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The Government of the Republic of Montenegro (hereinafter referred to as: the Government) shall designate customs crossings and their classification, categorization and working hours.

Circulation of goods liable to phytopathological, veterinary and other prescribed controls shall be

Article 5

Certain terms used in this Law shall have the following meanings:

“person” shall mean any natural or legal person, including associations of persons, having

“customs-approved treatment or use of goods” shall mean the placing of goods under a customs procedure, entry thereof into a free zone or free warehouse, re-exportation thereof from the customs territory, destruction thereof, ceding thereof for the benefit of the state;

“release of goods” shall mean the action of the customs authority placing the goods subject to the customs procedure at disposal for the purposes laid down by the customs procedure.

“customs procedure” shall mean placing goods into free circulation, procedure of transit for the goods, customs warehousing, procedure of processing in the Republic (hereinafter: outward processing), procedure of processing under customs supervision, procedure of temporary import, procedure of processing outside the Republic (hereafter: inward processing) and the exportation procedure.

“customs declaration” shall mean a document whereby a person indicates in the prescribed form and manner the request to place goods under a customs procedure;

“declarant” shall mean the person submitting the customs declaration on his behalf or person on whose behalf the customs declaration is submitted;

“permit holder” shall mean a person having obtained a permit;

“presentation of goods to customs office” shall mean the notification to the customs authorities, in the prescribed manner, of the arrival of goods at the customs office or at any other place designated or approved by the customs authority;

“customs crossing” shall mean a designated point of crossing for persons and for entering and leaving of goods;

“banned goods”

“remission of customs debt” shall mean a waiver of collection of the importation debt or its part;

“repayment” shall mean full or partial repayment of paid importation debt.

“risk” shall mean the possibility of event that might occur in relation to import, export, transit and special use of goods located in the Republic’s customs territory, moving between the Republic’s customs territory and third countries, as well as in relation to presence of goods not having the status of domestic goods, which:

- prevents the proper application of measures in the Republic, or
- jeopardises financial interests of the Republic, or
- represents a threat to the security in the Republic, public morality, protection of health and life of humans, animals and plants, protection of national historic, artistic or archaeological treasure or to protection of intellectual property, environment, consumers, etc.;

“risk management” shall mean systematic risk determination and application of all measures necessary for lower risk exposure, related to collection of data and information, risk analysis and assessment, prescribing and taking of measures and regular checking and control of procedures and their results, based on national and international sources and strategies.

CHAPTER TWO RIGHTS AND OBLIGATIONS OF PERSONS

1. REPRESENTATION

Article 6

Any person whose rights and obligations are decided upon may appoint a representative for undertaking all or some of the actions in the procedure conducted by the customs authority.

Such representation may be:

- 1) direct, in which case the representative shall act in the name of and on behalf of another person, and
- 2) indirect, in which case the representative shall act in his own name but on behalf of another person.

A representative shall have the seat or residence in the Republic.

A representative must state who is the person being represented, and whether the representation is direct or indirect, and at the request by the customs authority must submit also a valid document with evidence of his powers to act as a representative.

Persons who fail to state that they are acting in the name or on behalf of another person, or who

4. INFORMATION ON APPLICATION OF CUSTOMS REGULATIONS

Article 11

The Government shall lay down specific conditions for the issue of binding information in accordance with this Law.

5. OTHER PROVISIONS

Article 14

The customs authorities in the customs territory may, in accordance with the regulations, take and carry out any measure of customs supervision and control they deem necessary to ensure that customs and other regulations are applied.

Article 15

Any person directly or indirectly involved in the operations for the purpose of trade in goods shall provide the customs authorities at their request with all the requisite documents and information and any requisite assistance for the application of customs rules.

Article 16

All information which is by nature confidential or which is provided on a confidential basis shall be considered as official secret and it shall not be disclosed by the customs authorities without the express consent of the person or authorities providing it.

The communication of confidential information shall be permitted where the customs authorities may be obliged or authorized to do so pursuant to regulations in force.

Article 17

For the purpose of customs supervision or check, the persons involved in trade in goods possessing documents or information referred to in the Article 15 of this Law, shall keep them for the period laid down in the regulations in force, but not for a period shorter than five calendar years. That period shall run from:

- 1) the last day of the calendar year in which the customs declaration for release for free

Article 21

Where goods are imported from countries with which the Republic has concluded a free trade agreement, the import duties shall be charged in accordance with provisions of the agreement in question.

The declarant may subsequently submit a request for the application of paragraph 1 of this Article where conditions laid down in the agreement are fulfilled.

Article 22

The Government may lay down detailed conditions on the basis of which the customs authority shall approve a more favorable tariff treatment, from which certain goods may benefit by reason of their nature or particular purpose, than that prescribed by the Customs Tariff pertaining to those particular goods.

As referred to in paragraph 1 of this Article, "more favorable tariff treatment" shall mean a reduction in or elimination of an import duty and other charges payable on importation of goods referred to in paragraph 1 and within the restrictions related to quantity.

CHAPTER TWO ORIGIN OF GOODS

1. NON-PREFERENTIAL ORIGIN

Article 23

The non-preferential origin of goods is defined by this Law for the purposes of:

- a) applying the Customs Tariff, with the exceptions set forth in the Article 21 of this Law,
- b) applying other measures established by provisions of separate regulations governing trade in goods, and
- c) the issuing of certificates of origin.

Article 24

Goods originating in a country shall be those wholly obtained or produced in that country, including that country's territorial waters.

The expression "goods originating in a country" means:

- 1) mineral products extracted from the soil of that country;
- 2) vegetable products harvested therein;
- 3) live animals born and raised therein;

- 4) products derived from live animals raised therein;
- 5) products of hunting or fishing carried out therein;
- 6) products of sea-fishing and other products taken from the sea outside a country's territorial waters by vessels registered or recorded in the ship register of the country concerned and flying the flag of that country;
- 7) products obtained or produced on board factory-ships exclusively from the products taken from the sea outside the territorial waters, provided that such factory-ships are registered or recorded in that country and fly its flag;
- 8) products taken from the seabed or subsurface outside the territorial waters, provided that the country has exclusive rights to exploit the subsurface;
- 9) waste and scrap products derived from manufacturing operations or used articles, if they were collected therein and are fit only for the recovery of raw materials, and
- 10) goods which are produced therein exclusively from the above mentioned products or from derivatives thereof, at any stage of processing.

Article 25

2. PREFERENTIAL ORIGIN OF GOODS

Article 28

The rules on preferential origin which goods must fulfill in order to benefit from more favorable tariff treatment referred to in the Article 21 of this Law shall be determined in free trade agreements.

The rules on origin for goods from countries which the Republic applies preferential tariff treatment on the basis of its unilateral decision shall be determined in a regulation adopted by the Government.

When countries or group of countries approve a unilateral decision, preferential customs duty for domestic goods exported to those countries or group of countries, the rules of origin defined in this decision are applied.

CHAPTER THREE VALUE OF GOODS FOR CUSTOMS PURPOSES

Article 29

The provisions of this Chapter shall establish the customs value of the goods for the purposes of application of the customs tariff as well as non-tariff measures laid down by the rules of the Republic governing certain fields related to trade in goods.

Article 30

The customs value of imported goods shall be the transaction value, that is, the price actually paid or payable for the goods sold for export to the Republic and increased as set forth in the Article 38 of this Law, provided:

- 1) that there are no restrictions as to the disposal or use of the goods by the buyer, other than restrictions which:
 - are defined by regulations in force in the Republic, or based on by-laws adopted on the basis of those regulations,
 - limit the geographical area in which the goods may be resold, or
 - do not substantially affect the value of the goods.

- 2) that the sale or price are not subject to conditions or restrictions for which a value cannot be determined with respect to the goods being valued,
- 3) that no part of the proceeds of any subsequent resale, disposal or use of the goods will accrue directly or indirectly to the seller, unless an appropriate adjustment can be made in accordance with Article 38 of this Law,
- 4) that the buyer and seller are not related, or with the buyer and seller

nature of his business relationship. At the request of the importer, the customs office shall in writing communicate to him the grounds due to which the transaction value was not accepted.

