

Based on Article IV.4.a) of BiH Constitution, at the session of BiH Parliamentary Assembly House of People held on 23<sup>rd</sup> November 2004 and House of Representatives session held on 2<sup>nd</sup> December 2004 adopted

## **CUSTOMS POLICY LAW OF BOSNIA AND HERZEGOVINA**

### **FIRST PART**

#### **GENERAL PROVISIONS**

##### **CHAPTER I - SCOPE AND BASIC DEFINITIONS**

###### **Article 1**

1. Customs legislation shall consist of this Customs Policy Law of BiH (hereinafter called 'the Law') and the provisions adopted by the BiH Parliamentary Assembly, the Council of Ministers and/or the Governing Board to implement them in accordance with EU regulations.
2. The Law shall regulate basic elements of the system for the customs protection of economy of Bosnia and Herzegovina (hereinafter: BiH), the rights and obligations of all operators in the customs procedures, regulates the customs territory, the customs line, the customs frontier line, the customs supervision, the customs clearance procedure and other institutes that regulate the customs protection system.

###### **Article 2**

1. Customs legislation shall uniformly apply in the single customs territory of BiH.
2. This Law shall be implemented by Indirect Taxation Authority (hereinafter referred to as "Authority").
3. Certain provisions of customs rules may also apply outside the customs territory of BiH based on rules governing those specific fields or based on international conventions.

###### **Article 3**

1. The customs territory of BiH shall be unified.
2. The customs territory of BiH shall include the territory of BiH and shall include the territorial waters, the inland waters, and the airspace of BiH.
3. The customs territory of BiH shall be bounded by the customs line, which shall be identical with the boundary of BiH.
4. The customs frontier zone on land shall include that portion of the customs territory of BiH whose width extends five kilometres from the customs line into the depth of the territory of BiH.
5. The provision of Paragraph 4 of this Article shall also apply when the customs line runs along frontier rivers.
6. The customs frontier zone at sea shall include that part of the customs territory of BiH whose width extends three kilometres on land back from the shoreline and the area from the shoreline to the outer boundary of territorial waters.

## Article 4

When implementing this Law, the notions are having following meaning:

- (1) 'Person' means:
  - a) a natural person,
  - b) a legal person,
  - c) where the possibility is provided for under the rules in force, an association of persons recognised as having the capacity to perform legal acts but lacking the legal status of a legal person (hereinafter referred to as: association).
- (2) 'Person registered in BiH' means:
  - a) in the case of a natural person, any person having a residence in BiH,
  - b) in the case of a legal person or an association, any person that has in BiH its registered headquarters, office or a permanent business establishment.
- (3) 'Customs authorities' means the authorities responsible among others for applying customs rules.
- (4) 'Customs office' means any official office at which all or some of the formalities laid down by customs legislation may be completed.
- (5) 'Decision' means any official act by the customs authorities pertaining to customs rules giving a ruling on a particular case, such act having legal effects on one or more specific or identifiable persons; this term covers, among others, binding information within the meaning of Article 11.
- (6) 'Customs debt' means the obligation on a person to pay the amount of the import/export duties, which apply to specific goods under BiH provisions in force.
- (7) 'import duties' means customs duties and charges having an effect equivalent to customs duties payable on the import of goods, but not including fees and charges for services rendered
- (8) "export duties" means customs duties and charges having an effect equivalent to customs duties payable on the export of goods, but not including fees and charges for services rendered"
- (9) 'Debtor' means any person liable for payment of a customs debt.
- (10) 'Supervision by the customs authorities' means action taken in general by those authorities with a view to ensuring implementation of customs legislation and, where appropriate, other provisions applicable to goods subject to customs supervision.
- (11) 'Customs status' means the status of goods as BiH-goods or customs goods not being BiH-good.
- (12) 'BiH-goods' means goods:
  - a) wholly obtained in the customs territory of BiH under the conditions referred to in Article 20 and not incorporating goods imported from other countries. Goods obtained from goods placed under a suspensive arrangement shall not be deemed to have BiH status;
  - b) goods imported from other countries which have been released for free circulation;
  - c) obtained or produced in the customs territory of BiH, either from goods referred to in indent b) alone or from goods referred to in indents a) and b) of this item.

- (13) 'goods not being BiH-goods' means goods other than those referred to in item 12 of this Article. BiH goods shall lose their status as such when they are actually leaving the customs territory of BiH.
- (14) 'Control by the customs authorities' means the performance of specific acts such as examining goods, verifying the existence and authenticity of documents, examining the accounts of undertakings and other records, inspecting means of transport, inspecting luggage and other goods carried by or on persons and carrying out of any official inquiries and other similar acts with a view to ensuring implementation of customs legislation and, where appropriate, other provisions applicable to goods subject to customs supervision.
- (15) Customs-approved treatment or use' means:
- a) the placing of goods under a customs procedure;
  - b) entry of goods into a free zone or free warehouse;
  - c) re-exportation of goods from the customs territory of BiH;
  - d) destruction of goods;
  - e) abandonment of goods to the competent authority'
- (16) 'Customs procedure' means:
- (a) release for free circulation;
  - (b) transit;
  - (c) customs warehousing;
  - (d) inward-processing;
  - (e) processing under customs control;
  - (f) temporary importation;
  - (g) outward-processing;
  - (h) exportation.
- (17) 'Customs declaration' means the act whereby a person indicates in the prescribed form and manner a wish to place goods under a given customs procedure.
- (18) 'Declarant' means the person making the customs declaration in his own name or the person in whose name a customs declaration is completed.
- (19) 'Presentation of goods to customs' means the notification to the customs authorities, in the manner laid down, of the arrival of goods at the customs office or at any other place designated or approved by the customs authorities.
- (20) 'Release of goods' means the act whereby the customs authorities make goods available for the purposes stipulated by the customs procedure under which they are placed.
- (21) 'Holder of the procedure' means the person on whose behalf the customs declaration was made or the person to whom the rights and obligations of the above-mentioned person in respect of a customs procedure have been transferred.
- (22) 'Holder of the authorisation' means the person to whom an authorisation has been granted;
- (23) 'BiH' means Bosnia and Herzegovina.
- (24) Governing Board means "The Board established by the Law on the Indirect Taxation System"

## **CHAPTER II - GENERAL PROVISIONS RELATING IN PARTICULAR TO THE RIGHTS AND OBLIGATIONS OF PERSONS WITH REGARD TO CUSTOMS LEGISLATION**

### **Section 1 - Right of representation**

#### **Article 5**

1. Under the conditions set out in Article 61, paragraph 2 of this Law, any person may appoint a representative in his dealings with the customs authorities to perform the acts and formalities laid down by customs legislation.
2. Such representation may be:
  - a) direct, in which case the representative shall act in the name of and on behalf of another person; or
  - b) indirect, in which case the representative shall act in his own name but on behalf of another person.
3. Save in the cases referred to in Article 61, paragraph 2 item (b) and paragraph (3) of this Law, a representative must be registered in BiH and entered into a register kept by the Authority.
4. A representative must state that he is acting on behalf of the person represented, specify whether the representation is direct or indirect and be empowered to act as a representative. A person who fails to state that he is acting in the name of or on behalf of another person or who states that he is acting in the name of or on behalf of another person without being empowered to do so shall be deemed to be acting in his own name and on his own behalf.
5. The customs authorities shall require any person stating that he is acting in the name of or on behalf of another person to produce evidence of his powers to act as a representative.

### **Section 2 - Decisions relating to the application of customs legislation**

#### **Article 6**

1. Where a person requests that the customs authorities take a decision relating to the application of customs legislation that person shall supply all the information and documents required by those authorities in order to take a decision.
2. Such decision shall be taken and notified to the applicant within 30 days of receipt of the application. Where a request for a decision is made in writing, the decision shall be made within the said period, starting on the date on which the request is received by the customs authorities. Such a decision must be notified in writing to the applicant.
3. The deadline of paragraph 2 may be exceeded where the customs authorities are unable to comply with it. In that case, those authorities shall so inform the applicant before the expiry of the above-mentioned period, stating the grounds which justify exceeding it and indicating the further period of time which they consider necessary in order to give a ruling on the request.

4. Decisions adopted by the customs authorities in writing, which either reject requests or are detrimental to the persons to whom they are addressed shall set out the grounds on which they are based. They shall refer to the right of appeal provided for in Article 236 of this Law.
5. Customs authorities may decide to apply paragraph 4 likewise to other decisions.
6. Customs authorities are carrying out the administrative procedure when issuing decisions in accordance with legislation on general administrative procedure, unless the provisions of this Law prescribe otherwise.

#### **Article 7**

Save in the cases provided for in Article 237, paragraph 2 decisions adopted shall be immediately enforceable by the customs authorities

#### **Article 8**

1. A decision favourable to the person concerned shall be annulled if it was issued on the basis of incorrect or incomplete information and:
  - a) the applicant knew or should reasonably have known that the information was incorrect or incomplete; and
  - b) such decision could not have been taken on the basis of correct or complete information.
2. The persons to whom the decision was addressed shall be notified of its annulment.
3. Annulment shall take effect from the date on which the annulled decision was taken.

#### **Article 9**

1. A decision favourable to the person concerned, shall be revoked or amended where, in cases other than those referred to in Article 8 of this Law, one or more of the conditions laid down for its issue were not or are no longer fulfilled.
2. A decision favourable to the person concerned may be revoked where the person to whom it is addressed fails to fulfil an obligation imposed on him under that decision.
3. The person to whom the decision is addressed shall be notified of its revocation or amendment.
4. The revocation or amendment of the decision shall take effect from the date of delivery. However, in exceptional cases where the legitimate interests of the person to whom the decision is addressed so require, the customs authorities may defer the date when revocation or amendment of the decision takes effect.

## **Section 3 - Information**

### **Article 10**

1. Any person may request information concerning the application of customs legislation from the customs authorities. Such a request may be refused where it does not relate to an import or export operation actually envisaged.
2. The information shall be supplied to the applicant free of charge. However, where special costs are incurred by the customs authorities, in particular as a result of analyses or expert reports on goods, or the return of the goods to the applicant, he may be charged the relevant amount.

### **Article 11**

1. The customs authorities shall issue binding information on tariff classification or binding origin information on written request in accordance with the implementing regulations to this Law.
2. Binding information on tariff classification or binding origin information shall be binding on the customs authorities as against the holder of the information only in respect of the tariff classification or determination of the origin of goods.

Binding information on tariff classification or binding origin information shall be binding on the customs authorities only in respect of goods on which customs formalities are completed after the date on which the information was supplied by them.

In matters of origin, the formalities in question shall be those relating to the application of Articles 19 and 25 of this Law.

3. The holder of such information must be able to prove that:
  - a) for tariff purposes: the goods declared correspond in every respect to those described in the information,
  - b) for origin purposes: the goods concerned and the circumstances determining the acquisition of origin correspond in every respect to the goods and the circumstances described in the information.
4. Binding information shall be valid for a period of six years in the case of tariff classification or three years in the case of origin from the date of issue. By way of derogation from Article 8 of this Law, it shall be annulled where it is based on inaccurate or incomplete information from the applicant.
5. Binding information shall cease to be valid:
  - a) in the case of information on tariff classification:
    - i. where legal provisions are adopted and the information no longer conforms to those provisions;

- ii. where it is no longer compatible with the interpretation of the customs tariff of BiH due to amendments to the explanatory notes to the Combined Nomenclature or due to a decision by competent BiH authority;
- iii. where it is annulled or amended in accordance with Article 9 of this Law, provided that the annulment or amendment is notified to the holder.

The date on which binding information ceases to be valid for the cases cited under (i) and (ii) of this paragraph shall be the date of application of the said measures.

b) in the case of origin information:

- i. where legal provisions are adopted or an agreement is concluded by BiH and the information no longer conforms to those provisions;
- ii. (ii) where it is no longer compatible with the explanatory notes adopted for the purposes of interpreting the origin rules or a decision by the competent BiH authority;
- iii. (iii) where it is revoked or amended in accordance with Article 9 of this Law, provided that the holder has been informed in advance.

The date on which binding information ceases to be valid for the cases referred to under (i) and (ii) of this paragraph shall be the date indicated when the abovementioned measures are applied.

6. The holder of binding information which ceases to be valid pursuant to paragraph 5 item a) (ii) or (iii) or item b) (ii) or (iii) of this Article may still use that information for a period of six months from the date of application of the measures adopted or notification, provided that he concluded binding contracts for the purchase or sale of the goods in question, on the basis of the binding information, before that measure was adopted.

In the case of paragraph 5 item a) (i) and item b) (i) of this Article, the legal provisions or the Agreement may lay down a period within which paragraph 6 of this Article shall apply.

7. The classification or determination of origin in binding information may be applied, on the conditions laid down in paragraph 6 of this Article, solely for the purpose of determining import or export duties.

#### **Section 4 - Other provisions**

##### **Article 12**

1. The customs authorities may, in accordance with the conditions laid down by the provisions in force, carry out all the controls they deem necessary to ensure that customs legislation is correctly applied.
2. The amount of 1 % of the customs value for customs record keeping shall be charged for the goods to be imported. The Governing Board may prescribe which goods will be relieved from being charged for 1%.

### **Article 13**

For the purposes of applying customs legislation, any person directly or indirectly involved in the operations concerned for the purposes of trade in goods shall provide the customs authorities with all the requisite documents and information, irrespective of the medium used, and all the requisite assistance at their request and by any time limit prescribed.

### **Article 14**

All information which is by nature confidential or which is provided on a confidential basis shall be covered by the obligation of professional secrecy. It shall not be disclosed by the customs authorities without the express permission of the person or authority providing it; the communication of information shall be permitted where the customs authorities may be obliged or authorised to do so pursuant to the provisions in force, particularly in respect of data protection, or in connection with legal proceedings.

### **Article 15**

1. The persons concerned shall keep the documents referred to in Article 13 of this Law for the purposes of control by the customs authorities, for the period laid down in the provisions in force and for at least five calendar years, irrespective of the medium used. That period shall run:
  - a) in the case of goods released for free circulation in circumstances other than those referred to in item (b) or goods declared for export, from the end of the year in which the declarations for release for free circulation or export are accepted;
  - b) in the case of goods released for free circulation at a reduced or zero rate of import duty on account of their end-use, from the end of the year in which they cease to be subject to customs supervision;
  - c) in the case of goods placed under another customs procedure, from the end of the year in which the customs procedure concerned is completed;
  - d) in the case of goods placed in a free zone or free warehouse, from the end of the year on which they leave the person concerned.
2. Where a check carried out by the customs authorities in respect of a customs debt shows that the relevant entry in the accounts has to be corrected, the documents shall be kept beyond the time limit provided for in paragraph 1 of this Article for a period sufficient to permit the correction to be made and checked.

### **Article 16**

Where a period, date or time limit is laid down pursuant to customs legislation for the purpose of applying legislation, such period shall not be extended and such date or time limit shall not be deferred unless specific provision is made in such legislation.



## SECOND PART

### FACTORS ON THE BASIS OF WHICH IMPORT OR EXPORT DUTIES AND THE OTHER MEASURES PRESCRIBED IN RESPECT OF TRADE IN GOODS ARE APPLIED

#### CHAPTER I - CUSTOMS TARIFF OF BIH AND TARIFF CLASSIFICATION OF GOODS

##### Article 17

1. Duties legally owed where a customs debt is incurred shall be based on the Customs Tariff of BiH.
2. The other measures prescribed by provisions in BiH governing specific fields relating to trade in goods shall, wherever possible, be applied according to the tariff classification of those goods.
3. Revenue legally collected shall be the revenue of BiH budget, Entities' budgets and Brcko District budget.
4. The Customs Tariff of BiH shall comprise:
  - a) the Nomenclature of goods. This nomenclature shall be based on the harmonised system (HS) and Combined Nomenclature used in the European Union;
  - b) the customs rates and other duties applicable to goods covered by the nomenclature;
  - c) the preferential tariff measures contained in agreements which BiH has concluded with certain countries or groups of countries and which provide for the granting of preferential tariff treatment,
  - d) special deferrable measures providing for a reduction in or relief from import duties chargeable on certain goods;
  - e) other tariff measures provided for by other BiH legislation,
5. The measures referred to in paragraph 4 items (c) and (d) of this Article shall apply at the declarant's request instead of those provided for in item (b) where the goods concerned fulfil the conditions laid down by those first-mentioned measures. An application may be made after the event provided that the relevant conditions are fulfilled.
6. Where the application of measures referred to in paragraph 4 items (c) and (d) of this Article is restricted to a certain volume of imports, it shall cease:
  - a) in the case of tariff quotas, as soon as the stipulated volume of imports is reached,
  - b) in the case of upper tariff limits, by ruling of the Governing Board.
7. The tariff classification of goods shall be the determination, according to the rules in force, of the subheading of the customs tariff of BiH, under which the aforesaid goods are to be classified

## **Article 18**

1. The favourable tariff treatment from which certain goods may benefit by reason of their nature or end-use shall be subject to conditions laid down in accordance with the implementing regulations to this Law. Where an authorisation is required Articles 83 and 84 of this Law shall apply.
2. For the purposes of paragraph 1 of this Article, the expression 'favourable tariff treatment' means a reduction in or deferment of an import duty as referred to in Article 4, item 7 of this Law, even within the framework of any tariff quota.

## **CHAPTER II - ORIGIN OF GOODS**

### **Section 1 - Non-preferential origin**

#### **Article 19**

Articles 20 to 23 of this Law define the non-preferential origin of goods for the purposes of:

- a) applying the Customs Tariff of BiH with the exception of the measures referred to in Article 17, paragraph 4 item (c) of this Law;
- b) applying measures other than tariff measures established by BiH provisions governing specific fields relating to trade in goods;
- c) the preparation and issue of certificates of origin.

#### **Article 20**

1. Goods originating in a country shall be those wholly obtained or produced in that country.
2. The expression 'goods wholly obtained in a country' means:
  - a) mineral products extracted within that country;
  - b) vegetable products harvested therein;
  - c) live animals born and raised therein;
  - d) products derived from live animals raised therein;
  - e) products of hunting or fishing carried on therein;
  - f) products of sea-fishing and other products taken from the sea outside a country's territorial sea by vessels registered or recorded in the country concerned and flying the flag of that country;
  - g) goods obtained or produced on board factory ships from the products referred to in item (f) originating in that country, provided that such factory ships are registered or recorded in that country and fly its flag;
  - h) products taken from the seabed or subsoil beneath the seabed outside the territorial sea provided that that country has exclusive rights to exploit that seabed or subsoil;
  - i) waste and scrap products derived from manufacturing operations and used articles, if they were collected therein and are fit only for the recovery of raw materials;
  - j) goods which are produced therein exclusively from goods referred to in items (a) to (i) or from their derivatives, at any stage of production.

3. For the purposes of paragraph 2 of this Article the expression 'country' covers that country's territorial waters.

#### **Article 21**

Goods whose production involved more than one country shall be deemed to originate in the country where they underwent their last, substantial, economically justified processing or working in an undertaking equipped for that purpose and resulting in the manufacture of a new product or representing an important stage of manufacture.

#### **Article 22**

Provisions of Article 21 of this Law shall under no circumstances be deemed to apply on any processing or working in respect of which it is established, or in respect of which the facts as ascertained justify the presumption, that its sole object was to circumvent the provisions applicable in BiH to goods from specific countries.

#### **Article 23**

1. Customs legislation or other BiH legislation governing specific fields may provide that a document must be produced as proof of the origin of goods.
2. Notwithstanding the production of that document, the customs authorities may, in the event of serious doubts, require any additional proof to ensure that the indication of origin does comply with the rules laid down by the BiH legislation in force.

### **Section 2 - Preferential origin of goods**

#### **Article 24**

The rules on preferential origin shall lay down the conditions governing acquisition of origin which goods must fulfil in order to benefit from the measures referred to in Article 17, paragraph 4 item (c) of this Law.

Those rules shall be determined in the preferential agreements referred to in Article 17, paragraph 4 item (c) of this Law.

## **CHAPTER III - VALUE OF GOODS FOR CUSTOMS PURPOSES**

#### **Article 25**

The provisions of this Chapter shall determine the value for customs purposes for the purposes of applying the customs legislation, including the Customs Tariff of BiH, and non tariff measures laid down in BiH provisions governing fields relating to trade in goods..

## Article 26

1. The value for customs purpose of goods shall be the transaction value, that is, the price actually paid or payable for the goods when sold for export to the customs territory of BiH, adjusted, where necessary, in accordance with Articles 29 and 30 of this Law, provided:
  - a) that there are no restrictions as to the disposal or use of the goods by the buyer, other than restrictions which:
    - i. are imposed or required by a law or by the competent authority in BiH;
    - ii. limit the geographical area in which the goods may be resold; or
    - iii. do not substantially affect the value of the goods;
  - b) that the sale or price is not subject to some condition or consideration for which a value cannot be determined with respect to the goods being valued;
  - c) that no part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment can be made in accordance with Article 29 of this Law; and
  - d) that the buyer and seller are not related, or, where the buyer and seller are related, that the transaction value is acceptable for customs purposes under paragraph 2 of this Article.
2. In cases from paragraph 1 item (d) the following shall apply:
  - a) In determining whether the transaction value is acceptable for the purposes of paragraph 1 of this Article, the fact that the buyer and the seller are related shall not in itself be sufficient grounds for regarding the transaction value as unacceptable. Where necessary, the circumstances surrounding the sale shall be examined and the transaction value shall be accepted provided that the relationship did not influence the price. If, in the light of information provided by the declarant or otherwise, the customs authorities have grounds for considering that the relationship influenced the price, they shall communicate their grounds to the declarant and he shall be given a reasonable opportunity to respond. If the declarant so requests, the communication of the grounds shall be in writing.
  - b) In a sale between related persons, the transaction value shall be accepted and the goods valued in accordance with paragraph 1 of this Article wherever the declarant demonstrates that such value closely approximates to one of the following occurring at or about the same time:
    - (i) the transaction value in sales, between buyers and sellers who are not related in any particular case, of identical or similar goods for export to BiH;
    - (ii) the customs value of identical or similar goods, as determined under Article 27, paragraph 2 item (c) of this Law;
    - (iii) the customs value of identical or similar goods, as determined under Article 27, paragraph 2 item (d) of this Law.

