

Law No. 40 of 2002 promulgating the Customs Law 40 / 2002

Number of Articles: 176

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We, Jassim bin Hamad Al-Thani, Deputy Emir of Qatar,
Having reviewed the Amended Provisional Constitution, and in particular Articles 22, 23, 34, and 51 thereof;
Law No. 2 of 1962 regulating the fiscal policy in Qatar, as amended by Decree Law No. 19 of 1996;
The Customs Law promulgated by Law No. 5 of 1988, as amended by the Law No. 25 of 1994;
Law No. 5 of 1989 on the General Budget of the State;
Decree –Law No. 17 of 2001, on the establishment of the Customs & Ports General Competent Authority (CPGA);
The decision of the Cooperation Council for the Arab States of the Gulf (GCC) issued on the 22nd session held at the Sultanate of Oman on 15 - 16 Shawwal, 1422 AH corresponding to 30-31 December, 2001 AD on the Unified Customs (Law) of the GCC and its Executive Regulation;
The proposal of the Minister of Finance of Finance,
The draft law submitted by the Council of Minister of Finances;
The opinion of the Shura Council;
Hereby promulgate the following Law:

Promulgating Articles

Article 1 - Introduction

The provisions of the Customs Law attached herewith shall come into force.

Article 2 - Introduction

The Council of Minister of Finances shall, based on the proposal submitted by the Minister of Finance of Finance, issue the Executive Regulations of the Customs Law. The Minister of Finance shall issue the necessary decisions to implement the provisions thereof.

Without prejudice to the provisions of this law, and until the aforesaid Regulations are issued, the applicable decisions shall continue to be in effect.

Article 3 - Introduction

The Customs Law promulgated by Law No. 5 of 1988 referred to thereinabove, shall be repealed, as each provision contrary to the provisions of this law.

Article 4 - Introduction

All competent authorities, each within its competence, shall implement this law, which shall take effect from the first of January 2003, and shall be published in the Official Gazette.

Customs Law

Part 1

Definitions and General Provisions

Article 1

The following words and terms, wherever mentioned throughout this Law, and Executive Regulation, shall have the meanings hereby assigned for them, unless the context otherwise requires:

1. The "Council" means the Cooperation Council for the Arab States of the Gulf.
1. The "Minister" means the Minister of Finance.
1. The "Customs Authority" means the Competent Authority (the Customs & Ports General Authority (CPGA)).
1. The "Director General" means the Director General of the (CPGA).

.The "Department" means the Relevant Department at the Competent Authority .1

The "Customs Administration" means the sector, designated by the Minister of Finance, at each seaport, airport, land port or at any other place .2
.where there is a branch office of the Competent Authority authorized to complete all or some of the customs procedures

3. The "Director" means the director of a Customs Administration.
4. The "Customs Zone" means that part of the lands or seas subject to the customs control and procedures set forth herein which includes:
5. Land Customs Zone: This covers the lands located between the land boundaries or shores, on the one hand, and the internal line on the other hand, to be prescribed by the CPGA.

.Sea Customs Zone: This covers that part of the sea located between the shores and the end boundary of the territorial waters .6

7. The "Customs Line" means that line conforming to the political boundaries borders separating between the State and the adjacent countries and the seashores surrounding that State.
8. The "customs tariff " means the nomenclature containing the descriptions of the goods and the respective taxes and customs duties as well as the rules and notes of the kinds and types of commodities.
9. The "customs taxes duties "means the amounts levied on the goods according to the provisions of this Law.
10. The "fees/charges "means the amounts collected by customs for the services rendered.
11. The "goods "means any natural material or animal, agricultural, industrial or intellectual product.
12. The "type of goods "means the description mentioned in the customs tariff nomenclature.
13. The "Goods subject to high tariffs" means goods designated by a decision of the Director General for the purpose of customs control.
14. The "price actually paid or payable" means the total amount paid to the seller, directly or indirectly, for the goods imported by the buyer or for his favor.
15. The "imported goods being valued" means the goods being valued for customs purposes.
16. The term "identical goods" means goods that are the same in all respects, including physical characteristics, quality and reputation. Minor differences in appearance would not preclude goods otherwise conforming to the definition from being regarded as identical.
17. The "similar goods" means goods which, although not alike in all respects, have like characteristics and like component materials which enable them to perform the same functions and to be commercially interchangeable. The quality of the goods, their reputation and the existence of a trademark are among the factors to be considered in determining whether goods are similar.
18. The "sales commission" means the commission paid to the seller's agent who is related to the seller or the factory, governed by or acting for its favor or on its behalf.
19. The "packing costs" means the cost of all packing instruments excluding containers and coverings whatever type or packaging used, whether for the labor or the materials used for placing the goods in packing suitable for shipping to the GCC states.
20. The "unit price at the greatest total quantity" means the unit price at which certain goods are sold to unrelated persons, at the first commercial level after importation in its state when imported or after further preparation or processing, if the importer so requested.
21. The "related persons" means persons who are:
 - Legally recognized partners in business,
 - Officers or directors of one another's business
 - Employer and employee,
 - Any person directly or indirectly owns, controls or holds 5 per cent or more of the outstanding voting stock shares of both of them,
 - One of them directly or indirectly controls the other,
 - Both of them are directly or indirectly controlled by a third person,
 - Together they directly or indirectly control a third person,
 - Members of the same family.
1. The "Valuation Agreement "means the Agreement on Implementation of Article VII of the GATT 1994.
2. The "origin of the goods" means the producing State
3. The "prohibited goods" means any goods the import or export of which is prohibited by the State under the provisions of this Law or any other Law.
4. The "restricted goods" means those goods the import or export of which is restricted under the provisions of the present Law or any other Law.
5. The "source" means the State from which the goods is imported.
6. The "importer" means the natural or legal person importing the goods.
7. The "exporter" means the natural or legal person exporting the goods.
8. The "Manifest" means the document containing a full description of the goods carried on the various means of transport.
9. The " free zone" means a part of the state's territories in which commercial or industrial activities are exercised under the respective laws of that state. Any goods entering that zone are considered to be outside the Customs Zone and shall not be subject to the usual customs control and procedures.
10. The "duty-free market" means that licensed building or place wherein goods are placed free of customs duties taxes for purposes of display or sale.
11. The "customs declaration" means the goods declaration or the declaration submitted by the importer or his representative describing the elements identifying the declared goods and quantity thereof in details according to the provisions of this Law.
12. The "storehouse" means that building or place intended for the temporary storage of goods pending their withdrawal under one of the customs procedures whether such place/building is directly administered by the Competent Authority or by the official public agencies or the investors.
13. The " warehouse" means the place or facility wherein the goods are deposited under supervision of the Competent Authority free of customs duties taxes according to the provisions herein.
14. The "carrier "means the owner of a means of transportation or his authorized representative under an official authorization.
15. The "specified routes" means the routes specified by the Minister of Finance for the carriage of the imported or exported goods into/from the State or the goods in transit under a resolution.
16. The "Treasury "means the public Treasury.
17. The "Customs Clearance" means documentation of the Customs Declarations for the imported, exported and transit goods according to the procedures provided for herein.
18. The "Customs broker "means any legal or natural person licensed to undertake customs clearance for the account of the others.
19. The "representative of the customs broker" means any legal or natural person licensed to follow up customs procedures.

