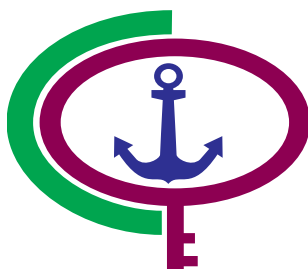


STATE OF QATAR
Customs & Ports General Authority



CUSTOMS LAW
&
EXECUTIVE REGULATIONS

2005 Version

CONTENTS

SUBJECT	PAGE
Law No.: (40) For the year 2002	5
Part 1 : Definitions And General Provisions	9
Part 2 : Customs Traiff	19
Part 3 : Prohibition and Resstriction	23
Part 4 : Distinguishing Elements of the Goods	27
Part 5 : Importation and exportation	31
Chapter (1) : Importation	33
1- Sea Carriage	33
2- Import of Goods by Land	35
3- Air Freight	36
Chapter (2) : Exportation	36
Chapter (3) : Post Mail	37
Chapter (4) : Common Provisions	37
Part 6 : Customs Clearance Stages	39
Chapter (1) : Customs Declarations	41
Chapter (2) : Examination (Inspection) Of Goods	42
Chapter (3) : Provisions Relating to Passengers	46
Chapter (4) : Adjustment of the Value	46
Chapter (5) : Payment of Other Customs Charges and withdrawal of Goods	48
Part 7 : Cases Pending Customs Duties & Cases of Refund	49
Chapter (1) : General Provisions	51
Chapter (2) : Goods in Transit	51
Chapter (3) : Warehouses	52
Chapter (4) : Free Zones & Duty-Free Shops	53
Chapter (5) : Temporary Admission	56
Chapter (6) : Re-exportation	57
Chapter (7) : Drawback	58
Part 8 : Exemptions	59
Chapter (1) : Goods Exempted From Customs Duties	61

Chapter (2) : Diplomatic Exemptions	61
Chapter (3) : Military Exemptions	62
Chapter (4) : Personal Effects and Household Items	63
Chapter (5) : Imports of the Charitable Organizations	63
Chapter (6) : Returned Goods	64
Chapter (7) : General Provisions	64
Part 9 : Service Charges	65
Part 10 : Customs Agents	67
Part 11 : Rights & Duties Of The Authority Officers	75
Part 12 : Customs Legal Actions	79
Chapter (1) : Investigation of Smuggling	81
Chapter (2) : Seizure Report	83
Chapter (3) : Precautionary Measures	85
Section (1) : Precautionary Seizure	85
Section (2) : Preventing the Offenders & the Persons Accused of Smuggling from leaving the Country.	86
Chapter (4) : Customs Offences & Penalties Thereof	87
Chapter (5) : Smuggling & Penalties Thereof	88
Section (1) : Smuggling	88
Section (2) : Criminal Liability	90
Section (3) : Penalties	90
Chapter (6) : Pursuance (Pursuits)	92
Section (1) : Administrative Pursuance (Pursuits)	93
Section (2) : Prosecution of Smuggling offences	93
Section (3) : Conciliatory Settlements	94
Chapter (7) : Liability & Joint Liability	94
Chapter (8) : Trials Procedures	96
Part (13) : Sale Of The Goods	99
Part (14) : Privilege of the Customs Administration	105
Part (15) : Prescription	109
Part (16) : Final Provisions	113
Ministers Council Decree No. (21) for the year 2004	117
Customs Law Executive Regulations	121



**Law No: (40) for the year 2002
in issuing the Customs Law**



State of Qatar
Council of Minister's



Law No: (40) for the year 2000 in issuing the Customs Law

We, **Jassim Bin Hamad Al-Thani** Deputy Emir of the State of Qatar

Subsequent to the reviewing of the amended provisional constitution, particularly the articles (22), (23), (34) and (51) thereof,

The law No: (2) for the year 1962 in organizing the general financial strategy in Qatar amended by the decree to be canceled Law No: (19) for the year 1996,

The Customs Law issued by the law No:(2) for the year 1988 amended by the law No:(25) for the year 1994,

The law No: (5) for the year 1989 concerning the general budget of the state,

The resolution of the Supreme Council of the Gulf Co-Operation Council for the Arab State issued at its twenty second session held in Sultanate of Oman during the Period from 15-16 Shawwal 1422, 30-31 December 2001 concerning the Unified Customs Law for the Council states and its executive regulations,

the Finance Minister proposal,

the draft law presented by the Ministers Council

and considering the advisory Council recommendation

We have decreed the Following law:

Article (1)

The Customs Law enclosed to this law shall be carried out.

article (2)

The Ministers Council shall issue, according to the Finance Minister proposal, and the Executive Regulation for the Customs Law and the Finance Minister shall issue the necessary decisions to execute it's provisions.

and until the Executive Regulation and the mentioned decisions are issued, the on going decisions shall be carried out without conflict to this law provisions.

Article (3)

The mentioned Customs Law issued by the law No: (5) for the year 1988 shall be eliminated as well as every provision opposing this law provisions.

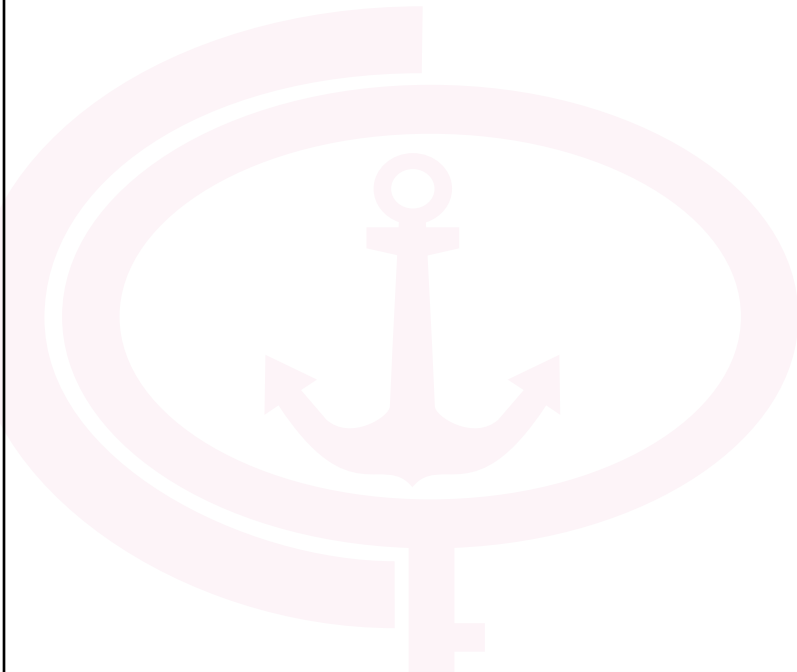
Article (4)

All competent entities shall execute this law and to be carried out effectively from first of January 2003 and to be published in the Official Journal.

Jassim Bin Hamad Al-Thani
Deputy Emir Of State of Qatar

Issued at the Amiri Diwan on 17/10/1423

Part (1)



**Definitions
and General Provisions**



Part (1)

Definitions

and General Provisions

Article (1)

In this Law and the executive regulations thereof unless the context otherwise requires:

The Council : Means the Gulf Cooperation Council for the Arab States of the Gulf.

The Minister : Means the Minister of Finance.

Authority : Means Customs & Ports General Authority.

Director General : Means the General Manager of the Authority.

The Administration: Means the Competent Administration in the Authority

Customs station : Means the station, appointed by the Authority at each seaport, airport, land port or at any other place where there is an office of the Authority authorized to complete all or some of the customs procedures.

The Director : Means the director of a Customs station

Customs zone : Means the lands or that part of seas subject to the customs control and procedures set forth herein which include:-

(A) Land customs zone: Which covers the lands located between the land boundaries or shores, on

the one hand, and an internal line to be prescribed by a decision of the authority on the other hand?

(B) Sea customs zone: Which includes that part of the sea located between the shores and the end boundary of the territorial waters.

Customs line : Means the line that march with border line the political separating between the country and the neigh touring states and the seashores surrounding that country.

Unified customs tariff : Means the nomenclature containing the descriptions of the goods and the respective customs duties as well as the rules and notes of the kinds and types of goods.

Customs duties : Mean the amounts levied on goods according to the provisions of this Law.

Charges : Means the amounts collected for the services rendered.

Goods : Means any natural, material, or animal, agricultural, industrial or intellectual product.

Type of goods : Means the description mentioned in the customs tariff nomenclature.

Goods subject to high customs duties :

Means goods specified by the General Manager for

the purpose of customs control.

The price actually paid or payable :

Means the total amount paid or payable to the seller, directly or indirectly, for the goods imported by the buyer or for his benefit.

