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by the governor of the Czech National Bank. For purposes of operational management of the exchange of bank notes, the Czech National Bank shall establish commissions; the commissions are headed by a commissar, who is appointed by the governor of the Czech National Bank.

Section 12

Magistrates (mayors) of communities, heads of okres offices, directors of police formations with territorial jurisdiction, and commandants of military garrisons are obliged to collaborate with the Czech National Bank and the commissars (Section 11) in assuring the security of exchange locations and the transportation of money.

Section 13

(1) By decree, the government shall stipulate:

a) the day of currency separation for the Czech Republic;

b) the time period during which bank notes will be exchanged;

c) the time period during which the withdrawal of cash from bank accounts and deposit accounts is to be restricted and the termination of restrictions involved in making cash payments.

(2) By proclamation, the Czech National Bank shall stipulate:

a) the types of bank notes subject to cashing;

b) the types of cashes and their description and the description of cashier's receipts;

c) the procedures to be used in exchanging bank notes according to this law.

Section 14

Bank notes and coins issued by the State Bank of Czechoslovakia, which are legal tender according to Section 1, Paragraph 2, above, shall be exchanged by the Czech National Bank for a maximum period of one year after termination of their validity.

Section 15

(1) As of the day of currency separation, Section 56 of Law No. 6/1993 Sb. [Collection of Laws] on the Czech National Bank is rescinded.

(2) The possibility of exchanging invalid bank notes issued by the State Bank of Czechoslovakia, as stipulated in special regulations, ends effective on the day of currency separation.

Section 16

This law becomes effective on the day of its publication.

Government Regulation Covering Currency Separation

According to Section 13, Paragraph 1 of the law on currency separation (hereinafter referred to as "the law"), the government stipulates the following:

Section 1

Effective on 8 February 1993, the currency of the Czech Republic is separated from the currency of Czechoslovakia.

Section 2

(1) The exchange of bank notes subject to cashing (hereinafter referred to as "bank notes") for authorized individuals (Section 2, Paragraph 1 of the law) at exchange locations (Section 2, Paragraph 1 of the law) shall be accomplished from 4 February through 7 February 1993. Foreigners (Section 3, Paragraph 1 of the law) shall have their bank notes exchanged at branches of the Czech National Bank and at selected branch offices of banks from 7 February through 9 February 1993.

(2) The exchange of bank notes for legal entities (Section 4, Paragraph 1 of the law) and private businessmen (Section 5 of the law) shall be handled in banks from 8 February through 9 February 1993. If technical operating conditions permit, the banks may conduct the exchange of bank notes for legal entities and private business interests even on 7 February 1993.

Section 3

As of the day the exchange of bank notes is initiated, the banks will restrict the withdrawal of cash from bank accounts and deposit accounts

a) where the withdrawal is being made by an authorized person or by a foreigner, for a period not to exceed seven working days;

b) where the withdrawal involves amounts in excess of Kcs10,000 and is being made by a legal entity, with the exception of a bank or an organizational unit of the Czech Postal Service or state enterprise or by a private businessman and where such withdrawal does not involve the withdrawal of resources for the payment of wages, until such times as this provision is rescinded.

Section 4

This regulation becomes effective on the day of its publication.

Law on Customs, Complete Updated Text

93CH0101A Prague SBIRKA ZAKONU in Czech 15
Oct 92 pp 2682-2706

[Text of Customs Law, signed by Kovac, published in Issue No 44, 1974, SBIRKA ZAKONU [Collection of Laws, Sb], dated 24 April 1974, and based on changes and supplements carried out by Law No. 117/1983 Sb, dated 27 October 1983, Law No. 5/1990 Sb, dated 5 December 1990, Law No. 143/1992 Sb, dated 13 March 1992, and Law No. 217/1992 Sb, dated 22 April 1992, and on constitutional laws dealing with the change of titles of the state and of the republics]

[Text] The Federal Assembly of the Czech and Slovak Federal Republic has agreed on the following law:

Section 1. Purpose of Customs Law

The purpose of the Customs Law is to adjust customs control over imports, exports, and transit shipments of goods and adjust customs statistics, set the rights and obligations of organs of the customs administration, as well as of private and legal entities during customs control, and to protect the interests of the Czech and Slovak Federal Republic with respect to imports, exports, and transit shipment of goods.

CHAPTER I**Organs of Customs Administration
and Their Organization****Section 2. The Federal Ministry of Foreign Trade and the Central Customs Administration**

1. The Federal Ministry of Foreign Trade carries out its activities in matters pertaining to customs, customs policy, and customs tariffs. A special component of the Federal Ministry of Foreign Trade for the execution of these activities is the Central Customs Administration.
2. The Central Customs Administration is headed by a director general. His deputy is the deputy director general of the Central Customs Administration.
3. If the director general of the Central Customs Administration is a citizen of the Czech Republic, the deputy director general of the Central Customs Administration shall be a citizen of the Slovak Republic, and vice versa.
4. The director general of the Central Customs Administration and his deputy are appointed and recalled by the minister of foreign trade of the Czech and Slovak Federal Republic.

Section 3. Customs Directorate

1. The Customs Directorate for the Czech Republic and the Customs Directorate for the Slovak Republic (hereinafter referred to only as "Customs Directorate") act as organs of the Central Customs Administration for the territories of the individual republics.
2. The Customs Directorate is headed by a director who is appointed and recalled by the minister of foreign trade of the Czech and Slovak Federal Republic.

Section 4. Customhouses

1. Customhouses are executive organs of the Customs Administration.
2. Customhouses are established and their jurisdictions determined by the federal minister of foreign trade, in agreement with appropriate organs of the state administration of the Czech and Slovak Federal Republic and of the individual republics. The Federal Ministry of Foreign Trade can establish customs branch offices as components of individual customhouses or, where appropriate, even other organizational components. The customs police function as an organizational component of customhouses.
3. Customhouses on the territory of the Czech Republic are directly subordinated to the Customs Directorate for

the Czech Republic; customhouses on the territory of the Slovak Republic are directly subordinated to the Customs Directorate for the Slovak Republic.

4. Customhouses are headed by a director, who is appointed and recalled by the director of the appropriate Customs Directorate.

Section 5

1. Customhouses at state frontiers are border customhouses. Customhouses in ports, at airports, and at other locations are also considered to be border customhouses to the extent to which they conduct entry and exit customs control. The remaining customhouses are internal customs facilities.
2. The listing of customs facilities, customs branches, as well as territorial customs districts, is published by the Federal Ministry of Foreign Trade.

**Activities Engaged in by the Central Customs
Administration, by the Customs Directorates, and by
Customhouses****Section 6**

The Central Customs Administration:

- a) directs and controls the activities of the Customs Directorates;
- b) supports the role of the Federal Ministry of Foreign Trade in the area of customs matters, customs policy, and customs tariffs;
- c) assures the collection of data and the processing of information regarding the export and import of goods;
- d) supports tasks in the area of the fight against smuggling.

Section 7

The Customs Directorate:

- a) directs and controls customhouses on the territory of the republic;
- b) cooperates with state organs of the republic in the event the implementation of this law impacts on its activities.

Section 8

1. Customhouses:

- a) conduct customs control in the case of imports, exports, and transit shipments of goods;
- b) make decisions regarding the passage of imported, exported, or transit-shipped goods;
- c) determine and collect customs duties;
- d) handle customs violations;
- e) make decisions regarding the assessment of fines against organizations for violating customs regulations;
- f) within the customs border region, are authorized to demand that private entities prove their identities by a credible method;

g) exercise oversight and vigilance over the movement of persons, goods, and transport media within the customs border area;

h) regulate the movement of persons and transport media and assure the maintenance of public order in the customs area;

ch) search for goods that may have escaped customs control;

i) implement tasks to struggle against smuggling;

j) fulfill other tasks stipulated by this law.

2. To fulfill the tasks listed in Paragraph 1 above, members of the Customs Administration are authorized to demand that private individuals prove their identity by a credible method.

Section 8a

Organs of the Customs Administration fulfill additional tasks stipulated by the generally binding legal regulations.

Cooperation of Customs Administration Organs With Other Organs

Section 9

Organs of the Customs Administration:

a) communicate to state organs any cases involving the export and import of goods in which taxes, other payments, or surcharges have not been paid according to special regulations;

b) pass information on imported or exported goods that could be subject to notary fees to the state notary system.

Section 10

1. State organs:

a) shall render universal and effective aid to organs of the Customs Administration in determining goods that are imported, exported, or transit shipped in violation of this law;

b) shall tell organs of the Customs Administration of cases of violation of this law, to the extent to which they gain knowledge of these cases during the execution of their duties;

c) shall turn over to organs of the Customs Administration goods for purposes of conducting proceedings in accordance with this law.

2. Offices involved in criminal proceedings shall, upon conclusion of those criminal proceedings, turn over to the customs authorities goods that are subject to customs control.

Members of the Customs Administration

Section 11

1. Members of the Customs Administration are employees of customhouses, Customs Directorates, and

the Central Customs Administration who, in accordance with their work agreements, fulfill the tasks stipulated by this law.

2. A Czechoslovak citizen may be a member of the Customs Administration provided:

a) he has an unblemished record;

b) fulfills health requirements;

c) fulfills the stipulated qualification requirements;

d) and renders the prescribed official oath.

Section 12

1. A member of the Customs Administration is obligated to render an oath, the text of which is as follows:

"I promise on my honor and conscience to be faithful to the Czech and Slovak Federal Republic.

"I promise that I shall observe the Constitution, the laws, and any other generally binding legal regulations. I shall execute my duties properly, conscientiously, and impartially, and in executing my authorities, I shall protect the interests of the Czech and Slovak Federal Republic as well as the legal rights of citizens; I shall take care to keep an unblemished record and maintain secrecy."

2. A member of the Customs Administration shall confirm the taking of this official oath with his signature.

Duties and Authorities of Members of the Customs Administration in Carrying Out Official Actions and Official Interventions

Section 12a

1. In carrying out official actions and official interventions, a member of the Customs Administration is obligated to safeguard the honor, seriousness, and dignity of private individuals, as well as his own, and must not permit them to suffer unjustified losses resulting from this activity and must ensure that any possible incursion into their rights and freedoms does not exceed the measure necessary for the achievement of the purpose pursued by the official action or the official intervention.

2. An official action is understood to be an action by a member of the Customs Administration in executing customs control.

3. An official intervention is understood to be a measure adopted by a member of the Customs Administration within the framework of legal authorizations aimed against a private individual who is violating the law and other generally binding legal regulations, by a method listed in Sections 12h, Paragraph 1, and Sections 14a through 14h.

4. In taking an official action or making an official intervention that impacts on the rights or freedoms of a private individual, a member of the Customs Administration is obligated to inform that person, to the extent to which circumstances so permit, of their rights; in the opposite case, he shall inform such individuals without undue delay.

Section 12b

A member of the Customs Administration is not obligated to engage in an official intervention if:

- a) he has not been specially educated or trained for such purposes and the nature of the official intervention would require such specialized education or training, or
- b) the duty to fulfill another task, the fulfillment of which would obviously result in more serious consequences than the failure to execute an official intervention, would prevent the carrying out of an official intervention.

Section 12c

1. In carrying out an official intervention, the member of the Customs Administration is obligated to make use of an appropriate challenge, to the extent to which the nature and circumstances of the case so permit.

2. To the extent to which the nature of the official intervention so requires, the member of the Customs Administration shall precede his challenge with the words "In the name of the law!"

3. Everyone is obligated to heed the challenge of a member of the Customs Administration in the execution of an intervention.

Section 12d

1. In the execution of his authorities, a member of the Customs Administration is obligated to identify himself as a member of the Customs Administration, to the extent to which the nature and circumstances of the official action or the official intervention so permit.