In case of sale between related persons, the transaction value shall be considered acceptable and the goods valued, as referred to in paragraph 1 of this Article, wherever the importer can prove that such value closely approximates to one of the following, occurring at or about the same time:

- 1) the transaction value in sales, between buyers and sellers who are not related, of identical or similar goods intended for export to the Republic;
- 2) the customs value of identical or similar goods as determined under Article 35 of this Law;
- 3) the customs value of identical or similar goods as determined under Article 36 of this Law.

In conducting the comparison, due account shall be taken of demonstrated differences in commercial levels, of quantity levels, the appropriate amounts determined in Article 38 of this Law, and costs incurred by the seller in sales where the seller and the buyer are not related, and which are not present in sales where the seller and the buyer are related.

The comparison is to be carried out at the request of the importer and only for comparison purposes in determining the transaction value and such value cannot represent the transaction value.

Article 31

The price actually paid or payable is the total payment made or to be made by the buyer for the benefit of the seller for the imported goods, and includes all payments made or to be made as a condition of sale for the imported goods by the buyer to the seller or by the buyer to a third party to satisfy an obligation to the seller.

The payment may be made by cash money, letters of credit or other negotiable instrument of payment.

The payment may be made directly or indirectly.

Activities undertaken by the buyer on his own account, including also marketing activities not referred to in Article 38 of this Law, for which an adjustment of value is to be made, shall not be considered as an indirect payment to the seller, even when they may be regarded as undertaken for the benefit of the seller or by agreement with the seller, and their cost shall not be added to the price actually paid or payable in determining the customs value.

Article 32

Where the customs value of imported goods cannot be determined on the basis of Article 30 of this Law, it is to be determined as the transaction value of identical goods sold for export to the

Where the customs value of imported goods cannot be determined as set forth in Articles 30, 32 and 33 of this Law, it is to be determined as laid down in Article 35 of this Law.

Where the customs value cannot be determined under Article 35 of this Law either, the provisions of Article 36 of this Law shall apply, and at the request of the importer, the order of application of Articles 35 and 36 of this Law may be reversed.

Article 35

If the same or identical or similar imported goods are sold in the Republic in the same condition in which they were imported, customs value of goods being evaluated is determined on the basis of unit price at which these goods or identical or similar imported goods are sold in the largest total quantity at or about the same time as goods being evaluated, to persons that are not connected with sellers of those goods, provided that the price is reduced by:

- 1) an amount of commission usually paid or payable, or an amount usually added for profit and general expenses equal to that usually present in sales within the Republic of imported goods of the same class or kind,
- 2) the usual charges for transport, insurance and other related costs incurred within the Republic,
- 3) customs duties, taxes and other charges payable in the Republic at importation or sale of the goods.

In case that imported or identical or similar goods are not sold at or about the same time as the

b) an amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to the Republic;

c) all costs and charges set forth in Article 38, paragraph 1, item 1), indents 4, 5 and 6 of this Law.

No person permanently established or residing in the territory of the Republic shall be requested to enable inspection or allow access to any of his accounts or other records for the purpose of determining the computed value.

For the purposes of determining the customs value in another country, the customs service authority may, with the permission of the manufacturer of goods, verify the information received from him, provided that the government of the country concerned is timely notified and does not object the verification.

Article 37

The customs value of imported goods that cannot be determined under the provisions of Articles 30 to 36 of this Law shall be determined on the basis of data available in the Republic, applying appropriate methods in accordance with the principles and main provisions of:

- Agreement on the Implementation of Article VII of the General Agreement on Tariffs and Trade of 1994;
- Article VII of the General Agreement on Tariffs and Trade;
- this Chapter of the Law.

Pursuant to this Article, no customs value shall be determined on the basis of:

- 1) the selling price for goods produced in the Republic,
- 2) a system which provides for the acceptance for customs purposes of the higher of two possible values,
- 3) the price of goods on the domestic market of the exporting country,
- 4) the production costs, except for calculated value determined for identical or similar goods in accordance with the provisions of Article 36 of this Law,
- 5) the price of goods intended for export to another country, and not for the market of the Republic,
- 6) officially determined minimum customs value, and
- 7) arbitrary or fictitious values.

At the importer's request, the customs authorities shall notify him of the customs value determined pursuant to the provisions of this Article and of the method used to determine the value.

Notification on customs value and method that has been used for its determining, as stipulated in paragraph 3 of this Article, is issued in the form of decision against which an appeal can be filed

- 3) royalties and license fees related to the goods being valued that the buyer must pay, either directly or indirectly, as a condition of sale of the goods being valued, provided that such royalties and license fees are not included in the price actually paid or payable,
- 4) the value of any part of the proceeds of any subsequent resale, disposal or use of the imported goods that accrues ~~directly~~ indirectly to the seller,

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

No other additions shall be made to the price actually paid or payable in determining the customs value, save those set forth in this Article.

In determining the customs value, the following ~~shall~~ not be added to the price actually paid or payable:

- 1) charges for the right to reproduce the imported goods,
- 2) payments made by the buyer for the right ~~to~~ distribute or resell the imported goods, if such payments are not a condition for the sale for export to the Republic.

Article 39

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

- 1) the transport of goods after their introduction into the customs territory,
- 2) construction, mounting, assembling, maintenance or technical assistance, to be undertaken after the importation, e.g. of industrial plants, machinery or equipment,
- 3) interests under a financial ~~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 financial arrangement has been made in writing and, where required, the buyer can demonstrate that:
 - such goods have been sold at the price actually paid or payable,
 - the 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,
- 4) the right to reproduce imported goods,
- 5) buying commissions,

- 6) import duties or other charges payable in the Republic by reason of the importation or sale of the goods.

Article 40

The customs value of goods, for which the contracted price has not yet been paid at the time of determination of the customs value, shall be determined on the basis of a price payable towards the fulfillment of the obligation.

All usual price reductions and cash discounts shall be included in the customs value if they were contracted before the importation and effected within the period laid down.

Article 41

The customs value of the goods not sold for export into the Republic and the customs value of temporarily imported goods shall be determined under Articles 32 through 37 of this Law.

The customs value of the goods damaged before being released to the declarant shall be determined by reducing the relevant contracted price by a percentage in which it was damaged.

The customs office shall estimate the percentage of the damage.

Where a new price, corresponding to the conditions provided in Article 30 of this Law, was contracted during the customs procedure, that price shall represent the new customs value.

If the customs value of goods imported on the basis of a rent or leasing cannot be determined in line with provisions of paragraph 1 of this Article, and the contract does not provide for the possibility of purchase of such goods, then the customs value shall be the amount of rental for the agreed period of rent or leasing, increased if necessary, in line with Article 38 of this Law.

If, after putting goods into free circulation, the seller has reduced the actually paid price or price to be paid, price reduced in such a way shall be taken into consideration while determining customs value, in line with Article 30 of this Law, if a customs authority finds:

- 1) that the goods have shortages in the period when the declaration for putting into circulation was accepted;
- 2) that the seller has reduced the price in order to fulfilment of guarantee obligations provided for under contract for sale of goods, concluded prior to putting goods into free circulation;
- 3) that the goods' shortages are not taken into consideration while concluding the contract for sale of goods.

The actually paid price or price to be paid reduced in line with paragraph 6 of this Article can be taken into consideration while determining customs value, if the change has occurred not later than twelve (12) months from the day when declaration for putting into circulation was accepted.

Article 42

Where in determining the customs value of imported goods it is necessary to postpone the final determination of the customs value, the goods may be released to the declarant provided that the payment of customs duties is secured in the form of a deposit in the amount of a probable customs debt.