In applying the foregoing tests, due account shall be taken of demonstrated differences in commercial levels, quantity levels, the elements enumerated in Article 29 of this Law and costs incurred by the seller in sales in which he and the buyer are not related and where such costs are not incurred by the seller in sales in which he and the buyer are related.

- c) The tests set forth in item (b) of this paragraph are to be used at the initiative of the declarant and only for comparison purposes. Substitute values may not be established under the said item.
3. The price actually paid or payable is the total payment made or to be made by the buyer to or for the benefit of the seller for the imported goods and includes all payments made or to be made as a condition of sale of the imported goods by the buyer to the seller or by the buyer to a third party to satisfy an obligation of the seller. The payment need not necessarily take the form of a transfer of money. Payment may be made by way of letters of credit or negotiable instrument and may be made directly or indirectly.

Activities, including marketing activities, undertaken by the buyer on his own account, other than those for which an adjustment is provided in Article 29 of this Law, are not considered to be an indirect payment to the seller, even though they might be regarded as of benefit to the seller or have been undertaken by agreement with the seller, and their cost shall not be added to the price actually paid or payable in determining the customs value of imported goods.

### **Article 27**

1. Where the customs value cannot be determined under Article 26 of this Law, it is to be determined by proceeding sequentially through items (a), (b), (c) and (d) of paragraph 2 of this Article to the first item under which it can be determined, subject to the proviso that the order of application of items (c) and (d) shall be reversed if the declarant so requests; it is only when such value cannot be determined under a particular item that the provisions of the next item in a sequence established by virtue of this paragraph can be applied.
2. The customs value as determined under this Article shall be:
- a) the transaction value of identical goods sold for export to BiH and exported at or about the same time as the goods being valued;
  - b) the transaction value of similar goods sold for export to BiH and exported at or about the same time as the goods being valued;
  - c) the value based on the unit price at which the imported goods for identical or similar imported goods are sold in BiH in the greatest aggregate quantity to persons not related to the sellers;
  - d) the computed value, consisting of the sum of:
    - i. the price or value of materials and fabrication or other processing employed in producing the imported goods;
    - ii. an amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to BiH;
    - iii. the cost or value of the items referred to in Article 29, paragraph 1 item (e) of this Law.
3. Any further conditions and rules for the application of paragraph 2 of this Article shall be determined in the implementing regulations to this Law.

## **Article 28**

1. Where the customs value of imported goods cannot be determined under Articles 26 or 27 of this Law, it shall be determined, on the basis of data available in BiH, using reasonable means consistent with the principles and general provisions of:
  - a) the agreement on implementation of Article VII of the General Agreement on Tariffs and Trade of 1994;
  - b) Article VII of the General Agreement on Tariffs and Trade of 1994;
  - c) the provisions of this chapter.
  
2. No customs value shall be determined under paragraph 1 of this Article on the basis of:
  - a) the selling price in BiH of goods produced in BiH;
  - b) a system which provides for the acceptance for customs purposes of the higher of two alternative values;
  - c) the price of goods on the domestic market of the country of exportation;
  - d) the cost of production, other than computed values which have been determined for identical or similar goods in accordance with Article 27, paragraph 2 item (d) of this Law;
  - e) prices for export to a country other than BiH;
  - f) minimum customs values; or
  - g) arbitrary or fictitious values.

## **Article 29**

1. In determining the customs value under Article 26 of this Law, there shall be added to the price actually paid or payable for the imported goods:
  - a) the following, to the extent that they are incurred by the buyer but are not included in the price actually paid or payable for the goods:
    - i. commissions and brokerage, except buying commissions,
    - ii. (ii) the cost of packaging which are treated as being one, for customs purposes, with the goods in question,
    - iii. (iii) the cost of packing, whether for labour or materials;
  
  - b) the value, apportioned as appropriate, of the following goods and services where supplied directly or indirectly by the buyer free of charge or at reduced cost for use in connection with the production and sale for export of the imported goods, to the extent that such value has not been included in the price actually paid or payable:
    - i. materials, components, parts and similar items incorporated in the imported goods;
    - ii. tools, dies, moulds and similar items used in the production of the imported goods;
    - iii. materials consumed in the production of the imported goods;
    - iv. engineering, development, artwork, design work, and plans and sketches undertaken elsewhere than in BiH and necessary for the production of the imported goods

- c) royalties and licence fees related to the goods being valued that the buyer must pay, either directly or indirectly, as a condition of sale of the goods being valued, to the extent that such royalties and fees are not included in the price actually paid or payable;
  - d) the value of any part of the profit of any subsequent resale, disposal or use of the imported goods that accrues directly or indirectly to the seller;
  - e) the cost of transport and insurance of the imported goods, and loading and handling charges associated with the transport of the imported goods to the place of introduction into the customs territory of BiH.
2. Additions to the price actually paid or payable shall be made under this Article only on the basis of objective and quantifiable data.
  3. No other additions shall be made to the price actually paid or payable in determining the customs value except as provided in this Article.
  4. In this Chapter, the term 'buying commissions' means fees paid by an importer to his agent for the service of representing him in the purchase of the goods being valued.
  5. Notwithstanding paragraph 1 item (c) of this Article:
    - a) charges for the right to reproduce the imported goods in BiH shall not be added to the price actually paid or payable for the imported goods in determining the customs value; and
    - b) payments made by the buyer for the right to distribute or resell the imported goods shall not be added to the price actually paid or payable for the imported goods if such payments are not a condition of the sale for export to BiH of the goods.

### **Article 30**

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

- a) charges for the transport of goods after their arrival at the place of introduction into the customs territory of BiH;
- b) charges for construction, erection, assembly, maintenance or technical assistance, undertaken after importation of imported goods such as industrial plant, machinery or equipment;
- c) charges for interest under a financing arrangement entered into by the buyer and relating to the purchase of imported goods, irrespective of whether the finance is provided by the seller or another person, provided that the financing arrangement has been made in writing and where required, the buyer can demonstrate that:
  - i. such goods are actually sold at the price declared as the price actually paid or payable; and
  - ii. the claimed rate of interest does not exceed the level for such transactions prevailing in the country where, and at the time when, the finance was provided
- d) charges for the right to reproduce imported goods in BiH;
- e) buying commissions;
- f) import duties or other charges payable in BiH by reason of the importation or sale of the goods.

### **Article 31**

Specific rules may be laid down in the implementing regulations to this Law to determine the customs value of carrier media for use in data-processing equipment and bearing data or instructions.

### **Article 32**

Where elements used to determine the customs value of goods are expressed in a currency other than that of BiH, the rate of exchange to be used shall be that duly published by the Central Bank of BiH.

### **Article 33**

The provisions of this chapter shall be without prejudice to the specific provisions regarding the determination of the value for customs purposes of goods released for free circulation after being assigned a different customs approved treatment or use.

## **THIRD PART**

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

#### **CHAPTER I - ENTRY OF GOODS INTO THE CUSTOMS TERRITORY OF BIH**

### **Article 34**

1. Goods brought into the customs territory of BiH shall, from the time of their entry, be subject to customs supervision. They may be subject to control by the customs authorities in accordance with the provisions in force.
2. They shall remain under such supervision for as long as necessary to determine their customs status, if appropriate, and in the case of goods not being BiH-goods and without prejudice to Article 79, paragraph 1 of this Law, until their customs status is changed, they enter a free zone or free warehouse or they are re-exported or destroyed in accordance with Article 174 of this Law.

### **Article 35**

1. Goods brought into the customs territory of BiH shall be conveyed by the person bringing them into BiH without delay, by the route specified by the customs authorities and in accordance with their instructions, if any:
  - a) to the customs office designated by the customs authorities or to any other place designated or approved by those authorities; or
  - b) a free zone, if the goods are to be brought into that free zone direct:
    - i. by sea or air; or
    - ii. by land without passing through another part of the customs territory of BiH, where the free zone adjoins the land frontier between BiH and an other country.



2. Any person who assumes responsibility for the carriage of goods after they have been brought into the customs territory of BiH, among others as a result of transshipment, shall become responsible for complying with the obligation laid down in paragraph 1 of this Article.
3. Paragraph 1 item (a) of this Article shall not preclude implementation of any provisions in force with respect to tourist traffic, frontier traffic, postal traffic or traffic of negligible economic importance, on condition that customs supervision and customs control possibilities are not thereby jeopardised.
4. Paragraph 1 of this Article shall not apply to goods on board vessels or aircraft crossing the territorial waters or airspace of BiH without having as their destination a port, river harbour or an airport situated in BiH.

### **Article 36**

1. Where, by reason of unforeseeable circumstances or force majeure, the obligation laid down in Article 35, paragraph 1 of this Law cannot be complied with, the person bound by that obligation or any other person acting in his place shall inform the customs authorities of the situation without delay. Where the unforeseeable circumstances or force majeure do not result in total loss of the goods, the customs authorities shall also be informed of their precise location.
2. Where, by reason of unforeseeable circumstances or force majeure, a vessel or aircraft covered by Article 35, paragraph 4 of this Law is forced to put into port or land temporarily in the customs territory of BiH and the obligation laid down in Article 35, paragraph 1 of this Law cannot be complied with, the person bringing the vessel or aircraft into the customs territory of BiH or any other person acting in his place shall inform the customs authorities of the situation without delay.
3. The customs authorities shall determine the measures to be taken in order to permit customs supervision of the goods referred to in paragraph 1 of this Article, as well as those on board a vessel or aircraft in the circumstances specified in paragraph 2 of this Article and to ensure, where appropriate, that they are subsequently conveyed to a customs office or other place designated or approved by them.

## **CHAPTER II - PRESENTATION OF GOODS TO CUSTOMS**

### **Article 37**

Goods which, pursuant to Article 35, paragraph 1 item (a) of this Law, arrive at the customs office or other place designated or approved by the customs authorities shall be presented to customs by the person who brought the goods into the customs territory of BiH or, if appropriate, by the person who assumes responsibility for carriage of the goods following such entry.

### **Article 38**

Article 37 of this Law shall not preclude the implementation of rules in force relating to goods:

- a) carried by travellers;
- b) placed under a customs procedure but not presented to customs.

### **Article 39**

Goods may, once they have been presented to customs, and with the permission of the customs authorities, be examined or samples may be taken, in order that they may be assigned a customs-approved treatment or use. Such permission shall be granted, on request, to the person authorised to assign the goods such treatment or use.

## **CHAPTER III - SUMMARY DECLARATION AND UNLOADING OF GOODS PRESENTED TO CUSTOMS**

### **Article 40**

1. Subject to Article 43 of this Law, goods presented to customs within the meaning of Article 37 shall be covered by a summary declaration.
2. The summary declaration shall be lodged once the goods have been presented to customs. The customs authorities may, however, allow a period for lodging the declaration, which shall not extend beyond the first working day following the day on which the goods are presented to customs.

### **Article 41**

1. The summary declaration shall be made on a form corresponding to the model prescribed by the customs authorities. However, the customs authorities may permit the use, as a summary declaration, of any commercial or official document which contains the particulars necessary for identification of the goods.
2. The summary declaration shall be lodged by:
  - a) the person who brought the goods into the customs territory of BiH or by any person who assumes responsibility for carriage of the goods following such entry; or
  - b) the person in whose name the persons referred to in item (a) of this paragraph acted.

### **Article 42**

Without prejudice to the provisions relating to the goods imported by passengers and consignments by letter and parcel post, the customs authorities may waive the lodging of a summary declaration on condition that this does not jeopardise customs supervision of the goods, where, prior to the expiry of the period referred to in Article 40 of this Law the formalities necessary for the goods to be assigned a customs-approved treatment or use are carried out.

### **Article 43**

1. Goods shall be unloaded or transhipped from the means of transport carrying them solely with the permission of the customs authorities in places designated or approved by those authorities. However, such permission shall not be required in the event of the imminent danger necessitating the immediate unloading of all or part of the goods. In that case, the customs authorities shall be informed accordingly forthwith.
2. For the purpose of inspecting goods and the means of transport carrying them, the customs authorities may at any time require goods to be unloaded and unpacked.

#### **Article 44**

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

### **CHAPTER IV - OBLIGATION TO ASSIGN GOODS PRESENTED TO CUSTOMS A CUSTOMS-APPROVED TREATMENT OR USE**

#### **Article 45**

Goods not being BiH-goods presented to customs shall be assigned a customs-approved treatment or use authorised for such goods.

#### **Article 46**

1. Where goods are covered by a summary declaration, the formalities necessary for them to be assigned a customs-approved treatment or use shall be carried out within:
  - a) 45 days from the date on which the summary declaration is lodged in the case of goods carried by sea;
  - b) 20 days from the date on which the summary declaration is lodged in the case of goods carried otherwise than by sea.
2. Where circumstances so warrant, the customs authorities may set a shorter period or authorise an extension of the period referred to in paragraph 1 of this Article. Such extension shall not, however, exceed the genuine requirements, which are justified by the circumstances.

### **CHAPTER V - TEMPORARY STORAGE OF GOODS**

#### **Article 47**

Until such time as they are assigned a customs-approved treatment or use, goods presented to customs shall, following such presentation, have the status of goods in temporary storage.( hereinafter: 'goods in temporary storage').

#### **Article 48**

1. Goods in temporary storage shall be stored only in places approved by the customs authorities under the conditions laid down by those authorities.
2. The customs authorities may require the person holding the goods to provide security with a view to ensuring payment of any customs debt which may arise under Articles 195 or 196 of this Law.

#### **Article 49**

Without prejudice to the provisions of Article 39, goods in temporary storage shall be subject only to such forms of handling as are designed to ensure their preservation in an unaltered state without modifying their appearance or technical characteristics.

## **Article 50**

1. The customs authorities shall without delay take all measures necessary, including the sale of the goods, to regularise the situation of temporary stored goods in respect of which the formalities necessary for them to be assigned a customs-approved treatment or use are not initiated within the period determined in accordance with Article 46 of this Law.
2. The customs authorities may, at the risk and expense of the holder of goods, decide that these goods are transferred to a special place, which is under their supervision, until the situation of the goods is regularised.

## **CHAPTER VI - PROVISIONS APPLICABLE TO GOODS NOT BEING BiH-GOODS AND WHICH HAS BEEN MOVED UNDER A TRANSIT PROCEDURE**

### **Article 51**

Article 35, with the exception of paragraph 1 item (a) thereof, and Articles 36 to 50 of this Law shall not apply when goods already placed under a transit procedure are brought into the customs territory of BiH.

### **Article 52**

Once goods not being BiH-goods which have moved under a transit procedure reach their destination in the customs territory of BiH and have been presented to customs in accordance with the rules governing transit, Articles 39 to 50 of this Law shall apply.

## **CHAPTER VII - OTHER PROVISIONS**

### **Article 53**

Where the circumstances so require, the customs authorities may order that goods presented to customs are destroyed. The customs authorities shall inform the holder of the goods accordingly, who shall cover the costs of destroying.

### **Article 54**

Where customs authorities find that goods have been brought unauthorised into the customs territory of BiH or have been withheld from customs supervision, they shall take any measures necessary, including sale of the goods, in order to regularise their situation.

## **FOURTH PART**

### **CUSTOMS-APPROVED TREATMENT OR USE**

#### **CHAPTER I – GENERAL PROVISIONS**

### **Article 55**

1. Save as otherwise provided, goods may at any time, under the conditions laid down, be assigned any customs-approved treatment or use irrespective of their nature or quantity, or their country of origin, consignment or destination.

2. Paragraph 1 of this Article shall not preclude the imposition of prohibitions or restrictions justified on grounds of public morality, public policy or public security, the protection of health and life of humans, animals or plants, the protection of BiH treasures possessing artistic, historic or archaeological value or the protection of industrial and commercial property.

## **CHAPTER II - CUSTOMS PROCEDURES**

### **Section 1 - Placing of goods under a customs procedure**

#### **Article 56**

1. For goods intended to be placed under a customs procedure shall be submitted a declaration for that customs procedure.
2. BiH-goods declared for an export, outward-processing, transit or customs warehousing procedure shall be subject to customs supervision from the time of acceptance of the customs declaration until such time as they leave the customs territory of BiH or are destroyed or the customs declaration is invalidated.

#### **Article 57**

Taking into account the nature of the goods and of the customs procedures under which they are to be placed, in all cases where this is possible, the customs authorities shall determine the competence of individual customs offices.

#### **Article 58**

The customs declaration shall be made:

- a) in writing; or
- b) using a data-processing technique where provided for by provisions laid down in the implementing regulations to this Law or where authorised by the customs authorities; or
- c) by means of an oral declaration or any other act whereby the holder of the goods expresses his wish to place them under a customs procedure, where such a possibility is provided for by the rules adopted in the implementing regulations to this Law.

### **A. Declarations in writing**

#### **I. Normal procedure**

#### **Article 59**

1. Declarations in writing shall be made on a form prescribed in the implementing regulations to this Law. They shall contain all the particulars necessary for implementation of the provisions governing the customs procedure for which the goods are declared and be signed.
2. The declaration shall be accompanied by all the documents required for implementation of the provisions governing the customs procedure for which the goods are declared.

## **Article 60**

Declarations which comply with the conditions laid down in Article 59 of this Law shall be accepted by the customs authorities immediately, provided that the goods to which they refer are presented to customs.

## **Article 61**

1. Subject to Article 5 of this Law, a customs declaration may be made by any person who is able to present the goods in question or order that they are presented to the competent customs authority, together with all the documents which need to be attached for the application of the rules governing the customs procedure in respect of which the goods were declared.
2. However:
  - a) where acceptance of a customs declaration imposes particular obligations on a specific person, the declaration must be made by that person or it has to be made on his behalf;
  - b) the declarant must be registered in BiH. The condition regarding registration in BiH shall not apply to persons who:
    - i. make a declaration for transit or temporary importation;
    - ii. declare goods on an occasional basis, provided that the customs authorities consider this to be justified.
3. Paragraph 2 of this Article shall not preclude the application by BiH of bilateral agreements concluded with other countries, or customary practices having similar effect, under which nationals of such countries may make customs declarations in the territory of BiH, subject to reciprocity.

## **Article 62**

1. The declarant shall, at his request, be authorised to amend one or more of the particulars of the declaration after it has been accepted by customs. The amendment shall not have the effect of rendering the declaration applicable to goods other than those it originally covered.
2. However, no amendment shall be permitted where authorisation is requested after the customs authorities:
  - a) have informed the declarant that they intend to examine the goods; or
  - b) have established that specific particulars are incorrect; or
  - c) have released the goods.

## **Article 63**

1. The customs authorities shall, at the request of the declarant, invalidate a declaration already accepted where the declarant furnishes proof that goods were declared in error for the customs procedure covered by that declaration or that, as a result of special circumstances, the placing of the goods under the customs procedure for which they were declared is no longer justified.

2. Where the customs authorities have informed the declarant of their intention to examine the goods, a request for invalidation of the declaration shall not be accepted until after the examination has taken place.
3. The declaration shall not be invalidated after the goods have been released, except in cases defined in the implementing regulations to this Law.
4. Invalidation of the declaration shall be without prejudice to the application of the penal provisions in force.

#### **Article 64**

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

#### **Article 65**

For the verification of declarations which they have accepted, the customs authorities may:

- a) examine the documents covering the declaration and the documents accompanying it. The customs authorities may require the declarant to present other documents for the purpose of verifying the accuracy of the particulars contained in the declaration;
- b) examine the goods and take samples for analysis or for detailed examination.

#### **Article 66**

1. Transport of the goods to the places where they are to be examined and samples are to be taken, and all the handling necessitated by such examination or taking of samples, shall be carried out by or under the responsibility of the declarant. The costs incurred shall be borne by the declarant.
2. The declarant shall be entitled to be present when the goods are examined and when samples are taken. Where they deem it necessary, the customs authorities shall require the declarant to be present or represented when the goods are examined or samples are taken in order to provide them with the assistance necessary to facilitate such examination or taking of samples.
3. Provided that samples are taken in accordance with the provisions in force, the customs authorities shall not be liable for payment of any compensation in respect thereof but shall bear the costs of their analysis or examination.

#### **Article 67**

1. Where only part of the goods covered by a declaration are examined, the results of the partial examination shall be taken to apply to all the goods covered by that declaration. However, the declarant may request a further examination of the goods if he considers that the results of the partial examination are not valid as regards the remainder of the goods declared.
2. For the purposes of paragraph 1 of this Article, where a declaration form covers two or more items, the particulars relating to each item shall be deemed to constitute a separate declaration.

### **Article 68**

1. The results of verifying the declaration shall be used for the purposes of applying the provisions governing the customs procedure under which the goods are placed.
2. Where the declaration is not verified, the provisions referred to in paragraph 1 of this Article shall be applied on the basis of the particulars contained in the declaration.

### **Article 69**

1. The customs authorities shall take the measures necessary to identify the goods where identification is required in order to ensure compliance with the conditions governing the customs procedure for which the said goods have been declared.
2. Means of identification affixed to the goods or means of transport shall be removed or destroyed only by the customs authorities or with their permission unless, as a result of unforeseeable circumstances or force majeure, their removal or destruction is essential to ensure the protection of the goods or means of transport.