2. A member of the Customs Administration documents his membership in the Customs Administration by wearing the official uniform that bears an identification number when he is on duty, or by showing his official credentials as a member of the Customs Administration or by orally stating "Customs Administration."

3. A member of the Customs Administration shall identify himself by orally proclaiming that he belongs to the "Customs Administration" only in rare cases, where the circumstances of an official intervention prevent him from demonstrating his membership through wearing his uniform or through showing his official identification as a member of the Customs Administration. A member of the Customs Administration shall identify himself by his uniform or by his official identification as a member of the Customs Administration immediately, as soon as the circumstances of the official intervention so permit.

Section 12e

A circumstance that does not permit the informing of an individual of his rights in accordance with Section 12a, Paragraph 4, or that does not permit the use of the challenge described in Section 12c, Paragraph 1, or that does not permit the member of the Customs Administration to identify himself as such in accordance with Section 12d, Paragraph 1, is particularly an immediate

assault upon the member of the Customs Administration and an immediate threat to the life or health of another individual.

Section 12f. The Right To Demand an Explanation

1. A member of the Customs Administration is entitled to demand a necessary explanation from anyone who is able to contribute to clarifying the facts that are important for uncovering a criminal action or a violation having to do with the import, export, or transit shipment of goods and their perpetrators and, in case of need, the member of the Customs Administration is entitled to challenge that individual to appear at the customhouse within a stipulated time limit for purposes of writing up a statement regarding the provision of an explanation.

2. Everyone is obligated to heed the challenge or the requirement outlined in Paragraph 1 above.

3. An explanation can be denied only by an individual who, by so doing, would expose himself, his direct relatives, his siblings, his adopter, his adoptees, his spouse or companion, or any other private individual enjoying family status or similar status, whose loss he might justifiably perceive as his own loss, to the danger of criminal prosecution or the danger of being prosecuted for a misdemeanor or by a person who might, by providing clarification, violate an obligation of secrecy imposed by law or recognized on the basis of honor, unless that person is relieved of that duty by the appropriate organ or by the individual in whose interest the secrecy obligation has been undertaken.

4. The member of the Customs Administration is obligated to inform a private individual of the opportunity to refuse to provide a clarification according to Paragraph 3 above and to communicate the fundamental data regarding the subject of the elucidation being demanded.

5. Anyone who responds to the challenge to report to the customhouse is entitled to be compensated for any necessary expenditures and to compensation for missed earnings (hereinafter referred to only as "compensation"). The compensation is provided by the customhouse.

6. The entitlement to compensation according to Paragraph 5 above becomes extinguished if the authorized individual does not assert it within three days from the day of responding to the challenge in accordance with Paragraph 1 above; the individual in question must be so informed.

7. If a private individual fails to respond to the challenge as outlined in Paragraph 1 above without having an adequate excuse or without serious reasons, that individual can be brought to the customhouse for purposes of compiling a statement regarding the provision of an explanation.

8. The protocol regarding the provision of an explanation must be compiled once the individual has been

brought in; after the protocol has been compiled, the member of the Customs Administration shall release the individual in question.

9. The member of the Customs Administration shall make an official notation regarding the fact that the individual in question was brought to the customhouse.

Section 12g. The Authority To Demand Identification

1. Verification of identity means the verification of the first name and surname, the date of birth, and the place of permanent residence, and possibly the location of temporary sojourn¹ of a private individual.

2. A member of the Customs Administration is authorized to demand that the following individuals identify themselves:

a) a person who is suspected of committing a crime or a misdemeanor or who is suspected of committing a crime or misdemeanor in conjunction with the import, export, or transit shipment of goods, or

b) a person of whom an explanation is demanded in accordance with Section 12f, Paragraph 1, above, or

c) a person who is found to be in the customs border sector. Such a person is obligated to comply with the challenge.

3. After determining the identity of the individual listed in Paragraph 2, Letter c), above, the member of the Customs Administration shall immediately release that individual, provided that the individual is not wanted or missing. In the event the individual is wanted, on the basis of well-founded suspicion, for having committed a criminal act, the customs official shall immediately hand over such an individual to the police authorities of the Czech Republic or the police corps of the Slovak Republic (hereinafter referred to only as "police organs"). In the event the individual is listed as missing, the customs official shall notify the person who reported the individual missing and shall possibly hand over the individual to the appropriate organ or to a legal representative.

4. If the individual listed in Paragraph 2 above declines to prove his identity or cannot do so even following the provision of the necessary collaboration in helping him to identify himself, the member of the Customs Administration is authorized to bring such an individual to the customhouse for purposes of implementing official actions to determine that individual's identity or to clarify matters.

5. In the event the member of the Customs Administration fails to determine the identity of the individual who is brought in in accordance with Paragraph 4 above within 12 hours of the arrest, and if he is unable to do so even on the basis of data found in population records, and if the suspicion exists that the arrested individual is providing erroneous data regarding his person, the member of the Customs Administration shall hand over the individual to the nearest police organ.

6. The member of the Customs Administration shall make an official entry regarding the arrest.

Section 12h. Authorization To Confiscate a Weapon

1. A member of the Customs Administration is entitled to determine whether the arrested individual is carrying a weapon² with which he might threaten his own life or health or the life or health of another individual, and to confiscate it.

2. Upon releasing the arrested individual, the member of the Customs Administration is obligated to return the weapon confiscated in accordance with Paragraph 1 above to the individual, in return for a signature. In the event legal reasons prevent the return of such a weapon, the member of the Customs Administration shall issue a receipt to the arrested individual regarding confiscation of the weapon.

Section 12i. Authorization To Restrict the Free Movement of an Individual Who Is Being Violent

1. A member of the Customs Administration may, following a futile exhortation for an individual who is acting violently against him or against another or who is damaging property to cease and desist from such actions, restrict the possibility of free movement for that individual.

2. The restriction of free movement may last only until the private individual has stopped his violent behavior or until he has been handed over to the nearest police organ, but may not exceed two hours; the individual in question must be given the opportunity to sit down and possibly to take care of his hygienic requirements.

3. The member of the Customs Administration shall compile an official entry regarding the reasons for using this authorization.

Section 12j. Authorization To Prohibit Entry to Certain Locations

A member of the Customs Administration is authorized to order everyone to stay away from certain locations for an essentially necessary period of time or not to be present at such locations if this is required in support of implementing customs control.

Section 13

1. Rescinded.

2. The Federal Ministry of Foreign Trade shall decide on the type of official uniform to be worn by members of the Customs Administration and the way it is to be worn.

3. The Federal Ministry of Foreign Trade, in agreement with the Ministries of Health of the Czech Republic and the Slovak Republic, shall adjust, by legal regulation, the health prerequisites for members of the Customs Administration and its organization and the carrying out of health services within the Customs Administration.

The Use of Force and Weapons by Members of the Customs Administration

Section 14. Force

1. The use of force is intended to achieve the purpose pursued as a result of an official intervention; only as much force is used as is absolutely necessary to overcome resistance on the part of an individual who is engaging in an illegal action. The decision as to what type of force to use is made by the member of the Customs Administration according to the specific situation in such a way as not to cause the individual against whom the intervention is directed any loss that is obviously disproportionate with regard to the nature and danger of the illegal action involved.

2. Prior to using any force, the member of the Customs Administration is obligated to exhort the individual against whom he is taking action to cease and desist from his illegal actions and warn him that one or another type of force will be used. The customs official may omit the challenge and warning only in the event he is himself attacked or if the life or health of another individual is in clear and present danger and the matter cannot stand to be deferred.

3. The following are the various means of force:

- a) grips, holds, blows, and self-defense kicks;
- b) tear gas;
- c) truncheon;
- d) handcuffs;
- e) service canine;
- f) technical and other means to prevent the departure of a vehicle and to compel the vehicle to come to a halt by force;
- g) a blow with the firearm;
- h) threat of an aimed firearm;
- i) a warning shot fired into the air.

Section 14a. Use of Grips, Holds, Blows, and Self-Defense Kicks, Tear Gas Devices, and the Truncheon

1. A member of the Customs Administration is authorized to use grips, holds, blows, and self-defense kicks, tear-gas devices, and the truncheon to:

- a) ensure his own security or the security of another individual against an illegal assault, if a futile exhortation to stop the assault has failed, if there is the immediate danger of an assault, if the assault persists or is likely to continue in accordance with all indications;
- b) prevent a riot, a fight, the physical assault on individuals, or the deliberate damaging of property;
- c) bring in or arrest an individual who is offering active resistance;

d) prevent the violent entry of unauthorized individuals to protected facilities of the Customs Administration or to locations to which entrance is prohibited.

2. Self-defense grips and holds that do not threaten the health or life of an individual may be used by a member of the Customs Administration to bring in an individual who is offering passive resistance.

Section 14b. Use of Handcuffs

A member of the Customs Administration is entitled to use handcuffs to:

a) fetter an arrested individual who is offering active resistance or who is assaulting another individual or a member of the Customs Administration or who is damaging property, despite a futile exhortation to cease such activities, or if there is the danger that the individual may attempt to flee;

b) mutually attach two or more arrested individuals under conditions listed in Letter a) above;

c) conduct official actions involving arrested individuals if they are violent toward the member of the Customs Administration or toward another individual or if they are destroying property.

Section 14c. Use of the Service Canine

1. A member of the Customs Administration is authorized to make use of a service canine to:

a) ensure his own safety or the safety of another person if, following a futile exhortation, the assault on himself or another person is not halted, if there is clear and present danger that an assault will take place, that an assault persists or will continue, given all indications;

b) prevent a riot, a fight, a physical assault upon individuals, or the deliberate damaging of property;

c) prevent the violent entrance of unauthorized individuals into protected facilities of the Customs Administration or to locations to which entrance is prohibited;

d) pursue an individual who has failed to halt in the vicinity of the state border following a futile exhortation to do so, an individual who is attempting to escape and cannot be halted by any other means;

e) pursue an individual who is on the run, if that individual is to be arrested;

f) compel an individual who is hiding to leave his hiding place, if that person is to be arrested.

2. A member of the Customs Administration uses a service canine with a muzzle. In the event the nature and intensity of the assault or possibly the overcoming of resistance offered by a private individual so requires, he may use a service canine even without a muzzle.

Section 14d. Use of Technical and Other Means To Prevent the Departure of a Vehicle and To Compel the Vehicle To Come to a Halt by Force

1. A member of the Customs Administration is authorized to use technical and other means to prevent the

departure of a vehicle in cases where a vehicle driver is refusing to subject himself to the official actions of the member of the Customs Administration, even following a repeated exhortation, and where his actions make it clear that he intends to depart with his vehicle.

2. A member of the Customs Administration is authorized to make use of an arresting cable within the customs border sector as well as other devices to effect the forceful halting of a vehicle, the driver of which has failed to halt despite repeated challenges or upon the signal given according to special regulations,³ if:

a) there is the justified suspicion that he will attempt to violently cross the state border;

b) there is the justified suspicion that the driver is transporting the perpetrators of a particularly serious deliberate criminal act⁴ or that he is transporting items stemming from this criminal activity.

3. Other devices according to Paragraphs 1 and 2 are considered to be particularly the service vehicle, a cart, structural mechanisms, and other obstacles.

Section 14e. Use of a Blow With a Firearm

A member of the Customs Administration is authorized to use his firearm to administer a blow in self-defense, generally in fighting with an attacker and if he finds himself at close quarters with an assailant.

Section 14f. Use of the Threat of an Aimed Firearm

A member of the Customs Administration is authorized to make use of the threat presented by an aimed firearm to:

a) ensure his own safety or the safety of another individual;

b) prevent the violent entrance of unauthorized individuals to protected facilities of the Customs Administration or to locations to which entrance is prohibited;

c) overcome resistance aimed at frustrating his official interventions.

Section 14g. Use of a Warning Shot

A member of the Customs Administration is authorized to make use of a warning shot into the air only in cases in which he is authorized to use a firearm.