Article 43

In determining the customs value of data carrier bearing data or program instructions for use of data processing equipment (hereinafter referred to as: program support), the price or value of the program support shall not be included in the customs value provided that the price or value is shown separately from the value of the carrier media for use in data processing.

The expression "data carrier" referred to in paragraph 1 of this Article shall not mean included systems, semiconductors and similar devices or products incorporating such systems or devices.

The expression "data and program instructions" refe

Article 45

Where the procedure of determining the customs value calls for conversion of foreign currency into the currency used as means of payment in the Republic, the foreign currency shall be converted in accordance with the official exchange rate in effect on the day the customs debt is chargeable.

PART III

PROVISIONS APPLICABLE TO GOODS BROUGHT INTO THE CUSTOMS TERRITORY UNTIL THEY ARE ASSIGNED A CUSTOMS-APPROVED TREATMENT OR USE

CHAPTER ONE ENTRY OF GOODS INTO THE CUSTOMS TERRITORY OF THE REPUBLIC

1. CUSTOMS SUPERVISION

Article 46

The goods brought into the customs territory of the Republic shall, from the time of their entry, be subject to customs supervision and customs control in accordance with regulations.

The goods shall remain under customs supervision until their customs status is determined, and in case of foreign goods, until they are assigned a customs-approved treatment or use.

- 2) vessels navigating in parts of border rivers which are not subject to customs supervision pursuant to international agreements;
- 3) vessels belonging to internal affairs authorities;
- 4) domestic and foreign military aircraft.

The person bringing the goods into the customs territory of the Republic shall be obliged to convey them without delay, by the route and in the manner specified by the customs office to the designated customs office or any other place designated or approved by the customs authorities, and to a free zone.

Any person who assumes responsibility for the carriage of goods after they have been brought into the customs territory shall become responsible for compliance with the obligation set forth in paragraph 6 of this Article.

In compliance with a concluded interstate agreement, the goods outside the customs territory of the Republic may be subject to customs control as if the goods had been brought into the territory, under the conditions and in the manner specified in the interstate agreement concerning such goods.

The provision of paragraph 6 of this Article shall not preclude implementation of any regulation concerning passenger traffic, frontier traffic or postal traffic on condition that customs supervision and customs control possibilities are not thereby jeopardized.

Paragraphs 1 through 9 of this Article and Articles 48 through 63 of this Law shall not apply to goods temporarily leaving the customs territory while moving between two points in that territory by sea or air, provided that the transportation is made directly and by regular air or maritime line with no stops outside the customs territory. This provision shall not apply to the goods loaded in the ports, airports, or free ports of foreign countries.

Paragraphs 1 through 6 of this Article shall not apply to goods on board of vessels or aircraft crossing the territorial sea or airspace without having their destination a port or airport situated in the Republic.

Article 48

Where, by reason of unforeseeable circumstances or force majeure, the obligations laid down in Article 47 paragraph 6 of this Law cannot be complied with, the person bound by that obligation or any other person acting in his place shall inform without delay the competent customs office of the situation.

Where the unforeseeable circumstances or force majeure do not result in total loss of the goods, the customs authorities shall also be notified immediately of their precise location by the person that was issued an order or any other person acting on his behalf.

The customs office shall determine the measures to be taken in order to permit customs supervision of the goods from paragraph 2 of this Article.

Article 49

The permission for further customs treatment or use of the goods shall be granted at the request of the person authorized to carry out the approved customs treatment or use of the goods.

Goods may be unloaded or reloaded from the means of transport solely with the permission of the customs office and in places designated and approved for such purpose.

In the event of the imminent danger necessitating immediate unloading of all or part of the goods, such permission of the customs office shall not be required; however the customs office shall be informed about such event immediately.

Customs service authorities may require at any time that the goods be unloaded or unpacked for the purpose of examining the goods and means of transport carrying them.

Article 57

The goods shall not be removed from the original position without the permission of the customs office.

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

Article 58

Foreign goods presented to customs shall ~~be assigned~~ ^{sign} a customs-approved treatment or use.

Article 59

Where the goods are covered by a declaration, the necessary actions for them to be assigned the customs-approved treatment or use shall ~~be completed~~ ^{be done} within the following time period:

- a) 45 days from the day on which the declaration is submitted for goods carried by sea,
- b) 20 days from the day on which the declaration is submitted for goods carried otherwise.

Should the circumstances ~~so require~~ ^{so require}, the customs office may set a shorter period or allow extension of the periods referred to in paragraph 1 of this Article.

CHAPTER FIVE TEMPORARY STORAGE OF GOODS

Article 60

Article 61

Goods in temporary storage may be stored only in places and under circumstances approved by

Article 65

Where circumstances so require, the customs office may undertake actions aimed at destroying the goods presented to customs, and shall then inform the holder of the goods accordingly.

The costs of destroying the goods shall be borne by the holder of the goods.

Article 66

Where the customs authorities find that the goods have been brought unauthorized into the customs territory of the Republic or have been withheld from customs supervision, they may take any measures necessary, including sale of goods, for the purpose of regulating the status thereof.

PART IV

CUSTOMS-APPROVED TREATMENT OR USE OF GOODS

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Placing Goods under Customs Procedure

Article 68

All goods to be placed under a customs procedure shall be covered by an appropriate customs declaration for that customs procedure.

Domestic goods declared for export, outward processing, transit or customs warehousing procedures shall be subject to customs supervision from the time of acceptance of the customs declaration until such time as they leave the customs territory of the Republic or are destroyed or the customs declaration is invalidated.

The Director General may establish the competence of individual customs offices for the customs clearance of certain goods or for undertaking certain actions related to the goods.

Article 69

The customs declaration shall be made:

- a) in writing;
- b) using electronic data transfer, where technical possibilities are provided for and where usage of such means is authorized by the customs service, or
- c) verbally or by means of any other act whereby the holder of the goods requests their placing under a customs procedure, where such possibility is provided for by the regulations.

The form, substance and manner of submitting the customs declaration and other forms used in the customs procedure are proscribed by the Ministry of Finance on the proposal of the customs authorities.

1. CUSTOMS DECLARATION IN WRITING

1) Regular Procedure

Article 71

Customs authority shall immediately accept a declaration submitted pursuant to provisions of Article 70 of this Law, provided that the goods to which it refers have been presented to customs office.

Article 72

The customs declaration, accompanied by all the documents required for implementation of the regulations governing the customs procedure for which the goods are declared, may be submitted by any person referred to in Article 6 of this Law.

Invalidation of the customs declaration shall be without prejudice to the application of penal provisions in force.

Article 75

Save as otherwise expressly provided, all provisions in force on the day of acceptance of the customs declaration shall be applied in the customs procedure for which the goods are declared.

Article 76

For the verification of the customs declaration accepted, the customs office may:

- 1) examine the documents being part of the customs declaration and the documents accompanying the customs declaration;
- 2) request the declarant to present other documents for the purpose of verifying the accuracy of the particulars in the declaration,
- 3) examine the goods and take samples for analysis of the goods or for further examination.

Article 77

Transport of the goods to the place where they are examined or samples are taken, and any other handling of the goods necessary for the purpose of examination or taking samples shall be carried out by the declarant or under his responsibility. The expenses thus incurred shall be borne by the declarant.

The declarant shall be entitled to be present when the goods are examined or when samples are taken.

Where deemed necessary, the customs office may require the declarant or his representative to be present when the goods are examined or samples are taken in order to provide the necessary assistance for the purpose of

Should the declarant consider that the result of a partial examination is invalid as regards the remainder of the goods, he may request further examination of the goods.

For the purposes of paragraph 2 of this Article, where a customs declaration covers several classes of goods, the particulars relating to each class of goods shall be deemed to constitute a separate declaration.

Article 82

Where acceptance of the customs declaration gives rise to a customs debt, the customs clearance of the goods under such declaration may be carried out only after the amount of the customs debt has been paid or the security in that amount deposited.

