

Chapter III
Inward processing
Section 1
General provisions

272. In accordance to Title IV Chapter II Section 3 D of the Code this Chapter will lay down provisions in the implementing of the inward processing procedure.

273. The goods referred to in Article 136 (2)(c) of the Code which can be used as production accessories are listed in Annex 38.

Section 2
Grant of the authorisation

274.

274.1. An authorisation to use the suspension system shall be granted only where the applicant has the actual intention of re-exporting the main compensating products from the customs territory of the Republic of Albania. In that case use of the suspension system may be authorised for all the goods to be processed.

274.2. An authorisation for use of the drawback system shall be granted only in the cases referred to in Article 145 of the Code, where opportunities exist for export of the main compensating products from the customs territory of the Republic of Albania.

274.3. Where the conditions for use of both systems are fulfilled, the applicant may request that the authorisation be for either the suspension system or the drawback system.

274.4. For the purposes of Article 138 (b) of the Code, the customs authorities shall stipulate the means of identifying the import goods in the compensating products. The customs authorities shall make use in particular of following means, as appropriate:

- a) the indication or description of special marks or manufacturers numbers;
- b) the affixing of plumbs, seals, clip-marks or other distinctive marks;
- c) the taking of samples, illustrations or technical descriptions;
- d) the carrying out of analyses;
- e) the examination of stock records or other supporting documents relating to the transaction under consideration which show clearly that the compensating products have been manufactured from the import goods.

275.

275.1. The economic conditions laid down in Article 138 (b) of the Code shall be considered satisfied *inter alia* where:

- a) the processing consists of one of the following:
- i) operations carried out under a job-processing contract concluded with a person established in an other country. “*Job processing*” means any processing of import goods directly or indirectly placed at the disposal of the holder of the authorisation which is carried out according to the specifications and on behalf of a principal established outside the customs territory, generally against payment of processing costs alone;
 - ii) operations involving goods of a non-commercial nature;
 - iii) repairs, including overhaul and adjustments;
 - iv) usual forms of handling intended to preserve goods, improve their appearance or marketable quality or prepare them for distribution or resale;
 - v) operations in which the value of the goods, by eight-digit CN code, does not exceed LEK 50.000.000 per applicant and per calendar year, irrespective of the number of operators carrying out the processing operation. The said value shall be the customs value of the goods estimated on the basis of the particulars known and the documents presented at the time when the application is lodged. This sub-point may be waived in respect of particular import goods after decision by the Minister of Finance;
 - vi) processing operations carried out in a free zone or free warehouse;
- b) no goods comparable to the goods to be processed are produced in the Republic of Albania; “*Comparable goods*” means goods falling within the same eight-digit CNN code, being of the same commercial quality and having the same technical characteristics, having regard to the compensating products to be obtained;
- c) comparable goods as defined in letter (b) above are not produced in the Republic of Albania in sufficient quantity;
- d) comparable goods as defined in letter (b) above cannot be made available to the applicant within a suitable time by producers established in the Republic of Albania. Such goods shall be considered unavailable within a “*suitable time*” where producers established in the Republic of Albania cannot make them available to the operator in time for the proposed commercial operation to be carried out, despite a request having been made to them in good time;
- e) comparable goods as defined in letter (b) are produced in the Republic of Albania but cannot be used for one of the following reasons:
- i) their price would make the proposed commercial operation economically impossible, having regard to:
 - ii) the price before duty of the goods for processing and the price of comparable goods produced in the Republic of Albania less domestic taxes refunded or refundable on export. Conditions of sale, in particular payment terms, and proposed delivery terms for the Albanian goods shall also be taken into account when comparing prices,
 - iii) the price obtainable for the compensating products on the market of other countries;
 - iv) they do not have the quality or characteristics necessary for the operator to produce the required compensating products;
 - v) they do not conform to the expressly stated requirements of the person from another country purchasing the compensating products;
 - vi) the compensating products must be obtained from import goods in order to comply with provisions concerning the protection of industrial and commercial property rights;

f) the applicant for an authorisation in respect of a particular type of goods to be entered for the procedure within a given period:

i) is trying to guard against real supply problems, proven to the satisfaction of the customs authorities, for that type of goods, and the proportion of supplies of goods produced in the Republic of Albania is lower than 80% of his need;

ii) satisfies the customs authorities that he is taking the necessary steps to obtain goods for processing in the Republic of Albania, but has met with no response from Albanian producers;

275.2. The applicant shall indicate in his application the reasons for which the economic conditions are considered to be fulfilled within the meaning of point 275. 1.