The imported goods pending appraisal:

Means the goods being evaluated for customs purposes

Identical goods: Means goods that are identical in all respects, including material characteristics, quality and commercial reputation, minor differences in appearance would not preclude goods from being regarded as identical.

Similar goods : Means goods which, although not identical in all respects, have similar characteristics and similar 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 the goods are similar.

Sales commission: Means the commission payable to the seller's agent who is connected to the seller or the factory, governed by or acting for its favor or on its behalf

Packing costs : Means the cost of all packing and coverings (excluding instruments of international traffic" whether for the labor or the materials used for placing the goods in packing suitable for shipping to the GCC states.

Unit price at the biggest large- scale total quantity :

means the unit price at which certain goods are sold to unrelated persons, at the first commercial level after importation, in its states when imported or after further preparation or processing, if the importer so requested.

Related persons: Means persons who are:

- a) legally recognized partners in business.
- b) officers or directors of one another's business.
- c) employer and employees.
- d) any person directly or indirectly owns, controls or holds 5 per cent or more of the portions or stock shares which entitles him to vote or both of them.
- e) any two persons one of them directly or indirectly controls the other.
- f) any two persons both of them are directly or indirectly under the supervision of a third person.
- g) any two persons jointly directly or indirectly

control a third person.

h) members of the same family.

Value Agreement: Means the Agreement on Implementation of Article VII of the GATT 1994.

Origin of the goods: Means the country of production of the goods.

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 ".

Restricted goods: Means those goods the import or export of which is restricted under the provisions of this regulation "law "or any other regulation "law "

Source : Means the country from which the goods are imported.

Importer : Means the natural or juristic person importing the goods.

Exporter : Means the natural or Juristic person exporting the goods.

Manifest : Means the document containing a full description of the goods carried on the various means of carriage.

Free zone : means a part of the state territories in which commercial or industrial activities are exercised under the and regulation laws relating thereto any goods entering that zone are considered to be

outside shall not be subject to the ordinary customs procedures.

Means that licensed building or place wherein goods are placed free of customs duties for

Duty-free shop: purposes of display and sale.

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 " .

Storehouse : means the place or building intended for the temporary storage of goods pending the withdrawal thereof in accordance with one of the customs procedures whether such place/building is directly administered by the Authority or by the public institutions or corporations or the investing bodies.

Warehouse : means the place or building wherein the goods are deposited under supervision of the Authority free of customs duties according to the provisions of the Law.

Carrier : Means the owner of the means of carriage or the authorized representative thereof

Specified routes: Mean the routes specified by a decision from the authority for the carriage of the imported or exported

or transshipped goods.

Treasury : Means the state public treasury

Customs Clearance : means documentation of the customs declarations for the imported, exported and transshipped goods according to the procedures provided for herein.

Customs broker: means natural or Juristic licensed to practice customs clearing on behalf of others.

Representative of the customs broker :

means any natural or juristic person licensed to follow up customs procedures.

Article (2)

The provisions of this "law "shall apply to lands subject to the state sovereignty and territorial waters of the country. Notwithstanding, free zones, totally or partially exempted from customs provisions, may be established in such lands.

Article (3)

Any goods crossing the customs line, for importation or exportation, shall be subject to the provisions of this law.

Article (4)

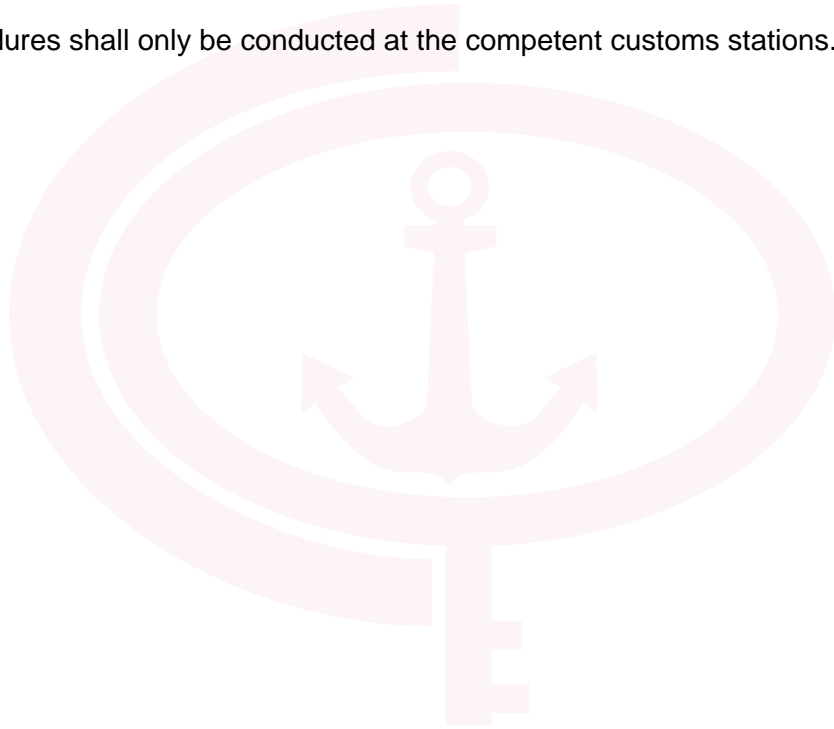
The Authority shall perform its functions at the customs station or customs zone and May also exercise its powers within the extent of the state land and territorial waters according to the conditions set forth herein.

Article (5)

Customs stations shall be established by a resolution of the Minister
The Competence and work hours thereof shall be specified by a resolution
of decision of the authority.

Article (6)

Subject to the provisions of the second part of chapter 6, customs
procedures shall only be conducted at the competent customs stations.



Part (2)



Customs Tariff

Part (2)

Customs Tariff

Article (7)

Goods imported into the state are subject to the customs "duties" specified in the unified the customs tariff, and the charges, excluding those exempted under the provisions of this " law "or under the Unified Economic Agreement of the GCC Arab states or any other agreement within the framework of the Council.

Article (8)

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

Article (9)

Customs" duties" shall be levied, amended and abolished by a decree taking into consideration the provisions of the international agreements in force, and the resolutions issued by the council.

The amended decree shall specify the date on which such amended "duties" shall be effective.

Article (10)

Imported goods are subject to the customs "duties" applicable at the date of registering the customs declaration with the customs station unless otherwise provided for in the text of the resolutions amending the customs tariff.

Article (11)

When custom 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 on the date of registering the customs declaration.

Article (12)

Goods taken out from the free zones and duty-free shops into the local markets are subject to the customs tariff effective at the date of such taking out.

Article (13)

Smuggled or constructively smuggled goods or are subject to the customs tariff applicable at the time of the detection or occurrence of the smuggling, if it is possible to be ascertained whichever is higher.

Article (14)

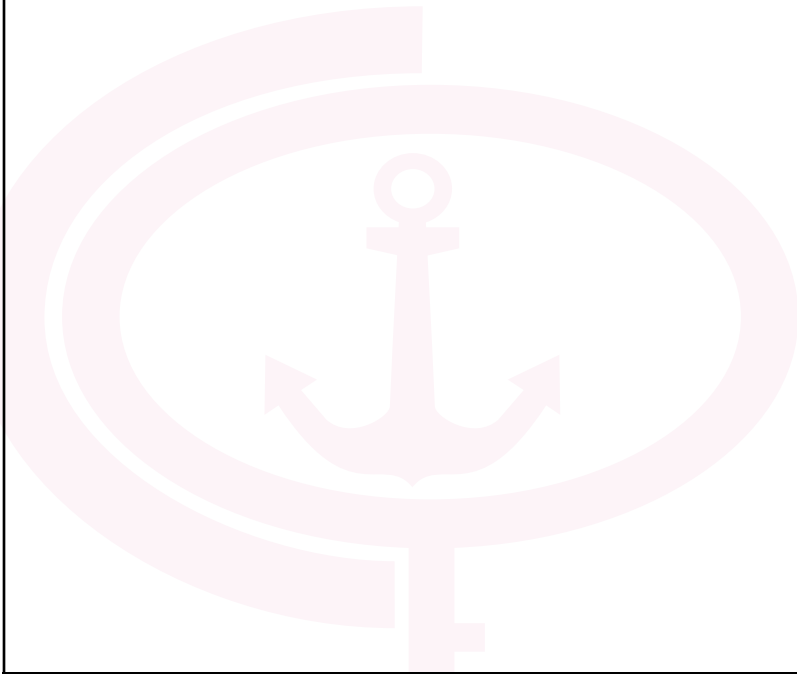
The customs tariff applicable on the date of sale shall apply to the goods sold by the Authority in accordance with the provisions provided for herein.

Article (15)

Damaged goods shall be subject to the applicable customs tariff based on their value at the condition thereof at the time of the registration of customs declaration.