Where, pursuant to the provisions governing the customs procedure for the goods declared, the customs office requires a security to be deposited, such goods shall not be cleared in accordance

The customs office may, ex officio or at the request of the declarant, review the accuracy of the customs declaration after release of the goods to the declarant.

Authorized customs officers may, after clearing the goods, and for the purpose of verifying the accuracy of the particulars contained in the customs declaration, carry out the control of commercial documents, and other data relating to the import or export operations in respect of the goods concerned, or of subsequent commercial operations involving these goods.

Such inspections may be carried out at the premises of the declarant or any other person who is directly or indirectly involved in the said operations in a business capacity, or at the premises of any other person in possession of the said data and documents for business purposes.

Authorized customs officers may also examine the goods where the goods are still available for such examination.

Where post-clearance examination of the customs declaration indicates that the regulations for implementation of the customs procedure have been applied on the basis of incorrect or

Where a consignment contains the goods classified under different tariff classifications, and

Without prejudice to meeting the additional special conditions governing the procedure in question, the authorization referred to in Article 93 and Article 107, paragraph 1, of this Law shall be granted only:

- 1) to persons providing every guarantee necessary for the proper conduct of the approved procedure;
- 2) where the customs offices can supervise the authorized procedure and control it.

Article 95

The authorization shall contain the conditions under which the procedure in question is to be conducted.

The holder of the authorization shall immediately notify the customs office of all facts arising after the authorization was granted, and which may influence its validity or content.

Article 96

1) General provisions

Article 99

The external transit procedure shall allow ~~move~~ movement from one point to another within the customs territory, and that of:

- 1) foreign goods, which are not subject to payment of customs import duties and other charges or to commercial policy measures;
- 2) domestic goods, which have undergone the export procedure.

Movement of goods referred to in paragraph 1 of this Article shall take place:

- 1)

The security referred to in paragraph 1 of this Article shall not be provided in case of transport by sea, river, air, railway and pipelines.

Notwithstanding paragraph 4 of this Article, the Ministry of Finance may order that the security referred to in paragraph 1 of this Article is to be provided also in cases referred to in paragraph 4 of this Article.

Article 104

The Finance Minister may prescribe the cases where other forms of security in the internal transit procedure may be furnished in lieu of the security referred to in Article 193 of this Law.

3. Customs Warehousing Procedure

Article 105

The customs warehousing procedure may allow storage in a customs warehouse of the following:

- 1) foreign goods, which at that time are not subject to import customs duties and commercial policy measures, and
- 2) domestic goods intended for export, which by being placed in the customs warehouse becomes subject to application of the measures which, in compliance with the specific regulations, are applied to the export of such goods;
- 3) domestic goods intended for export.

Customs warehouse shall mean any place where the goods may be stored under the conditions laid down and approved by the customs office, and which is under customs supervision.

The Government shall provide for the cases where the goods referred to in paragraph 1 of this Article, which are not stored in customs warehouses, may be placed under the customs warehousing procedure.

Article 106

Customs warehouse may be a public warehouse or a private warehouse.

The holder of the warehouse shall mean the person authorized by the customs office to operate the customs warehouse.

The user of the warehouse shall mean a person who is bound by the declaration to place the goods under customs warehousing procedure, person to whom the rights and obligations of such person have been transferred.

Article 107

The authorization by the customs office is necessary for the operation of customs warehouse, unless the customs office operates the customs warehouse.

Any person wanting to operate the customs warehouse must submit the application in writing containing all the particulars necessary for issuance of the authorization, with special emphasis on the present economic need for warehousing. The authorization shall specify the requirements for operating the customs warehouse.

The authorization for operation of a customs warehouse may be issued only to persons who are established or residing in the Republic.

The authorization shall specify the type of warehouse and conditions of its operation by the owner, types of goods which may be stored, and other obligations of the holder towards the customs office.

The applicant must produce evidence that he meets all the requirements laid down by special regulations pertaining to storage of certain type of goods, operation of certain businesses or handling of goods are stored in such warehouse.

Article 108

The holder of the warehouse shall be responsible for:

- 1) ensuring that the goods stored in the customs warehouse are not taken or removed from customs supervision,
- 2) fulfilling all obligations arising from customs warehousing procedure,
- 3) complying with special requirements contained in the authorization for opening of customs warehouse.

Article 109

Without prejudice to the provision laid down in Article 108 of this Law, the authorization for public warehouse may determine ~~the~~ responsibility referred to Article 108, items 1) and 2) of this Law be transferred solely to the depositor.

The depositor shall in any case be responsible for fulfilling of obligations arising from placing the goods under the customs warehousing procedure.

Article 110

- 3) foreign goods to be processed on the premises of a customs warehouse under the procedure for processing under customs supervision, subject to the conditions provided for that procedure.

In the cases referred to in paragraph 1 of this Article, the goods shall not be deemed to have been in the customs warehousing procedure.

While the goods are outside the customs warehouse, they may undergo usual forms of handling referred to in Article 115 of this Law, and on the conditions set out.

Article 117

The customs office may authorize the removal of goods having been subject to customs warehousing procedure from one customs warehouse to another.

Article 118

Where a customs debt is incurred in respect of import goods placed under customs warehousing procedure, the cost of warehousing and ~~of~~ ^{storing} goods while they are stored in the warehouse shall not be included in the customs value of the goods provided that they be shown separately from the ~~price~~ ^{price} actually paid or ~~payable~~ ^{payable} for the goods.

Where the goods have undergone usual forms of handling for the purpose of the Article 115 of this Law, the type of goods, customs value and quantity at the time when the customs debt was incurred may, at the request of the declarant, be taken into account in determining the amount of customs debt as laid down in Article 215 paragraph 1 of this Law, as if the goods had not undergone usual forms of handling.

Where import goods are released for free circulation on the basis of entry into the bookkeeping records, the kind of goods, the customs value and the quantity of goods to be taken into account shall be those applicable to the goods at the time when the goods were placed under the customs warehousing procedure, unless the declarant requests the customs value determined at the time when the customs debt was incurred to be accepted.

Paragraph 3 of this Law shall be applied without prejudice to controls at a later date as referred to in Article 86 of this Law.

4. Inward Processing

1) General provisions

Article 119

Without prejudice to Article 120 of this Law, based on the procedure of inward processing, the use of the following goods in one or several procedures of processing may be allowed:

- 1) foreign goods, intended for re-export in the form of compensating products (suspension

- 2) foreign goods released for free circulation with payment of customs duties, for which repayment or write-off of the customs debt may be granted where the goods are exported from the customs territory in the form of compensating products (repayment system).

The expressions used in the Articles 119 through 132 of this Law shall have the following meanings:

- 1) "suspension system" shall mean the requirements as provided for in paragraph 1, item 1) of this Article;
- 2) "repayment system" shall mean the requirements as provided for in paragraph 1, item 2) of this Article;
- 3) "processing operations" shall mean:
 - the working of goods, including mounting, assembling or fitting them to other goods;
 - the processing of goods;
 - the repair of goods, including restoring them and putting them in order;
 - the use of certain goods which are not to be found in the compensating products, but which allow or facilitate the production of the products, even if they are entirely or partially used up in the process.
- 4) "compensating products" shall mean all products resulting from processing operations;
- 5) "equivalent goods" shall mean domestic goods which are used instead of the import goods for the manufacture of compensating products;
- 6) "rate of yield" shall mean the quantity percentage of products obtained from the processing of a given quantity of import goods.

Article 120

Where the conditions laid down in paragraph 2 of this Article are fulfilled, and subject to paragraph 4 of this Article, the customs office shall allow:

- 1) processing with the use of equivalent goods;
- 2) compensating products obtained from equivalent goods to be exported from the Republic before importation of the import goods.

Equivalent goods must be of the same quality and have the same characteristics as the import goods.

However, the Finance Minister may, in agreement with the Minister of Economy, prescribe the cases in which equivalent goods shall not be used, and cases in which equivalent goods do not have to be of the same quality, have the same characteristics and traits as import goods.