Section 14h. Use of Firearms

1. A member of the Customs Administration is authorized to carry a service weapon in the fulfillment of his official duties according to this law, as well as in fulfilling the official duties outlined in special regulations.⁵

2. A member of the Customs Administration who is authorized to carry a weapon according to Paragraph 1 above is authorized to use that weapon only in the following cases:

a) to ward off a directly threatening or persisting assault against his person or an assault upon the life or health of another;

b) if a dangerous perpetrator, against whom the customs official is making an intervention, fails to surrender when challenged or is reluctant to leave his hiding place;

c) to prevent the flight of an individual who is urgently suspected of committing a particularly serious deliberate crime and whom he cannot arrest by any other means;

d) to force a transport medium, whose driver has failed to stop when challenged or upon the signal given according to special regulations,³ to come to a halt in the customs border sector and if there is no other method for bringing this vehicle to a halt;

e) to ward off a dangerous attack that threatens a protected facility of the Customs Administration, following a futile exhortation to cease and desist from such an attack;

f) to render an animal that is posing an immediate threat to the life or health of an individual harmless.

3. According to Paragraph 1 above, a weapon is understood to be a firearm, a thrusting weapon, an explosive, special explosive devices, and special charges.

4. The use of weapons by members of the Customs Administration in cases listed in Paragraphs 2, Letters a) through e), is permissible only in the event the use of other means of force would be clearly ineffective.

5. Before using a weapon, the member of the Customs Administration is obligated to exhort the individual against whom he is intervening to cease and desist from the illegal activity involved with a warning that a weapon will be used. Before using a firearm, the member of the Customs Administration is obligated to fire a warning shot into the air. He may forego the warning and a warning shot only in case there is the clear and immediate danger of a threat to his life or health or if there is a clear and present danger to the life or health of another and the entire matter at hand cannot be deferred.

6. In using a weapon, the member of the Customs Administration is obligated to exercise all necessary care, particularly so as not to threaten the life or health of another individual and to spare the life of the individual against whom the intervention is directed to the maximum extent possible.

7. A member of the Customs Administration may make use of a weapon only within the customs border sector or in the customs area of a border customhouse. Outside of this territory, he may use a weapon only in the event he himself is threatened.

Duties of a Member of a Customs Administration Making Use of Force and a Weapon

Section 14i

1. In the event a member of the Customs Administration determines that the use of force has resulted in wounding an individual, he is obligated to render first aid to the individual who is wounded and to assure that medical attention is provided, as soon as circumstances so permit.

2. Following each use of a weapon resulting in the wounding of an individual, the member of the Customs Administration is obligated to immediately render first aid and to assure the availability of medical attention, as soon as circumstances so permit. He is further obligated to take all unpostponable actions designed to correctly clarify the justification for using a weapon.

Section 14j

1. A member of the Customs Administration is obligated to report to his superior on every official intervention without undue delay in which use was made of force or of a weapon.

2. The use of force or of a weapon must be reported by the member of the Customs Administration to his superior in written form, listing the reason, course, and results of the action.

3. In the event there are any doubts regarding the justification or the appropriateness of using force or a weapon or if their use has resulted in a death, in a detriment to health, or in damage to property, the superior is obligated to determine whether the use of force or a weapon was made in harmony with the law. He shall compile an official report covering the results of this determination.

Section 14k. Special Restrictions

A member of the Customs Administration must not, in engaging in an official intervention against an obviously pregnant woman or against a woman who states she is pregnant, against an individual of advanced age, against an individual with an obvious physical handicap or illness, and against an individual who is obviously younger than 15 years of age, make use of a blow or a self-defense kick, of tear gas, the truncheon, handcuffs, a service canine, a blow administered with a firearm, and a firearm in general, with the exception of cases in which an assault by these individuals poses an immediate threat to the life and health of the member of the Customs Administration or the life and health of another individual or if there is a danger of major damage to property and if the danger cannot be thwarted in any other manner.

Section 15. Secrecy Obligation

1. Members of the Customs Administration and other employees of the Customs Administration are obligated to maintain secrecy with regard to matters that come to their attention in the fulfillment of their work obligations.

2. The Federal Ministry of Foreign Trade, the Customs Directorate, or customhouses may relieve a member of the Customs Administration or another employee of the Customs Administration of the obligation listed in Paragraph 1 above.

CHAPTER II

Customs Territory, Customs Border Region, Free Customs Zone, and Free Customs Warehouse

Customs Territory and Customs Border Region

Section 16

The territory of the Czech and Slovak Federal Republic is a unified customs territory.

Section 17

1. The customs border region is a territory strip extending a distance of 15 km from the state border. The customs border region does not incorporate communities through which the line delimiting the border region runs, nor communities within the customs border region that are connected with customs crossing points of railroad lines or highways.

2. The remainder of the territory, which is not part of the customs border region, is considered to be the inland customs area.

3. The Federal Ministry of Foreign Trade, in agreement with the Federal Ministry of the Interior, shall stipulate by announcement the details pertaining to outlining the customs border region.

Free Customs Zone and Free Customs Warehouse

Section 18

1. Free customs zones and free customs warehouses make up areas and structures in part of the customs territory in which goods located there are considered from the standpoint of customs duties, taxes, and fees collected in conjunction with the import and export of goods as though the goods were located on customs territory that is separated from the remainder of the customs territory of the state and where:

a) foreign goods are not subject to import duties nor to legal regulations involved in the conduct of commercial policy;

b) for Czechoslovak goods (hereinafter referred to only as "Czechoslovak goods"), special regulations stipulate advantages resulting from the placement of these goods in a free customs zone or a free customs warehouse, advantages that apply to the goods upon their export into free circulation abroad.

2. Approval to establish a free customs zone or a free customs warehouse is granted, at the request of the establisher, by the Federal Ministry of Foreign Trade, following negotiations with the Federal Ministry of Finance, with the appropriate central organs of state administration of the various republics, and the appropriate organs of local self-administration.

Section 19

1. Free customs zones and free customs warehouses must be segregated from the remainder of the customs territory by a fence that is at least three meters high or must be otherwise separated by a method approved by the

customhouse so as to make it possible to control entry into and exit from these free customs zones or free customs warehouses and locations for entering them and exiting from them must be designated.

2. Any kind of construction in the free customs zone may be undertaken only with the prior approval of the customhouse.

Section 19a

1. The perimeter and the entrance and exit locations of a free customs zone and a free customs warehouse are under the oversight of the customhouse.

2. Individuals and transport media entering a free customs zone or a free customs warehouse and exiting from such locations may be subjected to customs inspection.

3. Access to a free customs zone or a free customs warehouse may be denied individuals who fail to provide a guarantee that they will adhere to the rules stipulated for free customs zones and free customs warehouses because they have been repeatedly punished for violating customs regulations.

4. The customhouse is authorized to check on goods entering the free customs zone or the free customs warehouse, and goods leaving these facilities or remaining in them. To facilitate this control, a copy of the bills of lading accompanying the entering or exiting goods will be turned over to the customhouse or these documents will be subject to safekeeping for such purposes for the requirements of the customhouse by an individual or a legal entity designated by the customhouse.

Section 19b

1. A free customs zone or a free customs warehouse may be used to house Czechoslovak goods as well as foreign goods without regard to quantity, origin, place of import, or place of destination, including goods subject to prohibition and restriction, provided such goods are not prohibited and restricted for veterinary or herbal medicine reasons, for reasons of morality or public order, public safety, health protection, environmental protection, for protection of museum and gallery value items, cultural items and national cultural memorabilia having artistic, historical, or archeological value, and items subject to patent protection, trademark protection, and copyright protection.

2. Dangerous goods and goods that can damage other goods or goods requiring special facilities may be located only in areas specially selected for such purposes.

Section 19c

1. Goods entering a free customs zone or a free customs warehouse need not be submitted for inspection to the customhouse and need not be the subject of a proposal for a customs proceeding. This provision leaves untouched the provisions of Section 19a, Paragraph 4.

2. However, goods must be submitted to the customhouse and will be subjected to prescribed customs formalities if:

a) they have been released to recorded circulation in the domestic area, a circulation that was terminated by locating the goods in a free customs zone or a free customs warehouse; if the appropriate customs regime makes it possible for the goods not to be submitted, then a submission will not be required;

b) the goods are located within a free customs zone or a free customs warehouse on the basis of a decision that the import duty will be refunded;

c) a request has been submitted that a deposit be paid regarding the export compensation for goods subject to the legal regulation implementing measures of market regulation.

3. Upon the request of the authorized individual or a legal entity, the customhouse will certify that the goods located in a free customs zone or a free customs warehouse are either of Czechoslovak origin or are foreign goods.

Section 19d

1. The time for locating goods in a free customs zone or a free customs warehouse is not limited.

2. The Federal Ministry of Foreign Trade may, by announcement, restrict this time with respect to Czechoslovak goods subject to the legal regulation that implements measures of market regulation.

Section 19e

1. Any kind of industrial, commercial, or service activity within a free customs zone or a free customs warehouse is permitted, under conditions stipulated by this law. The provisions of generally binding legal regulations governing environmental protection are left untouched by this provision.

2. In view of the nature of the goods and the necessity for customs inspection, the appropriate customhouse may prohibit or restrict certain activities listed in Paragraph 1 above within a free customs zone or a free customs warehouse.

3. The customhouse may forbid individuals or legal entities who have repeatedly violated the provisions of this law from continuing their business activities within the free customs zone or the free customs warehouse.

Section 19f

1. Foreign goods located in a free customs zone or a free customs warehouse can be handled as follows for the duration of the time the goods are located in such facilities:

a) the goods can be released to free circulation in the domestic area under conditions stipulated for releasing goods into domestic free circulation and under conditions listed in Section 19k;

b) the goods can be used, without permission, as equivalent goods in terms of goods that are to be released into registered circulation in the domestic area for purposes of active beneficiation contacts;

c) the goods can be utilized in recorded circulation in the domestic area for purposes of active beneficiation under conditions stipulated for such circulation;

d) the goods can be utilized in recorded circulation in the domestic area for purposes of temporary use under conditions stipulated for this type of circulation;

e) an individual or a legal entity that is so entitled can forfeit the goods to the benefit of the state;

f) the goods can be destroyed, provided that the individual who is entitled to do so makes all information that the customhouse considers to be necessary available to the customhouse.

2. If the goods are used in the regime identified in Paragraph 1, Letters c) or d), methods of control applicable for these purposes of recorded circulation may be used.

Section 19g

Czechoslovak goods that are subject to the provisions of Section 18, Paragraph 1, Letter b), and that are subject to the legal regulation that implements measures of market regulation may be subjected only to such forms of manipulation that are stipulated for such goods by this law. These manipulations may be conducted without permission.

Section 19h

Foreign goods and Czechoslovak goods subjected to the provisions of Section 18, Paragraph 1, Letter b), may not be consumed or used for any other purposes than those listed in Sections 19f and 19g within the free customs zone or the free customs warehouse.

Section 19i

1. An individual or a legal entity engaged in activities listed under Section 19e, Paragraph 1, within the free customs zone or the free customs warehouse is obligated to keep records on goods entering or leaving the free customs zone or the free customs warehouse or goods remaining in these facilities, by a method stipulated by the customhouse, the basis for which are accounting records to be maintained in accordance with special regulations that make it possible to identify the goods and acquire an overview regarding their movement. The goods must be recorded in these records as of the moment of delivery into the area operated by these individuals or legal entities. The records must be made available to the customhouse to facilitate control as the customhouse considers it necessary.

2. In case the goods are moved within a free customs zone, the documents pertaining to this move must be kept for the needs of the organs of the Customs Administration. Short-term warehousing of goods, carried out

in conjunction with relocating goods, is considered to be an indivisible part of relocation.