276.

276.1. In exceptional circumstances, where the applicant considers the economic conditions to be fulfilled for reasons other than those mentioned before, he shall state the said reasons in his application.

276.2. Where the customs authorities consider that the economic conditions are fulfilled in cases other than mentioned before, the authorisation shall be granted for a limited period, which may not exceed nine months. The customs authorities may, at the request of the holder of the authorisation, extend the period of validity.

277.

277.1. Without prejudice to the simplified application procedure, the application shall be made in conformity with Point 234 and in accordance with the specimen in Annex 27, and presented by the person to whom the authorisation may be granted.

277.2. The application shall be presented to the General Directorate of Customs.

277.3. For the purposes of the second sentence of Article 138 (a) of the Code, "*imports of a non-commercial nature*" means imports of goods referred to in Point 1(5).

278.

278.1. Without prejudice to the simplified authorisation procedure, the authorisation shall be issued by the General Directorate of Customs and shall be made out on a model conforming to Annex 32. It shall be signed and dated. Authorisations shall take effect on the date of issue. However, the General Directorate of Customs may issue a retroactive authorisation in exceptional cases. However, the retrospective effect of such authorisation may not go back beyond the time when the application was lodged. Authorisations may cover more than one entries for the procedure concerned.

278.2. Each authorisation should be accompanied by a form "*inward processing record import*" that should form an integrated part of each authorisation. The specimen of the inward processing record import is described in Annex 32. All entries should be registered in this form, in accordance with instructions issued by the General Directorate of Customs.

278.3. a) To ensure correct application of the provisions governing the procedure, the customs authorities may require the holder, to keep or ensure the keeping of stock records, hereafter called "*inward processing records*" which indicate the quantities of import goods entered for the procedure and of compensating products obtained, and all particulars needed for the monitoring of the operations and the correct calculation of any import duties which may be payable.

b) The inward processing records shall be made available to the supervising customs office to enable it to carry out the checks necessary for the proper implementation of the procedure. Where the processing operations are being carried out in two or more enterprises, the stock records shall at all times show the information pertaining to the implementation of the procedure in each enterprises.

279. The period of validity of the authorisation shall be set by the General Directorate of Customs, having regard to the economic conditions and the specific needs of the applicant. Where the period of validity exceeds two years, the conditions on the basis of which the authorisation was issued shall be reviewed periodically at intervals specified in the authorisation.

280.

280.1. When issuing the authorisation the General Directorate of Customs shall specify the period within which the compensating products must be re-exported in accordance with Article 139 of the Code, taking into account the time required to carry out the processing operations as indicated in the authorisation for a given quantity of goods, the quantity of import goods authorised for the procedure, and the time required to assign the compensating products to a customs approved treatment or use.

280.2. When the holder of the authorisation lodge a motivated request for extension, the period specified for re-exportation may be extended by the General Directorate of Customs.

281. The period within the compensating products must be re exported shall run from the date of acceptance of the declaration entering the goods for the procedure or, under the drawback system, of the declaration for release for free circulation.

282.

282.1. The rate of yield as defined in Article 136 (2) (e) of the Code or the method of determining such rate referred to in Article 140 of the Code shall as far as possible be set on the basis of production data and shall be identifiable in the records of the operator's undertaking.

282.2. The rate, or method of determining the rate, shall be set in accordance with point 282.1 and shall be subject to retrospective verification by the customs authorities.

283.

283.1. The standard rates of yield referred to in point 283.2 shall apply only to import goods of sound, genuine and merchantable quality which conform to any standard quality laid down in Albanian legislation.