Where applying Article 120, paragraph 1, item 2) of this Law, the customs office shall set out the period within which the foreign goods shall have been declared for specific procedure, and such period shall run from the day on which export declaration for compensating products obtained from the equivalent goods is accepted.

The Finance Minister may specify the specific time periods for certain processing procedures or for specific import goods.

Article 123

The customs office shall determine the rate of yield of compensating products obtained from the inward processing of a given quantity of import goods or, where appropriate, the method of determining such rate.

The rate of yield shall be determined on the basis of actual circumstances in which the goods are inward processed or should be processed.

Where circumstances so warrant, and, in particular

customs duties applicable to the import goods at the time of acceptance of the declaration for placing the goods under inward processing procedure.

Where, at the time of acceptance of the customs declaration, the import goods met the quality requirements for the application of preferential tariff treatment on the basis of free trade agreement, the request of the declarant that these customs duties be applied shall be accepted, where they are applicable to the identical goods at the time when the declaration for release for free circulation is accepted.

Article 126

By way of derogation from Article 125 of this Law the compensating goods:

- 1)

Where a customs debt is incurred in respect of reimported products, the following shall be charged:

- 1) import duties on the compensating products or g

The Government shall determine the cases where the procedure for processing under customs supervision may be allowed.

Article 135

Authorization for processing under customs supervision shall be issued at the request in writing of the person who carries out the processing or arranges it to be carried out.

Article 136

The authorization for processing under customs supervision shall be granted:

- a) to persons who are established or residing in the Republic,
- b) where the import goods can be identified in the processed products,
- c) where the goods cannot be restored after processing to their description, contents or state as they were before they were placed under the procedure,
- d) where use of this procedure cannot result in circumvention of the rules concerning origin or quantitative restrictions applicable to the imported goods,
- e) where the use of this procedure helps create or maintain a processing activity in the Republic without adversely affecting the interests of the manufacturers of similar or the same goods.

Article 137

Article 122, paragraphs 1, 2 and 4, and Article 123 of this Law shall apply ~~mutandis~~ to the procedure for processing under customs supervision

Article 138

Where, under the procedure for processing under customs supervision, a customs debt is incurred in respect of goods in the unaltered state or of products the processing of which has not reached the processing stage specified in the authorization, the amount of that debt shall be determined on the basis of the provisions governing the determination of the customs duties which were applicable to the import goods at the time of acceptance of the declaration relating to placing of the goods under the procedure for processing under customs supervision.

Article 139

Where the import goods qualified for preferential tariff treatment under the free trade agreement when they were placed under the procedure for processing under customs supervision and such preferential tariff treatment is applicable also products identical to the processed products which were released for free circulation, the import duties on the processed products shall be calculated at the rate of customs duty applicable under that preferential treatment.

If the preferential tariff treatment referred to paragraph 1 of this Article is conditional upon tariff quotas or ceilings, the preferential tariff treatment shall be granted provided that at the time of acceptance of the declaration for release for circulation of the processed goods the import goods fulfill the conditions for such treatment and the quantities shall be charged against the tariff quotas in force for import goods, and not against the processed products.

6. TEMPORARY IMPORTATION

Article 140

The procedure for temporary importation shall allow, with total or partial relief of import duties and exemption from the commercial policy measures, of foreign goods which are intended for re-export without having undergone any change except normal depreciation due to the use made of them.

Article 141

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

Article 142

The customs office shall refuse to authorize the use of temporary importation procedure where it is impossible to ensure that the import goods can be identified.

The customs office may authorize the use of temporary importation procedure even where it is impossible to ensure that the import goods can be identified when, in view of the nature of the goods or their intended use, abuse of the procedure is not possible.

Article 143

The customs office shall set the period within which the import goods must be re-exported or assigned a new customs-approved treatment or use. Such period must be long enough for the objective of the temporary importation to be achieved.

The maximum period within which the goods may remain under the temporary importation procedure shall be 24 months, unless otherwise stipulated by the Government rule adopted in accordance with the Article 144 of this Law.

Exceptionally, the customs office may, where it is justified, extend the set periods set forth in the paragraphs 1 and 2 of this Article for the purpose of achieving the objective of the authorized use.

Article 144

The Government shall prescribe the special cases and detailed conditions and terms of total relief from import duties for the temporary importation procedure.

Article 145

Use of temporary importation procedure with partial relief from import duties shall be granted in respect of goods which, while remaining the property of a person established or residing outside the customs territory, are not covered by the specific provisions of the Government referred to in

Article 147

Article 149

Outward processing shall not be allowed for the domestic goods:

- 1) the export of which incurs entitlement to the refund or exemption from payment of customs duties;
- 2) which was before export released for free circulation without charging the customs duties for utilization for specific purposes;
- 3) the export of which incurs the entitlement to export refund.

Exemptions from the ban referred to in paragraph 1 item 2) of this Law may be prescribed by the Government.

2) Grant of authorization

Article 150

The customs authorities shall grant the authorization at the request of the person who organizes the outward processing.

Notwithstanding paragraph 1 of this Article, the authorization for the outward processing shall be granted to a person other than the person who organizes the outward processing when the

The customs authorities shall set out the period within which the compensating products must be re-imported in the customs territory.

The customs authorities may grant extension of the period for re-import of the compensating products upon timely and reasonable request submitted by the holder of the authorization.

The customs authorities shall determine the rate or, where appropriate, the method of determining such rate.

Article 153

The total or partial relief from import duties provided for in the Article 154 paragraph 1 of this Law may be granted only where the compensating products are declared for release for free circulation in the name or on behalf of:

- 1) the holder of the authorization, or
- 2) any other person with the domicile in the Republic provided such person has obtained the consent of the holder of the authorization and the conditions of the authorization have been fulfilled.

The total or partial relief from import duties provided for in the Article 154 of this Law shall not be granted where one of the conditions or obligations relating to outward processing procedure is not fulfilled, unless it is established that the flaws do not significantly prejudice proper implementation of the procedure.

Article 154

As set forth in the Article 148 the total or partial relief from import duties shall be granted where the conditions set forth in the Article 148 are fulfilled.

Where temporary export goods were, prior to being placed under outward processing procedure, released for free circulation at a reduced rate of customs duties on account of their end-use, and for as long as the conditions for granting reduced rate continue to apply, the amount to be deducted shall be equal to the amount of import duty which was charged when the goods were released for free circulation.

Article 157

In accordance with the Article 157 to 162 of this Law, under the outward processing procedure, exchange system shall allow imported product (hereinafter referred to as replacement product) to replace a compensating product.

The customs authorities may allow the standard exchange system to be used where the processing operation involves the repair of domestic goods.

Save for Article 162 of this Law, the provisions applicable to compensating products shall also apply to replacement products.

The customs authorities may, under certain conditions, allow the replacement goods to be imported prior to temporary export of goods (prior importation).

In the event as set forth in the paragraph 4 of Article, security shall be provided to cover the amount of the import duties on replacement product.

Article 158

Replacement products shall have the same tariff classification, be of the same quality and possess the same technical characteristics as the goods temporarily exported for repair.

Where the temporary export goods have been used prior to export, the replacement products must also be used.

The customs authorities may grant derogations from the rule where the replacement products have been supplied free of charge either because of contractual or statutory obligation arising from a guarantee or because of a manufacturing defect.

Article 159

Exchange system shall be authorized only where it is possible to verify that the replacement product fulfills the conditions laid down in Article 158 of this Law.

Article 160

In the event of prior importation, the goods shall be temporarily exported within the period of two months from the day of acceptance by the customs authorities of the declaration for release for free circulation of replacement products.

Where exceptional circumstances so warrant, the customs authorities may extend the period in question, at the timely request of the holder of the authorization, as appropriate.

Article 161

In the event of prior importation and where Article 154 of this Law applies, the amount to be deducted shall be determined on the basis of calculation elements applicable to the temporary export goods on the day of acceptance of the declaration placing the goods under outward processing procedure.