Section 19j

1. If special regulations do not specify otherwise, goods leaving a free customs zone or a free customs warehouse may be:

a) exported into free circulation abroad or reexported abroad, or

b) delivered to another portion of the territory of the Czech and Slovak Federal Republic.

2. Provisions of Sections 24, 58 through 74 pertain to goods delivered to other parts of the territory of the Czech and Slovak Federal Republic.

Section 19k

1. If the price actually paid or the price that is supposed to be paid for foreign goods includes the costs of warehousing or maintaining these goods in the free customs zone or the free customs warehouse, these amounts are not considered part of the customs value of the goods, provided they are separated from the price actually paid or the price that is supposed to be paid for the goods in question.

2. If, on the basis of a customhouse permit, the goods within a free customs zone or a free customs warehouse have been subjected to customary manipulations necessary to ensure the maintenance of the goods or to improve the packaging or the sales quality of the goods in question or manipulations necessary to make adjustments for transport purposes, customs duties will be assessed, at the request of the importer, in accordance with the nature of the goods and their customs value ascribed to these goods prior to the execution of these manipulations.

Section 19l

1. For Czechoslovak goods identified in Section 18, Paragraph 1, Letter b), which are subject to the legal regulation that implements market-regulating measures and that are located within a free customs zone or a free customs warehouse, special regulations will prescribe methods for handling or utilizing such goods that, because the goods are located in a free customs zone or a free customs warehouse, provide advantages that are customarily connected with export of such goods.

2. In the event the goods listed in Paragraph 1 above have been returned to another portion of the territory of the Czech and Slovak Federal Republic or if the time limit stipulated in Section 19d, Paragraph 2, has expired without the filing of a request that a method of handling the goods or utilizing the goods has been assigned as mentioned in Paragraph 1 above, the customhouse will take the necessary measures that are stipulated in special regulations and that cover the possible failure to adhere to the appropriate method of handling or utilizing the goods in question.

Section 19m

1. In the event the goods have been delivered or returned to another portion of the territory of the Czech and Slovak Federal Republic or if the goods have been released into restricted circulation in the domestic area, it is possible to make use of the certification mentioned in Section 19c, Paragraph 3, to prove whether the goods are Czechoslovak goods or foreign goods.

2. In the event no certificate or other records are available to indicate whether the goods are of Czechoslovak origin or foreign origin, the goods are considered to be:

a) Czechoslovak goods for purposes of applying export customs duties and export licenses or export measures involved in commercial policy;

b) foreign goods in other cases.

Section 19n

The customhouse shall check to see that, in the case of exports from a free customs zone or a free customs warehouse, the provisions of generally binding legal regulations regulating the export of goods into free circulation abroad are adhered to.

CHAPTER III

Customs Control

**Part One
General Provisions**

Section 20

Customs control constitutes the aggregate of tasks and measures designed to assure the observation of laws and other generally binding legal regulations, the execution of which falls to the organs of the Customs Administration.

Section 21

All imported, exported, and transit-shipped goods are subject to customs control.

Goods

Section 22

1. For purposes of this law, goods are defined as any material assets, with the exception of items and other values, the import and export of which is controlled by regulations covering the foreign exchange economy,⁶ and electric energy.

2. Of the items that are controlled by regulations covering the foreign exchange economy with respect to their import and export, the importing, exporting, and transit shipment of gold for industrial purposes is subject to customs control.

3. For purposes of this law, Czechoslovak goods are understood to be:

a) goods that have been wholly acquired or produced on the territory of the Czech and Slovak Federal Republic;

b) goods imported to the Czech and Slovak Federal Republic and released into free circulation in the domestic area;

c) goods acquired or produced on the territory of the Czech and Slovak Federal Republic, either entirely from goods listed under Letter b) above or from goods listed under Letters a) and b) above.

4. For purposes of this law, foreign goods are understood to be other goods than those listed in Paragraph 3 above. Czechoslovak goods released into free circulation abroad become foreign goods.

5. The Federal Ministry of Foreign Trade, in agreement with the Federal Ministry of Finance, shall announce what is understood to be gold for industrial purposes.

Section 23

(Omitted)

Section 24

Goods are subject to customs control:

a) when imported—from the time of the entry of the goods upon the territory of the Czech and Slovak Federal Republic through the time a customhouse permits the goods to enter upon free circulation within the country or until the goods are reexported abroad following their blocked circulation within the country;

b) when exported—from the time the proposal for letting the goods pass is submitted to a customhouse until the time the goods cross the state border or as long as the goods, which were permitted to enter blocked circulation abroad, are not reimported to this country or as long as a customhouse does not permit the goods to enter free circulation abroad;

c) when transit shipped—from the time the goods enter the territory of the Czech and Slovak Federal Republic until they pass to a foreign country.

Part Two

Execution of Customs Control

Customs Inspection

Section 25

1. Customs control can be implemented in the form of customs inspection of the goods involved by checking the goods and documents, by checking shipping manifests and accompanying lists, and by other appropriate methods stipulated by proclamation by the Federal Ministry of Foreign Trade.

2. The Federal Ministry of Foreign Trade shall establish, by proclamation, the details covering the execution of customs control.

Section 26

1. Customs inspection shall determine the type, quantity, and other facts pertaining to the goods involved necessary to judge whether the import, export, or transit shipment of the goods is in accordance with this law.

2. In executing customs inspection, constitutional and other legal regulations regarding the protection of personal freedom and the confidentiality of the mails must be observed.

Section 27

1. Within the framework of customs inspection, members of the Customs Administration are empowered to perform body searches in the event there is cause to suspect that an individual may be concealing goods on his or her person while crossing the state border.

2. A body search may not be undertaken until such times as the demand by members of the Customs Administration that the suspicious person hand over the concealed goods has produced no results.

Section 28

The customs inspection of mail shipments is conducted only in the event there is a well-founded suspicion that the mail shipment contains not only written communications, but also goods.

Section 29. Exemption From Customs Inspection

1. The following are not subject to customs inspection:

a) goods imported and exported as a result of travel from abroad or to a foreign country by representatives of the Czech and Slovak Federal Republic, as well as by representatives to the Czech Republic and the Slovak Republic;

b) goods imported, exported, or transit shipped on the occasion of travel from abroad or travel to a foreign country by representatives of other nations and by other individuals that enjoy the advantages and immunities stipulated by international agreements.

2. The following are also not subject to customs inspection:

a) diplomatic mail of the Federal Ministry of Foreign Affairs and of Czechoslovak representative offices and diplomatic mail exempt from customs inspection in accordance with international treaties;

b) goods that are individually exempt from inspection by the Federal Ministry of Foreign Trade.

3. The Federal Ministry of Foreign Trade, in agreement with the Federal Ministry of Foreign Affairs, shall stipulate, by proclamation, the detailed outline of the circle of individuals and cases in which goods are exempt from customs inspection.

Section 30. Direct Supervision and Customs Bonding

1. Goods subject to customs control can be placed either under the direct supervision of members of the Customs Administration or placed into customs bond.

2. A customs bond is understood to be the securing of goods in transport media, containers, packages, and rooms by the affixing of wax or wire seals, markings, or other means to make it impossible to remove goods from them or to insert goods into them without showing traces

of the fact that the secured room has been broken into or that the customs closure has been damaged.

Section 30a. Customs Statistics

Organs of the Customs Administration shall ensure the collection of data and the processing of information regarding exports and imports of goods on the basis of documents that have been prescribed for use in customs proceedings. The method of keeping customs statistics will be determined by the Federal Ministry of Foreign Trade, in agreement with the Federal Statistical Office, by proclamation.

Part Three

Authorities of Members of the Customs Administration in Executing Customs Control

Section 31

1. Members of the Customs Administration must be given access to goods subject to customs control; at the same time, constitutional and other legal regulations regarding the inviolability of personal residences must be observed. Members of the Customs Administration may look into documents pertaining to such goods for a period of three years from the day the goods were released, make copies of such documents, require necessary explanations, as well as create appropriate documentation.

2. Legal entities and private individuals that become subject to customs control are obligated to tolerate those actions that are essential to the execution of such control.

3. Legal entities and private individuals are obligated to render all essential cooperation to members of the Customs Administration in the execution of customs control.

4. Customs control must not be humiliating in terms of personal dignity.

Section 32

To the extent to which an international agreement, which is binding upon the Czech and Slovak Federal Republic, does not state otherwise, members of the Customs Administration may stop individuals and transport media, conduct customs examination of baggage, the transport media involved, their cargoes, and shipping and accompanying documents only within the customs border region.

CHAPTER IV

Transport of Goods Across the State Border

Section 33. Reporting of Goods at the State Border

Individuals and organizations engaged in transporting goods across the state border are obligated to report the goods in question to the border customhouse and to present the goods together with documents pertaining to their import, export, and transit shipment.

Section 34. Customs Passages and Customs Crossings

1. The transport of goods across state borders may only be accomplished along customs passages and customs crossing points.
2. Customs passages are designated as sectors of railroad lines, highways, and waterways leading from the customs crossing point to the border customhouse, and in the case of air transport, air routes between state borders and the customs airfield.
3. Customs passages shall be stipulated by the Federal Ministry of Foreign Trade, in agreement with the Federal Ministry of Transportation and the Federal Ministry of the Interior.
4. The transport of goods along a customs passage must be accomplished without delay, without altering the cargo, and without deviating from the customs passage.
5. A customs crossing point is the location set aside for the crossing of individuals and for the transport of goods across the state border.
6. The Federal Ministry of Foreign Trade may permit the transport of goods across the state border outside of customs crossing points in individual cases and can stipulate the cases in which such a permission may be granted by the border customhouse.
7. The nearest border customhouse may permit the transport of goods to and from a customs crossing point along routes other than customs passages.

Section 35. Transport Media

1. In transporting goods from abroad or to a foreign country, only such transport media that do not contain secret compartments or areas that are difficult to uncover may be used.
2. Closable areas of transport media intended for the transport of goods under customs seal must be provided with devices that facilitate the ready and effective attachment of customs seals.
3. Transport media must be so equipped that, after the attachment of customs seals, it is impossible to extract any goods from them or insert any goods into them without leaving behind visible traces of such actions.

**Duties of Transport Organizations
and the Postal Authorities**

Section 36

1. Transport organizations and the postal authorities have the duty of making it possible for customhouses to execute customs control within transport media, within operating warehouses, and at other locations that house exported, imported, or transit-shipped merchandise.
2. The Federal Ministry of Foreign Trade, together with the Federal Ministry of Transportation and the Federal Ministry of Communications, shall issue a proclamation setting forth the details of the procedures to be observed by organizations during customs control of goods shipped by transport organizations and the postal

authorities, as well as details regarding the equipment of installations intended for the transport or storage of goods subject to customs control, and rooms and areas required for the conduct of customs control.

Section 37

1. Customhouses shall agree with transport organizations and the postal authorities on the conditions for the execution of customs control in such a way as to not disrupt the operations of transport organizations and postal authorities to a greater extent than absolutely necessary.
2. Transport organizations shall, in agreement with the appropriate Customs Directorate, stipulate the necessary waiting time for transport media engaged in regular passenger and freight transport at the customs crossing point to facilitate the execution of customs control.
3. Customhouses are not responsible for damage caused by delaying the transport medium as a result of customs control.

Section 38

Customhouses shall control whether transport organizations and the postal authorities are fulfilling their duties according to this law and the regulations issued as a result of it during the transport of goods from abroad or to a foreign country.

CHAPTER V

Customs Duties

**Part One
Customs Duties and Their Types**

Section 39. Dutiable Goods

1. All imported goods with the exception of items that are expressly identified as duty-free goods are subject to import duties.
2. Exported goods are subject to export duties only to the extent that the customs tariff table specifically so states.
3. Goods that are specifically identified in international treaties as duty-free are not subject to customs duties.

