



Republika e Kosovës
Republika Kosovo-Republic of Kosovo
Kuvendi - Skupština - Assembly

Code No. 03/L-109

Assembly of Republic of Kosovo,

In support of article 65 (1) of the Constitution of the Republic of Kosovo,

Approves

CUSTOMS AND EXCISE CODE OF KOSOVO

CHAPTER I

GENERAL PROVISIONS

TITLE I

SCOPE AND BASIC DEFINITIONS

Article 1

Customs legislation shall consist of this Code and an Administrative Instruction of Minister of Economy and Finance implementing this Code. The Code shall apply, without prejudice to special rules laid down in other fields, to trade between Kosovo and other countries.

Article 2

This code shall regulate basic elements of the system for customs protection of the economy of Kosovo and the rights and obligations of all operators in applying customs legislation.

Article 3

1. Customs legislation shall apply uniformly throughout Kosovo.
2. Certain provisions of Customs legislation may also apply outside Kosovo within the framework of either rules governing specific fields or international conventions.

Article 4

For the purposes of this Code, the following definitions shall apply:

(1) 'Person' means:

- a natural person,
- a legal person,
- where the possibility is provided for under the rules in force, an association of persons recognized as having the capacity to perform legal acts but lacking the legal status of a legal person.

(2) 'Persons established in Kosovo' means:

- in the case of a natural person, any person who is normally resident there,
- in the case of a legal person or an association of persons, any person that has in Kosovo its registered office, central headquarters or a permanent business establishment.

(3) 'Customs' means Customs of Kosovo, designated as responsible amongst others for applying customs legislation.

(4) 'Customs office' means any 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 officials pertaining to customs legislation giving a ruling on a particular case, such act having legal effects on one or more specific or identifiable persons; this term covers, amongst other, binding information within the meaning of Article 18.

(6) 'Customs status' means the status of goods as Kosovo or non-Kosovo goods.

(7) 'Kosovo goods' means goods:

- wholly obtained in Kosovo under the conditions referred to in Article 27 and not incorporating goods imported from countries or territories outside Kosovo. Goods obtained from goods placed under a suspensive arrangement shall not be deemed to have Kosovo status,
- imported from countries or territories outside Kosovo which have been released for free circulation,
- obtained or produced in Kosovo, either from goods referred to in the second indent alone or from goods referred to in first and second indents.

(8) ‘Non-Kosovo goods’ means goods other than those referred to in subparagraph 7. Kosovo goods shall lose their status as such when they are actually removed from Kosovo.

(9) ‘Customs debt’ means the obligation on a person to pay the amount of the import duties (customs debt on importation) or export duties (customs debt on exportation) which apply to specific goods under the Kosovo provisions in force.

(10) ‘Import duties’ means all customs duties, including charges having an effect equivalent to customs duties, and taxes payable on the importation of goods in to Kosovo, but excluding any fee or charge for transport or license.

(11) ‘Export duties’ means all customs duties, including charges having an effect equivalent to customs duties, and taxes payable on the exportation of goods from Kosovo, but excluding any fee or charge for transport or license.

(12) ‘Debtor’ means any person liable for payment of a customs debt.

(13) ‘Supervision by the Customs’ means action taken in general by Customs with a view to ensuring that customs legislation and, where appropriate, other provisions applicable to goods subject to customs supervision are observed.

(14) ‘Control by the Customs’ 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 or circulation, inspecting luggage and other goods carried by or on persons and carrying out official inquiries and other similar acts with a view to ensuring that customs legislation and, where appropriate, other provisions applicable to goods subject to customs supervision are observed.

(15) ‘Customs-approved treatment or use of goods’ means:

- a) the placing of goods under a customs procedure;
- b) their entry into a free zone or free warehouse;
- c) their re-exportation from Kosovo;

- d) their destruction;
- e) their abandonment to the customs authorities.

(16) 'Customs procedure' means:

- a) release for free circulation;
- b) transit;
- c) customs warehousing;
- d) inward processing;
- e) processing under customs control;
- f) temporary admission;
- 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 made.

(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 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 abovementioned person in respect of a customs procedure have been transferred.

(22) 'Holder of the authorization' means the person to whom an authorization has been granted.

(23) 'Provisions in force' means Kosovo legal provisions.

(24) 'Risk' means the likelihood of an event occurring in connection with the entry, exit, transit, transfer and end-use of goods moved between Kosovo and another country and the presence of goods that do not have Kosovo status, which

- prevents the correct application of Kosovo measure, or
- compromises the financial interest of Kosovo, or
- poses a threat to Kosovo's security and safety, to public health, to the environment or to consumers.

(25) 'Risk management' means the systematic identification of risk and implementation of all measures for limiting exposure to risk. This includes activities such as collecting data and information, analyzing and assessing risk, prescribing and taking action and regular monitoring and review of the process, based on international and international sources and strategies.

CHAPTER II

Organization of Customs Administration

Article 5

Proposal, Nomination and Approbation of Director General of Customs

1. Director General of the Customs in Kosovo shall be proposed by Minister of Economy and Finance, based on recommendations of established committee according to paragraph 4 of this article, and will be appointed by the Prime minister of Government of Republic of Kosovo.
2. The Director General shall report to the Minister of Economy and Finance.
3. The Government shall have the power to dismiss, suspend or restore the Director General.
4. Minister of Economy and Finances will announce open vacancy for the Customs Director General, and will establish committee for selection of recommended candidate as it is foreseen with the laws in power and the best practices for public servants/uniformed.

Article 6

1 Director General is competent as follows:

(a) To nominate Directors based on recommendations of the Committee established for this purpose, which should result from internal recruitment process in Customs through a transparent competition as it is envisaged by applicable legislation and best experiences for public servants/ uniformed.

(b) To dismiss, suspend, and degrade or to bring back to the previous positions Directors pursuant to the recommendations of the Committee established for this purpose.

(c) To promote, dismiss, suspend, degrade or return to the previous positions any official in accordance with recommendations issued by the Committee established to evaluate promotion resulted from a customs internal recruitment process through transparent competition or to return to previous position or for disciplinary measures respectively.

(d) Director General is entitled to terminate the work contract of an employee in following cases:

- i. with a request filed by an employee;
- ii. due to incapability of an employee to perform tasks for health reasons;
- iii. An employee is convicted for penal action with a final verdict issued by court, and
- iv. Will suspend in the cases when the officer is under investigations.

After dismissal/suspension of an employee until assignment of another official, if concerned position requires so, acting is to be assigned.

2. The Committee of four members and a chairman in accordance with paragraph 1 point a) and b) is to be established by the Director General in consultation with the Minister of Finance and Economy. The members of the committee are in following composition: a representative/leader of the Ministry of Finance and economy, a representative/leader from the Ministry of Interior Affairs, a representative from customs, a representative from Human Rights and freedom protecting council and a Judge.

(a) Customs officials who were competing and are not satisfied with selection results are entitled to file complain to the Minister of Finance and Economy. Decision issued by Minister of Economy and Finance may be contradicted by a competent court.

(b). Human Resources of Customs will deal with administrative tasks regarding vacancies in Customs for positions of Directors, opening of dossiers and their maintenance after completion of nomination procedure.

3. The Committee to perform action cited in paragraph 1 point c) will be established by Director General of Customs and will include customs officials.

(a). Customs officials who were competing and are not satisfied with selection results are entitled to file complain to the Director General of Customs. Decision issued by Director General may be contradicted by a competent court.

4. Customs staff except supporting civilian staff is recruited through publicly announced vacancy in compliance with conditions defined by Director General after consultation with Minister of Finance and Economy.

(c) Number of officials, payment conditions and specific budget for payment for awards, payment of Information Bulletin, payment of specific customs operations is to be defined in agreement with Minister of Finance and Economy.

5. Assisting civilian personnel is employed through public competition based on law for civil servants.

6. Customs officers of the Kosovo Customs are not civil servants in the Kosovo Civil Service, but employed by Customs, pursuant to provisions of the Customs and Excise Code.

7. In case when the Director General is tasked or is competent according to Code to undertake any action base on an Administrative Instruction, he should register concerned Instruction and any undertaken action for completion of that task or competence and must:

(a) Have a copy in disposal for public inspection in the Central Customs Office and

(b) Keep another electronic copy, in disposal of the public inspection.

8. Director General will define rules for administering the Customs which includes:

(a) Determining places for location of the customs offices or the tax collection offices, after consulting with the Minister of Economy and Finance;

(b) Decision on working hours for every customs office or for tax collection office and also limitation of the wok performed in there, after consulting with the Minister of Economy and Finance;

(c) Code of Conduct for the officers;

(d) Procedures that should be followed when an officer violates the Customs Code prescribed in paragraph 4 (c);

(e) After consulting with the Minister of Economy and Finance on uniforms, emblems, epaulets, and flag approved by the Government of Republic of Kosovo that must be kept by the officers;

(f) Structuring of customs, grades and functions of the customs officers;

(g) Whatever else in necessary for efficient functioning of the Customs.

9. Director General will:

(a) Provide all customs officers with clear terms of reference, where in detailed is prescribed work that they have to perform and

(b) Through Administrative Instruction will determine limit of competences and duties performed by the officers, based on grade or his/her working place or any other criteria.

Article 7

Power of the Director General to Delegate his Functions

1. Where, in this Code , the Director General is under any duty or has any power to do any act, he may delegate that duty or power to any named person, or any rank of officer, or any rank of officer at any particular place, and shall record any action taken under that duty or power in writing and shall:

(a) make that copy available for public inspection at the Headquarters of the

Customs ; and

(b) maintain a further copy available for public inspection by electronic means.

Article 8

Uniform, Identification and Protection of Officers

1 All officers shall, while performing their duty all customs officers, are obliged to wear a distinctive uniform and carry and display an official Customs identification card. For special operations, when required by the nature of work, the Director General may permit it otherwise

2. Where he considers it necessary for the protection of any officer, the Director General shall order that officer to carry such defensive devices as the Director General considers necessary in the circumstances of each case.

3. Where an officer considers it necessary to identify his vehicle as a customs vehicle, he may switch on the blue lights and audible signal system fitted to that vehicle.

Article 9

Authority to Perform Customs and Other Assigned Matters

1. The Customs shall be the sole institution in Kosovo that shall have the authority to perform customs functions and any other matter assigned to the Customs by the Government of Kosovo.

2. The Customs shall assess, levy and collect all duties and taxes on imports and exports, as well as undertake any other relevant functions as may be assigned to the Customs. All duties and taxes collected by the Customs shall be deposited into the Kosovo Budget.

3. Kosovo Customs has a legal subjectivity.

4. When required to do so by an officer, it shall be the duty of every member of the Kosovo Police Force and KFOR to assist in the enforcement of the law relating to customs and any other matter assigned to the Customs by the Government of Republic of Kosovo.

5. Where goods which are or appear to be subject to an import duty are found abandoned, the person finding those goods shall report that finding to the Customs.

CHAPTER III

Sundry General Provisions Relating in Particular to the Rights and Obligations of Persons with Regard to Customs Rules

Section 1

Right of Representation

Article 10

1. Under the conditions set out in Article 68 (2), any person may appoint a representative in his dealings with the Customs to perform the acts and formalities laid down by customs legislation.
2. Such representation may be:
 - direct, in which case the representative shall act in the name of and on behalf of another person, or
 - 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 68 (2) (b) and (3), a representative must be established within Kosovo.
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.
5. 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.
6. The Customs may 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.

Article 11

1. Representation within the meaning of Article 10 may be carried only by a legal person registered as representative by the Customs.
2. A representative must be holder of a license issued by the Customs.
3. The person applying for the license referred to in paragraph 2 must:
 - a) have at least 6 months working experience in the field of customs matters;

- b) have at least secondary school education;
- c) pass successfully the professional examination organized by the Customs for that purpose.

4. The registration and/or license referred to in paragraphs 1 and 2 shall be refused or withdrawn by the Customs where a person has been convicted of any criminal offence involving fraud in respect of customs duties, including charges having an effect equivalent to customs duties, taxes, theft, receiving of stolen goods, breach of trust, extortion or bribery of officials, or has ever been made bankrupt.

The refusal or withdrawal of a registration and/or license shall be notified in accordance with Articles 12 to 15.

5. The registration and/or license referred to in paragraphs 1 and 2 shall be refused to any dismissed, resigned or retired customs officers. For dismissed customs officers, the refusal will be without time limit. For retired officers, registration and/or license may be permitted after a period of three year elapsed they retired.

Section 2

Decisions relating to the application of customs legislation

Article 12

1. Where a person requests that the Customs take a decision relating to the application of customs legislation that person shall supply all the information and documents required by Customs in order to take a decision.
2. Such decision shall be taken and notified to the applicant according to the rules on General Administrative Procedures.
3. Decisions adopted by the Customs 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 291.
4. Customs may decide the provision made for the first sentence of paragraph 3 to apply likewise to other decisions.
5. Save as otherwise provided for by this Code, the Rules on General Administrative Procedures shall also apply to the procedures carried out by the Customs.

Article 13

Save in the cases provided for in the second subparagraph of Article 275, decisions adopted shall be immediately enforceable by Customs.

Article 14

1. A decision favorable to the person concerned shall be annulled if it was issued on the basis of incorrect or incomplete information and:

- the applicant knew or should reasonably have known that the information was incorrect or incomplete, and
- 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 15

1. A decision favorable to the person concerned, shall be revoked or amended where, in cases other than those referred to in Article 14, one or more of the conditions laid down for its issue were not or are no longer fulfilled.

2. A decision favorable to the person concerned may be revoked where the person to whom it is addressed fails to fulfill 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 notification. However, in exceptional cases where the legitimate interests of the person to whom the decision is addressed so require, the Customs may defer the date when revocation or amendment takes effect.

Article 16

Articles 14 and 15 shall be without prejudice to Kosovo rules which stipulate that decisions are invalid or become null and void for reasons unconnected with customs legislation.

Section 3

Article 17 Information

1. Any person may request information concerning the application of customs legislation from the Customs. 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, 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 18

1. The Customs shall issue binding tariff information or binding origin information on written request, acting in accordance with the implementing provisions to this Code.
2. Binding tariff information or binding origin information shall be binding on the Customs as against the holder of the information only in respect of the tariff classification or determination of the origin of goods.

Binding tariff information or binding origin information shall be binding on the Customs 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 26 and 31.

3. The holder of such information must be able to prove that:
 - for tariff purposes: the goods declared correspond in every respect to those described in the information,
 - 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 tariffs and three years in the case of origin from the date of issue. Subject to Article 14, 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 tariff information:

(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 Kosovo, by reason of amendments to the rules for tariff classification of goods in accordance with Article 24 (6);

(iii) where it is revoked or amended in accordance with Article 15, provided that the revocation or amendment is notified to the holder.

The date on which binding information ceases to be valid for the cases cited in (i) and (ii) 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 Kosovo and the information no longer conforms to those provisions;

(ii) where it is no longer compatible with the explanatory notes and opinions adopted for the purposes of interpreting the origin rules;

(iii) where it is revoked or amended in accordance with Article 15, provided that the holder has been informed in advance.

The date on which binding information ceases to be valid for the cases referred to in (i) and (ii) 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 (a) (ii) or (iii) or (b) (ii) or (iii) may still use that information for a period of six months from the date of publication 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 (a) (i) and b (i), the legal provisions or agreement may lay down a period within which the first subparagraph shall apply.

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

Section 4
Other provisions

Article 19

The Customs 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.

Article 20

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 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 21

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 without the express permission of the person or authority providing it; the communication of information shall be permitted where the Customs may be obliged or authorized to do so pursuant to the provisions in force, particularly in respect of data protection, or in connection with legal proceedings.

Article 22

1. The persons concerned shall keep the documents referred to in Article 20 for the purposes of control by the Customs, 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 from the end of the year in which:

- a) in the case of goods released for free circulation in circumstances other than those referred to in (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 undertaking concerned.

2. Without prejudice to the provisions of Article 219 (3), second sentence, where a check carried out by the Customs 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 the first paragraph for a period sufficient to permit the correction to be made and checked.

Article 23

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 the legislation concerned.

TITLE II

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

CHAPTER 1

CUSTOMS TARIFF OF KOSOVO AND TARIFF CLASSIFICATION OF GOODS

Article 24

1. Import duties legally owed where a customs debt is incurred shall be based on the goods nomenclature of TARIK, the Customs Tariff of Kosovo, the applicable laws of Kosovo and any agreement with another country or group of countries entered into by Kosovo which provides for the granting of preferential tariff treatment.

2. Any other measure under the applicable laws of Kosovo applying to the importation or exportation of goods shall, where appropriate, be applied according to the tariff classification of those goods within TARIK.

3. TARIK shall comprise:

1. a legally binding Goods Nomenclature, based upon the International Convention on the Harmonized Commodity Description and Coding System and the Combined Nomenclature of the European Communities;
2. the following laws of Kosovo and agreements entered into by Kosovo which are in TARIK for ease of references purposes only:

- a). any law of Kosovo which provides for rates of customs duties, taxes and other items of charge normally applicable to goods covered by TARIK;
 - b). any preferential tariff measures contained in Preferential Trade Agreements which Kosovo has concluded with certain countries or groups of countries and which provide for the granting of preferential tariff treatment;
 - c). any measures under the laws of Kosovo which provides for a reduction in or relief from import duties chargeable on certain goods; and
 - d). other tariff measures provided for by other Kosovo legislation.
3. The measures referred to in the second and third indent of paragraph 3 (2) shall apply at the declarant's request instead of those provided for in the first indent paragraph 3 (2) where the goods concerned fulfill the conditions laid down by those first mentioned measures. An application may be made after the event provided that the relevant conditions are fulfilled.
4. Where application of the measures referred to in the second and third indent of paragraph 3 (2) is restricted to a certain volume of imports, it shall cease:
- a) in the case of tariff quotas, as soon as the stipulated limit on the volume of imports is reached;
 - b) in the case of tariff ceilings, by ruling of the competent authority.
5. The tariff classification of goods in the TARIK Goods Nomenclature shall be determined in accordance with the General Rules for the Interpretation of the Goods Nomenclature, as published in the Combined Nomenclature of the European Communities, the Additional Notes of TARIK and the Guidelines for the interpretation of the TARIK Goods Nomenclature, which shall consist of the Harmonized System Explanatory Notes of the World Customs Organization and the Explanatory Notes to the Combined Nomenclature of the European Communities.

Article 25

1. The favorable tariff treatment from which certain goods may benefit by reason of their nature or end-use shall be subject to conditions laid down in the Administrative Instruction implementing this Code. Where an authorization is required Articles 90 and 91 shall apply.
2. For the purposes of paragraph 1, the expression 'favorable tariff treatment' means a reduction in or suspension of an import duty as referred to in Article 4 (10), even within the framework of a tariff quota.

CHAPTER 2

ORIGIN OF GOODS

Section 1

Non-preferential origin

Article 26

Articles 27 to 30 define the non-preferential origin of goods for the purposes of:

- a) applying the Customs Tariff of Kosovo with the exception of the measures referred to in the second indent of Article 24 (3) (2);
- b) applying measures other than tariff measures established by Kosovo provisions governing specific fields relating to trade in goods;
- c) the preparation and issue of certificates of origin.

Article 27

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 subparagraph (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 subparagraphs (a) to (i) or from their derivatives, at any stage of production.

3. For the purposes of paragraph 2 the expression 'country' covers that country's territorial sea.

Article 28

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 29

As a last substantial, economically justified working or processing for the purposes mentioned in Article 28, shall not be considered:

- a) Package and re package of goods , independent where the package is produced
- b) simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making-up of sets of articles), washing, cutting up;
- c) changes of packing and breaking-up and assembly of consignments;
- d) simple placing in bags, cases, boxes, fixing on cards or boards, etc., and all other simple packing operations;
- e) the affixing of marks, labels or other like distinguishing signs on products or their packaging;
- f) simple assembly of parts of products to constitute a complete product;
- g) a combination of two or more operations specified

Article 30

1. Customs legislation or other Kosovo 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 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 relevant Kosovo legislation.

Section 2
Preferential origin of goods

Article 31

The rules on preferential origin shall lay down the conditions governing acquisition of origin which goods must fulfill in order to benefit from the measures referred to in the second indent of Article 24(3) (2).

Those rules shall be determined in the agreements referred to in the second indent of Article 24 (3) (2).

CHAPTER 3

VALUE OF GOODS FOR CUSTOMS PURPOSES

Article 32

The provisions of this Chapter shall determine the customs value for the purposes of applying the Customs Tariff of Kosovo and non-tariff measures laid down by Kosovo provisions governing specific fields relating to trade in goods.

Article 33

1. The customs value of imported goods shall be the transaction value, that is, the price actually paid or payable for the goods when sold for export to Kosovo, adjusted, where necessary, in accordance with Articles 36 and 37, provided:

- a) that there are no restrictions as to the disposal or use of the goods by the buyer, other than restrictions which:
 - are imposed or required by a law or by the public authorities in Kosovo,
 - limit the geographical area in which the goods may be resold, or
 - 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 36; 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.

2. For the purposes of paragraph 1, the following shall apply:

- a) In determining whether the transaction value is acceptable, 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 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 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 Kosovo;
 - (ii) the customs value of identical or similar goods, as determined under Article 34 (2) (c);
 - (iii) the customs value of identical or similar goods, as determined under Article 34 (2) (d).

In applying the foregoing tests, due account shall be taken of demonstrated differences in commercial levels, quantity levels, the elements enumerated in Article 36 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 subparagraph (b) are to be used at the initiative of the declarant and only for comparison purposes. Substitute values may not be established under the said subparagraph.

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 36 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 34

1. Where the customs value cannot be determined under Article 33, it is to be determined by proceeding sequentially through subparagraphs (a), (b), (c) and (d) of paragraph 2 to the first subparagraph under which it can be determined, subject to the proviso that the order of application of subparagraphs (c) and (d) shall be reversed if the declarant so requests; it is only when such value cannot be determined under a particular subparagraph that the provisions of the next subparagraph 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 Kosovo and exported at or about the same time as the goods being valued;
- b) the transaction value of similar goods sold for export to Kosovo 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 within Kosovo in the greatest aggregate quantity to persons not related to the sellers;
- d) the computed value, consisting of the sum of:
 - the cost or value of materials and fabrication or other processing employed in producing the imported goods,
 - 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 Kosovo,
 - the cost or value of the items referred to in Article 36 (1) (e).

3. Any further conditions and rules for the application of paragraph 2 above shall be determined in the Administrative Instruction implementing this Code.

Article 35

1. Where the customs value of imported goods cannot be determined under Articles 33 or 34, it shall be determined, on the basis of data available in Kosovo, using reasonable means consistent with the principles and general provisions of:

- the agreement on implementation of Article VII of the General Agreement on Tariffs and Trade of 1994;.
- Article VII of the General Agreement on Tariffs and Trade of 1994;
- the provisions of this chapter.

2. No customs value shall be determined under paragraph 1 on the basis of:

- a) the selling price in Kosovo of goods produced in Kosovo;
- 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 33 (2) (d);
- e) prices for export to a country other than Kosovo;
- f) minimum customs values; or
- g) arbitrary or fictitious values .

Article 36

1. In determining the customs value under Article 33, 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) the cost of containers which are treated as being one, for customs purposes, with the goods in question,
 - (iii) the cost of packing, whether for labor 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 the country and necessary for the production of the imported goods;
- c) royalties and license 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 proceeds of any subsequent resale, disposal or use of the imported goods that accrues directly or indirectly to the seller;
- e) (i) the cost of transport and insurance of the imported goods, and
- (ii) loading and handling charges associated with the transport of the imported goods
- to the place of introduction into Kosovo.

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 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 (c):

- a) charges for the right to reproduce the imported goods in Kosovo 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 Kosovo of the goods.

Article 37

1. 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 Kosovo;
- 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:
 - such goods are actually sold at the price declared as the price actually paid or payable, and
 - 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 Kosovo;
- e) buying commissions;
- f) import duties or other charges payable in Kosovo by reason of the importation or sale of the goods.

Article 38

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

Article 39

Where factors used to determine the customs value of goods are expressed in a currency other than euros, the rate of exchange to be used shall be that duly published by the authorities competent in the matter.

Article 40

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.

TITLE III

PROVISIONS APPLICABLE TO GOODS BROUGHT INTO KOSOVO UNTIL THEY ARE ASSIGNED A CUSTOMS-APPROVED TREATMENT OR USE

CHAPTER 1

ENTRY OF GOODS INTO KOSOVO

Article 41

1. Goods brought into Kosovo shall, from the time of their entry, be subject to customs supervision. They may be subject to control by the Customs 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 non-Kosovo goods and without prejudice to Article 86 (1), 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 180.

Article 42

1. Goods brought into Kosovo shall be conveyed by the person bringing them into Kosovo without delay, by the route specified by the Customs and in accordance with their instructions, if any:
 - a) to the customs office designated by the Customs or to any other place designated or approved by those authorities; or,
 - b) to a free zone, if the goods are to be brought into that free zone direct:
 - by air, or
 - by land without passing through another part of Kosovo, where the free zone adjoins the land frontier between Kosovo and another country.
2. Any person who assumes responsibility for the carriage of goods after they have been brought into Kosovo, amongst others as a result of transshipment, shall become responsible for compliance with the obligation laid down in paragraph 1.
3. Paragraph 1 (a) 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 jeopardized.

4. Paragraph 1 shall not apply to goods on board an aircraft crossing the airspace of Kosovo without having as their destination an airport situated in Kosovo.

Article 43

1. Where, by reason of unforeseeable circumstances or force majeure, the obligation laid down in Article 42 (1) cannot be complied with, the person bound by that obligation or any other person acting in his place shall inform the Customs of the situation without delay. Where the unforeseeable circumstances or force majeure do not result in total loss of the goods, the Customs shall also be informed of their precise location.

2. Where, by reason of unforeseeable circumstances or force majeure, an aircraft covered by Article 42(4) is forced to land temporarily in Kosovo and the obligation laid down in Article 42 (1) cannot be complied with, the person bringing the aircraft into Kosovo or any other person acting in his place shall inform the Customs of the situation without delay.

3. The Customs shall determine the measures to be taken in order to permit customs supervision of the goods referred to in paragraph 1 as well as those on board an aircraft in the circumstances specified in paragraph 2 and to ensure, where appropriate, that they are subsequently conveyed to a customs office or other place designated or approved by the authorities.

CHAPTER 2

PRESENTATION OF GOODS TO CUSTOMS

Article 44

Goods which, pursuant to Article 42(1) (a), arrive at the customs office or other place designated or approved by the Customs must be presented to customs by the person who brought the goods into Kosovo or, if appropriate, by the person who assumes responsibility for carriage of the goods following such entry.

Article 45

Article 44 shall not preclude the implementation of rules in force relating to goods:

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

Article 46

Goods may, once they have been presented to customs, and with the permission of the Customs, 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 authorized to assign the goods such treatment or use.

CHAPTER 3

SUMMARY DECLARATION AND UNLOADING OF GOODS PRESENTED TO CUSTOMS

Article 47

Subject to Article 49, goods presented to customs within the meaning of Article 44 shall be covered by a summary declaration.

The summary declaration shall be lodged once the goods have been presented to customs. The Customs 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 48

1. The summary declaration shall consist 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 Kosovo 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 subparagraph (a) acted.