283.2. The standard rates of yield shown in column 5 of Annex 39 shall apply to inward processing operations carried out on the import goods listed in column 1 of that Annex which result in the production of the compensating products listed in columns 3 and 4.

284.

284.1. A simplified authorisation procedure can be used in the following cases:

a) operations involving goods of a non-commercial nature;

- b) repairs, including overhaul and adjustments;
- c) processing operations carried out in a free zone or free warehouse.

284.2. In those cases any customs office empowered by the General Directorate of Customs to grant authorisations using the simplified procedure shall allow the lodging of the declaration of entry for the procedure, under the suspension system, or the declaration for release for free circulation, under the drawback system, to constitute an application for authorisation. In this case acceptance of the declaration shall constitute the authorisation.

284.3. Declarations presented under point 284.2 shall be accompanied by a document made out by the declarant containing the following information, unless such information can be entered in box 44 of the form used for the declaration itself:

- a) where the person applying to use the procedure is not the same as the declarant, the name or business name and address of the applicant;
- b) where the operator is not the same as the applicant or declarant, the name or business name and address of the operator;
- c) the nature of the processing operation;
- d) the trade and/or technical description of the compensating products;
- e) the estimated rate of yield or, where appropriate, the method by which that rate is to be determined;
- f) the estimated period for re-exportation;
- g) the place where it is intended to carry out the processing operation.

284.4. The lodging of the declaration using the simplified application procedure signed by the applicant shall indicate that the person concerned wishes to use the customs procedure applied for and, without prejudice to the possible application of penal provisions, shall be responsible, under the provisions in force in the Republic of Albania, for:

- a) the accuracy of the information given in the declaration,
- b) the authenticity of the documents accompanying it, and
- c) compliance with all the obligations relating to the customs procedure applied for.

284.5. The customs authorities shall keep the declaration and its annexes, together with any authorisation issued.

284.6. Where an authorisation is granted, the application, annexes and authorisation shall be kept by the customs authorities for at least three years from the end of the calendar year in which the authorisation expires.

284.7. Where an application is rejected or an authorisation is annulled or revoked, the application and either the decision rejecting the application or the authorisation, as the case may be, and all annexes shall be kept by the customs authorities for at least three years from the end of the calendar year in which the application was rejected or the authorisation was annulled or revoked.

Section 3

Provisions applying to the suspension system

285.

285.1. The declaration entering import goods for the inward processing procedure (suspension system) shall be lodged at one of the offices of entry for the procedure specified in the authorisation.

285.2. Where the simplified application procedure is used, the declaration referred to in point 285.1 shall be lodged at a duly empowered customs office.

286.

286.1. The declaration entering import goods for the inward processing procedure (suspension system) shall be made in accordance with Points 121 to 161.

286.2. Without prejudice to the simplified application procedure, the description of the goods given in the declaration referred to in point 286.1 shall correspond to the specifications in the authorisation.

286.3. Each import declaration must contain the code IM 5 in box 1 of the declaration and reference to the number and date of the authorisation for inward processing in box 44. The form “*inward processing record, export*”, as described in Annex 32 must be issued for each declaration assigning goods to the procedure and should form an integral part of the copy of the declaration kept by the custom authorities. All re-exports should be registered in this form, in accordance with instructions issued by the General Directorate of Customs. The customs copy of the import declaration together with all attached documents shall after the release of the consignment be kept in a special file for each company authorised to use the inward processing procedure.

286.4. For the purposes of Article 87 (2) of the Code, the documents to accompany the declaration shall be those provided for in Point 145.

287.

287.1. Pursuant to Article 112 of the Code, the inward processing procedure (suspension system) shall be discharged when the compensating products or goods in the unaltered state have been declared for another customs-approved treatment or use and all other conditions for use of the procedure have been complied with.

