no deception or obvious negligence may be attributed to the person concerned. The situation in which this provision may be applied and the procedures to be followed to that end shall be defined in accordance with provisions enacted by the Minister of Finance. Repayment or remission may be made subject to special conditions.

2. Duties shall be repaid omitted for the reasons set out in paragraph 1 upon submission of an application to the appropriate customs office within 12 months from the date on which the amount of the duties was communicated to the debtor ~~etc~~, the General Director may permit this period to be exceeded in ~~justified~~ exceptional cases.

Article 253

Import or export duties shall be repaid omitted under the conditions laid down in this chapter only if the amount to be repaid or remitted exceeds an amount fixed in accordance with the provisions laid down by the Minister of Finance. However, the customs authorities may also grant an application for repayment or remission in respect of a lower amount.

Article 254

Repayment by the competent authorities of amounts of import duties or export duties or of credit interest or interest on arrears collected ~~payment~~ of such duties shall not give rise to the payment of interest by those authorities ~~however~~, interest shall be paid:

- a) where a decision to grant a request for payment is not implemented within three months of the date of adoption of that decision,
- b) where national provisions so stipulate.

The amount of such interest shall be calculated ~~such~~ in a way that it is equivalent to the amount which would be charged for this purpose ~~in~~ the national money ~~financial~~ market.

Article 255

Where a customs debt has been remitted or the corresponding amount of duty repaid by error, the original debt shall again become ~~pay~~. Any interest paid under Article 254 must be reimbursed.

TITLE VIII

CUSTOMS VIOLATIONS AND SANCTIONS

CHAPTER 1

GENERAL PROVISIONS AND DEFINITIONS

Article 256

1. Customs violations consist of:
 - a) administrative customs violations;
 - b) smuggling.
2. Any act or omission which does not comply with the provisions of this Law and its implementing provisions, is considered an administrative customs violation and is punished as such.
3. Subtracting by any means to goods from the customs control and/or supervision of goods with the intention of evading or attempting to evade the payment of duties legally due as referred to in Article 276 until 280, and any of the behaviors referred to in the same Articles, are considered smuggling and punished as such.
4. The payment of penalties applied for customs violations, will in no case be exempt the violator from the payment of customs duties legally due provided for in the present Law.
5. The term 'goods' for the purposes of this Title means Albanian and /or non Albanian goods subject to the customs formalities or customs duties.

CHAPTER 2

ADMINISTRATIVE CUSTOMS VIOLATIONS

Article 257

1. Without prejudice to the provisions about smuggling, it is considered an administrative customs violation, the indication in the cargo manifest of a vessel or an aircraft, of a quantity of goods different from that verified by the customs authorities.
2. A fine of 10.000 Lek for each package, or a fine of 30.000 Lek for each ton, when the cargo is in bulk, will be applied to the captain of the vessel or aircraft who commits such a violation.
3. For the purposes of this Article, when the exceeding packages have the same marks and numerical figures as the packages indicated in the manifest, the packages classified in a tariff classification corresponding to higher duties, shall be considered as the ones not indicated.
4. When the verified differences are smaller than 5% of the quantity indicated in the manifest, no sanction will be applied.

Article 258

1. Without prejudice to the provisions about smuggling, it is considered an administrative customs violation if any conduct by the captain of the vessel consists of:

a)

the customs authorities, while the declarant lodges the declaration for goods to be released for free circulation. A fine that varies from 30.000 to 100.000 Lek will be applied.

2. After the declaration is revised, in the event of the duties legally due are estimated higher than those calculated according to the customs declaration and the difference exceeds 5%, instead of the said fine, a fine of three times the amount of the difference of the unpaid duties shall be applied.

3. However, if such a difference is caused by errors made in good faith during the preparation of the customs declaration, and if the declarant has supplied all the necessary information for the customs verification, a fine that varies from death to the whole amount of the same difference shall be applied.