Part (3)



Prohibition and Restriction



Part (3)

Prohibition and Restriction

Article (16)

A customs declaration shall be submitted on any imported or exported goods the goods shall be presented to the customs authorities at the nearest customs station.

Article (17)

Marine means of transport entering the country, irrespective of their load capacity, are prohibited from anchoring in any seaports (harbors) other than those designated for their anchoring, excluding the circumstances arising out of sea emergency or force majeure in such case the master the shipmaster shall without delay notify the nearest customs station or security center of such circumstances.

Article (18)

Vessels, of loading capacity less than two hundred marine tons loaded with prohibited or restricted goods or goods subject to high rates of duty, may not enter or pass within the marine customs zone except in circumstances arising from sea emergency or force majeure, in which case the master shall promptly notify the nearest customs enclosure or security center of such circumstances, excluding goods transported within the local seaports of the country whose customs procedures have been finalized.

Article (19)

Aircraft departing or arriving in the country may not take off or land

except at the airports where customs stations exist unless in cases of force majeure in which case the pilot shall promptly notify the nearest customs station or security center of such cases and submit a report, approved by the customs station notified of that case, unless otherwise provided for in any other law

Article (20)

Land means of transport may not enter or leave the country except through the areas where customs enclosures exist.

Article (21)

The Customs Administration prohibits admission, transit or exit of the prohibited goods or on the contravening goods as well as the entry, transit or exit of the restricted goods except with an approval issued by the competent authorities in the state.

Article (22)

Prohibited and restricted goods and goods subject to high custom duties as well as other goods determined by the General Manager by virtue of a decision to be issued thereby shall subject to the custom zone rules. The executive regulations of this law shall determine the conditions of transportation within this zone and the necessary documents and procedures therefore.

Part (4)



Distinguishing Elements of the Goods
(Origin- Value- type)



Part (4)

Distinguishing Elements of the Goods (Origin- Value- type)

Article (23)

Imported goods are subject to the proof of origin rules provided for in the agreements concluded within the framework of the international or regional economic organizations.

Article (24)

The value of goods for customs purposes shall be calculated according to the rules and basis of this Law set forth in the executive regulations.

Article (25)

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

1. Any customs declaration shall be accompanied with a detailed original invoice and the director general or whom he may delegate 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 exceed 90 days from the date of the undertaking.
2. The value of the goods shall be proved by submitting all invoices and documents reverses the value thereof according to the basis set forth in the executive regulations of this Law.
3. The customs office may require the submission of tracts,

correspondences and other relevant documents without being bound to accept all that is stated therein or in the invoices.

4. The Administration may request Arabic translation of the invoices issued in a foreign language showing details of the goods in accordance with the customs tariff as well as the other documents, if so needed

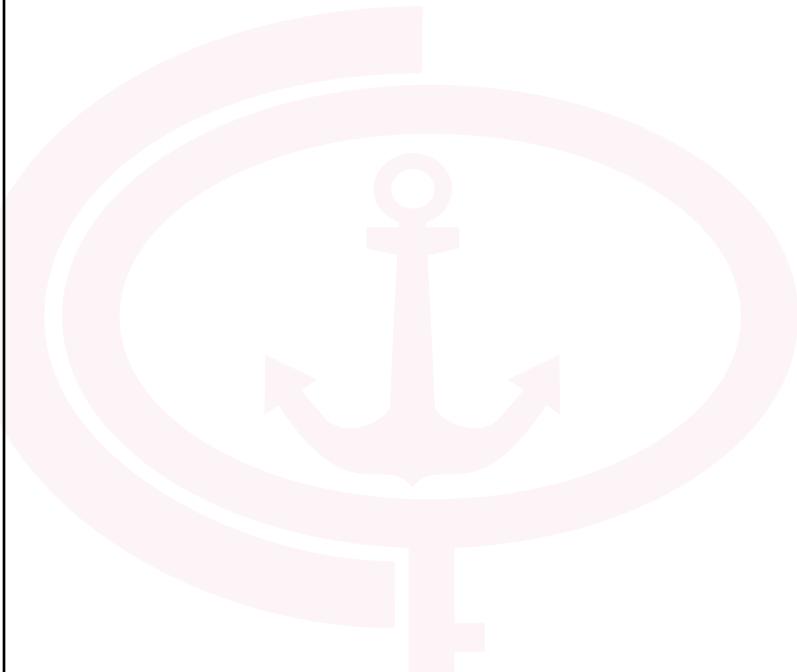
Article (26)

The value of the exported goods is the value at the time of registration of customs declaration plus all the costs until arrival of the goods to the customs enclosure

Article (27)

Goods not mentioned in the customs tariff (Nomenclature) and the explanatory notes thereof are to be classified according to the publications of the World Customs Organization relating thereto. Goods that fall under local subheadings in the customs tariff Nomenclature are to be classified within the context of the Council states.

Part (5)



Importation and exportation



Part (5)

Importation and exportation

Chapter (1)

Importation

1. Sea carriage

Article (28)

Any goods imported into the country by sea shall be registered in the manifest.

A single manifest for the whole load signed by master shall be made which shall contain the following information:

- 1 - Name and nationality of the vessel and its registered load.
- 2 - Types of the goods, total weight thereof and the weight of bulk goods (if any) if goods are prohibited, their actual designation shall be mentioned.
- 3 - Number of packages and pieces, description of packing, marks and numbers thereof.
- 4 - Names of the consignor and consignee.
- 5 - The seaports where the goods are shipped from (ports of loading).

Article (29)

When entering the customs zone, the master shall produce the original manifest to the competent authorities.

When the vessel enters the harbor, the master shall submit to the customs office the following information and documents:

- 1 - The (manifest).
- 2 - The manifest of the vessel supplies and the crew's luggage and the commodities belonging to them.
- 3 - A list of the passengers' names.
- 4 - A list of the goods to be discharged at this port.
- 5 - All the shipping documents which the customs enclosure may require for application of the customs regulations.

The required information and documents shall be submitted within (36) hours from the time of entering the port official holidays shall not be calculated in this time limit.

Article (30)

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

Article (31)

Cargo of the vessel and all other marine means of shipping may be unloaded only within the customs zone at the port. Any shipment may be unloaded or transshipped only under supervision of the customs office.

Unloading and transshipment shall be completed as per to the conditions laid down by the General Manager.

Article (32)

Subject to the provisions of Article (53) herein the master, forwarder or his representative shall be held responsible for any shortage in the number

of pieces or packages or the contents thereof or the amount of the bulk goods until delivery of the goods to the customs storehouses or at the warehouses or to the owners thereof , 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 master or his representative shall explain the causes of such shortage and prove the rough documents that it has occurred outside the marine customs zone. If such documents cannot be submitted at once, a time limit not

exceeding six months may be given to submit the same against a guarantee ensuring the Administration's rights.

2. Import of goods by land

Article (34)

Customs procedures of the goods imported by land should be completed at the nearest customs station and may be referred to another inland customs station, in cases to be decided by the General Manager.

Article (35)

A manifest of the total cargo of any land means of conveyance shall be prepared and signed by the carrier or his representative and shall contain adequate information on the means conveyance, its cargo and all other details as per to the conditions specified by the General Manager.

Carriers or their representatives shall submit the manifest to the customs station immediately upon arrival thereinto.

3. Air Freight

Article (36)

Subject to the provisions of Article (19) herein, aircraft crossing the state airspace shall follow the specified routes therefore and shall land only at the airports where customs stations 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 paragraphs 1 and 2 of article 29 herein.

Article (38)

The captain or his representative shall submit the manifest and the lists mentioned in the preceding article herein to the customs officers and shall hand over these documents to the customs station upon the arrival of the aircraft.

Article (39)

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

Chapter (2)

Exportation

Article (40)

Owners of the means of conveyance of goods or their agents, loaded or unloaded, shall- when leaving the country- submit to the customs station the manifest as per the provisions of chapter 1 of this part and shall obtain

exit permission. However, the General Manager, may, in certain cases, make an exception to this condition.

Article (41)

Exporters of goods shall pass with the goods to be exported through the competent customs station and declare them in details. Carriers towards land borders are prohibited to overpass the customs station.

Chapter 3

Post Mail

Article (42)

Goods may be imported or exported by mail in accordance with the provisions of this law and subject to the other applicable international postal agreements and local Laws and regulations in force.

Chapter 4

Common provisions

Article (43)

Several sealed packages, assembled in any way whatsoever, may not be stated in the manifest as a single package. Containers, closets and trailers are subject to the instructions given by the General Manager.

A single consignment may not be splitted. 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 conveyances in respect to the unloading and transshipment of goods.