287.2. For the purposes of discharging the inward processing procedure (suspension system), the following shall be treated as export from the customs territory of the Republic of Albania: The delivery of compensating products to persons who are eligible for relief pursuant to either the Vienna Convention of 18 April 1961 on Diplomatic Relations, the Vienna Convention of 24 April 1963 on Consular Relations or other consular conventions, or the New York Convention of 16 December 1969 on Special Missions;

287.3. Discharge of the procedure shall be carried out according either to the quantities of import goods corresponding to the compensating products assigned to one of the treatments or uses referred to in point 287.1 or 287.2 or to the quantities of goods in the unaltered state assigned to such a treatment or use.

287.4. The declaration to assign compensating products or goods in the unaltered state to one of the customs-approved treatments or uses shall contain all particulars necessary for discharge of the procedure.

287.5. Each declaration for discharge of the inward processing procedure must contain the reference to the number and date of the authorisation for inward processing in box 44.

288.

288.1. When the nature and/or technical characteristics of the import goods have been altered as a result of unforeseeable circumstances or force majeure so that it becomes impossible to obtain the compensating products for which an inward processing authorisation (suspension system) has been issued, the holder of the authorisation shall immediately inform the supervising customs office of what has happened.

288.2. In cases where the alteration in question may affect the continuation in force or the substance of the authorisation, point 288.1 shall be without prejudice to Articles 20 and 110 (2) of the Code.

288.3. This Point shall apply “*mutatis mutandis*” to compensating products.

289.

289.1. Without prejudice to any commercial policy measures in force for import goods, the release for free circulation of goods in the unaltered state or main compensating products shall be allowed where the person concerned is unable to assign those goods or products to a customs-approved treatment or use under which import duties would not be payable, subject to payment of compensatory interest.

289.2. “*Compensatory interest*” means interest in accordance with Article 229 (3) of the Code calculated in accordance with Point 295.

290.

290.1. Any compensating products or goods in the unaltered state to be assigned to a customs-approved treatment or use shall be presented to the office of discharge in order to undergo the customs formalities specified for the treatment or use in question under the general provisions applicable.

290.2. The declaration discharging the inward processing procedure (suspension system) shall be lodged at the supervising office specified in the authorisation.

291.

291.1. The declaration discharging the inward processing procedure (suspension system) shall be made in accordance with the provisions laid down for the customs-approved treatment or use concerned.

291.2. The description of the compensating products or goods in the unaltered state in the discharging declaration shall correspond to the specifications in the authorisation.

291.3. For the purposes of Article 87 (2) of the Code, the documents to accompany the discharge declaration shall be those whose production is necessary for placing the goods under the procedure requested.

292.

292.1. The import duties to be charged under Article 142 (1) of the Code on import goods eligible, at the time when the declaration of entry for the procedure was accepted, for favourable tariff treatment by reason of their end-use shall be calculated at the rate corresponding to such end-use without special authorisation for the granting of such treatment being required, provided that the conditions attaching to the granting of favourable tariff treatment are satisfied.

292.2. Point 292.1 shall apply only where the goods have been put to the end-use qualifying them for favourable tariff treatment before expiry of the time limit set for that purpose by the provisions governing the conditions under which such goods may be accorded the said treatment. The time limit shall run from the time of acceptance of the declaration of entry for the procedure. It may be extended by the customs

authorities where the goods have not been put to the end-use in question as a result of unforeseeable circumstances, force majeure or the inherent technical exigencies of the processing operation.

293. In accordance with Article 143 of the Code, where the compensating products are released for free circulation and the customs debt is calculated on the basis of the items of charge appropriate to the import goods, boxes 15, 16, 34 and 41 of the declaration shall refer to the import goods.

294. Destruction under customs control of compensating products shall be treated as export from the customs territory of the Republic of Albania.

295.

295.1. Where a customs debt is incurred in respect of compensating products or goods in the unaltered state, compensatory interest shall be paid on the import duty applicable.