4. The fines mentioned above shall apply mutatis mutandis whenever it is verified by the customs authorities a value or origin different from that indicated in the declaration for goods to be placed under any customs procedure, other than transit procedure.

Article 262

1. Without prejudice to the provisions about smuggling, it is considered an administrative customs violation, the presentation of the goods placed under transit procedure at a customs office different from that of the customs of destination.

2. A fine that varies from 200.000 to 300.000 Lek will be applied to the declarant or the guarantor, when it is verified that such a violation was committed under his responsibility.

Article 263

1. Without prejudice to the provisions about smuggling, it is considered an administrative customs violation the indication in the transit documents, as registered at the customs office of departure, of a quantity different from that verified at the customs office of destination upon the arrival of goods placed under transit procedure.

2. A fine that varies from one to three times the amount of duties legally due on the verified difference will be applied to the declarant or the guarantor.

Article 264

1. Without prejudice to the provisions about smuggling, it is considered an administrative customs violation the indication in the transit documents, as registered at the customs office of departure of a quality different from that verified at the customs office of destination, upon the arrival of goods.

2. A fine which varies from one to three times the amount of duties legally due on the verified goods will be applied to the declarant or the guarantor.

Article 265

1. Without prejudice to the provisions about smuggling, it is considered an administrative customs violation declaring and/or recording a quality or quantity of goods stored in a customs warehouse, different from that verified by the customs authorities.
2. A fine of three times the duties payable on goods verified to be different in quality or quantity will be applied to the warehouse keeper or depositor, when the deposit of goods is under his responsibility.
3. When the verified difference in quantity is smaller or equal to 2% of the quantity indicated in each declaration, no sanction will be applied.
4. Without prejudice to the provisions about smuggling, if the difference in quantity is more than 20%, for more or less, the warehouse keeper is compelled to release for free circulation immediately all the goods registered in his name. In the case there have been previously identified differences in quantity of goods deriving from the warehouses managed by the same person, exceeding 20%, even if it relates to goods of different quality, he will not be able to have the concession for the customs warehouse for one year.

Article 266

1. Without prejudice to the provisions about smuggling, it is considered an administrative customs violation the indication in the summary declaration of a quantity of goods in temporary storage facilities, different from that verified by the customs authorities.
2. The sanctions below will be applied to the authorized person or persons referred to in Article 69 paragraph 2 who lodged the summary declaration, and committed such a violation:
 - a) the payment of the value of the goods.

- b) In the case a difference in quantity is verified, the payment of a fine that varies:
- i) from two to five times the duties legally due on the goods missing or in excess,
 - ii) from half to the whole amount of the duties legally due on the goods missing or in excess, when the difference verified is ~~caused~~ by a mistake of calculation or error of writing in good faith by the declarant.

However, when the verified difference in quantity does not exceed 5%, no sanction shall

When the difference in quantity is smaller or equal to 5%, no sanction will be applied. After the declaration is revised, it will be considered a declaration of temporary exportation.

Article 270

1. Without prejudice to the provisions about ~~sorting~~, it is considered an administrative customs violation the indication in the declaration of re-importation of goods, placed under outward processing procedure, of a quality or quantity ~~differs~~ from that verified by the customs authorities.
2. The fines below will be applied to the declarant who commits such a violation:
 - a) In the case a difference in ~~quality~~ is verified, the payment of a fine that varies from one to ten times the duties legally due on the goods ~~is~~ to be different. After the declaration is revised, it will be considered a declaration of importation.
 - b) In the case a difference in quantity is verified, the payment of a fine that varies:
 - i. from two to five times the import duties on the goods in excess;
 - ii. from two to five times for the goods that are missing;

When the verified difference in quantity is smaller or equal to 5%, no sanction will be applied. After the declaration is revised, it will be considered a declaration of temporary exportation.