Article 49

Without prejudice to the provisions governing goods imported by travelers and consignments by letter and parcel post, the Customs may waive the lodging of a summary declaration on condition that this does not jeopardize customs supervision of the goods, where, prior to the expiry of the period referred to in Article 47 the formalities necessary for the goods to be assigned a customs-approved treatment or use are carried out.

Article 50

1. Goods shall be unloaded or transshipped from the means of transport carrying them solely with the permission of the Customs in places designated or approved by those Customs.

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 shall be informed accordingly forthwith.

2. For the purpose of inspecting goods and the means of transport carrying them, the Customs may at any time require goods to be unloaded and unpacked.

Article 51

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

CHAPTER 4

OBLIGATION TO ASSIGN GOODS PRESENTED TO CUSTOMS A CUSTOMS-APPROVED TREATMENT OR USE

Article 52

Non-Kosovo goods presented to customs shall be assigned a customs-approved treatment or use authorized for such non-Kosovo goods.

Article 53

1. Where goods are covered by a summary declaration, the formalities necessary for them to be assigned a customs-approved treatment or use must be carried out within 20 days from the date on which the summary declaration is lodged.

2. Where circumstances so warrant, the Customs may set a shorter period or authorize an extension of the period referred to in paragraph 1. Such extension shall not, however, exceed the genuine requirements which are justified by the circumstances.

CHAPTER 5

TEMPORARY STORAGE OF GOODS

Article 54

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. Such goods shall hereinafter be described as 'goods in temporary storage'.

Article 55

1. Goods in temporary storage shall be stored only in places approved by the Customs under the conditions laid down by Customs.
2. The Customs 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 200 or 201.

Article 56

Without prejudice to the provisions of Article 46, 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 57

1. The Customs shall without delay take all measures necessary, including the sale of the goods, to regularize the situation of 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 53.
2. The Customs may, at the risk and expense of the person holding them, have the goods in question transferred to a special place, which is under their supervision, until the situation of the goods is regularized.

CHAPTER 6

PROVISIONS APPLICABLE TO NON-KOSOVO GOODS WHICH HAVE MOVED UNDER A TRANSIT PROCEDURE

Article 58

Once non-Kosovo goods which have moved under a transit procedure reach their destination in Kosovo and have been presented to customs in accordance with the rules governing transit, Articles 46 to 57 shall apply.

CHAPTER 7

OTHER PROVISIONS

Article 59

Where the circumstances so require, the Customs may have goods presented to customs destroyed. The Customs shall inform the holder of the goods accordingly. The costs of destroying the goods shall be borne by the holder.

Article 60

Where Customs find that goods have been brought unauthorized into Kosovo or have been withheld from customs surveillance, they shall take any measures necessary, including sale of the goods, in order to regularize their situation.

Article 61

1. Any public or judicial authority in Kosovo must inform the Customs of any non-Kosovo goods, detained or confiscated by them, including their means of transport.
2. Where the goods referred to in paragraph 1 are transferred to the Customs, the provisions of Article 60 shall apply with the necessary changes.
3. Any customs debt in respect of the goods referred to in paragraph 1 shall be paid from the proceeds of the sale of the goods.

TITLE IV

CUSTOMS-APPROVED TREATMENT OR USE

CHAPTER 1

GENERAL

Article 62

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 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 national treasures possessing artistic, historic or archaeological value or the protection of industrial and commercial property.

CHAPTER 2

CUSTOMS PROCEDURES

Section 1

Placing of goods under a customs procedure

Article 63

1. All goods intended to be placed under a customs procedure shall be covered by a declaration for that customs procedure.
2. Kosovo 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 Kosovo or are destroyed or the customs declaration is invalidated.

Article 64

The Customs shall determine the competence of the various customs offices situated in Kosovo, account being taken, where applicable, of the nature of the goods and the customs procedure under which they are to be placed.

Article 65

The customs declaration shall be made:

- a) in writing; or
- b) using a data-processing technique where provided for by provisions laid down ; 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 Administrative Instruction implementing this Code.

A. Declarations in writing

I. Normal procedure

Article 66

1. Declarations in writing shall be made on a form corresponding to the specimen prescribed in the Administrative Instruction implementing this Code. They shall be signed and contain all the particulars necessary for implementation of the provisions governing the customs procedure for which the goods are declared.

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 67

Declarations which comply with the conditions laid down in Article 66 shall be accepted by the Customs immediately, provided that the goods to which they refer are presented to customs.

Article 68

1. Subject to Article 10, a customs declaration may be made by any person who is able to present the goods in question or to have them presented to the Customs, together with all the documents which are required to be produced 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 on his behalf;

b) the declarant must be established in Kosovo.

However, the condition regarding establishment in Kosovo shall not apply to persons who:

- make a declaration for temporary importation;
- declare goods on an occasional basis, provided that the Customs consider this to be justified.

3. Paragraph 2 (b) shall not preclude the application by Kosovo of bilateral agreements concluded with other countries, or customary practices having similar effect, under which nationals of such countries may make customs declarations in Kosovo, subject to reciprocity.

Article 69

The declarant shall, at his request, be authorized 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.

However, no amendment shall be permitted where authorization is requested after the Customs:

- a) have informed the declarant that they intend to examine the goods; or,
- b) have established that the particulars in question are incorrect; or,
- c) have released the goods.

Article 70

1. The Customs 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.

Nevertheless, where the Customs 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.

2. The declaration shall not be invalidated after the goods have been released, except in cases defined in the Administrative Instruction implementing this Code.

3. Invalidation of the declaration shall be without prejudice to the application of the penal provisions in force.

Article 71

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.

Article 72

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

- a) examine the documents covering the declaration and the documents accompanying it. The Customs 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 73

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 appropriate, the Customs 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 shall not be liable for payment of any compensation in respect thereof but shall bear the costs of their analysis or examination.

Article 74

1. Where only parts 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, where a declaration form covers two or more items, the particulars relating to each item shall be deemed to constitute a separate declaration.

Article 75

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 shall be applied on the basis of the particulars contained in the declaration.

Article 76

1. The Customs 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 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 77

1. Without prejudice to Article 78, 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 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 goods are no longer required to be present for verification purposes.
2. All the goods covered by the same declaration shall be released at the same time.

For the purposes of this paragraph, where a declaration form covers two or more items, the particulars relating to each item shall be deemed to constitute a separate declaration.

Article 78

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, 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 require the provision of a security, the said goods shall not be released for the customs procedure in question until such security is provided.

Article 79

Any necessary measures, including confiscation and sale, shall be taken to deal with goods which:

- a) cannot be released because:
 - it has not been possible to undertake or continue examination of the goods within the period pre-scribed by the Customs for reasons attributable to the declarant; or,
 - the documents which must be produced before the goods can be placed under the customs procedure requested have not been produced; or,
 - payments or security which should have been made or provided in respect of import duties or export duties, as the case may be, have not been made or provided within the period; or
 - they are subject to bans or restrictions;
- b) are not removed within 2 days after their release.

II. Simplified procedures

Article 80

1. In order to simplify completion of formalities and procedures as far as possible while ensuring that operations are conducted in a proper manner, the Customs may, under conditions laid down in the Administrative Instruction implementing this Code, grant permission for:

- a) the declaration referred to in Article 61 to omit certain of the particulars referred to in paragraph 1 of that Article or for some of the documents referred to in paragraph 2 of that 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 66;
- c) the goods to be entered for the procedure in question by means of an entry in the records; in this case, the Customs may waive the requirement that the declarant presents the goods to customs.

The simplified declaration, commercial or administrative document or entry in the records must contain at least the particulars necessary for identification of the goods. Where the goods are entered in the records, the date of such entry must be included.

2. Except in cases to be determined in the Administrative Instruction implementing this Code, the declarant shall furnish a supplementary declaration which may be of a general, periodic or recapitulative nature.

3. Supplementary declarations and the simplified declarations referred to in subparagraphs 1 (a), (b) and (c), 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 subparagraph 1 (c), entry in the records shall have the same legal force as acceptance of the declaration referred to in Article 66.

4. Special simplified procedures for the transit procedure may be laid down in the Administrative Instruction implementing this Code.

B. Other declarations

Article 81

1. Where the customs declaration is made by means of a data-processing technique within the meaning of Article 65 (b), or by an oral declaration or any other act within the meaning of Article 65 (c), Articles 66 to 80 shall, with the necessary changes, apply without prejudice to the principles set out therein.

2. Where the customs declaration is made by means of a data-processing technique, the Customs may allow accompanying documents referred to in Article 66 (2) not to be lodged with the declaration. In this case the documents shall be kept at the Customs ' disposal.

C. Post-clearance examination of declarations

Article 82

1. The Customs may, on their own initiative or at the request of the declarant, review the declaration after release of the goods.

2. The Customs 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 the goods concerned 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. Customs may also examine the goods where it is still possible for them to be produced.

3. Subject to Article 219 (3), where revision of the declaration or post-clearance examination indicates that the provisions governing the customs procedure concerned have been applied on the basis of incorrect or incomplete information, the Customs shall, in accordance with any provisions laid down, take the measures necessary to regularize the situation, taking account of the new information available to them.

Section 2

Release for free circulation

Article 83

1. Release for free circulation shall confer on non-Kosovo goods the customs status of Kosovo goods.
2. It 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 84

1. By way of derogation from Article 71, provided that the import duty chargeable on the goods is one of the duties referred to in Article 4 (10) 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 favorable rate.
2. Paragraph 1 shall not apply where it has not been possible to release the goods for reasons attributable to the declarant alone.

Article 85

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 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 86

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 93 and 95 shall, with the necessary changes, apply to the goods referred to in paragraph 1.

Article 87

Goods released for free circulation shall lose their customs status as Kosovo 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:
 - under the inward processing procedure in the form of the drawback system; or
 - in respect of defective goods or goods which fail to comply with the terms of the contract, pursuant to Article 229; or
 - in situations of the type referred to in Article 230 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

A. Provisions common to several procedures

Article 88

1. In Articles 89 to 95:

- a) where the term ‘suspensive arrangement’ is used, it is understood as applying, in the case of non-Kosovo goods, to the following arrangements:
 - transit;
 - customs warehousing;

- inward processing in the form of a system of suspension;
- processing under customs control;
- temporary importation;

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

- customs warehousing;
- inward processing;
- processing under customs control;
- temporary importation;
- 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 129.

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 89

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

Article 90

Without prejudice to the additional special conditions governing the procedure in question, the authorization referred to in Article 89 and that referred to in Article 105 (1) shall be granted only:

- to persons who offer every guarantee necessary for the proper conduct of the operations;
- where the Customs can supervise and monitor the procedure without having to introduce administrative arrangements disproportionate to the economic needs involved.

Article 91

1. The conditions under which the procedure in question is used shall be set out in the authorization.
2. The holder of the authorization shall notify the Customs of all factors arising after the authorization was granted which may influence its continuation or content.

Article 92

In the cases referred to in the second sentence of the first indent of Article 4 (7) (2), any products or goods obtained from goods placed under a suspensive arrangement shall be considered as being placed under the same arrangement.

Article 93

1. The Customs 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 laid down in the context of a specific suspensive arrangement.

Article 94

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

Article 95

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

B. Transit
I. General provisions

Article 96

1. The transit procedure shall allow the movement from one point to another within Kosovo of:
 - a) non-Kosovo goods, without such goods being subject to import duties or to commercial policy measures;
 - b) Kosovo goods, in cases and on conditions determined in the Administrative Instruction implementing this Code, 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 shall take place:
 - a) under the transit procedure; or
 - b) under cover of a TIR carnet (TIR Convention) provided that such movement:
 - (1) began or is to end outside Kosovo; or
 - (2) relates to consignments of goods which must be unloaded in Kosovo and which are conveyed with goods to be unloaded in another country; or
 - (3) is effected between two points in Kosovo through the territory of another country;
 - c) under cover of an ATA carnet used as a transit document; or
 - d) under cover of any document provided for in a Convention, signed by Kosovo; or
 - 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 97

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 the procedure in question.
2. The Customs 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 relating to transit

Article 98

1. The transit procedure shall apply to goods passing through the territory of another 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 transport document drawn up in Kosovo; in such case the operation of that procedure shall be suspended in the territory of the other country.

Article 99

1. The principal shall provide a guarantee in order to ensure payment of any customs debt 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 principal has been authorized to use such a guarantee by the Customs .
3. The authorization referred to in paragraph 2 (b) shall be granted only to persons who:
 - a) are established in Kosovo;
 - b) are regular users of transit procedures or who are known to the Customs to have the capacity to fulfill 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 that they meet higher standards of reliability may be authorized to use a comprehensive guarantee for a reduced amount or to have a guarantee waiver. The additional criteria for this authorization shall include:
 - a) the correct use of the transit procedures during a given period;
 - b) cooperation with the Customs , and

- c) in respect of the guarantee waiver, a good financial standing which is sufficient to fulfill the commitments of the said persons.

The detailed rules for authorizations granted under this paragraph shall be determined in the Administrative Instruction implementing this Code.

5. The guarantee waiver authorized in accordance with paragraph 4 shall not apply to transit operations involving goods which, as determined in the Administrative Instruction implementing this Code, are considered to present increased risks.

6. In line with the principles underlying paragraph 4, recourse to the comprehensive guarantee for a reduced amount may, in the case of transit, be temporarily prohibited as determined in the Administrative Instruction implementing this Code as an exceptional measure in special circumstances.

7. In line with the principles underlying paragraph 4, recourse to the comprehensive guarantee may, in the case of transit, be temporarily prohibited as determined in the Administrative Instruction implementing this Code in respect of goods which, under the comprehensive guarantee, have been identified as being subject to large-scale fraud.

Article 100

1. Except in cases to be determined where necessary in the Administrative Instruction implementing this Code, no guarantee need be furnished for:

- a) journeys by air;
- b) carriage by pipeline;
- c) operations carried out by the Kosovo railway company.

Article 101

1. The principal shall be the holder 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 adopted by the Customs to ensure identification;
- b) observance of the provisions relating to the transit procedure.

2. Notwithstanding the principal's obligations under paragraph 1, 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 to ensure identification.

Article 102

The detailed rules for the operation of the procedure and the exemptions shall be determined in the Administrative Instruction implementing this Code.

C. Custom's warehouses

Article 103

1. The customs warehousing procedure shall allow the storage in a customs warehouse of:
 - a) non-Kosovo goods, without such goods being subject to import duties or commercial policy measures;
 - b) Kosovo goods, where Kosovo 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 where goods may be stored under the conditions laid down.
3. Cases in which the goods referred to in paragraph 1 may be placed under the customs warehousing procedure without being stored in a customs warehouse may be determined in the Administrative Instruction implementing this Code.

Article 104

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 warehouse keeper.
2. The warehouse keeper is the person authorized 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 105

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

Article 106

The warehouse keeper 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 authorization.

Article 107

1. By way of derogation from Article 106, where the authorization concerns a public warehouse, it may provide that the responsibilities referred to in Article 106 (a) and or (b) 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 108

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

Article 109

Without prejudice to Article 93, the Customs may demand that the warehouse keeper provide a guarantee in connection with the responsibilities specified in Article 106.

Article 110

1. The person designated by the Customs shall keep stock records of all the goods placed under the customs warehousing procedure in a form approved by Customs. Stock records are not necessary where a public warehouse is operated by the Customs.
2. Subject to the application of Article 90 the Customs may dispense with stock records where the responsibilities referred to in Article 106 (a) and/or (b) 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 80 (1) (b).

Article 111

1. Where an economic need exists and customs supervision is not adversely affected thereby, the Customs may allow:
 - a) Kosovo goods other than those referred to in Article 103 (1) (b) to be stored on the premises of a customs warehouse;
 - b) Non-Kosovo 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 Administrative Instruction implementing this Code;
 - c) Non-Kosovo 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 Administrative Instruction implementing this Code.
2. In the cases referred to in paragraph 1, the goods shall not be subject to the customs warehousing procedure.
3. The Customs may require the goods referred to in paragraph 1 to be entered in the stock records provided for in Article 110.

Article 112

Goods placed under the customs warehousing procedure shall be entered in the stock records provided for in Article 110 as soon as they are brought into the customs warehouse.

Article 113

There shall be no limit to the length of time goods may remain under the customs warehousing procedure.

However, in exceptional cases, the Customs may set a time limit by which the depositor must assign the goods a new customs approved treatment or use.

Article 114

1. Import 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 authorized in advance by the Customs, which shall lay down the conditions under which they may take place.
3. The lists of the forms of handling referred to in paragraphs 1 shall be established in the Administrative Instruction implementing this Code.

Article 115

1. Where circumstances so warrant, goods placed under the customs warehousing procedure may be temporarily removed from the customs warehouse. Such removal must be authorized in advance by the Customs, 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 114 on the conditions set out therein.

Article 116

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

Article 117

1. Where a customs debt is incurred in respect of import 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 114, 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 212, if they had not undergone such handling. However, derogations from this provision may be adopted in the Administrative Instruction implementing this Code.
3. Where import goods are released for free circulation in accordance with Article 80 (1) (c), the nature of the goods, the customs value and the quantity to be taken into account for the purposes of Article 212 shall be those applicable to the goods at the time when they were placed under the customs-warehousing procedure.
4. Paragraph 3 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.
5. Paragraph 3 shall apply without prejudice to a post-clearance examination within the meaning of Article 82.

D. Inward processing

I. General

Article 118

1. Without prejudice to Article 119, the inward processing procedure shall allow the following goods to be used in Kosovo in one or more processing operations:
 - a) non-Kosovo goods intended for re-export from Kosovo 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 Kosovo 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 (a);
- b) drawback system: the inward processing relief arrangements as provided for in paragraph 1 (b);
- c) processing operations:
 - the working of goods, including erecting or assembling them or fitting them to other goods;
 - the processing of goods; and
 - the repair of goods, including restoring them and putting them in order;
 - the use of certain goods defined in the Administrative Instruction implementing this Code 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: Kosovo 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 119

1. Where the conditions laid down in paragraph 2 are fulfilled, and subject to paragraph 4, the Customs shall allow:

- a) compensating products to be obtained from equivalent goods;
- b) compensating products obtained from equivalent goods to be exported from Kosovo 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 Administrative Instruction implementing this Code, equivalent goods may be allowed to be at a more advanced stage of manufacture than the import goods.

3. Where paragraph 1 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 may be adopted in the Administrative Instruction implementing this Code.

5. Where paragraph 1 (b) 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 operation, the holder of the authorization 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 authorization

Article 120

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

Article 121

The authorization shall be granted only:

- a) to persons established in Kosovo. However, the authorization may be granted to persons established outside Kosovo in respect of imports of a non-commercial nature;
- b) where, without prejudice to the use of the goods referred to in the last indent of Article 118 (2) (c), the import goods can be identified in the compensating products or, in the case referred to in Article 119, 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 favorable conditions for the export or re-export of compensating products, provided that the essential interests of Kosovo 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 Administrative Instruction implementing this Code

III. Operation of the procedure

Article 122

1. The Customs 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 dispose of the compensating products.

2. The period shall run from the date on which the non-Kosovo goods are placed under the inward processing procedure. The Customs may grant an extension on submission of a duly substantiated request by the holder of the authorization.

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 119 (1) (b) applies, the Customs shall specify the period within which the non-Kosovo 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 Administrative Instruction implementing this Code for certain processing operations or for certain import goods.

Article 123

1. The Customs shall set either the rate of yield of the operation or where appropriate, 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 Administrative Instruction implementing this Code on the basis of actual data previously ascertained.

Article 124

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 Administrative Instruction implementing this Code.

Article 125

1. Subject to Article 126, where a customs debt is incurred, the amount of such debt shall be determined on the basis of the taxation elements 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 the import goods fulfilled the conditions to qualify for preferential tariff treatment within tariff quotas or ceilings, 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 126

By way of derogation from Article 125, 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 adopted in the Administrative Instruction implementing this Code, 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 125;
- b) shall be subject to import duties calculated in accordance with the rules applicable to the 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,

- the person concerned may request that duty be assessed in accordance with Article 125;
 - 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 125;
- 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 favorable 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 duty-free provision is made in the case of identical goods imported in accordance with Article 183 by this Code.

IV. Processing operations outside Kosovo

Article 127

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 Kosovo if the Customs so authorizes, in accordance with the conditions laid down in the outward processing provisions.

2. Where a customs debt is incurred in respect of re-imported products, the following shall be charged:

(a) import duties on the compensating products or goods in the unaltered state referred to in paragraph 1, calculated in accordance with Articles 125 and 126; and

(b) import duties on products re-imported after processing outside Kosovo, 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 128

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

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

Article 129

1. The declaration of release for free circulation shall indicate that the drawback system is being used and shall provide particulars of the authorization.

2. At the request of the Customs, the said authorization shall be attached to the declaration of release for free circulation.

Article 130

Under the drawback system, Article 119 (1) (b), (3) and (5), Article 122 (3), Articles 124 and 125 and Article 126(c) shall not apply.

Article 131

Temporary exportation of compensating products carried out as provided for in Article 127 (1) shall not be considered to be exportation within the meaning of Article 132 except where such products are not re-imported into Kosovo within the period prescribed.

Article 132

1. The holder of the authorization may ask for the import duty to be repaid or remitted where he can establish to the satisfaction of the Customs 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:

- exported, or
- 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, provided that all conditions for use of the procedure have also been fulfilled.

2. For the purposes of being assigned a customs-approved treatment or use referred to in the second indent of paragraph 1, compensating products or goods in the unaltered state shall be considered to be non- Kosovo goods.

3. The period within which the application for repayment must be made shall be determined in the Administrative Instruction implementing this Code.

4. Without prejudice to point (b) of Article 126, 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 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 126 (a) shall apply with the necessary changes.

E. Processing under customs control

Article 133

The procedure for processing under customs control shall allow non- Kosovo goods to be used in Kosovo 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 134

The cases in and specific conditions under which the procedure for processing under customs control may be used shall be determined in the Administrative Instruction implementing this Code.

Article 135

Authorization 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 136

Authorization shall be granted only:

- a) to persons established in Kosovo;
- 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;
- e) where the necessary conditions for the procedure to help create or maintain a processing activity in Kosovo without adversely affecting the essential interests of Kosovo 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 Administrative Instruction implementing this Code.

Article 137

Article 122(1), (2) and (4) and Article 123 shall apply with the necessary changes.

Article 138

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 authorization, the amount of that debt shall be determined on the basis of the items of charge elements 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 139

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 treatment.

2. If the preferential tariff treatment referred to in paragraph 1 in respect of the import goods is subject to tariff quotas or tariff ceilings, 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 ceilings 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 ceilings opened in respect of products identical to the processed products.

F. Temporary importation

Article 140

The temporary importation procedure shall allow the use in Kosovo, with total or partial relief from import duties and without their being subject to commercial policy measures, of non-Kosovo goods intended for re-export without having undergone any change except normal depreciation due to the use made of them.

Article 141

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 142

The Customs shall refuse to authorize use of the temporary importation procedure where it is impossible to ensure that the import goods can be identified.

However, the Customs 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 143

1. The Customs shall determine the period within which import goods must have been re-exported or assigned a new customs approved treatment or use. Such 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 144, the maximum period during which goods may remain under the temporary importation procedure shall be 24 months. The Customs may, however, determine shorter periods with the agreement of the person concerned.
3. However, where exceptional circumstances so warrant, the Customs may, at the request of the person concerned and within reasonable limits, extend the periods referred to in paragraphs 1 and 2 in order to permit the authorized use.

Article 144

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

Article 145

1. Use of the temporary importation procedure with partial relief from import duties shall be granted in respect of goods which are not covered by the provisions adopted in accordance with Article 144 or which are covered by such provisions but do not fulfill 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 Administrative Instruction implementing this Code.

Article 146

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 the goods concerned had been released for free circulation on the date on which they

were placed under the temporary importation procedure, leaving out of account any interest which may be applicable.

3. Transfer of the rights and obligations deriving from the temporary importation procedure pursuant to Article 95 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 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 147

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 taxation elements 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 144 so provide, the amount of the debt shall be determined on the basis of the taxation elements appropriate to the goods in question at the time referred to in Article 219.

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 and that payable pursuant to Article 146.

G. Outward processing

I. General

Article 148

1. The outward processing procedure shall, without prejudice to the provisions governing specific fields relating to the standard exchange system laid down in Articles 157 to 162 or to Article 127, allow Kosovo goods to be exported temporarily from Kosovo 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 Kosovo goods shall entail the application of export duties, commercial policy measures and other formalities for the exit of Kosovo goods from Kosovo.

3. The following definitions shall apply:

- a) 'temporary export goods' means goods placed under the outward processing procedure;

- b) 'processing operations' means the operations referred to in Article 118 (2) (c), first, second and third indents;
- 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 149

1. The outward processing procedure shall not be open to Kosovo 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. However, derogations from paragraph 1 (b) may be determined in the Administrative Instruction implementing this Code.

II. Grant of the authorization

Article 150

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 151

Authorization shall be granted only:

- a) to persons established in Kosovo;
- 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;

The cases in which derogations from this subparagraph may apply and the conditions under which such derogations shall apply may be determined in the Administrative Instruction implementing this Code.

- c) where authorization to use the outward processing procedure is not liable seriously to harm the essential interests of Kosovo processors (economic conditions).

III. Operation of the procedure

Article 152

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

Article 153

1. The total or partial relief from import duties provided for in Article 154 (1) 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) any other person established in Kosovo 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 154 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 correct operation of the said procedure.

Article 154

1. The total or partial relief from import duties provided for in Article 148 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 Kosovo from the country in which they underwent the processing operation or last processing operation.
2. The amount to be deducted pursuant to paragraph 1 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 items of charge applicable to them on the date of acceptance of the declaration relating to the release for free circulation of the compensating products.
3. The value of the temporary export goods shall be that taken into account for those goods in determining the customs value of the compensating products in accordance with Article 36 (1)

(b) (i) 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,

- certain charges determined in the Administrative Instruction implementing this Code shall not be taken into account in calculating the amount to be deducted;
- 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.

4. 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.

5. Where compensating products qualify for a preferential tariff measure within the meaning of Article 24 (3) (c) 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 shall be that which would apply if the temporary export goods fulfilled the conditions under which that preferential measure may be applied.

6. This Article shall be without prejudice to the application of provisions, adopted or liable to be adopted in the context of trade between Kosovo and other countries, which provide for relief from import duties in respect of certain compensating products.

Article 155

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 established to the satisfaction of the Customs 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 shall not apply where account was taken of the defect at the time when the goods in question were first released for free circulation.

Article 156

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 148 shall be granted by establishing the amount of the duties applicable on the basis of the taxation elements 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 154, the Administrative Instruction implementing this Code 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 Kosovo.

IV. Outward-processing with use of the standard exchange system

Article 157

1. Under the conditions laid down in this Section IV 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 shall allow the standard exchange system to be used where the processing operation involves the repair of Kosovo goods.

3. Without prejudice to Article 162, the provisions applicable to compensating products shall also apply to replacement products.

4. The Customs 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 158

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 repair in question.

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 may, however, grant derogations 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 159

Standard exchange shall be authorized only where it is possible to verify that the conditions laid down in Article 158 are fulfilled.