Article 2

The provisions of this Law apply to the sovereign territories and territorial waters of the State. Notwithstanding, free zones, totally or partially excluded from customs provisions, may be established in such territories.

Article 3

Any goods crossing the Customs Line, at importation or exportation, shall be subject to the provisions of this Law.

Article 4

The Competent Authority shall perform its duty at the Customs Administration or Customs Zone and May also exercise its powers within the extent of the State's territories and territorial waters under the conditions set forth herein.

Article 5

Custom Administrations are established and canceled by a resolution of the Minister or the Competent Authority.

Article 6

Subject to the provisions of Chapter II, Part 6 of this law, customs procedures shall only be conducted at the designated Custom Administrations.

part 2

Customs Tariff

Article 7

Goods imported into the State are subject to the customs taxes "duties" specified in the customs tariff, and the other applicable fees, excluding those exempted under the provisions of this Law or under the Unified Economic Agreement of the GCC Arab states or any other international agreement within the framework of the Council.

Article 8

The duty rate of the customs tariff shall be either ad Valorem percentage of the value of goods or specific an amount levied on each unit of the goods, or both.

Article 9

Subject to the provisions of the international agreements in force and resolutions issued by the Council, the Customs taxes "duties" shall be levied, amended and abandoned by a decree. The decree amending the customs taxes "duties" shall specify the date at which such amended taxes "duties" shall be effective.

Article 10

Imported goods shall be subject to the customs taxes "duties" applicable at the date of registering the Customs Declaration with the Custom Administrations unless otherwise provided for in the text of the decree amending the customs tariff

Article 11

When custom taxes "duties" are to be levied on the goods deposited at the warehouse due to the expiry of the warehousing period, such goods shall be subject to the tariff provisions applicable at the date of registering the customs declaration.

Article 12

Goods taken out from the free zones and duty-free market into the local markets shall be subject to the customs tariff effective at that time.

Article 13

Smuggled goods contrabands or the like shall be subject to the customs tariff prevailing at the time of the detection or occurrence of smuggling, if applicable, whichever is higher.

Article 14

The customs tariff effective on the sale day shall apply to the goods sold by the Competent Authority according to the provisions provided for herein.

Article 15

Damaged goods shall be subject to the customs tariff based on their value at the date of registering the customs declaration.

Part 3

Prohibition and Restriction

Article 16

A Customs Declaration shall be produced for any goods entering or leaving the State; the goods are then presented to the customs authorities at the nearest Customs Administration .

Article 17

Maritime transport means entering the State, irrespective of their load capacity, are prohibited from anchoring in any seaports harbors other than those designated therefore, excluding the case of sea emergency or force majeure wherein the shipmaster shall immediately notify the nearest Customs Administration or security point of such occurrence.

Article 18

Vessels, loaded with prohibited or restricted goods or goods subject to high rates of duty, of a loading capacity less than two hundred marine tonnage may not enter or get involved in the shipping activity within the marine Customs Zone except in circumstances arising from sea emergency or force majeure, in which case the shipmaster shall promptly notify the nearest Customs Administration or security point of such occurrence, excluding goods transported within the local seaports of the State whose customs procedures have been finalized.

Article 19

Aircraft departing or arriving in the State may not take off or land at the airports where no Custom Administrations exist unless in cases of force majeure in which case the shipmaster shall promptly notify nearest Customs Administration or security point of such occurrence and submit a report, approved by the Customs Administration notified of that occurrence, unless otherwise provided for in any other Law or resolution.

Article 20

Land means of transport may not enter or leave the State through the areas where no Custom Administrations exist.

Article 21

The Competent Authority shall prohibit admission, transit or exit of the prohibited goods or infringing goods as well as the entry, transit or exit of any restricted goods except under approval from the competent authorities in the State.

Article 22

The prohibited and restricted goods or goods subject to high tariffs, as well as other goods designated by a decision of the Director-General shall be subject to the provisions of the Customs Zone. The Executive Regulation of this law shall determine the terms and conditions of carriage and documents and procedures thereof, within such zone.

Part 4

Distinguishing Elements of Goods (Origin, Value, and type)

Article 23

Imported goods are subject to the proof of origin according to the rules of origin adopted within the framework of the international and regional economic agreements in force.

Article 24

The value for goods for customs purposes shall be determined according to the rules and principles set forth in the rules of implementation of this law.

Article 25

Acceptance of the value as a distinctive element of the goods requires the following:

1. Any Customs Declaration shall be accompanied by a detail original invoice and the Director General or his representative may allow finalization of the clearance procedures without presentation of the authenticated original invoices and the required documents against an undertaking to produce them within a period not exceeding 90 days from the date of undertaking.
2. The value of the goods shall be proved by producing all the original invoices and documents reflecting the value according to the rules set forth in the Executive Regulation.
3. The customs Administration may require all documents, contracts, correspondence and other relevant documents without having to accept all that is stated in them or in the invoices themselves.
4. The Competent Authority may request Arabic translation of the invoices issued in a foreign language indicating details of the goods in accordance with the customs tariff as well as the other documents, if so required.

Article 26

The value of the exported goods shall be the value indicated in the Customs Declaration plus all the costs until arrival of the goods at the Customs Administration.

Article 27

Goods not mentioned in the customs tariff System and the explanatory notes shall be classified according to the classification advice given by the World Customs Organization. Goods that fall under national subheadings in the customs tariff shall be classified within the context of the Common Customs tariff of the member States of the Council.

part 5

Importation and exportation

Chapter One

Importation

(1) Sea transportation

Article 28

28-1- Any goods imported into the State by sea shall be registered in the Manifest.

28-2- A single Manifest for the whole load signed by the shipmaster shall be made which shall contain the following information:

1. Name and nationality of the ship and its registered tonnage.
.Types of the goods, total weight thereof and the weight of bulk goods, if any .If goods are prohibited, their actual description shall be mentioned .2
3. Number of packages and pieces, description of packing, marks and numbers thereof.
4. Names of the consignor and consignee.
5. The seaports of loading.

Article 29

When the ship enters the Customs Zone, the shipmaster shall produce the original Manifest to the competent authorities. When the ship enters the harbor, the shipmaster shall furnish the Customs Administration with the following:

1. The cargo Manifest
2. The Manifest of the ship's supplies logistics and the crew's baggage and belongings
3. A list of the passengers' names.
4. A list of the goods to be unloaded at this port.
5. Shipping Documents.
6. All the shipping documents which the Customs Administration may require for the application of the customs Laws.

Manifests and documents shall be submitted within sixty-three hours from the time the ship enters the seaport, excluding official holidays.

Article 30

If the Manifest belongs to a ship that does not make regular voyages or that does not have a forwarder at the port, or if it is a sail ship, then the Manifest must be endorsed by the customs authorities at the shipping port.

Article 31

A cargo of the ships and all other marine means of transportation may be unloaded only within the Customs Administration at the port. Any shipment may be unloaded or transhipped only under supervision of the customs Administration.

Unloading and transshipment shall be completed according to the conditions laid down by the Director General.

Article 32

Subject to provisions of Article 53 herein, the shipmaster, forwarder or representative thereof, shall be held responsible for any decrease in the number of pieces or packages or content therein, and the amount of the bulk goods until delivery of the goods to the customs warehouses or storehouses or acceptance of the goods by the owners, if so allowed.