Article 271

1. Without prejudice to the provisions about ~~sorting~~, it is considered an administrative customs violation the re-exportation of less ~~quantity~~ of goods, placed under inward processing procedure suspensive system, after the bill of discharge is lodged.

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1. It is considered an administrative customs violation the failure to lodge on time the bill of discharge for goods placed under inward processing procedure suspensive system.
2. A fine that varies from 50.000 Lek to 2

- a) introduces goods through the land borders in violation with the provisions of this code and its implementing provisions;
- b) unloads or deposits goods in the intermediary space between the border and the closest customs office;
- c) is found with goods hidden on his body or his luggage, packages, in articles carrying, or goods of other kind or any means of transport intending to evade the customs supervision;
- d) removes goods from customs areas without paying the customs duties legally due, or without having guaranteed the payment, except the cases of exemption from the obligation of providing a guarantee, as provided in the present Code;
- e) takes away from the customs territory of the Republic of Albania, in any of the conditions above, goods that are subject to export duties;
- f) keeps goods in proximity of the customs line, for which he can produce no evidence of the legitimate derivation;
- g) refuses to present the manifest and the appropriate documents;
- h) loads, unloads, or transships goods, passengers or their luggage, without a permission from the customs authorities.

Article 277

Commits smuggling in the movement of the goods through the bordering lakes the captain of the ship that introduces through the lakes Ohrid, Shkodra, and Prespa, goods without being subject to any of the closest customs offices.

Article 278

Commits smuggling in the maritime movement of the goods the captain of the ship who:

- a) transports goods through the sea border, in contradiction with this code and its implementing provisions;
- b) approaches, without the permission of the customs authorities, while transporting goods in the ship, the port or throws the anchor, or stays in proximity of the harbor.
- c) transports goods, lands in places where there are no customs offices, unloads or transships those goods in contradiction with the present Code or its implementing provisions;
- d) transports the goods without a manifest;
- e) at the time of departure does not provide provisions; to be loaded according to the manifest or other customs documents;
- f) transports goods from a customs office to another one without the relevant transit

- c) at the time of departure does not have on board the goods, although they were supposed to be loaded according to the manifest or other customs documents;
- d) transports goods from the place of landing of the aircraft without performing the respective customs formalities;
- e) lands out of a customs airport, and does not notify its landing to the customs authorities or other police authorities within the short time. In such cases it is considered introduced by smuggling, besides the cargo, even the aircraft itself.
- f) loads, unloads, or transships goods, people or luggage without permission from the customs authorities.

Article 280

It is also considered smuggling:

- a) depositing in general consumption by giving a completely or partial different destination or use to goods imported with partial or total relief from customs duties, because of their end-use or their specific use;
- b) exportation or importation of prohibited goods or restricted goods save in the cases when it exists a permission in writing issued by the competent authorities as an exemption from the said restrictions;
- c) possession of goods against the restrictions and bans referred to in article 83, paragraph 2 of this law;
- d) removal or falsification in any way of the identification number of the means of transport. Collaborators in this violation are considered and punished as such anyone who carries out respective acts, also including the technical persons, as well as the owner or any other person who benefits from this falsification or transferring;
- e) purchase, selling, preservation, and possession of goods imported from individuals, who are or should not reasonably have information that these goods are imported or released in free circulation in a certain way that the elements constituting smuggling are fulfilled;
- f) throwing goods object to high customs duties from the means of transport during the

2. Each violator, is liable jointly and severally, to the fine above mentioned, according to the degree of his participation.
3. The fact that they are liable jointly and severally means that each of them has the duty to fully perform the obligation and the customs authorities may demand payment from one or more of parties to such liability, separately or all together, depending on the option. If one of the parties pays the full amount, the others are free of any obligation to the customs authorities for the fine in question.
4. In any event the fine applied for each violation may not be less than 100.000 Lek.
5. When the same violator commits at the same time several violations referred to in Chapter 3, each violation shall be punished separately.