295.2. Point 295.1 of this point shall not apply:

- a) where a customs debt is incurred in order to allow the application of preferential tariff treatment under an agreement between the Republic of Albania and another country on imports into that country,
- b) where waste and scrap resulting from destruction under Article 197 of the Code is released for free circulation,
- c) where compensatory interest calculated in accordance with point 295.4 does not exceed 2.000 LEK per declaration for free circulation,
- d) where the holder of the authorisation requests release for free circulation and supplies proof that particular circumstances not arising from any negligence or deception on his part make it impossible or uneconomic to carry out the export operation under the conditions he had anticipated when applying for the authorisation.
- e) where a customs debt is incurred as a result of an application for release for free circulation under Article 149 of the Code, as long as the import duties payable on the products in question have not yet actually been repaid or remitted.

295.3. a) The annual interest rates shall be set by the Minister of Finance on the basis of the arithmetical average of representative short-term rates in the same six-month period of the previous year. They shall apply to all customs debts incurred in the course of a six-month period. Rates shall be published at least one month before they become applicable.

b) Interest shall be applied per month for the period running from the first day of the month following the month in which the import declaration was accepted to the last day of the month in which the customs debt is incurred. Where release for free circulation is requested under Article 149 (4) of the Code the period to be taken into account shall be that running from the first day of the month following the month in which the relevant duties were repaid or remitted to the last day of the month in which the customs debt was incurred.

c) The amount of interest shall be calculated on the basis of the import duties, the interest rate referred to in point 295.3(a) and the period referred to in point 295.3(b).

295.4. In specific cases, upon decision by the General Directorate of Customs, simplified methods may be used at the request of the persons concerned for the calculation and accounting of compensatory interest.

296.

296.1. The proportion of import goods incorporated in compensating products shall be calculated when necessary in order to determine the import duties to be charged. Such calculation shall not be effected when, *inter alia*, the amount of the debt is determined solely on the basis of Article 143 of the Code.

296.2. The calculations shall be effected in accordance with either the quantitative scale method or the value scale method or by any other method giving the same results on the basis of the examples set out in Annex 40.

297. The quantitative scale method (compensating products) shall be used where one kind of compensating product only is derived from the inward processing operations. In that case the quantity of import goods corresponding to the quantity of compensating products in respect of which a customs debt is incurred shall be calculated by applying to the total quantity of the said goods a coefficient corresponding to the ratio of the quantity of compensating products in respect of which a customs debt is incurred to the total quantity of compensating products.

298.

298.1. The quantitative scale method (import goods) shall be applied where all elements of the import goods are found in each compensating product.

298.2. In deciding whether this method shall apply, losses shall not be taken into account.

298.3. The quantity of import goods used in the manufacture of each compensating product shall be determined by successively applying to the total quantity of import goods a coefficient corresponding to the ratio of the quantity of the said goods found in each type of compensating product to the total quantity of the goods found in the compensating products as a whole.

298.4. The quantity of import goods corresponding to the quantity of compensating products in respect of which a customs debt is incurred shall be determined by applying the coefficient corresponding to the ratio of the quantity of compensating products in respect of which a customs debt is incurred to the quantity of import goods used in the manufacture of the said product calculated in accordance with point 298.3.

299.

299.1. Where the quantitative scale method do not apply, the value scale method shall be applied in all cases.

299.2. In order to determine the quantity of import goods used in the manufacture of each type of compensating product, successive coefficients corresponding to the ratio of the value of each compensating product to the total value of those products, calculated in accordance with point 299.3, shall be applied to the total quantity of import goods.

299.3. The value of each of the different compensating products to be used for applying the value scale shall be:

a) the recent selling price in the Republic of Albania of identical or similar products, provided that this has not been influenced by the relationship between buyer and seller, or, where this is not known,

b) the recent ex-works price in the Republic of Albania, provided that this has not been influenced by the relationship between buyer and seller.

Where the value cannot be ascertained using the methods above it shall be determined by the supervising customs office using any reasonable method.

299.4. The quantity of import goods corresponding to the quantity of compensating products in respect of which a customs debt is incurred shall be calculated by applying the coefficient arrived at by using the quantitative scale method for compensating products to the quantity of import goods used in the manufacture of the products in question, calculated in accordance with point 299.2.

300.