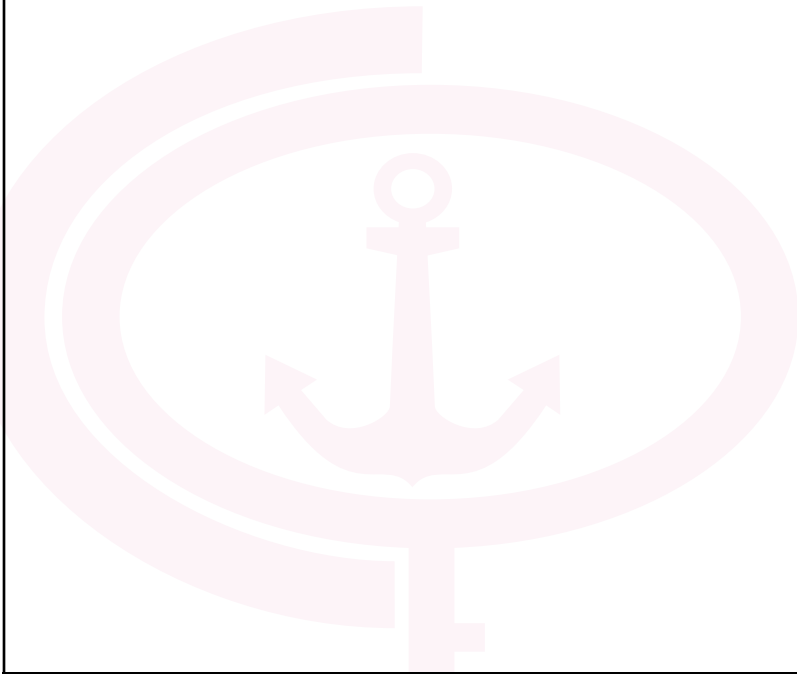
Drivers, captains of aircrafts and transportation company's carriers shall be responsible for any shortage in the goods.

Article (45)

The Authority may exchange with other bodies the information's relating to customs clearance through electronic means.



Part (6)



Customs clearance Stages



Part (6)

Customs clearance Stages

Chapter (1)

Customs declarations

Article (46)

When clearing any goods, even if exempted from customs duties, a detailed customs declaration, as in the approved forms shall be submitted to the customs office containing all the information that enable in application of the customs regulations and levying applicable customs duties and for the purposes of statistics.

Article (47)

Subject to the provision of paragraph (1) of Article 25 herein, The General Manager shall specify the documents that must be attached with the customs declarations and the information to be contained therein and shall 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 conditions specified thereby.

Article (48)

Contents of the customs declarations may not be modified after registration; however, the declarant 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 station. Such samples shall be subject to the applicable customs duties.

Article (50)

No parties other than the owners of the goods or their representatives may have access to the customs declarations and documents excluding competent judicial or official authorities.

Chapter (2)

Examination (Inspection) of goods

Article (51)

The authorized customs officer shall examine the goods wholly or partially after registering the customs declarations as per to the instructions of the General Manager.

Article (52)

Examination of goods shall take place at the customs station; however in certain cases such examination may be conducted outside the customs station according to the regulations laid down by the General Manager.

Transferring the goods to the place of examination and the unpacking and repacking of packages and all other works required for such examination shall be at the expense of the owner thereof who will be

responsible thereof until the arrival of the goods at the place of examination.

Goods placed in the customs storehouses or at the places intended for examination may not be removed there from without the approval of the customs station

The individuals who work in carrying goods and presenting them for examination shall be acceptable to the customs station. access to the store houses, warehouses, enclosures, 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 station.

Article (53)

Examination shall be conducted only in the presence of the owner of the goods or the representative thereof. Should a shortage in the contents of the packages shown up, the responsibility thereof shall be determined as in the following order:-

- 1 - If the goods had been placed in the customs storehouses and 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 country prior to shipping, then the detection of such shortage shall be disregarded.
2. If the goods entering the customs storehouses or warehouses are in packages that are in an apparently improper condition, the body in charge of these storehouses or warehouses shall, together with the carrier, record this incidence in the delivery report and ascertain

of the weight, contents and number of thereof. It shall also take the necessary precautions to ensure safety of the goods, in such case the carrier shall be held responsible unless a reservation is indicated on the manifest and endorsed by the customs office of the exporting country in which case the detention of such shortage shall be disregarded.

3. If the goods have been admitted into the customs storehouses warehouses in packages that are in an apparently proper condition then became subject of suspicion thereafter, the body in charge of such storehouses and warehouses shall be responsible there from.

Article (54)

When the customs station suspects the presence of prohibited or different than stated in the customs documents, it shall have the right to open the packages for inspection in the absence of the owner thereof or his representative, if he refrains from attending the inspection at the specified time although being notified therewith. When necessary, the customs station may inspect the goods before notifying the owner or his representative. Such inspection may be conducted by a committee to be formed for this purpose, by a decision of the General Manager and a report of the findings of inspection shall be made.

Article (55)

The customs station may have the goods analyzed by specialized agencies to verify the kind and specifications thereof or their conformity to the provisions of the regulations and laws in force.

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 such goods adequate guarantees ensuring that such goods shall not to be disposed of until the analysis result was produced.

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

Article (56)

If the customs office cannot verify the correctness 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 duties shall be levied according to the contents of the customs declaration. Should inspection resulted 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 authority's right to levy the applicable fines, when necessary, under the provisions herein?

Article (58)

The customs station may re-inspect the goods according to the provisions of Articles 51 - 55 herein.

Chapter (3)

Provisions relating to passengers

Article (59)

Items or belongings accompanying the passengers shall be declared and inspected at the competent customs station according to the rules and practices laid down by the General Manager.

Chapter (4)

Adjustment of the value

Article (60)

A valuation committee composed of officers from the administration shall be established by a resolution of the General Manager to settle the disputes arising between the customs station 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 resort to court, the importer may complain 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 General Manager. The importer shall be informed in writing of the decision taken by the committee concerning his complaint. The reasons for such decision shall be stated therein.

Article (61)

Should a dispute arise between the competent customs 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. If the director confirmed the opinion of the customs officer but the owner of the goods does not accept such confirmation, the matter shall be referred to the

General Manager for settlement of dispute or for referral to the valuation committee.

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

Chapter (5)

Payment of other customs charges and withdrawal of goods

Article (62)

Goods shall be subject to customs duties and may not be withdrawn unless after completion of relevant customs procedures and payment of customs duties and any other charge according to the provisions herein.

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

Article (63)

The customs officers assigned to collect customs duties shall execute an official receipt voucher in the form prepared by the Authority.

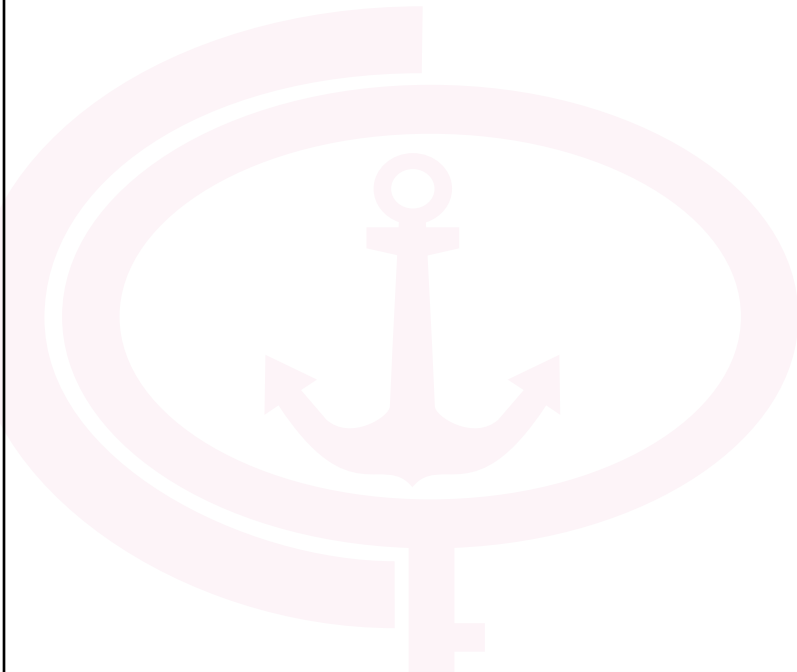
Article (64)

When a state of emergency is declared, the Authority may precautions for withdrawal of the goods against special guarantees and conditions to be determined by the Authority.

Article (65)

According to the regulation and conditions issued by the General Manager, goods may be with drawn prior to payment of the customs duties and after completion of the customs procedures, against bank, monetary or documentary guarantees.