Article 160

1. In the case of prior importation, the temporary export goods shall be exported within a period of two months from the date of acceptance by the Customs of the declaration relating to the release of the replacement products for free circulation.

2. However, where exceptional circumstances so warrant, the Customs may, at the request of the person concerned, extend within reasonable limits the period referred to in paragraph 1.

Article 161

In the case of prior importation and where Article 154 is applied, the amount to be deducted shall be determined on the basis of the items of charge applicable to the temporary export goods on the date of acceptance of the declaration placing them under the procedure.

Article 162

Article 151 (b) shall not apply in the context of standard exchange.

Section 4 Export

Article 163

1. The export procedure shall allow Kosovo goods to leave Kosovo.

Exportation shall entail the application of exit formalities including commercial policy measures and, where appropriate, export duties.

2. With the exception of goods placed under the outward processing procedure, all Kosovo goods intended for export shall be placed under the export procedure.

3. The cases in which and the conditions under which goods leaving Kosovo are not subject to an export declaration may be determined in the Administrative Instruction implementing this Code.

4. The export declaration must be lodged at the customs office responsible for supervising the place where the exporter is established or where the goods are packed or loaded for export shipment.

Derogations may be determined in the Administrative Instruction implementing this Code.

Article 164

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

CHAPTER 3 OTHER TYPES OF CUSTOMS-APPROVED TREATMENT OR USE

Section 1

Free zones and free warehouses

A. General

Article 165

1. Free zones and free warehouses shall be parts of Kosovo or premises situated within Kosovo and separated from the rest of it, in which:

- a) Non-Kosovo goods are considered, for the purpose of import duties and commercial policy import measures, as not being within Kosovo, provided they are not released for free circulation or placed under another customs procedure or used or consumed under conditions other than those provided for in the customs legislation;
- b) Kosovo goods for which such provision is made under Kosovo 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 166

1. The Government of Kosovo, in consultation with the Customs, may designate parts of Kosovo as free zones or authorize the establishment of free warehouses.

2. The Government of Kosovo, in consultation with the Customs, shall determine the area covered by each zone. Premises which are to be designated as free warehouses must be approved by the Customs.

3. Free zones with the exception of those designated in accordance with Article 168, shall be enclosed. The Customs 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.

Article 167

1. The perimeter and the entry and exit points of free zones, except the free zones designated in accordance with Article 168, and of free warehouses shall be subject to supervision by the Customs.

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 Code.

4. The Customs may check goods entering, leaving or remaining in a free zone or free warehouse. To enable such checks to be carried out, a copy of the transport document, which shall accompany goods entering or leaving, shall be handed to, or kept at the disposal of, the Customs by any person designated for this purpose by Customs. Where such checks are required, the goods shall be made available to the Customs.

Article 168

1. The Customs 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 170, 175 and 178 shall not apply to the free zones thus designated.

2. References to free zones in Articles 41, 42 and 202 shall not apply to free zones referred to in paragraph 1.

B. Placing of goods in free zones or free warehouses

Article 169

1. Both Kosovo and non-Kosovo goods may be placed in a free zone or free warehouse.

2. However, the Customs 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 170

1. Without prejudice to Article 167 (4), goods entering a free zone or free warehouse need not be presented to the Customs, nor need a customs declaration be lodged.
2. Goods shall be presented to the Customs 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 the customs procedure in question 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) the quality for the measures referred to in Article 165 (b).
3. Customs may require goods subject to export duties or to other export provisions to be notified to them.
4. At the request of the party concerned, the Customs shall certify the Kosovo or non-Kosovo status of goods placed in a free zone or free warehouse.

C. Operation of free zones and free warehouses

Article 171

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

Article 172

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

Article 173

1. Non-Kosovo goods placed in a free zone or free warehouse may, while they remain in a free zone or free warehouse:

- a) be released for free circulation under the conditions laid down by that procedure and by Article 177;
- b) undergo the usual forms of handling referred to in Article 114 (1) 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 180;
- g) be destroyed, provided that the person concerned supplies the Customs with all the information they judge necessary.

2. Where goods are placed under one of the procedures referred to in (c), (d) or (e), the Customs 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 174

Where Article 173 is not applied, non-Kosovo goods and the Kosovo goods referred to in Article 165 (b) shall not be consumed or used in free zones or in free warehouses.

Article 175

1. All persons carrying on an activity involving 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. Goods shall be entered in the stock records as soon as they are brought into the premises of such person. The stock records must enable the Customs 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. The short-term storage of goods in connection with such transshipment shall be considered to be an integral part of the operation.

D. Removal of goods from free zones or free warehouses

Article 176

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 Kosovo, or
- b) brought into another part of Kosovo.

2. The provisions of Title III, with the exception of Articles 53 to 57 where Kosovo goods are concerned, shall apply to goods brought into other parts of Kosovo except in the case of goods which leave that zone by air without being placed under a transit or other customs procedure.

Article 177

1. Where a customs debt is incurred in respect of non-Kosovo 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 114 (1), 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 authorization granted in accordance with paragraph 3 of that Article, be those which would be taken into account in respect of those goods, at the time referred to in Article 212, had they not undergone such handling. Derogations from this provision may, however, be determined in the Administrative Instruction implementing this Code.

Article 178

1. Where goods are brought into or returned to another part of Kosovo or placed under a customs procedure, the certificate referred to in Article 170 (4) may be used as proof of the Kosovo or non-Kosovo status of such goods.

2. Where it is not proved by the certificate or other means that the goods have Kosovo or non-Kosovo status, the goods shall be considered to be:

- Kosovo goods, for the purposes of applying export duties and export licenses or export measures laid down under the commercial policy;
- non-Kosovo goods in all other cases.

Article 179

The Customs 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 180

1. Non-Community goods may be:

- re-exported from Kosovo;
- destroyed;
- abandoned to the Customs where legislation makes provision to that effect.

2. Re-exportation shall, where appropriate, involve application of the formalities laid down for goods leaving, including commercial policy measures.

Cases in which non-Kosovo 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 Administrative Instruction implementing this Code.

3. Save in cases determined in the Administrative Instruction implementing this Code, re-exportation or destruction shall be the subject of prior notification of the Customs. The Customs shall prohibit re-exportation should the formalities or measures referred to in the first subparagraph of paragraph 2 so provide. Where goods placed under an economic customs procedure are intended for re-exportation, a customs declaration within the meaning of Articles 63 to 82 shall be lodged. In such cases, Article 163 (3) and (4) shall apply.

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

4. Destruction or abandonment shall not entail any expense for the Customs.

5. Any waste or scrap resulting from destruction shall be assigned a customs-approved treatment or use prescribed for non-Kosovo goods.

It shall remain under customs supervision until the time laid down in Article 41 (2).

CHAPTER V GOODS LEAVING KOSOVO

Article 181

Goods leaving Kosovo shall be subject to customs supervision. They may be the subject of checks by the Customs in accordance with the provisions in force. They shall leave Kosovo using, where appropriate, the route determined by the Customs and in accordance with the procedures laid down by Customs.

CHAPTER 1 PRIVILEGED OPERATIONS

RELIEFS FROM IMPORT DUTY

Article 182

The cases in which and the conditions under which, on account of special circumstances, relief from import duties or export duties shall be granted where goods are released for free circulation or exported are determined in the Annex A and D to this Code.

CHAPTER 2 RETURNED GOODS

Article 183

1. Kosovo goods which, having been exported from Kosovo, are returned to Kosovo 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.

However:

- a) the three-year period may be exceeded in order to take account of special circumstances;
- b) where, prior to their exportation from Kosovo, the returned goods had been released for free circulation at reduced or zero import duty because of their use for a particular purpose exemption from duty under paragraph 1 shall be granted only if they are to be re-imported for the same purpose.

2. 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 shall not be granted in the case of:

- a) goods exported from Kosovo under the outward processing procedure unless those goods remain in the state in which they were exported;
- b) goods which have been the subject of a Kosovo measure involving their exportation to other countries. The circumstances in which and the conditions under which this requirement may be waived may be determined in the Administrative Instruction implementing this Code.

Article 184

The relief from import duties provided for in Article 183 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 Administrative Instruction implementing this Code.

Article 185

1. Articles 183 and 184 shall apply with the necessary changes to compensating products originally exported or re-exported subsequent to an inward processing procedure.

2. The amount of import duty legally owed shall be determined on the basis of the rules applicable under the inward processing procedure, the date of re-export being regarded as the date of release for free circulation.

TITLE VI CUSTOMS DEBT

CHAPTER 1 SECURITY TO COVER CUSTOMS DEBT

Article 186

1. Where, in accordance with customs legislation, the Customs 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 shall require only one security to be provided in respect of one customs debt.

3. The Customs may authorize the security to be provided by a person other than the person from whom it is required.

4. Where the person who has incurred or who may incur a customs debt is a public authority, no security shall be required.

5. The Customs may waive the requirement for provision of security where the amount to be secured does not exceed €500.

Article 187

1. Where customs legislation provides that the provision of security is optional, such security shall be required at the discretion of the Customs 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.

Where the security referred to in the preceding subparagraph is not required, the Customs may nevertheless require from the person referred to in Article 186 (1) an undertaking to comply with the obligations which that person is legally obliged to fulfill.

2. The security referred to in the first subparagraph of paragraph 1 shall be required:

- at the time of application of the rules requiring such security to be provided, or
- at any subsequent time when the Customs find that the customs debt which has been or may be incurred is not certain to be paid within the prescribed period.

Article 188

At the request of the person referred to in Article 186 (1) or (3), the Customs 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 189

1. Where customs legislation makes it compulsory for security to be provided, the Customs shall fix the amount of such security at a level equal to:

- 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,
- in other cases the maximum amount, as estimated by the Customs, of the customs debt or debts which have been or may be incurred.

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.

2. Where customs legislation provides that the provision of security is optional and the Customs require security to be provided, the amount of the security shall be fixed by Customs so as not to exceed the level provided for in paragraph 1.

3. The circumstances in which and the conditions under which a flat-rate security may be provided shall be determined in the Administrative Instruction implementing this Code.

Article 190

Security may be provided by either:

- a cash deposit, or
- a guarantor.

Article 191

1. A cash deposit shall be made in euros.

The following shall be deemed equivalent to a cash deposit:

- 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 ,
- submission of any other instrument recognized by Customs 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 Kosovo.

Article 192

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 established in Kosovo and approved by the Customs.

3. The Customs may refuse to approve the guarantor or type of security proposed where the latter do not appear certain to ensure payment of the customs debt within the prescribed period.

Article 193

1. The person required to provide security shall be free to choose between the types of security laid down in Article 190.
2. However, the Customs may refuse to accept the type of security proposed where it is incompatible with the proper functioning of the customs procedure concerned. The same shall apply as regards the security proposed. The Customs may require that the type of security chosen be maintained for a specific period.

Article 194

1. Where the rules adopted in the Administrative Instruction implementing this Code so provide, the Customs may accept types of security other than those referred to in Article 190 where they provide equivalent assurance that the customs debt will be paid.

The Customs shall refuse the security proposed by the debtor where they do not consider that such security is certain to ensure payment of the customs debt.

2. Subject to the reservation referred to in the second subparagraph of paragraph 1, the Customs may accept a cash deposit without the conditions laid down in Article 191 (1) being fulfilled.

Article 195

Where the Customs 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 186 (1), at his option, to provide additional security or to replace the original security with a new security.

Article 196

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 197

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

CHAPTER 2 INCURRENCE OF A CUSTOMS DEBT

Article 198

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 on whose behalf 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 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 Kosovo provisions in force.

Article 199

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

For the purpose of this Article, unlawful introduction means any introduction in violation of the provisions of Articles 42 to 45 and 176 (b).

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 the goods in question 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 200

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 the goods in question 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 fulfill the obligations arising from temporary storage of the goods or from the use of the customs procedure under which those goods are placed.

Article 201

1. A customs debt on importation shall be incurred through:
 - a) non-fulfillment 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 good under that procedure or the granting of a reduced or zero rate of import duty by virtue of the end-use of the goods, in cases other than those referred to in Article 200 unless it is established that

those failures have no significant effect on the correct operation of the temporary storage or customs procedure in question.

2. The customs debt shall be incurred either at the moment when the obligation whose non-fulfillment 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 duty 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 fulfill 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 202

1. A customs debt on importation shall be incurred through the consumption or use, in a free zone or a 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, Customs may regard the goods as having been consumed or used in the free zone or the 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 regard goods which have disappeared as having been consumed or used in the free zone or the free warehouse and it is not possible to apply the preceding paragraph, 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 203

1. By way of derogation from Articles 199 and 201(1) (a), no customs debt on importation shall be deemed to be incurred in respect of specific goods where the person concerned proves that the non-fulfillment of the obligations which arise from:

- a) the provisions of Articles 42 to 45 and 176 (b), 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 authorization by the Customs .

For the purposes of this paragraph, goods shall be irretrievably lost when they are rendered unusable by any person.

2. 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 duty by virtue of their end-use, where such goods are exported or re-exported with the permission of the Customs.

Article 204

Where, in accordance with Article 203(1), no customs debt is deemed to be incurred in respect of goods released for free circulation at a reduced or zero rate of import duty on account of their end-use, any scrap or waste resulting from such destruction shall be deemed to be non-Kosovo goods.

Article 205

1. Where in accordance with Article 200 or 201 a customs debt is incurred in respect of goods released for free circulation at a reduced rate of import duty 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. This provision shall apply with the necessary changes where a customs debt is incurred in respect of scrap and waste resulting from the destruction of such goods.

Article 206

1. A customs debt on exportation shall be incurred through the exportation from Kosovo, under cover of a 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 207

1. A customs debt on exportation shall be incurred through the removal from Kosovo 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 Kosovo.
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 reasonably have been aware that a customs declaration had not been but should have been lodged.

Article 208

1. A customs debt on exportation shall be incurred through failure to comply with the conditions under which the goods were allowed to leave Kosovo 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 Kosovo with total or partial relief from export duties or, should the Customs 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 209

The customs debt referred to in Articles 198 to 202 and 206 to 208 shall be incurred even if it relates to goods subject to measures of prohibition or restriction on importation or exportation of any kind whatsoever. However, no customs debt shall be incurred on the unlawful introduction into Kosovo of counterfeit currency or of narcotic drugs and psychotropic substances which do not enter into the economic circuit strictly supervised by the Customs with a view to their use for medical and scientific purposes. For the purposes of criminal law as applicable to customs offences, the customs debt shall nevertheless be deemed to have been incurred where, under a Kosovo criminal law, customs duties provide the basis for determining penalties, or the existence of a customs debt is grounds for taking criminal proceedings.

Article 210

Where customs legislation provides for favorable 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 25, 86, 148 or 202 to 185, such favorable tariff treatment, relief or exemption shall also apply in cases where a customs debt is incurred pursuant to Articles 199 to 202, 207 or 208, on condition that the behavior of the person concerned involves neither fraudulent dealing nor obvious negligence and he produces evidence that the other conditions for the application of favorable treatment, relief or exemption have been satisfied.

Article 211

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

Article 212

1. Save as otherwise expressly provided by this Code and without prejudice to paragraph 2, the amount of the import duty or export duty 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 conclude that the goods are in a situation in which a customs debt is incurred.

3. However, where the information available to the Customs enables them to establish that the customs debt was incurred prior to the time when they reached that conclusion, the amount of the import duty or export duty 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.

4. Compensatory interest shall be applied according to the rate applicable on the Kosovo money or financial market, 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 213

1. A customs debt shall be incurred:

- a) at the place where the events from which it arises occur,
- b) if it is not possible to determine that place, at the place where the Customs 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 paragraphs (a) or (b) within a period of time determined, if appropriate, in the Administrative Instruction implementing this Code, at the place where the goods were either placed under the procedure concerned or were introduced into Kosovo under that procedure.

2. Where the information available to the Customs 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 214

1. In so far as agreements concluded between Kosovo and certain other countries provide for the granting on importation into those countries of preferential tariff treatment for goods originating in Kosovo within the meaning of such agreements, on condition that, where they have been obtained under the inward processing procedure, non-Kosovo 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 those 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 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 on whose behalf the declaration is made shall also be a debtor.

4. The amount of the import 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 3

RECOVERY OF THE AMOUNT OF THE CUSTOMS DEBT

Section 1

Article 215

Entry in the accounts and communication of the amount of duty to the debtor

1. Each and every amount of import duty or export duty resulting from a customs debt, hereinafter called ‘amount of duty’, shall be calculated by the Customs as soon as they have the

necessary particulars, and entered by Customs in the accounting records or on any other equivalent medium (entry in the accounts).

The first subparagraph shall not apply:

- (a) where a provisional anti-dumping duty has been introduced;
 - (b) where the amount of duty legally due exceeds that determined on the basis of binding information;
 - (c) where the provisions adopted in the Administrative Instruction implementing this Code waive the requirement for the Customs to enter in the accounts amounts of duty below a given level.
2. The Customs may discount amounts of duty which, under Article 219 (3), could not be communicated to the debtor after the end of the time allowed.
3. The Customs 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 are satisfied that the said amounts will be paid.

Article 216

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.

However, 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, 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 working days of the expiry of the period in question.

2. Where it is provided that goods may be released subject to meeting any condition 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.

However, where the customs debt relates to a provisional anti-dumping duty, that duty shall be entered in the accounts no later than two months following publication in the Official Gazette of Kosovo of the provisions establishing a definitive anti-dumping duty.

3. Where a customs debt is incurred under conditions other than those referred to in paragraph 1, the relevant amount of duty shall be entered in the accounts within two days of the date on which the Customs are in a position to:

- a) calculate the amount of duty in question, and
- b) determine the debtor.

Article 217

The time limits for entry in the accounts laid down in Article 216 may be extended where special circumstances prevent the Customs from complying with the said time limits.

Article 218

1. Where the amount of duty resulting from a customs debt has not been entered in the accounts in accordance with Articles 216 and 218 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 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 217.

2. Except in the cases referred to in the second and third subparagraphs of Article 215 (1), 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 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 another 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 within the meaning of the first subparagraph.

- 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 demonstrate that, during the period of the 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 the competent authorities in Kosovo have published a notice in the Official Gazette of Kosovo, 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 Administrative Instruction implementing this Code exempt the Customs from the subsequent entry in the accounts of amounts of duty less than a certain figure.

Article 219

1. As soon as it has been entered in the accounts, the amount of duty shall be communicated to the debtor in accordance with appropriate procedures.

2. Where the amount of duty payable has been entered, for guidance, in the customs declaration, the Customs may specify that it shall not be communicated in accordance with paragraph 1 unless the amount of duty indicated does not correspond to the amount determined by the authorities.

Without prejudice to the application of the second subparagraph of Article 216 (1), where use is made of the possibility provided for in the preceding subparagraph, release of the goods by the Customs shall be equivalent to communication to the debtor of the amount of duty entered in the accounts.

3. 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. This period shall be suspended from the time an appeal within the meaning of Article 292 is lodged, for the duration of the appeal proceedings.

4. Where the customs debt is the result of an act which, at the time it was committed, was liable to give rise to criminal court proceedings, the amount may, under the conditions set out in the provisions in force, be communicated to the debtor after the expiry of the three-year period referred to in paragraph 3.

Section 2

Article 220

Time limit and procedures for payment of the amount of duty

1. Amounts of duty communicated in accordance with Article 226 shall be paid by debtors before release of the goods.
2. In the case of aggregation of entries in the accounts under the conditions laid down in the second subparagraph of Article 216 (1), amounts of duty shall be paid as soon as it has been communicated to the debtor.
3. An extension shall be granted automatically where it is established that the person concerned received the communication too late to enable him to make payment within the period prescribed. Extension of the period may also be granted by the Customs at the request of the debtor where the amount of duty to be paid results from action for post-clearance recovery. Such extensions shall not exceed the time necessary for the debtor to take the appropriate steps to discharge his obligation.
4. The cases and conditions in which the debtor's obligation to pay duty shall be suspended may also be provided for in the Administrative Instruction implementing this Code:
 - a) where an application for remission of duty is made in accordance with Article 227, 229 or 230, or
 - b) where goods are seized with a view to subsequent confiscation in accordance with the second indent of point (c) or with point (d) of Article 224, or
 - c) where the customs debt was incurred under Article 200 and there is more than one debtor.

Article 221

Payment shall be made in cash or by any 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 222

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

Article 223

1. Where the amount of duty due has not been paid within the prescribed period:

- a) the Customs shall avail themselves of all options open to them to secure payment of that amount, including confiscation and seizure of any goods, property, vehicles, etc;

Special provisions may be adopted, in the Administrative Instruction implementing this Code, 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 rate of credit interest. It may not be lower than that rate.

2. The Customs 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 a level fixed in the Administrative Instruction implementing this Code, or
- c) if the duty is paid within five days of the expiry of the period prescribed for payment.

3. The Customs may fix:

- a) minimum periods for calculation of interest;
- b) minimum amounts payable as interest on arrears.

CHAPTER 4 EXTINCTION OF CUSTOMS DEBT

Article 224

1. Without prejudice to the provisions in force relating to the time-barring of a customs debt and 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:
 - the customs declaration is invalidated,

- the goods, before their release, are either seized and simultaneously or subsequently confiscated, destroyed on the instructions of the Customs, destroyed or abandoned in accordance with Article 180, 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 199 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 Kosovo criminal law, customs duties provide the basis for determining penalties or the existence of a customs debt is grounds for taking criminal proceedings.

Article 225

A customs debt, as referred to in Article 214, shall also be extinguished where the formalities carried out in order to enable the preferential tariff treatment referred to in Article 214 to be granted are cancelled.

CHAPTER 5 REPAYMENT AND REMISSION OF DUTY

Article 226

The following definitions shall apply:

- a) 'repayment' means the total or partial refund of import duties 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 227

1. Import duties or export duties shall be repaid in so far as 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 218 (2).

Import duties or export duties shall be remitted in so far as 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 218 (2).

No repayment or remission 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 duties 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 themselves discover within this period that one or other of the situations described in the first and second subparagraphs of paragraph 1 exists, they shall repay or remit on their own initiative.

Article 228

Import duties 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 229

1. Import duties shall be repaid or remitted in so far as it is established that the amount of such duties entered in the accounts relates to goods placed under the customs procedure in question and rejected by the importer because at the point in time referred to in Article 71 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 the first subparagraph, shall be deemed to include goods damaged before their release.

2. Repayment or remissions of import duties shall be granted on condition that:

- a) 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) the goods are exported from Kosovo.

At the request of the person concerned, the Customs shall permit the goods to be 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, instead of being exported.

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 non-Kosovo goods.

3. Import duties shall not be repaid or remitted in respect of goods which, before being declared, 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 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 may permit this period to be exceeded in duly justified exceptional cases.

Article 230

1. Import duties or export duties may be repaid or remitted in situations other than those referred to in Articles 227, 228 and 229:

- to be determined in the Administrative Instruction implementing this Code;
- resulting from circumstances in which no deception or obvious negligence may be attributed to the person concerned. The situations in which this provision may be applied and the procedures to be followed to that end shall be defined in the Administrative Instruction implementing this Code. 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 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 may permit this period to be exceeded in duly justified exceptional cases.

Article 231

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 Administrative Instruction implementing this Code.

However, the Customs may also grant an application for repayment or remission in respect of a lower amount.

Article 232

1. Repayment by the competent authorities of amounts of import duties 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 Customs.

However, interest shall be paid:

- a) where a decision to grant a request for repayment is not implemented within three months of the date of adoption of that decision,
- b) where Kosovo provisions so stipulate.

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 Kosovo money or financial market.

Article 233

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 232 must be reimbursed.

TITLE VII GENERAL PROVISIONS

CHAPTER 1

Article 234

Description

1. Excise tax shall be a tax levied on excise products released for consumption in Kosovo.

Article 235 Interpretation

In this chapter:

- (a) “Approved records” means any records approved by the Director General under section 249;

(b) “Authorized excise tax trader” means a natural or legal person authorized by the Customs under section 248 to receive products subject to excise tax, where that excise tax has been suspended under a suspension arrangement, in order that he may use those excise products in the course of his business;

(c) “Authorized excise tax warehouse” means premises authorized by the Customs under section 245 where products subject to excise tax may be produced, processed, held, received or dispatched under a suspension arrangement by an authorized excise tax warehouse keeper, subject to such conditions as may be laid down by the Customs;

(d) “Authorized excise tax warehouse keeper” means a natural or legal person authorized by the Customs under section 246 to produce, process, hold, receive or dispatch at an authorized excise tax warehouse products subject to excise tax, where that tax has been suspended under a suspension arrangement, subject to such conditions as may be laid down by the Customs;

(e) “Banderol” means a type of fiscal mark to be attached to an excise product which is intended to be broken when that product is opened;

(f) “Director General” means the Director General of the Customs;

(g) “Excise product” means any product subject to an excise tax;

(h) “Export” and “exportation” mean the moving or delivery of an excise product from Kosovo and into a country, area or place outside of Kosovo.

This terms shall be applied in conformity with section 235.1 (k);

(i) “Fiscal mark” means a mark required by or under article 242 to be carried by an excise product which may indicating all or any of the following: (i) that excise tax has been paid on the product;

(ii) the rate at which excise tax has been paid on the product;

(iii) the amount of excise tax paid on the product;

(iv) when excise tax was paid on the product; and

(v) that the sale of the product is:

- only permissible on a date set out on the mark;

- not permissible after, or on or after, a date set out on the mark; and

- not permissible before, or before or on, a date set out on the mark;

(j) “Import” and “importation” mean the moving or delivery of an excise product from a country, area or place outside Kosovo and into Kosovo. These terms shall be applied in conformity with section 235.1 (k);

(k) “Kosovo” means the territory of Kosovo

(l) “Independent Review Board” means the Board initially established under UNMIK Administrative Direction No. 2000/7 of 12 April 2000 Implementing UNMIK Regulation No. 2000/20 of 12 April 2000 On Tax Administration and Procedures, and currently governed by the

Law on Tax Administration and Procedures, as promulgated by UNMIK Regulation No. 2005/17 of 9 April 2005.

(m) “Released for consumption” in respect of excise products means:

- (I) their removal, including any unlawful removal, from a suspension arrangement;
- (II) their production, including any unlawful production, outside a suspension arrangement;
- (III) their importation, including any unlawful importation, where that product has not been placed under a suspension arrangement;
- (IV) where an excise product has been exempted from excise tax by virtue of article 238.1, and the product is not used for the purpose for which they were exempted;
- (v) where excise tax is not payable by a body, organ, agency or other organization by virtue of article 238.2, and the excise product is not used for the purpose for which they were exempted from payment; and
- (vi) when shortages are discovered which are subject to excise tax by virtue of articles 240.7, 246.6, 247.6.

(n) “Repayment” means the total or partial refund of excise tax which has been paid;

(o) “Remission” means either a decision to waive all or part of an amount of excise tax which is due or a decision to render void an entry in the accounts of all or part of an amount of excise tax which has not been paid;

(p) “Officer” means any officer of the Customs;

(q) “Satisfactory guarantee” means a guarantee acceptable to the Customs for the purpose for which it is offered;

(r) “Suspension arrangement” means a tax arrangement applied to the import, export, production, processing, holding and movement of excise products whereby the requirement to pay excise tax is suspended;

(s) “Tobacco product” means any of the following:

- (i) cigarettes;
- (ii) cigars and cigarillos; and
- (iii) other manufactured tobacco; which are manufactured wholly or partly from tobacco or any substance used as a substitute for tobacco, but does not include herbal smoking products; and

(t) “Working hours” means any time between 09.00 hours and 17.00 hours any Monday, Tuesday, Wednesday, Thursday and Friday, except when that day is a public holiday.