Article 33

If a shortage in the number of unloaded pieces or packages or in the amount of bulk goods, compared to those mentioned in the Manifest, is found out, the shipmaster or representative thereof shall justify such shortage and prove, with documents that it has occurred outside the marine Customs Zone. If such documents cannot be submitted at once, a time period not exceeding six months may be given to submit the same against a guarantee ensuring the Competent Authority's rights.

1. Land transportation

(2) Land transportation

Article 34

Customs procedures of the goods imported by land shall be completed at the first Customs Administration and may be, *mutatis mutandis* referred to another inland customs Administration, under a decision by the Director General.

Article 35

A Manifest of the total cargo of the land means of transportation shall be prepared and signed by the carrier or his representative and shall contain adequate information on the means of transportation, cargo thereof and all other details according to the conditions prescribed by the Director General. Carriers or their representatives shall submit the Manifest to the Customs Administration immediately upon arrival therein.

- 1. Air transportation

(3) Air transportation

Article 36

Subject to the provisions of Article 19 herein, aircraft crossing the State borders shall follow the specified routes and shall land only at the airports where Custom Administrations exist

Article 37

A Manifest of the airplane's cargo shall be prepared and signed by the captain according to the conditions set forth in Article 28 and sub-articles 29- 1, and 29-2 herein.

Article 38

The captain or his representative shall submit the Manifest and the lists mentioned in the preceding Article to the Customs Administration rs and shall deliver such documents to the customs Administration upon arrival of the aircraft.

Article 39

Goods may not be unloaded or dropped out of the aircraft during flight unless it is necessary to do so for safety purposes, provided that the customs Administration is notified of the same.

Chapter Two

Exportation

Article 40

Owners of the means of transportation of goods, loaded or unloaded, shall- when leaving the State- submit to the Customs Administration the Manifest according to the provisions of Chapter I of this Part and shall obtain exit permission. However, the Director, may, in certain cases, make an exception to this condition.

Article 41

Exporters of goods shall proceed with the goods to be exported to the competent Customs Administration and declare them in detail. Carriers towards land borders may not overpass the Customs Administrations.

Chapter Three

Postal traffic

Article 42

Goods are imported or exported by mail according to the provisions of this Law and subject the other applicable international postal agreements and local Laws in force.

Chapter Four

Common provisions

Article 43

Several sealed packages, assembled in any way whatsoever, may not be stated in the Manifest as a single package. Containers, palettes and trailers shall be subject to the instructions given by the Director General.

A single consignment may not be split. However, for acceptable reasons, the Director General may allow such splitting, provided that such splitting shall not result in a loss to the Treasury.

Article 44

Provisions of Articles 31, 32, and 33 herein shall apply to the land and air transport in respect to the unloading and transshipment of goods. Drivers, captains of aircraft and carriers shall be responsible for any shortage in case of land and air transport.

Article 45

The Competent Authority may use Electronic Data Interchange EDI in customs clearance.

Part 6

Stages of customs clearance

Chapter One

Customs Declarations

Article 46

When clearing any goods, even if exempted from customs taxes and duties, a detailed customs declaration, conforming to the approved forms, shall be submitted to the Customs Administration containing all the information that enable application of the customs rules and levying applicable customs taxes and duties and for statistical purposes.

Article 47

Subject to the provisions of sub- Article 27 herein, The Director General shall specify the documents to be attached with the Customs Declarations and the information to be contained therein and may allow the completion of the clearance procedures in the absence of any of the required documents against cash or bank guarantees or a written undertaking to submit such documents according to the stipulated conditions.

Article 48

Contents of the Customs Declarations may not be modified after registration; however, the applicant may apply in writing to the Director for correction before the Customs Declaration is referred to inspection.

Article 49

Owners of the goods or their representatives may check their goods before submitting the Customs Declaration and may take samples thereof, when necessary, after obtaining permission from the Director and under supervision of the Customs Administration. Such samples shall be subject to the prescribed customs taxes "duties".

Article 50

No parties other than the owners of the goods or their representatives may have access to the Customs Declarations excluding competent judicial or official entities.

Chapter Two

Examination/Inspection of goods

Article 51

The designated Customs Administration shall examine the goods wholly or partially after registering the Customs Declarations according to the instructions of the Director.

Article 52

Examination of goods shall take place at the customs Administration; however in certain cases such examination may be conducted outside the Customs Administration according to the rules laid down by the Director General.

Transferring the goods to the place of examination, the unpacking and repacking of packages and all the other works required for examination shall be at the expense of the owner of the goods who shall be held responsible until arrival of the goods at the place of examination.

Goods placed in the customs warehouses or at the places intended for examination may not be removed without approval of the Customs Administration.

The individuals working in carrying the goods and presenting them for examination shall be acceptable to the Customs Administration. Access to the customs stores, and warehouses, hangars, sheds and yards intended for the storage or deposit of goods and to the places allocated for examination may not be authorized to any person without approval of the Customs Administration.

Article 53

Examination shall be conducted only in the presence of the owner of the goods or his representative. Should a shortage in the contents of the packages develops, responsibility for such shortage shall be determined as follows:

53-1- If the goods had been placed in the customs warehouses in packages that are in an apparently proper condition from which it can be ascertained that the shortage in their contents had occurred at the exporting State prior to shipping, then such shortage shall be disregarded.

53-2- If the goods entering the customs warehouses or stores are in packages that are not in an apparently proper condition, the entity in charge of these warehouses or stores shall, together with the carrier, record this occurrence in the delivery report and verify the weight, contents and number of packages. It shall also take the necessary precautions to ensure safety of the goods. In this case the carrier shall be held responsible unless a reservation is indicated on the Manifest and endorsed by the Customs Administration of the exporting State in which case the shortage will be disregarded and the pursuit shall be discontinued.

3- If the goods have been admitted into the customs warehouses and stores in packages that are in an apparently proper condition then they became subject of suspicion, the entity in charge of the warehouses shall be held responsible for any shortage.

Article 54

When the Customs Administration suspects the presence of prohibited goods or goods unlike what declared in the customs documents, it shall have the right to open the packages for inspection. Such opening of packages may be authorized in the absence of the owner of the goods or his representative, if he refrains from attending the inspection at the specified time notified thereto.

When necessary, the Customs Administration may inspect the goods before notifying the owner of the goods or his representative. Such inspection may be conducted by a committee formed, for this purpose, by a decision of the Director General and a report of the findings of inspection shall be made.

Article 55

The Customs Administration may have the goods analyzed by specialized agencies to verify the kind and specifications of the goods or their conformity to the applicable Laws and regulations.

Goods requiring the availability of certain conditions and specifications to be released shall be subject to analysis testing and inspection; however the Director may release them against an appropriate undertaking ensuring that they are not to be disposed of until the analysis result has come out.

The Director General may order that the goods, proved through inspection or analysis to be harmful or not conforming to the approved specifications, be destroyed at the expense and in presence of their owners or their representatives. When necessary, such goods shall be re-exported to the source country in which case a report of the same shall be made.

Article 56

If the Customs Administration cannot verify the contents of the Customs Declaration through inspection of the goods or the documents submitted, it may suspend inspection and request necessary supporting documents.

Article 57

Customs taxes "duties" shall be levied according to the contents of the customs declaration. Should physical inspection result in a difference discrepancy between the goods and what is stated in the customs declaration, customs taxes and duties shall be levied on the basis of this finding without prejudice to the customs' right to levy the applicable fines, when necessary, under the provisions of this law.