5) Other provisions

Article 162

Provisions of Article 150 paragraph 2 and Article 151 paragraph 1 item 2) of this Law shall not apply in the context of the standard exchange system.

Commercial policy measures shall apply to the procedures provided for within the framework of outward processing operations.

8. Export

Article 163

The export procedure shall allow domestic goods to leave the customs territory.

Export procedure shall entail the application of all export related measures, including the application of the commercial policy measures.

The customs value of export goods equals the value of goods transported to the frontier of the Republic.

The internal transit procedure shall, under the conditions laid down in paragraphs 2 and 3, allow the movement of domestic goods from one point to another within the customs territory, passing through the territory of a third country without any change in their customs status, without prejudice to the provisions of Article 99 paragraph 1 item 2 of this Law.

The movement referred to in paragraph 1 may take place either:

- 1) under the internal transit procedure, provided that such a possibility is provided for in an international agreement;
- 2) under cover of a TIR carnet;
- 3) under cover of an ATA carnet used as a transit document;
- 4) by post (including parcel post).

In the case referred to in paragraph 2 item 1) of this Law, the provisions of Articles 101 to 104 shall apply mutatis mutandis

Article 166

The detailed conditions under which the goods may move from one point to another within the customs territory, passing through the territory of a third country, without being subject to a customs procedure and without alteration of their customs status, shall be determined by the Government.

3. OTHER TYPES OF CUSTOMS-APPROVED TREATMENT OR USE

SECTION 1

Free zones and free warehouses

1. General provisions

Article 167

Establishing of free zones and free warehouses, running of free zones and free warehouses, and conditions of performing business activities in free zones and free warehouses shall be regulated by a separate law.

Article 168

Free zones and free warehouses shall be parts of the customs territory and premises in that territory separated from the rest of it in which:

a) foreign goods are considered as not being in the customs territory, for the purpose of import

The goods entering a free zone or warehouse directly by sea, air or land, as referred to in Article 47, paragraph 6 of this Law, shall be submitted to the customs authorities based on the transportation document.

The domestic goods shall be stored in a free zone or warehouse based on the invoice or other document containing the information required for keeping stock records in a free zone or free warehouse.

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 171

Without prejudice to Article 169 paragraphs 4, 5 and 6 of this Law, the goods entering a free

The customs authorities may introduce certain measures or restrict the activities referred to in paragraph 2 of this Article, taking into account the type of the goods or the required customs surveillance measures.

The customs authorities may ban certain persons from conducting the activities in a free zone or free warehouse, if such persons fail to present guarantees they shall conduct the activities in compliance with law.

For certain domestic goods as set forth in Article 168 item 2 of this Law, the Government may impose specific time limits.

Article 173

Foreign goods placed in a free zone or free wareh

Where a customs debt is incurred in respect of foreign goods which are brought into other parts of the customs territory from a free zone or free warehouse, the customs value of such goods shall be determined on the basis of a price actually paid or payable.

Costs of warehousing and preserving goods while they remain in a free zone or free warehouse shall not be included in the customs value where they are shown separately from the price actually paid or payable for the goods.

Where the goods have undergone the forms of handling set forth in the Article 115 paragraph 1 of this Law, the declarant may request that the amount of customs debt be determined on the basis of the nature of goods, the customs value, and quantity of goods which would have been taken into account in accordance with Article 215 of this Law if the goods had not undergone such handling.

Derogations from paragraph 3 of this Article shall be laid down by the Government.

Article 179

Domestic goods referred to in Article 168, item b) of this Law, may be assigned other treatment or use where by virtue of their being brought into a free zone or free warehouse they fulfill conditions laid down for export of such goods.

Where domestic goods referred to in Article 167, item b) of this Article are not exported within the period referred to in Article 172 of this Law or are returned to another part of the customs territory, the customs authorities shall take the measures prescribed in the cases where the goods fail to comply with the specific conditions.

Article 180

Where the goods are brought into or returned to another part of the customs territory from a free zone or free warehouse or where the goods are placed under a customs procedure, the certificate referred to in Article 171, paragraph 4 of this Law may be used as a proof of domestic or foreign status of such goods.

Where it is impossible to prove by the certificate or other means that the goods have domestic or foreign status, they shall be considered to be:

1. domestic, for the purpose of applying export duties, obtaining export licenses (certificates) and export measures laid down under the commercial policy, or
2. foreign in all other cases.

Article 181

The customs authorities shall supervise whether the rules governing export or re-export are observed where the goods are exported or re-exported from a free zone or free warehouse.

6. Duty free shops

Article 181a

Duty free shops can be opened at the airports and harbors which are open for international traffic as well as on international road border crossings at which passport and customs control has been organized, as to sell the goods to the passengers going abroad and those passing over the customs territory of the Republic.

The passengers travelling abroad and who are leaving customs territory and those who are passing over the customs territory of the Republic can buy the goods in the duty free shops opened at airports and ports opened for international traffic after passing through customs control.

Goods in duty free shops opened at international road border crossings can be sold to passengers leaving the customs territory and going abroad following a customs control, while to passengers that are in transit through the Republic's custom territory goods can be sold prior to a customs control.

The same provisions that refer to the procedure of customs storage of good shall be applied to storing of goods in the duty free shops.

At the request of the business organization which headquarters is situated in the Republic, the permission for opening of duty free shop shall be issued by the Ministry of Finance.

The Government shall specify closer procedure and conditions for opening of duty free shops as well as manner of conducting of measures of customs control over the goods stored in the duty free shops as well as over the manner of keeping records on that goods.

Provisions of this Article referring to the opening of duty free shops at international road border crossings will be applied from 1994.1.10.

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Re-exportation shall, where appropriate, involve application of the rules laid down for export of goods, including commercial policy measures.

The Ministry of Finance shall lay down the cases where the foreign goods placed under a suspensive arrangement shall not be subject to commercial policy measures on exportation from the Republic.

The customs authorities shall be notified in advance of the intention to re-export or destroy the goods.

The customs authorities shall ~~prohibit~~ re-export where the formalities or measures referred to in paragraph 2 of this Article so provide.

The Ministry of Finance shall adopt a regulation governing the cases and the manner in which the goods may be abandoned to the government.

Destruction or abandonment of the goods shall not entail any costs to the government.

Any waste or scraps resulting from destruction shall be assigned a customs-approved treatment or use prescribed for foreign goods.

Waste or scraps shall remain under customs supervision in compliance with Article 46, paragraph 2 of this Law.

TITLE V

GOODS LEAVING THE CUSTOMS TERRITORY

Article 183

Goods leaving the customs territory of the Republic shall be under customs supervision and may be subject to checks in accordance with the provisions in force.

Goods shall leave the territory of the Republic ~~by~~ routes, in the manner and within the period set out by the customs authorities.

TITLE VI

PRIVILEGED OPERATIONS

CHAPTER 1

RELIEFS FROM CUSTOMS DUTY

Article 184

Treatment of goods in any of the said manners from the paragraph 3 of this Article shall entail payment of customs duty at the rate applicable on the day of the treatment of the goods of such nature and customs value as that determined or accepted by the customs authorities on that day.

The Government shall prescribe the procedure for exercising the rights to relief from customs duty.

CHAPTER 2

RETURNED GOODS

Article 185

Domestic goods, which having been exported from the customs territory, are returned to that territory within a period of two years and released for free circulation shall be granted relief from

- 2) the maximum amount, as estimated by the customs authorities, of the customs debt or debts which have been or may be incurred.

Where comprehensive security is provided for customs debts which vary in amount during the

Article 197

A customs debt shall be incurred at the time of acceptance of the customs declaration.

The debtor shall be the declarant, while in the event of indirect representation, the debtor shall be the person on whose behalf the customs declaration is made.

An import customs debt shall be incurred through the use of goods in a free zone or free warehouse under conditions or in a manner which do not comply with the provisions in force.