Part (7)



**Cases Pending Customs Duties
and Cases of Refund**



Part (7)

Cases pending customs Duties and cases of Refund

Chapter (1)

General Provisions

Article (66)

Goods may enter the state and be transported to any other place within the country without payment of customs duties against submission of a bail monetary or a bank guarantee equivalent to the amount of the customs duties levied thereon according to the instructions issued by the General Manager.

Article (67)

Monetary bails, bank guarantees and securities may be released against certificates of discharge according to the conditions determined by the General Manager.

Chapter (2)

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 are allowed to transit the territories of the Council member states according to the provisions of the Law and international agreements in force.

Article (69)

Transit operations shall not be passed except at the authorized customs station.

Article (70)

Subject to the provisions of the regional and international agreements in force transit goods shall be transported through the routes specified therefore by the various means of transport at the carrier's responsibility according to the

instructions issue by the Director General. The routes for such transit transportation and the conditions thereof are to be determined by a resolution of the Authority.

Article (71)

In the event goods are transported from one customs station 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 General Manager.

Article (72)

The Authority shall issue the necessary resolutions governing pending customs duties applicable to all other kinds of transit goods transportation.

Chapter (3)

Warehouses

Article (73)

Warehouses inside or outside the customs station shall be established by a resolution of the Authority; the regulations and conditions controlling such warehouses shall be laid down by the General Manager.

Article (74)

Goods may be deposited with the warehouses inside or outside the customs station without payment of customs duties according to the

regulations and conditions determined by the General Manager

Article (75)

The Authority shall have the right to supervise and control the warehouses managed by other agencies, according to the provisions of Law .

Chapter (4)

Free zones and duty-free shops

Article (76)

Free zones and duty free shops shall be established by virtue of a Law the regulations conditions and procedure thereof shall be laid down by a resolution of the Minister based on the Authority recommendation.

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 shops , and taken out there from to outside the state or to other free zone and duty-free shops , without being subject to customs duties.

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

Goods in the free zones and duty-free shops shall not be subject to any restriction in respect to the period of remaining therein.

Article (78)

The goods, stated in the manifest as imported goods, may not be transferred or brought into the free zones and duty-free shops unless by approval of the General Manager and according to the conditions and

restrains prescribed thereby.

Article (79)

The following goods are prohibited to be brought into the free zones and duty-free shops:

- 1 - Flammable goods, except the fuels necessary for the operation allowed by the authority supervising free zones and duty-free shops according to the conditions prescribed by the competent authorities.
- 2 - Radioactive materials
- 3 - Arms, ammunition and explosives, of whatever nature, except those licensed by the competent authorities.
- 4 - Goods infringing the legislations relating to commercial and industrial, intellectual or Artistry property rights 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 country.
7. Goods prohibited from entering the state.

Article (80)

The Authority may carry out inspection works in the free zones and duty-free shops for goods prohibited to be brought the rein, and it may also review the documents and examine the goods when smuggling operations are being suspected.

Article (81)

The manager of the free zones and duty-free shops shall submit to the Authority, when requested, a list of all the goods brought into or taken out

there from.

Article (82)

Goods placed at the free zones and the duty-free shops shall not be transferred to other free zones and duty-free shops, stores or warehouses unless according to the securities, undertakings and determined prescribed by the General Manager

Article (83)

Goods may be withdrawn from the free zones and duty-free shops into the state according to the provisions of applicable regulations and as instructed by the General Manager.

Article (84)

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

Article (85)

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

Article (86)

The administration of the free zones and duty-free shops shall be responsible of all offences committed by its employee and for the unauthorized illegally taken out of goods there from. All regulations and instructions relating to security, public health, smuggling and fraud control shall be applied thereon

Article (87)

The goods taken from the free zones and duty-free shops into or out of the state shall be treated as foreign goods.

Chapter (5)

Temporary Admission

Article (88)

Subject to the provisions of the Unified Economic Agreement of the Council states and the other international agreements in force, goods may be temporarily admitted without collection of customs duties thereon according to the conditions set forth in the Executive Regulations hereof.

Article (89)

The General Manager may grant temporary admission license for the following:

- 1 - Heavy machinery and equipment to carry off projects or for conducting the scientific and practical experiments relating to such projects.
- 2 - Foreign goods imported for completion of processing.
- 3 - Items temporarily imported for playgrounds, theatres, exhibitions and the likes.
- 4 - Machinery, Appliances and equipment imported into the country for repairing.
- 5 - Containers and packing imported for filling.
- 6 - Animals admitted in for grazing.
- 7 - Commercial samples for display.
- 8 - Other cases that may require such temporary admission.

The items provided for herein shall be re-exported or deposited with the free zone, customs station or warehouses during the temporary admission period prescribed by the Executive Regulations hereof.

Article (90)

Provisions of the Unified Economic Agreement of the GCC States and the other international agreements in force governing the temporary admission of vehicles shall be observed according to the instructions prescribed by the Executive Regulations hereof.

Article (91)

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

Article (92)

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

Article (93)

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

Chapter (6)

Re-exportation

Article (94)

The goods imported into the country, on which customs duties were not collected, may be re-exported outside the country or may be taken to the

free zone according to the procedures and guarantees prescribed by the Executive Regulations hereof.

Article (95)

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

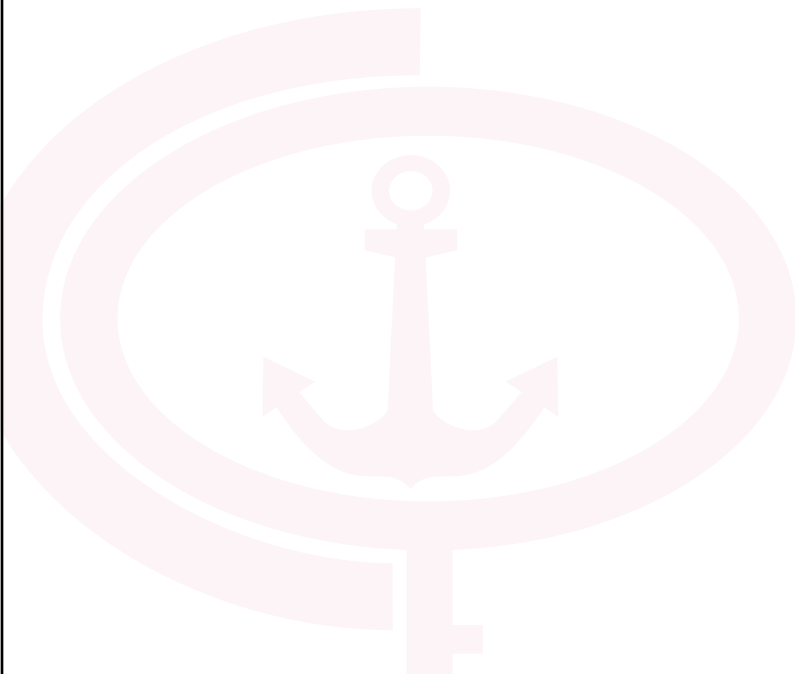
Chapter (7)

Drawback

Article (96)

Customs duties collected on the foreign goods shall be totally or partially refunded at re-exportation according to the rules and conditions set forth by the Executive Regulations hereof.

Part (8)



Exemptions



Part (8)

Exemptions

Chapter (1)

Goods exempted from customs duties

Article (97)

The goods specified to be exempted from customs duties and in the unified customs tariff of the GCC states shall be exempted from customs duties.

Chapter (2)

Diplomatic exemptions

Article (98)

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

Article (99)

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

Customs duties are not to be levied if the beneficiary has disposed of the goods, exempted goods after three years from the date released by the customs station provided that reciprocity basis is available.

Article (100)

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

- 1 - Termination of the mission of the diplomatic or consular member benefiting from the exemption in the state.
- 2 - The occurrence of an accident to the exempted vehicle 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 Administration.
- 3 - 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 according to Article (98) herein shall begin from the date of commencing their jobs at their official places of work in the State

Chapter (3)

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

duties by a resolution of the Council of Ministers.

Chapter (4)

Personal effects and household items

Article (103)

The personal effects and used household items brought into the country by the nationals residing abroad or the foreigners coming for the first time for residence in the State shall be exempted from customs duties, subject to the conditions and restrictions determined prescribed by the General Manager.

To be exempted from customs taxes duties are the personal effects and gifts in possession of passengers provided that such items are not of a commercial nature and shall be conforming to the conditions and controls prescribed by the Rules of Implementation.

Chapter (5)

Imports of the Charitable Organizations

Article (104)

The needs of the Charitable Organizations shall be exempted from customs duties according to the conditions and restrictions prescribed by the Executive Regulations hereof.