In this Chapter, unless the context otherwise requires:

(a) the singular includes the plural and the plural includes the singular, and

(b) “he” includes “she”, and “him” includes “her”.

In this Chapter, unless the context otherwise requires, references to chapters, sections, and subsections are references to such items in this Chapter.

Article 236
Control and Management

1. Excise tax shall be under the control and management of Customs. All excise taxes collected by the Customs shall be deposited into the Kosovo Fund.
2. Where, in or under this Chapter, the Director General is under any duty or has any power to do any act, he may delegate that duty or power to any named person, or any rank of officer, or any rank of officer at any particular place, and shall record any such delegation in a written Instrument and shall:
 - (a) make a copy of that Instrument of Delegation available for public inspection at the Headquarters of the Customs; and
 - (b) maintain a further copy available for public inspection by electronic means

CHAPTER 2
TAXATION OF EXCISE PRODUCTS

Article 237
The Charge to Excise Tax

1. Excise tax shall be charged on each excise product at the rate in force in respect of that product at the date and time when it is released for consumption in Kosovo.
2. Where excise tax is charged on an excise product which is released for consumption by means of an unlawful removal, production or importation, excise tax shall be due to be paid immediately on that excise product and until it is paid, that product shall be liable to detention and seizure.
3. Where, at the time of the release for consumption of an excise product, there has already been paid in respect of that product an amount of excise tax in respect of any fiscal mark or banderol affixed to that product, excise tax shall only be charged on any difference between the rate in force at the time of the release for consumption and the amount paid in respect of the fiscal mark or banderol.
4. Where excise tax is charged on the importation of an excise product, including its unlawful importation, by reference to the value of that product, it shall be charged on the value of that product for importation purposes, together with any customs duty payable on the importation of that product, but excluding any value added tax payable on the importation of that product.
5. The current rates of excise tax and the products that are subject to excise tax are those set to the present Legislation in force.

Article 238
Exemptions

1. The excise products set out in Annex B to the Chapter shall be exempted from excise tax.
2. Excise tax shall not be payable by the bodies, organs, agencies and other organizations set out in Annex C to the Chapter.
3. The Government of Kosovo may, by an Administrative Directive, amend Annexes B and C, and in particular may exempt such other excise products from excise tax and such other bodies, organs, agencies or other organizations from paying excise tax as he thinks fit, subject to such conditions as he may impose.

Article 239
Repayment and Remission

1. Subject to such limitations Customs may impose, where the Customs is satisfied that any excise product on which excise tax has been paid has been used for a purpose other than that for which excise tax is chargeable, or where an excise product on which excise tax has been paid has been destroyed under customs control or exported, Customs may on an application made by the person who paid the excise tax, at any time up to 1 year from the date of payment of that tax, repay that excise tax to that person.
2. No excise tax shall be due in respect of any excise product under a suspension arrangement which is destroyed under the control of the Customs.

Article 240
Movement of Excise Products

1. The movement of excise products under a suspension arrangement shall be permitted only:
 - (a) between an authorized excise tax warehouse and another authorized excise tax warehouse or an authorized excise tax trader; and
 - (b) on their import directly to an authorized excise tax warehouse or an authorized excise tax trader; and
 - (c) on their export directly from an authorized excise tax warehouse.
2. Except as provided for by section 3, all movements of excise products:
 - (a) under section 1(a) and (c) shall be covered by a satisfactory guarantee provided by the authorized excise tax warehouse keeper of dispatch; and

(b) under section 1(b) shall be covered by a satisfactory guarantee provided by the authorized excise tax warehouse keeper or authorized excise tax trader of receipt.

3. The Customs may, where they think fit, waive the requirement for a satisfactory guarantee under section 2 or, as an alternative to the requirements of that section:

(a) require, where not required under section 2(b), the consignee to provide a satisfactory guarantee to cover a movement of an excise product; and

(b) permit;

(i) a satisfactory guarantee jointly and severally binding on both the consignor and the transporter to cover a movement of an excise product; and

(ii) the transporter or the owner of the products to provide a satisfactory guarantee to cover a movement of an excise product.

4. The liability of the person providing the guarantee shall only be discharged by proof that the consignee has taken delivery of the excise products or that they have been exported.

5. The Director General shall, after consultation with the Minister of Economy and Finances, lay down in an Administrative Instruction the conditions under which any movement of excise products under this section shall take place, and the documents that shall accompany that movement.

6. Where an excise product is lost or destroyed by reason of accident or force majeure, or where a loss occurs which is inherent in the movement of a particular excise product, any person providing a guarantee in respect of that product shall notify the Customs immediately of that loss or destruction.

7. Where the Customs is satisfied that a loss of excise products on a movement covered by a guarantee provided under this section, was not caused by accident or force majeure or was not a loss inherent in the nature of the excise products which were moved, excise tax shall be deemed to be chargeable on the lost excise products at the rate chargeable on the date of the loss or, if this cannot be established, at the date of the discovery of the loss, and shall be due from and payable by the person providing the guarantee.

Article 241

Avoidance

1. "An order under this section" means an order by the Director General that the person named in the order shall not:

(a) import any excise product named in the order; and

(b) remove from a suspension arrangement any excise product named in the order;

where that importation or removal would be in excess of the average amount imported or removed by that person in the previous 9 months (which in the case of a person who has never imported, removed or applied before, shall be nil).

2. Where the Director General believes that a person is proposing to import an excise product or remove an excise product from a suspension arrangement with the intention of avoiding a possible future increase in the rate of excise tax chargeable on that product, he may make an order under this article.

3. An order under this section shall be notified in writing to the person concerned by either:
(a) being given to him by hand or left or sent by post to his last known business or home address; or
(b) where that person has an electronic address, sent to that electronic address.

4. The making of an order under this section shall be an appeal matter to the Independent Review Board.

Article 242 Fiscal Marks

1. Where an excise product is required to carry a fiscal mark, the Director General, after consultation with the Minister of Economy and Finance, shall by an Administrative Instruction make provision for:

- (a) the contents of that mark;
- (b) the appearance of that mark;
- (c) the positioning of a fiscal mark on the packaging of the excise product; and
- (d) in the case of an excise product that has more than one layer of packaging, which layer is (or are) to carry that mark.

2. Where an excise product is required to be marked by a chemical marker so that it may be relieved from excise tax, the Director General, after consultation with the Minister of Economy and Finance, shall by an Administrative Instruction make provision for:

- (a) the chemical marker to be used;
- (b) the liability of any marked excise product which is used for a purpose for which relief is not granted to be detained and seized; and
- (c) any other matter which the Director General considers necessary to ensure that any excise tax which is not subject to relief is safeguarded.

Article 243 Payment of Excise Tax

1. Excise tax on importation shall be charged and payable as if it were a duty of customs.

2. Subject to paragraph 3 and 4, no excise product which is not being sent to another authorized excise tax warehouse, an authorized excise tax trader or to be exported may be removed from an authorized excise tax warehouse unless the excise tax payable on that product has been paid by the authorized excise tax warehouse keeper for that warehouse.

3. Where the Customs is satisfied that excise tax that is or may become payable is safeguarded, he may permit an authorized excise tax warehouse keeper to pay excise tax that is payable under paragraph 2 weekly or monthly in arrears.

4. The Director General, after consultation with the Minister of Economy and Finance, shall by Administrative Instruction lay down the forms to be used by an authorized excise tax warehouse keeper to pay excise tax , and any additional records that need to be kept and any additional conditions that may be applied to an authorized excise tax warehouse keeper who pays excise tax under the provisions of article .

5. Where excise tax is deemed to be due by virtue of the provisions of article 240.7, and is not paid within one month of the date when the loss was discovered, the Customs may assess the amount of excise tax due, and shall notify the person who provided the guarantee of that amount, and that amount shall be deemed to be an amount of excise tax due immediately from the person who provided the guarantee and shall be required to be paid by him within 30 days of the date of notification.

6. Where excise tax is deemed to be due by virtue of the provisions of section 246.6, and is not paid within one month of the date when the loss was discovered, the Customs may assess the amount of excise tax due, and shall notify the authorized excise tax warehouse keeper of that amount, and that amount shall be deemed to be an amount of excise tax due immediately from the authorized excise tax warehouse keeper and shall be required to be paid by him within 30 days of the date of notification.

7. Where excise tax is deemed to be due by virtue of the provisions of section 247.6, and is not paid within one month of the date when the loss was discovered, the Customs may assess the amount of excise tax due, and shall notify the authorized excise tax trader of that amount, and that amount shall be deemed to be an amount of excise tax due immediately from the authorized excise tax trader and shall be required to be paid by him within 30 days of the date of notification.

8. Where an assessment is made under this section, interest shall be chargeable at the market rate to the date of the assessment from the date of the loss or, if this cannot be established, from the date when the goods entered the most recent suspension arrangement that they were under.

9. A notification of an assessment:

(a) under section 5 shall be deemed to have been made if delivered to or left at the address set out on the guarantee for the person who provided that guarantee;

(b) under section 6 shall be deemed to have been made if delivered to or left at the authorized excise tax warehouse for which the authorized excise tax warehouse keeper is appointed; and

(c) under section 7 shall be deemed to have been made if delivered to or left at the premises in respect of which the authorized excise tax trader is entitled to receive excise products under a suspension arrangement.

Article 244
Recovery of Tax

1. Where any excise debt exists, including any excise tax that is deemed to be due, which is required to be paid by any authorized excise tax warehouse keeper, authorized excise tax trader or a person providing a guarantee, which has not been paid by the date on which it was due and payable, then the Customs may, in addition to or instead of calling for payment under a guarantee:

(a) authorize an officer to enter during working hours any authorized excise tax warehouse of the authorized excise tax warehouse keeper or the authorized premises of an authorized excise tax trader and detain and seize any excise product under a suspension arrangement found at those premises;

(b) authorize an officer to enter during working hours any authorized excise tax warehouse of the authorized excise tax warehouse keeper or the authorized premises of an authorized excise tax trader and detain and seize any property, including vehicles, belonging to those persons; and

(c) prevent the authorized excise tax warehouse keeper or authorized excise tax trader from dealing with any business bank account in their name or the name of their business.

2. No item may be detained and seized under this section where the value of other items already detained and seized to satisfy the amount of the excise debt exceed the amount of that debt.

3. The Customs may exercise the power given to him under paragraph 1(c) by advising the bank where the account is held of the excise debt and that no further dealing with the account by its owner may take place without the permission in writing of the Customs.

CHAPTER 3
AUTHORISATIONS AND APPROVALS

Article 245
Authorized Excise Tax Warehouse

1. The Customs shall authorize premises to be used for the production, processing, holding, receiving or dispatch of excise products under a suspension arrangement (“an authorized excise tax warehouse”), where he is satisfied that any excise tax that would become due on that production, processing, holding, receiving or dispatch is safeguarded.

2. An application to the Customs for the authorization of premises under paragraph 1 shall contain the following information:

(a) a description or map, showing precisely where in Kosovo those premises are;

(b) a description or plan of the premises, showing precisely, if only part of those premises are to be used for the production, processing, holding, receiving or dispatch of excise products

under a suspension arrangement, where those products are to be produced, processed, held, received or dispatched;

(c) a description of the provisions installed or to be installed to ensure the security of the excise products; and

(d) a description, in terms of their Tariff headings and descriptions, of the excise products to be produced, processed, held, received or dispatched under a suspension arrangement on the premises and the normal and maximum amounts of those products;

3. Any authorization by the Customs under paragraph 1 may be subject to such conditions as he may see fit to impose to ensure that any excise tax due is safeguarded, and shall include the condition that an authorized excise tax warehouse keeper be appointed in respect of that authorized excise tax warehouse.

Article 246

Authorized Excise Tax Warehouse keeper

1. The Customs shall authorize a person to be an authorized excise tax warehouse keeper in respect of any authorized excise tax warehouse where he is satisfied that that person is a suitable person to ensure that any excise tax that would become due on any excise products produced, processed, held received or dispatched at that authorized excise tax warehouse under a suspension arrangement is safeguarded.

2. An application to the Customs for a person to be an authorized excise tax warehouse keeper in respect of any authorized excise tax warehouse under section paragraph 1 shall contain the following information in relation to that person:

(a) name and address;

(b) bank account details;

(c) financial position;

(d) personal and tax history; and

(e) the records required to be approved under article 249

3. Any authorization by the Director General under paragraph 1 may be subject to such conditions as he may see fit to impose to ensure that any excise tax that would become due on any excise products held in an authorized excise tax warehouse under a suspension arrangement for which the authorized excise tax warehouse keeper is appointed is safeguarded.

4. An authorized excise tax warehouse keeper shall be required, in respect of each authorized excise tax warehouse where he is the authorized excise tax warehouse keeper, to:

(a) provide a satisfactory guarantee, if necessary, to cover the production, processing, holding and receiving, and a compulsory satisfactory guarantee to cover the dispatch of excise products from that authorized excise tax warehouse;

(b) comply with all legal requirements by this Code;

(c) keep the records required by section 249.1;

(d) produce the excise products whenever required to do so by an officer; and

(e) consent to all monitoring and checks by officers.

5. Where an excise product is lost or destroyed by reason of accident or force majeure at an authorized excise tax warehouse, or where a loss occurs on a movement to or from an authorized excise tax warehouse which is inherent in such a movement of that particular excise product, any person providing a guarantee in respect of that product shall notify the Customs immediately of that loss or destruction.

6. Where the Director General is satisfied that a loss of excise products at an authorized excise tax warehouse, or on a movement to or from an authorized excise tax warehouse for which the authorized excise tax warehouse keeper was required to provide a guarantee, was not caused by accident or force majeure or was not a loss inherent in the nature of the excise products which were moved, produced, processed, held, received or dispatched, excise tax shall be deemed to be chargeable on the lost excise products at the rate chargeable on the date of the loss or, if this cannot be established, at the date of the discovery of the loss, and shall be due from and payable by the authorized excise tax warehouse keeper.

Article 247

Authorized Excise Tax Trader

1. The Customs shall authorize a person to be an authorized excise tax trader where he is satisfied that that person has a business need for excise products that will be used for a purpose not subject to excise tax.

2. An authorization under this section shall be limited to a particular set of premises, a particular type of excise product and the quantity that may be received in a year, and may require the provision of a satisfactory guarantee to cover the amount of excise tax suspended on any excise product on those premises.

3. An application to the Customs for a person to be an authorized excise tax trader under paragraph 1 shall contain the following information in relation to that person:

- (a) name and address;
- (b) bank account details;
- (c) financial position;
- (d) personal and tax history;
- (e) the premises at which the excise product is to be received;
- (f) the type of excise product to be received;
- (g) the quantity of the excise product to be received in a year;
- (h) the intended use of that excise product; and
- (i) the records required to be approved under section 248.2.

4. An authorized excise tax trader shall be required to:

- (a) comply with all legal requirements by this Code;
- (b) keep the records required by section 248.2;
- (c) produce the excise products whenever required to do so by an officer; and
- (d) consent to all monitoring and checks by officers.

5. Where an excise product is lost or destroyed by reason of accident or force majeure at the premises of an authorized excise tax trader, or where a loss occurs on a movement to an authorized excise tax trader which is inherent in such a movement of that particular excise product, the authorized excise tax trader shall notify the Customs immediately of that loss or destruction.

6. Where the Customs is satisfied that a loss of an excise product at the premises of or on a movement to an authorized excise tax trader for which the authorized excise tax trader was required to provide a guarantee, was not caused by accident or force majeure or was not a loss inherent in the nature of the excise products which were moved, excise tax shall be deemed to be chargeable on the lost excise products at the rate chargeable on the date of the loss or, if this cannot be established, at the date of the discovery of the loss, and shall be due from and payable by the authorized excise tax trader.

Article 248

Approval of Records

1. Except where Customs considers them insufficient to ensure that any excise tax due is safeguarded, the Customs shall approve the commercial records of any authorized excise tax warehouse keeper as the records to be kept of the excise products produced, processed, held, received or dispatched under a suspension arrangement at the authorized excise tax warehouse for which the authorized excise tax warehouse keeper is appointed.

2. Except where Customs considers them insufficient to ensure that any excise tax due is safeguarded, the Customs shall approve the commercial records of any authorized excise tax trader as the records to be kept of the excise products received by him under a suspension arrangement.

3. Where he considers it necessary to safeguard any excise tax that may become due, the Customs may require records to be kept in a particular type of register, with numbered and non-removable pages, signed or stamped by the Customs before use or, if in electronic form, in a form that guarantees that records cannot be amended or removed.

4. An application to the Customs for the approval of records under paragraph 1 or 2 shall contain copies of the records kept or to be kept, together with examples of completed records, and shall contain records of:

(a) in respect of an authorized excise tax warehouse:

- (i) estimates of the yield or production or processing;
- (ii) stock records that will be kept of raw materials;
- (iii) stock records that will be kept of products under production and processing;
- (iv) stock records that will be kept of finished products; and
- (v) records that will be kept of all stock and product movements; and

(b) in respect of an authorized excise tax trader, records of all stocks of excise products received and expected to be received.

5. Any approval by the Customs under section paragraph 1 or 2 shall be subject to such conditions as he may see fit to impose to ensure that any excise tax due is safeguarded.

6. If any authorized excise tax warehouse keeper or authorized excise tax trader fails to comply with a condition imposed under paragraph 5, the Customs may impose on him an administrative penalty of between €500 and €10,000 and, in addition, to a further administrative penalty of between €10 and €100 for each day that the condition continues not to be complied with.

Article 249

Refusal, Revocation and Suspension of Authorizations and Approvals

1. Where he considers it necessary to do so to safeguard any excise tax that is or could become due, the Customs may refuse any application for an authorization, approval or license requested under this article, and revoke or suspend any authorization, approval or license given.

2. Any refusal, revocation or suspension under paragraph 1 shall be an appeal able matter to the request for decision review to Customs according to article 291 of this Code, virtue as regular law instrument.

CHAPTER 4

Control of Persons and Goods

Article 250

Control of Persons Entering or Leaving Kosovo and their Goods

1. Any person entering Kosovo shall, at such place and in such manner as the Customs or Director General after consultation with the Minister of Economy and Finance, may by an Administrative Instruction direct, declare any thing contained in his luggage or carried with him which:

(a) he has obtained outside of Kosovo; or

(b) being goods on which duty or tax is chargeable in Kosovo, he has obtained in Kosovo without payment of all or part of that duty or tax, and in respect of which he is not entitled to exemption from duty and tax by legislation in force.

2. Any person entering or leaving Kosovo shall answer such questions as an officer may put to him with respect to his luggage and any thing contained therein or carried with him, and shall, if required by that officer, produce that luggage and any such thing for examination at such place and in such manner as the Customs issued by this Code.

3. Any person failing to declare any thing or to produce any luggage or thing as required by this section shall be liable to an administrative penalty of up to five times the tax paid value of the thing not declared or of the luggage or thing not produced, as the case may be, and that luggage or thing shall be liable to detention and seizure.

Article 251
Detention and Seizure of Goods

1. Where it appears to any officer that any thing is, under any provision of this Code, liable to detention and seizure, he may, subject to section 2, detain that thing for a maximum of 30 days from the date of its detention, or, where shorter, until a decision is made as to whether or not, without the imposition of any condition, it shall be returned to the owner of it, or any person appearing to be the owner of it (hereinafter referred to as “the owner”).
2. Where, in the exceptional circumstances of an individual case, the Customs considers that the maximum period of 30 days provided for in paragraph 1 is insufficient to enable sufficient enquiries to be completed, he may, before the expiration of those 30 days, extend that period by up to a further 60 days, in which case he shall:
 - (a) notify the owner of the extension in the manner provided for notification in section 6; and
 - (b) at the same time, explain to the owner why he considers those exceptional circumstances exist.
3. Where any thing has been detained but has not yet been seized:
 - (a) and is a living creature, or is in the opinion of the Customs of a perishable nature, it may be sold or destroyed; or
 - (b) the Customs may, subject to such conditions as he may impose, and without prejudice to any rights the owner may have, return it to that owner.
4. Where, at the expiration of the period of 30 days provided for in section 1, or the extended period of 90 days provided for by paragraph 2, a decision has not been made as to whether or not to return any thing detained to its owner without the imposition of any condition, the thing shall be deemed to be seized.
5. Where:
 - (a) within the time limits provided for in sections 1 and 2, a decision is made not to return any thing detained to its owner without the imposition of any condition, the officer shall seize the thing concerned; or
 - (b) any thing is deemed to have been seized under section 4; the officer shall notify the owner of that seizure, and the reasons for it, in the manner provided for notification in section 6.
6. Notification under this section shall be in writing and either:
 - (a) given by hand to the owner or left at or sent by post to the owners’ last known address;
 - (b) given by hand or sent by post to any agent of the owner; or
 - (c) where the owner has an electronic address, sent to that electronic address.
7. The Customs shall maintain a public display of all current Notices of Seizure at the Headquarters of the Customs and shall maintain a copy of that display available by electronic means.

8. In section 7, “current Notices of Seizure” means all Notices of Seizure where the time for a request for a review under article 291 has not expired, and where a request for a review has been submitted, where the matter has not been resolved, either by the Independent Review Board or the Court, or by reason of the time to appeal to either of them not having expired.

9. Where any thing has been deemed to be seized under paragraph 4 or has been seized under paragraph 5, and:

(a) where the time for a request for a review by the Customs under article 291 has not expired, or where a request for a review has been submitted and the matter has not been ultimately resolved, either by the Customs, the Independent Review Board or the Court, or by reason of the time to appeal to either of the latter not having expired, the Customs may return the thing to its owner upon that person paying to the Customs such sum as the Customs may decide, such sum not exceeding the value of the thing, including any duty or tax chargeable on it which has not been paid; or

(b) where the time for a request for a review by the Customs under article 291 has expired and no request for a review has been submitted, or where a request for a review has been submitted and the matter has been ultimately resolved, either by Customs, the Independent Review Board or the Court, and by reason of the time to appeal to either of the latter having expired, the Customs may:

(i) return the thing to its owner upon that person paying to Customs such sum as the Customs may decide, such sum not exceeding the value of the thing, including any duty or tax chargeable on it which has not been paid;

(ii) keep the thing for use by officers in the performance of their duty; or

(iii) at any time, dispose of it by sale or destruction.

10. Where any thing has been sold by virtue of a power given by this section, the proceeds of the sale shall be paid into the Kosovo Fund.

11. Where any thing has become liable to detention and seizure under this Code:

(a) any boat, aircraft, vehicle, animal, container (including any article of passengers’ luggage) or other thing whatsoever which has been used for the carriage, handling, deposit or concealment of the thing so liable to detention and seizure; and

(b) any other thing mixed, packed or found with the thing so liable; shall also be liable to detention and seizure.

12. Where any boat, aircraft, vehicle or animal has become liable to detention and seizure under this Code, whether by virtue of paragraph 9 or otherwise, all its tackle, apparel or furniture shall also be liable to detention and seizure.

13. Article 291 shall have effect in relation to appeals against any thing detained or seized.

CHAPTER 5
Powers of Officers

Article 252
Powers of Access

1. Any officer shall have access to every part of any aircraft at an airport and to any boat or vehicle which he has the power under this Code to board, and may:
 - (a) cause any goods found thereon to be marked before they are unloaded from that boat, aircraft or vehicle;
 - (b) lock up, seal, mark or otherwise secure any goods chargeable with a duty or tax which has not been paid, carried in the aircraft or vehicle or any place or container in which they are so carried; and
 - (c) break open any place or container which is locked and to which the keys are withheld.
2. If any person removes damages or in any way alters any mark made by an officer under this section, or removes or breaks any seal or lock or otherwise removes any securing of any goods made under this section, he shall be liable to an administrative penalty of between €500 and €10,000.

Article 253
Powers to Inspect Aircraft, Airports, Records, etc.

1. The commander of any aircraft shall permit any officer at any time to board the aircraft and inspect:
 - (a) the aircraft and any goods loaded therein; and
 - (b) all documents relating to the aircraft or to goods or persons carried therein; and the officer shall have the right of access at any time to any place to which access is required for the purpose of any such inspection.
2. The person in control of any airport shall permit any officer at any time to enter upon and inspect the airport and all buildings and goods thereon.
3. The Director General, after consultation with the Minister of Economy and Finance, may by Administrative Instruction require the person in control of an airport to:
 - (a) keep a record in such form and manner as the Director General may, by the Instruction, require of all aircraft arriving at or departing from the airport;
 - (b) keep that record available and produce it on demand to any officer, together with all other documents kept on the airport which relate to the movement of aircraft; and
 - (c) permit any officer to make copies of and take extracts from any such record or document.
4. If any person contravenes or fails to comply with any of the provisions of this section or any Administrative Instruction issued under these articles , in addition to any administrative penalty

to which he may be liable under Code be liable in addition to a further administrative penalty of €50 for each day that the contravention or failure continues.

Article 254

Powers to Detain Aircraft and Vehicles

1. Where, in the case of an aircraft or vehicle of which due report has been made any goods are still on board that aircraft or vehicle at the expiration of the relevant period, any officer may detain that aircraft or vehicle until there has been paid to the Customs:

- (a) any expenses properly incurred in watching and guarding the goods beyond the relevant period, except, in the case of an aircraft, in respect of the day of clearance inwards; and
- (b) where the goods have been removed from an aircraft or vehicle to a Customs warehouse, the expenses of that removal.

In this section:

“due report” means, in relation to goods brought into Kosovo:

- (a) by air, the lodging of a manifest as provided for by article 42;
- (b) by rail, the declaration by the railway company of the goods carried on the train as provided for by section article 42); and
- (c) by road, the presentation of the goods to an officer, as provided for by article 42; and

“the relevant period” means:

- (a) in the case of an aircraft, 7 clear days from the date of making due report of the aircraft or such longer period as the Customs may in any case allow;
- and
- (b) in the case of vehicle, 21 clear days from the date of making due report of the vehicle or such longer period as the Customs may in any case allow.

2. Where, in the case of an aircraft or vehicle coming, driven or brought into Kosovo under legal process, by stress of weather or for reasons of safety it is necessary for the protection of the revenue to station an officer in charge thereof, whether on board or otherwise, the officer may detain that aircraft or vehicle until any expenses thereby incurred by the Customs have been paid.

Article 255

Powers to Prevent Departure of Aircraft and Vehicles

1. If it appears to any officer that an aircraft or a vehicle is likely to depart for a destination outside Kosovo before clearance outwards is given, he may give such instructions and take such steps by way of detention or otherwise as appear to him necessary in order to prevent the departure.

2. Any person who contravenes any instructions given under paragraph 1 shall be liable to an administrative penalty of between €500 and €10,000 and, in addition, to a further administrative penalty of €50 for each day that the contravention continues, and the aircraft or vehicle in respect of which the instruction was given shall be liable to detention and seizure.