Where goods in a free zone or free warehouse disappear and where their disappearance cannot be explained to the satisfaction of the customs authorities, those authorities may regard the goods as having been used under conditions and in a manner which do not comply with the provisions in force.

The customs debt referred to in paragraph 1 of this Article shall be incurred at the time when the goods are consumed or are first used under conditions and in a manner which do not comply with the provisions in force.

In the case referred to in paragraph 1 of this Article, the customs debt shall be incurred at the time when the goods are consumed or are first used under conditions and in a manner which do not comply with the provisions in force.

Article 207

Where, in accordance with the provisions of the Article 206 paragraph 1 of this Law, no customs debt is incurred in respect of goods released for free circulation with preferential tariff treatment on account of their end-use, waste and scraps resulting from the destruction of such goods shall be deemed to be foreign goods.

Article 208

Where, in accordance with Articles 203 and 204 of this Law, a customs debt is incurred in respect of goods released for free circulation at a reduced rate of import duty on account of their end-use, the amount paid when the goods were released for free circulation shall be deducted from the amount of the customs debt.

Paragraph 1 of this Article shall apply ~~mutatis mutandis~~ also where a customs debt is incurred in respect of scrap or waste resulting from the destruction of such goods.

Article 209

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Article 210

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Article 211

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Article 212

The customs debt referred to in Articles 201 to

basis for determining penalties, or the existence of a customs debt is grounds for initiating criminal proceedings, as provided for in the penal provisions.

Article 213

Exemption from import duties laid down in customs rules (Articles 184 to 187) shall also apply in cases where a customs debt is incurred pursuant to Articles 202 to 205 of this Law where the debtor has not acted deliberately or with gross negligence and he produces evidence that the other conditions for the application of the exemption have been satisfied.

Article 214

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

Article 215

Save as otherwise provided by this Law, the amount of the import or export duty applicable to the goods concerned shall be determined on the basis of the rules of assessment of the amount of the customs duty which were in force for those goods on the date when the customs debt was incurred.

Where it is not possible to determine precisely when the customs debt was incurred, the time to be taken into account in determining the basis for computation of the customs debt shall be the time when the customs authorities include that the goods are in a situation in which a customs debt is incurred.

Where the circumstances known to the customs authorities enable them to establish that the

The customs authorities may extinguish the debts referred to in Article 222 paragraph 3 of this Law where they could not communicate to the debtor the amount of the debt after the end of the time allowed.

The finance minister shall specify in detail the method and procedure for the entry in the accounts.

The Government may determine the amount of duty which shall not be subsequently entered in the accounts.

Article 219

Where a customs debt is incurred as a result of the acceptance of the declaration for goods placed under a customs procedure other than temporary importation with partial relief from import duties, or any other act having the same effect as such acceptance, the debt shall be entered in the accounts on the same day, and, at the latest, on the day following that on which the goods were released.

Provided that payment has been secured, the amount of duty relating to all the goods released to one and the same person during a period fixed by the customs authorities, which may not exceed 30 days, may be covered by a single entry in the accounts at the end of that period.

The entry in the accounts referred to in paragraph 2 of this Article, shall take place not later than 2 days after the expiry of the period in question.

Where it is provided that goods may be released subject to meeting certain provisions which govern either determination of the amount of the debt or its recovery, entry in the accounts shall take place no later than 2 days following the day on which the amount of the debt or the obligation to pay the duties is determined.

Where the customs debt relates to a provision anti-dumping or countervailing duty, that duty shall be entered in the accounts not later than 2 months following the effective date of the regulation introducing an anti-dumping or countervailing duty.

Where a customs debt is incurred under conditions other than those referred to in paragraph 1 of this Article, the amount of duty shall be entered in the accounts within 2 days from the date on which the customs authorities are in a position to:

- 1) calculate the amount of duty, and
- 2) determine the debtor.

Article 220

The time limits for entry in the accounts laid down in Article 219 of this Law may be extended for 14 days maximum, where special circumstances prevent the customs authorities from making an entry in the accounts within the said time limits.

Article 221

Where the amount of duties resulting from a customs debt has not been entered in the accounts in accordance with Articles 219 and 220 of this Law or has been entered in the accounts at a level lower than the amount owed, the amount of duty to be recovered or which remains to be recovered shall be entered in the accounts within two days from the date on which the customs

An extension shall be granted automatically where the debtor received the communication too late to enable him to make payment within the period prescribed.

The Government shall lay down detailed conditions under which recovery of the debt may be

CHAPTER 4

EXTINCTION OF CUSTOMS DEBT

Article 227

A customs debt shall be extinguished:

- 1) by payment of the amount of duty,
- 2) by remission of the amount of duty,
- 3) where, in respect of goods declared for customs procedure entailing the obligation to pay duties:
 - the customs declaration is invalidated,
 - the goods, before their reli

Article 227a

Right to debt collection shall expire within a three-year period, starting from the end of the year when the debt incurred.

The right ceased to be obsolete by every official customs authority's action oriented towards determining or collecting a debt, that are familiar to the debtor, as well as by every action taken over for determining an offensive liability.

After taking over actions from paragraph 2 of this Article, obsolescence starts to progress.

At any rate, the right to debt collection shall ~~expire~~ after termination of ~~six~~ years, starting from the end of the year when the debt incurred.

CHAPTER 5

REPAYMENT AND REMISSION OF CUSTOMS DEBT

Article 228

Import duties shall be repaid up to the amount of

The amount of import duties shall be repaid where a customs declaration is invalidated and the duties have been paid.

Repayment shall be granted upon submission of an application by the person concerned within the period laid down for submission of the application for invalidation of the customs declaration in accordance with Article 74 of this Law.

Article 230

Import duties shall be repaid or remitted in the amount which was entered in the accounts relating to goods placed under the customs procedure in question, where the importer proves that he has returned the goods because they were defective or did not comply with terms of the contract on the basis of which they were imported.

Repayment or remission of import duties shall be granted on condition that:

- 1) the goods have not been used, except for such use as may have been necessary to establish that they were defective and did not comply with the terms of the contract, and
- 2) the goods are exported from the customs territory.

At the request of the person concerned, the customs authorities shall permit the goods to be destroyed or to be placed, with a view to re-export, under the transit procedure or the customs warehousing procedure, in a free zone or warehouse, instead of being exported.

For the purposes of being assigned one of the customs-approved treatments or uses, the goods shall be deemed to be foreign goods.

Import debt shall not be repaid or remitted in respect of goods which, before being released for free circulation, were imported temporarily for test, unless it is established that the fact that the goods were defective or did not comply with the terms of the contract could not normally have been detected in the course of such tests.

Import debt shall be repaid or remitted for the reasons set out in paragraph 1 of this Article where the person concerned submits an application to the customs authorities within 12 months from the date on which the amount of those duties was communicated to the debtor.

The customs authorities may extend this period in case of exceptionally justified and timely reported reasons.

Article 231

CHAPTER 1

CRIMINAL OFFENCES

Article 235

Persons avoiding the measures of customs control ~~and~~ engaged in the transfer of goods across customs borders or that transfer goods across customs boundary line carrying arms or acting in organized groups shall be sentenced to one to five years of imprisonment and fined an amount equal to triple the value of the goods.

Persons that used force in the situation referred to in paragraph 1 of this Article shall be sentenced to imprisonment for two to eight years and fined an amount equal to five times the value of the goods.

Persons who organize groups or networks to commit offences referred to in paragraph 1 of this Article shall be sentenced to imprisonment for two to eight years and fined an amount equal to five times the value of the goods.

Each member of a group referred to in paragraph 3 of this Article shall be sentenced to imprisonment for one to five years and fined 2,500 EUR.

The goods referred to in paragraph 1 of this Article shall be confiscated.