Article 58

The Customs Administration may re-inspect the goods under the provisions of Articles 51 - 55 herein.

Chapter Three

Provisions relating to passengers

Article 59

Items or belongings accompanying the passengers shall be declared and inspected at the competent Custom Administrations according to the rules and practices laid down by the Director General.

Chapter Four

Adjustment of the value

Article 60

A valuation committee composed of staff from the Competent Authority shall be established by a decision of the Director General to settle the disputes arising between the Customs Administration and the persons concerned about the value of the imported goods. Such committee may seek assistance of experts at its discretion.

Without prejudice to the importer's right to appeal to court, the importer may appeal before the valuation committee against the decisions of increased value within fifteen days following the registration of the Customs Declaration or from the date of the valuation notice sent to him by registered mail. Decisions of this committee shall be taken by majority and shall be effective once approved by the Director General. The importer shall be informed in writing of the decision taken by the committee concerning the complaint thereof. Such decision shall be reasonable.

Article 61

Should a dispute arises between the respective officer and the owner of the goods about the value of the goods due to discrepancy in description, origin or any other reason, the matter shall be referred to the director for settlement. If the director approves the opinion of the officer but the owner of the goods does not accept such opinion, the matter shall be referred to the Director General for settlement of dispute or for referral to the valuation committee.

The director may release the goods in dispute, if not prohibited, after collecting a deposit in an amount equivalent to the sum of the customs duties and taxes determined by the Customs Administration. Samples of the goods shall be temporarily maintained for reference when necessary; such samples shall be returned to the owner of the goods unless they are consumed for inspection and analysis purposes.

Chapter Five

Payment of customs taxes "duties" and other charges and the Release of goods

Article 62

Goods shall be subject to customs taxes "duties" and may not be released unless after completion of their customs procedures and payment of customs duties and taxes according to the provisions herein.

Goods shall be delivered to the owners or their duly authorized representatives according to the procedures prescribed by the Director General.

Article 63

The Customs officer assigned to collect customs duties and taxes shall execute an official receipt in the form prescribed by the CPGA.

Article 64

When a state of emergency is declared, the Department may take precautions for removing the goods against special guarantees and conditions prescribed by the CPGA.

Article 65

According to the conditions and rules prescribed by the Director General, goods may be released prior to payment of the customs duties and taxes and after completion of the customs procedures against bank, monetary or documentary guarantees.

Part 7

Cases where customs taxes “duties” are suspended and drawback

Chapter One

General Provisions

Article 66

Goods may be admitted and transported to any other place within the State without payment of the customs taxes “duties” against submission of a bail or bank guarantee equivalent to the amount of the customs taxes “duties” payable according to the instructions given by the Director General.

Article 67

Bails, bank guarantees and securities shall be released under discharge certificates according to the conditions prescribed by the Director General.

Chapter Two

Goods in Transit

Article 68

Subject to the provision of Article 66 herein and the provisions of the Unified Economic Agreement of the GCC Arab States, goods shall be allowed to transit the territories of the Council states according to the applicable provisions and laws and the international agreements in force.

Article 69

Transit operations may be completed only at the authorized Customs Administrations.

Article 70

Subject to the provisions of the applicable regional and international agreements transit goods shall be transported through the specified routes by the various means of transport at the carrier's responsibility according to the instructions of the Director General. The routes for the transit transportation and the conditions thereof shall be specified by a decision of the Competent Authority

Article 71

In the event goods are transported from one Customs Administration to another, the persons concerned may be exempted from submitting a detailed declaration at the port of entry and the referral shall be according to the documents and conditions prescribed by the Director General.

Article 72

The Competent Authority shall issue the necessary decisions governing the suspension of the customs duties and taxes applicable to all other kinds of transit transport.

Chapter Three

Warehouses

Article 73

Warehouses inside or outside the Customs Administration shall be established by a resolution of the Competent Authority; the rules and conditions controlling such warehouses shall be laid down by the Director General.

Article 74

Goods may be deposited with the warehouses inside or outside the Customs Administration without payment of customs duties and taxes according to the rules and conditions prescribed by the Director General.

Article 75

The Competent Authority shall be entitled to supervise and control the warehouses, managed by other agencies, under the provisions of this law and the other laws in force.

Chapter Four

Free zones and duty-free markets

Article 76

Free zones and duty-free markets shall be established by a law; the rules, conditions and customs procedures thereof shall be laid down by a decision of the Minister based on a proposal of the Competent Authority.

Article 77

Subject to the provisions of Articles 78 and 79 herein, all foreign goods of whatever kind or origin may be brought into the free zones and duty-free markets, and taken out therefrom to outside the State or to other free zone and duty-free markets, without being subject to customs duties or taxes.

Subject to the export restrictions and customs procedures applicable to re-exportation, the foreign goods re-exported from inside the State may be admitted into the free zones and duty-free markets .

Goods in the free zones and duty-free markets shall not be subject to any restriction in respect to the period they can remain therein.

Article 78

The imported goods, stated in the cargo Manifest, may not be transferred or admitted into the free zones and duty-free markets unless by approval of the Director General and under the conditions and controls prescribed thereby.

Article 79

The following goods may not be admitted into the free zones and duty-free markets:

- 1- Flammable goods, excluding the fuels necessary for the operation allowed by the Competent Authority supervising free zones and duty-free markets under the conditions prescribed by the competent authorities.
- 2- Radioactive materials
- 3- Arms, ammunition and explosives, of any kind, except those licensed by the competent authorities.
- 4- Goods infringing the laws relating to commercial and industrial property rights and copyright protection in respect of which resolutions have been issued by the competent authorities.
- 5- All kinds of narcotic drugs and derivatives thereof.
- 6- Goods originated in an economically boycotted State.
- 7- Goods prohibited from entering the State

Article 80

The Customs Administration may carry out inspection works in the free zones and duty-free markets for detection of prohibited goods, and it may also review the documents and examine the goods when smuggling operations are being suspected.

Article 81

The management of the free zones and duty-free markets shall submit to the Competent Authority, if so requested, a list of all the goods brought into or taken out therefrom

Article 82

Goods placed at the free zones and duty-free markets may not be transferred to other free zones and duty-free markets, stores or warehouses unless according to the securities, undertakings and procedures prescribed by the Director General.

Article 83

Goods shall be withdrawn from the free zones and duty-free markets into the State according to the provisions of applicable laws and as instructed by the Director General.

Article 84

Goods taken out from the free zones into the Customs Administration shall be treated as foreign goods even if incorporating local raw materials or articles on which customs duties and taxes have been collected prior to their admission into the free zones.

Article 85

National and foreign vessels shall be permitted to obtain all necessary marine equipment from the free zones.

Article 86

The Department of the free zones and duty-free markets shall be held responsible for all the offences committed by its officers and for the goods illegally taken out from them. All laws and instructions relating to security, public health, smuggling and fraud control shall remain effective in these free zones and duty-free markets.

Article 87

The goods imported from the free zones and duty-free markets into or out of the State shall be treated as foreign goods.

Chapter Five

Temporary Admission

Article 88

Subject to the provisions provided for in the Unified Economic Agreement of the Council countries and the other international applicable agreements, goods shall be temporarily admitted without collection of customs duties and taxes according to the conditions set forth in the Rules of Implementation of this law.