3. If an aircraft or vehicle departs in contravention of any instruction given under paragraph 1, the owner and the commander or driver thereof shall, without prejudice to the liability of any other person under paragraph 2, each be liable to an administrative penalty of between €500 and €10,000 and, in addition, to a further administrative penalty of €50 for each day that the contravention continues, unless he proves that the departure took place without his consent or connivance.

Article 256

Powers to Refuse or Cancel Clearance of Aircraft and Vehicles

1. For the purpose of the detention thereof in pursuance of any power or duty conferred or imposed by or under any enactment relating to the importation or exportation of goods:

(a) any officer may at any time refuse clearance of any aircraft or vehicle; and

(b) where clearance has been granted to an aircraft or vehicle, any officer may at any time demand that the clearance shall be returned to him.

2. Any demand under paragraph.1 may be made either orally or in writing to the owner or commander of the aircraft, or owner or driver of the vehicle, and if made in writing may be served:

(a) by delivering it to him personally;

(b) by leaving it at his last known place of abode or business; or

(c) by leaving it on board the aircraft or vehicle with the person appearing to be in command or charge thereof.

3. Where a demand for the return of a clearance is made under paragraph .1:

(a) the clearance shall forthwith become void; and

(b) if the demand is not complied with, the commander of the aircraft or the driver of the vehicle shall be liable to an administrative penalty of between €500 and €10,000 and, in addition, to a further administrative penalty of €50 for each day that the contravention continues, and the aircraft or vehicle to which the demand relates shall be liable to detention and seizure.

Article 257

Powers to Require Information

1. Every person who is concerned in the importation or exportation of goods for which an entry is required shall, if so required by any officer, produce or cause to be produced for inspection by that officer:

(a) at the principal place of business of the person upon whom the demand is made or at such other place as the officer may reasonably require; and

(b) at such time as the officer may reasonably require, any documents relating to the goods or to the importation or exportation.

2. Where, by virtue of paragraph 1, any officer has the power to require the production of any documents from any such person as is referred to in that section, he shall have the like power to

require production of the documents concerned from any other person who appears to the officer to be in possession of them; but where any such other person claims a lien on any document produced by him, the production shall be without prejudice to the lien.

3. Any officer may take copies of, or make extracts from, any document produced under paragraph 1 or 2.

4. If it appears to him to be necessary to do so, an officer may, at a reasonable time and for a reasonable period, remove any document produced under paragraph 1 or 2 and shall, on request, provide a receipt for any document so removed; and where a lien is claimed on a document produced under paragraph 2, the removal of the document under this subsection shall not be regarded as breaking that lien.

5. Where a document removed by an officer under paragraph 4 is reasonably required for the proper conduct of a business, the officer shall, as soon as practicable, provide a copy of the document, free of charge, to the person by whom it was produced or caused to be produced.

6. Any document removed by an officer under paragraph 4 shall be returned as soon as reasonably practicable, and must be returned immediately when a reason for its retention no longer exists.

7. Where any documents removed under the powers conferred by this section are lost or damaged, the Customs shall be liable to compensate their owner for any expenses reasonably incurred by him in replacing or repairing the documents.

8. If any person fails to comply with a requirement under this section, he shall be liable to an administrative penalty of between €500 and €10,000 and, in addition, to a further administrative penalty of €50 for each day that the contravention continues.

Article 258
Powers to Require Information or
Production of Documents Relating to Origin of Goods Exported

1. Where on the exportation of any goods from Kosovo there has been furnished any certificate or other evidence as to the origin of those goods, or as to payments made or relief from duty allowed in any country or territory, then, for the purpose of verifying or investigating that certificate or evidence, any officer may require the exporter, or any other person appearing to the officer to have been concerned in any way with the goods, or with any goods from which, directly or indirectly, they have been produced or manufactured, or to have been concerned with the obtaining or furnishing of the certificate or evidence:

(a) to furnish such information, in such form and within such time, as the officer may specify in the requirement; or

(b) to produce for inspection, and to allow the taking of copies or extracts from, such invoices, bills of lading, books or documents as may be so specified .

2. Any person who, without reasonable cause, fails to comply with a requirement imposed on him under paragraph 1 shall be liable to an administrative penalty of between €500 and €10,000 and, in addition, to a further administrative penalty of €50 for each day that the failure continues.

Article 259
Powers in Relation to the Duty of Revenue Traders
And Others to Furnish Information and Produce Documents

1. The Director General, after consultation with the Minister of Economy and Finance, may by Administrative Instruction require any revenue trader to:

(a) furnish to the Customs, within such time and in such form as required by the Instruction, such information relating to:

(i) any goods or services supplied by or to him in the course of a business;

(ii) any goods in the importation or exportation of which he is concerned in the course of a business; or

(iii) any transaction or activity effected or taking place in the course of a business; and

(b) upon demand made by any officer, produce or cause to be produced for inspection by that officer:

(i) at the principal place of business of the revenue trader or at such other place as the officer may reasonably require; and

(ii) at such time as the officer may reasonably require; any document relating to the goods or services or to the supply, importation or exportation or to the transaction or activity.

2. Where, by virtue of paragraph 1, an officer has a power to require the production of any documents from a revenue trader:

(a) he shall have the like power to require production of the documents concerned from any other person who appears to the officer to be in possession of them; but

(b) if that other person claims a lien on any document produced by him, the production shall be without prejudice to the lien.

3. For the purposes of this article, the documents relating to the supply of goods or services, or the importation or exportation of goods, in the course of any business, or to any transaction or activity effected or taking place in the course of any business shall be taken to include:

(a) any profit and loss account and balance sheet; and

(b) any records required to be kept by virtue of any other enactment; relating to that business.

4. An officer may take copies of, or make extracts from, any document produced under paragraph 1 or 2.

5. If it appears to an officer to be necessary to do so, he may, at a reasonable time and for a reasonable period, remove any document produced under paragraph 1 or 2 and shall, on request, provide a receipt for any document so removed.

6. Where a lien is claimed on a document produced under paragraph 2, the removal of the document under paragraph 5 above shall not be regarded as breaking the lien.

7. Where a document removed by an officer under paragraph 5 is reasonably required for the proper conduct of a business he shall, as soon as practicable, provide a copy of the document, free of charge, to the person by whom it was produced or caused to be produced.

8. Any document removed by an officer under paragraph 5 shall be returned as soon as reasonably practicable, and must be returned immediately when a reason for its retention no longer exists.

9. Where any documents removed under the powers conferred by this section are lost or damaged, the Customs shall be liable to compensate their owner for any expenses reasonably incurred by him in replacing or repairing the documents.

10. Any person who, without reasonable cause, fails to comply with a requirement imposed on him under paragraph 1 shall be liable to an administrative penalty of between €500 and €10,000 and, in addition, to a further administrative penalty of €50 for each day that the contravention continues.

Article 260

Powers to Obtain Warrants for Access to Recorded information, etc

1. Where a Judge is satisfied on an application by any officer that there are reasonable grounds for believing:

(a) that any criminal offence under Title VIII is being, has been or is about to be committed; and

(b) that any recorded information which may be required as evidence for the purpose of any proceedings in respect of such an offence is in the possession of any person; he may make an order under this section.

2. An order under this section is an order that the person who appears to the Judge to be in possession of the recorded information to which the application relates shall, not later than the end of the period of seven days beginning with the date of the order, or the end of such longer period as the order may specify:

(a) give an officer access to it; and

(b) permit an officer to remove and take away any of it which he reasonably considers necessary.

3. The reference in paragraph 2 (a) to giving an officer access to the recorded information to which the application relates includes a reference to permitting the officer to take copies of it or to make extracts from it.

4. Where the recorded information consists of information contained in a computer, an order under this section shall have effect as an order to produce the information in a form in which it is visible and legible and, if the officer wishes to remove it, in a form in which it can be removed.

Article 261

Powers of Entry and Inspection of Premises

1. For the purpose of exercising any power in or under this Code an officer acting within the scope of his powers and duties and in accordance with article 6, may at any time enter any premises which are open and are being used in connection with the carrying on of a business.
2. Where an officer acting within the scope of his powers and duties and in accordance with article 6. has reasonable cause to believe that any premises are used in connection with the supply, importation or exportation of goods of a class or description chargeable with any duty and that any such goods are on those premises, he may at any time when those premises are open enter and inspect them and inspect any goods found on them.

Article 262

Powers of Entry upon Premises, etc. of Revenue Traders

1. Any officer acting within the scope of his powers and duties and in accordance with article 6. may at any time enter upon any premises owned or used by a revenue trader for the purposes of his trade and may inspect the premises and search for, examine and take account of any machinery, vehicle, vessel, utensils, goods or materials belonging to or in any way connected with that trade.
2. Where any officer has a power to inspect premises under paragraph 1, then if, after having demanded admission into those premises and declared his name and business at the entrance thereof, he is not immediately admitted, he may break open any door or window of the premises or break through any wall thereof for the purpose of obtaining admission.
3. Paragraph 1 shall apply to any aircraft or vehicle or structure in or from which tobacco products or dutiable alcoholic liquors are sold by retail or dealt in as it applies to premises.

Article 263

Powers to Obtain Warrants to Search Premises

1. Where a Judge is satisfied on an application by any officer that there are reasonable grounds for suspecting that:
 - (a) any criminal offence under Title VIII of this Code, which appears to be of a serious nature is being, has been or is about to be committed on any premises, or that evidence of the commission of such an offence is to be found there; or
 - (b) anything liable to detention and seizure is kept or concealed on any premises,he may issue a warrant in writing authorizing, subject to paragraph 3 and 4 , any officer to enter those premises, if necessary by force, at any time within the period of one month beginning with the date of the issue of the warrant, and search them.
2. Any officer who enters premises under the authority of a warrant issued under

paragraph 1 may:

- (a) take with him such other persons as appear to him to be necessary;
- (b) seize and remove any thing found on the premises which he has reasonable cause to believe may be liable to detention and seizure;
- (c) seize and remove any documents or other things whatsoever found on the premises which he has reasonable cause to believe may be required as evidence of any criminal offence under Title VIII which appears to him to be of a serious nature;
- (d) seize and remove any documents or other things whatsoever found on the premises which he has reasonable cause to believe may be evidence of any thing being liable to detention and seizure; and
- (e) search or cause to be searched any person found on the premises whom he has reasonable cause to believe to be in possession of any such documents or other things, provided that no person shall be searched by virtue of this subsection except by another person of the same gender.

3. The powers conferred by a warrant under this section shall not be exercisable:

- (a) by more than such number of officers as may be specified in the warrant; nor
- (b) outside such times as may be so specified.

4. An officer seeking to exercise the powers conferred by a warrant issued under paragraph 1 or, if there is more than one such officer, that one of them who is in charge of the search shall provide a copy of the warrant endorsed with his name as follows:

- (a) if the occupier of the premises concerned is present at the time the search is to begin, the copy shall be supplied to the occupier;
- (b) if at the time the occupier is not present but a person who appears to the officer to be in charge of the premises is present, the copy shall be supplied to that person; and
- (c) if neither paragraph 4.(a) or (b) applies, the copy shall be left in a prominent place on the premises.

5. Where, for any reason at any time of day or night, it is not possible to speak with a Judge to obtain a warrant under this section, the Director General or any Director of the Customs may, in writing, authorize any officer who has reasonable grounds for suspecting that any of the matters set out in paragraphs 1(a) or 1(b) are satisfied, to enter the premises concerned, if necessary by force, and search for, detain, seize or remove any thing liable to detention and seizure, or that is evidence of a criminal offence under Title VIII of this Code which appears to be of a serious nature, or to prevent the commission of such an offence.

Article 264

Powers to Examine and Take Account of Goods

1. Without prejudice to any other power conferred by this Code, any officer may examine and take account of any goods:

- (a) which are imported;
- (b) which are in a free warehouse or Customs warehouse;
- (c) which are in a free zone;

- (d) which have been loaded into any aircraft;
- (e) which are entered for exportation or for use as stores;
- (f) which are brought to any place in Kosovo for exportation or as stores; or
- (i) where any claim under the drawback system, or for any allowance, rebate, remission or repayment of duty is or has been made; and may for that purpose require any container to be opened or unpacked.

2. The examination of goods by an officer shall be made at such place as the Director General, after consultation with the Minister of Economy and Finance, shall by Administrative Instruction appoint for the purpose.

3. Where the Director General has, by an Administrative Instruction under paragraph 2, directed that certain goods may be subject to certain forms of treatment in certain Customs areas, an officer may permit goods to be bulked, sorted, lotted, packed or repacked before an account is taken of them.

4. Any opening, unpacking, weighing, measuring, repacking, bulking, sorting, lotting, marking, numbering, loading, unloading, carrying or landing of goods or their containers for the purposes of, or incidental to, the examination by an officer, removal or warehousing thereof shall be done, and any facilities or assistance required for any such examination shall be provided by or at the expense of the owner of the goods.

5. If any imported goods which an officer has power under this Code to examine are without the authority of an officer removed from customs charge before they have been examined, those goods shall be liable to detention and seizure.

Article 265 **Powers to Take Samples**

1. Any officer may, at any time, take samples of any goods:

- (a) which he is empowered by this Code to examine;
- (b) which are on premises where goods chargeable with any duty are manufactured, prepared or subjected to any process; or
- (c) which, being dutiable goods, are held by any person as stock for his business or as materials for manufacture or processing.

2. Where an officer takes from any vessel, pipe or utensil on the premises of any revenue trader a sample of any product of, or of any materials for, the manufacture by that trader:

- (a) the trader may, if he wishes, stir up and mix together the contents of that vessel, pipe or utensil before the sample is taken; and
- (b) the sample taken by the officer shall be deemed to be representative of the whole contents of that vessel, pipe or utensil.

3. Any sample taken under paragraph 1 shall be disposed of and accounted for in such manner as the Director General, after consultation with the Minister of Economy and Finance, may by Administrative Instruction direct.

4. Where any sample is taken under paragraph 1 from any goods chargeable with a duty of customs after that duty has been paid, other than:

(a) a sample taken when goods are first entered on importation; or

(b) a sample taken from goods in respect of which any claim under the drawback system, or for any allowance, rebate, remission or repayment of that duty is being made; and the sample so taken is not to be returned, the officer taking it shall, if so required by the person in possession of the goods, pay for the sample on behalf of the Customs such sum as reasonably represents the wholesale value of that sample.

Article 266

Powers to Enter Land for or in Connection with Access to Pipe-lines

Where any thing conveyed by a pipe-line is chargeable with a duty of customs which has not been paid, any officer may enter any land adjacent to the pipe-line in order to get to the pipe-line for the purpose of exercising in relation to that thing any power conferred by or under this Code or to get from the pipe-line after an exercise of any such power.

Article 267

Powers to Search for Concealed Pipes, etc.

1. If any officer has reasonable grounds to suspect that any secret pipe or other means of conveyance, cock, vessel or utensil is kept or used by a revenue trader, that officer may, at any time, break open any part of the premises of that trader and forcibly enter thereon and so far as is reasonably necessary break up the ground in, or adjoining those premises or any wall thereof to search for that pipe or other means of conveyance, cock, vessel or utensil.

2. If any officer finds any pipe or other form of conveyance leading to or from a revenue trader's premises, he may enter any other premises from or into which it leads, and so far as is reasonably necessary break up any part of those other premises to trace its course, and may cut it away and turn any cock thereon, and examine whether it conveys or conceals any goods chargeable with a duty, or any materials used in the manufacture of such goods.

3. Every pipe or other means of conveyance, cock, vessel or utensil found as a result of a search under paragraph 1 or 2, and all goods chargeable with a duty or materials for the manufacture of such goods found therein, shall be liable to detention and seizure.

4. If any damage is done in any such search as aforesaid and the search is unsuccessful, the Director General shall make good the damage.

Article 268
Powers to Search Boats, Aircraft and Vehicles, etc.

1. Any officer may stop and board:
 - (a) any boat that is on water which connects to an area outside Kosovo;
 - (b) any aircraft that is at an airport; and
 - (c) any vehicle and may remain therein and search any part thereof.
2. Where any boat, aircraft or vehicle is stopped and searched under this section, the officer shall show the person in charge of the boat, aircraft or vehicle his identification card.
3. If, when so required by any such officer, the person in charge of any boat, aircraft or vehicle refuses to stop or to permit it to be searched, he shall be liable to an administrative penalty of between €500 and €10,000 and the boat, aircraft or vehicle shall be liable to detention and seizure.
4. Any prohibited or restricted goods or any goods chargeable with any duty or tax which has not been paid, which are found concealed on board any boat, aircraft or vehicle as a result of any search, shall be liable to detention and seizure.
5. Any boat, aircraft or vehicle found, as a result of any search, to have been adapted for the concealment of prohibited or restricted goods, or goods chargeable with any duty or tax which has not been paid, shall be liable to detention and seizure.

Article 269
Powers to Search Articles

1. Without prejudice to any other power conferred by this Code, where there are reasonable grounds to suspect that a person has with him, or at the place where he is, any goods to which this section applies, any officer may:
 - (a) require him to permit a search of any article that he has with him or at that place; and
 - (b) if he is not under arrest, detain him and any such article for so long as may be necessary to carry out the search.
2. The goods to which this section applies are:
 - (a) any goods chargeable with any duty of customs; and
 - (b) any goods liable to detention and seizure.

Article 270
Powers to Search Persons

1. Where there are reasonable grounds to suspect that a person is carrying any article:
 - (a) which is chargeable with any duty which has not been paid or secured; or (b) with respect to the importation or exportation of which any prohibition or restriction is for the time

being in force under or by virtue of any enactment or the applicable law; the officer may detain him for so long as may be necessary and may require that person, subject to paragraph 2 and 3, to submit to such searches of his person, whether rubdown, strip or intimate as the officer may consider necessary or expedient; but no such requirement may be imposed without the officer informing the person of his rights under paragraph 2 and 3.

2. If the person is required to submit to a rub-down search he may require, and shall not be refused, to be taken before a superior of the officer concerned and the superior shall consider the grounds for suspicion and direct accordingly whether the person is to be required to submit to the search.

3. If the person is required to submit to a strip or intimate search he may require, and shall not be refused, to be taken before a Judge or a superior of the officer concerned; and the Judge or superior shall consider the grounds for suspicion and direct accordingly whether the person is to be required to submit to the search.

4. A rub-down or strip search of a person shall not be carried out except by a person of the same gender; and an intimate search shall not be carried out except by a suitably qualified person.

5. In this article: “intimate search” means any search which involves a physical examination (that is, an examination which is more than simply a visual examination) of a person’s body orifices; “rub-down search” means any search which is neither an intimate search nor a strip search; “strip search” means any search which is not an intimate search but which involves the removal of an article of clothing which:

(a) is being worn (wholly or partly) on the trunk; and

(b) is being so worn either next to the skin or next to an article of underwear; “suitably qualified person” means a certified medical practitioner or a certified nurse.

Article 271

Procedure when Articles, Documents, etc. are removed

1. Any officer who, in the exercise of any power conferred by this Code, removes any item shall provide:

(a) the occupier of premises from which it was removed; or

(b) where that person is not available, the person who had custody or control of it immediately before it was removed; with a record of the items removed.

2. The officer shall provide the record referred to in paragraph 1 within a reasonable time from the removal of the item.

3. Subject to paragraph 7, if a request for permission to be granted access to anything which:

(a) has been removed by an officer; and

(b) is retained by the Customs for the purposes of investigating a criminal offence under Title VIII; is made to the officer in overall charge of the investigation by a person who had custody or control of the thing immediately before it was so removed or by someone acting on behalf of

such a person, the officer shall allow the person who made the request access to it under the supervision of an officer.

4. Subject to paragraph 7, if a request for a photograph or copy of any such thing is made to the officer in overall charge of the investigation by a person who had custody or control of the thing immediately before it was so removed, or by someone acting on behalf of such a person, the officer shall:

- (a) allow the person who made the request access to it under the supervision of an officer for the purpose of photographing it or copying it; or
- (b) photograph or copy it, or cause it to be photographed or copied.

5. Where anything is photographed or copied under paragraph 4(b), the photograph or copy shall be supplied to the person who made the request.

6. The photograph or copy shall be supplied within a reasonable time from the making of the request.

7. There is no duty under this section to grant access to, or to supply a photograph or copy of, anything if the officer in overall charge of the investigation for the purposes of which it was removed has reasonable grounds for believing that to do so would prejudice:

- (a) that investigation;
- (b) the investigation of an offence other than the offence for the purposes of the investigation of which the thing was removed; or
- (c) any criminal proceedings which may be brought as a result of:
 - (i) the investigation of which he is in charge; or
 - (ii) any such investigation as is mentioned in paragraph 7(b) above.

8. Any reference in this section to the officer in overall charge of the investigation is a reference to the person whose name and address are endorsed on any warrant or order concerned as being the officer so in charge.

9. Where, on an application made as mentioned in paragraph 10, a Judge is satisfied that an officer has failed to comply with a requirement imposed by this section, he may order that officer to comply with the requirement within such time and in such manner as may be specified in the Judge's order.

10. An application under paragraph 9 above shall be made:

- (a) in the case of a failure to comply with any of the requirements imposed by paragraph 1 and 2, by the occupier of the premises from which the thing in question was removed or by the person who had custody or control of it immediately before it was so removed; and
- (b) in any other case, by the person who has such custody or control.

Article 272
Evading from Prosecution for Customs Criminal Offence

Customs, with accordance of the Declarer, can decide not to take prosecution for fraud evasion, taking to consideration the circumstances and the significance of the offence, if the Declarer agrees that:

- a) to pay the unpaid obligations
- b) to pay the fine imposed according to article 276 of this Code
- c) and any kind of compensation for other measure regarding with customs goods

TITLE VIII
VIOLATION ON CUSTOMS

CHAPTER 1
General Provisions

Article 273

1. Violation of customs rules means a Administrative Customs Penalties and criminal acts.
2. Without prejudice to force majeure, ‘administrative customs offence’ means any action, non-action or attempt against the provisions of this Code, its implementing provisions and other Kosovo legislation in force means Administrative Customs Penalty .

CHAPTER 2
ADMINISTRATIVE CUSTOMS PENALTIES

Article 274

A legal or natural person:

- a) who fails to present to the Customs narcotic drugs or raw materials for the production, processing of narcotic drugs,
- b) who fails to present to the Customs weapons, ammunition or explosive,
- c) who fails to present to the Customs dangerous waste or any goods which are prohibited at import or export by Kosovo laws in force,

Shall be liable to an administrative penalty between €5000 to €10.000.

Article 275

A legal or natural person:

- a) who brings or tries to bring goods unauthorized into Kosovo or takes or tries to take out goods unauthorized of Kosovo outside the opening hours of the customs office concerned,
- b) who brings or tries to bring hidden goods into Kosovo or takes or tries to take out hidden goods of Kosovo,
- c) who fails to present cultural or natural goods at entry into or exit out of Kosovo,

Shall be liable to an administrative penalty between €500 to €10.000.

Article 276

A legal or natural person:

- a) who fails to present goods to the Customs ,
- b) who fails to present a summary declaration to the Customs within the prescribed time limit,
- c) who unloads or transships goods without authorization of the Customs or unloads or transships goods in places not designated or approved by those authorities,
- d) who fails to convey goods brought into Kosovo by the route specified by the Customs and in accordance with their instructions,
- e) who removes goods from their original position without the permission of the Customs,
- f) who uses goods in temporary storage contrary to the conditions approved by the Customs,
- g) who fails to produce the goods placed under the transit procedure and required documents at the customs office of destination in accordance with the provisions of that procedure,
- h) who fails to provide the Customs with all the requisite documents and information for the purposes of applying customs legislation,
- i) who fails to keep the documents for the period laid down in Article 22 to this Code ,

- j) who fails to assign goods, which are covered by a Single Administrative Document , a customs approved treatment or use within the time limit prescribed to this Code ,
- k) who fails to indicate in the Single Administrative Document correct, true or complete particulars in respect of quantity, quality, nature, tariff code, value or origin of goods, or fails to declare all goods, as a result of which the customs debt is calculated or paid at a lower amount than the actual amount,
- l) who presents supporting documents to a customs declaration related to the implementation of a customs procedure, whereon different quantity, nature, quality, value or origin of goods are indicated,
- m) who, by providing false particulars, achieve or try to achieve a reduction in or relief from import duty,
- n) who obstruct the verification of a declaration accepted by the Customs ,
- o) who use the goods or dispose of them before they are released by the customs for the customs procedure concerned,
- p) who removes or destroys means customs identification affixed,
- q) who fails to lodge a supplementary declaration within the prescribed time limit,
- r) who fail to keep records prescribed for a particular customs procedure or customs-approved treatment of goods,
- s) who fails to notify the Customs of all factors arising after an authorization was granted, customs suspense regime or Procedures with economic impact ,
- t) who lent, hires out or transfers goods which have been released for free circulation with relief from import duty or at a reduced rate, without prior payment of import duties ,
- u) who disposes of goods prior to payment of the customs debt which has incurred,
- v) who fails to comply with any condition or obligations prescribed in an authorization granted by the Customs , customs suspense regime or Procedures with economic impact ,
- w) who obstructs the customs supervision of activities in a free zone or free warehouse,
- x) who carries out activities in a free zone or free warehouse contrary to the customs legislation provisions or without the authorization of the Customs ,
- y) who fails, within the time limit determined by the Customs , to remove from Kosovo goods, the importation of which is prohibited,

- z) who achieve or try to achieve the repayment or remission of customs debt by falsely presenting the facts.

Shall be liable to an administrative penalty between € 500 (five hundred) to € 10,000 (ten thousand).

Article 277

Any person who receives goods of which he is aware or should reasonable have been aware that an administrative customs offence referred to in Articles 275, 276 or 277 by this Code was committed, shall be considered as if he committed the offence himself and shall be liable for the administrative penalty prescribed for that offence.

CHAPTER 3 ADMINISTRATIVE CUSTOMS OFFENCE PROCEDURES

A. Short procedure

Article 278

1. Where the value of the goods concerned does not exceed €500, a natural person shall be liable to an administrative penalty € 100 for any of the administrative customs offences referred to in Article 277 to this Code.
2. The Customs that established the administrative customs offence shall impose and collect the fine referred to in paragraph 1. If the person who committed the administrative customs offence refuses to pay the penalty, the regular procedure shall be initiated against him

B. Regular procedure

Article 279

1. Any administrative customs offence, other than referred to in Article 279, will be subject of the regular procedure which will be initiated by the Customs who established the administrative customs offence with an official report.
2. The procedure must be dealt by the Sector of Customs Offences in custom authority, shall take a decision in accordance with Article 12 to this Code.

CHAPTER 4 CONFISCATION OF GOODS

Article 280

1. Goods subject to an administrative customs offence referred to in Articles 275, 276 (a) and (b) and 278 must be confiscated by the Customs.
2. Goods subject to an administrative customs offence referred to in Articles 276 (c) and 278 may be confiscated by the Customs.

Article 281

Goods subject of an administrative customs offence shall be confiscated where they belong to a person who has no address in Kosovo or where his address is unknown.

Article 282

1. Where goods cannot be confiscated, the Customs shall collect an amount consisting of the customs value of the goods concerned increased with the amount of import duty on that value from the persons who committed the administrative customs offence.
2. The persons who committed the administrative customs offence shall be jointly and severally liable for the payment of amount referred to in paragraph 1.