Article 282

1. In the cases of recidivism in smuggling the sanction may never be less than the previous applied to the same person.
2. The attempt of smuggling will be punished as if the act was consummated.

Article 283

Article 282

prosecutor within 48 hours from the time the case is transferred to him shall decide about the confiscation of these goods.

6. In case perishable goods are seized the prosecutor when there are enough evidences may take a decision regarding the confiscation of these goods within 48 hours from the time the case is

Article 287

1. The customs administrative violations are ascertained and penalized by the customs authorities, while cases of smuggling fall under the jurisdiction of the justice authorities.
2. For the purposes of this chapter, 'competent customs authorities' hereinafter are called the customs authorities that exercise supervision in the area where the violation has been committed and verified.
3. The violations of the provisions of this Code and its implementing provisions are certified with a written report.
4. The written report must be lodged and registered on the records of the competent customs authorities.
5. The written report of verification may not be signed by less than two customs officers or employees.
6. The same provision applies when other laws are violated, in cases that such application is required totally or partially by the customs authorities.
7. Customs authorities in order to accurately apply the customs law, may carry out control at the economic operators.

Article 288

1. The written report shall contain:
 - a)

3. The customs authorities have to examine the violator and the witnesses by notifying them the invitation to present themselves or lodge a statement, fixing a date for that purpose. The time limit may not exceed 10 days from the date of notification. As witnesses are considered all those who might be accomplices on that violation, as well as the customs officers or employees who have signed the relevant report and verified the customs violation.

4. In case the violator or the witnesses participate personally in the examination, two authorized officers lead the examination duly recording it.

5. The testimony has to be signed by the violator or the witnesses and by both the customs officers or employees who lead that examination.

6. When any of the violators or the witnesses is a foreign citizen, the examination will be carried out in the presence of an interpreter as provided for in the Penal Procedure and Civil Procedure Codes.

Article 289

1. The customs authority after administering the relevant file, issues a decision on each violation. The relevant file of a customs violation contains:

- a) the registered report of verification of the violation;
- b) the relevant documents;
- c) the statements and testimonies of violators and/or witnesses;

2. In determining in the decision the amount to be applied between the minimum and the maximum provided for in this Code and its implementing provisions, the following will be taken into consideration:

- a) the statements or testimonies of the violator and/or witnesses;
- b) the seriousness of the violation;
- c) the behavior of the violator with regard to eliminate the proofs and consequences of the violation;
- d) the ways that the violator has followed in order to commit such violation;
- e) the number of the violators;
- f) whether the same violator has committed the same violation in continuous basis;
- g) the economic conditions of each violator and the degree of each one's participation.

Article 290

1. When the customs violation is smuggling, the relevant file as referred to in Article 289(1) shall be transferred to the competent prosecution office within 24 hours from the time of verification.

2. In cases that Article 293(1) of this Code applies, the above mentioned file is attached to the decision of the customs authorities regarding the fulfillment of the condition referred to in the same Article.

Article 291

1. The decision of the competent customs authority has to be taken and notified within the time limits set forth in the Civil Procedure Code, so that the customs debt is insured.
2. The violator may lodge a justified appeal against that decision, to the Director General of Customs within 10 days from the date of notification.
3. In order to lodge the appeal, the violator has to pay at least an amount equal to 40% of the total amount of the fine provided for in this Code. The amount that corresponds to the 40%, in no case shall exceed the amount of duties legally due on the goods subject of the violation.
4. The Director General shall take a decision within 30 days from the date the appeal was received. The Director General notifies the decision to the interested person and the competent customs authority.
5. If the appeal is objected, the violator may appeal to the judicial authorities within 20 days from the date of notification of the objection.
6. Where the court authorities object the appeal, the appellant shall pay the rest of the 60% fine. In cases when the appeal is procured, the deposited amount is paid back to the appellant.