Article 89

The Director General may grant temporary admission to the following:

1. Heavy machinery and equipment for completion of projects or for conducting the experiments and tests relating to such projects.
Foreign goods imported for completion of manufacturing .2
3. Items temporarily imported for playgrounds, theatres, exhibitions and like events.
4. Machinery and equipment imported into the State for repair.
5. Containers and packing imported for refilling.
6. Animals admitted in for grazing.
7. Commercial samples for exhibition.
8. The other cases so requiring.

The items provided for herein shall be re-exported or deposited with the free zone, Custom Administrations or warehouses during the temporary admission period prescribed by the Rules of Implementation.

Article 90

Provisions of the Unified Economic Agreement of the GCC states and the other international applicable agreements governing the temporary admission of vehicles shall be observed according to the instructions prescribed by the Rules of Implementation.

Article 91

The materials and articles released by temporary admission may not be used, allocated or disposed of for purposes and objectives other than those for which they were imported and declared in the submitted declarations.

Article 92

Any shortage develops in the goods released by temporary admission when taken out shall be subject to the customs duties "taxes" applicable at the time of admission.

Article 93

The Rules of Implementation shall prescribe the conditions for practical application of the temporary admission and the guarantees to be produced.

Chapter Six

Re-exportation

Article 94

The goods imported into the State, on which customs duties "taxes" were not collected, may be re-exported outside the State or to the free zone according to the procedures and guarantees prescribed by the Rules of Implementation

Article 95

In certain cases, permission may be given for transshipment of the goods or withdrawal of the goods that were not placed into the customs warehouses, from the wharves to the ships under the conditions prescribed by the Director General.

Chapter Seven

Drawback

Article 96

Customs duties "taxes" collected on the foreign goods shall be totally or partially refunded at re-exportation according to the practices and conditions set forth by the Rules of Implementation.

Part 8

Exemptions

Chapter One

Goods exempted from customs duties "taxes"

Article 97

The goods agreed to be exempted from customs duties and taxes in the Common Customs tariff shall be exempted from customs duties and taxes.

Chapter Two

Diplomatic exemptions

Article 98

Imports of the diplomatic corps, consulates, international organizations and the heads and members of the diplomatic and consular corps accredited by the government shall be exempted from customs taxes "duties" according to the international agreements, laws and orders in force.

Article 99

The goods exempted under the preceding Article may not be disposed of or abandoned for a purpose other than that for which they have been exempted, unless after notifying the Competent Authority and the payment of the due customs taxes "duties".

Customs taxes "duties" shall not to be levied if the beneficiary has disposed of the goods, exempted under Article 98 herein, after three years from the date released by the Customs Administration provided that reciprocity basis is available.

Article 100

Exempted vehicles "cars" in accordance with the provisions of Article (98) herein, may not be disposed of before the elapse of three years following the exemption date excluding the following cases:

- Termination of the mission of the diplomatic or consular member benefiting from the exemption in the State.
 - The occurrence of an accident to the exempted car which makes it unfit for the use of the diplomatic or consular member based on a joint recommendation by both the Traffic Department and the Department.
 - The sale by one diplomatic or consular member to another member provided that the assignee shall be entitled to the right of exemption.
-

Article 101

The right of exemption for the individuals benefiting from it under Article 98 herein shall begin from the date of commencing their jobs at their official places of work in the State.

Chapter Three

Military exemptions

Article 102

Imports for all sectors of the military forces and internal security forces, such as ammunitions, arms, equipment, military means of transport and parts thereof and any other materials, shall be exempted from customs taxes "duties" by a resolution of the Council of Minister.

Chapter Four

Personal effects and household items

Article 103

Subject to the conditions and controls prescribed by the Director General, the personal effects and used household items brought into the State by the nationals residing abroad or the foreigners coming for the first time for residence in the State, shall be exempted from customs taxes "duties". Further, the personal effects and gifts in possession of passengers shall be exempted from customs taxes "duties", provided that such items are not of a commercial nature and are conforming to the conditions and controls prescribed by the Rules of Implementation.

Chapter Five

Imports of the Philanthropic Societies "Charities"

Article 104

Imports of the Philanthropic Societies "Charities" shall be exempted from customs taxes "duties" according to the conditions and controls prescribed by the Rules of Implementation.

Chapter Six

Returned goods

Article 105

The following goods shall be exempted from customs taxes and duties:

- 1- Returned goods of national origin that were previously exported.
- 2- Returned foreign goods that are proved to have been previously re-exported to the outside of the State, if returned within one year from the date of re-exportation.
- 3- Goods that have been temporarily exported for finishing or repair shall be subject to the customs taxes "duties" in an amount equivalent to the addition resulting from such finishing or repair according to the decision of the Director General.

The Competent Authority shall prescribe the conditions to be satisfied for benefiting from the provisions of this article.

Chapter Seven

Returned goods

Article 106

The provisions of the exemptions set forth in this Part shall be applicable to the goods covered by exemption, whether directly or indirectly imported or bought from the customs warehouses and free zones subject to the requirements prescribed by the Competent Authority.

Should a dispute arise on whether the goods provided for in this Part are subject to or exempted from customs taxes and duties, the Director General shall settle such dispute.

Part 9

Returned goods

Article 107

Goods placed in the yards and warehouses of the Customs Administration shall be subject to the storage, handling and insurance charges and the other services required for the storage and inspection of goods at the applicable rates. However, storage charges shall not, in any way, exceed 50 per

cent of the estimated value of the goods. In the event such warehouses are administered by other entities, they may collect such charges according to the provisions and rates specified in this respect.

Goods may be subject to the charges of stowage, sealing, analysis and all services rendered.

The services and charges mentioned in this Article and the levying conditions shall be determined by a decision issued by the Competent Authority.

Part 10

Customs brokers

Article 108

A customs broker is any legal or natural person engaged in the preparation of the customs declarations; signing and submitting thereof to the Customs Administration and completion of the customs procedures for clearing the goods for the others' account.

Article 109

Declaration of the goods at the Customs Administration and the completion of customs procedures thereof; whether for importation, exportation or transit, shall be accepted from:

- 1- The owners of the goods or their authorized representatives satisfying the requirements prescribed by the Director General including the authorization conditions.
- 2- Licensed customs brokers.

Article 110

Endorsement of the delivery order for the name of the customs broker or the representatives of the owners of the goods shall be deemed as an authorization for finalization of the customs procedures without any liability on the part of the Customs Administration for delivering the goods to the endorsee.

Article 111

The customs broker shall be held responsible for his acts and those of his employees' vis-à-vis the importers, exporters and the Competent Authority under the provisions herein.

Article 112

The Director General may issue a decision concerning the following:

1. Licensing requirements for the customs brokers, the representative of the customs broker, and the customs licensing procedures therefore;
;Requirements for opening the customs clearance offices .2
3. Obligations of the customs broker and his representative, the number of customs brokers and their representatives authorized to exercise the profession at the Customs Administrations;
4. Procedures of transfer movement of the representatives of customs brokers among the customs clearance offices;
5. The Customs Administrations wherein the customs brokers are authorized to work;
6. Procedures of dispensing with the customs brokers and their representatives;
7. Procedures of withdrawing the licenses of the customs brokers and their representatives, and cases of license cancellation from the Competent Authority's register.