### **Article 70**

1. Without prejudice to Article 71 of this Law, where the conditions for placing the goods under the procedure in question are fulfilled and provided the goods are not subject to any prohibitive or restrictive measures, the customs authorities shall release the goods as soon as the particulars in the declaration have been verified or accepted without verification. The same shall apply where such verification cannot be completed within a reasonable period of time and the presence of goods is no longer required for verification purposes.
2. All the goods covered by the same declaration shall be released at the same time.
3. For the purposes of this paragraph, where a declaration covers two or more items, the particulars relating to each item shall be deemed to constitute a separate declaration.

### **Article 71**

1. Where acceptance of a customs declaration gives rise to a customs debt, the goods covered by the declaration shall not be released unless the customs debt has been paid or secured. However, without prejudice to paragraph 2 of this Article, this provision shall not apply to the temporary importation procedure with partial relief from import duties.
2. Where, pursuant to the provisions governing the customs procedure for which the goods are declared, the customs authorities require the provision of a security, the said goods shall not be released for that customs procedure until such security is provided.

### **Article 72**

Any necessary measures, including confiscation and sale, shall be taken in respect of the goods which:

- a) cannot be released because:
  - i. it has not been possible to undertake or continue examination of the goods within the period prescribed by the customs authorities for reasons attributable to the declarant; or
  - ii. the documents which must be submitted before the goods can be placed under the customs procedure requested have not been produced; or



- iii. payments or security which should have been made or provided in respect of import or export duties, have not been made or provided within the period prescribed; or
  - iv. they are subject to bans or restrictions
- b) are not removed within a reasonable period after their release.

## **II. Simplified procedures**

### **Article 73**

1. In order to simplify completion of formalities and procedures as far as possible while ensuring that procedures are conducted in a proper manner, the customs authorities shall, under conditions laid down in the implementing regulations to this Law, grant permission for:
  - a) the declaration referred to in Article 59 paragraph 1 of this Law to omit certain of the particulars referred to in paragraph 1 of that Article for some of the documents referred to in paragraph 2 of this Article not to be attached thereto;
  - b) a commercial or administrative document, accompanied by request for the goods to be placed under the customs procedure in question, to be lodged in place of the declaration referred to in Article 59 of this Law;
  - c) the goods to be entered for that procedure by means of an entry in the users records; in this case, the customs authorities may waive the requirement that the declarant presents the goods to customs.
2. The simplified declaration, commercial or administrative document or entry in the records must contain minimum particulars necessary for identification of the goods. Where the goods are entered in the records, the date of such entry must be included.
3. Except in cases to be determined in accordance with the implementing regulations to this Law, the declarant shall furnish a supplementary declaration which may be of a general, periodic or recapitulative nature.
4. Supplementary declarations and the simplified declarations referred to in paragraph 1 items (a), (b) and (c) of this Article, shall be deemed to constitute a single, indivisible instrument taking effect on the date of acceptance of the simplified declarations; in the cases referred to in paragraph 1 item (c) of this Article, entry in the records shall have the same legal validity as acceptance of the declaration referred to in Article 59 of this Law.
5. Special simplified procedures for the transit procedure shall be laid down in the implementing regulations to this Law.

## **B. Other declarations**

### **Article 74**

1. Where the customs declaration is made by means of a data-processing technique within the meaning of Article 58 item (b) of this Law, or by an oral declaration or any other act within the meaning of Article 58 item (c), Articles 59 to 73 of this Law shall apply *mutatis mutandis* (with the necessary changes) without prejudice to the principles set out therein.

2. Where the customs declaration is made by means of a data-processing technique, the customs authorities may allow accompanying documents referred to in Article 59, paragraph 2 of this Law not to be lodged with the declaration. In this case the documents shall be kept at the customs authorities' disposal.

### **C. Post-clearance examination of declarations**

#### **Article 75**

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

### **Section 2 - Release for free circulation**

#### **Article 76**

1. Release for free circulation shall confer on goods not being BiH-goods the customs status of BiH goods.
2. Release of goods for free circulation shall entail application of commercial policy measures, completion of the other formalities laid down in respect of the importation of goods and the charging of any duties legally due.

#### **Article 77**

1. By way of derogation from Article 64 of this Law, provided that the duties chargeable on the goods is one of the duties referred to in Article 4 item 7 of this Law and that the rate of duty is reduced after the date of acceptance of the declaration for release for free circulation but before the goods are released, the declarant may request application of the more favourable rate.
2. Paragraph 1 of this Article shall not apply where it has not been possible to release the goods for reasons attributable to the declarant alone.

## **Article 78**

Where a consignment is made up of goods falling within different tariff classifications, and dealing with each of those goods in accordance with its tariff classification for the purpose of drawing up the declaration would entail a burden of work and expense disproportionate to the import duties chargeable, the customs authorities may, at the request of the declarant, agree that import duties be charged on the whole consignment on the basis of the tariff classification of the goods which are subject to the highest rate of import duty.

## **Article 79**

1. Where goods are released for free circulation at a reduced or zero rate of duty on account of their end-use, they shall remain under customs supervision. Customs supervision shall end when the conditions laid down for granting such a reduced or zero rate of duty cease to apply, where the goods are exported or destroyed or where the use of the goods for purposes other than those laid down for the application of the reduced or zero rate of duty is permitted subject to payment of the duties due.
2. Articles 85 and 87 of this Law shall apply *mutatis mutandis* to the goods referred to in paragraph 1 of this Article.

## **Article 80**

Goods released for free circulation shall lose their customs status as BiH goods where:

- a) the declaration for release for free circulation is invalidated after release, or
- b) the import duties payable on those goods are repaid or remitted:
  - i. under the inward-processing procedure in the form of the drawback system; or
  - ii. in respect of defective goods or goods which fail to comply with the terms of the contract, pursuant to Article 231 of this Law; or
  - iii. in situations of the type referred to in Article 232 of this Law where repayment or remission is conditional upon the goods being exported or re-exported or being assigned an equivalent customs-approved treatment or use.

## **Section 3 - Suspensive arrangements and customs procedures with economic impact**

### **B. Provisions common to several procedures**

## **Article 81**

1. In Articles 82 to 87 of this Law:
  - a) where the term 'procedure' is used, it is understood as applying, in the case of non-BiH goods, to the following arrangements:
    - i. transit;
    - ii. customs warehousing;
    - iii. inward-processing in the form of a system of suspension;
    - iv. processing under customs control;
    - v. temporary importation

b) where the term 'customs procedure with economic impact' is used, it is understood as applying to the following arrangements:

- i. customs warehousing;
- i. inward-processing;
- ii. processing under customs control;
- iii. temporary importation;
- iv. outward-processing.

2. 'Import goods' means goods placed under a suspensive procedure and goods which, under the inward-processing procedure in the form of the drawback system, have undergone the formalities for release for free circulation and the formalities provided for in Article 122 of this Law.

3. 'Goods in the unaltered state' means import goods which, under the inward-processing procedure or the procedure for processing under customs control, have undergone no form of processing.

### **Article 82**

The use of any customs procedure with economic impact shall be conditional upon authorisation being issued by the customs authorities.

### **Article 83**

Without prejudice to the additional special conditions governing specific procedure, the authorisation referred to in Article 82 and that referred to in Article 97, paragraph 1 of this Law shall be granted only:

- a) to persons who offer every guarantee necessary for the proper conduct of the procedures;
- b) where the customs authorities can supervise and monitor the procedure without having to introduce administrative arrangements disproportionate to the economic needs involved.

### **Article 84**

1. The conditions under which specific procedure is used shall be set out in the authorisation.
2. The holder of the authorisation shall notify the customs authorities of all factors arising after the authorisation was granted which may influence its continuation or content.
3. In the cases referred to in the second sentence of Article 4 item 12 (a) of this Law, any products or goods obtained from goods placed under a suspensive arrangement shall be considered as being placed under the same arrangement.

### **Article 85**

1. The customs authorities may make the placing of goods under a suspensive arrangement conditional upon the provision of security in order to ensure that any customs debt which may be incurred in respect of those goods will be paid.
2. Special provisions concerning the provision of security may be issued in the context of a specific suspensive arrangement.

## **Article 86**

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

## **Article 87**

The rights and obligations of the holder of a customs procedure with economic impact may, on the conditions laid down by the customs authorities, be transferred successively to other persons who fulfil any conditions laid down in order to benefit from the procedure in question.

## **C. Transit**

### **I General provisions**

## **Article 88**

1. The transit procedure shall allow the movement from one point to another within the customs territory of BiH of:
  - a) goods not being BiH goods, without such goods being subject to import duties and other charges or to commercial policy measures;
  - b) BiH goods, in cases and on conditions determined in the Implementing Regulations to this Law, in order to prevent products covered by or benefiting from export measures from either evading or benefiting unjustifiably from such measures
2. Movement as referred to in paragraph 1 of this Article shall take place:
  - a) under cover of a TIR carnet (TIR Convention) provided that such movement:
    - i. began or is to end outside of BiH; or
    - ii. relates to consignments of goods which shall be unloaded in the customs territory of BiH and which are conveyed with goods to be unloaded in an other country;
    - iii. (iii)is effected between two points in BiH through the territory of an other country
  - b) under cover of an ATA (ATA Convention) carnet used as a transit document;
  - c) under cover of any other document provided for in a Convention, signed by BiH;
  - d) under the transit procedure;
  - e) by post (including parcel post).
3. The transit procedure shall apply without prejudice to the specific provisions applicable to the movement of goods placed under a customs procedure with economic impact.

## **Article 89**

1. The transit procedure shall end and the obligations of the holder shall be met when the goods placed under the procedure and the required documents are produced at the customs office of destination in accordance with the provisions of that procedure.
2. The customs authorities shall discharge the procedure when they are in a position to establish, on the basis of a comparison of the data available to the office of departure and those available to the customs office of destination, that the procedure has ended correctly.

## **II. Specific provisions**

### **Article 90**

The transit procedure shall apply to goods passing through the territory of an other country only if:

- a) provision is made to that effect under an international agreement; or
- b) carriage through that country is effected under cover of a single transit document drawn up in the customs territory of BiH; in such case the operation of that procedure shall be suspended in the territory of the other country.

### **Article 91**

1. The declarant shall provide a security in order to ensure payment of any customs debt and/or other charges which may be incurred in respect of the goods.
2. The guarantee shall be either:
  - a) an individual guarantee covering a single transit operation; or
  - b) a comprehensive guarantee covering a number of transit operations where the declarant has been authorised to use such a guarantee by the customs authorities.
3. The authorisation referred to in paragraph 2, item b) of this Article shall be granted only to persons who:
  - a) are registered in BiH
  - b) are regular users of the transit procedures or who are known to the customs authorities to have the capacity to fulfil their obligations in relation to these procedures, and
  - c) have not committed serious or repeated offences against customs or tax laws.
4. Persons who satisfy the customs authorities that they meet higher standards of reliability may be authorised to use a comprehensive guarantee for a reduced amount or to have a guarantee waiver. The additional criteria for this authorisation shall include:
  - a) the correct use of the transit procedures during a given period;
  - b) cooperation with the customs authorities; and
  - c) in respect of the guarantee waiver, a good financial standing which is sufficient to fulfil the commitments of the said persons.

The detailed rules for authorisations granted under this paragraph shall be determined in the implementing regulations to this Law.

5. The guarantee waiver authorised in accordance with paragraph 4 of this Article shall not apply to transit operations involving goods which, as determined in the implementing regulations to this Law, are considered to present increased risks.
6. In line with the principles referred to in paragraph 4 of this Article, recourse to the comprehensive guarantee for a reduced amount may, in the case of transit, be temporarily prohibited as determined in the implementing regulations to this Law as an exceptional measure in special circumstances
7. In line with the principles referred to in paragraph 4 of this Article, recourse to the comprehensive guarantee may be temporarily prohibited as determined in the implementing regulations to this Law in respect of goods which, under the comprehensive guarantee, have been identified as being subject to large-scale fraud.

### **Article 92**

Except in cases to be determined where necessary by the Governing Board procedure, no guarantee need to be provided for:

- a) journeys by air;
- b) carriage by pipeline;
- c) operations carried out by the railway companies of BiH

### **Article 93**

1. The declarant shall be the user of the transit procedure. He shall be responsible for:
  - a) production of the goods intact at the customs office of destination by the prescribed time limit and with due observance of the measures established by the customs authorities to ensure identification;
  - b) observance of the provisions relating to the transit procedure.
2. Notwithstanding the declarant's obligations under paragraph 1 of this Article, a carrier or recipient of goods who accepts goods knowing that they are moving under transit shall also be responsible for production of the goods intact at the customs office of destination by the prescribed time limit and with due observance of the measures adopted by the customs authorities to ensure identification

### **Article 94**

The detailed rules for the operation of the procedure and the exemptions shall be determined in the implementing regulations to this Law.

## **D. Customs warehouses**

### **Article 95**

1. The customs warehousing procedure shall allow the storage in a customs warehouse of:
  - a) goods not being BiH goods, without such goods being subject to import duties or commercial policy measures;
  - b) BiH goods, where BiH legislation governing specific fields provides that their being placed in a customs warehouse shall attract the application of measures normally attaching to the export of such goods.
2. "Customs warehouse" means any place approved by and under the supervision of the customs authorities where goods may be stored under the conditions laid down.
3. Work of duty free shop demands approval of the shop as a customs warehouse referred to in paragraph 2 of this Article. In such cases customs warehouses shall be located in that part of an internal airport, which is designated for transfer or departure of passengers in international traffic.
4. Cases in which the goods referred to in paragraph 1 of this Article may be placed under the customs warehousing procedure without being stored in a customs warehouse shall be determined in the implementing regulations to this Law.

### **Article 96**

1. A customs warehouse may be either a public warehouse or a private warehouse.
  - a) 'Public warehouse' means a customs warehouse available for use by any person for the warehousing of goods;
  - b) 'Private warehouse' means a customs warehouse reserved for the warehousing of goods by the warehousekeeper.
2. The warehousekeeper is the person authorised to operate the customs warehouse.
3. The depositor shall be the person bound by the declaration placing the goods under the customs warehousing procedure or to whom the rights and obligations of such a person have been transferred.

### **Article 97**

1. Operation of a customs warehouse shall be subject to the issue of an authorisation by the customs authorities, unless the said authorities operate the customs warehouse themselves.
2. Any person wishing to operate a customs warehouse shall make a request in writing containing the information required for granting the authorisation, in particular demonstrating that an economic need for warehousing exists. The authorisation must lay down the conditions for operating the customs warehouse.
3. The authorisation shall be issued only to persons registered in BiH.



## **Article 98**

The warehousekeeper shall be responsible for:

- a) ensuring that while the goods are in the customs warehouse they are not removed from customs supervision;
- b) fulfilling the obligations that arise from the storage of goods covered by the customs warehousing procedure; and
- c) complying with the particular conditions specified in the authorisation.

## **Article 99**

1. By way of derogation from Article 98 of this Law, where the authorisation concerns a public warehouse, it may provide that the responsibilities referred to in Article 98 item (a) and/or (b) of this Law devolve exclusively upon the depositor.
2. The depositor shall at all times be responsible for fulfilling the obligations arising from the placing of goods under the customs warehousing procedure.

## **Article 100**

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

## **Article 101**

Without prejudice to Article 85 of this Law, the customs authorities may demand that the warehouse keeper provide a security in connection with the responsibilities specified in Article 98 of this Law.

## **Article 102**

1. The person designated by the customs authorities shall keep stock records of all the goods placed under the customs warehousing procedure in a form approved by those authorities. Stock records are not necessary where a public warehouse is operated by the customs authorities.
2. Subject to the application of Article 83 of this Law the customs authorities may dispense with the stock records where the responsibilities referred to in Article 98 item (a) and/or (b) of this Law lie exclusively with the depositor and the goods are placed under that procedure on the basis of a written declaration forming part of the normal procedure or an administrative document in accordance with Article 73, paragraph 1 item (b) of this Law.

## **Article 103**

1. Where an economic need exists, and customs supervision is not adversely affected thereby, the customs authorities may allow:
  - a) BiH goods other than those referred to in Article 95, paragraph 1 item (b) of this Law to be stored on the premises of a customs warehouse;

- b) goods not being BiH goods to be processed on the premises of a customs warehouse under the inward-processing procedure, subject to the conditions provided for by that procedure. The formalities which may be dispensed with in a customs warehouse shall be determined in the implementing regulations to this Law;
  - c) goods not being BiH goods to be processed on the premises of a customs warehouse under the procedure for processing under customs control, subject to the conditions provided for by that procedure. The formalities which may be dispensed with in a customs warehouse shall be determined in the implementing regulations to this Law.
- 2 In the cases referred to in paragraph 1 of this Article, the goods shall not be subject to the customs warehousing procedure.
  - 3 The customs authorities may require the goods referred to in paragraph 1 of this Article to be entered in the stock records provided for in Article 102 of this Law.

#### **Article 104**

Goods placed under the customs warehousing procedure shall be entered in the stock records provided for in Article 102 of this Law as soon as they are brought into the customs warehouse.

#### **Article 105**

1. There shall be no limit to the length of time goods may remain under the customs warehousing procedure.
2. However, in exceptional cases, the customs authorities may set a time limit by which the depositor must assign the goods a new customs-approved treatment or use.

#### **Article 106**

1. Non BiH goods may undergo the usual forms of handling intended to preserve them, improve their appearance or marketable quality or prepare them for distribution or resale.
2. The forms of handling provided for in paragraph 1 must be authorised in advance by the customs authorities, which shall lay down the conditions under which they may take place.
3. The list of the forms of handling referred to in paragraph 1 of this Article shall be established in the implementing regulations to this Law.

#### **Article 107**

1. Where circumstances so warrant, goods placed under the customs warehousing procedure may be temporarily removed from the customs warehouse. Such removal must be authorised in advance by the customs authorities, who shall stipulate the conditions on which it may take place.
2. While they are outside the customs warehouse the goods may undergo the forms of handling referred to in Article 106 of this Law on the conditions set out therein.

#### **Article 108**

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

## **Article 109**

1. Where a customs debt is incurred in respect of non BiH goods and the customs value of such goods is based on a price actually paid or payable which includes the cost of warehousing and of preserving goods while they remain in the warehouse, such costs need not be included in the customs value if they are shown separately from the price actually paid or payable for the goods.
2. Where the said goods have undergone the usual forms of handling within the meaning of Article 106 of this Law, the nature of the goods, the customs value and the quantity to be taken into account in determining the amount of import duties shall, at the request of the declarant, be those which would be taken into account for the goods, at the time referred to in Article 207, if they had not undergone such handling
3. Derogations from the provisions of paragraph 2 of this Article may be established in the implementing regulations to this Law.

## **Article 110**

1. Where non BiH goods are released for free circulation in accordance with Article 73, paragraph 1 item (c) of this Law, the nature of the goods, the customs value and the quantity to be taken into account for the purposes of Article 207 of this Law shall be those applicable to the goods at the time when they were placed under the customs-warehousing procedure.
2. Paragraph 1 of this Article shall apply provided that the rules of assessment relating to those goods were ascertained or accepted at the time when the goods were placed under the customs-warehousing procedure, unless the declarant requests their application at the time when the customs debt is incurred.
3. Paragraph 1 of this Article shall apply without prejudice to a post-clearance examination within the meaning of Article 75 of this Law.

### **E. Inward-processing**

#### **I. General provisions**

## **Article 111**

1. Without prejudice to Article 112 of this Law, the inward-processing procedure shall allow the following goods to be used in the customs territory of BiH in one or more processing operations:
  - a) goods not being BiH goods intended for re-export from the customs territory of BiH in the form of compensating products, without such goods being subject to import duties or commercial policy measures;
  - b) goods released for free circulation with repayment or remission of the import duties chargeable on such goods if they are exported from the customs territory of BiH in the form of compensating products.

2. The following expressions mean:

- a) suspension system: the inward-processing relief arrangements as provided for in paragraph 1 item (a) of this Article;
- b) drawback system: the inward-processing relief arrangements as provided for in paragraph 1 item (b) of this Article;
- c) processing operations:
  - i. the working of goods, including erecting or assembling them or fitting them to other goods;
  - ii. the processing of goods; and
  - iii. the repair of goods, including restoring them and putting them in order;
  - iiii. the use of certain goods defined in accordance with the implementing regulations to this Law which are not to be found in the compensating products, but which allow or facilitate the production of those products, even if they are entirely or partially used up in the process;
- d) compensating products: all products resulting from processing operations;
- e) equivalent goods: BiH goods which are used instead of the import goods for the manufacture of compensating products;
- f) rate of yield: the quantity or percentage of compensating products obtained from the processing of a given quantity of import goods.

### **Article 112**

1. Where the conditions laid down in paragraph 2 of this Article are fulfilled, and subject to paragraph 4 of this Article, the customs authorities shall allow:
  - a) compensating products to be obtained from equivalent goods;
  - b) compensating products obtained from equivalent goods to be exported from BiH before importation of the import goods.
2. Equivalent goods must be of the same quality and have the same characteristics as the import goods. However, in specific cases determined in the implementing regulations to this Law equivalent goods may be allowed to be at a more advanced stage of manufacture than the import goods.
3. Where paragraph 1 of this Article applies, the import goods shall be regarded for customs purposes as equivalent goods and the latter as import goods.
4. Measures aimed at prohibiting, imposing certain conditions for or facilitating recourse to paragraph 1 of this Article may be established in the implementing regulations to this Law.
5. Where paragraph 1 item (b) of this Article is applied and the compensating products would be liable to export duties if they were not being exported or re-exported under an inward processing operations, the holder of the authorisation shall provide a security to ensure payment of the duties should the import goods not be imported within the period prescribed.