Where the offence referred to in this Article was committed in relation to drugs, arms, nuclear material or dangerous waste, the offender shall be sentenced to imprisonment for two to ten years

Article 238

All the activities and errors opposing the ~~provis~~ provisions of this Law and by-laws enacted based on this Law shall be considered as customs offences where specified by this Law, and, as such, shall

- 4) As a traveler, falsely declaring at the border post that the goods he is bringing in were previously temporary exported by him,
- 5) Falsely declaring to the exit customs post that he is temporary exporting the goods which he actually does not.

Article 241

A captain of a ship or an aircraft who enters data on quantity, value, kind, origin and quality of goods in the ship or aircraft manifest, which differ to those established by customs authorities, shall be fined 75 EUR for each crate, or 200 EUR for each ton of bulk cargo, of such goods.

Article 242

A captain of a ship or an aircraft who refuses to submit ship or aircraft manifest shall be fined 10,000 EUR.

A captain of a ship or an aircraft who fails to submit ship or aircraft manifest in time shall be fined 300 EUR for each five hours of the delay.

Article 243

A captain of a ship or an aircraft shall be fined 10,000 EUR if:

- 1) Refusing to admit customs official aboard,
- 2) Leaving a port or an airport without the permission of customs authorities,

Article 244

Each person who transports the goods by land by a route other than that specified by the customs authorities shall be fined 750 EUR.

Each person who fails to deliver the goods to the customs post in time shall be fined 200 EUR for each five hours of the delay.

Each person who leaves with the goods without the permission of customs authorities shall be fined 3,000 EUR.

Each person who, in the documents submitted to the customs authorities, presents data which differ to those established by customs authorities shall be fined 75 EUR for each package, or 200 EUR for each ton of bulk cargo, of goods not presented.

Each person who breaches provisions of TIR carnet (TIR Convention) and its Annexes shall be fined 1,000 EUR.

The fine from paragraph 2 of this article cannot exceed one fold amount of the value of goods which is subject to violation.

Article 245

A person shall be fined an amount equal to one- to three times the value of the goods being subject to the offence if:

- 1) failing to deliver the goods to the competent customs office, or
- 2) presenting, in the documents submitted when declaring the goods which is delivered to the customs office, the data on quantity, ~~weight~~ kind, origin and quality of goods which differ to those established ~~by~~ customs authorities,

A person who fails to submit declaration simultaneously with the delivery of the goods, shall be fined 200 EUR.

Article 246

A person shall be fined 500 EUR if:

- 1) falsely presenting in documents submitted when declaring the goods, the data on goods which is not relevant for the calculation of customs and other duties,
- 2) ordering such documents to be presented to the customs authorities, or
- 3) giving false answers to questions asked ~~by~~ the customs officer, where answer is mandatory pursuant to this Law.

Article 247

A person shall be fined 5,000 EUR if:

- 1) submitting a forged document which is related to customs affairs or which is used in any transaction related to customs affairs,
- 2) knowingly accepting, receiving or using such document,
- 3) altering official document,
- 4) submitting for verification or for any other purpose related to customs affairs, document stamped with the forged stamp, with forged signature or initials, or with any other forged official marking.

Article 248

A person, who in the event of a transit procedure, fails to present the goods in unaltered condition to the destination customs office, shall be fined an amount equal to one- to two times the value of the goods being ~~subject~~ to the offence.

A person, who in the event of a transit procedure ~~fails~~ to present the goods to the destination customs office within the specified time limit, ~~fails~~ to act in accordance with the instructions issued by the entry customs office, shall be fined 200 to 1,000 EUR.

Article 249

A person, who enters the data on kind or quality of goods in transit documents that is different

Article 256

A person who, in import customs declarations for temporary import of goods, outward and inward processing, processing of goods under customs supervision and exchange system, and in documents enclosed to it, which are not used for the calculation of customs and other duties, declares the kind, quantity, value and quality of goods that is different from those established by the customs authorities, shall be fined 300 to 2,000 EUR.

Article 257

A person who fails to enable inspection of goods within the time limit established by the customs office, where the reasons are attributable to declarant, shall be fined 300 to 2,000 EUR.

Article 258

A person who fails to submit customs declaration within the time limits set forth by this Law shall be fined 200 to 500 EUR.

Article 259

A person who fails to enable post declaration audit of commercial documents related to import or export of goods, or documents related to ~~submit~~ commercial activities involving such goods, shall be fined 1,000 to 5,000 EUR.

Article 260

Article 262

A person who does not export, or does not export within the time limit established by the customs office, the goods under inward processing procedure, shall be fined 500 to 2,000 EUR.

A person who does not observe time limits set forth by the customs office for procedures with

The customs may immediately sell seized perishable goods if not possible to decide on customs offence within 24 hours.

Article 276

Where it was determined, after the customs offence proceedings performed, that the customs offence was not committed, the owner of the goods placed under customs supervision in respect of Article 275 of this Law shall have the right to compensation of damages, on the expense of the budget of the Republic.

Article 277

Where it was decided not to confiscate the goods being subject to customs offence, competent customs office shall initiate customs clearing procedure.

Article 278

Where the protective measure of confiscation of goods being subject to customs offence was adopted, the customs office may, upon the request of a person who has committed the offence, return the goods where justifiable, provided that such person pays the value of goods, customs duties and other charges.

Article 279

The customs office that performed customs offence proceedings in the first instance may allow the fine and the value of goods to be paid in installments, within a period that cannot exceed 12 months.

4. Customs Offence Proceedings

Article 280

Customs offence proceedings of the first instance shall be administered and decided by the Offence Commission (hereinafter: Commission) of the Customs office, comprising of the president and two members. The President and members of the Commission may have deputies.

The Commission may authorize any particular member to carry out specific activities during the course of proceedings.

The Director shall appoint the president and members of the Commission.

Article 281

Where customs offence proceedings initiated against the persons residing out of the customs district, and all requirements for administering the proceeding and decision making were met, the

proceeding shall be deemed urgent and decision shall be adopted within 48 hours from the initiation of the proceeding.

Article 282

considered all persons having any knowledge whatsoever about the offense, and customs officers who have determined that a customs offence has been committed and signed the related minutes.

Minutes of deposition or any testimony or statement must be signed by the offender, by the witnesses if they are present, and by the customs officers who have performed the deposition.

Where an offender is a foreign citizen, the interview shall be conducted in the presence of a translator.

Article 284

Article 288

The customs related offense proceeding may not be initiated where 3 years have elapsed after the custom offense was committed,

The Government shall prescribe the type, amount and manner of paying the fee referred to in paragraph 1 of this Article

PART X

SALE OF GOODS AND ALLOCATION OF REVENUES

Article 292

The goods seized in accordance with this Law, namely the goods which according to the provisions of this Law are subject to public sale, shall be sold.

Customs offices shall be free to sell easily degradable goods and animals detained in accordance with Article 275 of this Law.

Article 293

Customs office shall sell the seized goods by holding it at a public state, in a procedure prescribed by the regulations.

The Government may cede without compensation the seized goods that is of historical, archeological, ethnographic, cultural, artistic, or scientific value, if intended for humanitarian purposes, to state authorities, cultural institutions in charge of protection of cultural goods in the Republic, humanitarian organizations and other beneficiaries of humanitarian aid.

If such goods cannot be sold or used for medical, veterinary, phytopathological, security and

PART XI

TRANSITIONAL AND FINAL PROVISIONS

Article 295

The Government is authorized to adopt all by-laws related to application and implementation of this Law.

The Ministry of Finance and the customs service are responsible and authorized to propose and forward such by-laws to the Government.

The Ministry of Finance and the customs service are also responsible to ensure that all by-laws

All offence proceedings in

On the day this Law starts to apply, the Decree on Customs Operations (“Official Gazette of RM”, Nos. 33/2000 and 50/2001) and the Decree on the Procedure for Obtaining the Right to Exemption from Payment of Customs Duties for Special Cases of Exemption (“Official Gazette of RM”, No. 51/2001) shall cease to apply.

The Decree on Customs Tariff (“Official Gazette of RM”, Nos. 38/00 and 53/00) shall apply until