300.1. The holder of the authorisation shall supply the supervising office with a bill of discharge.

300.2. The bill of discharge shall contain inter alia the following particulars:

- a) reference particulars of the authorisation;
- b) the quantity of each type of import goods and reference particulars of the declarations entering them for the procedure;
- c) the combined nomenclature code of the import goods;
- d) the customs value of the import goods and the rate of import duties to which they are liable;
- e) the rate of yield established;
- f) the nature and quantity of the compensating products and the customs-approved treatment or use to which they are assigned, together with reference particulars of the declarations assigning the said products to a customs-approved treatment or use;
- g) the value of the compensating products if the value scale method is used for the purposes of discharge;

300.3. The bill of discharge shall be sent to the supervising office within 30 days of the expiry of the time limit for re-exportation.

300.4. The supervising office may agree that the bill of discharge should be made out by computer or in any other form that the said office shall stipulate.

301. The supervising office shall annotate the bill of discharge on the basis of the verification which has been carried out, informing the holder of the authorisation if necessary of the result of that verification, and shall keep the bill of discharge and related documents for at least three calendar years from the end of the year in which the bill was drawn up.

302.

302.1. Where import goods have been entered for the procedure by virtue of a single authorisation but under several declarations, the compensating products or goods in the unaltered state assigned to a customs-approved treatment or use shall be considered to have been obtained from the import goods entered for the procedure under the earliest of the declarations.

302.2. Where the holder of the authorisation can show the specific import goods from which the compensating products or goods in the unaltered state referred to in point 302.1 were obtained, the said point shall not apply.

303. Where the application for authorisation relates to goods subject to the commercial policy measures it shall not be necessary to present any licence, authorisation or other similar document at the time when the application is submitted.

304.

304.1. Where Albanian legislation provide for specific commercial policy measures on:

- a) release of goods for free circulation, the said measures shall not apply on entry of the goods for the inward processing procedure nor for such time as they remain under the procedure;
- b) goods brought into the customs territory of the Republic of Albania, the said measures shall apply when the import goods are entered for the inward processing procedure.

304.2. Where point 304.1 (a) applies, it shall not be necessary to present any licence, authorisation or other related document at the time of entry for the procedure.

304.3. Subject to the applicable provisions, the re-export of non-Albanian goods entered for the procedure shall not give rise to the application of the commercial policy measures laid down for exports of the goods in the unaltered state or compensating products, without prejudice to commercial policy measures applying to the export of products originating in the Republic of Albania.

305. The release for free circulation of import goods in the form either of goods in the unaltered state or of compensating products shall be subject to the application by the customs authorities of any commercial policy measures in force for the import goods at the time when the declaration for release for free circulation was accepted.

306.

306.1. Where the compensating products or goods in the unaltered state are placed in a free zone or free warehouse, enabling the inward processing procedure to be discharged, the box 31 on the single administrative document, shall, in addition to the information laid down for the procedure in question, contain the following indication: "*Inward Processing/Suspension Goods*" in red.

306.2. Where import goods entered for the procedure using the suspension system are subject to specific commercial policy measures and such measures continue to be applicable at the time when the goods, either in the unaltered state or in the form of compensating products, are placed under a customs procedure or in a free zone or free warehouse, the indication referred to in point 306.1 shall be supplemented by the text: "*Commercial policy*" in red.

306.3. The office of discharge shall satisfy itself that the indications referred to in points 306.1 and 306.2 have been entered as appropriate on any documents issued to replace or discharge the documents referred to in those paragraphs.

307.

307.1. The customs authorities may permit compensating products or goods in the unaltered state to be transferred from the holder of one authorisation to the holder of another authorisation, provided the transfer is recorded in the inward processing records of the first holder.

307.2. Responsibility for transferred goods or products shall pass to the holder of the second authorisation at the time at which he takes delivery of the said goods or products and enters them in his inward processing records.

307.3. Such entry in the inward processing records shall have the effect of placing the goods or products under the procedure again in the name of the holder of the second authorisation.

308. The holder of the authorisation shall be responsible for providing the customs authorities with advance notification of the transfers to be carried out in the form and manner which the said authorities shall determine.