## **II. Grant of the authorisation**

### **Article 113**

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

### **Article 114**

The authorisation shall be granted only:

- a) to persons registered in BiH. However, the authorisation may be granted to persons registered outside BiH in respect of import of a non-commercial nature;
- b) where, without prejudice to the use of the goods referred to in Article 111, paragraph 2 item (c) indent (iv) of this Law, the import goods can be identified in the compensating products or, in the case referred to in Article 112 of this Law, where compliance with the conditions laid down in respect of equivalent goods can be verified;
- c) where the inward-processing procedure can help create the most favourable conditions for the export or re-export of compensating products, provided that the essential interests of BiH producers are not adversely affected (economic conditions). The cases in which the economic conditions are deemed to have been fulfilled may be determined in the implementing regulations to this Law.

## **III. Operation of the procedure**

### **Article 115**

1. The customs authorities shall specify the period within which the compensating products must have been exported or re-exported or assigned another customs-approved treatment or use. That period shall take account of the time required to carry out the processing operations and delivery of the compensating products.
2. The period shall run from the date on which the goods not being BiH goods are placed under the inward-processing procedure. The customs authorities may grant an extension on submission of a duly substantiated request by the holder of the authorisation.  
For reasons of simplification, it may be decided that a period which commences in the course of a calendar month or quarter shall end on the last day of a subsequent calendar month or quarter respectively.
3. Where Article 112, paragraph 1 item (b) of this Law applies, the customs authorities shall specify the period within which the goods not being BiH goods must be declared for the procedure. That period shall run from the date of acceptance of the export declaration relating to the compensating products obtained from the corresponding equivalent goods.
4. Specific time limits may be laid down in the implementing regulations to this Law for certain processing operations or for certain import goods.

### **Article 116**

1. The customs authorities shall set either the rate of yield of the operation or where necessary, the method of determining such rate. The rate of yield shall be determined on the basis of the actual circumstances in which the processing operation is, or is to be, carried out.
2. Where circumstances so warrant and, in particular, in the case of processing operation customarily carried out under clearly defined technical conditions involving goods of substantially uniform characteristics and resulting in the production of compensating products of uniform quality, standard rates of yield may be set in the implementing regulations to this Law on the basis of actual data previously ascertained.

### **Article 117**

The cases in which and the conditions under which goods in the unaltered state or compensating products shall be considered to have been released for free circulation may be determined in the implementing regulations to this Law.

### **Article 118**

1. Subject to Article 119 of this Law, where a customs debt is incurred, the amount of such debt shall be determined on the basis of the elements for establishing duties appropriate to the import goods at the time of acceptance of the declaration of placing of these goods under the inward-processing procedure.
2. If at the time referred to in paragraph 1 of this Article the import goods fulfilled the conditions to qualify for preferential tariff treatment within tariff quotas or upper tariff limit, they shall be eligible for any preferential tariff treatment existing in respect of identical goods at the time of acceptance of the declaration of release for free circulation.

### **Article 119**

By way of derogation from Article 118 of this Law, compensating products:

- a) shall be subject to the import duties appropriate to them where they are released for free circulation and appear on the list established in the implementing regulations to this Law, to the extent that they are in proportion to the exported part of the compensating products not included in that list. However, the holder of the authorization may ask for the duty on those products to be assessed in the manner referred to in Article 118 of this Law;
- b) shall be subject to import duties calculated in accordance with the rules applicable to that customs procedure in question or to free zones or free warehouses where they have been placed under a suspensive arrangement or in a free zone or free warehouse;

However,

- i. it may be requested that duty be assessed in accordance with Article 118 of this Law;
- ii. in cases where the compensating products have been assigned a customs-approved treatment or use referred to above other than processing under customs control, the amount of the import duty levied shall be at least equal to the amount calculated in accordance with Article 118 of this Law;

- c) may be made subject to the rules governing assessment of duty laid down under the procedure for processing under customs control where the import goods could have been placed under that procedure;
- d) shall enjoy favourable tariff treatment owing to the special use for which they are intended, where provision is made for such treatment in the case of identical imported goods;
- e) shall be admitted free of import duty where such provision is made in the case of identical goods imported in accordance with Article 176 of this Law.

#### **IV. Processing operations outside the customs territory of BiH**

##### **Article 120**

1. Some or all of the compensating products or goods in the unaltered state may be temporarily exported for the purpose of further processing outside the customs territory of BiH if the customs authority so authorizes, in accordance with the conditions laid down in the outward-processing provisions.
2. Where a customs debt is incurred in respect of reimported products, the following shall be charged:
  - a) import duties on the compensating products or goods in the unaltered state referred to in paragraph 1 of this Article, calculated in accordance with Articles 118 and 119 of this Law; and
  - b) import duties on products reimported after processing outside the customs territory of BiH, the amount of which shall be calculated in accordance with the provisions relating to the outward-processing procedure, on the same conditions as would have applied had the products exported under the latter procedure been released for free circulation before such export took place.

#### **V. Special provisions relating to the drawback system**

##### **Article 121**

The drawback system may be used for all goods. It shall not, however, be usable if, at the time the declaration of release for free circulation is accepted:

- a) the import goods are subject to quantitative import restrictions,
- b) a tariff measure within quotas is applied to the import goods.

##### **Article 122**

1. The declaration of release for free circulation shall indicate that the drawback system is being used and shall provide particulars of the authorisation.
2. At the request of the customs authorities, the said authorisation shall be attached to the declaration of release for free circulation.

### **Article 123**

Within the drawback system, Article 112, paragraph 1 item (b) and paragraph 3, Article 115, paragraph 3, Articles 117 and 118 and Article 119 item (c) of this Law shall not apply.

### **Article 124**

Temporary exportation of compensating products carried out as provided for in Article 120, paragraph 1 of this Law shall not be considered to be exportation within the meaning of Article 125 of this Law except where such products are not reimported into BiH within the period prescribed.

### **Article 125**

1. Provided all conditions for use of the procedure have also been fulfilled, the holder of the authorisation may ask for the import duty to be repaid or remitted where he can prove to the customs authorities that import goods released for free circulation under the drawback system in the form of compensating products or goods in the unaltered state have been either:
  - a) Exported; or
  - b) placed, with a view to being subsequently re-exported, under the transit procedure, the customs warehousing procedure, the temporary importation procedure or the inward-processing procedure (suspensive arrangement), or in a free zone or free warehouse.
2. For the purposes of being assigned a customs-approved treatment or use referred to in the second indent of paragraph 1 of this Article, compensating products or goods in the unaltered state shall be considered to be goods not being BiH goods.
3. The period within which the application for repayment must be submitted shall be determined in the implementing regulations to this Law.
4. Without prejudice to Article 119 item b) of this Law, where compensating products or goods in the unaltered state placed under a customs procedure or in a free zone or free warehouse in accordance with paragraph 1 of this Article are released for free circulation, the amount of import duties repaid or remitted shall be considered to constitute the amount of the customs debt.
5. For the purpose of determining the amount of import duties to be repaid or remitted, Article 119 item a) of this Law shall apply *mutatis mutandis*.

## **E. Processing under customs control**

### **Article 126**

The procedure for processing under customs control shall allow goods not being BiH goods to be used in the customs territory of BiH in operations which alter their nature or state, without their being subject to import duties or commercial policy measures, and shall allow the products resulting from such operations to be released for free circulation at the rate of import duty appropriate to them. Such products shall be termed processed products.



### **Article 127**

The cases in and specific conditions under which the procedure for processing under customs control may be used shall be determined in the implementing regulations to this Law.

### **Article 128**

Authorisation for processing under customs control shall be granted at the request of the person who carries out the processing or arranges for it to be carried out.

### **Article 129**

Authorisation shall be granted only:

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

### **Article 130**

Article 115, paragraphs 1, 2 and 4 and Article 116 of this Law shall apply *mutatis mutandis*.

### **Article 131**

Where a customs debt is incurred in respect of goods in the unaltered state or of products that are at an intermediate stage of processing as compared with that provided for in the authorisation, the amount of that debt shall be determined on the basis of elements for the calculation of duties appropriate to the import goods at the time of acceptance of the declaration relating to the placing of the goods under the procedure for processing under customs control.

### **Article 132**

1. Where the import goods qualified for preferential tariff treatment when they were placed under the procedure for processing under customs control, and such preferential tariff treatment is applicable to products identical to the processed products released for free circulation, the import duties to which the processed products are subject shall be calculated by applying the rate of duty applicable under that preferential treatment.

2. If the preferential tariff treatment referred to in paragraph 1 of this Article in respect of the import goods is subject to tariff quotas or tariff limits, the application of the rate of duty referred to in paragraph 1 in respect of the processed products shall also be subject to the condition that the said preferential tariff treatment is applicable to the import goods at the time of acceptance of the declaration of release for free circulation. In this case, the quantity of import goods actually used in the manufacture of the processed products released for free circulation shall be charged against the tariff quotas or tariff limits in force at the time of acceptance of the declaration of release for free circulation and no quantities shall be counted against tariff quotas or tariff limits established in respect of products identical to the processed products.

## **F. Temporary importation**

### **Article 133**

The temporary importation procedure shall allow the use in the customs territory of BiH, with total or partial relief from import duties and without their being subject to commercial policy measures, of goods not being BiH goods intended for re-export without having undergone any change except normal depreciation due to the use made of them.

### **Article 134**

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

### **Article 135**

1. The customs authorities shall refuse to authorize use of the temporary importation procedure where it is impossible to ensure that the import goods can be identified.
2. However, the customs authorities may authorize use of the temporary importation procedure without ensuring that the goods can be identified where, in view of the nature of the goods or of the operations to be carried out, the absence of identification measures is not liable to give rise to any abuse of the procedure.

### **Article 136**

1. The customs authorities shall determine the period within which import goods must have been re-exported or assigned a new customs-approved treatment or use. That period must be long enough for the objective of authorized use to be achieved.
2. Without prejudice to the special periods laid down in accordance with Article 137 of this Law, the maximum period during which goods may remain under the temporary importation procedure shall be 24 months. The customs authorities may, however, determine shorter periods with the agreement of the person concerned.
3. Where exceptional circumstances so warrant, the customs authorities may, at the request of the person concerned and within reasonable limits, extend the periods referred to in paragraphs 1 and 2 of this Article in order to permit the authorized use.”

### **Article 137**

The cases and special conditions under which the temporary importation procedure may be used with total relief from import duties shall be determined in the implementing regulations to this Law.

### **Article 138**

1. Use of the temporary importation procedure with a partial relief from import duties shall be granted in respect of goods which are not covered by the provisions adopted in accordance with Article 137 of this Law or which are covered by such provisions but do not fulfil all the conditions laid down therein for the grant of temporary importation with total relief.
2. The list of goods in respect of which the temporary importation procedure with partial relief from import duties may not be used and the conditions subject to which the procedure may be used shall be determined in the implementing regulations to this Law.

### **Article 139**

1. The amount of import duties payable in respect of goods placed under the temporary importation procedure with partial relief from import duties shall be set at 3 %, for every month or fraction of a month during which the goods have been placed under the temporary importation procedure with partial relief of the amount of duties which would have been payable on the said goods had they been released for free circulation on the date on which they were placed under the temporary importation procedure.
2. The amount of import duties to be charged shall not exceed that which would have been charged if those goods had been released for free circulation on the date on which they were placed under the temporary importation procedure.
3. Transfer of the rights and obligations deriving from the temporary importation procedure pursuant to Article 87 of this Law shall not mean that the same relief arrangements must be applied to each of the periods of use to be taken into consideration.
4. Where the transfer referred to in paragraph 3 of this Article is made with partial relief for both persons authorized to use the procedure during the same month, the holder of the initial authorization shall be liable to pay the amount of import duties due for the whole of that month.

### **Article 140**

1. Where a customs debt is incurred in respect of import goods, the amount of such debt shall be determined on the basis of the elements for the calculation of duties appropriate to those goods at the time of acceptance of the declaration of their placing under the temporary importation procedure. However, where the provisions of Article 137 of this Law so provide, the amount of the debt shall be determined on the basis of the elements for calculation of duties appropriate to the goods in question at the time referred to in Article 207 of this Law.
2. Where, for a reason other than the placing of goods under the temporary importation procedure with partial relief from import duties, a customs debt is incurred in respect of goods placed under the said procedure, the amount of that debt shall be equal to the difference between the amount of duties calculated pursuant to paragraph 1 of this Article and that payable pursuant to Article 139 of this Law.

## **G Outward-Processing**

### **I. General**

#### **Article 141**

1. The outward-processing procedure shall, without prejudice to the provisions governing specific fields relating to the standard exchange system laid down in Articles 150 to 155 or to Article 120 of this Law, allow BiH goods to be exported temporarily from the customs territory of BiH in order to undergo processing operations and the products resulting from those operations to be released for free circulation with total or partial relief from import duties.
2. Temporary exportation of BiH goods shall include collection of export duties, application of commercial policy measures and other formalities for the exit of BiH goods from the customs territory of BiH.
3. The following expressions shall apply:
  - a) “temporary export goods” means goods placed under the outward-processing procedure;
  - b) “processing operations” means the operations referred to in Article 111, paragraph 2 item (c) indents (i), (ii) and (iii) of this Law;
  - c) “compensating products” means all products resulting from processing operations;
  - d) “rate of yield” means the quantity or percentage of compensating products obtained from the processing of a given quantity of temporary export goods.

#### **Article 142**

1. The outward-processing procedure shall not be open to BiH goods:
  - a) whose export gives rise to repayment or remission of import duties,
  - b) which, prior to export, were released for free circulation with total relief from import duties by virtue of end use, for as long as the conditions for granting such relief continue to apply.
2. Derogation from paragraph 1 item b) of this Article may be determined in the implementing regulations to this Law.

### **II. Grant of the authorization**

#### **Article 143**

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

## **Article 144**

Authorization shall be granted only:

- a) to persons registered in BiH;
- b) where it is considered that it will be possible to establish that the compensating products have resulted from processing of the temporary export goods. Cases in which derogation may apply and the conditions under which such derogation shall apply shall be determined in the implementing regulations to this Law;
- c) where authorization to use the outward-processing procedure is not liable seriously to harm the essential interests of BiH processors (economic conditions).

### **III. Operation of the procedure**

## **Article 145**

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

## **Article 146**

1. The total or partial relief from import duties provided for in Article 147, paragraph 1 of this Law shall be granted only where the compensating products are declared for release for free circulation in the name of or on behalf of:
  - a) the holder of the authorization; or
  - b) other person registered in BiH provided that that person has obtained the consent of the holder of the authorization and the conditions of the authorization are fulfilled.
2. The total or partial relief from import duties provided for in Article 147 of this Law shall not be granted where one of the conditions or obligations relating to the outward-processing procedure is not fulfilled, unless it is established that the failures have no significant effect on the operation of the said procedure.

## **Article 147**

1. The total or partial relief from import duties provided for in Article 141 of this Law shall be effected by deducting from the amount of the import duties applicable to the compensating products released for free circulation the amount of the import duties that would be applicable on the same date to the temporary export goods if they were imported into the customs territory of BiH from the country in which they underwent the processing operation or last processing operation.

2. The amount to be deducted pursuant to paragraph 1 of this Article shall be calculated on the basis of the quantity and nature of the goods in question on the date of acceptance of the declaration placing them under the outward-processing procedure and on the basis of the other elements for calculation of duties applicable to the same on the date of acceptance of the declaration relating to the release for free circulation of the compensating products. The value of the temporary export goods shall be the value accepted for those goods when determining the customs value of the compensating products in accordance with Article 29 paragraph 1 item (b) (i) of this Law or, if the value cannot be determined in that way, the difference between the customs value of the compensating products and the processing costs determined by reasonable means.

However,

- a) certain charges determined in the implementing regulations to this Law shall not be taken into account in calculating the amount to be deducted;
  - b) where, prior to being placed under the outward-processing procedure, the temporary export goods were released for free circulation at a reduced rate by virtue of their end use, and for as long as the conditions for granting the reduced rate continue to apply, the amount to be deducted shall be the amount of import duties actually levied when the goods were released for free circulation.
3. Where temporary export goods could qualify on their release for free circulation for a reduced or zero rate of duty by virtue of their end use, that rate shall be taken into account provided that the goods underwent operations consistent with such an end-use in the country where the processing operation or last such operation took place.
  4. Where compensating products qualify for a preferential tariff measure within the meaning of Article 17, paragraph 4 item c) of this Law and the measure exists for goods falling within the same tariff classification as the temporary export goods, the rate of import duty to be taken into account in establishing the amount to be deducted pursuant to paragraph 1 of this Article shall be that which would apply if the temporary export goods fulfilled the conditions under which that preferential measure may be applied.
  5. This Article shall be without prejudice to the application of provisions, adopted or liable to be adopted in the context of trade between BiH and other countries, which provide for relief from import duties in respect of certain compensating products.

#### **Article 148**

1. Where the purpose of the processing operation is the repair of the temporary export goods, they shall be released for free circulation with total relief from import duties where it is proved to the customs authorities that the goods were repaired free of charge, either because of a contractual or statutory obligation arising from a guarantee or because of a manufacturing defect.
2. Paragraph 1 of this Article shall not apply where account was taken of the defect at the time when those goods were first released for free circulation.

### **Article 149**

1. Where the purpose of the processing operation is the repair of temporary export goods and such repair is carried out in return for payment, the partial relief from import duties provided for in Article 141 of this Law shall be granted by establishing the amount of the duties applicable on the basis of the elements for calculation of duties pertaining to the compensating products on the date of acceptance of the declaration of release for free circulation of those products and taking into account as the customs value an amount equal to the repair costs, provided that those costs represent the only consideration provided by the holder of the authorization and are not influenced by any links between that holder and the operator.
2. By way of derogation from Article 147 of this Law, the implementing regulations to this Law may be used to determine the cases in and specific conditions under which goods may be released for free circulation following an outward-processing operation, with the cost of the processing operation being taken as the basis for assessment for the purpose of applying the Customs Tariff of BiH.

## **IV. Outward processing with use of the standard exchange system**

### **Article 150**

1. Under the conditions laid down in this Section which are applicable in addition to the preceding provisions, the standard exchange system shall permit an imported product, hereinafter referred to as a “replacement product”, to replace a compensating product.
2. The customs authorities shall allow the standard exchange system to be used where the processing operation involves the repair of BiH goods.
3. Without prejudice to Article 155 of this Law, the provisions applicable to compensating products shall also apply to replacement products.
4. The customs authorities shall, under the conditions they lay down, permit replacement products to be imported before the temporary export goods are exported (prior importation). In the event of prior importation of a replacement, security shall be provided to cover the amount of the import duties.

### **Article 151**

1. Replacement products shall have the same tariff classification, be of the same commercial quality and possess the same technical characteristics as the temporary export goods had the latter undergone the planned repair.
2. Where the temporary export goods have been used before export, the replacement products must also have been used and may not be new products.  
The customs authorities may, however, grant derogation from this rule if the replacement product has been supplied free of charge either because of a contractual or statutory obligation arising from a guarantee or because of a manufacturing defect.

### **Article 152**

Standard exchange shall be authorized only where it is possible to verify that the conditions laid down in Article 151 of this Law are fulfilled.

### **Article 153**

1. In the case of prior importation, the goods for temporary export shall be exported within a period of two months from the date of acceptance by the customs authorities of the declaration relating to the release of the replacement products for free circulation.
2. Where exceptional circumstances so warrant, the customs authorities may, at the request of the person concerned, extend within reasonable limits the period referred to in paragraph 1 of this Article.

### **Article 154**

In the case of prior importation and where Article 147 of this Law is applied, the amount to be deducted shall be determined on the basis of elements for calculation of duties applicable to the temporary export goods on the date of acceptance of the declaration placing them under the procedure.

### **Article 155**

Article 144 item (b) of this Law shall not apply in the context of standard exchange.

## **V. Other provision**

### **Article 156**

The procedures provided for within the framework of outward processing shall entail application of commercial policy measures.

## **Section 4 - Export**

### **Article 157**

1. The export procedure shall allow BiH goods to leave the customs territory of BiH. Exportation shall involve the application of exit formalities including commercial policy measures and where necessary also the collection of export duties.
2. With the exception of goods placed under the outward-processing procedure, all BiH goods intended for export shall be placed under the export procedure.
3. The export declaration must be lodged at the customs office responsible for supervising the place where the exporter is registered or where the goods are packed or loaded for export shipment. Derogations shall be determined in the implementing regulations to this Law.
4. The cases in which and the conditions under which goods leaving the customs territory of BiH are not subject to export declaration shall be determined in the implementing regulations to this Law.

### **Article 158**

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



## **CHAPTER III - OTHER TYPES OF CUSTOMS-APPROVED TREATMENT OR USE**

### **Section 1 - Free zones and free warehouses**

#### **A. General**

#### **Article 159**

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

- a) goods not being BiH goods are considered, for the purpose of import duties and commercial policy import measures, as not being on BiH customs territory, provided they are not released for free circulation or placed under another customs procedure or used or consumed under condition other than those provided for in customs regulations;
- b) BiH goods for which such provision is made under BiH legislation governing specific fields qualify, by virtue of being placed in a free zone or free warehouse, for measures normally attaching to the export of goods.

#### **Article 160**

1. The Council of Ministers of Bosnia and Herzegovina at the proposal of the Governing Board may designate parts of the customs territory of BiH as free zones or authorise the establishment of free warehouses.
2. The Council of Ministers of Bosnia and Herzegovina, at the proposal of the Governing Board shall determine the area covered by each zone. Premises which are to be designated as free warehouses must be approved by the Governing Board.
3. Free zones with the exception of those designated in accordance with Article 162 of this Law, shall be enclosed. The customs authorities shall define the entry and exit points of each free zone or free warehouse.
4. The construction of any building in a free zone shall require the prior approval of the customs authorities.