Article 113

Subject to the provision of Article 138 herein and without prejudice to any civil or penal liability set forth herein or in any other law, the Director General may impose on the customs broker and his representative, following due investigation with the knowledge of the Competent Department at the Competent Authority, any of the following penalties, commensurable with the offence committed:

1. Notice warning.

.A fine not to exceed five thousands (QR 5000) Riyals .2

3. Suspension of activity for a period not to exceed two years.

4. Cancellation of the license and final prevention from exercising the profession.

An appeal against the imposition of these penalties may be made before the Competent Authority within thirty days from the date of notification. The resolution judgment of the Competent Authority shall be final.

Article 114

The customs broker shall keep five (5) years register wherein he records a summary of the customs transactions he has completed for the account of others according to the conditions stipulated by the Department. This register shall contain the amount of duties paid to the Customs Administration, the fees paid to the broker and any other expenses relating to the transactions. The director or his authorized representative shall have access at any time to these registers records without objection by the broker.

Part 11

Rights and duties of the Customs Authority Officers

Article 115

The Customs Department officers, when performing their duties, shall be deemed as judicial officers within the limits of their competencies. Such officers, when appointed, shall be given identification cards to indicate the nature of their jobs, and to be presented upon request. The Customs officers shall put on the specified official uniform when performing their duties if the nature of their job so requires.

Article 116

The civil and military authorities and internal security forces shall render to the Authority officers every assistance for the performance of their duties once requested and the Authority shall cooperate with the other official entities.

Article 117

Customs officers, whose nature of job so requires, may be allowed to carry guns. Such officers shall be designated by a resolution of the Competent Authorities.

Article 118

Any customs officer, whose services are terminated for any reason whatsoever, shall return the items in his custody to his immediate supervisor.

Article 119

The incentives and allowances granted to the customs officers shall be determined by a decision of the Minister based on a proposal from the Authority according to the nature of their jobs.

Part 12

Customs Matters

Chapter One

Investigation of smuggling

Article 120

Customs officers shall combat smuggling. To this effect, they are authorized to inspect the goods, the means of transport and to search persons under the provisions herein and the other applicable Laws. The body search of women shall be conducted only by a female inspector. In the event there are adequate evidences of the presence of contraband and after obtaining permission from the Competent Authority, the customs officers shall be entitled to inspect any house, store or shop according to the applicable Laws.

Customs officers shall not be held responsible for the damages resulting from the proper performance of their jobs.

Article 121

In their capacity as judicial officers, authorized customs officers shall have the right to get aboard the vessels anchoring in the local ports or those entering or leaving such ports and to stay aboard until the cargo is unloaded and they may inspect all parts of the vessel.

Article 122

In their capacity as judicial officers, authorized customs officers shall have the right to get aboard the vessels in the Customs Zone for inspection or presentation of the cargo Manifest and the other required documents under the provisions herein; when refraining from producing such documents or in the absence of such documents and when contraband or prohibited goods are suspected to be concealed, Customs officers may take all necessary measures to seize such goods and shall lead the vessel to the nearest Customs Administration.

Article 123

The Department may take the appropriate actions for investigating and detecting smuggling inside and outside the Customs Administration according to the rules laid down by the Authority.

Article 124

Investigation of smuggling, seizure of goods and proving customs offences may be conducted on all goods within the territories of the State in the following areas:

- 1- In the Customs Zones.
- 2- At the Customs Administrations, seaports, airports and all the places subject to customs control.
- 3- Beyond the customs zones when continuously tracking smuggled goods that have been witnessed within the zone in a situation that obviously indicates that they are intended to be smuggled

Article 125

In their capacity as judicial officers, customs officers shall be entitled to have access to the papers, documents, records, correspondence, commercial contracts and instruments whatsoever, directly or indirectly relating to the customs operations, and to seize them when offences are found out, which shall be done at the premises of the shipping and transportation companies and the natural and legal persons involved in customs operations. Such companies and persons shall keep all the aforesaid documents for a period of five years from the date of completion of the customs operations.

Article 126

In their capacity as judicial officers, customs officers may detain any person suspected to have committed or attempted to commit a smuggling offence or involved in committing, transporting of contraband or acquisition thereof

Chapter Two

Seizure report

Article 127

When the offences and crimes of customs smuggling are detected, a seizure report shall be made by at least two customs officers of the Department staff. It may be made by one customs officer when necessary.

Article 128

The seizure report shall contain the following details:

1. The place, date and hour in letters and figures it is prepared.
Names of the customs officers who had detected the offence and those who had prepared the seizure report, signatures thereon, and the nature .2
.of their jobs
3. Names of the offenders or those responsible for smuggling, their nationalities, characteristics, occupations and detail addresses.
4. Seized goods, kinds and quantities thereof, their value and tariff heading, place, date and hour of seizure.
5. Detailed facts, statements of the offenders or the individuals responsible for smuggling and statements of witnesses, if any.
6. An indication in the seizure report that it has been recited to the offenders or those involved in smuggling who had approved it by signing thereon; or refused to do so.
7. All the other useful documents and the presence or absence of the offenders or those involved in smuggling when making inventory of the goods.
8. Referring samples of the seized contraband to the competent authorities for verification of prohibited materials.
9. Identifying the Authority to which contraband has been delivered and taking an acknowledgement of receipt.
10. Identifying the security entity to which the smugglers has been delivered and the hour and date of delivery.

Article 129

The seizure report prepared according to the preceding two Articles shall be a proof of the material facts that have been seen by the customs officers who had prepared the seizure report, unless proved otherwise.

The formal deficiency in the seizure report shall not cause such report to be null and may not be returned to the customs officers who had prepared the report unless such deficiency is relating to material facts.

Article 130

The Customs Administration may detain the goods subject of offence or smuggling and the other items used for concealment as well as the means of transport whatsoever i.e. boats, vehicles and animals excluding vessels, aircraft and public buses intended for the transport of passengers, unless they

are specially designed for smuggling purposes.

Article 131

Smuggled goods or those attempted to be smuggled such as narcotic drugs and the like shall be disposed of according to the laws in force.

Chapter Three

Precautionary Provisional measures

Section One

Precautionary Provisional seizure

Article 132

Customs officers executing the seizure report may seize the goods -subject of smuggling or offence- and the means of concealment and transport thereof and seize all documents in order to prove the offences or smuggling and to secure the duties, taxes and fines.

The Director General may, *mutatis mutandis*, have an order issued by the competent authorities to effect provisional attachment on the properties of the offenders and smugglers as a security of the payment of the customs duties and taxes and fines and implementation of the final decisions and awards issued in this respect.

Article 133

The Director General may, *mutatis mutandis*, and as a guarantee of the public Treasury's rights, impose a customs security on the property of the tax duties payers or their partners.

Article 134

Arrest may be authorized only in the following cases:

1. Smugglers caught in *flagrante delicto*.

Resistance to customs officers or security officers that impedes seizure or investigation of smuggling cases or smuggling offences or the persons involved therein .2

The authorized customs officers or the security authorities shall issue the arrest order. The arrested person(s) shall be presented to the juristic court within 24 from the time of arrest.

Section Two: Preventing the offenders and the persons accused of smuggling from leaving the State.

Section Two

Preventing the offenders and the persons accused of smuggling from leaving the State

Article 135

The Director General or his authorized representative may ask the competent authorities to prevent the offenders or the persons accused of smuggling from leaving the State, if the value of the seized goods is not sufficient to cover the taxes, duties and fines.