Section 4

Provisions applicable to the drawback system

309. The declaration for release for free circulation under the drawback system shall be lodged at one of the offices of entry for the procedure specified in the authorisation.

310.1. The declaration for release for free circulation under the drawback system shall be made in accordance with Points 121 to 161.

310.2. Without prejudice to the simplified application procedure, the description of the goods given in the declaration referred to in point 310.1 shall correspond to the specifications in the authorisation.

310.3. For the purposes of Article 87 (2) of the Code, the documents to accompany the declaration shall be those provided for in Point 145.

310.4. Each import declaration must contain the code IM 5 in box 1 of the declaration and reference to the number and date of the authorisation for inward processing in box 44. The form "*inward processing record, export*", as described in Annex 32 must be issued for each declaration assigning goods to the procedure and should form an integral part of the copy of the declaration kept by the custom authorities. All exports should be registered in this form, in accordance with instructions issued by the General Directorate of Customs. The import declaration together with all attached documents shall after the release of the consignment be kept in a special file for each company authorised to use the inward processing procedure.

311. For the purposes of discharging the inward processing procedure (drawback system), the following shall be treated as export of the compensating products from the customs territory of the Republic of Albania: The delivery of compensating products to persons who are eligible for relief pursuant to either the Vienna Convention of 18 April 1961 on Diplomatic Relations, the Vienna Convention of 24 April 1963 on Consular Relations or other consular conventions, or the New York Convention of 16 December 1969 on Special Missions.

312.

312.1. The declaration or application to assign compensating products or, if need be, goods in the unaltered state to one of the customs-approved treatments or uses referred to in Article 149 of the Code shall contain all the particulars necessary to support a repayment claim.

312.2. Each declaration for discharge of the inward processing procedure must contain the reference to the number and date of the authorisation for inward processing in box 44.

313. Any compensating products and, if need be, goods in the unaltered state which are to be assigned to one of the customs-approved treatments or uses referred to in Article 149 of the Code shall be presented to the office of discharge and undergo the customs formalities specified for the treatment or use in question in accordance with the general provisions applicable.

314.

314.1. The declaration assigning the compensating products and, if need be, goods in the unaltered state to one of the customs-approved treatments or uses referred to in Article 149 of the Code shall be lodged at the offices of discharge as specified in the authorisation.

314.2. The declaration assigning the compensating products or goods in the unaltered state to one of the customs approved treatments or use shall be made in accordance with the provisions laid down for the customs-approved treatment or use concerned.

314.3. The description of the compensating products or goods in the unaltered state in the discharging declaration shall correspond to the specifications in the authorisation.

314.4. For the purposes of Article 87 (2) of the Code, the documents to accompany the discharge declaration shall be those whose production is necessary for placing the goods under the procedure requested.

315.

315.1. The proportion of import goods incorporated in compensating products shall be calculated when necessary in order to determine the import duties to be repaid or remitted. Such calculation shall not be effected when all the compensating products are assigned to one of the treatments or uses referred to in Article 149 of the Code.

315.2. The calculation shall be effected in accordance with the quantitative scale method or the value scale method or by any other method giving the same results on the basis of the examples set out in Annex 40.

316. The quantitative scale method (compensating products) shall be used where one kind of compensating product only is obtained from the inward processing operations. In that case the quantity of import goods corresponding to the quantity of compensating products for which repayment or remission may be claimed shall be calculated by applying to the whole amount of the said goods a coefficient corresponding to the ratio of the quantity of compensating products for which repayment or remission may be claimed to the total quantity of compensating products.

317.

317.1. The quantitative scale method (import goods) shall be applied where all elements of the goods released for free circulation are found in each compensating product.

317.2. In deciding whether this method shall apply, losses shall not be taken into account.

317.3. The quantity of import goods under the drawback system used in the manufacture of each compensating product shall be determined by successively applying to the total quantity of import goods a coefficient corresponding to the ratio of the quantity of the said goods found in each type of compensating product to the total quantity of the goods found in the compensating products as a whole.