#### **Article 161**

1. The perimeter and the entry and exit points of free zones, except the free zones designated in accordance with Article 162 of this Law, and of free warehouses shall be subject to supervision by the customs authorities.
2. Persons and means of transport entering or leaving a free zone or free warehouse may be subjected to a customs check.
3. Access to a free zone or free warehouse may be denied to persons who do not provide every guarantee necessary for compliance with the rules provided for in this Law and other regulations.
4. The customs authorities may check goods entering, leaving or remaining in a free zone or free warehouse. To enable such checks to be carried out, copies of the documents relating to and accompanying the goods entering or leaving shall be handed to, or kept at the disposal of, the customs authority by any person designated for this purpose by that authority. Where such checks are required, the goods shall be made available to the customs authorities.

### **Article 162**

1. The customs authorities may designate free zones in which customs checks and formalities shall be carried out and the provisions concerning customs debt applied in accordance with the requirements of the customs warehousing procedure.

Articles 164, 169 and 172 of this Law shall not apply to the free zones thus designated.

2. Provisions regarding free zones in Articles 34, 35 and 197 of this Law shall not apply to free zones referred to in paragraph 1 of this Article.

## **B. Placing of goods in free zones or free warehouses**

### **Article 163**

1. Both BiH and goods not being BiH goods may be placed in a free zone or free warehouse.
2. The customs authorities may require that goods which present a danger or are likely to spoil other goods or which, for other reasons, require special facilities be placed in premises specially equipped to receive them.

### **Article 164**

1. Without prejudice to Article 161 paragraph 4 of this Law, goods entering a free zone or free warehouse need not be presented to the customs authorities, nor need a customs declaration be lodged.
2. Goods shall be presented to the customs authorities and undergo the prescribed customs formalities only where:
  - a) they have been placed under a customs procedure which is discharged when they enter a free zone or free warehouse; however, where that customs procedure permits exemption from the obligation to present goods, such presentation shall not be required;
  - b) they have been placed in a free zone or free warehouse on the authority of a decision to grant repayment or remission of import duties;
  - c) they qualify for the measures referred to in Article 159 item (b) of this Law.
3. The customs authorities may require goods to be notified about the goods being subject to payment of export duties and/or implementation of export provisions.
4. At the request of the party concerned, the customs authorities shall certify the BiH or status of goods not being BiH goods placed in a free zone or free warehouse.

## **C. Operation of free zones and free warehouses**

### **Article 165**

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

### **Article 166**

1. Any industrial, commercial or service activity shall, under the conditions laid down in this Law and other regulations, be authorised in a free zone or free warehouse. The carrying on of such activities shall be notified in advance to the customs authorities.
2. The customs authorities may impose certain prohibitions or restrictions on the activities referred to in paragraph 1 of this Article, having regard to the nature of the goods concerned or the requirements of customs supervision.
3. The customs authorities may prohibit persons who do not provide the necessary guarantees of compliance with the provisions laid down in this Law and other regulations from carrying on an activity in a free zone or free warehouse.

### **Article 167**

1. Goods not being BiH goods placed in a free zone or free warehouse may, while they remain in a free zone or free warehouse may:
  - a) be released for free circulation under the conditions laid down by that procedure and by Article 171 of this Law;
  - b) undergo the usual forms of handling referred to in Article 106, paragraph 1 of this Law without authorisation;
  - c) be placed under the inward-processing procedure under the conditions laid down by that procedure;
  - d) be placed under the procedure for processing under customs control under the conditions laid down by that procedure;
  - e) be placed under the temporary importation procedure under the conditions laid down by that procedure;
  - f) be abandoned in accordance with Article 174 of this Law;
  - g) be destroyed, provided that the person concerned supplies the customs authorities with all the information they judge necessary.
2. Where goods are placed under one of the procedures referred to in paragraph 1 item (c), (d) or (e) of this Article, the customs authorities may, in so far as is necessary to take account of the operating and customs supervision conditions of the free zones or free warehouses, adapt the control arrangements laid down.

### **Article 168**

Where Article 167 of this Law is not applied, goods not being BiH goods and the BiH goods referred to in 159 item (b) of this Law shall not be consumed or used in free zones or free warehouses.

### **Article 169**

1. All persons carrying on an activity, including the storage, working or processing, or sale or purchase of goods in a free zone or free warehouse, shall keep stock records in a form approved by the customs authorities. Goods shall be entered in the stock records as soon as they are brought into the premises of such person. The stock records shall enable the customs authorities to identify the goods, and must record their movements.

2. Where goods are transhipped within a free zone, the documents relating to the operation shall be kept at the disposal of the customs authorities. The short-term storage of goods in connection with such transhipment shall be considered to be an integral part of the operation.

#### **D. Removal of goods from free zones or free warehouses**

##### **Article 170**

1. Without prejudice to special provisions adopted under customs legislation governing specific fields, goods leaving a free zone or free warehouse may be:
  - a) exported or re-exported from the customs territory of BiH; or
  - b) brought into another part of the customs territory of BiH.
2. The provisions of the third Part, with the exception of Articles 45 to 50 of this Law where BiH goods are concerned, shall apply to goods brought into other parts of that territory except in the case of goods which leave that zone by sea or air without being placed under a transit or other customs procedure.

##### **Article 171**

1. Where a customs debt is incurred in respect of goods not being BiH goods and the customs value of such goods is based on a price actually paid or payable which includes the cost of warehousing or of preserving goods while they remain in the free zone or free warehouse, such costs shall not be included in the customs value if they are shown separately from the price actually paid or payable for the goods.
2. Where the said goods have undergone, in a free zone or free warehouse, one of the usual forms of handling within the meaning of Article 106, paragraph 1 of this Law, the nature of the goods, the customs value and the quantity to be taken into consideration in determining the amount of import duties shall, at the request of the declarant and provided that such handling was covered by an authorisation granted in accordance with paragraph 2 of Article 106 of this Law, be those which would be taken into account in respect of those goods, at the time referred to in Article 207 of this Law, had they not undergone such handling. Derogations from this provision may, however, be determined in the implementing regulations to this Law.

##### **Article 172**

1. Where goods are brought into or returned to another part of the customs territory of BiH or placed under a customs procedure, the certificate referred to in Article 164, paragraph 4 of this Law may be used as proof of the BiH or status of such goods not being BiH goods.
2. Where it is not proved by the certificate or other means that the goods have BiH or status of goods not being BiH goods, the goods shall be considered to be:
  - a) BiH goods, for the purposes of payment of export duties, applying export licences and other export measures laid down under the commercial policy;
  - b) goods not being BiH goods in all other cases.

### **Article 173**

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

## **Section 2 - Re-exportation, destruction and abandonment**

### **Article 174**

1. Goods not being from BiH may be:
  - a) re-exported from the customs territory of BiH;
  - b) destroyed;
  - c) abandoned to competent authority where legislation in force makes provision to that effect.
2. Re-exportation shall, where necessary, involve application of the formalities laid down for goods leaving, including commercial policy measures. Cases in which goods not being BiH goods may be placed under a suspensive arrangement with a view to non-application of commercial policy measures on exportation may be determined in the implementing regulations to this Law.
3. Save in cases determined in the implementing regulations to this Law, re-exportation or destruction shall be the subject of prior notification of the customs authorities. The customs authorities shall prohibit re-exportation should the formalities or measures referred to in paragraph 2 of this Article so provide. Where goods placed under customs procedure with economic impact when on BiH customs territory are intended for re-exportation, a customs declaration within the meaning of Articles 56 to 75 of this Law shall be lodged. In such cases, Article 157, paragraphs 3 and 4 of this Law shall apply.

Abandonment shall be put into effect in accordance with the BiH provisions in force.

4. Destruction or abandonment shall not entail any expense for the competent authority.
5. Any waste or scrap resulting from destruction shall be assigned a customs-approved treatment or use prescribed for goods not being BiH goods.

It shall remain under customs supervision until the time laid down in Article 34, paragraph 2 of this Law.

## **FIFTH PART**

### **GOODS LEAVING THE CUSTOMS TERRITORY OF BIH**

#### **Article 175**

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

## **SIXTH PART**

### **PRIVILEGED OPERATIONS**

#### **CHAPTER I - RELIEFS FROM CUSTOMS DUTY**

##### **Article 176**

1. Equipment released for free circulation representing an investment by a foreign person, except for passenger vehicles, entertainment and slot machines, shall be granted relief from payment of import duty;
2. Goods released for free circulation for military and police forces and penitentiary institution and completely financed by donors shall be relieved from payment of import duty, and goods released for free circulation used for demining;
3. Goods released for free circulation for projects of rebuilding and reconstruction of BiH shall be relieved from payment of import duty if the project:
  - a) is adopted by the Council of Ministers of Bosnia and Herzegovina;
  - b) is completely financed by foreign donors or financed by international developments banks.
4. Products and goods specified in Annex to this Law shall be relieved from payment of import duty
5. The Council of Ministers at the proposal of the Governing Board shall prescribe closer provisions on the procedure for issuing a Decision by the customs authorities on granting the relief from payment of import duty from paragraphs 1 to 4 of this Article.

#### **CHAPTER 2 - RETURNED GOODS**

##### **Article 177**

1. BiH goods which, having been exported from the customs territory of BiH, are returned to that territory and released for free circulation within a period of three years shall, at the request of the person concerned, be granted relief from import duties.
2. By way of derogation from paragraph 1 of this Article:
  - a) the three-year period may be exceeded in order to take account of special circumstances;
  - b) in cases where, prior to their exportation from the customs territory of BiH, the returned goods had been released for free circulation at reduced or zero import duties because of their use for a particular purpose, exemption from duty under paragraph 1 of this Article shall be granted only if they are to be re-imported for the same purpose;

In cases where the purpose for which the goods in question are to be imported is no longer the same, the amount of import duties chargeable upon them shall be reduced by any amount levied on the goods when they were first released for free circulation. Should the latter amount exceed that levied on the entry for free circulation of returned goods, no refund shall be granted.

3. The relief from import duties provided for in paragraph 1 of this Article shall not be granted in the case of:
  - a) goods exported from the customs territory of BiH under the outward-processing procedure unless those goods remain in the state in which they were exported;
  - b) goods which have been subject of a BiH measure involving their exportation to other countries. The circumstances in which and the conditions under which this requirements may be waived shall be determined in the implementing regulations to this Law.

#### **Article 178**

The relief from import duties provided for in Article 177 of this Law shall be granted only if goods are re-imported in the state in which they were exported. The circumstances in which and the conditions under which this requirement may be waived shall be determined in the implementing regulations to this Law.

#### **Article 179**

1. Articles 177 and 178 of this Law shall apply, mutatis mutandis, to compensating products originally exported or re-exported subsequent to an inward-processing procedure.
2. The amount of import duties legally owed shall be determined on the basis of the rules which are applied under the inward-processing procedure, the date of re-export being regarded as the date of release for free circulation.

### **CHAPTER 3 - PRODUCTS OF SEA-FISHING AND OTHER PRODUCTS TAKEN FROM THE SEA**

#### **Article 180**

Without prejudice to Article 20, paragraph 2 item (f) of this Law, the following shall be exempt from import duties when they are released for free circulation:

- a) products of sea-fishing and other products taken from the territorial sea of a foreign country by vessels registered or recorded in BiH and flying the flag of BiH;
- b) products obtained from products referred to in item (a) of this paragraph on board factory ships fulfilling the conditions laid down in that item.

### **SEVENTH PART**

#### **CUSTOMS DEBT**

### **CHAPTER I - SECURITY TO COVER CUSTOMS DEBT**

#### **Article 181**

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

3. The customs authorities may authorise the security to be provided by a person other than the person from whom it is required.
4. When an administrative authority, including local administration, is the person who has incurred or who may be incur a customs debt, no security shall be requested.
5. The customs authorities may waive the requirement for provision of security where the amount to be secured does not exceed 1.000 KM.

### **Article 182**

1. Where customs legislation provides that the provision of security is optional, such security shall be required at the discretion of the customs authorities in so far as they consider that a customs debt which has been or may be incurred is not certain to be paid within the prescribed period.
2. If the security referred to in paragraph 1 of this Article is not required, the customs authorities may nevertheless require from the person referred to in Article 181, paragraph 1 of this Law to state that he shall comply with the obligations which that person is legally obliged to fulfil according to this Law.
3. The security referred to in paragraph 1 of this Article shall be required:
  - a) at the time of application of the rules requiring such security to be provided; or
  - b) at any subsequent time when the customs authorities find that the customs debt which has been or may be incurred is not certain to be paid within the prescribed period.

### **Article 183**

At the request of the person referred to in Article 181, paragraph 1 or 3 of this Law the customs authorities shall allow comprehensive security to be provided to cover two or more operations in respect of which a customs debt has been or may be incurred.

### **Article 184**

1. Where customs legislation makes it compulsory for security to be provided, and taking into account specific provisions laid down for transit in accordance with the implementing regulations to this Law, the customs authorities shall fix the amount of security at a level equal to:
  - a) the precise amount of the customs debt or debts in question where that amount can be established with certainty at the time when the security is required;
  - b) in other cases the maximum amount, as estimated by the customs authorities, of the customs debt or debts which have been or may be incurred.
2. Where comprehensive security is provided for customs debts which vary in amount over time, the amount of such security shall be set at a level enabling the customs debts in question to be covered at all times.
3. Where customs legislation provides that the provision of security is optional and the customs authorities require security to be provided, the amount of the security shall be fixed by those authorities so as not to exceed the level provided for in paragraph 1 of this Article.
4. The circumstances in which and the conditions under which an individual guarantee voucher may be used shall be determined in the implementing regulations to this Law.



### **Article 185**

Security may be provided by either:

- a) a cash deposit; or
- b) a guarantor

### **Article 186**

1. A cash deposit shall be made in the BiH currency or in an appropriate amount of foreign currency according to the exchange rates in force published by the BiH Central Bank.  
The following shall be deemed equivalent to a cash deposit:
  - a) submission of a cheque the payment of which is guaranteed by the institution on which it is drawn in any manner acceptable to the customs authorities;
  - b) submission of any other instrument recognised by those authorities as a means of payment.
2. Security in the form of a cash deposit or payment deemed equivalent to a cash deposit shall be given in accordance with the provisions in force in BiH.

### **Article 187**

1. The guarantor shall undertake in writing to pay jointly and severally with the debtor the secured amount of a customs debt, which falls to be paid.
2. The guarantor must be a third person registered in BiH.
3. The customs authorities may refuse the guarantor or type of security proposed where it is uncertain whether the guarantor will ensure payment of the customs debt within the prescribed period.

### **Article 188**

1. The person required to provide security shall be free to choose between the types of security laid down in Article 185 of this Law.
2. The customs authorities may refuse to accept the type of security proposed where it is incompatible with the proper functioning of specific customs procedure. The same shall apply as regards the security proposed. The customs authorities may require that the type of security chosen be maintained for a specific period.

### **Article 189**

1. Where the rules adopted in the implementing regulations to this Law so provide, the customs authorities may accept types of security other than those referred to in Article 185 of this Law where they ensure that the customs debt will be paid.
2. The customs authorities shall refuse the security proposed by the debtor where they consider that such security is uncertain to ensure payment of the customs debt.
3. Subject to the same reservation referred to in paragraph 2 of this Article, the customs authorities may accept a cash deposit without the conditions laid down in Article 186, paragraph 1 of this Law being fulfilled.

### **Article 190**

Where the customs authorities establish that the security provided does not ensure, or is no longer certain or sufficient to ensure, payment of the customs debt within the prescribed period, they shall require the person referred to in Article 181, paragraph 1 of this Law, at his option, to provide additional security or to replace the original security with a new security.

### **Article 191**

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

### **Article 192**

Provisions derogating from those contained in this chapter shall, where necessary, be adopted in the implementing regulations to this Law in order to take account of international conventions.

## **CHAPTER II - INCURRENCE OF A CUSTOMS DEBT**

### **Article 193**

1. A customs debt on importation shall be incurred through:
  - a) the release for free circulation of goods liable to import duties, or
  - b) the placing of such goods under the temporary importation procedure with partial relief from import duties.
2. A customs debt shall be incurred at the time of acceptance of the customs declaration in question.
3. The debtor shall be the declarant. In the event of indirect representation, the person in whose name the customs declaration is made shall also be a debtor.
4. Where a customs declaration in respect of one of the procedures referred to in paragraph 1 of this Article is drawn up on the basis of information which leads to all or part of the duties legally owed not being collected, the persons who provided the information required to draw up the declaration and who knew, or who ought reasonably to have known that such information was false, may also be considered debtors in accordance with the BiH provisions in force.

## **Article 194**

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

For the purpose of this Article, the expression “unlawful introduction” means any introduction in violation of the provisions of Articles 35 to 38 and Article 170, paragraph 1, item (b) of this Law.

2. The customs debt shall be incurred at the moment when the goods are unlawfully introduced.
3. The debtors shall be:
  - a) the person who introduced such goods unlawfully;
  - b) any persons who participated in the unlawful introduction of the goods and who were aware or should reasonably have been aware that such introduction was unlawful; and
  - c) any persons who acquired or held such goods and who were aware or should reasonably have been aware at the time of acquiring or receiving the goods that they had been introduced unlawfully.

## **Article 195**

1. A customs debt on importation shall be incurred through the unlawful removal from customs supervision of goods liable to import duties.
2. The customs debt shall be incurred at the moment when the goods are removed from customs supervision.
3. The debtors shall be:
  - a) the person who removed the goods from customs supervision;
  - b) any persons who participated in such removal and who were aware or should reasonably have been aware that the goods were being removed from customs supervision;
  - c) any persons who acquired or held such goods and who were aware or should reasonably have been aware at the time of acquiring or receiving the goods that they had been removed from customs supervision; and
  - d) where appropriate, the person required to fulfil the obligations arising from temporary storage of the goods or from the use of the customs procedure under which those goods are placed.

## **Article 196**

1. A customs debt on importation, in cases other than those referred to in Article 195 of this Law, shall be incurred through:
  - a) non-fulfilment of one of the obligations arising, in respect of goods liable to import duties, from their temporary storage or from the use of the customs procedure under which they are placed; or

- b) non-compliance with a condition governing the placing of the goods under that procedure or the granting of a reduced or zero rate of import duties by virtue of the end-use of the goods.

unless it is established that those failures have no significant effect on the correct operation of the temporary storage or specific customs procedure.

2. The customs debt shall be incurred either at the moment when the obligation whose non-fulfilment gives rise to the customs debt ceases to be met or at the moment when the goods are placed under the customs procedure concerned where it is established subsequently that a condition governing the placing of the goods under the said procedure or the granting of a reduced or zero rate of import duties by virtue of the end-use of the goods was not in fact fulfilled.
3. The debtor shall be the person who is required, according to the circumstances, either to fulfil the obligations arising, in respect of goods liable to import duties, from their temporary storage or from the use of the customs procedure under which they have been placed, or to comply with the conditions governing the placing of the goods under that procedure.

#### **Article 197**

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

Where goods disappear and where their disappearance cannot be explained to the satisfaction of the customs authorities, those authorities may regard the goods as having been consumed or used in the free zone or free warehouse.

2. The debt shall be incurred at the moment when the goods are consumed or are first used under conditions other than those laid down by the legislation in force.
3. The debtor shall be the person who consumed or used the goods and any persons who participated in such consumption or use and who were aware or should reasonably have been aware that the goods were being consumed or used under conditions other than those laid down by the legislation in force.
4. Where customs authorities regard goods which have disappeared as having been consumed or used in the free zone or free warehouse and it is not possible to apply the preceding paragraph 3 of this Article, the person liable for payment of the customs debt shall be the last person known to these authorities to have been in possession of the goods.

#### **Article 198**

1. By way of derogation from Articles 194 and 196, paragraph 1 item (a) of this Law, no customs debt on importation shall be deemed to be incurred in respect of specific goods where the person concerned proves that the non-fulfilment of the obligations which arise from:
  - a) the provisions of Articles 35 to 38 and Article 170, paragraph 1, item ( b) of this Law;  
or
  - b) keeping the goods in question in temporary storage; or

- c) the use of the customs procedure under which the goods have been placed, results from the total destruction or irretrievable loss of the said goods as a result of the actual nature of the goods or unforeseeable circumstances or force majeure, or as a consequence of authorisation by the customs authorities.
2. For the purposes of paragraph 1 of this Article, goods shall be irretrievably lost when they are rendered unusable by any person.
3. Nor shall a customs debt on importation be deemed to be incurred in respect of goods released for free circulation at a reduced or zero rate of import duties by virtue of their end-use, where such goods are exported or re-exported with the permission of the customs authorities.

### **Article 199**

Where, in accordance with Article 198, paragraph 1 of this Law, no customs debt is deemed to be incurred in respect of goods released for free circulation at a reduced or zero rate of import duties on account of their end-use, any scrap or waste resulting from such destruction shall be deemed to be goods not being BiH goods.

### **Article 200**

1. Where in accordance with Article 195 or 196 of this Law, a customs debt is incurred in respect of goods released for free circulation at a reduced rate of import duties on account of their end-use, the amount paid when the goods were released for free circulation shall be deducted from the amount of the customs debt.
2. The provision from paragraph 1 of this Article shall apply mutatis mutandis where a customs debt is incurred in respect of scrap and waste resulting from the destruction of such goods.

### **Article 201**

1. A customs debt on exportation shall be incurred through the exportation from the customs territory of BiH, under cover of customs declaration, of goods liable to export duties.
2. The customs debt shall be incurred at the time when such customs declaration is accepted.
3. The debtor shall be the declarant. In the event of indirect representation, the person on whose behalf the declaration is made shall also be a debtor.