Such prevention order shall be cancelled if the offender or the person accused of smuggling has submitted a bail equivalent to the claimed amounts or if it is found out thereafter that the value of the seized goods is sufficient to cover the claimed amounts.

Chapter Four

Customs offences and penalties thereof

Article 136

The collected customs fines and seizures provided for herein are deemed as a civil compensation to the Authority and shall not be covered by the provisions of amnesty.

Article 137

In the event of multiple offences, fines shall be imposed on each offence separately and the severest fine will be sufficient if the offences are so correlated and cannot be separated.

Article 138

Save as in the smuggling cases provided for in Article 140 herein and without prejudice to the international agreements in force, a fine shall be imposed on the following offences according to the rules of implementation of this Law:

1. Offences of importation and exportation.
2. Offences of customs declarations.
3. Offences of goods in transit.
4. Offences of warehouses.
5. Offences of zones under control of customs.
6. Offences of temporary admission.
7. Offences of re-exportation.
8. Any other offences.

Chapter Five

Smuggling and penalties thereof

Section One

Smuggling

Article 139

Smuggling is to bring or attempt to bring goods into or out of the State in contravention to the applicable laws without payment of the customs taxes and duties, in whole or in part, or contrary to the provisions of prohibition or restriction provided for herein or in the other laws.

Article 140

The following actions are particularly deemed as smuggling:

1. Not proceeding with the goods to the first port of entry Customs Administration.
2. Not following the routes specified for getting the goods into or out of the State.
3. Unloading or loading the ships contrary to the Laws applicable at the Customs Administration or unloading or loading the ships beyond the marine Customs Zone.

4. Subject to the provisions of Article 38 herein, illegal unloading or loading of aircraft cargo outside official airports or dropping goods during flight.
5. Not declaring at Customs Administration the incoming or outgoing goods without a Manifest including the goods accompanied by passengers, which have a commercial character.
6. When the goods surpass the Customs Administration at entry or exit without being declared.
7. Discovering goods, not declared to a Customs Administration, concealed in places or cavities not usually designed for containing such goods.
8. Increase, shortage or alteration in the number of the packages or the contents thereof in a situation suspending the duties provided for in Part VII herein discovered after the goods have left the Customs Administration. This provision applies to the goods that have illegally transited the State or without finalization of their customs procedures in which case the carrier shall be held responsible.
9. Failure to produce the evidences prescribed by the Department to justify suspensions of the customs taxes "duties".
10. Taking the goods out of the free zones and duty-free shops, customs warehouses, stores or Customs Zones without finalization of their customs procedures.
11. Producing false, fraudulent or fabricated documents or lists or affixing false marks intended to evade the customs taxes "duties", in whole or in part, or to avoid the provisions of prohibition and restriction.
12. Transporting or acquisition of prohibited or restricted goods without submitting evidences supporting their legal importation.
13. Transporting or acquisition of goods subject to customs authority within the Customs Zone without legal documents.
14. Not re-importation of the goods prohibited from exportation that were temporarily exported for any purpose whatsoever.

Section Two

Penal responsibility

Article 141

Subject to the provisions of the penal code, the following shall be deemed criminally responsible:

1. Principal perpetrators offenders.
2. Partners in the offence.
3. Inciters and interferes.
4. Possessors of contraband.
5. Owners of the means of transport used for smuggling, drivers and assistants who are proven to be involved in the contraband.
6. Owners or tenants of the shops and places where contraband are kept or the beneficiaries who are proved to be aware of the presence of contraband in their shops or places.

Section Three

Penalties

Article 142

Without prejudice to any higher penalty provided for in the other laws, smuggling, like offences and the attempt to commit any of them, shall be penalised as follows:

1. If the smuggled goods are subject to high customs taxes "duties", the penalty shall be a fine not less than double the payable customs taxes "duties" and not more than double the value of the goods and/or imprisonment for not less than one month but not to exceed one year. For the other goods, the penalty shall be a fine not less than double the payable customs taxes "duties" and not more than the value of the goods and/or imprisonment for not less than one month but not to exceed one year.

If smuggled goods are exempted from customs taxes "duties", the penalty shall be a fine of not less than ten percent of the value of the goods and not more than their value and/or imprisonment for not less than one month but not to exceed one year.
3. If smuggled goods are prohibited ones, the penalty shall be a fine not less than the value of the goods, but not more than three times the value thereof; and/or imprisonment for not less than six months, but not to exceed three years.

In all cases, the smuggled goods shall be confiscated or a fine equivalent to the value thereof when the goods are not seized shall be imposed.

Means of transportation and the tools and materials used in smuggling shall be confiscated, excluding public means of transportation such as ships, aircraft, trains and public vehicles, unless they are intended or hired for smuggling purposes, or imposing a fine equivalent to their value when goods are not seized.

The penalty may be doubled if the offence is repeated.

Article 143

The Director General may hold the goods and the seized means of transport in case the smugglers have escaped or could not be caught and sell them according to the provisions of Part 13 herein and the proceeds of sale shall revert to the government upon the expiry of one year from the date of sale with the smugglers not being caught. Should the smugglers be caught or brought to court during this period and the goods have been ordered to be confiscated, the order of confiscation shall apply to the proceeds of sale.

Chapter Six

Prosecutions Pursuits

Section One

Administrative prosecutions pursuits

Article 144

The Director General may issue the necessary decisions for collection of the payable customs taxes "duties", other fees and fixed customs fines, which the payer has not paid.

Objection to the collection decisions may be made to the Authority within fifteen days from the notification date. Nevertheless, this shall not stay execution of the orders Judgments unless the claimed amounts are paid under deposit through a bank guarantee or in cash.

Article 145

The fines provided for in chapter IV of this Part shall be imposed by a decision of the Director General or the authorized representative thereof.

The offender or the representative shall be notified of the imposed fine by a written notice through the competent Authority. The offender shall pay the fines within fifteen days from the date of notification.

Article 146

The penalisation orders judgments referred to in the preceding Article may be appealed before the Authority during the same period and the Authority has the right to confirm, amend or cancel the penalisation order.

Section Two

Prosecution of the smuggling offences

Article 147

The action of smuggling offences may be considered only upon written request from the Director General.

Section Three

Conciliatory settlement compromise

Article 148

The Director General or his authorized representative may, upon a written request by the person concerned, make a compromise conciliation, in the smuggling issues, and the like as stipulated in Chapter IV of Part 12 herein, whether prior to the bringing of the action or when the action is being tried and prior to the issuance of the first instant judgment which will be in lieu of the prosecution.

The Guide of the Reconciliatory Settlements shall be issued by a decision of the Authority.

Article 149

Subject to the provisions of the preceding Article, the conciliatory settlement compromise shall be as follows:

1. If contraband are goods that are subject to high customs taxes "duties" , the penalty shall be a fine not less than twice the amount of the customs taxes ' duties" and not exceeding double the value of the goods.
2. As regards the other commodities, the penalty shall be a fine not less than the amount of the payable customs taxes ' duties" and not exceeding 50% of the value of the goods.
3. If the smuggled goods are not subject to customs taxes "duties" exempted, the penalty shall be a fine not less than 10% of the value of the goods and not more than 50% of their value.
4. If smuggled goods are prohibited ones, the penalty shall be a fine not less than the value of the goods and not more than three times their value.
5. Confiscation, release or re-exportation wholly or partially of the smuggled goods in question.
6. Confiscation of the means of transport together with the tools and materials used for smuggling excluding the public means of transport such as vessels, aircraft and cars unless these are designed or rented for this purpose.