Article 283

1. Any means of transport may be confiscated if they were used for unlawful introduction into Kosovo of goods subject to an administrative customs offence referred to in Article 275 and 276 and if the value of the goods concerned exceeds 1/3 of the value of the means of transport.
2. Any means of transport may be confiscated if they were used for unlawful introduction in Kosovo of goods hidden in special constructed concealed compartments even if the value of goods concerned does not exceed 1/3 of the value of the means of transport.
3. Any means of transport may be confiscated even if they do not belong to the person who committed an administrative customs offence, if the owner was aware or should reasonable have been aware that they were used for committing an administrative customs offence referred to in Articles 275 and 276 to this Code .

CHAPTER 5 SEIZURE OF GOODS

Article 284

1. Goods subject to confiscation in accordance with other Kosovo provisions in force may be seized until a final decision has been made.
2. Goods subject to an administrative customs offence for which confiscation is prescribed, shall be seized until the procedure is completed.
3. The Customs may, in justified cases, leave the seized goods with the person concerned, if a guarantee is provided in the amount of the value of goods, and the person is warned that he may not use or sell the goods or dispose of them in any other manner.
4. When seizing the goods, an official record shall be made, which, among others, contains a detailed description of the goods. A copy of that official record and a receipt confirming that the goods concerned have been seized, shall be delivered by the Customs to the person from whom the goods were seized.
5. The Customs may, until completion of the customs procedure, also seize goods which are not subject to the provisions of paragraph 2, if there is a reasonable doubt that the goods were either used to commit or were intended for committing the offence, or that they were obtained by committing the customs offence or obtained in exchange for the goods acquired through the customs offence.
6. If seizure of goods is no longer required for the purpose of the further procedure, the goods shall be returned to the person from whom they have been seized.
7. Regardless of who is owner of the goods concerned, the Customs may seize goods subject to the provisions of paragraphs 2 and 5.

Article 285

1. An administrative customs offence procedure cannot be initiated if more than three years have elapsed after the date the administrative customs offence has been committed (limitation period).
2. The period referred to in paragraph 1 shall terminate any action of an authorized body taken in order to prosecute the person who committed the offence. Following every termination, the period shall continue to run, but the procedure for the customs offence may, in no case, be initiated or continued after the expiry of five years following the date the offence has been committed.

CHAPTER 6
RETURNING OF CONFISCATED GOODS

Article 286

At the request of the owner of goods or the person who committed the administrative customs offence, the Customs may return the confiscated goods, if they fulfill the conditions for importation and provided that the person concerned paid an amount consisting of the customs value of the goods concerned increased with the amount of import duty on that value.

Article 287

The amounts of collected fines and those obtained by selling the confiscated goods, or amounts recovered for the value of such goods, after deducting the costs, shall represent the revenue of the Kosovo budget.

CHAPTER 7
SALE OF GOODS

Article 288

1. Goods confiscated within an administrative customs procedure and goods confiscated by the Customs in accordance with other provisions of this Code shall be exhibited for sale.
2. The Customs may immediately sell perishable goods and live animals which have been seized according to Article 285 (2).

Article 289

1. The Customs shall sell the confiscated goods by exhibiting them for public sale, acting in accordance to specific provisions in force.
2. If confiscated goods cannot be exhibited for public sale due to specific their nature, the Customs may sell them to a person who is authorized for disposing of such goods.
3. If confiscated goods cannot be sold or used due to reasons of health, animal health, phytopathology, safety or other reasons prescribed by specific rules, the Customs shall dispose of them or resolve the issue of the goods in question in accordance with special rules.

Article 290

1. Non-Kosovo goods which have been seized or confiscated shall be considered to have been entered for the customs warehousing procedure.
2. Confiscated goods shall be sold at a price inclusive import duties. The sale shall be considered as equivalent to release for free circulation and the Customs themselves shall calculate the duties and enter them in the accounts.
3. Where the Customs decide to deal with the goods referred to in paragraph 1 otherwise than by sale, they shall immediately carry out the formalities to assign them one of the customs-approved treatments or uses laid down in Article 4 (15) (a), (b), (c) and (d).

APPEALS (Request for Decision Review)

Article 291

1. Every person has the right of exercising the request of decision review brought by the Customs regarding the application of customs legislation which is related to it directly or indirectly.
2. The request for decision review is submitted to the Customs within 30 days from the date the decision is received.
3. The Customs, while deciding upon the request for review, may:
 - let the decision in force and disprove the request;
 - nullify/revocation the decision and accept the request;
 - amend the decision by partially accepting the request.
4. The Customs, within 30 days will bring the decision act regarding the request for decision review.
5. Against the decision brought according to the request for review, the party is entitled to submit an appeal to the Independent Board of Appeals (hereafter the Board), which is established with UNMIK Regulation 2000/20.
6. The appeal must be submitted to the Board within 30 days from the date the decision is received.
7. In the cases when the Board carries a closed hearing, the Customs will respond in writing within 30 days from the day of notification regarding the appeal.

8. In the cases when the Board carries an open hearing, the Customs will be represented by their authorized representative.

9. Unsatisfied parties may refer to an adequate Court for administrative conflicts regarding decisions brought by the Board.

Article 292

In case the issue is solved definitely in final instance in favor of:

a) the Customs , the remonstrant (appellant) should pay the import or export duties, fines and unpaid interest accumulated until the moment of the case is solved, or

b) the remonstrant (appellant), the Customs should:

(i) refund every import duty or export duty overpaid along with the interest accumulated until the moment the case is solved;

(ii) if items are returned to the owner, sold or destroyed:

(A) a sum equivalent to the amount paid by the owner for return of items;

(B) if items are sold, the equivalent amount with the income from the sale,
or

(C) if items are destroyed, the equivalent amount to the trade value of that item at the moment of confiscation.

TITLE VIII CRIMINAL OFFENCES AGAINST KOSOVO CUSTOMS

Article 293 Definitions

(1) The term “aircraft” includes airships, balloons and helicopters.

(2) The term “banderol” means a type of fiscal mark to be attached to an excise product which is intended to be broken when that product is opened.

(3) The term “customs officer” means any person employed by the Kosovo Customs.

(4) The term “Customs Service” means the Kosovo Customs.

(5) The term “excise goods” means any goods subject to an excise tax.

(6) The term “excise tax” means excise tax levied on particular excise goods released for free circulation in Kosovo.

(7) The term “fiscal mark” means a mark required by or under the Excise Code of Kosovo to be carried by an excise product which may indicate all or any of the following:

- 1) that excise tax has been paid on the product;
- 2) the rate at which excise tax has been paid on the product;
- 3) the amount of excise tax paid on the product;
- 4) when excise tax was paid on the product; and
- 5) that the sale of the product is:
 - i) only permissible on a date set out on the mark;
 - ii) not permissible after, or on or after, a date set out on the mark; and
 - iii) not permissible before, or before or on, a date set out on the mark.

(8) The term “goods” includes luggage, stores and baggage.

(9) The term “import duty” means all duties and taxes chargeable on the importation of goods into Kosovo.

(10) The term “prohibited or restricted goods” means goods of a class or description of which the importation or exportation is prohibited by any enactment or the applicable law.

(13) The term “tobacco product” means any of the following:

- 1) cigarettes;
- 2) cigars and cigarillos; and
- 3) other manufactured tobacco;

which are manufactured wholly or partly from tobacco or any substance used as a substitute for tobacco, but does not include herbal smoking products.

(14) The term “vehicle” means any transport means of conveyance on land, including trains.

(15) The term “unmarked product” means any tobacco product which does not carry a banderol.

Article 294
Impeding Seizure, Detention or Confiscation of Things

Whoever impedes or is attempting to impede the carrying out of any search for any thing liable to detention, seizure, or confiscation, damages or destroys partially or wholly any of these things or who attempts to do any of the aforementioned things, shall be punished by a fine or by imprisonment of up to one year.

Article 295
Carrying Away a Customs Officer

Official person or person in charge of any boat, aircraft, or any other transport vehicle (of passengers) departs from any place in Kosovo, or whoever in charge of any vehicle which crosses into any area outside Kosovo, carrying on board without his or her consent any customs officer, shall be punished by a fine or by imprisonment of up to one year.

Article 296
Impeding movement of a Customs Vehicle

Whoever, except for sufficient cause, impedes in any way in any vehicle, boat or aircraft which is used by customs officers in the performance of the official duty shall be punished by a fine or by imprisonment of up to three years.

Article 297
Making an Untrue Declaration

(1) Whoever, makes or signs, or causes to be made or signed, or delivers or causes to be delivered to a customs officer, any declaration, notice, certificate or other document which is untrue in any material particular, shall be punished by a fine or by imprisonment of up to three years.

(2) Whoever makes any statement in answer to any question put to him by a customs officer, being a statement made for a Customs purpose, which is untrue in any material particular, shall be punished by a fine or by imprisonment of up to one year.

Article 298
Fraudulent Evasion of Import Duty and Excise Tax

- (1) Whoever is in any way knowingly concerned in any fraudulent evasion of import duty or excise tax chargeable on any goods shall be punished by:
- 1) where the amount of import duty or excise tax evaded does not exceed 15,000 EUR, by a fine and imprisonment of three months to three years; and
 - 2) where the amount of import duty or excise tax evaded exceeds 15,000 EUR, by a fine and imprisonment of six months to five years.
- (2) Any attempt to commit the criminal offence provided for in paragraph 1 of the present article shall also be punishable.

Article 299
Fraudulent Evasion of Prohibitions and Restrictions on Goods

- (1) Whoever is in any way knowingly concerned in any fraudulent evasion of any prohibition or restriction for the time being in force shall be punished by a fine or by imprisonment of three months to five years.
- (2) An attempt to commit the criminal offence provided for in paragraph 1 of the present article shall also be punishable.

Article 300
Criminal Offences in relation to Excise Products

- (1) Whoever in violation of the applicable law relating to excise tax and customs, imports or exports or is in possession of or transports unmarked products, shall be punishable by a fine of up to five times the amount of the excise tax not accounted for or paid if does not exceed 25,000 EUR, or by imprisonment of up to seven years if the excise tax not accounted for or paid exceeds 25,000 EUR
- (2) With punishment from paragraph 1 of this Article, to be punished also whoever in violation of the applicable law relating to excise tax and customs, imports or exports or is in possession of or transports unmarked products.
- (3) Whoever permits premises under his or her control or possession to be used for the sale of, or any other dealing in, unmarked products, shall be punished by a fine of 5,000 EUR or by imprisonment of up to three years..

(4) Whoever alters, overprints, falsifies or counterfeits any banderol, shall be punished by a fine of up to 50,000 EUR or by imprisonment of up to seven years.

(5) Whoever in violation of UNMIK Regulation No.2003/23 of 25 June 2003, as amended in national Law, produces or imports tobacco products in Kosovo and does not hold a valid license shall be punished by a fine not exceeding twice the rate of the annual license fee or by imprisonment of up to three months.

Article 301 Amendments

3.1 Article 114 of UNMIK Regulation No. 2003/25 of 6 July 2003, as amended, on the Provisional Criminal Code of Kosovo, shall be amended as follows:

(a) subparagraph 2 of Article 114(3) shall be amended to read:

“2) During the course of apprehension, the perpetrator flees, attempts to flee, or otherwise resists apprehension by the police, KFOR or the Kosovo Customs;”

(b) at the end of the paragraph 3 of Article 114, a fifth subparagraph shall be added with the following wording:

“5) The perpetrator was in the course of committing, or was attempting to commit, an offence provided for in article 243 or 244 of this Code.”

TITLE IX Power for Customs officer for investigation

Article 302

(1) Judiciary police according to CPCK are also the customs officers which have the competences, responsibilities and tasks for investigation and detection of criminal offences against Kosovo Customs under Title VIII of this Code, and as well other offence foreseen by Criminal Code whereby as a damaged party is presented the Customs Officer in which case shall be enforced the provisions of the Article 51.2, 200.3 and 221.4 of CPCK.

Article 303

(1) The provisions of Article 302 shall also apply

a) where the criminal offence provided for in the fifth subparagraph of Article 114.3 is committed;

b) where the criminal offence provided for in Articles 153 (1) and (2), 154 (1), (2) and (3), 161 (1) and (2), 316 (1) and (2), 317 (1),(2) and (3) of the Criminal Code of Kosovo is committed against a customs officer in the course of performing official duties;

c) where in relation to the criminal offence provided for in Article 332 (1) of the Criminal Code of Kosovo the document is presented to a customs officer in the course of performing official duties;

d) where in relation to the criminal offence provided for in Article 334 (1) and (2) of the Criminal Code of Kosovo the competent authority is the Kosovo Customs;

e) where the criminal offence provided for in Article 343 (1) and (2) of the Criminal Code is committed by a customs officer in the course of performing official duties;

f) where in relation to the criminal offence provided for in Article 344 (1) and (2) of the Criminal Code of Kosovo the official person is a customs officer.

Article 304

(1) Any person employed by the Kosovo Customs who is investigating a criminal offence pursuant to Articles 302 and 303 of this code shall be considered an officer of the “police” and the “judicial police” for the purposes of the present Code.

TITLE X Passing provisions

Article 305 Customs Administrative Procedure

Customs Administrative Procedures that entered into force before the Code was promulgated shall be finished according to the provisions that were in effect until the approval date of the Code.

Article 306 Offence Procedures

1. All offence procedures that commenced before the application of this Code shall be completed according to the provisions of this Code if such provisions are acceptable by any applicant.

2. All procedures that have started before the Code entered into force, concerning the offences, which were not included to this Code, shall be called void

Article 307
Procedures with Economic Impact

1. All procedures of an economic impact that started before the Code entered onto force, shall be completed within 6 (six) months from the date of entering into force of this Code by provisions that valid until this code entered into force.

2. Upon completion of the procedures by the authorized officer, the procedure may be initiated immediately for adequate Authorization procedures with economic impact by provisions of this Code.

Article 308
Enforcement Acts (sub legal)

1. Enforcement Acts (sub legal) for implementation of this Code shall be adopted within a period of 3 (three) months from the date the code has entered into force effectively.

2. Until, the above mentioned Acts enter into force, paragraph 1 of this article, Administrative Instructions shall be used to implement Customs Code and Excise until this Code enters into force.

Article 309
Proposal, Nomination and Approbation of Director General of Customs following consent by the ICR

Until the end of the international supervision of the implementation of the Comprehensive status proposal for Kosovo status settlement, dated 26 March 2007, the appointment procedure of the Director General of Customs should be the following:

1. Director General of the Customs in Kosovo shall be proposed by Minister of Economy and Finance, based on recommendations of established committee according to paragraph 4 of this article, and shall be appointed by the Prime minister of Government of Republic following consent by the International Civilian Representative (ICR).

2. The Director General shall report to the Minister of Economy and Finance.

3. The Government shall have the power to dismiss, suspend or restore the Director General following consent by the International Civil Representative (ICR).

4. Minister of Economy and Finances will announce open vacancy for the Customs Director General, and will establish committee for selection of recommended candidate as it is foreseen with the laws in power and the best practices for public servants/uniformed

Article 310

EULEX shall have such responsibilities in the field of customs as are set forth in the relevant legal instruments defining its mandate

Article 311

Notwithstanding any provision of this Code or any other law, Customs may delegate to a third party the authority to perform functions assigned to it by this Code or any other law, subject to arrangements between Customs and such third party

Article 312

Repeals

This Code shall supersede any provision of the applicable law which is inconsistent with the present Code.

Article 313

Entry into force

This Code shall enter into force on the day of publication in the Official Gazette of the Republic of Kosovo.

Code No. 03/L-109
10 November 2008

President of the Assembly of the Republic of Kosovo

Jakup KRASNIQI



Republika e Kosovës
Republika Kosovo-Republic of Kosovo
Kuvendi - Skupština - Assembly

Code no. 03/L-109

ANNEX A

Setting out the cases in which and the conditions under which relief from import duties and export duties shall be granted where goods are released for free circulation or exported (article 182 of the Customs and Excise Code of Kosovo)

Article 1

1. This Annex sets out those cases in which, owing to special circumstances, relief from import or export duties shall be granted respectively when goods are put into free circulation or are exported from Kosovo.

2. For the purposes of this Annex:

- a) ‘personal property’ means any property intended for the personal use of the persons concerned or for meeting their household needs.

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

- household effects,
- cycles and motor cycles, private motor vehicles and their trailers, camping caravans, pleasure craft and private airplanes.

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’. Personal property must not be such as might indicate, by its nature or quantity, that it is being imported for commercial reasons;

- b) '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;
- c) 'alcoholic products' means products (beer, wine, aperitifs with a wine en alcohol base, brandies, liqueurs or spirituous beverages, etc.) falling within heading No. 2203 to 2208 of the TARIK.

CHAPTER I RELIEF FROM IMPORT DUTY

TITLE I PERSONAL PROPERTY BELONGING TO NATURAL PERSONS TRANSFERRING THEIR NORMAL PLACE OF RESIDENCE FROM ANOTHER COUNTRY TO KOSVO

Article 2

Subject to Articles 3 to 10, personal property imported by natural persons transferring their normal place of residence from another country to Kosovo shall be admitted free of import duties.

Article 3

The relief shall be limited to personal property which:

(a) except in special cases justified by the circumstances, has been in the possession of and, in the case of non-consumable goods, used by the person concerned at his former normal place of residence for a minimum of six months before the date on which he ceases to have his normal place of residence in the country of departure;

(b) is intended to be used for the same purpose at his new normal place of residence.

In addition, the Customs may make relief conditional upon such property having borne, either in the country of origin or in the country of departure, the customs and/or fiscal charges to which it is normally liable.

Article 4

Relief may be granted only to persons whose normal place of residence has been outside Kosovo for a continuous period of at least 12 months.

However, the Customs may grant exceptions to the rule in the first paragraph provided that the intention of the person concerned was clearly to reside outside Kosovo for a continuous period of at least 12 months.

Article 5

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.

Article 6

1. Except in special cases, relief shall be granted only in respect of personal property entered for free circulation within 12 months from the date of establishment, by the person concerned, of his normal place of residence in Kosovo.
2. The personal property may be released for free circulation in several separate consignments within the period referred to in the preceding paragraph.

Article 7

1. Until 12 months have elapsed from the date on which its entry 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 prior notification to the Customs authority .
2. Any loan, giving as security, hiring out or transfer before the expiry of the period referred to in paragraph 1 shall entail payment of the relevant import duties 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 Customs.

Article 8

1. By way of derogation from the first paragraph of Article 6, relief may be granted in respect of personal property entered for free circulation before the person concerned establishes his normal place of residence in Kosovo, provided that he undertakes actually to establish his normal place

of residence there within a period of six months. Such undertaking shall be accompanied by a security, the form and amount of which shall be determined by the Customs.

2. Where use is made of the provisions of paragraph 1, the period laid down in Article 3 (a) shall be calculated from the date on which the personal property is brought into Kosovo.

Article 9

1. Where, owing to occupational commitments, the person concerned leaves the other country where he had his normal place of residence without simultaneously establishing his normal place of residence in Kosovo, although having the intention of ultimately doing so, the Customs may authorize duty-free admission of the personal property which he transfers into Kosovo.

2. Duty-free admission of the personal property referred to in paragraph 1 shall be granted in accordance with the conditions laid down in Articles 2 to 7, on the understanding that:

- a) the periods laid down in Article 3 (a) and the first paragraph of Article 6 shall be calculated from the date on which the personal property is brought into Kosovo;
- b) the period referred to in Article 7 (1) shall be calculated from the date when the person concerned actually establishes his normal place of residence in Kosovo.

3. Duty-free admission shall also be subject to an undertaking from the person concerned that he will actually establish his normal place of residence in Kosovo within a period laid down by the Customs in keeping with the circumstances. The latter may require this undertaking to be accompanied by a security, the form and amount of which they shall determine.

Article 10

The Customs may derogate from Articles 3 (a) and (b), 5 (c) and (d) and 7, when a person has to transfer his normal place of residence from another country to Kosovo as a result of exceptional political circumstances.

TITLE II GOODS IMPORTED ON THE OCCASION OF A MARRIAGE

Article 11

1. Subject to Articles 12 to 15, trousseaux and household effects, whether or not new, belonging to a person transferring his or her normal place of residence from another country to Kosovo on the occasion of his or her marriage, shall be admitted free of import duties.

2. Subject to the same conditions, presents customarily given on the occasion of a marriage, which are received by a person fulfilling the conditions laid down in paragraph 1 from persons having their normal place of residence in another country, shall also be admitted free of import duties. The value of each present admitted duty-free may not, however, exceed €1000.

Article 12

The relief referred to in Article 11 may be granted only to persons:

- a) whose normal place of residence has been outside Kosovo for a continuous period of at least 12 months. However, derogations from this rule may be granted provided that the intention of the person concerned was clearly to reside outside Kosovo for a continuous period of at least 12 months;
- b) who produce evidence of their marriage.

Article 13

No relief shall be granted for alcoholic products, tobacco or tobacco products.

Article 14

1. Save in exceptional circumstances, 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), and
- b) not later than four months after the date of the wedding.

2. The goods referred to in Article 11 may be released for free circulation in several separate consignments within the period referred to in paragraph 1 above.

Article 15

1. Until 12 months have elapsed from the date on which their entry for free circulation was accepted, goods which have been admitted duty-free under Article 11 may not be lent, given as security, hired out or transferred, whether for a consideration or free of charge, without prior notification to the Customs .

2. Any loan, giving as security, hiring out or transfer before the expiry of the period referred to in paragraph 1 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 Customs.

TITLE III

PERSONAL PROPERTY ACQUIRED BY INHERITANCE

Article 16

1. Subject to Articles 17 to 19, personal property acquired by inheritance, by a natural person having his normal place of residence in Kosovo shall be admitted free of import duties.

2. For the purposes of paragraph 1, 'personal property' means all the property referred to in Article 1 (2) (a) constituting the estate of the deceased.

Article 17

No relief shall be granted for:

- a) alcoholic products;
- b) tobacco and 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) stocks of raw materials and finished or semi-finished products;
- f) livestock and stocks of agricultural products exceeding the quantities appropriate to normal family requirements.

Article 18

1. Relief shall be granted only for personal property entered for free circulation not later than two years from the date on which the person concerned becomes entitled to the property (final settlement of the inheritance).

However, this period may be extended by the Customs on special grounds.

2. The personal property may be imported in several separate consignments within the period referred to in paragraph 1.

Article 19

Articles 16 to 18 shall apply with the necessary changes to personal property acquired by inheritance by legal persons engaged in a non-profit making activity who are established in Kosovo.

TITLE IV HOUSEHOLD EFFECTS FOR FURNISHING A SECONDARY RESIDENCE

Article 20

Subject to the provisions of Articles 21 to 24, household effects imported by a natural person having his normal place of residence outside Kosovo for the purpose of furnishing a secondary residence in Kosovo shall be admitted free of import duties.

Article 21

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 the household effects in question were exported;
- (b) are appropriate both by nature and by quantity to the normal furnishings of the said secondary residence.

Article 22

Relief shall be granted only to persons who:

- a) have had their normal place of residence outside Kosovo 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.

Relief may be limited to one occasion for one and the same secondary residence.

Article 23

The grant of relief may be made subject to the establishment of a guarantee to ensure payment of any customs debt which may arise pursuant to Article 24.

Article 24

1. Hire 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 the entry for free circulation of the household effects shall entail payment of the relevant import duties on them, at the rate applying on the date of such hire or transfer, on the basis of the type of effects and the customs value ascertained or accepted on that date by the Customs.

Nevertheless, the relief shall continue to apply if the household effects concerned are used to furnish a new secondary residence, provided that the provisions of Article 22 (b) and (c) are respected.

2. Any loan, giving as security, hiring out or transfer, whether for a consideration or free of charge, of the household effects themselves to a third person before the expiry of a period of two years from the date of acceptance of their entry for free circulation shall likewise entail payment of the relevant duties under the same conditions as those referred to in the first subparagraph of paragraph 1.

This period may be extended up to 10 years for valuable household effects.

TITLE V SCHOOL OUTFITS, SCHOLASTIC MATERIALS AND OTHER SCHOLASTIC HOUSEHOLD EFFECTS

Article 25

1. Outfits, scholastic materials and household effects representing the usual furnishings for a student's room and belonging to pupils or students coming to stay in Kosovo for the purpose of studying there and intended for their personal use during the period of their studies shall be admitted free of import duties.

2. For the purposes of paragraph 1:

- a) 'pupil or student' means any person enrolled in an educational establishment in order to attend full-time the courses offered therein;

- b) 'outfit' means underwear or household linen as well as clothing, 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.

Article 26

Relief shall be granted at least once per school year.

TITLE VI CONSIGNMENTS OF NEGLIGIBLE VALUE

Article 27

Subject to Article 28, any consignments made up of goods of negligible value dispatched direct from another country to a consignee in Kosovo shall be admitted free of import duties.

'Goods of negligible value' means goods the intrinsic value of which does not exceed a total of €22 per consignment.

Article 28

The relief shall not apply to the following:

- a) alcoholic products;
- b) perfumes and toilet waters;
- c) tobacco or tobacco products.

TITLE VII CONSIGNMENTS SENT BY ONE PRIVATE INDIVIDUAL TO ANOTHER

Article 29

1. Subject to Articles 30 and 31, goods contained in consignments sent from another country by a private individual to another private individual living in Kosovo shall be admitted free of import duties, provided that such importations are not of a commercial nature.

2. For the purposes of paragraph 1, imported consignments are ‘not of a commercial nature’ if they:

- a) are of an occasional nature,
- b) contain goods exclusively for the personal use of the consignee or his family, which do not by their nature or quantity reflect any commercial intent,
- c) are sent to the consignee by the consignor free of payment of any kind.

Article 30

The relief referred to in Article 29 (1) shall apply to a value of €45 per consignment, including the value of goods referred to in Article 31.

Where the total value per consignment of two or more items exceeds the amount referred to in the first subparagraph, relief up to that amount shall be granted for such of the items as would, if imported separately, have been granted relief, it being understood that the value of an individual item cannot be split up.

Article 31

The relief referred to in Article 29 (1) shall be limited, per consignment, to the quantities given against each of the goods listed below:

- a) tobacco products:
 - 50 cigarettes, or
 - 25 cigarillos (cigars of a maximum weight of three grams each), or
 - 10 cigars, or
 - 50 grams of smoking tobacco, or
 - a proportional assortment of these different products;
- b) alcohols and alcoholic beverages:
 - distilled beverages and spirits of an alcoholic strength by volume exceeding 22 % volume; non-denatured ethyl alcohol of 80 % volume and over: one liter, or
 - distilled beverages and spirits, and aperitifs with a wine or alcoholic base, tafia, saké or similar beverages, of an alcoholic strength by volume not exceeding 22 %

volume; sparkling wines, liqueur wines: one liter, or a proportional assortment of these different products and

- still wines: two liters;
- c) perfumes: 50 grams, or toilet waters: 0,25 liter.

TITLE VIII

CAPITAL GOODS AND OTHER EQUIPMENT IMPORTED ON THE TRANSFER OF ACTIVITIES INTO KOSOVO

Article 32

1. Without prejudice to the measures in force in Kosovo with regard to industrial and commercial policy, and subject to Articles 33 to 37, the capital goods and other equipment belonging to undertakings which definitively cease their activity in a country and move to Kosovo in order to carry on a similar activity there, shall be admitted free of import duties.