### **Article 202**

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

### **Article 203**

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

### **Article 204**

1. The customs debt referred to in Articles 193 to 197 and Articles 201 to 203 of this Law shall be incurred even if it relates to goods subject to measures of prohibition or restriction on importation or export of any kind whatsoever.
2. No customs debt shall be incurred on the unlawful introduction into the customs territory of BiH of counterfeit currency or of narcotic drugs and psychotropic substances which do not enter into the economic circuit strictly supervised by the competent authorities with a view to their use for medical and scientific purposes.
3. For the purposes of criminal law as applicable to customs offences, the customs debt shall nevertheless be deemed to have been incurred where, under the criminal law, customs duties provide the basis for determining penalties, or the existence of a customs debt is grounds for taking criminal proceedings.

### **Article 205**

Where customs legislation provides for favourable tariff treatment of goods by reason of their nature or end-use or for relief or total or partial exemption from import or export duties pursuant to Articles 18, 79, 141 or 176 to 179 of this Law, such favourable tariff treatment, relief or exemption shall also apply in cases where a customs debt is incurred pursuant to Articles 194 to 197 of this Law, on condition that the behaviour of the person concerned involves neither fraudulent dealing nor obvious negligence and he proves that the other conditions for the application of favourable treatment, relief or exemption have been satisfied.

### **Article 206**

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

### **Article 207**

1. Save as otherwise expressly provided by this Law and without prejudice to paragraph 2 of this Article, the amount of the import or export duties applicable to goods shall be determined on the basis of the rules of assessment appropriate to those goods at the time when the customs debt in respect of them is incurred.

2. Where it is not possible to determine precisely when the customs debt is incurred, the time to be taken into account in determining the rules of assessment appropriate to the goods concerned shall be the time when the customs authorities conclude that the goods are in a situation in which a customs debt is incurred.

However, where the information available to the customs authorities enables them to establish that the customs debt was incurred prior to the time when they reached that conclusion, the amount of the import or export duties payable on the goods in question shall be determined on the basis of the rules of assessment appropriate to the goods at the earliest time when existence of the customs debt arising from the situation may be established from the information available.

3. Interest on arrears shall be calculated on the amount of duties not being paid within the prescribed period of time at the rate to be determined by Governing Board for each day of delay, in order to prevent the wrongful acquisition of a financial advantage through deferment of the date on which the customs debt was incurred or entered in the accounts.

### **Article 208**

1. A customs debt shall be incurred:
  - a) at the place where the events from which it arises occur;
  - b) where it is not possible to determine that place, at the place where the customs authorities conclude that the goods are in a situation in which a customs debt is incurred;
  - c) if the goods have been entered for a customs procedure which has not been discharged, and the place cannot be determined pursuant to item (a) and (b) of this paragraph within a period of time determined, at the place where the goods were either placed under that procedure concerned or were introduced into BiH customs territory under that procedure.
2. Where the information available to the customs authorities enables them to establish that the customs debt was already incurred when the goods were in another place at an earlier date, the customs debt shall be deemed to have been incurred at the place which may be established as the location of the goods at the earliest time when existence of the customs debt may be established.

### **Article 209**

1. In so far as agreements concluded between BiH and certain other countries provide for the granting on importation into those countries of preferential tariff treatment for goods originating in BiH within the meaning of such agreements, on condition that, where they have been obtained under the inward-processing procedure, goods not being BiH goods incorporated in the said originating goods are subject to payment of the import duties payable thereon, the validation of the documents necessary to enable such preferential tariff treatment to be obtained in other countries shall cause a customs debt on importation to be incurred.
2. The moment when such customs debt is incurred shall be deemed to be the moment when the customs authorities accept the export declaration relating to the goods in question.
3. The debtor shall be the declarant. In the event of indirect representation, the person in whose name the declaration is made shall also be a debtor.

4. The amount of the import or export duties corresponding to this customs debt shall be determined under the same conditions as in the case of a customs debt resulting from the acceptance, on the same date, of the declaration for release for free circulation of the goods concerned for the purpose of terminating the inward-processing procedure.

## **CHAPTER III - RECOVERY OF THE AMOUNT OF THE CUSTOMS DEBT**

### **Section 1 - Entry in the accounts and communication of the amount of duty to the debtor**

#### **Article 210**

1. Each and every amount of import or export duties resulting from a customs debt, (hereinafter called 'amount of duty'), shall be calculated by the customs authorities as soon as they have the necessary particulars, and entered by those authorities in the accounting records or on any other equivalent medium (entry in the accounts).
2. Paragraph 1 of this Article shall not apply where:
  - a) where a provisional anti-dumping duty or safeguard from subsidized import duty (countervailing duty) has been introduced;
  - b) the amount of duty legally due exceeds that determined on the basis of binding information;
  - c) the provisions adopted in the implementing regulations to this Law waive the requirements for the customs authorities to enter in the accounts amounts of duty below a given amount.
3. The customs authorities shall determine the practical procedures for the entry in the accounts of the amounts of duty. Those procedures may differ according to whether or not, in view of the circumstances in which the customs debt was incurred, the customs authorities are convinced that the said amounts will be collected.

#### **Article 211**

1. Where a customs debt is incurred as a result of the acceptance of the declaration of goods for a customs procedure other than temporary importation with partial relief from import duties or any other act having the same legal effect as such acceptance the amount corresponding to such customs debt shall be entered in the accounts as soon as it has been calculated and, at the latest, on the second day following that on which the goods were released.
2. Provided that payment has been secured, the total amount of duty relating to all the goods released to one and the same person during a period fixed by the customs authorities, which may not exceed 31 days, may be covered by a single entry in the accounts at the end of the period. Such entry in the accounts shall take place within five days of the expiry of the specified period.
3. Where it is provided that goods may be released subject to meeting certain conditions which govern either determination of the amount of the debt or its collection, entry in the accounts shall take place no later than two days following the day on which the amount of the debt or the obligation to pay the duties resulting from that debt is determined or fixed.
4. Where the customs debt relates to a provisional anti-dumping duty or safeguard from subsidized import duty (countervailing duty), that duty shall be entered in the accounts no later than two months following publication in the Official Gazette of BiH of the decision by the Governing Board establishing a definitive anti-dumping duty.



5. Where a customs debt is incurred under conditions other than those referred to in paragraph 1 of this Article, the relevant amount of duty shall be entered in the accounts within two days of the date on which the customs authorities are in a position to:
  - a) calculate that amount of duty; and
  - b) determine the debtor.

#### **Article 212**

1. The time limits for entry in the accounts laid down in Article 211 of this Law may be extended:
  - a) for reasons relating to the administrative organisation of the customs authorities, and in particular where accounts are centralised; or
  - b) where special circumstances prevent the customs authorities from complying with the said time limits.

Such extended time limit shall not exceed 14 days

2. The time limits laid down in paragraph 1 of this Article shall not apply in unforeseeable circumstances or in cases of force majeure.

#### **Article 213**

1. Where the amount of duty resulting from a customs debt has not been entered in the accounts in accordance with Articles 211 and 212 of this Law or has been entered in the accounts at a level lower than the amount legally owed, the amount of duty to be recovered or which remains to be recovered shall be entered in the accounts within two days of the date on which the customs authorities become aware of the situation and are in a position to calculate the amount legally owed and to determine the debtor (subsequent entry in the accounts). That time limit may be extended in accordance with Article 212 of this Law.
2. Except in the cases referred to in Article 210, paragraph 2, item (b) and (c) of this Law, subsequent entry in the accounts shall not occur where:
  - a) the original decision not to enter duty in the accounts or to enter it in the accounts at a figure less than the amount of duty legally owed was taken on the basis of general provisions invalidated at a later date by a court decision;
  - b) the amount of duty legally owed was not entered in the accounts as a result of an error on the part of the customs authorities which could not reasonably have been detected by the person liable for payment, the latter for his part having acted in good faith and complied with all the provisions laid down by the legislation in force as regards the customs declaration.

Where the preferential status of the goods is established on the basis of a system of administrative cooperation involving the authorities of an other country, the issue of a certificate by those authorities, should it prove to be incorrect, shall constitute an error which could not reasonably have been detected

The issue of an incorrect certificate shall not, however, constitute an error where the certificate is based on an incorrect account of the facts provided by the exporter, except where, in particular, it is evident that the issuing authorities were aware or should have been aware that the goods did not satisfy the conditions laid down for entitlement to the preferential treatment.

The person liable may plead good faith when he can prove that, during those trading operations concerned, he has taken due care to ensure that all the conditions for the preferential treatment have been fulfilled.

The person liable may not, however, plead good faith if a notice has been published in the Official Gazette, stating that there are grounds for doubt concerning the proper application of the preferential arrangements by the beneficiary country;

- c) the provisions adopted in the implementing regulations to this Law exempt the customs authorities from the subsequent entry in the accounts of amounts of duty less than a certain figure.

#### **Article 214**

1. As soon as it has been entered in the accounts, the amount of duty shall be communicated to the debtor in an appropriate manner.
2. Where the amount of duty payable has been entered, as remark, in the customs declaration, the customs authorities may specify that it shall not be communicated in accordance with paragraph 1 of this Article unless the amount of duty indicated does not correspond to the amount determined by the authorities.
3. Without prejudice to the application of Article 211, paragraph 2 of this Law, where use is made of the possibility provided for in paragraph 2 of this Article, release of the goods by the customs authorities shall be equivalent to communication to the debtor of the amount of duty entered in the accounts.
4. Communication to the debtor shall not take place after the expiry of a period of three years from the date on which the customs debt was incurred.
5. Where the customs debt is the result of an act which, at the time it was committed, was liable to give rise to criminal proceedings, the amount may be communicated to the debtor after the expiry of the three-year period referred to in paragraph 4.

### **Section 2 - Time limit and procedures for payment of the amount of duty**

#### **Article 215**

1. Amounts of duty communicated in accordance with Article 214 of this Law shall be paid by debtors within the following periods:
  - a) if the person is not entitled to any of the payment facilities laid down in Articles 217 to 222 of this Law, payment shall be made within the period prescribed.

Without prejudice to Article 237, paragraph 2 of this Law that period shall not exceed ten days following communication to the debtor of the amount of duty owed and, in the case of aggregation of entries in the accounts under the conditions laid down in Article 211, paragraph 2 of this Law, it shall be so fixed as not to enable the debtor to obtain a longer period for payment than if he had been granted deferred payment.

Extension of the period may also be granted by the customs authorities at the request of the debtor where the amount of duty to be paid results from action for post-clearance recovery. Without prejudice to Article 222 paragraph 1, item (a) of this Law, such extensions shall not exceed the time necessary for the debtor to take the appropriate steps to discharge the obligation;

- b) if the person is entitled to any of the payment facilities laid down in Articles 217 to 222 of this Law, payment shall be made no later than the expiry of the period or periods specified in relation to those facilities.
2. The cases when and conditions in which the debtor's obligation to pay duty shall be suspended may also be provided for in the implementing regulations to this Law:
- a) where an application for remission of duty is made in accordance with Article 229, 231 or 232 of this Law; or
  - b) where goods are seized with a view to subsequent confiscation in accordance with item (c) indent (ii) or with item (d) of Article 226 of this Law; or
  - c) where the customs debt was incurred under Article 195 of this Law and there is more than one debtor.

#### **Article 216**

Payment shall be made in cash or by some other means with similar discharging effect in accordance with the provisions in force. It may also be made by adjustment of credit balance where the provisions in force so allow.

#### **Article 217**

Provided the amount of duty payable by the person concerned should pay in respect of goods declared for a customs procedure which entails the obligation to pay such duty, the customs authorities shall, at that person's request, grant deferment of payment of that amount under the conditions laid down in Articles 218, 219 and 220 of this Law.

#### **Article 218**

The granting of deferment of payment shall be conditional on the provision of security by the applicant.

#### **Article 219**

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

- a) separately in respect of each amount of duty entered in the accounts under the conditions laid down in Article 211, paragraph 1 or in Article 213, paragraph 1 of this Law; or
- b) globally in respect of all amounts of duty entered in the accounts under the conditions laid down in Article 211, paragraph 1 of this Law during a period fixed by the customs authorities not exceeding 31 days; or
- c) globally in respect of all amounts of duty forming a single entry in accordance with Article 211, paragraph 2 of this Law.

## **Article 220**

1. The period for which payment is deferred shall be 30 days. It shall be calculated as follows:
  - a) where payment is deferred in accordance with Article 219 item (a) of this Law, the period shall be calculated from the day following the date on which the amount of duty is entered in the accounts by the customs authorities. Where Article 212 of this Law is applied, the period of 30 days shall be reduced by the number of days corresponding to the period in excess of two days used to enter the amount in the accounts;
  - b) where payment is deferred in accordance with Article 219 item (b) of this Law, the period shall be calculated from the day following the date on which the aggregation period expires. It shall be reduced by the number of days corresponding to half the number of days in the aggregation period;
  - c) where payment is deferred in accordance with Article 219 item (c) of this Law, the period shall be calculated from the day following the expiry date of the period during which the goods in question were released. It shall be reduced by the number of days corresponding to half the number of days in the period concerned.
2. Where the number of days in the periods referred to in paragraph 1 item (b) and (c) of this Article is an odd number, the number of days to be deducted from the 30-day period pursuant to paragraph 1 item (b) and (c) of this Article shall be equal to half the next lowest even number.
3. To simplify matters, where the periods referred to in paragraph 1 item (b) and (c) of this Article are a calendar week or a calendar month, customs authorities may provide that the amount of duty in respect of which payment has been deferred shall be paid:
  - a) if the period is a calendar week, on the Friday of the fourth week following that calendar week;
  - b) if the period is a calendar month, by the sixteenth day of the month following that calendar month.

## **Article 221**

1. Deferment of payment shall not be granted in respect of amounts of duty which, although relating to goods entered for a customs procedure which entails the obligation to pay such duty, are entered in the accounts in accordance with the provisions in force concerning acceptance of incomplete declarations, because the declarant has not, by the time of expiry of the period set, provided the information necessary for the definitive valuation of the goods for customs purposes or has not supplied the particulars or the document missing when the incomplete declaration was accepted.
2. However, deferment of payment may be granted in the cases referred to in paragraph 1 of this Article where the amount of duty to be recovered is entered in the accounts before the expiry of a period of 30 days from the date on which the amount originally charged was entered in the accounts or, if it was not entered in the accounts, from the date on which the declaration relating to the goods in question was accepted. The duration of the deferment of payment granted in such circumstances shall not extend beyond the date of expiry of the period which, pursuant to Article 220 of this Law, was granted in respect of the amount of duty originally fixed, or which would have been granted had the amount of duty legally due been entered in the accounts when the goods in question were declared.

## **Article 222**

1. The customs authorities may grant the debtor payment facilities other than deferred payment.

The granting of such payment facilities shall:

- a) be conditional on the provision of security. However, such security need not be required where to require it would, because of the situation of the debtor, create serious economic or social difficulties;
  - b) result in credit interest being calculated and charged over and above the amount of duty. The amount of such interest shall be calculated in such a way that it is equivalent to the amount which would be charged for this purpose on the BiH money or financial market.
2. The customs authorities may refrain from collecting credit interest where to claim it would, because of the situation of the debtor, create serious economic or social difficulties.
  3. The exemptions to provide a security or to claim credit interest referred to in paragraph 1, items (a) and (b) of this Article shall be granted by decision of the Governing Board.

## **Article 223**

Regardless of the payment facilities granted to the debtor, the latter may in any case pay all or part of the amount of duty without awaiting expiry of the period he has been granted for payment.

## **Article 224**

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

## **Article 225**

1. Where the amount of duty due has not been paid within the prescribed period:
  - a) the customs authorities shall avail themselves of all options open to them under the legislation in force, including enforcement, to secure payment of that amount.  
  
Special provisions may be adopted, in the implementing regulations to this Law, in respect of guarantors within the framework of the transit procedure;
  - b) interest on arrears shall be charged over and above the amount of duty. The rate of interest on arrears may be higher than the regular rate of credit interest, as set by the Central Bank of BiH. It may not be lower than that rate.
2. The customs authorities may waive collection of interest on arrears:
  - a) where, because of the situation of the debtor, it would be likely to create serious economic or social difficulties;
  - b) where the amount does not exceed an amount fixed in the implementing regulations to this Law; or

- c) if the duty is paid within five days of the expiry of the period prescribed for payment.

The waiver of collection of interest arrears as referred to in item (a) shall only be granted by decision of the Governing Board.

- 3. The customs authorities may fix:
  - a) minimum periods for calculation of interest;
  - b) minimum amounts payable as interest on arrears.

## **CHAPTER IV - EXTINCTION OF CUSTOMS DEBT**

### **Article 226**

- 1. Without prejudice to absolute statute of limitations for the payment of customs debt, which amounts to six years from its incurrence, non-recovery of such a debt in the event of the legally established insolvency of the debtor, a customs debt shall be extinguished:
  - a) by payment of the amount of duty;
  - b) by remission of the amount of duty;
  - c) where, in respect of goods declared for a customs procedure entailing the obligation to pay duties:
    - i. the customs declaration is invalidated;
    - ii. the goods, before their release, are either seized and simultaneously or subsequently confiscated, destroyed on the instructions of the customs authorities, destroyed or abandoned in accordance with Article 174 of this Law or destroyed or irretrievably lost as a result of their actual nature or of unforeseeable circumstances or force majeure;
  - d) where goods in respect of which a customs debt is incurred in accordance with Article 194 of this Law are seized upon their unlawful introduction and are simultaneously or subsequently confiscated.
- 2. In the event of seizure and confiscation, the customs debt shall, nonetheless for the purposes of the criminal law applicable to customs offences, be deemed not to have been extinguished where, under the BiH criminal law, customs duties provide the basis for determining penalties or the existence of a customs debt is grounds for taking criminal proceedings.

### **Article 227**

A customs debt, as referred to in Article 209 of this Law, shall also be extinguished where the formalities carried out in order to enable the preferential tariff treatment referred to in Article 209 of this Law to be granted are cancelled.

## **CHAPTER 5 - REPAYMENT AND REMISSION OF DUTY**

### **Article 228**

The following definitions shall apply:

- a) 'repayment' means the total or partial refund of import or export duties which have been paid;
- b) 'remission' means either a decision to waive all or part of the amount of a customs debt or a decision to render void an entry in the accounts of all or part of an amount of import or export duty which has not been paid.

### **Article 229**

1. Import or export duties shall be repaid if it is established that when they were paid the amount of such duties was not legally owed or that the amount has been entered in the accounts contrary to Article 213, paragraph 2 of this Law.

Import or export duties shall be remitted if it is established that when they were entered in the accounts the amount of such duties was not legally owed or that the amount has been entered in the accounts contrary to Article 213, paragraph 2 of this Law.

No repayment or remission of import or export duties shall be granted when the facts which led to the payment or entry in the accounts of an amount which was not legally owed are the result of deliberate action by the person concerned.

2. Import or export duties shall be repaid or remitted upon submission of an application to the appropriate customs office within a period of three years from the date on which the amount of those duties was communicated to the debtor.

That period shall be extended if the person concerned provides evidence that he was prevented from submitting his application within the said period as a result of unforeseeable circumstances or force majeure.

Where the customs authorities themselves discover within this period that one or other of the situations described in paragraph 1 of this Article exists, they shall repay or remit duties on their own initiative.

### **Article 230**

Import or export duties shall be repaid where a customs declaration is invalidated and the duties have been paid. Repayment shall be granted upon submission of an application by the person concerned within the periods laid down for submission of the application for invalidation of the customs declaration.

## **Article 231**

1. Import duties shall be repaid or remitted if it is established that the amount of such duties entered in the accounts relates to goods placed under the certain customs procedure and rejected by the importer because at the point in time referred to in Article 64 of this Law they are defective or do not comply with the terms of the contract on the basis of which they were imported.

Defective goods, within the meaning of this paragraph, shall be deemed to include goods damaged before their release.

2. Repayment or remission of import duties shall be granted on condition:
  - a) that the goods have not been used, except for such initial use as may have been necessary to establish that they were defective or did not comply with the terms of the contract;
  - b) that the goods are exported from the customs territory of BiH.

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

For the purposes of being assigned one of the customs-approved treatments or uses provided for in the preceding subparagraph, the goods shall be deemed to be goods not being BiH goods.

3. Import duties shall not be repaid or remitted in respect of goods which, before being declared to customs declaration, were imported temporarily for testing, unless it is established that the fact that the goods were defective or did not comply with the terms of the contract could not normally have been detected in the course of such tests.
4. Import duties shall be repaid or remitted for the reasons set out in paragraph 1 of this Article upon submission of an application to the appropriate customs office within twelve months from the date on which the amount of those duties was communicated to the debtor.

However, the customs authorities may permit this period to be exceeded in duly justified exceptional cases.

## **Article 232**

1. Import or export duties may be repaid or remitted in situations other than those referred to in Articles 229, 230, and 231 of this Law:
  - a) to be determined in the implementing regulations to this Law;
  - b) resulting from circumstances in which no deception or obvious negligence may be attributed to that person. The situations in which this provision may be applied and the procedures to be followed to that end shall be defined in the implementing regulations to this Law. Repayment or remission may be made subject to special conditions.



2. Duties shall be repaid or remitted for the reasons set out in paragraph 1 of this Article upon submission of an application to the appropriate customs office within 12 months from the date on which the amount of the duties was communicated to the debtor.

However, the customs authorities may permit this period to be exceeded in duly justified exceptional cases.

### **Article 233**

Import or export duties shall be repaid or remitted under the conditions laid down in this chapter only if the amount to be repaid or remitted exceeds an amount fixed in the implementing regulations to this Law. However, the customs authorities may also grant an application for repayment or remission in respect of a lower amount.