Tariff Tables

**Section 40
(Omitted)**

Section 41

1. Customs tariff rates, the basis for assessing duties, and the customs rate tables are issued by the government of the export by decree.
2. The Federal Ministry of Foreign Trade, in agreement with the Federal Ministry of Finance, shall establish, by proclamation, those cases in which a unified rate will be applied in assessing customs duties and their levels.
3. The statistical and classification units of the customs tariff table shall be established, by proclamation, by the

Federal Ministry of Foreign Trade, in agreement with the Federal Statistical Office.

Section 42. Decisions as to Classification of Goods

1. In the event of disputes regarding the nomenclature, the tariff classification of goods, such classification of goods shall be decided by the Federal Ministry of Foreign Trade, at the request of a participant in a customs proceeding.
2. The Federal Ministry of Foreign Trade shall, by proclamation, stipulate the procedure for submitting a proposal to decide on the nomenclature, the rate table classification of merchandise, as well as the effects stemming from the decision regarding these items.

Section 43. Contractual Customs Duties

1. Contractual customs duties are collected on merchandise in cases which are stipulated in international agreements regarding the mutual rendering of customs advantages.
2. The Federal Ministry of Foreign Trade, in agreement with the Federal Ministry of Finance and the Federal Ministry of Foreign Affairs, may stipulate that contractual customs duties be collected even for goods originating in a country with which an agreement on the mutual rendition of customs advantages has not been concluded.

Section 44. Exemption From Customs Duties

1. Goods that are exempt from customs inspection upon import or export are exempt from customs duties, as are goods where such an exemption is required by the public interest.
2. The Federal Ministry of Foreign Trade, in agreement with the Federal Ministry of Finance and the Federal Ministry of Foreign Affairs, shall stipulate, by proclamation, those cases where goods are exempt from customs duties, as well as the conditions according to which the goods were exempt from customs duties.
3. If a country does not exempt goods imported from the Czech and Slovak Federal Republic from customs duties commensurate with the extent stipulated by the proclamation of the Federal Ministry of Foreign Trade, then the Federal Ministry of Foreign Trade may limit or reject the exemption of customs duties on goods imported from that country.

Section 45. Retaliatory Customs Duties

The Government of the Czech and Slovak Federal Republic may, for reasons of economic reprisal, stipulate that, for a temporary period, imports of goods from countries that discriminate against the Czech and Slovak Federal Republic in economic relationships be charged a surcharge on top of the standard customs rates or, possibly, introduce special customs rates for goods that are not subject to customs duties according to the customs table.

Part Two Entitlement of the State to Customs Duties

Section 46. Origin of the Entitlement of the State to Customs Duties

1. The entitlement of the state to customs duties originates at the moment a customhouse has accepted a proposal for a customs proceeding requesting that the goods be released to free circulation.
2. If the goods have been released to the circulation of record in this country for purposes of temporary utilization, the entitlement of the state to customs duties originates with the decision of the customs authorities that terminates the release of the goods into the circulation of record within the country for purposes of the goods being temporarily utilized.
3. In the event the goods, located within a free customs zone or a free customs warehouse, have been consumed or used in conflict with stipulated conditions, the entitlement of the state to customs duties originates at the moment the goods were illegally consumed or used for the first time.
4. In the event goods have escaped customs control, the entitlement of the state to customs duties originates at the moment the goods cross the state border.
5. In the event goods released into blocked circulation have been stolen or used in conflict with stipulated conditions, the entitlement of the state to customs duties originates at the moment these conditions were violated.

Section 47. Assessment of Customs Duties

1. Customs duties on goods subject to customs duties are assessed according to regulations valid at the time the customhouse accepts a proposal for a customs proceeding requesting the release of the goods into free circulation.
2. Customs duties on goods released into circulation of record abroad for purposes of processing, adjustment, or repair are assessed according to regulations valid at the moment the proposal for a customs proceeding is received, requesting the release of the goods into free circulation. The basis for the assessment of customs duties is the increased customs value, which is computed as the difference between the customs value of the goods at the time it is reimported and the customs value of the goods released into circulation of record abroad for purposes of processing, modification, or repair.
3. With respect to goods released into circulation of record within the country for purposes of temporary use, the amount of the customs duties charged for each fragmentary month in which these goods were in this type of circulation amounts to 3 percent of the customs duties that should be assessed if these goods were released into free circulation within the country at the moment of release of the goods into circulation of record within the country. The duties assessed in this manner may not exceed the duties assessed in the event the goods

are released into free circulation with the country at the moment of the release of the goods from circulation of record within the country.

4. In the event the goods were released from circulation of record within the country for purposes of temporary utilization into free circulation within the country, the amount of customs duties collected for these reasons is determined by the difference between the amount of customs duties that should be assessed if these goods were released into free circulation within the country at the moment of their release to circulation of record within the country and the duties assessed in accordance with Paragraph 3 above.

5. In the event goods located in a free customs zone or a free customs warehouse have been consumed or used in conflict with the stipulated conditions, customs duties are assessed in accordance with regulations valid at the moment the goods were illegally consumed or first utilized. If it is not possible to ascertain when the goods were illegally consumed or used for the first time, customs duties are assessed according to regulations valid at the moment the customs authorities have determined that the goods were illegally consumed or first utilized.

6. In the event goods have escaped customs control, customs duties are assessed in accordance with regulations valid at the moment the goods cross the state border. If it is not possible to ascertain when the goods crossed the state border, customs duties are assessed according to regulations valid at the moment the customs authorities have determined that the goods have escaped customs control.

7. In the event goods released to blocked circulation have been stolen or utilized in conflict with stipulated conditions, customs duties are assessed according to regulations valid at the moment these conditions were violated. If it is not possible to ascertain when a violation of the stipulated conditions occurred, customs duties are assessed in accordance with regulations valid at the moment the customs authorities determine that the stipulated conditions were violated.

8. In the event customs duties are assessed on goods in accordance with their value and in the event a participant in a customs proceeding fails to document this value or makes statements that do not reflect the actual price of the goods, a customhouse shall assess customs duties in accordance with the international treaty by which the Czech and Slovak Federal Republic is bound. The costs of this proceeding are to be borne by a participant in a customs proceeding.

9. The Federal Ministry of Foreign Trade, in agreement with the appropriate central organs, shall stipulate, by proclamation, the detailed adjustments pertaining to the assessment of customs duties, pertaining to the collection of customs duties on goods permitted to enter the circulation of record, as well as cases where the assessed duties may be collected by the postal authorities.

Section 48. Payment of Duties

Customs duties are payable within 30 days of the time a participant in a customs proceeding has been notified of the level of the assessed duty.

Section 49. Deferred Payments

1. A customhouse may permit the deferral of the payment of customs duties. Interest is paid on deferred payments of customs duties and on late payments.

2. The Federal Ministry of Foreign Trade, in agreement with the Federal Ministry of Finance, shall stipulate, by proclamation, the level of interest chargeable for deferring customs payments and for late customs payments, as well as the conditions and time period permitted for the deferral of payments.

Section 50. Obligations To Pay Customs Duties

1. A participant in a customs proceeding, to whom goods subject to customs duties have been released, is obligated to pay customs duties.

2. A participant in a customs proceeding is obligated to make supplemental payments of customs duties at the level of duty concessions made, if, after the goods have been released to enter limited free circulation, he fails to fulfill the duties stipulated by a customhouse or in the event that customhouse, at his suggestion, rescinds the conditions according to which the goods were released to enter limited free circulation.

3. Customs duties shall be paid together with and the same as a participant in a customs proceeding by anyone who:

a) imports or exports goods in conflict with this law and participates in the unpermitted import or export of goods;

b) handles goods in conflict with this law;

c) acquires goods on which customs duties were not paid during their import or export.

4. Anyone who acquires goods from anyone else on which customs duties were not paid during import or export is obligated to pay customs duties only to the extent that he knew or had to know that the goods had escaped customs control or that the goods have been unjustifiably misappropriated.

Section 51. Customs Lien Law

1. Pending the payment of customs duties, imported, exported, or transit-shipped goods are subject to the customs lien law, to the extent to which they are in the possession of a customhouse, a transport organization, the postal authorities, or in the possession of the person obligated to pay customs duties. This does not apply to goods that are classified as national property.

2. The customs lien law pertaining to goods ends with the termination of the state entitlement to collect customs duties.

Section 52. Customs Duty Deposits

1. To make sure that imported, exported, or transit-shipped goods will not be taken away from customs control or that goods under customs control will not be handled in conflict with this law, a customhouse may require the deposit of a customs duty deposit.

2. A customhouse is entitled to require the deposit of a customs duty surety, in the case of imports, up to the level of the import duties plus 10 percent as well as the deposit of other taxes and payments collectible upon the import and export of goods up to the level of the customs duties or based on the price of the goods involved. In the case of goods the export of which is prohibited or restricted, a customs duty surety payment may be demanded and can be up to five times the actual level of the customs duties or the price of the goods involved.

3. In the event a participant in a customs proceeding fails to adhere to the duties stipulated in the customs proceeding, the deposited customs duty surety is used to pay the customs duties, to pay transport costs, warehousing costs, postal fees, fines assigned according to this law, and the costs of the proceeding. Any remainder of the deposited customs duty surety is then returned to a participant in the customs proceeding.

Section 53. Expiration of the State's Entitlement To Collect Customs Duties

The state's entitlement to customs duties expires:

- a) upon their payment;
- b) upon their being forgiven;
- c) upon their being settled from the proceeds of the sale of the goods involved;
- d) upon their being settled as a result of the deposited customs duty surety;
- e) upon surrender of the goods to the state;
- f) upon forfeiture of the goods to benefit the state;
- g) upon confiscation of the goods;
- h) when the state fails to enforce its rights.

Section 54. Forgiveness of Customs Duties and Reduction of Customs Duties

1. In the event payment of customs duties would lead to hardships, the customs duties must be completely or partially forgiven.

2. A customhouse shall make decisions regarding the forgiveness or reduction of customs duties.

3. The Federal Ministry of Foreign Trade, in agreement with the Federal Ministry of Finance, shall stipulate, by proclamation, the details regarding forgiveness or reduction of customs duties.

Section 55. Failure To Enforce Rights

1. The customs duties (or any surcharges) may not be assessed or collected after the expiration of three years

from the end of the calendar year in which an entitlement to collect customs duties came into being.

2. In the event goods escaped customs control or in the event goods were handled in conflict with the conditions under which they were released, it is neither possible to assess nor collect customs duties (surcharges) after the expiration of five years from the end of the calendar year in which the entitlement to collect customs duties originated.

3. The end of the calendar year in which a participant in a customs proceeding was notified of an action designed to collect customs duties (surcharges) or in which he was permitted to defer the payment of customs duties (surcharges) marks the beginning of a new three-year term. However, customs duties (surcharges) may neither be assessed nor collected if 10 years have passed since the end of the calendar year in which the entitlement to collect customs duties came into being.

4. An action designed to collect customs duties (surcharges) is also a written reminder to pay customs duties, delivered to a participant.

Refunding of Customs Duties**Section 56**

1. A customhouse shall refund customs duties in the event they were paid by a person not obligated to do so.

2. A customhouse will also refund paid customs duties in the event the export of goods released to free circulation abroad does not take place.

3. A customhouse shall return any excess payments in the event more was paid in customs duties than was owed.

4. A customhouse may return import duties in the event goods that were released for free circulation within the country are reexported in an unchanged status within one year from the end of the calendar year in which they were imported.

5. A customhouse may return export duties if the goods that were released into free circulation abroad are reimported in an unchanged status within one year from the end of the calendar year in which they were exported.

Section 57

1. If the customs duties (surcharges) do not exceed 10 Czech korunas [Kcs], a customhouse will not refund them.

2. The participant's entitlement to a refund of customs duties (excess payments) is extinguished if it has not been asserted by the end of the third calendar year following the year in which the entitlement came into being.