Chapter (6)

Returned goods

Article (105)

The following goods shall be exempted from customs duties:

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

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

Chapter (7)

General provisions

Article (106)

The provisions of the exemptions set forth in this chapter shall apply to the goods covered by exemption, whether directly or indirectly imported or bought from the customs warehouses or the free zones subject to the conditions specified by the Authority.

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

Part (9)



Service charges



Part (9)

Service charges

Article (107)

Goods placed in the yards and warehouses of the customs station shall be are subject to the charges of storage, handling and insurance 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 agencies, they may collect such charges according to the provisions and rates specified in this connection.

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

The services and charges mentioned in this Article and collection conditions shall be determined by a resolution issued by the Authority.



Part (10)



Customs Agents



Part (10)

Customs Agents

Article (108)

A customs broker is any natural person or juristic engaged in the preparation of the customs declarations, signing them, submitting them to the customs station and completion of the customs procedures for clearing the goods on behalf of others

Article (109)

Declaration of the goods at the customs station and the completion of the 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 General Manager including the authorization conditions.
- 2 - Licensed customs agents.

Article (110)

Endorsement of the delivery order in the name of the customs agent 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 Authority resulting from delivering the goods to the endorsee.

Article (111)

The customs agent shall be held responsible for his acts and those of his employees towards the importers, exporters and the Authority according to the provisions herein.

Article (112)

The General Manager may issue a decision concerning the following:

- 1 - The necessary conditions to issue customs clearance proactive license for the agents and for the representative of the customs agent and Licensing procedures for both .
- 2 - the Necessary conditions for opening customs clearance offices,
- 3 - Obligations of the customs agent and his representative, and the number of agents and agents representative authorized to practice at the customs stations.
- 4 - Procedures of movement of the representatives of customs agent between the customs clearance station,
- 5 - The customs stations wherein the customs agents are authorized to work,
- 6 - Procedures to do without customs agents and their representatives,
- 7 - Procedures of withdrawing the licenses of the customs agents and their representatives, and case of deletion from the Authority registry of agents and their representatives

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 regulation law, the General Manager may impose on the customs agent and the custom agent representative after taking the necessary investigation by the competent administration any of the following penalties commensurable with the offence committed:

- 1 - Warning.
- 2 - A fine not to exceed QR 5000
- 3 - Suspension of work for a maximum period of two years.
- 4 - Cancellation of the license and final prevention from practicing the profession.

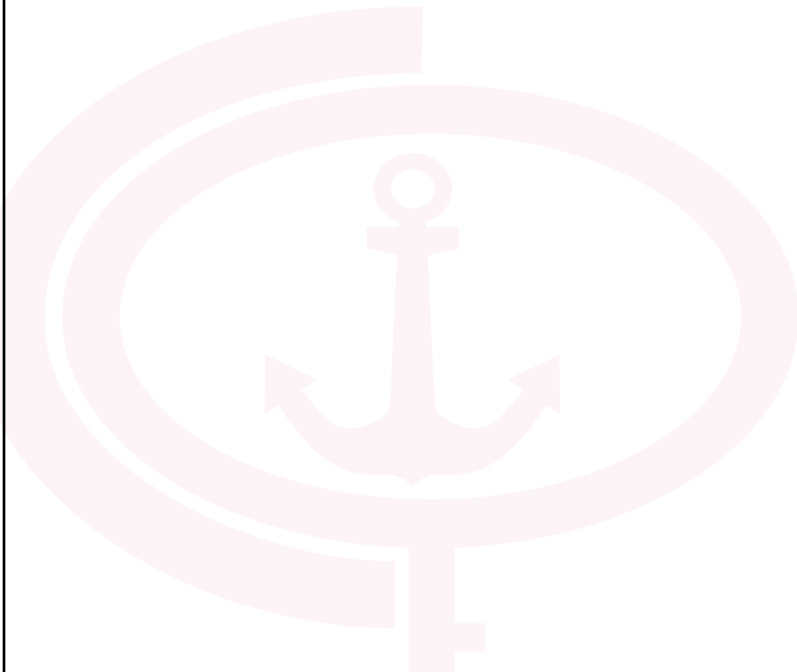
A complaint against such penalties may be made before the Authority within thirty days from the date of notification thereof. The resolution (judgment) of Authority decision on the complaint shall be final.

Article (114)

The customs agent shall keep a record the last five years wherein he records a summary of the customs transactions he has completed on behalf of others according to the conditions stipulated by the customs station. This register shall contain the amount of duties paid to the customs station, the fees paid to the agent and any other expenses relating to the transactions. General Manager or his authorized representative shall have absolute power to have access at any time to these records without objection by the agent whatsoever.



Part (11)



**Rights and duties
of the Authority officers**



Part (11)

Rights and duties of the Authority officers

Article (115)

The administration officers, appointed by a decision of the Minister, shall be deemed as investigation

The aforesaid officers, when appointed, are given identification cards indicating the nature of their jobs, to be presented upon request and shall put on the specified official uniform when performing their duties if the nature of their job so requires.

Article (116)

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

Article (117)

Customs officers, whose nature of job so requires, are allowed to carry weapons. Such officers shall be determined by a resolution of the Authority in coordination with the competent authorities.

Article (118)

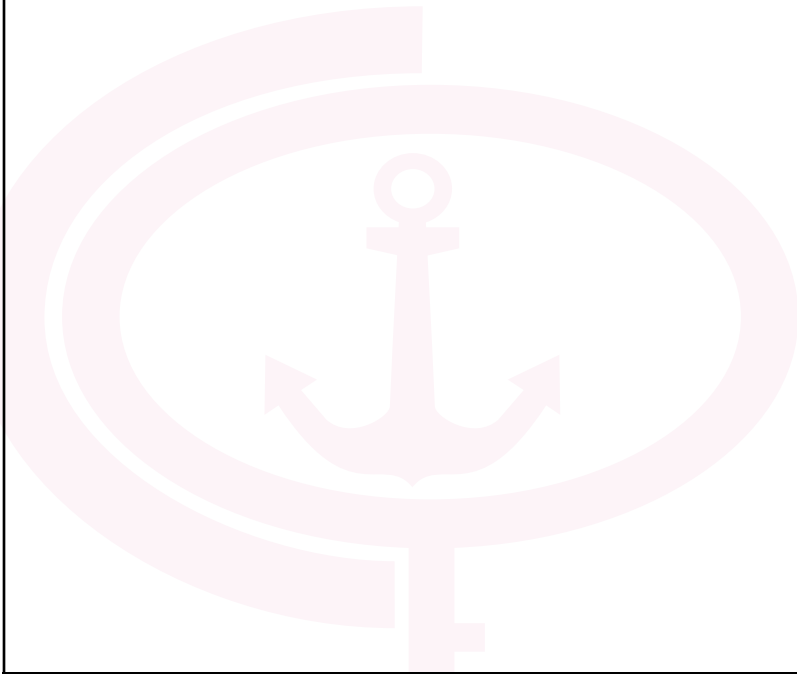
Any customs officer, whose services are terminated for any reason whatsoever, shall return the items in his trust to the authority.

Article (119)

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



Part (12)



Customs legal Actions



Part (12)

Customs legal Actions

Chapter (1)

Investigation of smuggling

Article (120)

Customs officers shall combat smuggling, to this effect; they are authorized to inspect the goods and the means of conveyance and to search persons under the provisions herein and the other laws in force according to.

The body search of women shall be conducted only by a female inspector.

In the event there are adequate evidence of the presence of smuggling and after obtaining permission from the competent authority, customs officers shall be entitled to search any house, store or shop according to the laws force according.

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

Article (121)

Customs officers authorized as investigation officers shall have all 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)

Authorized customs officers authorized as investigation 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; in case refraining from producing such documents or in the absence of such documents and when smuggled or prohibited goods are

suspected to be on board, customs officers may take all necessary measures to seize such goods and shall lead the vessel to the nearest customs office.

Article (123)

The Administration may take appropriate actions for investigating smuggling inside and outside the customs station 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 country in the under mentioned places:-

- 1 - in both the land and maritime customs zones.
- 2 - At the customs station, seaports, airports and all the places subject to customs control.
- 3 - Beyond customs zone in case of hot pursuit of the goods that have been seen within the zone in a situation that indicates that they are intended to be smuggled.

Article (125)

Authorized Customs officers authorized as investigation officers shall to have access to the papers, documents, records, correspondences, commercial contracts and instruments whatsoever, directly or indirectly

relating to the customs operations, and to seize them when offences are found out at the of the shipping and transportation companies and the natural and juristic 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)

Customs officers authorized as investigation officers may detain any person suspected to have committed or attempted to commit an offence or involved in committing, Smuggling, Transporting or acquisition of smuggled goods.

