

PROCESSING UNDER CUSTOMS SUPERVISION

Article 133

The procedure for processing under customs supervision shall allow foreign goods to be used in the customs territory in operations which alter their nature or state, without being subject to customs duties or commercial policy measures, and shall allow products which result from such operations to be released for free circulation at the rate of customs duty laid down for them.

These products shall be named processed products.

Article 134

The Government shall determine the cases where the procedure for processing under customs supervision may be allowed.

Article 135

Authorization for processing under customs supervision shall be issued at the request in writing of the person who carries out the processing or arranges it to be carried out.

Article 136

The authorization for processing under customs supervision shall be granted:

- 1) to persons who are established or residing in the Republic,
- 2) where the import goods can be identified in the processed products,
- 3) where the goods cannot be restored after processing to their description, contents or state as they were before they were placed under the procedure,
- 4) where use of this procedure cannot result in circumvention of the rules concerning origin or quantitative restrictions applicable to the imported goods,
- 5) where the use of this procedure helps create or maintain a processing activity in the Republic without adversely affecting the interests of the manufacturers of similar goods.

Article 137

Article 122, paragraphs 1, 2 and 4, and Article 123 of this Law shall apply *mutatis mutandis* to the procedure for processing under customs supervision.

Article 138

Where, under the procedure for processing under customs supervision, a customs debt is incurred in respect of goods in the unaltered state or of products the processing of which has not reached the processing stage specified in the authorization, the amount of that debt shall be determined on the basis of the provisions governing the determination of the customs duties which were applicable to the import goods at the time of acceptance of the declaration relating to placing of the goods under the procedure for processing under customs supervision.

Article 139

Where the import goods qualified for preferential tariff treatment under the free trade agreement when they were placed under the procedure for processing under customs supervision and such preferential tariff treatment is applicable also to products identical to the processed products which were released for

free circulation, the import duties on the processed products shall be calculated at the rate of customs duty applicable under that preferential treatment.

If the preferential tariff treatment referred to in paragraph 1 of this Article is conditional upon tariff quotas or ceilings, the preferential tariff treatment shall be granted provided that at the time of acceptance of the declaration for release for free circulation of the processed goods the import goods fulfill the conditions for such treatment and the quantities shall be charged against the tariff quotas in force for import goods, and not against the processed products.