CHAPTER VI

Customs Proceedings

Part One General Provisions

Section 58. Purpose of Customs Proceedings

Within the framework of customs control, customs proceedings are held, the purpose of which is to decide whether imported goods, exported goods, or transit-shipped goods shall be released and under what conditions.

Section 59. Release of Goods

Goods shall be released provided the import, export, or transit shipment of goods is handled in accordance with regulations that prescribe import, export, or transit shipment prohibitions or restrictions.

Section 60. Local Jurisdiction

1. Customs proceedings are handled by a customhouse to which the goods have been presented.
2. The Federal Ministry of Foreign Trade can, for purposes of speeding up customs proceedings and, thus, the movement of goods across state borders, stipulate, by proclamation, the responsible customhouse.

Section 61. Location of Customs Proceedings

1. Customs proceedings are undertaken at a customhouse or in the customs area. Customs areas are defined as locations housing railroad stations, ports, airfields, and other areas intended for the execution of customs proceedings.
2. The customs area is determined by a customhouse, in agreement with the appropriate organization.
3. At the request of a participant in a customs proceeding, such proceedings can be executed even outside of the customs area.
4. The Federal Ministry of Foreign Trade, in agreement with the Federal Ministry of Transportation and the Federal Ministry of Communications, shall stipulate, by proclamation, the conditions under which customs proceedings may be implemented outside of customs areas.

Section 62

1. Customs proceedings may be also implemented aboard a train under way or aboard ship during its navigation.
2. Sectors in which customs proceedings may be implemented on board a moving train or vessel are determined by the Federal Ministry of Foreign Trade, in agreement with the Federal Ministry of Transportation and the Federal Ministry of the Interior.

Section 63. Initiation of Customs Proceedings

Customs proceedings are initiated upon the proposal of a participant in a customs proceeding.

Section 64. Participants in Customs Proceedings

1. A participant in a customs proceeding is the person who is importing, exporting, or transit shipping the goods involved.
2. A participant in a customs proceeding is also the person for whom the imported, exported, or transit-shipped goods are to be released.

Section 65. Agent of the Participant in a Customs Proceeding

1. A participant in a customs proceeding may appoint an agent for purposes of a customs proceeding.
2. The agent of a participant in a customs proceeding shall prove, on the basis of a power of attorney, that he is empowered to represent a participant in a customs proceeding.
3. If a transport organization or the postal service is engaged in shipping goods that are to be subjected to a customs proceeding, these organizations are authorized to undertake the actions necessary for a customs proceeding, provided these actions are not implemented by a participant in a customs proceeding.

Section 66. Proposal To Hold a Customs Proceeding

1. A proposal to hold a customs proceeding is generally submitted in writing. The participant in a customs proceeding is responsible for the correctness of the data appearing in the proposal to hold a customs proceeding. The written proposal to hold a customs proceeding must always be signed by an authorized person.
2. A proposal to hold a customs proceeding must be accompanied by the stipulated documents.
3. The participant in a customs proceeding is entitled to acquire the data necessary for a proposal to hold a customs proceeding by examining the goods under customs supervision.
4. The participant in a customs proceeding may alter a proposal to hold a customs proceeding up to the time the customs examination is initiated. In the course of the customs examination and until the termination of the customs proceeding, the proposal may be altered only in the event the goods involved are to be released to free or restricted circulation or for reimport or reexport.
5. Details regarding the form, content, and substance of a proposal to hold a customs proceeding are stipulated, in the form of a proclamation, by the Federal Ministry of Foreign Trade.

Procedures Involved in a Customs Proceeding

Section 67

1. A participant in a customs proceeding is obligated to present goods for purposes of a customs proceeding, to provide the necessary explanations, and to prepare the goods for customs inspection.
2. In proposing that a customs proceeding be held, a participant in such a proceeding is obligated to notify a

customhouse accurately with regard to the imported, exported, or transit-shipped goods and provide all complete details necessary to judge whether the goods may be released to the proposed area of circulation.

3. The Federal Ministry of Foreign Trade shall stipulate, by proclamation, when a customhouse may waive the requirement to present a proposal for a customs proceeding.

Section 68

1. A customs proceeding is conducted with the participation of a participant in a customs proceeding.

2. Without the participation of a participant in a customs proceeding, a customs proceeding may nevertheless be held if a participant in a customs proceeding refuses to participate or if his whereabouts are not known or if there is a danger of delay.

Rulings in Customs Proceedings

Section 69

1. A ruling in a customs proceeding contains particularly the following:

- a) a statement as to whether the goods are to be released or not;
- b) conditions under which the goods are released to blocked circulation or conditional free circulation;
- c) information regarding further steps in the event a customhouse does not release the goods.

2. With respect to goods subject to the payment of customs duties, the ruling in a customs proceeding sets the level of the customs duties to be paid and possibly includes a statement indicating the goods are being released without the imposition of customs duties.

Section 69a

1. A ruling in a customs proceeding shall contain the facts on the basis of which the goods are being released. If not stipulated otherwise, the ruling in a customs proceeding need not be filled out and forwarded in writing. The statement pertaining to the ruling may be noted in the shipping and accompanying documents or on the written proposal to hold a customs proceeding or may be communicated orally.

2. A ruling that does not release goods into the proposed area of circulation and a ruling regarding release of goods to a restricted free area of circulation is made in writing and communicated by delivery of the written ruling.

3. A ruling that is communicated orally or the statement of which is noted in shipping and accompanying documents may not contain conditions that are binding upon a participant of a customs proceeding in the future, with the exception of those conditions that stem directly from the generally binding legal regulations.

4. If the statement on the ruling in a customs proceeding confirms the proposal to hold a customs proceeding that has been submitted in writing, then the contents of this

proposal and the actual facts according to which the goods are to be released become part of the decision.

5. The rulings listed in Paragraph 3 above are not subject to the provisions of general regulations on administrative proceedings⁷ that adjust the substance of decisions, notifications, and means of rectification.

Section 70. Handling of Goods

At the request of a participant in a customs proceeding, a customhouse may permit the goods to be handled even prior to the decision on their release. A customhouse will always acquiesce to the request if the reason for not releasing the goods is merely the necessity to determine the origin of the goods, the location of dispatch, the tariff category, or the customs value of the goods involved.

Section 71. Entitlements and Obligations Resulting From a Customs Proceeding

1. The agent of a participant in a customs proceeding is responsible for fulfilling the obligations resulting from the customs proceeding all the way through the notification of the decision and delivery of the goods to a participant in a customs proceeding.

2. At the proposal of a participant in a customs proceeding, a customhouse may permit a third person to wholly or partially take on the rights and obligations resulting from release of the goods for export, import, or transit shipment.

Section 72. Rescission of Rulings

If goods have been released to enter a free or blocked area of circulation abroad, a customhouse shall, at the proposal of a participant in a customs proceeding, rescind the issued ruling if the goods have not yet crossed the state border. Prior to making this decision, a customhouse may demand that the goods and the required documents be submitted to it.

Inadequate Cooperation on the Part of a Participant in a Customs Proceeding

Section 73

1. In the event a participant in a customs proceeding does not submit a proposal to hold a customs proceeding within two days following the presentation of the goods to a customhouse, a customhouse may store the goods according to Section 80 at his expense and risk or make other provisions to prevent the unauthorized handling of the goods.

2. If the proposal to hold a customs proceeding is not complete or if the participant in a customs proceeding does not present the necessary documents or fails to provide the required explanations, a customhouse will challenge him to augment his proposal for a customs proceeding or to provide the necessary documents or to provide the required explanations by a deadline that it establishes at the time.

3. Failure by a participant in a customs proceeding to heed the challenge shall cause a customhouse to reject

the proposal to hold a customs proceeding and to handle the goods as described in Paragraph 1 above.

Section 74

1. If, after expiration of the deadlines listed in Section 73, Paragraphs 1 and 2, above, a proper proposal to hold a customs proceeding has not been received for an additional three days with respect to goods subject to rapid spoilage or within an additional 30 days, a customhouse may sell the goods. In accomplishing the sale, it shall proceed in accordance with Sections 107 and 109 of this law.

2. If the goods have a greater value and are not subject to rapid spoilage, a customhouse is obligated to notify a participant in a customs proceeding of the intended sale in a timely manner.

3. A customhouse may grant a participant in a customs proceeding an appropriate amount of additional time to submit a proposal for a customs proceeding, to augment this proposal, to submit the necessary documents, or to provide the required explanations.

Part Two Methods for Releasing Goods

Free Circulation

Section 75

1. Customhouses shall release imported goods that are intended to remain permanently on the territory of the Czech and Slovak Federal Republic to free circulation within the country.

2. Customhouses shall release exported goods into free circulation abroad if they are to be permanently retained on the territory of another state.

3. Goods are considered to be in free circulation within the country as soon as import duties have been paid and other fees have been collected in conjunction with the import or when a deposit on customs duties has been paid or a guarantee provided that they will be paid.

4. From the standpoint of this law, goods released to free circulation may be handled freely, provided the conditions stipulated in the generally binding regulations imposed as part of the decision regarding their release are fulfilled.

Section 76

1. If goods, subject to customs duties, are released without the imposition of duty or at a reduced rate of duty, a customhouse may stipulate for a participant of a customs proceeding that the goods may be used only for a certain purpose or that they may not be misappropriated for at least five years from the day the goods were released with this stipulation.

2. Goods released as a result of import in accordance with Paragraph 1 above are considered to be in conditional free circulation within the country and goods released as a result of export are considered to be in conditional free circulation abroad.

3. Customhouses are empowered to check whether a participant in a customs proceeding is adhering to conditions stipulated in Paragraph 1 above with respect to goods released to conditional free circulation.

Blocked Circulation

Section 77

1. Goods released to circulation of record, goods that are registered, warehoused, transit shipped, and goods in the process of being transferred are considered to be goods in blocked circulation.

2. In the event goods are released to blocked circulation, a customhouse checks to see whether a participant in a customs proceeding is fulfilling the duties stipulated in a customs proceeding.

3. The Federal Ministry of Foreign Trade stipulates, by proclamation, the details of adjusting the release of goods to blocked circulation.

Section 78

1. Customhouses shall release imported goods to circulation of record within the country provided that they are reexported abroad within the stipulated time.

2. Customhouses shall release exported goods into circulation of record abroad, provided that they are reimported into the country within the stipulated time frame.

3. Goods released to circulation of record may be permanently retained in this country or abroad only following a decision to release the goods into free circulation.

4. If goods released into circulation of record are changed with respect to their value by processing, adjustment, or temporary use, the provisions of this law on free circulation are applied at reimport time or reexport time with respect to the increased or decreased value of the goods involved.

5. The Federal Ministry of Foreign Trade shall stipulate, by proclamation, the purposes for which such goods may be released to circulation of record.

Section 79

1. In cases where subsequent customs proceedings are to be held at another customhouse, a customhouse of record registers the goods involved.

2. The registered goods are under customs control of the registering customhouse until such time as they are presented to the accepting customhouse.

3. At the behest of a border customhouse, the goods may be certified in cases where a customs proceeding would disrupt the flow of traffic across the state border and between border customhouses and if the destination of the goods is another customhouse.

4. A participant in a customs proceeding shall present the certified goods to the receiving customhouse within the stipulated time frame, in an unchanged status, with an undisturbed customs seal, and together with the

attached documents. The certifying customhouse may determine that only documents pertaining to the goods need be presented.

5. If the transport organization transfers certified goods to another transport organization for shipment, the obligations listed in the previous paragraph pass to every other organization that handles the certified goods.

Section 80

1. Goods that cannot be certified or released into free or recorded circulation or cannot be certified for export abroad may be stored temporarily.

2. At the initiative of a customhouse the goods are temporarily stored in cases where no other method is available to prevent their import, export, or transit shipment in conflict with this law.