Chapter (2)

Seizure report

Article (127)

When the offence/crime or smuggling is found out, a seizure report shall be promptly made by at least two customs officers and 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 words and figures) of preparation thereof.
- 2 - Names of the customs officers who had detected the offence and those who had prepared the seizure report, their signatures and the nature of their jobs.
- 3 - Names of the offenders or those responsible for smuggling, their nationalities, characteristics, occupations and detailed addresses.

- 4 - Seized goods, kinds and quantities thereof, their value and tariff heading and place, date and hour of seizure thereof.
- 5 - Detailed facts, statements of the offenders or the individuals responsible for smuggling and the statements of witnesses, if any.
- 6 - An indication in the seizure report that it has been recited to the attending offenders or those involved in smuggling who had approved it by signing it or refused to do so.
7. All the other useful documents and the presence of the offenders or those involved in smuggling when making inventory of the goods or their refusal to attend.
8. Referring samples of the seized smuggled material to the competent authorities for verification of prohibited materials.
9. Identifying the authority to which smuggled materials have been delivered and a signature of receipt of such authority.
10. Identifying the security authority to which the smuggler(s) has been detained and the hour and date of detention.

Article (129)

The seizure report prepared according to the preceding two Articles herein is a evidence of the material facts that have been seen by the customs officers who had prepared it, unless the country is proved.

The incompleteness in form of the seizure report does not cause it to be null and may not be returned to the customs officers who had prepared it unless such incompleteness is related to material facts.

Article (130)

The Customs station may seize the goods subject of offence or smuggling and other items used for concealment as well as the means of

conveyance whatsoever (i.e. boats, vehicles and animals) excluding vessels, aircraft and public buses intended for the transport of passengers, unless 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 (3)

Precautionary measures

Section (1)

Precautionary seizure

Article (132)

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

The General Manager may, when necessary, have an order issued by the competent authorities to effect provisional attachment on the properties of the offenders and smugglers through other as a security of the payment of the customs duties and fines and implementation of the final decisions and judgments issued in this respect.

Article (133)

The General Manager may, when necessary and as a guarantee for the public treasury's revenues, impose a customs security on the property of the duty payers or their partners.

Article (134)

Arrest may be authorized only in the following cases:

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

The customs officers authorized as investigation officers or the security authorities shall issue the arrest order. The arrested person shall be presented to the competent authority within 24 hours from the time of arrest.

Section (2)

Preventing the offenders and the persons accused of smuggling from leaving the country.

Article (135)

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

Such prevention order may 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 (4)

Customs offences and penalties thereof

Article (136)

The collected customs fines and confiscated goods 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 to if the offences are inseparably correlated.

Article (138)

Excluding 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 executive Regulation 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 territories under control of the Authority.
6. Offences of temporary admission.
7. Offences of re-exportation.
8. Any other customs offence.

Chapter (5)
Smuggling and penalties thereof

Section (1)
Smuggling

Article (139)

Smuggling is to bring or attempt to bring goods into or take them out of the state in contravention to the applicable legislations without payment of the customs duties, in whole or in part, or contrary to the provisions of prohibition or restriction provided for herein.

Article (140)

The following actions are particularly deemed as smuggling (ipso facto) :

- 1 - Not proceeding with the goods to the first port of entry customs station.
- 2 - Not following the routes specified for getting the goods into or taking them out of the state.
- 3 - Unloading or loading the ships contrary to the regulations applicable at the customs station or unloading or loading the ships within the marine customs zone.
- 4 - Illegal unloading or loading of aircraft cargo outside official airports or dropping goods during flight, subject to the provisions of Article (39) herein.
- 5 - Not declaring at customs station of the imported exported goods without a manifest, including the goods brought by passengers, which have a commercial nature.

- 6 - When the goods surpass the customs station at entry or exit without being declared.
- 7 - Discovering goods, not declared to a customs station, concealed in places or cavities not usually designed for containing such goods.
- 8 - Increase, decrease or alteration in the number of the packages or the declared contents thereof in a situation suspending the duties provided for in part 7 herein discovered after the goods have left the customs station. 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 Administration to justify suspensions of the customs duties provided for in part seven herein.
- 10 - Taking the goods out of the free zones and duty-free shops, customs warehouses, stores or customs zones without finalizing their customs procedures.
- 11 - Producing false, fraudulent or fabricated documents or lists or affixing false marks intended to evade the customs duties, in whole or in part, or to avoid the provisions of prohibition and restriction.
- 12 - Transporting of prohibited or restricted goods without submitting evidences supporting their legal importation.
- 13 - Transporting or acquisition of goods subject to the customs authority within the customs zone without legal documents.
- 14 - Non re-importation of goods prohibited to be exportated that were temporarily exported for any purpose whatsoever.

Section (2)

Criminal Liability

Article (141)

Subject to the provisions of the penal code, any of the following shall be held criminally responsible:-

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

Section (3)

Penalties

Article (142)

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

- 1 - If the smuggled goods are subject to high customs duties, the penalty shall be a fine not less than double the payable customs duties and not more than double the value of the goods and

imprisonment for not less than one month but not to exceed one year or either of them.

As for the other goods, the penalty shall be a fine not less than double the payable customs duties and not more than the value of the goods and imprisonment for not less than one month but not to exceed one year or either of them.

2 - If smuggled goods are exempted from customs duties, the penalty shall be a fine of not less than ten percent of the value thereof of the goods and not more than the value and imprisonment for not less than one month but not to exceed one year or either of them.

3 - If smuggled goods are prohibited, the penalty shall be a fine not less than the value of the goods but not more than three times the value thereof and imprisonment for not less than six months but not to exceed three years or either of them.

In all cases the smuggled goods shall be confiscated, or equivalent of the value thereof not seized.

Confiscation of the means of conveyance and the tools and materials used in smuggling, excluding public means of conveyance such as ships, aircraft, trains and public buses, unless they are intended or hired for smuggling purposes or imposing a fine equivalent to their value when not seized.

The penalty may be doubled if the offence is repeated.

Article (143)

The General Manager may hold the goods and the seized means of conveyance 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 if the smugglers were not caught. Should the smugglers be caught or brought for trial during this period and the goods have been ordered to be confiscated, the order of confiscation shall apply to the proceeds of sale.

Chapter (6)

Pursuance (pursuits)

Section (1)

Administrative Pursuance (pursuits)

Article (144)

The General Manager may issue the necessary orders for collection of the payable customs duties and fines, which the payer has not paid.

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

Article (145)

The fines provided for in chapter 4 of this part shall be imposed by a decision of the General Manager or his authorized representative.

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

Article (146)

The penalization orders provided for to in the preceding Article may be

complained before the Authority during the same period and the Authority has the right to confirm, amend or cancel the fire order.

Section (2)

Prosecution of smuggling offences

Article (147)

Actions of smuggling offences shall be set in motion only upon written order from the General Manager.

Section (3)

Conciliatory settlements

Article (148)

The General Manager or his authorized representative may- upon a written request by the person concerned- make a settlement, in the smuggling offences, or the likes provided in part twelve herein whether prior to the bringing of the action or during the trial and prior to the issuance of the first instant judgment which will replace the criminal case prosecution.

The Manual (directory) of the conciliatory settlements shall be issued by a resolution of the Authority.

Article (149)

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

- 1 - If the smuggled goods that are subject to high customs duties, the settlement shall be a fine not less than twice the amount of the customs duties and not exceeding double the value of the goods.

As regards other goods, the penalty shall be a fine not less than the amount of the payable customs duties and not exceeding 50% of the value of the goods.

- 2 - If the smuggled goods are not subject to customs duties, the settlement shall be a fine not less than 10% of the value of the goods and not more than 50% of the value thereof.
- 3 - If the smuggled goods are prohibited ones, the settlement shall be a fine not less than the value of the goods and not more than three times their value.
- 4 - Confiscation, release or re-exportation (wholly or partially) of the smuggled goods in question.
- 5- Confiscation of the means of conveyance together with the tools and Materials used for smuggling excluding the public means of conveyance such as vessels, aircrafts and cars unless these are designed or rented for this purpose.

Article (150)

The action shall come to an end when the settlement procedures are finalized.

Chapter (7)

Liability and Joint liability

Article (151)

The offence and the consequent civil liability in smuggling offences arise when the material factors thereof are available. Good faith or ignorance shall not be an excuse, however, the offender shall be excused from liability if he is proved to be a victim of a force majeure as well as he

who proves that he has not committed any part of the offence or smuggling or caused it to occur or be committed.

Civil liability shall include, in addition to the offenders and smugglers, the accomplices, 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 thereof, whereas investors and employees of public shops and premises as well as the owners, drivers and assistants of public means of conveyance shall be held responsible unless they prove their unaware 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 duties, charges fines and other amounts payable to the Authority by the principal payers.