Article 292

1. Where the customs violation constitutes smuggling, the customs authorities after they have started the legal and administrative procedures related to the collection of the customs duties regarding the goods subject or object of smuggling, transfer the whole file in accordance with article 289 (1) with the prosecution authorities within 24 hours from the moment of verification. The customs authorities determine, in the report sent to these authorities, the fine applicable in the concrete case, as provided in Article 289 (2).
2. In cases where Article 293 (1) of the present Code is applied, the said file shall be sent together with the decision of the customs authorities related to the application of the conditions referred to in the same article.

Article 293

1. The criminal prosecution shall not start or if it has already started and the Court has not taken any decision yet, it shall be ceased when all the following conditions are fulfilled:
 - a) the amount of the duties legally due on the goods involved in smuggling is not less than 5 million lek; and
 - b) the responsible person pays the amount of fines applied to him; and
 - c) accepts to give up his right of appeal, referred to in Article 291.

Upon the proposal of the Minister of Finance, the Council of Ministers is entitled to change the fixed limit of the amount of duties legally due on the goods subject of smuggling referred to in this Article.

1. This article is not applied when:

- a) the act of smuggling is committed by a state officer or employee, a customs agent, or any other person whose activity is connected to that of customs authorities; or
- b) the violator possesses the subject of smuggling as a consequence of a criminal act; or
- c) the goods subject to smuggling are prohibited or restricted goods, as referred to in Article 83 (2) of this Law, or they are goods of national cultural value;
- d) the violator is a recidivist.

Article 294

1. According to the decision of the Court, the fines determined by the customs authorities based on Article 289 (2) shall be collected by the same authorities according to this Code and its Implementing provisions of the present Code.

2. When the Court has not decided on the applicability of the fine within 12 months from the date the report of verification concerning smuggling was registered, it is presumed that such a decision has been taken and the fines are paid to the customs authorities according to the dispositions of this Code and its Implementing Provisions of the present Code.

Article 295

1. Customs authorities arrest persons who commit smuggling, and inform immediately the competent attorneys office. The arrested person and the relevant file is passed to the attorneys office within 24 hours.

2. When the person is released according to Article 293 (1) the relevant file with the decision attached to it, shall be sent to the Attorneys office within 24 hours.

Article 296

1. The customs officers may be authorized by the Head of competent Customs authorities to access information, or search for evidences on customs violations.

2. This information may be searched and obtained in the proper places of production activity or commercial premises, and in any other places where documents or records related to the goods subject of the customs violations are kept. In order to gather information for customs violations, they may also intercept conversation or communication, according to the provisions of the Penal Procedure Code.

Article 297

It shall be the duty of all civil institutions and any member of the police and defense forces to assist the customs authorities in the enforcement of the customs matters and rules, whenever those authorities so demand.

Article 298

The revenue deriving from the application of fines and sale of confiscated goods and means of transport object of violations will be divided as follows:

- a) 50 % the State budget;
- b) the remaining 50% will be divided, according to the percentages fixed by the Minister of Finance as follows:
 - i) cost of improving the working conditions of the staff,
 - ii) incentives to the customs officers who verified the violations,
 - iii)

9. In Decree No. 1701, date 09.01.1997. "For an addition to the Decree No. 1074, date 02.04.1995, "For the dissolution of the Finance Board and creation of the Customs Police and Taxation Police", approved by Law No. 7938, date 24.05.1995, the part regarding the provisions related to the Customs Police.
 10. In the Joint Regulation of the Minister of Finance, Minister of Interior and the General Attorney, date 01.12.1996, date 01.07.1993, "For coordination of the Activities undertaken by the Border Police, Customs Authorities, Finance Police", the provisions which does not comply with the present Code.
 11. In the Instruction, date 04.12.1996, "For the collaboration in the struggle against smuggling", the provisions which does not comply with the present Code.
- as well as any provision which does not comply with the present Code.

Article 300

The present Law shall enter into force on _____