3. At the initiative of a customhouse, the goods in question may also be temporarily stored in cases where:

a) no proposal to hold a customs proceeding has been received;

b) the submitted proposal for a customs proceeding is incorrect, it is not accompanied by the appropriate documents, or it is otherwise incomplete, in the event this is not a case as outlined in Section 70 above;

c) a participant in a customs proceeding refuses to pay the duty or deposit a customs duty surety.

4. The goods are temporarily stored in operating warehouses of transport organizations and the postal authorities, in customs warehouses, or wherever a customhouse permits as a result of its decision to temporarily store the goods.

5. Temporarily stored goods may not be handled in any way that would alter their type or character.

6. A participant in a customs proceeding is liable for storage fees for temporarily stored goods in customs warehouses at levels stipulated by the warehousing rate table.

7. The Federal Ministry of Foreign Trade, in agreement with the Federal Ministry of Finance, shall stipulate, by proclamation, the rate table for storage charges for goods that are temporarily stored in customs warehouses.

8. The adoption of this law and its implementing regulations as they pertain to temporary storage do not apply to the storage of goods in customs warehouses and free customs zones.

Section 81

1. In the interest of facilitating foreign trade contacts, Czechoslovak as well as foreign legal and private individuals can establish customs warehouses.

2. The customs warehouse shall make decisions regarding the establishment of a customs warehouse and the conditions for its operation on the territory on which such a warehouse is to be established.

3. This law and its implementing regulations regarding the storage of goods in customs warehouses does not apply to temporarily stored goods and goods stored in free customs zones.

4. Conditions for establishing customs warehouses, the types of customs warehouses, the types of goods that can be stored in customs warehouses, and the method of customs control in customs warehouses is regulated by the Federal Ministry of Foreign Trade by proclamation.

Section 82

1. Customhouses shall permit goods in transit, which are transported from abroad through the territory of the Czech and Slovak Federal Republic, to move to a foreign country.

2. The border customhouse at which the goods were transported into the Czech and Slovak Federal Republic shall certify the transit-shipped goods to the border customhouse through which the goods are to be shipped abroad.

3. Customs inspection of transit-shipped goods will be conducted by the border customhouse if the suspicion exists that the transit shipment of goods is accomplished in conflict with this law.

Section 83

1. A customhouse shall permit goods transported from the territory of the Czech and Slovak Federal Republic via the territory of another state to be shipped back to the territory of the Czech and Slovak Federal Republic.

2. This shipping contact may be accomplished only in sectors and under conditions that are stipulated by the Federal Ministry of Foreign Trade, in agreement with the Federal Ministry of Transportation.

3. Goods-in-transit contacts are under the customs control of the entry border customhouse until they are presented to the entry border customhouse for a customs proceeding.

4. A participant in a customs proceeding is obligated to present goods transported as a result of a shipping contact to the entry border customhouse within the stipulated time limit, in an unchanged status, with the customs seal intact, and with the attached documents.

CHAPTER VII

Proceedings on Customs Violations

Section 84. Customs Infringement

A customs infringement is an actionable act as listed in Sections 85 through 87 of this law, provided a criminal action is not involved.

Section 85. Violation of Regulations Covering the Circulation of Goods in Contacts With Foreign Countries

1. A customs infringement tantamount to violating regulations covering the circulation of goods in contacts with foreign countries is committed by a person who:

a) fails to report, to a customhouse, any goods crossing the state border;

b) imports or exports goods with permission that was granted by the appropriate organs on the basis of false, altered, or forged documents or incorrect data;

c) causes goods to be released to him on the basis of incorrect data or untrue data;

d) without authorization, misappropriates goods in restricted circulation;

e) purchases or acquires goods in restricted circulation through another method without being entitled to do so;

f) engages in unauthorized import or export of goods.

2. The fine assessed for violating regulations covering the circulation of goods in contacts with foreign countries may be as high as the value of the goods, but may not exceed a maximum of Kcs25,000.

Section 86. Underpayment of Duties

1. The misdemeanor of underpaying duties is committed by a person who:

a) imports or exports goods without paying duties on them;

b) misappropriates goods in restricted circulation or in conditional free circulation without paying duties;

c) lists incorrect data to support the assessment of duties in a customs proceeding held with respect to the import or export of goods.

2. The fine levied for underpaying customs duties can be as high as double the customs duties, but may not exceed Kcs25,000.

Section 87. Rendering Customs Control More Difficult

1. The misdemeanor of rendering customs control more difficult is committed by a person who:

a) forges customs or other documents regarding the imported, exported, or transit-shipped goods;

b) provides incorrect data on the imported, exported, or transit-shipped goods during customs control;

c) fails to adhere to conditions stipulated for goods released to restricted circulation or conditional free circulation;

d) transports or harbors goods that have escaped customs control;

e) releases goods from a customs warehouse or an operating warehouse without the approval of the Customs Administration;

f) violates the customs seal affixed to shipments, transport media, or rooms that house goods subject to customs control;

g) fails to heed the exhortations of customs authorities or otherwise obstruct organs of the Customs Administration in the execution of their activities.

2. The fine for making customs control more difficult may be as high as Kcs5,000.

Section 88. Penalties

1. A customhouse may mete out any of the following types of punishments for a customs misdemeanor:

a) reprimand;

b) fine at a level listed in Sections 85, 86, or 87 above;

c) forfeiture of the goods.

2. If the individual has committed numerous customs misdemeanors through his conduct, a customhouse shall assess a fine only in line with that provision that pertains to the most strictly punishable misdemeanor.

3. The punishment of forfeiture of the goods may be meted out by a customhouse even in addition to a reprimand or a fine.

Section 89. Forfeiture of Goods

1. A customhouse may declare the forfeiture of goods that were the object of a customs misdemeanor or that were acquired as a result of a customs misdemeanor or that were used in committing a customs misdemeanor.

2. Forfeiture of the goods may be declared only if the goods are the property of the individual who has committed the customs misdemeanor.

3. Forfeiture of the goods may not be declared if the value of the goods is not commensurate with the severity of the customs misdemeanor.

4. Ownership of goods that have been forfeited passes to the state.

Section 90. Confiscation of Goods

1. A customhouse may confiscate goods that were the object of a customs violation or that were acquired as a result of a customs violation or that were used in the commission of a customs violation, provided the individual who committed the customs violation is unknown or cannot be summoned to take responsibility.

2. Goods that do not belong to the person who has committed a customs violation may be confiscated, provided they were the object of the customs violation in question or were acquired as a result of the customs violation or were used in the commission of a customs violation and if they endanger the safety of persons or property or if the public interest so requires.

3. Goods may not be confiscated if their value is not commensurate with the severity of the customs violation.

4. Ownership of the confiscated goods passes to the state.

Section 91. Payment of Fines

A fine assessed for a customs violation is payable within 30 days from the day the decision assessing the fine became legally effective.

Section 92: Local Jurisdiction

1. A customs violation will be handled by a customhouse in whose circuit the violation was committed or determined.

2. A customhouse with jurisdiction to handle the customs violation according to Paragraph 1 above may cede the case to a customhouse in whose circuit the individual who has committed the customs violation is domiciled or in the circuit in which he works.

Block Rulings**Section 93**

1. Members of the Customs Administration may assess and collect fines up to Kcs500 for customs violations without any further negotiation if the customs violation has been reliably determined to have taken place and if an understanding is not adequate (block rulings).

2. If the individual who has committed a customs violation refuses to pay the fine, then the customs violation will be handled by the appropriate customhouse.

3. There is no appeal against a fine assessed under terms of block rulings.

Section 94

1. During a block proceeding, it is also possible to declare the goods to be forfeited if they were the object of the customs violation or if they were acquired as a result of a customs violation or were used in the commission of a customs violation.

2. If the individual who has committed a customs violation refuses to submit to the order declaring the goods forfeited, the customs violation will be handled by the appropriate customhouse.

CHAPTER VIII**Proceedings Regulating the Assessment of Fines
Against Organizations****Section 95**

1. If an organization violates the regulations governing the circulation of goods in contact with a foreign country, underpays customs duties, or makes customs control more difficult (hereinafter referred to only as "violation of customs regulations"), a customhouse may assess a fine against it at a level listed in Sections 96, 97, or 98 below.

2. For the purposes listed in the provisions of this chapter of the law, an organization is also considered to be an individual recorded in the Enterprise Register as an entrepreneur.

Section 96

A customhouse may assess a fine against an organization up to the value of the goods involved if that organization

violates the rules governing the circulation of goods in contact with a foreign country by having engaged in the following activities:

a) importing and exporting goods without authorization;

b) failing to notify a customhouse of goods crossing the state border;

c) importing or exporting goods with permission that was granted by the appropriate organs on the basis of false, altered, or forged documents or incorrect data;

d) causing goods to be released on the basis of incorrect or false data;

e) misappropriating goods in blocked circulation without authorization;

f) engaging in the unauthorized purchase or other acquisition of goods in blocked circulation.

Section 97

A customhouse may assess a fine against an organization up to double the value of the customs duties if that organization underpays the customs duties by:

a) exporting or importing goods without paying customs duties;

b) misappropriating goods in blocked circulation or conditional free circulation without paying duties;

c) introducing incorrect data to support the computation of customs duties in a customs proceeding pertaining to the import or export of goods.

Section 98

A customhouse may assess a fine against an organization up to Kcs100,000 if that organization makes customs control more difficult by:

a) introducing incorrect data during customs control pertaining to imported, exported, or transit-shipped goods;

b) failing to adhere to conditions stipulated for goods released to blocked circulation or conditionally free circulation;

c) transporting goods that have escaped customs control;

d) releasing goods from a customs or operational warehouse without the approval of organs of the Customs Administration.

Section 99

Fines according to Section 95 above may be assessed against a legal entity only for the period of one year from the day the organ of the Customs Administration found out that the legal entity has violated or failed to fulfill the obligations assigned by customs regulations, but no later than three years from the day this violation or the lack of fulfillment of obligations occurred.

Section 100

The fine assessed against an organization for violating customs regulations is payable within 30 days from the day the decision that assessed that fine becomes legally effective.

Section 101

1. Violations of customs regulations will be handled by a customhouse in whose circuit the organization in question has its seat.

2. If the organization does not have its seat in the Czech and Slovak Federal Republic, a customhouse in which the violation of customs regulations occurred may handle the violation or a customhouse in whose circuit the violation of customs regulations was determined can handle the case.

CHAPTER IX

Proceedings Involving the Seizure and Sale of Goods

Part One Seizure of Goods

Section 102

1. To cover the customs duties, a customhouse may seize the goods that have a customs lien against them.

2. For purposes of handling the illegal import, export, or transit shipment of goods, a customhouse may:

a) seize goods that were the object of a customs violation or that were acquired as a result of a customs violation or that were instrumental in the commission of a customs violation from an individual;

b) seize goods that were the object of a customs violation or that were acquired as a result of a customs violation or that were instrumental in the commission of a customs violation from an organization.

3. A customhouse may seize goods in accordance with Paragraphs 1 and 2 above without regard to the rights of third parties.

4. In cases where a suspicion exists that a criminal act was committed during the import, export, or transit shipment of goods, a customhouse shall hand over the seized goods to organs active in criminal proceedings, at their request.

Section 103

1. If it is not possible to seize goods in accordance with Section 102, Paragraphs 1 and 2, above because they are not accessible or have been consumed, a customhouse may, for purposes of covering the customs duties or any possible fines assessed the individual who has committed a customs violation or an organization that has violated customs regulations, seize even other goods imported, exported, or transit shipped by these entities.

2. According to Paragraph 1 above, a customhouse may seize goods only if:

a) they belong to the individual or organization that has failed to pay the customs duties or the fine;

b) the value of the goods is commensurate with the amount of the duties or the assessed fine.

Section 104

1. A customhouse shall issue a decision regarding the seizure of goods and notify the individual or the organization from whom the goods were seized.