Article (154)

Customs Agents shall be fully responsible for the offences and smuggling offences they or their authorized employees commit concerning 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 persons working on

behalf of them in respect to the duties and charge collected by the customs station and the fines and confiscations provided for herein resulting of therefrom.

Article (156)

Heirs may not be responsible for the payment- from their own shares of the heritage- of the fines payable by the dead offenders unless they were accomplices in smuggling, the action shall be relinquished upon the death of the offender.

Article (157)

Payable customs duties, charge 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 conveyance, if any, shall be a security for the payment of the due amounts.

Chapter (8)

Trials Procedures

Article (158)

A first instance customs court may be established and shall have the following jurisdictions:

- 1 - All smuggling offences and the like.
- 2 - All offences committed contrary to the provisions of this law and the Executive Regulations thereof.
- 3 - Hearing the objections against collection orders according to the provisions herein.

Article (159)

Judgments of the aforementioned first instance customs court may be appealed against before the court of Appeal.

The period of appeal shall be thirty days from the date of expiry of the first instance judgment time limit if the judgment is default decree or from the date of pronouncement of the judgment in presence of the accuses/s.

Article (160)

Collection and penalization orders and the judgments passed in the customs cases shall be enforced by all authorized means of execution, on the movable and unmovable property of the liable persons.

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 the Goods



Part (13)

Sale of the Goods

Article (161)

The Authority shall have the right to sell the goods liable to damage decrease or leakage or if the goods are in a condition that might endanger the integrity of the other goods or the where they were kept.

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 stating the condition of the goods and the justifications of sale without having to get a judgment from the competent court, provided that the owner of the goods shall be notified thereof.

If a judgment to return the goods to its owner is passed thereafter, then the price of the sold goods shall be paid to the owner after deducting any due duties or charge.

Article (162)

The Authority Upon expiry of the period specified time limited may sell the goods placed in the customs warehouses, in the yards or wharves at the customs station.

Article (163)

The Administration may sell the following:

- 1 - Goods and means of conveyance that have become the property of the Authority as a result of a confiscation judgment, a settlement or

a written waiver.

2 - Goods not withdrawn from the customs warehouses within the legal time limit specified according to Article(74)herein.

3 - 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 bears no responsibility for any damage caused to the goods being sold under the provisions herein unless it is proved that the Authority had committed a grievous fault an obvious default in the sale process.

Article (165)

The sales actions provided for in this part shall be effected in a public auction according to rules and conditions to be specified by the Authority.

The goods, items and the means of conveyance shall be sold free of the customs duties and other charges and except the broker's commission that shall be borne by the buyer during the sale procedures.

Article (166)

The proceeds of the sale shall be distributed as follows:

1. Customs duties.
2. The costs of the sale process.
3. The expenses incurred by the Authority whatsoever.
4. Carriage charges, when necessary.
5. Any other charge.

The balance remaining from the proceeds of selling the goods, the importation of which is permitted on the day of sale, after deducting the sums provided for in the above paragraph (a), shall be deposited with the

Authority as a trust. The persons concerned may claim refund thereof within one year from the sale date otherwise such balance will be the property of the treasury.

Goods prohibited or not allowed to be imported; the remaining balance of the sale price shall be the property of the Treasury.

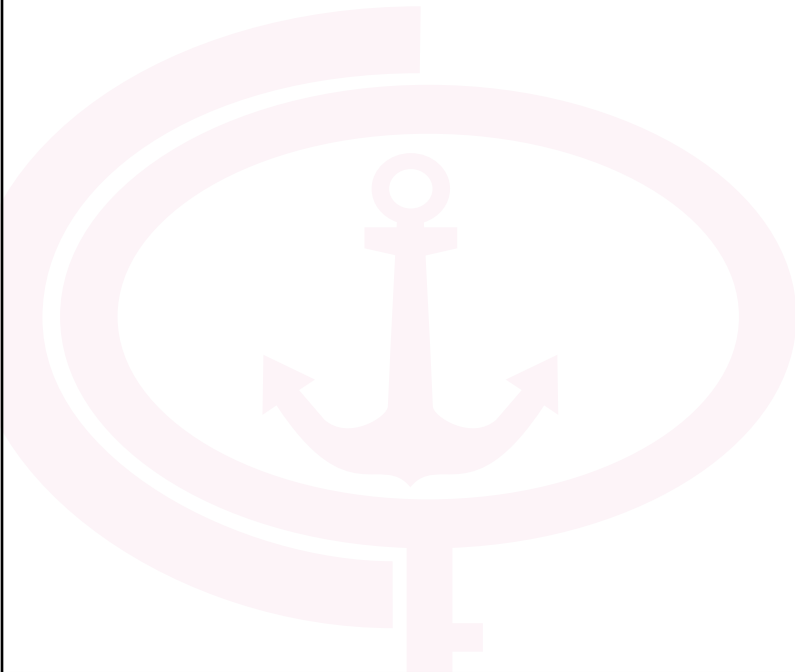
Goods prohibited, restricted or not allowed to be imported sold under a settlement, fire order or a court judgment relating to smuggling, the remaining balance of the sale price shall be distributed according to the provisions of Article (167) herein after deducting the customs, duties charge and costs.

Article (167)

The share of the treasury from the amounts of the customs fines and the value of the seized or abandoned goods and means of conveyance shall be 50% after deducting the customs duties and the costs. The remaining portion of the balance shall be deposited with the customs rewards fund or with any other account of the Authority, to be paid to the individuals who had found out 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 General Manager



Part (14)



**Privilege
of the Customs Administration**



Part (14)

Privilege of the Customs Administration

Article (168)

Customs duties charges and taxes fines, compensations, confiscations and refunds, to be collected by the Authority shall have a general privilege over the movable and unmovable property of the liable persons except the judicial expenses.





Part (15)



Prescription



Part (15)

Prescription

Article (169)

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

Article (170)

Authority may destroy the records, receipts, declarations and other customs documents of a certain year 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 after the elapse of that period.

Article (171)

Prescription period for the Customs Authority entitlements, if not prosecuted, shall be as follows:

15 years for the following two cases:

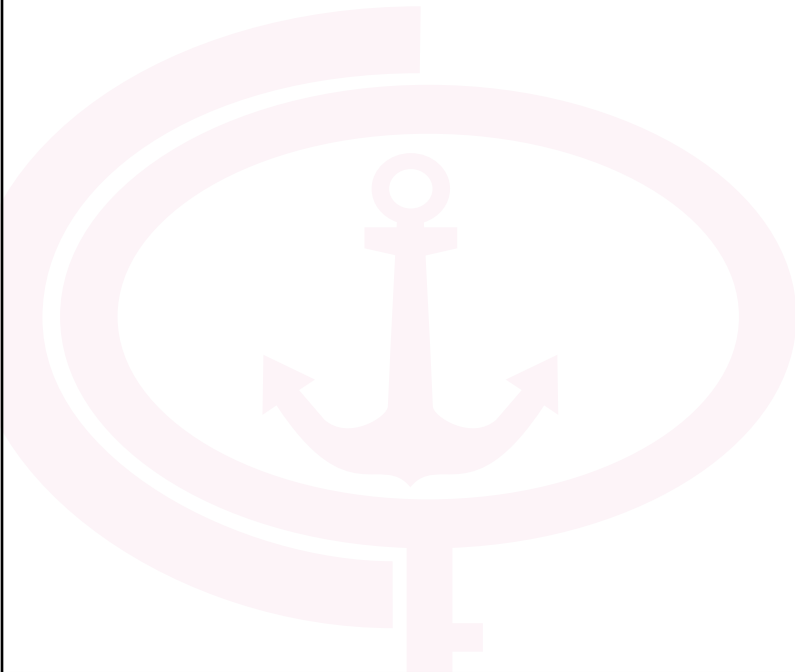
- a). Acts of smuggling and the like effective from the date of committing the offence.
- b). Execution of the judgments in smuggling trials and the like effective from the date of the judgment assign.

5 years for the following cases, if not claimed:

- a). Investigation of the offences from the date of occurrence thereof.
- b). Collection of the fines and the confiscations ordered on the offences with effect from the issuance of the.
- c). Collection of the customs duties and other charges that have not been collected due to a mistake by the customs station effective from the date of recording of the customs declaration .



Part (16)



Final Provisions



Part (16)

Final Provisions

Article (172)

The General Manager may spare the ministries, government departments, institutions and public corporations from certain procedures to facilitate their duties.

The authority may sell the confiscated or abandoned goods and materials to the ministries, government departments and official public organizations, if they express their need for them, at the prices it deems appropriate, or may relinquish them free of charge to such entities by a decision by the Authority.