Article 150

The action claim shall be relinquished when a reconciliation is reached.

Chapter Seven

Liability and Joint liability

Article 151

The offence and the consequent civil liability in the smuggling offences arise when the material evidences thereof are available. Good faith or ignorance shall not be taken into account. However, the offender shall be exonerated from liability if the offender is proved to be a victim of a force majeure. Whoever proves that he has not committed any act of offence or smuggling or caused it to occur or be committed shall be exonerated from liability. The civil liability shall include, in addition to the offenders and smugglers, the partners, financiers, sponsors, beneficiaries, agents, clients, donators, carriers, possessors and consigners of the goods.

Article 152

Investors of private shops and premises wherein infringing or smuggled goods are kept shall be held responsible. Whereas investors and employees of public shops and premises as well as the owners, drivers and assistants of public means of transport shall be held responsible unless they prove their ignorance of the presence of such infringing or smuggled goods and that they have no direct or indirect interest therein.

Article 153

Guarantors shall be responsible, within the limits of their guarantees, for the payment of customs taxes "duties", fines and the other amounts payable to the Authority by the principal payers

Article 154

Customs brokers shall be fully responsible for the violations and smuggling offences they or their authorized employees commit in the customs declarations. But they will not be responsible for the undertakings submitted in the Customs Declarations unless such undertakings are made by them or they have guaranteed the undertakers.

Article 155

Owners of the goods, employers and carriers of goods shall be responsible for the acts of their employees and all the persons working for their account in respect to the duties and taxes collected by the Customs Administration and the fines and confiscations provided for herein as a result of such acts.

Article 156

Heirs shall not be responsible for the payment- from their own shares of the heritage- of the fines payable by the dead offenders unless they are partners in smuggling. The action suit shall be relinquished upon the death of the offender.

Article 157

Prescribed customs duties, taxes and fines shall be jointly paid by the offenders or the persons liable for smuggling according to the applicable practices for collecting the funds due to the State Treasury. The seized goods and means of transport, if any, shall be a security for the payment of the payable amounts.

Chapter Eight

Rules of Court Proceedings

Article 158

A Circuit may be established at the First Instance Court to rule in the following:

1. Hearing all smuggling offences and the like.
2. Hearing all offences committed against the provisions of this Law and the Rules of Implementation thereof.
3. Hearing the objections to the collection and fines orders under the provisions of this law.

Article 159

Judgments of the first instance customs court may be appealed before an ad hoc appeal court. The period of appeal shall be thirty days from the date of notification of the first instance judgment by default and from the date of pronouncement of the judgment in presence of the litigant.

Article 160

Collection and penalization orders and the judgments passed in the customs matters shall be carried out by all means of execution, after having the final status, on the movable and unmovable property of the offenders.

The Minister may issue an order to attach a sufficient amount of such property to cover payment of the claimed amounts.

Part 13

Sale of Goods

Article 161

The Authority may sell the perishable seized goods and those subject to shortage or leakage or if the goods are in a condition that might endanger the safety of the other goods and the facilities therein.

Seized goods which are subject to a considerable depreciation may be sold by authorization from the Director General or his representative. The sale of the goods shall be based on a report showing the condition of the goods and the justifications of sale without having to get an order from the competent court, provided that the owner of the goods shall be notified of such sale.

If a judgment order to return the goods to its owner is issued thereafter, then the price of the sold goods shall be paid to the owner after deducting any payable duties or taxes.

Article 162

Upon expiry of the period specified, the Authority may sell the goods placed in the customs warehouses, those existing in the yards or wharves or left out goods at the Customs Administrations.

Article 163

The Authority shall sell the following:

1. The goods and means of transport that have become property of the Authority under a confiscation judgment, a compromise or a written waiver.
.The goods not withdrawn from the customs warehouses within the legal period specified according to Article 74 herein .2
3. The goods and items whose owners are unknown and which have not been claimed within the storage period specified by the Authority.

Article 164

The Authority assumes no responsibility for any damage caused to the goods being sold under the provisions herein unless it is proved that the Authority had committed an obvious default in the procedures of the sale process.

Article 165

The sales provided for in this Part shall be effected in an auction according to the rules and conditions prescribed by the Authority.

The goods, items and the modes of transport shall be sold without the customs taxes "duties" and other taxes excluding the commission that shall be borne by the buyer during the sale procedures.

Article 166

The proceeds of sale shall be distributed as follows:

1. Customs taxes "duties".
.The costs of the sale process .2
3. The expenses incurred by the Authority whatsoever.
4. Transportation charges, when necessary.

5. Any other charges.

The balance remaining from the proceeds of selling the goods, the importation of which is permitted on the day of sale, after deducting the aforesaid sums, shall be deposited with the Authority as a deposit. The persons concerned may claim refund within one year from the sale date otherwise such balance will be transferred to the Treasury.

As for the goods that are prohibited or not allowed to be imported on the day of sale, the remaining balance shall be property of the Treasury.

As for the goods that are prohibited, restricted or not allowed to be imported and those sold under a compromise, penal order or a court judgment relating to smuggling, the remaining balance shall be distributed according to the provisions of article 167 herein after deducting the taxes, duties and costs.

Article 167

The share of the Treasury from the proceeds amounts of the customs fines and the value of the seized or abandoned goods and means of transport are determined at 50% after deducting the customs duties, fees and costs. The remaining portion of the balance shall be deposited with the customs rewards fund at the Authority or with any other account in favour of the customs, to be paid to the individuals who had discovered and seized the offences and their assistants. The rules for distributing such rewards shall be laid down by the Authority upon a proposal from the Director General.

Part 14

Concessions Rights

Article 168

For the purpose of collecting the customs taxes "duties" and the other fees and taxes to be collected as well as the fines, compensations, confiscations and refunds, the Authority shall have a general privilege over the movable and immovable property of the tax payers and offenders, even in the case of bankruptcy, and shall also have precedence over all debts except for the judicial expenses.

Part 15

Prescription

Article 169

Any claim or action for refunding the customs taxes "duties" paid since over three years shall not be accepted.

Article 170

The Authority may destroy the records, receipts, declarations and the other customs documents upon the expiry of five years following finalization of the customs procedures. The Authority shall not be bound to present such documents or give copy thereof to any entity upon the elapse of that period.

Article 171

The prescription period for the Authority dues, if not claimed, shall be as follows:

1- Fifteen years (15) for the following two cases:

- a) Acts of smuggling and the like effective from the date of committing the offence.
- b) Execution of the smuggling judgments and the like effective from the date of passing the judgment.

2- Five years (5) for the following two cases:

- a) Investigation of the offences from the date of occurrence.

- b) Collection of the fines and the confiscations imposed on the offences with effect from the issuance of the penalisation order.
- c) Collection of the customs taxes "duties" and the other charges that have not been collected due to a mistake by the Customs Administration effective from the date of lodgment of the Customs Declaration
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Prescription

Final Provisions

Article 172

The Director General may exclude the ministries, government departments and the official public organizations from certain procedures to facilitate their duties.

The Authority may sell the confiscated or abandoned goods and materials to the interested ministries, government departments and official public organizations, if they express their need therefore, at the prices the Authority deems appropriate. Such confiscated or abandoned goods and materials may be given free of charge to these bodies by a resolution of the Authority.

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