### **Article 234**

1. Repayment of amounts of import or export duties or of credit interest or interest on arrears collected on payment of such duties shall not give rise to the payment of interest by the customs authorities. However, interest shall be paid where a decision to grant a request for repayment is not implemented within three months of the date of adoption of that decision.
2. The amount of the interest from paragraph 1 of this Article shall be calculated in such a way that it is equivalent to the amount which would be charged for this purpose on the BiH money or financial market.

### **Article 235**

Where a customs debt has been remitted or the corresponding amount of duty repaid in error, the original debt shall again become payable. Any interest paid under Article 234 of this Law must be reimbursed.

## **EIGHT PART**

### **APPEALS**

#### **Article 236**

1. Any person shall have the right to appeal against decisions taken by the customs authorities which relate to the application of customs legislation, and which concern him.
2. Any person who has applied to the customs authorities for a decision relating to the application of customs legislation and has not obtained a ruling on that request within the period referred to in Article 6 paragraph 3 of this Law shall also be entitled to exercise the right of appeal.

#### **Article 237**

1. The lodging of an appeal shall not cause implementation of the disputed decision to be suspended.
2. The customs authorities shall, however, suspend implementation of such decision in whole or in part where they have good reason to believe that the disputed decision is inconsistent with customs legislation or when it is considered that irreparable damage is to be caused for the person concerned.

3. Where the disputed decision has the effect of causing import or export duties to be charged, suspension of implementation of that decision shall be subject to the existence or lodging of a security.

However, such security need not be required where such a requirement would be likely, owing to the debtor's circumstances, to cause serious economic or social difficulties.

## **NINTH PART**

### **FINAL PROVISIONS**

#### **Article 238**

All official customs documents shall be completed in any of the official languages of BiH.

#### **Article 239**

1. This Law, including the Annexes, shall be binding in its entirety and directly applicable in the customs territory of BiH.
2. This Law prevails to other regulations which are regulating the field of customs policy
3. It shall enter into force on the 8<sup>th</sup> day following that of its publication in the Official Gazette of BiH and shall be applied as from 1<sup>st</sup> January 2005.
4. Customs Policy Law of BiH (Official Gazette of Bosnia and Herzegovina, No. 21/98 and 10/02) shall be repealed on the day this Law comes into force.

PSBiH No 119/04  
2<sup>nd</sup> December 2004  
Sarajevo

Chairman  
Houses of Representatives  
Parliamentary Assembly of BiH  
Martin Raguz

Chairman  
House of People  
Parliamentary Assembly of BiH  
Goran Milojevic

## ANNEX

### GOODS RELIEVED FROM IMPORT DUTY

#### Article 1

##### Scope and basic definitions

1. This Annex, in accordance with Article 176 of this Law, sets out those cases in which, under special circumstances, relief from customs duty shall be granted respectively when goods are released for free circulation in BiH.
2. For the purpose of this Annex:
  - a) “Quantity and value of goods the traveller may bring in” shall mean the quantity of specified goods and the overall value of goods a traveller can bring into the customs territory of BiH once a day arriving into the customs territory of BiH from a foreign country, provided that such goods are of a non-commercial nature;
  - b) “Personal property” means any property intended for the personal use of the persons concerned or for meeting their households needs.

The following, in particular, shall constitute ‘personal property’:

- household effects,
- cycles and motor cycles, private motor vehicles and their trailers, camping caravans, pleasure crafts and private aeroplanes.

Household provisions appropriate to normal family requirements, household pets and saddle animals, as well as the portable instruments of the applied or liberal arts, required by the person concerned for the pursuit of his trade or profession, shall also constitute ‘personal property’.

- c) “Household effects” means personal effects, household linen, furnishings and equipment intended for the personal use of the persons concerned or for meeting their household needs. However, ‘household effects’ must not be such as might indicate by their nature or quantity, that they are being imported for commercial reasons;
- d) “Personal luggage” means the whole of the luggage which a traveller is in a position to declare to the customs authorities on his arrival in BiH, as well as any luggage presented to the same authorities at a later date, provided that evidence can be produced to prove that it was registered, at the time of the travellers’ departure, as accompanied luggage with the company which transported it into BiH from the country of departure;
- e) “Goods of non-commercial nature” means imports which are of an occasional nature and consist exclusively of goods for the personal use of the travellers or their families, or of goods intended as presents; the nature and quantity of such goods should not be such as might indicate that they are being imported for commercial reasons;
- f) “Relief from duty” means that the rate as set out in the customs tariff schedule in the Customs Tariff Law of BiH does not apply;
- g) “Samples of goods” means any article representing a type of goods whose manner of presentation and quantity, for goods of the same type or quality, rule out their use for any purpose other than that of seeking orders;

- h) “Alcoholic products” means products (beer, wine, aperitifs with a wine or alcoholic base, brandies, liqueurs or spirituous beverages, etc.) falling within tariff heading 22 03 to 22 09 in the Tariff schedule in the Customs Tariff Law of BiH.

## **Article 2**

### **Goods Contained in travellers’ Personal Luggage**

1. Goods contained in the personal luggage of the traveller coming from abroad and not subject to any prohibitions or restrictions in force, shall be relieved from payment of customs duty, provided such imports are of a non-commercial nature.
2. The relief referred in paragraph 1 of this Article shall, in respect of the goods listed below, apply subject to following quantitative limits per traveller and per day:
  - a) goods of a non-commercial nature, including gifts and souvenirs, contained in passengers personal luggage not exceeding a customs value of 200 KM;
  - b) tobacco products:
    - 200 cigarettes; or
    - 100 cigarillos; or
    - 250 grams of tobacco.
  - c) alcoholic beverages:
    - 2 litres of still table wine;
    - 1 litre of spirits or strong liqueurs over 22% volume; or 2 litres of fortified wine, sparkling wine or other liqueurs;
  - d) perfumes and toilet water:
    - 60 cc/ml of perfume;
    - 250 cc/ml of toilet water.
3. Travellers under 17 years of age are not entitled to import goods referred to in paragraph 2 item (b) and (c) of this Article.

## **Article 3**

### **Personal Property Belonging to Natural Persons Transferring Their Normal Place of Residence from a Foreign Country to BiH**

1. Personal property imported by natural persons transferring their normal place of residence from a foreign country to the customs territory of BiH shall be relieved from payment of customs duty.
2. The relief shall be limited to personal property which:
  - a) have been in possession of and, in the case of non-consumable goods, including cycles, private motor vehicles and their trailers, camping caravans, pleasure crafts and private aeroplanes, used by the person concerned at his former normal place of residence for a minimum of 6 months before the date on which he ceases to have his normal place of residence in the foreign country of departure;

- b) is intended to be used for the same purpose at his place of residence within BiH.
3. At the request of customs authorities, a natural person shall be obliged to present evidence that the time period mentioned in paragraph 2 item (a) of this Article has been fulfilled.
  4. Relief may be granted only to persons whose normal place of residence has been outside BiH for a continuous period of at least 12 months or at least 12 months within the period of four years of residence.
  5. Relief shall be granted only in respect of personal property declared for free circulation within 12 months from the date of establishment of the new residence within the customs territory of BiH.
  6. Except for the specific provisions as set out in the previous Section of this Annex, no relief shall be granted for:
    - a) alcoholic products;
    - b) tobacco or tobacco products;
    - c) commercial means of transport;
    - d) articles for use in the exercise of a trade or profession, other than portable instruments of the applied or liberal arts.
  7. Until 12 months have elapsed from the date on which the declaration for free circulation was accepted, personal property which has been admitted duty-free may not be lent, given as security, hired out or transferred, whether for a consideration or free of charge, without getting prior consent from the competent customs authorities.
  8. Any loan, giving as security, hiring out or transfer before the expiry of the period referred in paragraph 7 of this Article shall entail payment of the relevant customs duty on the property concerned, at the rate applying on the date of such loan, giving as security, hiring out or transfer, on the basis of the type of property and the customs value ascertained or accepted on that date by the competent customs authority.

#### **Article 4**

##### **Personal Property Acquired by Inheritance**

1. Personal property, which the citizens of BiH and foreign citizens permanently residing in BiH inherited from abroad, shall be relieved from payment of customs duty.
2. For the purpose of paragraph 1 of this Article, the expression 'personal property' means also the household items constituting the estate of the deceased.
3. Except for the specific provisions relating to the goods contained in the passenger's personal baggage, no relief shall be granted for:
  - a) alcoholic products;
  - b) tobacco or tobacco products;
  - c) commercial means of transport;
  - d) articles for use in the exercise of a trade or profession, other than portable instruments of the applied or liberal arts, which were required for the exercise of the trade or profession of the deceased;
  - e) stock of raw materials and finished or semi-finished products;
  - f) livestock and stocks of agricultural products exceeding the quantities to normal family requirements.

4. Relief shall be granted only for personal property entered for free circulation not later than one year from the date on which the person concerned becomes entitled to the property. However, this period may be extended by the customs authorities on the basis of special grounds.
5. Paragraphs 1 to 4 of this Article shall apply also to personal property acquired by inheritance by the persons referred to in Article 4, item 1, (c) of this Law who are engaged in a non-profit making activity and who are registered in the customs territory of BiH.

## **Article 5**

### **Household Effects for Furnishing a Secondary Residence**

1. Household effects imported by a natural person having his normal place of residence outside BiH for the purpose of furnishing a secondary residence in the customs territory of BiH shall be relieved from payment of customs duty.
2. The relief shall be limited to household effects which:
  - a) Except in special cases justified by the circumstances, have been owned and used by the person concerned for a minimum of six months before the date on which these household effects were exported;
  - b) Are appropriate both by nature and by quantity to the normal furnishings of that secondary residence.
3. The relief shall be granted only to following persons who:
  - a) Have had their normal place of residence outside BiH for a continuous period of at least 12 months;
  - b) Are the owners of the secondary residence in question or have rented it for not less than two years; and
  - c) Undertake not to let this secondary residence to third parties while they or their families are absent.
4. The relief may be limited to a single use of one and the same secondary residence.
5. The grant of relief may be made subject to the lodging of a guarantee to ensure payment of any customs debt, which may arise.
6. Hiring or transfer of the secondary residence to a third person before the expiry of a period of two years from the date of acceptance of import of the household effects shall entail payment of the relevant duties on them, at the rate applying on the date of such hire or transfer, on the basis of the type of goods and the customs value ascertained or accepted on that date by the competent authorities. The relief shall continue to apply if the household effects concerned are used to furnish a new secondary residence, provided that the provisions of paragraph 3, item (b) and (c) of this Article are respected.
7. Any loan, giving as security, hiring out or transfer, whether for a consideration or free of charge, of these household effects to a third person before the expiry of a period of two years from the date of granting authorization shall entail payment of the relevant duties under the same conditions as those referred to in paragraph 6 of this Article. This period may be extended up to 10 years for valuable household effects.

## **Article 6**

### **Capital goods and other equipment imported on the transfer of activities from a third country into BiH**

1. The capital goods and other equipment belonging to undertakings which definitively cease their activity in a third country and move to the customs territory of BiH in order to carry on a similar activity there, shall be relieved from payment of customs duty.

Where the undertaking transferred is an agricultural holding, its livestock shall also be admitted free of import duties.

2. For the purposes of paragraph 1 of this Article, "undertaking" means an independent economic unit of production or of the service industry.
3. The relief shall be limited to capital goods and equipment which:
  - a) have been used in the undertaking for a minimum of 12 months before the date on which the undertaking ceased to operate in the third country from which it has transferred its activities;
  - b) are intended to be used for the same purposes after the transfer;
  - c) are appropriate to the nature and size of the undertaking in question.
4. No relief shall be granted to undertakings the transfer of which into the customs territory of BiH is consequent upon or is for the purpose of merging with, or being absorbed by, an undertaking established in the customs territory of BiH, except for setting up an activity in the undertaking concerned.
5. No relief shall be granted for:
  - a) means of transport which are not of the nature of instruments of production or of the service industry;
  - b) supplies of all kinds intended for human consumption or for animal feed;
  - c) fuel and stocks of raw materials or finished or semi-finished products;
  - d) livestock in the possession of dealers.
6. The relief granted as per the provisions of this Article shall be granted only for capital goods and other equipment entered for free circulation before the expiry of a period of 12 months from the date when the undertaking ceased its activities in the third country of departure.
7. Until 12 months have elapsed from the date on which the declaration for release for free circulation was accepted, capital goods and equipment which have been admitted duty-free may not be lent, given as security, hired out or transferred, whether for a consideration or free of charge, without prior consent of the competent customs authorities.
8. Any loan, giving as security, hiring out or transfer before the expiry of the period referred to in paragraph 7 of this Article shall entail payment of the relevant import duties on the goods concerned, at the rate applying on the date of such loan, giving as security, hiring out or transfer, on the basis of the type of goods and the customs value ascertained or accepted on that date by the competent customs authorities.

9. Paragraphs 1 to 8 of this Article shall also apply to capital goods and equipment belonging to persons engaged in a liberal profession and to the persons referred to in Article 4, item 1, (c) of this Law engaged in a non-profit making activity who transfer this activity from a foreign country into the customs territory of BiH.

## **Article 7**

### **Products obtained by BiH farmers on Properties Located in a Foreign Country**

1. Agricultural, stock-farming, bee-keeping, horticultural and forestry products from properties located in a country adjoining the customs territory of BiH, which are operated by agricultural producers having their enterprise in the said customs territory, shall be relieved from payment of customs duty.
2. To benefit from the provisions of paragraph 1 of this Article, stock-farming products must be derived from animals, which originate in BiH i.e. which is released for free circulation.
3. The relief shall be limited to products which have not undergone any treatment other than that which normally follows harvest or production.
4. The relief shall be granted only for those products agricultural producers brought into the customs territory of BiH by the agricultural producer or in his name.
5. Paragraphs 1 to 4 of this Article shall also apply to the products of fishing or fish-farming activities carried out in the lakes or waterways at the frontier of BiH and some other country by BiH fishermen and to the products of hunting activities carried out on such lakes or waterways by BiH sportsmen.

## **Article 8**

### **Seeds, Fertilizers and Products for the Treatment of Soil, Imported by Agricultural Producers in Foreign Country for Use in Properties Adjoining those Countries**

1. Seeds, fertilizers and products for the treatment of soil and corps intended for use on property located in the customs territory of BiH adjoining a foreign country and operated by agricultural producers having their principle undertaking within the said foreign country and adjacent to the customs territory of BiH shall be relieved form payment of customs duty.
2. The relief shall be limited to the quantities of seeds, fertilizers or other products required for the treatment of property.
3. The relief shall be granted only for the seeds, fertilizers or other products imported directly into the customs territory of BiH by the agricultural producer or in his name.

BiH may make relief conditional upon the application of the principle of proportionality.



## **Article 9**

### **Goods for the benefit of disaster victims**

1. Goods imported by the public authorities in BiH or charitable or philanthropic organisations approved by the competent authorities shall be admitted free of customs duty where they are intended:
  - a) for distribution free of charge to victims of disaster affecting the BiH territory; or
  - b) to be made available free of charge to the victims of such disasters while remaining the property of the organisations in questions
2. Goods imported for free circulation by disaster relief agencies in order to meet their needs during the period of their activity shall also be granted the relief under the same conditions as referred to in paragraph 1.
3. No relief shall be granted for materials and equipment intended for rebuilding disaster areas.
4. Relief shall be granted only to organisations the accounting procedures of which enable the competent authorities to supervise their operations and which offer all the guarantees considered necessary.
5. The organisations benefiting from the relief may not lend, hire out or transfer, whether for consideration or free of charge, the goods referred to in paragraph 1 of this Article under conditions other than those laid down in this Article without getting prior approval thereof from the competent authorities. Should goods be lent, hired out or transferred to an organisation itself entitled to benefit from relief, the relief shall continue to be granted, provided the latter uses the goods for purposes which confer the right to such relief. In other cases, loan hiring out or transfer shall be subject to prior payment of import duties at the rate applying on the date of the loan, hiring out or transfer, on the basis of the type of goods and the customs value ascertained or accepted on that date by the competent authorities.
6. The goods referred to in paragraph 1 item (b) of this Article, after they cease to be used by disaster victims, may not be lent, hired out or transferred, whether for a consideration or free of charge, unless the competent authorities approves it.
7. Should goods be lent, hired out or transferred to an organisation itself entitled to benefit from relief pursuant to paragraph 1 of this Article or if appropriate, the relief shall continue to be granted provided such organisations use them for purposes which confer the right to such relief. In other cases, loan hiring out or transfer shall be subject to prior payment of customs duty at the rate applying on the date of the loan, hiring out or transfer, on the basis of the type of goods and the customs value ascertained or accepted on that date by the competent customs authorities.

## **Article 10**

### **Goods for charitable or humanitarian organisation**

1. The following shall be admitted free of customs duty, in so far as this does not give rise to abuses or major distortions of competition:
  - a) basic necessities imported by public organisations or charitable organisations approved by the competent authorities for distribution for humanitarian purposes;
  - b) goods sent free of charge, by a persons or an organisation registered in a foreign country, and without any commercial intent on the part of the sender, to public organisations or other charitable or humanitarian organisations approved by the competent authorities, to be used for fund raising at charity events for the benefit of needy persons;
  - c) equipment and office materials sent free of charge by a person or an organisation established outside the customs territory of BiH without any commercial intent on the part of the sender, to public organisations or other charitable or humanitarian organisations approved by the competent authorities and solely for the purpose of meeting their operating needs or carrying out their charitable or humanitarian aims
2. For the purposes of paragraph 1, item (a) of this Article ‘basic necessities’ means those goods required to meet the immediate needs of human beings, e.g. food, medicine, clothing and bed -clothes.
3. No relief shall be granted for:
  - a) alcoholic products;
  - b) tobacco or tobacco products;
  - c) coffee;
  - d) motor vehicles, other than ambulances and specialised vehicles for the transportation of disabled persons.
4. Relief shall be granted only to organisations the accounting procedures of which enable the competent authorities to supervise their operations and which offer all the guarantees considered necessary
5. The organisation benefiting from the relief may not lend, hire out or transfer, whether for a consideration or free of charge, the goods and equipment referred to in paragraph 1 of this Article for purposes other than those laid down in paragraph 1 items (a) and (b) of this Article without obtaining prior consent of the customs authorities.
6. Should goods and equipment be lent, hired out or transferred to an organisation entitled to benefit from relief pursuant to paragraph 1 of this Article, the relief shall continue to be granted provided the latter uses the goods and equipment for purposes which confer the right to such relief.
7. In other cases, loan, hiring out or transfer shall be subject to prior payment of customs duty, at the rate applying on the date of the loan, hiring out or transfer, on the basis of the type of the goods or equipment and customs value ascertained or accepted on that day by the customs authorities.
8. Organisations referred to in paragraph 1 of this Article which cease to fulfil the conditions giving entitlement to relief, or which are proposing to use goods and equipment admitted duty-free for purposes other than those provided for by that paragraph, shall so inform the competent authorities.

9. Goods and equipment remaining in the possession of organisations which cease to fulfil the conditions giving entitlement to relief shall be liable to the relevant customs duty at the rate applying on the date on which those conditions cease to be fulfilled, on the basis of the type of goods and equipment and the customs value ascertained or accepted on that date by the customs authorities.
10. Goods and equipment used by the organisations benefiting from the relief for purposes other than those provided for in paragraph 1 of this Article shall be liable to the relevant customs duty at the rate applying on the date on which they are put to another use, on the basis of the type of goods and equipment and the customs value as ascertained or accepted on that date by the customs authorities.

## **Article 11**

### **Goods Intended for the Use of the Blind Persons**

1. Articles specially designed for the educational, scientific or cultural advancement of blind persons, which are specified in the list to be adopted by the Governing Board, shall be relieved from payment of customs duty.
2. Articles specially designed for the educational, scientific or cultural advancement of blind persons, which are specified in the list to be completed by the Governing Board, shall be relieved from payment of customs duty, provided that they are imported by:
  - a) blind persons for their own use;
  - b) institutions or organisations concerned with the education of or the provision of assistance to the blind, approved by the competent authorities in the Entities for the purpose of duty-free entry of these articles.
3. The relief referred to in paragraph 2 shall apply to spare parts, components or accessories specifically intended for the articles in question, and to the tools to be used for the maintenance, checking, calibration or repair of the said articles, provided that such spare parts, components, accessories or tools are imported at the same time as the said articles or, if imported subsequently, that they can be identified as being intended for articles previously admitted duty-free, or which would be entitled to relief at the time when such relief is requested for the specific spare parts, components or accessories and tools in question.

## **Article 12**

### **Articles Intended for the Use of other Handicapped Persons**

1. Articles specially designed for the educational, employment or social advancement of physically or mentally handicapped persons shall be relieved from payment of customs duty provided that they are imported by:
  - a) handicapped persons for their own use;
  - b) institutions or organisations that are principally engaged in the education of or the provision of assistance to the handicapped persons, approved by the competent authorities to import such article duty-free.
2. The Articles referred to in paragraph 1 of this Article shall be relieved from payment of customs duty provided that they are not manufactured in BiH.

3. The relief referred to in paragraph 1 of this Article shall apply to spare parts, components or accessories specifically intended for the articles in question, and to the tools to be used for the maintenance, checking, calibration or repair of the said articles, provided that such spare parts, components, accessories or tools are imported at the same time as the said articles or, if imported subsequently, that they can be identified as being intended for articles previously admitted duty-free, or which would be entitled to relief at the time when such relief is requested for the specific spare parts, components or accessories and tools in question.