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, 'undertaking' means an independent economic unit of production or of the service industry.

Article 33

Relief shall be limited to capital goods and other equipment which:

- a) except in special cases justified by the circumstances, have actually been used in the undertaking for a minimum of 12 months before the date on which the undertaking ceased to operate in the 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.

Article 34

No relief shall be granted to undertakings the transfer of which into Kosovo is consequent upon or is for the purpose of merging with, or being absorbed by, an undertaking established in Kosovo, without a new activity being set up.

Article 35

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.

Article 36

Except in special cases justified by the circumstances, the relief referred to in Article 32 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 country of departure.

Article 37

1. Until 12 months have elapsed from the date on which their entry for free circulation was accepted, capital goods and other 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 notification to the Customs .

This period may be extended to up to 36 months as concerns hiring out or transfer where there is a risk of abuse.

2. Any loan, giving as security, hiring out or transfer before the expiry of the period referred to in paragraph 1 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 Customs.

Article 38

Articles 32 to 37 shall apply with the necessary changes to capital goods and other equipment belonging to persons engaged in a liberal profession and to legal persons engaged in a non-profit making activity who transfer this activity into Kosovo.

TITLE IX
PRODUCTS OBTAINED BY KOSOVO FARMERS ON PROPERTIES LOCATED IN
ANOTHER COUNTRY

Article 39

1. Subject to Articles 40 and 41, agricultural, stock-farming, beekeeping, horticultural and forestry products from properties located in a country adjoining Kosovo, which are operated by agricultural producers having their principal undertaking within Kosovo and adjacent to the country concerned shall be admitted free of import duties.

2. To benefit from the provisions of paragraph 1, stock-farming products must be derived from animals which originated in Kosovo or have entered into free circulation therein.

Article 40

Relief shall be limited to products which have not undergone any treatment other than that which normally follows their harvest or production.

Article 41

Relief shall be granted only for products brought into Kosovo by the agricultural producer or on his behalf.

Article 42

Articles 39 to 41 shall apply with the necessary changes to the products of fishing or fish-farming activities carried out in the lakes or waterways bordering Kosovo and another country by fishermen from Kosovo and to the products of hunting activities carried out on such lakes or waterways by sportsmen from Kosovo.

TITLE X
SEEDS, FERTILIZERS AND PRODUCTS FOR THE TREATMENT OF SOIL AND
CROPS IMPORTED BY AGRICULTURAL PRODUCERS IN OTHER COUNTRIES
FOR USE IN PROPERTIES ADJOINING THOSE COUNTRIES

Article 43

Subject to Article 44, seeds, fertilizers and products for treatment of soil and crops, intended for use on property located in Kosovo adjoining another country and operated by agricultural producers having their principal undertaking within the said country and adjacent to Kosovo, shall be admitted free of import duties.

Article 44

1. Relief shall be limited to the quantities of seeds, fertilizers or other products required for the purpose of operating the property.
2. It shall be granted only for seeds, fertilizers or other products imported directly into Kosovo by the agricultural producer or on his behalf.
3. The Customs may make relief conditional upon the granting of reciprocal treatment.

TITLE XI GOODS CONTAINED IN TRAVELLERS' PERSONAL LUGGAGE

Article 45

1. Subject to Articles 46 to 49, goods contained in the personal luggage of travelers coming from another country shall be admitted free of import duties, provided such imports are of a non-commercial nature.

2. For the purposes of paragraph 1:

- a) 'personal luggage' means the whole of the luggage which a traveler is in a position to submit to the Customs on his arrival in Kosovo, as well as any luggage submitted to this same authority at a later date, provided that evidence can be produced to prove that it was registered, at the time of the traveler's departure, as accompanied luggage with the company which transported it into Kosovo from the country of departure.

Without prejudice to Article 112 (1) (b), portable containers holding fuel shall not constitute personal luggage;

- b) 'imports of a non-commercial nature' means imports which:

- are of an occasional nature, and
- consist exclusively of goods for the personal use of the travelers 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.

Article 46

1. The relief referred to in Article 45 (1) shall, in respect of the goods listed below, apply subject to the following quantitative limits per traveler:

a) tobacco products:

- 200 cigarettes, or
- 100 cigarillos (cigars of a maximum weight of three grams each), or
- 50 cigars, or
- 250 grams of smoking tobacco, or
- a proportional assortment of these different products;

b) alcohols and alcoholic beverages:

- distilled beverages and spirits of an alcoholic strength by volume exceeding 22 % volume; non-denatured ethyl alcohol of 80% volume and over: one liter, or
- distilled beverages and spirits, and aperitifs with a wine or alcoholic base, tafia, saké or similar beverages, of an alcoholic strength by volume not exceeding 22 % volume; sparkling wines, liqueur wines: two liters, or a proportional assortment of these different products and
- still wines: two liters;

c) perfumes: 50 grams and toilet waters: 0,25 liter;

d) medicinal products: the quantity required to meet travelers' personal needs.

2. No relief for the goods referred to in paragraph 1 (a) and (b) shall be granted to travelers under 17 years old.

Article 47

The relief referred to in Article 45 shall be granted up to a total value of €175 per traveler to goods other than those listed in Article 46.

Article 48

Where the total value per traveler of two or more items exceeds the amounts referred to in Article 47, relief up to those amounts shall be granted for such of the items as would, if imported separately, have been granted relief, it being understood that the value of an individual item cannot be split up.

Article 49

1. The Customs may reduce the value and/or the quantities of goods allowed entering duty-free if they are imported by:

- persons residing in the frontier zone,

- frontier workers,
- the crews of means of transport used between other countries and Kosovo.

These restrictions shall not apply where persons having their residence in the frontier zone prove that they are not returning from the frontier zone of the adjacent country. They shall, however, still apply to frontier workers and to the crew of means of transport used between other countries and Kosovo where they import goods when traveling in the course of their work.

2. For the purposes of applying the provisions of paragraph 1:

- ‘frontier zone’ means, without prejudice to existing conventions in this respect, a zone which, as the crow flies, does not extend more than 15 kilometers from the frontier. The local administrative districts, part of whose territory lies within the zone, shall also be considered to be part of this frontier zone. The Customs may grant exemptions there from;
- ‘frontier worker’ means any person whose normal activities require that he should go to the other side of the frontier on his work days.

TITLE XII
EDUCATIONAL, SCIENTIFIC AND CULTURAL MATERIALS;
SCIENTIFIC INSTRUMENTS AND APPARATUS

Article 50

The educational, scientific and cultural materials listed in Appendix I shall be admitted free of import duties whoever the consignee and whatever the intended use of such materials may be.

Article 51

The educational, scientific and cultural materials listed in Appendix II shall be admitted free of import duties provided they are intended:

- either for public educational, scientific or cultural establishments or organizations,
- or for the establishments or organizations in the categories specified opposite each article in column 3 of the said Appendix.

Article 52

1. Subject to Articles 53 to 57, scientific instruments and apparatus which are not included in Article 51 shall be admitted free of import duties when they are imported exclusively for non-commercial purposes.

2. The relief referred to in paragraph 1 shall be limited to scientific instruments and apparatus which are intended for:

- either public establishments principally engaged in education or scientific research and those departments of public establishments which are principally engaged in education or scientific research,
- or private establishments principally engaged in education or scientific research.

Article 53

The relief shall also apply to:

(a) spare parts, components or accessories specifically suitable for scientific instruments or apparatus, provided that such spare parts, components or accessories are imported at the same time as such instruments or apparatus or, where they are imported subsequently, that they can be identified as being intended for instruments or apparatus:

- which have previously been admitted duty free, provided that such instruments or apparatus are still of a scientific nature at the time when relief is requested for the specific spare parts, components or accessories, or
- 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 these tools are imported at the same time as such instruments and apparatus or, where they are imported subsequently, that they can be identified as being intended for instruments or apparatus:

- which have previously been admitted duty free, provided that such instruments or apparatus are still of a scientific nature at the time when relief is requested for the tools, or
- which would be entitled to relief at the time when such relief is requested for the tools.

Article 54

For the purposes of Articles 52 and 53:

- ‘scientific instrument or apparatus’ means any instrument or apparatus which, by reason of its objective technical characteristics and the results which it makes possible to obtain, is mainly or exclusively suited to scientific activities,
- ‘imported for non-commercial purposes’ shall be considered to apply to scientific instruments or apparatus intended to be used for non-profit-making scientific research or educational purposes.

Article 55

If necessary, certain instruments or apparatus may be excluded from entitlement to relief, where it is found that duty-free admission of such instruments or apparatus is detrimental to the interests of Kosovo industry in the production sector concerned.

Article 56

1. The articles referred to in Article 51 and the scientific instruments or apparatus which have been admitted duty-free in accordance with the conditions laid down in Articles 53 to 55 may not be lent, hired out or transferred, whether for a consideration or free of charge, without prior notification to the Customs .

2. Should an article be lent, hired out or transferred to an establishment or organization entitled to benefit from relief pursuant to Article 51 or 52, (the relief shall continue to be granted provided the establishment or organization uses the article, instrument or apparatus for purposes which confer the right to such relief.

3. 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 Customs .

Article 57

1. Establishments or organizations referred to in Articles 51 and 52 which cease to fulfill the conditions giving entitlement to relief, or which are proposing to use articles admitted duty-free for purposes other than those provided for by those Articles shall so inform the Customs .

2. Articles remaining in the possession of establishments or organizations which cease to fulfill the conditions giving entitlement to relief shall be liable to the relevant import duties at the rate

applying on the date on which those conditions cease to be fulfilled, on the basis of the type of article and the customs value ascertained or accepted on that date by the Customs.

Articles used by the establishment or organization benefiting from the relief for purposes other than those provided for in Articles 51 and 52 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 Customs.

Article 58

Articles 55 to 57 shall apply with the necessary changes to the products referred to in Article 53.

Article 59

1. Equipment imported for non-commercial purposes by or on behalf of a scientific research establishment or organization based outside Kosovo shall be admitted free of import duties.

2. The relief shall be granted provided the equipment:

(a) is intended for use by or with the agreement of the members or representatives of the establishments and organizations referred to in paragraph 1 in the context and within the limits of scientific cooperation agreements the purpose of which is to carry out international scientific research programs in scientific research establishments based in Kosovo;

(b) remains the property of a natural or legal person resident outside Kosovo during its stay in Kosovo.

3. Within the meaning of this Annex:

- equipment is taken to mean instruments, apparatus, machines and their accessories including spare parts and tools specially designed for their maintenance, inspection, calibration or repair, used for the purpose of scientific research,
- equipment intended for use for the purpose of scientific research carried out for non-profit making purposes is considered to be 'imported for non-commercial purposes'.

Article 60

1. Equipment referred to in Article 59 which has been admitted duty-free in accordance with the conditions laid down in the said Article may not be lent, hired out or transferred, whether for a consideration or free of charge, without prior notification to the Customs .

2. Should equipment be lent, hired out or transferred to an establishment or organization entitled to benefit from relief pursuant to Article 59, the relief shall continue to be granted provided the establishment or organization uses the equipment for purposes which confer the right to such relief.

In other cases, and without prejudice to the application of Articles 52 and 53, 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 equipment and the customs value ascertained or accepted on that date by the Customs.

3. Establishments or organizations referred to in Article 59 (1) which no longer fulfill the conditions to qualify for relief or which are proposing to use equipment admitted duty-free for purposes other than those provided for by that Article shall so inform the Customs.

4. Equipment used by establishments or organizations which cease to fulfill the conditions giving entitlement to relief shall be liable to the relevant import duties at the rate applying on the date on which those conditions cease to be fulfilled, on the basis of the type of article and the customs value ascertained or accepted on that date by the Customs.

5. Without prejudice to Articles 52 and 53, equipment used by the establishment or organization benefiting from the relief for purposes other than those provided for in Article 59 shall be liable to the relevant import duties calculated as applicable on the date on which it is put to another use, on the basis of the type of equipment and the customs value ascertained or accepted on that date by the Customs.

TITLE XIII

LABORATORY ANIMALS AND BIOLOGICAL OR CHEMICAL SUBSTANCES INTENDED FOR RESEARCH

Article 61

1. Relief from import duties shall be granted in respect of:

(a) animals specially prepared for laboratory use;

(b) biological or chemical substances which are imported exclusively for non-commercial purposes.

2. The relief referred to in paragraph 1 shall be limited to animals and biological or chemical substances which are intended for:

- either public establishments principally engaged in education or scientific research and those departments of public establishments which are principally engaged in education or scientific research, or

- private establishments principally engaged in education or scientific research.
3. Substances referred to in subparagraph 1(b) may include only biological or chemical substances for which there is no equivalent production in Kosovo and which, on account of their specificity or degree of purity, are mainly or exclusively suited to scientific research.

TITLE XIV

THERAPEUTIC SUBSTANCES OF HUMAN ORIGIN AND BLOODGROUPING AND TISSUE-TYPING REAGENTS

Article 62

1. Subject to Article 63, the following shall be admitted free of import duties:

- a) therapeutic substances of human origin;
- b) blood-grouping reagents;
- c) tissue-typing reagents.

2. For the purposes of paragraph 1:

- 'therapeutic substances of human origin' means human blood and its derivatives (whole human blood, dried human plasma, human albumin and fixed solutions of human plasma protein, human immunoglobulin and human fibrinogen),
- '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,
- 'tissue-typing reagents' means all reagents whether of human, animal, plant or other origin used for the determination of human tissue-types.

Article 63

Relief shall be limited to products which:

- a) are intended for institutions or laboratories 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 country of departure;
- c) are in containers bearing a special label identifying them.

Article 64

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 consignments.

TITLE XV INSTRUMENTS AND APPARATUS INTENDED FOR MEDICAL RESEARCH, ESTABLISHING MEDICAL DIAGNOSES OR CARRYING OUT MEDICAL TREATMENT

Article 65

1. Instruments and apparatus intended for medical research, establishing medical diagnoses or carrying out medical treatment which are donated either by a charitable or philanthropic organization or by a private individual to health authorities, hospital departments or medical research institutions, or which are purchased by such health authorities, hospitals or medical research institutions entirely with funds supplied by a charitable or philanthropic organization or with voluntary contributions, shall be admitted free of import duties, always provided that it is established that:

- a) the donation of the instruments or apparatus in question does not conceal any commercial intent on the part of the donor; and
- b) the donor is in no way connected with the manufacturer of the instruments or apparatus for which relief is requested.

2. The relief shall also apply, subject to the same conditions, to:

- a) spare parts, components or accessories specifically suitable for the above instruments or apparatus, provided that these spare parts, components or accessories are imported at the same time as such instruments and apparatus or, where they are imported subsequently, that they can be identified as being intended for instruments or apparatus previously admitted duty free;
- b) tools to be used for the maintenance, checking, calibration or repair of instruments or apparatus, provided that these tools are imported at the same time as such instruments and apparatus or, where they are imported subsequently, that they can be identified as being intended for instruments or apparatus previously admitted duty free.

Article 66

For the purposes of Article 65, and in particular with regard to the instruments or apparatus and the recipient bodies referred to therein, Articles 55 to 57 shall apply with the necessary changes.

TITLE XVI
REFERENCE SUBSTANCES FOR THE QUALITY CONTROL OF MEDICINAL
PRODUCTS

Article 67

Consignments which contain samples of reference substances approved by the World Health Organization for the quality control of materials used in the manufacture of medicinal products and which are addressed to consignees.

TITLE XVII
PHARMACEUTIC PRODUCTS USED AT INTERNATIONAL SPORTS EVENTS

Article 68

Pharmaceutical products for human or veterinary medical use by persons or animals coming from other countries to participate in international sports events organized in Kosovo, shall, within the limits necessary to meet their requirements throughout their stay in Kosovo, be admitted free of import duties.

TITLE XVIII
GOODS FOR CHARITABLE OR PHILANTHROPIC ORGANISATIONS;
ARTICLES INTENDED FOR THE BLIND AND OTHER HANDICAPPED PERSONS

A. For general purposes

Article 69

1. Subject to Articles 71 and 72, the following shall be admitted free of import duties, in so far as this does not give rise to abuses or major distortions of competition:

- a) basic necessities imported by Government organizations or other charitable or philanthropic organizations registered as such in Kosovo for distribution free of charge to needy persons;
- b) goods of every description sent free of charge, by a person or an organization established outside Kosovo, and without any commercial intent on the part of the sender, to Government organizations or other charitable or philanthropic organizations registered as such in Kosovo, to be used for fund-raising at occasional charity events for the benefit of needy persons;
- c) equipment and office materials sent free of charge, by a person or an organization established outside Kosovo, and without any commercial intent on the part of the sender, to charitable or philanthropic organizations registered as such in Kosovo, to be used

solely for the purpose of meeting their operating needs or carrying out their charitable or philanthropic aims.

2. For the purposes of paragraph 1 (a), 'basic necessities' means those goods required to meet the immediate needs of human beings, for example food, medicine, clothing and bed-clothes.

Article 70

No relief shall be granted for:

- a) alcoholic products;
- b) tobacco or tobacco products;
- c) coffee and tea;
- d) motor vehicles other than ambulances.

Article 71

Relief shall be granted only to organizations the accounting procedures of which enable the Customs to supervise their operations and which offer all the guarantees considered necessary.

Article 72

1. The organization 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 Article 69 for purposes other than those laid down in paragraph 1 (a) and (b) of that Article without prior notification to the Customs .

2. Should goods and equipment be lent, hired out or transferred to an organization entitled to benefit from relief pursuant to Articles 69 and 71, the relief shall continue to be granted provided the latter uses the goods and equipment for purposes which confer the right to such relief.

3. 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 or equipment and the customs value ascertained or accepted on that date by the Customs .

Article 73

1. Organizations referred to in Article 69 which cease to fulfill 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 Article, shall so inform the Customs .
2. Goods and equipment remaining in the possession of organizations which cease to fulfill the conditions giving entitlement to relief shall be liable to the relevant import duties 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 as ascertained or accepted on that date by the Customs .
3. Goods and equipment used by the organization benefiting from the relief for purposes other than those provided for in Article 69 shall be liable to the relevant import duties 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 .

B. For the benefit of handicapped persons

1. Articles for the use of the blind

Article 74

Articles specially designed for the educational, scientific or cultural advancement of blind persons, as specified in Appendix III, shall be admitted free of import duties.

Article 75

Articles specially designed for the educational, scientific or cultural advancement of blind persons, as specified in Appendix IV, shall be admitted free of import duties provided that they are imported by:

- either blind persons themselves for their own use,
- or institutions or organizations concerned with the education of or the provision of assistance to the blind, and registered as such in Kosovo.

The relief referred to in the first paragraph shall apply to spare parts, components or accessories specifically 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.

2. Articles for the use of other handicapped persons

Article 76

1. Articles specially designed for the education, employment or social advancement of physically or mentally handicapped persons other than blind persons shall be admitted free of import duties where they are imported:

- either by handicapped persons themselves for their own use;
- or by institutions or organizations that are principally engaged in the education of or the provision of assistance to handicapped persons and registered as such in Kosovo.

2. The relief referred to in paragraph 1 shall apply to spare parts, components or accessories specifically 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, where they are imported subsequently, that they can be identified as being intended for articles which were 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 77

If necessary, certain articles may be excluded from entitlement to relief, where it is found that duty-free admission of such articles is detrimental to the interests of Kosovo industry in the production sector concerned.

3. Common provisions

Article 78

The direct grant of relief, for their own use, to blind persons or to other handicapped persons, as provided for in the first indent of Article 75 and the first indent of Article 76 (1), shall be subject to the condition that the provisions in force in Kosovo enable the persons concerned to establish their status as blind or handicapped persons entitled to such relief.

Article 79

1. Articles imported duty-free by the persons referred to in Articles 75 and 76 may not be lent, hired out or transferred, whether for a consideration or free of charge, without prior notification thereof to the Customs.

2. Should an article be lent, hired out or transferred to a person, institution or organization entitled to benefit from relief pursuant to Articles 75 and 76, the relief shall continue to be

granted provided the person, institution or organization uses the article for purposes which confer the right of such relief.

3. 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 or equipment and the customs value ascertained or accepted on that date by the Customs .

Article 80

1. Institutions or organizations referred to in Articles 75 and 76 which cease to fulfill the conditions giving entitlement to duty-free admission, or which are proposing to use articles admitted duty-free for purposes other than those provided for by those Articles shall so inform the Customs.

2. No loan, hiring out or transfer may be effected under conditions other than those provided for in paragraph 1 unless the Customs have first been informed.

Should an article be lent, hired out or transferred to a person, institution or organization entitled to benefit from relief pursuant to the first paragraph of Article 75 or Article 76 (1), the relief shall continue to be granted provided the person, institution or organization uses the article for purposes which confer the right of such relief.

4. 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 or equipment and the customs value ascertained or accepted on that date by the Customs .

Article 81

1. Institutions or organizations referred to in Articles 75 and 76 which cease to fulfill the conditions giving entitlement to duty-free admission, or which are proposing to use articles admitted duty-free for purposes other than those provided for by those Articles shall so inform the Customs.

2. Articles remaining in the possession of institutions or organizations which cease to fulfill the conditions giving entitlement to relief shall be liable to the relevant import duties at the rate applying on the date on which those conditions cease to be fulfilled, on the basis of the type of goods and the customs value ascertained or accepted on that date by the Customs.

3. Articles used by the institution or organization benefiting from the relief for purposes other than those provided for in Articles 75 and 76 shall be liable to the relevant import duties at the rate applying on the date on which they are put to another use, on the basis of the type of goods and the customs value ascertained or accepted on that date by the Customs.

C. For the benefit of disaster victims

Article 82

1. Subject to Articles 83 to 88, goods imported by Government organizations or other charitable or philanthropic organizations registered as such in Kosovo be admitted free of import duties where they are intended:

- a) for distribution free of charge to victims of disasters affecting Kosovo; or
- b) to be made available free of charge to the victims of such disasters, while remaining the property of the organizations in question.

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 referred to in paragraph 1, under the same conditions.

Article 83

No relief shall be granted for materials and equipment intended for rebuilding disaster areas.

Article 84

Granting of the relief shall be subject to a decision by the Government. This decision shall, where necessary, lay down the scope and the conditions of the relief.

Article 85

Relief shall be granted only to organizations the accounting procedures of which enable the Customs to supervise their operations and which offer all the guarantees considered necessary.

Article 86

1. The organizations benefiting from the relief may not lend, hire out or transfer, whether for consideration or free of charge, the goods referred to in Article 82 (1) under conditions other than those laid down in that Article without prior notification thereof to the Customs .

2. Should goods be lent, hired out or transferred to an organization itself entitled to benefit from relief pursuant to Article 82, the relief shall continue to be granted, provided the latter uses the goods for purposes which confer the right to such relief.

3. 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 Customs.

Article 87

1. The goods referred to in Article 82 (1) (b), 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 Customs are notified in advance.
2. Should goods be lent, hired out or transferred to an organization itself entitled to benefit from relief pursuant to Article 82 or, if appropriate, to an organization entitled to benefit from relief pursuant to Article 69 (1) (a), the relief shall continue to be granted, provided such organizations use them for purposes which confer the right to such relief.
3. 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 Customs.

Article 88

1. Organizations referred to in section 82 which cease to fulfill the conditions giving entitlement to relief, or which are proposing to use the goods admitted free of import duty for purposes other than those provided for by those subsections, shall so inform the Customs.
2. In the case of goods remaining in the possession of organizations which cease to fulfill the conditions giving entitlement to relief, when these are transferred to an organization itself entitled to benefit from relief pursuant to Article 82 or, if appropriate, to an organization entitled to benefit from relief pursuant to Article 69 (1) (a), relief shall continue to be granted, provided the organization uses the goods in question for purposes which confer the right to such relief. In other cases, the goods shall be liable to the relevant import 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 the customs value ascertained or accepted on that date by the Customs.
3. Goods used by the organization benefiting from the relief for purposes other than those provided for in Article 82 shall be liable to the relevant import 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 the customs value ascertained or accepted on that date by the Director General.

TITLE XIX HONORARY DECORATIONS OR AWARDS

Article 89

1. On production of satisfactory evidence to the Customs by the persons concerned, and provided the operations involved are not in any way of a commercial character, the following shall be admitted free of import duties:

- a) decorations conferred by Governments of other countries on persons whose normal place of residence is in Kosovo;
- b) cups, medals and similar articles of an essentially symbolic nature which, having been awarded in another country to persons having their normal place of residence in Kosovo as a tribute to their activities in fields such as the arts, the sciences, sport or the public service or as in recognition for merit at a particular event, are imported into Kosovo by such persons themselves;
- c) cups, medals and similar articles of an essentially symbolic nature which are given free of charge by authorities or persons established in another country to be presented in Kosovo for the same purposes as those referred to in (b);
- d) awards, trophies and souvenirs of a symbolic nature and of limited value intended for distribution free of charge to persons normally resident in other countries at business conferences or similar international events; their nature, unitary value or other features, must not be such as might indicate that they are being imported for commercial reasons.

TITLE XX
PRESENTS RECEIVED IN THE CONTEXT OF INTERNATIONAL RELATIONS

Article 90

Without prejudice, where relevant, to Articles 45 to 49, and subject to Articles 91 and 92 below, relief shall be granted for goods:

- (a) imported into Kosovo by persons who have paid an official visit to another country and who have received them on this occasion as gifts from the host authorities;
- (b) imported into Kosovo by persons coming to pay an official visit in Kosovo and who intend to offer them on that occasion as gifts to the host authorities;
- (c) sent as gifts, in token of friendship or goodwill, by an official body, public authority or group, carrying on an activity in the public interest which is located in another country, to an official body, public authority or group carrying on an activity in the public interest which is located in Kosovo.

Article 91

No relief shall be granted for alcoholic products, tobacco or tobacco products.

Article 92

Relief shall be granted only:

- where the articles intended as gifts are offered on an occasional basis,
- where they do not, by their nature, value or quantity, reflect any commercial interest,
- if they are not used for commercial purposes.

TITLE XXI GOODS TO BE USED BY MONARCHS OR HEADS OF STATE

Article 93

The following shall be admitted free of import duties:

- a) gifts to reigning monarchs and heads of State;
- b) goods to be used or consumed by reigning monarchs and heads of State of other countries, or persons officially representing them, during their official stay in Kosovo. However, relief may be made subject to reciprocal treatment.

The provisions of the preceding subparagraph are also applicable to persons enjoying prerogatives at international level analogous to those enjoyed by reigning monarchs or heads of State.

TITLE XXII GOODS IMPORTED FOR TRADE PROMOTION PURPOSES

A. Samples of goods of negligible value

Article 94

1. Without prejudice to Article 98 (1) (a), 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 Kosovo shall be admitted free of import duties.
2. The Customs may require that certain articles, to qualify for relief, 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.

3. For the purposes of paragraph 1, '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 its use for any purpose other than that of seeking orders.

B. Printed matter and advertising material
Article 95

Subject to Article 96, printed advertising matter such as catalogues, price lists, directions for use or brochures shall be admitted free of import duties, provided that they relate to:

- a) goods for sale or hire, or
- b) transport, commercial insurance or banking services offered by a person established outside Kosovo.