2. The decision regarding the seizure of goods shall contain the reasons why the goods are being seized and a reminder to the individual or organization to whom the decision applies of their rights and obligations. The decision will also contain a reminder stating that the goods will be sold if the duties or possible fines are not paid.

3. Goods that may be seized in accordance with Sections 102 and 103 above may be left in the possession of the individual or organization involved and these entities may be prohibited from using, selling, or otherwise handling these goods.

Section 105

1. The individual or organization who has been notified of a customhouse decision to seize goods is obligated to release these goods to a customhouse.

2. If the seized goods are not handed over to a customhouse, they can be confiscated from whoever has them in possession.

3. A document pertaining to the handing over or confiscation of seized goods must be prepared and must list the description of the goods and is then delivered to the individual or organization that has handed over the goods or from whom the goods were confiscated.

Section 106

1. If there is no further need for the seized goods for the purposes of further proceedings, and if the seized goods are not to be forfeited in accordance with Section 89 or confiscated in accordance with Section 90 or sold in accordance with Section 107, they are returned to the individual or organization from whom they were seized.

2. If an individual or organization other than the individual or organization from whom the goods were seized asserts their right to the seized goods, a customhouse shall hand over the goods to that entity that has undoubted rights to the property.

3. If a customhouse has any doubts as to whether the seized goods belong to any one individual or organization or to another individual or organization, which is asserting its rights to the goods, a customhouse shall advise these individuals and organizations to assert their entitlements in a proceeding, the object of which is the regulation of property relationships.

Part Two Sale of Goods

Section 107

1. A customhouse may sell seized goods in accordance with Section 102, Paragraph 1, above if the customs duties are not paid within 30 days following the effective date of the decision that requires that the duties be paid.
2. A customhouse may sell the goods seized in accordance with Section 102, Paragraph 2, above with respect to which the punishment of forfeiture has been declared or goods that have not been confiscated to cover the fine assessed against an individual for a customs violation or against an organization for violating customs regulations if the fine is not paid within 30 days after the decision that assesses it becomes effective.
3. A customhouse may immediately sell goods subject to rapid spoilage or live animals seized in accordance with Section 102, Paragraph 2, or Section 103, Paragraph 1.
4. A customhouse may sell goods that have been seized in accordance with Section 103 if the duties or fine assessed against an individual for a customs violation or against an organization for violating customs regulations are not paid within the time limits specified in Paragraphs 1 and 2.
5. According to Paragraphs 1 through 4, it is not possible to sell goods that are national property.

Section 108

1. A customhouse shall generally sell goods by auction. In so doing, it proceeds in accordance with specialized regulations.⁸
2. Goods that cannot be sold at auction are sold by a customhouse to legal entities and private individuals authorized to handle the sold types of goods in accordance with generally binding legal regulations.
3. Goods that are not salable or usable for reasons of health, veterinary reasons, plant production reasons, security reasons, or for other reasons are handled by a customhouse in accordance with specific special regulations.

Section 109

1. The proceeds from the sale of goods are used, on a priority basis, to cover the customs duties, plus transport costs, warehousing costs, postal fees, fines assessed against individuals for customs violations or against organizations for violating customs regulations, and to defray the costs of the proceedings. The remainder of the proceeds shall be paid out by a customhouse to the authorized individual. If an authorized individual does not report within three years following the sale of the goods involved, the possible remainder of the proceeds passes to the state.
2. In the event a third party or organization asserts its rights to the remainder of the proceeds from the sale of goods at a customhouse, a customhouse shall advise this

individual or organization to assert its rights in a proceeding, the object of which is the regulation of property relationships.

3. The individual or organization whose goods were seized or stored is notified of the sale of the goods involved.

Section 110

1. A customhouse is authorized to sell or possibly otherwise dispose of goods that have been:
 - a) declared to be forfeited or that were confiscated at a proceeding involving customs violations;
 - b) declared to be forfeited or that were confiscated as a result of a criminal proceeding dealing with criminal acts committed during import, export, or transit shipment of goods;
 - c) given up by a participant in a customs proceeding to the benefit of the state.
2. The Federal Ministry of Foreign Trade, in agreement with the Federal Ministry of Finance, shall stipulate, by proclamation, the procedures involved in the sale, or possible other handling of goods listed in Paragraph 1 above.

CHAPTER X

Common Principles To Be Observed in Proceedings Before Organs of the Customs Administration

Section 111

To the extent to which the provisions of this law do not indicate otherwise, customs violations and proceedings before organs of the Customs Administration are subject to the general regulations covering violations and administrative proceedings.⁹

Remedial Measures

Section 112

1. The Customs Directorate to which the pertinent customhouse is subordinate makes decisions regarding appeals against the decision by a customhouse.
2. The Central Customs Administration makes decisions regarding appeals against decisions made by the Customs Directorate.
3. An appeal can be filed in court against the decision of the Customs Directorate regarding the stipulation of the customs value of commercial goods in accordance with Paragraph 1. The kraj court in whose jurisdiction the Customs Directorate has its seat makes the decisions with regard to this remedial measure.

Section 113

1. An appeal filed against the decision of organs of the Customs Administration does not have a delaying effect. The organ of the Customs Administration against whom the appeal decision is directed or the appealing organ may permit a delaying effect, provided this does not

render the implementation of the decision more difficult or does not interfere with the public interest.

2. The timely filing of an appeal against the decision on a customs violation and against the decision that assesses a fine against an organization for violating customs regulations does have a delaying effect, which may not be excluded.

Section 114. Implementation of Decision

If the customs duty, transport costs, warehousing costs, postal fees, fines assessed against an individual for a customs violation or against an organization for violating customs regulations, and the costs of the proceeding are not paid within the stipulated deadlines, and if it is not possible to cover them through the sale of the goods involved, according to Section 107, a customhouse may implement its decision in accordance with regulations on administrative proceedings.⁹

CHAPTER XI

Common, Transitory, and Concluding Provisions

Section 115

1. The provisions of this law regarding the punishment of forfeiture of goods, the confiscation of goods, the seizure and sale of goods are also applicable to other things and valuables according to the regulations on the foreign exchange economy, provided they were acquired as a result of a customs violation.

2. The provisions of this law on the seizure of goods according to Section 103 are equally applicable to things and other valuables in accordance with regulations on the foreign exchange economy.

Section 116

To the extent to which this law does not otherwise state, the provisions covering the import and export of goods are applicable to the transport of goods in transit and to transit shipments.

Section 117

Customhouses shall handle violations of the foreign exchange economy, which have been identified during the implementation of foreign exchange control involving the export and import of items and valuables, in accordance with the regulations on the foreign exchange economy.⁶ In handling violations of the foreign exchange economy, customhouses shall proceed in accordance with general regulations covering the handling of violations.

Section 118

1. The Federal Ministry of the Interior may, in agreement with the Federal Ministry of Foreign Trade, authorize members of the National Security Corps to fulfill some of the functions assigned to customhouses.

2. The Federal Ministry of Foreign Trade may, in agreement with the appropriate organs of state administration, entrust customhouses with the fulfillment of

some tasks in accordance with regulations covering health, veterinary, and plant production protection and tasks in accordance with regulations covering the collection of taxes, payments, and fees.

Section 119

1. Customhouses are empowered to accept even foreign currencies to cover customs duties, transport costs, warehousing costs, postal fees, fines, and costs of proceedings.

2. The conditions for handling the remuneration in accordance with the previous paragraph are stipulated by the Federal Ministry of Finance.

Section 119a

If an international agreement, to which the Czech and Slovak Federal Republic is bound, specifies measures that differ from this or that differ from the regulations issued in accordance with it, then the treaty obligations are valid.

Section 119b

As long as the organs of the Customs Administration are engaged in implementing their authorities in accordance with special regulations, they have, to the extent to which these regulations do not state otherwise, the same rights and obligations as they have during customs control. The same holds true of the rights and obligations of the entities subject to this control.

Section 120

1. Proceedings initiated prior to the effective date of this law shall be concluded in accordance with existing regulations.

2. Customs violations committed prior to the effective date of this law shall be handled in accordance with existing regulations.

Section 121

The customs rate table issued by Government Regulation No. 32/1947 Sb, complete with changes and supplements, is considered to be the customs rate table for commercial goods according to this law. The flat-rate table issued by Proclamation No. 6/1969 Sb of the Ministry of Foreign Trade is considered by this law to be the customs rate table for noncommercial goods.

Section 122

The following are hereby rescinded:

1. Customs Law No. 36/1953 Sb;

2. Ministry of Foreign Trade Proclamation No. 147/1954 U.I. [OFFICIAL GAZETTE], which constituted the Railroad Customs Code;

3. Ministry of Foreign Trade Proclamation No. 149/1954 U.I., which constituted the Aviation Customs Code;

4. Ministry of Foreign Trade Proclamation No. 151/1954 U.I., which constituted the Postal Customs Code;

5. Ministry of Foreign Trade Proclamation No. 82/1961 Sb, which implements the Customs Law;

6. Ministry of Foreign Trade Proclamation No. 81/1962 Sb, regarding customs duty relief for objects imported for the use of persons and organizations utilizing the preferences and immunities of the Czechoslovak Socialist Republic;

7. Ministry of Foreign Trade Proclamation No. 36/1963 Sb, which constituted the Navigational Customs Code;

8. Ministry of Foreign Trade Proclamation No. 106/1953 Sb, which constituted the Highway Customs Code;

9. Ministry of Foreign Trade Proclamation No. 7/1965 Sb, regarding the organization of a network of custom-houses and their jurisdictions;

10. Ministry of Foreign Trade Proclamation No. 85/1967 Sb, which amends and augments Proclamation No. 82/1961 Sb, which implements Customs Law No. 36/1953 Sb;

11. Section 15, Section 31, Paragraph 2, and Section 32, Letters b) and c), of Law No. 60/1961 Sb, regarding the tasks of national committees in safeguarding socialist order.

Section 123

This law becomes effective 1 January 1975.¹⁰

Article II of Law No. 217/1992 Sb

24. Proceedings initiated prior to 1 June 1992 are handled in accordance with the law that was effective prior to that date; the new law shall be applied only in the event this is more advantageous to the participants in a customs proceeding.

Footnotes

1. Law No. 135/1982 Sb, regarding reporting and recording the temporary sojourn of citizens.

2. Section 89, Paragraph 5, of Law No. 140/1961 Sb, the Criminal Code.

3. Federal Ministry of Interior Decree No. 99/1989 Sb, on operating rules pertaining to ground communications (highway traffic regulations), as amended by Federal Ministry of Interior Decree No. 25/1990 Sb.

4. Section 41, Paragraph 2, of Law No. 140/1961 Sb.

5. For example, Law No. 547/1990 Sb, regarding handling certain types of goods and equipment and control over these items, Law No. 528/1990 Sb, Foreign Exchange Law, as amended by Law No. 228/1992 Sb.

6. Foreign Exchange Law.

7. Law No. 71/1967 Sb, regarding administrative proceedings (Administrative Code).

8. Law No. 174/1950 Sb, regarding auctions other than executions, as amended by Law No. 513/1991 Sb.

9. Law No. 71/1967 Sb; Czech National Council [CNR] Law No. 200/1990 Sb, regarding violations; Slovak National Council [SNR] Law No. 372/1990 Sb, regarding violations, as amended by SNR Law No. 524/1990 Sb.

10. Law No. 117/1983 Sb, which amends and augments the Customs Law, became effective on the day of its publication—1 November 1983; Law No. 5/1991 Sb, which amends and augments Customs Law No. 44/1974 Sb, as amended by Law No. 177/1983 Sb, became effective on 1 February 1991; Law No. 143/1992 Sb, regarding pay and emoluments for being ready to work in budgetary as well as in some additional organizations and organs became effective 1 May 1992; Law No. 217/1992 Sb, which amends and augments Customs Law No. 44/1974 Sb, as amended by subsequent regulations, became effective 1 June 1992.