317.4. The quantity of import goods under the drawback system corresponding to the quantity of compensating products for which repayment or remission may be claimed shall be determined by applying the coefficient corresponding to the ratio of the quantity of compensating products for which repayment or remission may be claimed to the total quantity of compensating products to the quantity of import goods used in the manufacture of the said product calculated in accordance with point 317.3.

318.

318.1. Where the quantitative scale method cannot be applied, the value scale method shall be used.

318.2. In order to determine the quantity of import goods used in the manufacture of each type of compensating product, successive coefficients corresponding to the ratio between the comparable value of each compensating product, calculated in accordance with point 318.3, shall be applied to the total quantity of import goods.

318.3. The value of each of the different compensating products to be used for applying the value scale shall be:

- a) the recent selling price in the Republic of Albania of identical or similar products, provided that this has not been influenced by the relationship between buyer and seller, or, where this is not known,
- b) the recent ex-works price in the Republic of Albania, provided that this has not been influenced by the relationship between buyer and seller.

Where the value cannot be ascertained using the methods above it shall be determined by the supervising customs office using any reasonable method.

318.4. The quantity of import goods corresponding to the quantity of compensating products for which repayment or remission may be claimed shall be calculated by applying the coefficient arrived at by the quantitative scale method (compensating products) to the quantity of import goods used in the manufacture of the products in question, calculated in accordance with point 318.2.

319. The repayment or remission of import duties shall be subject to the lodging by the holder of the authorisation of a claim, hereinafter referred to as the “*repayment claim/Inward Processing*”, with the supervising office. The claim shall be submitted in duplicate.

320.

320.1. The period referred to in Article 149 (3) of the Code within which the repayment claim/Inward Processing shall be lodged shall be a maximum of six months from the date on which the compensating products were assigned one of the customs-approved treatments or uses referred to in Article 149(1) of the Code.

320.2. Where special circumstances so warrant, the General Directorate of Customs may extend the period referred to in point 320.1 even after it has expired.

321. The repayment claim/Inward Processing shall contain inter alia the following particulars:

- a) reference particulars of the authorisation;
- b) the quantity of each type of import goods in respect of which repayment or remission is claimed;
- c) the CNN code of the import goods;
- d) the customs value of the import goods and the rate of import duties to which they are liable as ascertained by the customs authorities on the date of acceptance of the declaration for release for free circulation under the drawback system;
- e) the date of release for free circulation of the import goods under the drawback system;
- f) reference to the declarations under which the import goods were released for free circulation under the drawback system;
- g) the type and quantity of the compensating products and the customs-approved treatment or use to which they are to be assigned;
- h) the value of the compensating products if the value scale method is used for the purpose of discharge;
- i) the rate of yield fixed;
- j) reference to the declarations under which the compensating products or, if need be, goods in the unaltered state were entered for one of the customs-approved treatments or uses referred to in Article 149 of the Code;
- k) the amount of import duties to be repaid or remitted and any compensatory interest collected, taking into account inter alia the import duties on other compensating products.

322.

322.1. The supervising office may allow claims to omit some of the particulars where these do not affect calculation of the amount to be repaid or remitted.

322.2. The supervising office may allow the repayment claim/Inward Processing to be made out by computer or in such other form as the said office shall stipulate.

323. The supervising office shall annotate the repayment claim /Inward Processing on the basis of the verification carried out and shall inform the holder of the authorisation of the result of that verification; it shall keep the claim and related documents for at least three calendar years from the end of the year in which it takes a decision on the claim.

324.

324.1. Where compensating products under the drawback system are placed under one of the customs-approved treatments or uses referred to in the second indent of Article 149 (1) of the Code, thus allowing repayment, the box reserved for the description of the goods on the document used for the procedure or in the free zone or free warehouse shall contain the following indication: "*Inward Processing/Drawback. Goods*" in red.

324.2. The office of discharge shall satisfy itself that the indications referred to in point 324.1 are entered on any document issued to replace or discharge the documents referred to in that paragraph.

325. The General Directorate of Customs may lay down guidelines in the practical application of the inward processing procedure.