### **Article 13**

#### **Passenger Cars Imported by Disabled Persons**

1. Disabled persons, who once within the period of 5 years import from abroad a passenger car, which they will use as orthopaedic or other accessory, shall be relieved from payment of customs duty.
2. For the purpose of paragraph 1 of this Article the following persons shall be considered as disabled persons eligible to exercise the right of relief from payment of customs duty on import of passenger's car as an orthopaedic or other accessories:
  - a) disabled war-veterans, if a bodily damage of at least 70 % has been established by a decision of the responsible Commission for Determining Disability Degree in compliance with the disability insurance regulations, as well as for an established disability degree of 50 % and larger – in cases of amputation and more severe damages of extremities that require usage of a vehicle adjusted to disabled persons;
  - b) Other disabled persons, if a bodily damage of at least 80 % has been established by a decision of the responsible Commission for Determining Disability Degree in compliance with the disability insurance regulations, in particular of motor parts (lower extremities, pelvis, spine) as well as other parts that cause distortion in the function of lower extremities; complete loss or damage of sight; severe form of retardation or paralysis.
3. A disabled person may import a passenger car up to the value of 30.000 KM i.e. a passenger car specially adjusted for transportation of disabled persons, without limiting the value.

### **Article 14**

#### **Objects of Negligible Value Received Occasionally in Mail and Postal Parcels**

1. BiH and foreign citizens, who receive from abroad in mail and postal parcels objects of negligible value in the value of up to 50 KM, shall be relieved from payment of customs duty.
2. The exemption shall not be applied to:
  - a) alcoholic products;
  - b) perfumes and toilet waters;
  - c) tobacco and tobacco products.
3. Normal receiving of postal parcels within the meaning of this paragraph means receiving of postal parcels from abroad once a week.

## Article 15

### Various Documents and Items

The following documents and items shall be relieved from payment of customs duty:

- a) Documents sent free of charge to the public services of BiH and Entities;
- b) Publications of foreign governments and publications of official international bodies intended for distribution without charge;
- c) Ballot papers for elections organised by bodies set up in third countries;
- d) Items to be submitted as evidence or for like purposes to the Courts or other official agencies of BiH and Entities;
- e) Specimens of signatures and circular letters sent as a part of normal exchange of information between public services or bank institutions;
- f) Official printed materials to be received by the Central Bank of BiH and Entity Banking Agencies;
- g) Reports, statements, notes, prospectuses, application forms and other documents drawn up by companies registered in a third country and sent to the bearers or subscribers of securities issued by such companies;
- h) Recorded media (punched cards, sound recordings, microfilms, etc.) used for the transmission of information sent free of charge to the addressee, in so far as duty-free admission does not give rise to abuses or to major distortions of competition;
- i) Files, archives, printed forms and other documents to be used in international meetings, conferences or congresses, and reports on such gatherings;
- j) Plans, technical drawings, traced designs, descriptions and other similar documents imported with a view to obtaining or fulfilling the orders in third countries or to participating in a competition held in the customs territory of the BiH;
- k) Documents to be used in examinations held in the customs territory of BiH by institutions set up in third countries;
- l) Printed forms to be used as official documents in the international movement of vehicles or goods within the framework of international conventions ;
- m) Printed forms, labels, tickets and similar documents sent by transport undertakings or by undertakings of the hotel industry in a third country to travel agencies set up in the customs territory of BiH.
- n) Printed forms and tickets, bills of lading, way-bills and other commercial or office documents which have been used;
- o) Official printed forms from third country or international authorities and printed matter conforming to international standards sent for distribution by third country associations to corresponding associations located in the customs territory of BiH;
- p) Photographs, slides and stereotype mats for photographs, whether or not captioned, sent to press agencies or newspaper or magazine publishers.

## **Article 16**

### **Goods Imported for Trade Promotion Purposes**

#### **Samples of goods of negligible value**

1. Samples of goods which are of negligible value and can be used only to solicit orders for goods of the type they represent with a view to their being imported into the customs territory of BiH shall be relieved from payment of customs duty.
2. The competent customs authority may require that certain articles, in order to use the relief referred to in paragraph 1 of this Article, must be rendered permanently unusable by being torn, perforated, or clearly and indelibly marked, or by any other process, provided such operation does not destroy their character as samples.

#### **Printed matter and advertising material**

3. Printed matter and advertising material such as catalogues, price lists, directions for use or brochures shall be admitted free of customs duty, provided that they relate to:
  - a) goods for sale or hire; or
  - b) transport, commercial insurance or banking services offered by a person registered outside the customs territory of BiH.
4. The relief referred to in paragraph 3 of this Article shall be limited to printed matter and advertising material which fulfils the following conditions:
  - a) printed matter must clearly display the name of the undertaking which produces, sells or hires out the goods, or which offers the services to which it refers;
  - b) each consignment must contain no more than one document or a single copy of each document if it is made up of several documents. Consignments comprising several copies of the same document may nevertheless be granted relief, provided their total gross weight does not exceed one kilo;
  - c) printed matter may not be the subject of grouped consignments from the same consignor to the same consignee;
  - d) articles for advertising purposes of no intrinsic commercial value sent free of charge by suppliers to their customers, which, apart from their advertising function, are not capable of being used otherwise.

#### **Products used or consumed at a trade fair or similar event**

5. The following items shall be relieved from customs duty:
  - a) small representative samples of goods manufactured outside of BiH intended for a trade fair or similar event;
  - b) goods imported solely in order to demonstrate machines and apparatuses, manufactured outside the customs territory of BiH and displayed at a trade fair or similar event;

- c) various materials of small value such as paints, varnishes, wallpaper, etc., used in the building, fitting-out and decoration of temporary stands occupied by representatives of foreign countries at a trade fair or similar events, which are destroyed by being used.
- d) printed matter, catalogues, prospectuses, price lists, advertising posters, calendars, whether or not illustrated, unframed photographs and other articles supplied free of charge in order to advertise goods manufactured outside the customs territory of BiH and displayed at a trade fair or similar event.

6. For the purpose of paragraph 5 of this Article, 'trade fair or similar event' means:

- a) exhibitions, fairs, shows and similar events connected with trade, industry, agriculture or handicrafts;
- b) exhibitions and events held mainly for charitable reasons;
- c) exhibitions and events held mainly for scientific, technical, handicraft, artistic, educational or cultural, or sporting reasons, for religious reasons or for reasons of worship, trade union activity or tourism, or in order to promote international understanding;
- d) meetings of representatives of international organisations or collective bodies;
- e) official or commemorative ceremonies and gatherings;

but not exhibitions staged for private purposes in commercial stores or premises to sell goods of foreign countries.

7. The relief referred to in paragraph 5 of this Article shall be limited to samples which:

- a) are imported free of charge as such from third countries or are obtained at the exhibitions from goods imported in bulk from those countries;
- b) are exclusively distributed free of charge to the public at the exhibition for use or consumption by the persons to whom they have been offered;
- c) are identifiable as advertising samples of low unitary value;
- d) are easily marketable, and where appropriate, are packed in such a way that the quantity of the item involved is lower than the smallest quantity of the same item actually sold on the market;
- e) in the case of foodstuffs and beverages not packaged as mention under d) of this paragraph, are consumed on the spot during the exhibition;
- f) in their total value and quantity, are appropriate to the nature of the exhibition, the number of visitors and the extent of the exhibitor's participation.

8. The relief referred to in paragraph 7, item (b) of this Article shall be limited to goods which are:

- a) consumed or destroyed at the exhibitions; and
- b) are appropriate, in their total value and quantity, type the nature of the exhibition, the number of visitors and the extent of the exhibitor's participation.

9. The relief referred to in paragraph 8, item (a) and (b) of this Article shall not be granted for:

- a) alcoholic products;
- b) tobacco or tobacco products;
- c) fuels, whether solid, liquid or gaseous.

## **Article 17**

### **Consignments Sent to Organisations Protecting Copyrights or Industrial and Commercial Patent Rights**

Trademarks, models or designs and supporting documents as well as applications for recognition of patents, innovations or similar, to be forwarded to authorities dealing in protection of copyrights or the protection of industrial or commercial patent rights shall be relieved from payment of customs duty.

## **Article 18**

### **Goods Imported for Examination, Analysis or Testing Purposes**

1. Goods which are to undergo examination, analyses or tests to determine their composition, quality and other technical characteristics for the purpose of information or industrial or commercial research shall be relieved from payment of customs duty.
2. Relief shall only be granted on condition that the goods to be examined, analyzed or tested are completely used up or destroyed in the course of the examination, analyses or testing.
3. Goods used in examinations, analyses or tests which in themselves constitute sales promotion operations by themselves, shall not enjoy relief from customs duty.
4. Relief shall be granted only in respect of the quantity of goods which are strictly necessary for the purpose for which they are imported and these quantities shall in each case be determined by the competent authorities.
5. The relief referred to in paragraph 1 of this Article shall cover goods which are not completely used up or destroyed during examination, analyses or testing, provided that the products remaining are, with the agreement and under the supervision of the competent authorities:
  - a) completely destroyed or rendered commercially valueless on completion of examination, analyses or testing;
  - b) surrendered to the Entities or Brcko District without causing it any expense, where this is possible under national laws;
  - c) in duly justified circumstances, exported outside the customs territory of BiH.
6. For the purpose of paragraph 5 of this Article, "products remaining" means products resulting from the examinations, analyses or tests, or products not actually used.
7. Where paragraph 5 of this Article is applied, products remaining at the end of the examinations, analyses or tests referred to in paragraph 1 of this Article, shall be subject to the relevant import duties at the customs rate applicable on the date of completion of examinations, analyses or tests, on the basis of the type of goods and customs value ascertained or accepted on that date by the competent customs authorities. However, the interested party may, with the agreement and under the supervision of the competent customs authorities, convert products remaining to waste, in which case, the import duties shall be those applying to such waste or scrap at the time of conversion.
8. The period within which examinations, analyses or tests must be carried out and the administrative formalities to be completed in order to ensure the use of the goods for the purposes intended, shall be determined by the customs authorities.



## **Article 19**

### **Honorary Decorations, Awards and Goodwill Gifts**

1. Honorary decorations, awards, gifts, cups, medals and similar items awarded within international events and international relations shall be relieved from payment of customs duty, as follows:
  - a) any honorary decoration which has been conferred on the person concerned by a government in a third country; or
  - b) any cup, medal or similar article of an essentially symbolic nature which has been awarded to the person concerned in a third country as a tribute to his activities in the arts, sciences, sport or the public service, or in recognition of merit at a particular event.

## **Article 20**

### **Educational, Scientific and Cultural Material, Scientific Instruments and Apparatus**

1. Educational, scientific and cultural materials specified in the List to be adopted by the Governing Board whoever the consignee and whatever the intended use of such materials may be, shall be relieved from payment of customs duty.
2. Educational, scientific and cultural materials specified in the List to be adopted by the Governing Board provided they are intended for:
  - a) public educational, scientific or cultural establishments or organisations;
  - b) establishment or organisations specified in the above mentioned list on condition that the competent authorities in the BiH have approved to receive such articles duty-free.
3. Scientific instruments and apparatus, which are not included in paragraph 2 of this Article shall be admitted free of import duties when they are imported exclusively for non-commercial purposes.
4. The relief referred to in paragraph 3 of this Article shall be limited to scientific instruments and apparatus:
  - a) which are intended for:
    - i. public establishments principally engaged in education or scientific research and those departments of public establishments, which principally engaged in education or scientific research;
    - ii. private establishments principally engaged in education or scientific research and approved by the competent authorities in the BiH to import such articles duty-free; and
  - b) to the extent that instruments or apparatus of equivalent scientific value are not being manufactured in BiH.

5. The relief shall also apply to:
- a) spare parts, components or accessories specifically suitable for scientific instruments or apparatus, provided that these spare parts, components or accessories are imported at the same time as such instruments and apparatus or, if imported subsequently that they can be identified as being intended for instruments or apparatus:
    - i. which have previously been admitted duty-free, provided that such instruments and apparatus are still of scientific nature at the time when relief is requested for the specific spare parts, components or accessories;
    - ii. which would be entitled to relief at the time when such relief is requested for the specific spare parts, components or accessories.
  - b) tools to be used for the maintenance, checking, calibration or repair of scientific instruments or apparatus, provided that
    - i. these tools are imported at the same time as such instruments and apparatus or, if imported subsequently that they can be identified as being intended for specific instruments or apparatus;
    - ii. which have previously been admitted duty-free, provided that such instruments and apparatus are still of scientific nature at the time when relief is requested for the tools; or
    - iii. which would be entitled to relief at the time when such relief is requested for the tools; and
    - iv. that equivalent tools are not being manufactured in BiH.
6. The granting of relief for scientific instruments or apparatus and tools sent by a person registered outside BiH as gifts to the establishments referred to in paragraph 4 item (a) of this Article shall not be subject to the conditions laid down in paragraphs 4 item (b) and paragraph 5 item (b) of this Article. However, it must be established that the gift of the scientific instruments or apparatus in question has not be prompted by any commercial considerations on the part of the donor.
7. The articles referred to in paragraph 2 of this Article and scientific instruments or apparatus which have been admitted duty-free in accordance with the conditions laid down in paragraphs 2 to 6 of this Article must not be lent, hired out or transferred, whether for a consideration or free of charge, without prior notification to the competent customs authorities.

Should any article be lent, hired out or transferred to an establishment or organisation entitled to benefit from relief pursuant to paragraph 1 or 4 item (a) of this Article, the relief shall continue to be granted provided the establishment or organisation uses the article, instrument or apparatus for purposes which confer the right to such relief.

In other cases, loan, hiring out or transfer shall be subject to prior payment of import duties at the rate applying on the date of the loan, hiring out or transfer, on the basis of the type of goods and the customs value ascertained or accepted on that date by the competent customs authorities.

8. Establishments or organisations referred to in paragraphs 1 and 2 of this Article, which cease to fulfil the conditions giving entitlement to relief i.e. which are proposing to use articles admitted duty-free for purposes other than those provided for by those paragraphs shall so inform the competent customs authorities.

Articles remaining in the possession of establishment or organisations which cease to fulfil the conditions giving entitlement to relief shall be liable to the relevant import duties at the rate applying on that date on which those conditions cease to be fulfilled on the basis of the type of articles and the customs value ascertained or accepted on that date by the competent customs authorities.

Articles used by the establishment or organisation benefiting from the relief for purposes other than those provided for in paragraphs 1 and 2 of this Article shall be liable to the relevant import duties calculated as applicable on the date on which they are put to another use on the basis of the type of articles and the customs value ascertained or accepted on that date by the competent customs authorities.

9. Paragraphs 6, 7 and 8 of this Article shall apply mutatis mutandis to the products referred to in paragraph 5 of this Article.

## **Article 21**

### **Laboratory Animals and Biological or Chemical Substances Intended for Research**

1. Animals specially prepared for laboratory use and biological or chemical substances for which there is no equivalent production in the customs territory of BiH and which are imported exclusively for non-commercial purpose, shall be relieved from payment of customs duty.
2. Relief referred to in paragraph 1 of this Article shall be limited to animals and biological or chemical substances, which are intended for:
  - a) public establishments principally engaged in education or scientific research as well as those departments of public establishments, which are principally engaged in education or scientific research; or
  - b) private establishments principally engaged in education or scientific research and authorized by the competent authorities to receive such goods duty-free.

## **Article 22**

### **Therapeutic Substances of Human Origin and Blood-Grouping and Tissue-Typing Reagents**

1. Therapeutic substances of human origin, blood-grouping reagents and tissue-typing reagents shall be relieved from payment of customs duty.
2. For the purposes of paragraph 1 of this Article:
  - a) "therapeutic substances of human origin" means human blood and its derivatives (whole human blood, dried human plasma, human albumin and fixed solutions of human plasmic protein, human immunoglobulin and human fibrinogen);

- b) "blood-grouping reagents means all reagents, whether of human, animal, plant or other origin used for blood-type grouping and for the detection of blood incompatibilities;
  - c) "tissue-typing reagents" means all reagents whether of human, animal, plant or other origin used for the determination of human tissue-types.
3. The relief shall be limited to products which:
- a) are intended for institutions or laboratories approved by the competent authorities, for use exclusively for non-commercial medical or scientific purposes;
  - b) are accompanied by a certificate of conformity issued by a duly authorized body in the third country of departure;
  - c) are in containers bearing a special label identifying them.
4. The relief shall include the special packaging essential for the transport of therapeutic substances of human origin or blood-grouping or tissue-typing reagents and also any solvents and accessories needed for their use which may be included in the consignment.

### **Article 23**

#### **Pharmaceutical products used at international sports events**

Pharmaceutical products for human or veterinary medical use from persons or animals coming from third countries to participate in international sports events organised in BiH, shall, within the limits necessary to meet their requirements throughout their stay, be relieved from payment of customs duty.

### **Article 24**

#### **Medicaments for Personal Use**

1. BiH and foreign citizens, who bring with them medicaments for personal use or receive them in postal parcels from abroad, shall be relieved from payment of customs duty.
2. In order to exercise the relief it is necessary to present doctor's prescription.

### **Article 25**

#### **Goods Imported on the Occasion of a Marriage**

1. Maiden's garments and household equipment (new or used) belonging to a person moving from abroad to BiH on occasion of marriage as well as presents given on that occasion by persons from abroad, provided that the value of each present does not exceed 2.000 KM shall be relieved from payment of customs duty.
2. Only the following persons shall be granted the exemption:
  - a) those whose normal place of residence was outside of the customs territory of BiH in an uninterrupted period of at least 12 months;
  - b) those who submit the evidence on their wedding.
3. The exemption shall not be granted for alcoholic products, tobacco and tobacco products.
4. Relief shall be granted only in respect of goods entered for free circulation:

- a) not earlier than two months before the date fixed for the wedding (in this case the relief shall be subject to the lodging of appropriate security, the form and amount of which shall be determined by the customs authorities); and
  - b) not later than four months after the date of the wedding.
5. The goods may be released for free circulation in several separate consignments.
  6. Until 12 months have elapsed from the date on which their entry for free circulation was accepted, goods which have been admitted duty-free on the occasion of marriage may not be lent, given as security, hired out or transferred whether for a consideration or free of charge without prior consent from the competent customs authority.
  7. Any loan, giving as security, hiring out or transfer before the expiry of the period referred to in paragraph 6 of this Article shall entail payment of the relevant customs duty on the goods concerned at the rate applying on the basis of the type of goods and the customs value ascertained or accepted on that date by the competent customs authority.

## **Article 26**

### **Scholastic Materials**

1. Outfits, scholastic materials and other household effects representing the usual furnishings for a student's room and belonging to pupils or students coming to stay in the customs territory of BiH for the purpose of studying there and intended for their personal use during the period of their studies shall be relieved from payment of customs duty.
2. For the purpose of paragraph 1 of this Article:
  - a) "pupil or student" means any person enrolled in an educational establishment in the territory of BiH in order to attend full-time the courses offered therein;
  - b) "outfit" means underwear or household linen as well as clothing including footwear whether or not new;
  - c) "scholastic materials" means objects and instruments (including calculators and typewriters), normally used by pupils or students for the purposes of their studies.
3. Relief shall be granted at least once per school year.

## **Article 27**

### **Coffins Containing Bodies, Urns Containing Ashes of Deceased Persons and Ornamental Objects Accompanying Them**

Coffins containing bodies and urns containing the ashes of deceased persons, as well as their flowers, funeral wreaths and other ornamental objects normally accompanying them, as well as flowers, wreaths and other ornamental objects brought by persons from abroad for a funeral in BiH, provided it is not a commercial entry, shall be exempted from payment of customs duty.

## **Article 28**

### **International Conventions and Agreements**

Nothing specified in this Law shall prevent from granting:

1. Customs relieves pursuant to the Vienna convention on diplomatic relations of 18 April 1961; the Vienna convention on consular relations of 24 April 1963 or other consular conventions, or the New York convention of 16 December 1969 on special missions;
2. Customs relieves under the customary privileges accorded by virtue of international agreements or headquarters agreements to which either a foreign country or an international organisation is a contracting party, including the relief granted on the occasion of international meetings;
3. Customs relieves under the customary privileges and immunities accorded in the context of international agreements concluded by BiH and setting up cultural or scientific institutes or organisations under international law;
4. Customs relieves under the customary privileges and immunities accorded in the context of cultural, scientific or technical co-operation agreements concluded with foreign countries;
5. Special customs relieves introduced under agreements BiH concluded with third countries, which provide for common measures for the protection of persons or of the environment;
6. Special customs relieves introduced under agreements concluded with neighbouring third countries, justified by the nature of the frontier-zone trade with the countries in question;
7. Customs relieves in the context of agreements entered into on the basis of reciprocity with foreign countries that are contracting parties to the Convention of International Civil Aviation (Chicago 1944) for the purpose of implementing Recommended Practices 4.42 and 4.44 in Annex 9 to this Convention (eighth edition, July 1980).

## **Article 29**

1. Goods released into free circulation with the relief from payment of customs duty on the basis of Article 5 and 13 of this Annex may not be sold, loaned, given to somebody else for use, given as security, hired out or transferred as a security for other liabilities without prior notification to the competent customs authority – and payment of customs duty until 12 months have elapsed for goods referred to in paragraph 5 of this Annex from the date when it was released for free circulation, and for the goods referred to in Article 13 of this Annex – 36 months from the date when it was released for free circulation.
2. Goods released into free circulation with the relief from payment of customs duty, referred to in Articles 11 and 12 of this Annex must not be lent, hired out or transferred, whether for a consideration or free of charge, without prior notification to the customs authorities on that.
3. Should the goods be released for free circulation with the relief from payment of customs duty referred to in Articles 11 and 12 of this Annex be lent, hired out or transferred to an organisation, which itself is entitled to the relief from payment of customs duty referred to in Articles 11 and 12 of this Annex, the relief shall continue to be granted provided the organisation uses the goods for purposes which confer the right to the relief.
4. Any handling with goods contrary to paragraph 1, 2 and 3 of this Article shall entail payment of the customs duty, at the rate applying on the date of such an action, on the basis of the type of goods and the customs value ascertained or accepted on that date by the customs authority.