Article 96

The relief referred to in Article 95 shall be limited to printed advertisements which fulfill 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 kilogram;
- c) printed matter may not be the subject of grouped consignments from the same consignor to the same consignee.

Article 97

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, shall also be admitted free of import duties.

C. Products used or consumed at a trade fair or similar event
Article 98

1. Subject to Articles 99 to 102, the following shall be admitted free of import duties:

- a) small representative samples of goods manufactured outside Kosovo intended for a trade fair or similar event;
- b) goods imported solely in order to be demonstrated or in order to demonstrate machines and apparatus, manufactured outside Kosovo and displayed at a trade fair or similar event;
- c) various materials of little value such as paints, varnishes, wallpaper, etc., used in the building, fitting-out and decoration of temporary stands occupied by representatives of other countries at a trade fair or similar event, 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 Kosovo and displayed at a trade fair or similar event.

2. For the purposes of paragraph 1, '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 organizations 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 other countries.

Article 99

The relief referred to in Article 98 (1) (a) shall be limited to samples which:

- a) are imported free of charge as such from other countries or are obtained at the exhibition 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 not easily marketable and, where appropriate, are packaged 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 mentioned in (d), are consumed on the spot at 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.

Article 100

The relief referred to in Article 98 (1) (b) shall be limited to goods which are:

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

Article 101

The relief referred to in Article 98 (1) (d) shall be limited to printed matter and articles for advertising purposes which:

- a) are intended exclusively to be distributed free of charge to the public at the place where the exhibition is held;
- b) 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.

Article 102

The relief referred to in Article 98 (1) (a) and (b) shall not be granted for:

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

TITLE XXIII
GOODS IMPORTED FOR EXAMINATION, ANALYSIS OR TEST PURPOSES

Article 103

Subject to Articles 104 to 109, goods which are to undergo examination, analysis or tests to determine their composition, quality or other technical characteristics for purposes of information or industrial or commercial research shall be admitted free of import duties.

Article 104

Without prejudice to Article 107, the relief referred to in Article 103 shall be granted only on condition that the goods to be examined, analyzed or tested are completely used up or destroyed in the course of the examination, analysis or testing.

Article 105

Goods used in examination, analysis or tests which in themselves constitute sales promotion operations shall not enjoy relief.

Article 106

Relief shall be granted only in respect of the quantities of goods which are strictly necessary for the purpose for which they are imported. These quantities shall in each case be determined by the Customs, taking into account the said purpose.

Article 107

1. The relief referred to in Article 103 shall cover goods which are not completely used up or destroyed during examination, analysis or testing, provided that the products remaining are, with the agreement and under the supervision of the Customs:

- completely destroyed or rendered commercially valueless on completion of examination, analysis or testing, or
- surrendered to the said authorities without causing it any expense, or
- in duly justified circumstances, exported outside Kosovo.

2. For the purposes of paragraph 1, 'products remaining' means products resulting from the examination, analysis or tests or goods not actually used.

Article 108

Save where Article 107 (1) is applied, products remaining at the end of the examinations, analyses or tests referred to in Article 103 shall be subject to the relevant import duties at the rate applying on the date of completion of the examinations, analyses or tests, on the basis of the type of goods and the customs value ascertained or accepted on that date by the Customs.

However, the interested party may, with the agreement and under the supervision of the Customs, convert products remaining to waste or scrap. In this case, the import duties shall be those applying to such waste or scrap at the time of conversion.

Article 109

The period within which the 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.

TITLE XXIV CONSIGNMENTS SENT TO ORGANISATIONS PROTECTING COPYRIGHTS OR INDUSTRIAL AND COMMERCIAL PATENT RIGHTS

Article 110

Trademarks, patterns or designs and their supporting documents, as well as applications for patents for invention or the like, to be submitted to the bodies competent to deal with the protection of copyrights or the protection of industrial or commercial patent rights, shall be admitted free of import duties.

TITLE XXV TOURIST INFORMATION LITERATURE

Article 111

Without prejudice to Articles 50 to 58, the following shall be admitted free of import duties:

- a) documentation (leaflets, brochures, books, magazines, guidebooks, posters whether or not framed, unframed photographs and photographic enlargements, maps whether or not illustrated, window transparencies, and illustrated calendars) intended to be distributed free of charge and the principal purpose of which is to encourage the public to visit foreign countries, in particular in order to attend cultural, tourist, sporting, religious or trade or professional meetings or events, provided that such literature contains not more than 25 % of private commercial advertising matter, excluding all private commercial

advertising for Kosovo firms, and that the general nature of its promotional aims is evident;

- b) foreign hotel lists and yearbooks published by the official tourist agencies, or under their auspices, and timetables for foreign transport services, where such literature is intended to be distributed free of charge and contains not more than 25 % of private commercial advertising, excluding all private commercial advertising for Kosovo firms;
- c) reference material supplied to accredited representatives or correspondents appointed by official national tourist agencies and not intended for distribution, viz. yearbooks, lists of telephone or telex numbers, hotel lists, fairs catalogues, specimens of craft goods of negligible value, and literature on museums, universities, spas or other similar establishments.

TITLE XXVI MISCELLANEOUS DOCUMENTS AND ARTICLES

Article 112

The following shall be admitted free of import duties:

- a) documents sent free of charge to the public services of Kosovo;
- b) publications of foreign Governments and publications of official international bodies intended for distribution without charge;
- c) ballot papers for elections organized by bodies set up in other countries;
- d) objects to be submitted as evidence or for like purposes to the courts or other official agencies of Kosovo;
- e) specimen signatures and printed circulars concerning signatures sent as part of customary exchanges of information between public services or banking establishments;
- f) official printed matter sent to the Banking and Payments Authority of Kosovo;
- g) reports, statements, notes, prospectuses, application forms and other documents drawn up by companies registered in another 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 orders in other countries or to participating in a competition held in Kosovo;
- k) documents to be used in examinations held in Kosovo by institutions set up in other 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 another country to travel agencies set up in Kosovo;
- 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 other country or international authorities, and printed matter conforming to international standards sent for distribution by foreign associations to corresponding associations located in Kosovo;
- p) photographs, slides and stereotype mats for photographs, whether or not captioned, sent to press agencies or newspaper or magazine publishers;
- q) tax and similar stamps proving payment of charges in other countries.

TITLE XXVI
ANCILLARY MATERIALS FOR THE STOWAGE AND PROTECTION OF GOODS
DURING THEIR TRANSPORT

Article 113

The various materials such as rope, straw, cloth, paper and cardboard, wood and plastics which are used for the stowage and protection — including heat protection — of goods during their transport from a country to Kosovo, not normally reusable, shall be admitted free of import duties.

TITLE XXVII
LITTER, FODDER AND FEEDINGSTUFFS FOR ANIMALS DURING THEIR
TRANSPORT

Article 114

Litter, fodder and feeding stuffs of any description put on board the means of transport used to convey animals from a country to Kosovo for the purpose of distribution to the said animals during the journey shall be admitted free of import duties.

TITLE XXIX
FUEL, AND LUBRICANTS PRESENT IN LAND MOTOR VEHICLES
AND SPECIAL CONTAINERS

Article 115

1. Subject to the provisions of Articles 116 to 118:

a) fuel contained in the standard tanks of:

- private and commercial motor vehicles and motor cycles,
- special containers,

entering Kosovo;

b) fuel contained in portable tanks carried by private motor vehicles and motor cycles, with a maximum of 10 liters per vehicle;

shall be admitted free of import duties.

2. For the purposes of paragraph 1:

a) 'commercial motor vehicle' means any motorized road vehicle (including tractors with or without trailers) which by its type of construction and its equipment is designed for and capable of transporting, whether for payment or not:

- more than nine persons including the driver,
- goods,
- and any road vehicle for a special purpose other than transport as such;

b) 'private motor vehicle' means any motor vehicle not covered by the definition set out in (a);

c) 'standard tanks' means:

- the tanks permanently fixed by the manufacturer to all motor vehicles of the same type as the vehicle in question and whose permanent fitting enables fuel to be used directly, both for the purpose of propulsion and, where appropriate, for the operation, during transport, of refrigeration systems and other systems.

Gas tanks fitted to motor vehicles designed for the direct use of gas as a fuel and tanks fitted to the other systems with which the vehicle may be equipped shall also be considered to be standard tanks,

- tanks permanently fixed by the manufacturer to all containers of the same type as the container in question and whose permanent fitting enables fuel to be used directly for the operation, during transport, of the refrigeration systems and other systems with which special containers are equipped;
- d) 'special container' means any container fitted with specially designed apparatus for refrigeration systems, oxygenation systems, thermal insulation systems, or other systems.

Article 116

As regards the fuel contained in the standard tanks of commercial motor vehicles and special containers, the Customs may limit application of the relief to 200 liters per vehicle, per special container and per journey.

Article 117

The Customs may limit the amount of duty-free fuel allowed in the case of:

- commercial motor vehicles engaged in international transport into their frontier zone to a maximum depth of 25 km as the crow flies, provided such journeys are made by persons residing in the frontier zone,
- private motor vehicles belonging to persons residing in the frontier zone specified in Article 49 (2).

Article 118

Fuel admitted duty-free under Articles 115 to 117 may not be used in a vehicle other than that in which it was imported nor be removed from that vehicle and stored, except during necessary repairs to that vehicle, nor be transferred, whether for a consideration or free of charge, by the person benefiting from the relief.

Non-compliance with the preceding paragraph shall give rise to application of the import duties relating to the products in question at the rate in force on the date of such non-compliance, on the

basis of the type of goods and the customs value ascertained or accepted on that date by the Customs.

Article 119

The relief referred to in Article 115 shall also apply to the lubricants present in the motor vehicles and required for their normal operation during the journey in question.

TITLE XXX MATERIALS FOR THE CONSTRUCTION, UPKEEP OR ORNAMENTATION OF MEMORIALS TO, OR CEMETERIES FOR, WAR VICTIMS

Article 120

Goods of every description, imported by organizations to be used for the construction, upkeep or ornamentation of cemeteries and tombs of, and memorials to, war victims of other countries who are buried in Kosovo, shall be admitted free of import duties.

TITLE XXXI COFFINS, FUNERARY URNS AND ORNAMENTAL FUNERARY ARTICLES

Article 121

The following shall be admitted free of import duties:

- a) coffins containing bodies and urns containing the ashes of deceased persons, as well as the flowers, funeral wreaths and other ornamental objects normally accompanying them;
- b) flowers, wreaths and other ornamental objects brought by persons resident in other countries attending a funeral or coming to decorate graves in Kosovo, provided these importations do not reflect, by either their nature or their quantity, any commercial intent.

CHAPTER II RELIEF FROM EXPORT DUTIES

TITLE I CONSIGNMENTS OF NEGLIGIBLE VALUE

Article 122

Consignments dispatched to their consignee by letter or parcel post and containing goods of a total value not exceeding €10 may be exported free of export duties.

TITLE II
DOMESTICATED ANIMALS EXPORTED AT THE TIME OF TRANSFER OF
AGRICULTURAL
ACTIVITIES FROM KOSOVO TO ANOTHER COUNTRY

Article 123

1. Domesticated animals forming the livestock of an agricultural undertaking which has ceased to operate in Kosovo and transfers its activities to another country may be exported free of export duties.
2. The relief referred to in paragraph 1 shall be limited to domesticated animals in numbers appropriate to the nature and size of the agricultural undertaking.

TITLE III
PRODUCTS OBTAINED BY AGRICULTURAL PRODUCERS FARMING
ON PROPERTIES LOCATED IN KOSOVO

Article 124

1. Agricultural or stock-farming products obtained in Kosovo on properties adjacent to another country, operated, in the capacity of owner or lessee, by persons having their principal undertaking in another country adjoining Kosovo, may be exported free of export duties.
2. To benefit from the provisions of paragraph 1, products obtained from domesticated animals must be derived from animals originating in the other country in question or satisfying the requirements for free circulation there.

Article 125

The relief referred to in Article 124 (1) shall be limited to products which have not undergone any treatment other than that which normally follows their harvest or production.

Article 126

Relief shall be granted only for products brought into the other country in question by the agricultural producer or on his behalf.

TITLE IV
SEEDS EXPORTED BY AGRICULTURAL PRODUCERS FOR USE ON PROPERTIES
LOCATED IN OTHER COUNTRIES

Article 127

Seeds for use on properties located in a country adjacent to Kosovo and operated, in the capacity of owner or lessee, by persons having their principal undertaking in Kosovo in the immediate proximity of the country in question may be exported free of export duties.

Article 128

The relief referred to in Article 127 shall be limited to the quantities of seeds required for the purpose of operating the property.

It shall be granted only for seeds exported directly from Kosovo by the agricultural producer or on his behalf.

TITLE V
FODDER AND FEEDINGSTUFFS ACCOMPANYING ANIMALS DURING THEIR
EXPORTATION

Article 129

Fodder and feeding stuffs of any description put on board the means of transport used to convey animals from Kosovo to another country for the purpose of distribution to the said animals during the journey may be exported free of export duties.

CHAPTER III
GENERAL AND FINAL PROVISIONS

Article 130

The provisions of Chapter shall apply both to goods declared for free circulation coming directly from other countries and to goods declared for free circulation after having been subject to another customs procedure.

Article 131

The Customs shall take all appropriate measures to ensure that goods placed in free circulation, where relief from import duties is granted conditional upon goods being put to a particular use by

the recipient, may not be used for other purposes without the relevant import duties being paid, unless such alternative use is in conformity with the conditions laid down by this Annex.

Article 132

Where the same person simultaneously fulfils the conditions required for the grant of relief from import or export duties under different provisions of this Annex, the provisions in question shall apply concurrently.

Article 133

Where this Annex provides that the granting of relief shall be subject to the fulfillment of certain conditions, the person concerned shall, to the satisfaction of the Customs, furnish proof that these conditions have been met.

Article 134

Nothing in this Annex shall prevent the Customs from granting:

- a) relief 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;
- b) relief under the customary privileges accorded by virtue of international agreements or headquarters agreements to which either a country or an international organization is a contracting party, including the relief granted on the occasion of international meetings;
- c) relief under the customary privileges and immunities accorded in the context of cultural, scientific or technical cooperation agreements concluded with other countries;
- d) special relief introduced under agreements concluded with other countries and providing for common measures for the protection of persons or of the environment;
- e) special relief introduced under agreements concluded with adjacent countries, justified by the nature of the frontier-zone trade with the countries in question;
- f) relief granted pursuant to other Kosovo laws.

CHAPTER IV
PROVISIONS FOR THE IMPLEMENTATION OF ARTICLES 50 TO 60,
65 AND 66 AND 74 TO 81 OF THIS ANNEX

TITLE I
OBLIGATIONS ON THE PART OF THE ESTABLISHMENTS OR ORGANISATIONS
TO WHICH THE GOODS ARE CONSIGNED

Article 135

1. The admission free of import duties of educational, scientific and cultural materials referred to in Article 51, 52 (1) and 53 of this Annex, hereinafter referred to as 'goods', shall entail the following obligations on the part of the establishment or organization to which the goods are consigned:

- to dispatch the goods in question directly to the declared place of destination,
- to account for them in its inventory,
- to facilitate any verification which the Customs consider necessary in order to ensure that the conditions for granting admission free of import duties are satisfied, or remain satisfied.

In addition, in the case of goods referred to in Articles 52 (1) and 53, it shall entail the obligation on the part of the establishment or organization to which the goods are consigned to use the abovementioned goods exclusively for non-commercial purposes within the meaning of the second indent of Article 54 of this Annex.

2. The head of the establishment or organization to which the goods are consigned, or his authorized representative, shall furnish the Customs with a statement declaring that he is aware of the various obligations listed in paragraph 1 and including an undertaking to comply with them.

The Customs may require that the statement referred to in the preceding subparagraph be produced for each import, or for several imports, or for all the imports to be carried out by the establishment or organization to which the goods are consigned.

TITLE II
PROVISIONS TO BE APPLIED WHERE THE GOODS ARE LENT,
HIRED OUT OR TRANSFERRED

Article 136

1. Where the provisions of the first subparagraph of Article 56 (2) or of the second subparagraph of Article 80 (2) of this Annex are applied, the establishment or organization to which goods are

lent, hired out or transferred shall, from the date of receipt of the goods, comply with the same obligations as those set out in Article 135.

2. The provisions of paragraph 1 shall apply with the necessary changes to the loan, hire or transfer of spare parts, components or specific accessories for scientific instruments or apparatus, and to tools for the maintenance, control, calibration or repair of scientific instruments or apparatus, which have been admitted free of import duties under Article 53 of this Annex.

TITLE III
SPECIFIC PROVISIONS RELATING TO THE ADMISSION FREE OF IMPORT
DUTIES OF EDUCATIONAL, SCIENTIFIC OR CULTURAL MATERIALS
IN ACCORDANCE WITH ARTICLE 51 OF THIS ANNEX

Article 137

1. In order to obtain admission free of import duties of goods in accordance with Article 51 of this annex, the head of the establishment or organization to which the goods are consigned, or his authorized representative, must submit to the Customs the appropriate customs declaration, accompanied by an application.

2. Such application must be accompanied by all information which the Customs considers necessary for the purpose of determining whether the conditions laid down for granting admission free of import duties are fulfilled.

3. Admission free of import duties shall be granted with the release of the goods concerned.

TITLE IV
SPECIFIC PROVISIONS RELATING TO THE IMPORTATION FREE OF IMPORT
DUTIES OF SCIENTIFIC INSTRUMENTS AND APPARATUS
UNDER ARTICLES 52 AND 54 OF THIS ANNEX

Article 138

For the purposes of the first indent of Article 54 of this Annex, the objective technical characteristics of a scientific instrument or apparatus shall be understood to mean those characteristics resulting from the construction of that instrument or apparatus or from adjustments to a standard instrument or apparatus which make it possible to obtain high-level performances above those normally required for industrial or commercial use.

Where it is not possible to establish clearly on the basis of its objective technical characteristics whether an instrument or apparatus is to be regarded as a scientific instrument or apparatus, reference shall be made to the use of the instrument or apparatus for which admission free of import duties is requested. If this examination shows that the instrument or apparatus in question is used for scientific purposes, it shall be deemed to be of a scientific nature.

Article 139

1. In order to obtain admission free of import duties of a scientific instrument or apparatus under the provisions of Article 52 (1) of this Annex, the head of the establishment or organization to which the goods are consigned, or his authorized representative, must submit to the Customs the appropriate customs declaration, accompanied by an application.
2. The application referred to in paragraph 1 must contain the following information relating to the instrument or apparatus in question:
 - a) the precise trade description of the instrument or apparatus used by the manufacturer, its presumed combined nomenclature classification and the objective technical characteristics on the basis of which the instrument or apparatus is considered to be scientific;
 - b) the name or business name and address of the manufacturer and, if available, of the supplier;
 - c) the country of origin of the instrument or apparatus;
 - d) the place where the instrument or apparatus is to be used;
 - e) the precise use for which the instrument or apparatus is intended;
 - f) the price of the instrument or apparatus or its value for customs purposes;
 - g) the quantity of the instrument or apparatus in question.

Documentary evidence providing all relevant information on the characteristics and technical specifications of the instrument or apparatus must be furnished with the application.

3. Admission free of import duties shall be granted with the release of the goods concerned.

TITLE V SPECIFIC PROVISIONS RELATING TO THE ADMISSION FREE OF IMPORT DUTIES OF SPARE PARTS, COMPONENTS, SPECIFIC ACCESSORIES AND TOOLS UNDER ARTICLE 53 OF THIS ANNEX

Article 140

For the purpose of Article 53 (a) of this Annex specific “accessories” means those articles specially designed for use with a specific scientific instrument or apparatus for the purpose of improving its performance and scope.

Article 141

1. In order to obtain admission free of import duties under Article 53 of this Annex, either of spare parts, components or specific accessories, or of tools, the head of the establishment or organization to which the goods are consigned, or his authorized representative, must submit to the Customs the appropriate customs declaration, accompanied by an application.
2. This application must be accompanied by all data deemed necessary by the Customs for the purpose of determining whether the conditions laid down in Article 53 of this Annex are fulfilled.
3. Admission free of import duties shall be granted with the release of the goods concerned.

TITLE VI SPECIAL PROVISIONS RELATING TO THE ADMISSION FREE OF IMPORT DUTIES OF MEDICAL INSTRUMENTS OR APPARATUS UNDER ARTICLES 65 AND 66 OF THIS ANNEX

Article 142

1. In order to obtain admission free of import duties of instruments or apparatus under Articles 65 and 66 of this Annex, the head of the establishment or organization to which the goods are consigned, or his authorized representative, must submit to the Customs the appropriate customs declaration, accompanied by an application.
2. The application referred to in paragraph 1 must contain the following information relating to the instrument or apparatus in question:
 - a) the precise trade description of the instrument or apparatus used by the manufacturer, and its presumed classification in the combined nomenclature;
 - b) the name or business name and address of the manufacturer and, if available, of the supplier;
 - c) the country of origin of the instrument or apparatus;
 - d) the place where the instrument or apparatus is to be used;
 - e) the use which the instrument or apparatus is to be put.
3. In the case of a gift, the application shall also include:
 - a) the name of business name and address of the donor;
 - b) a declaration by the applicant to the effect that:

- the donation of the instrument or apparatus in question does not conceal any commercial intent on the part of the donor;
- the donor is no way associated with the manufacturer of the instruments or apparatus whose duty-free admission is requested.

c) the document confirming the donation.

4. Admission free of import duties shall be granted with the release of the goods concerned.

Article 143

The provisions of Article 142 shall apply with the necessary changes to spare parts, components, specific accessories and tools to be used for the maintenance, checking, calibration or repair of instruments of apparatus admitted duty-free pursuant to Article 65 (2) (a) and (b) of this Annex.

TITLE VII SPECIFIC PROVISIONS RELATING TO THE ADMISSION FREE OF IMPORT DUTIES OF EQUIPMENT UNDER ARTICLES 59 AND 60 OF THIS ANNEX

Article 144

1. In order to obtain admission free of import duties of equipment under Articles 59 and 60 of this Annex, the head of the scientific research establishment or organization based outside Kosovo or his authorized representative shall submit to the Customs the appropriate customs declaration, accompanied by an application.

2. The application referred to in paragraph 1 shall contain the following information:

- a) a copy of the scientific cooperation agreement between research establishments situated in Kosovo and in the country concerned;
- b) the precise trade description of the equipment as well as the quantity and value thereof and, where appropriate, its presumed classification in the combined nomenclature;
- c) the country of origin and of consignment of the equipment;
- d) the place where the equipment is to be used;
- e) the use for which the equipment is intended and the duration of its use.

3. Admission free of import duties shall be granted with the release of the goods concerned.

TITLE VIII
SPECIFIC PROVISIONS RELATING TO THE ADMISSION FREE OF IMPORT
DUTIES OF ARTICLES REFERRED TO IN THE FIRST SUBPARAGRAPH OF
ARTICLE 75 OF THIS ANNEX

Article 145

1. In order to obtain admission free of import duties of an article for the use of the blind in accordance with the first subparagraph of Article 75 of this Annex, the head of the institution or organization to which the article is consigned, or his authorized representative, must submit to the Customs the appropriate customs declaration, accompanied by an application.
2. Such application must be accompanied by all information which the Customs considers necessary for the purpose of determining whether the conditions laid down for granting admission free of import duties are fulfilled.
3. Admission free of import duties shall be granted with the release of the goods concerned.

TITLE IX
SPECIFIC PROVISIONS RELATING TO THE IMPORTATION FREE OF IMPORT
DUTIES OF ARTICLES REFERRED TO IN ARTICLE 76 (1) OF THIS ANNEX

Article 146

1. In order to obtain admission free of import duties of an article for the use of handicapped persons under the provisions of Article 76 (1) of this Annex the head of the institution or organization to which the article is consigned, or his authorized representative, must submit to the Customs the appropriate customs declaration, accompanied by an application.
2. The application referred to in paragraph 1 shall contain the following information relating to the article in question:
 - a) the precise trade description of the article used by the manufacturer, its presumed combined nomenclature classification and the objective technical characteristics indicating that it was specially designed for the education, employment or social advancement of handicapped persons;
 - b) the name or business name and address of the manufacturer and, if applicable, of the supplier;
 - c) the country of origin of the article;
 - d) the place of destination of the article;
 - e) the precise use for which the article is intended;

- f) the price of the article or its value for customs purposes;
- g) the quantity of the article in question.

Documentary evidence providing all relevant information on the characteristics and technical specifications of the article shall be furnished with the application.

3. Admission free of import duties shall be granted with the release of the goods concerned.

TITLE X
SPECIAL PROVISIONS RELATING TO THE ADMISSION FREE OF IMPORT
DUTIES OF SPARE PARTS, COMPONENTS, SPECIFIC ACCESSORIES
OR TOOLS UNDER THE SECOND SUBPARAGRAPH OF
ARTICLE 75 AND ARTICLE 76 (2) OF THIS ANNEX

Article 147

For the purposes of the second subparagraph of Articles 75 and 76 (2) of this Annex, ‘specific accessories’ means items specially designed for use with a specific article for the purpose of improving its performance and scope.

Article 148

1. In order to obtain admission free of import duties of spare parts, components specific accessories or tools under the second subparagraph of Article 75 or 76 (2) of this Annex, the head of the institution or organization to which the articles are consigned, or his authorized representative, must submit to the Customs the appropriate customs declaration, accompanied by an application.

2. This application must be accompanied by all data deemed necessary by the Customs for the purpose of determining whether the conditions laid down in the second subparagraph of Article 75 or in Article 76 (2) of this Annex are fulfilled.

3. Admission free of import duties shall be granted with the release of the goods concerned.

TITLE XI
PROVISIONS APPLICABLE TO IMPORTATIONS CARRIED OUT BY BLIND
PERSONS AND OTHER HANDICAPPED PERSONS

Article 149

1. In order to obtain admission free of import duties of the articles referred to in the first indent of Article 75 and in the first indent of Article 76 (2) of this Annex the persons concerned must submit to the Customs the appropriate customs declaration, accompanied by an application.

2. In respect of vehicles or other methods of transport, such application must be accompanied by the following documents:

- a) a statement wherein the handicapped person concerned declares that he is aware of the obligations listed in Article 78 of this Annex and will ensure compliance with them; and
- b) a certificate, dated and signed by an official body in Kosovo, legally competent to issue such certificate. This certificate must provide:
 - the name and address of the handicapped person concerned;
 - a summary description of the handicapped person's disability, and where appropriate, an indication of the percentage of it;
 - a description of the design or adaptation to a vehicle or other method of transport necessary for the handicapped person to be able to drive, and
 - a declaration by the official body that it is its opinion that the handicapped person is a handicapped person within the meaning of the definition contained in Article 76 (1) (b) of this Annex who cannot, and will not for the next 5 years, be able to drive a vehicle or other method of transport unless it is specially designed or adapted for use by handicapped persons in the manner described in Article 76 (1) (a) of this Annex.

3. Admission free of import duties shall be granted with the release of the goods concerned

APPENDIX I

A. Books, publications and documents

CN code	Description
3705	Photographic plates and film, exposed and developed, other than cinematograph film:
ex 3705 20	- Microfilms of books, children's picture books and drawing or painting

00	books, school exercise books (workbooks), crossword-puzzle books, newspapers and periodicals, printed documents or reports of a non-commercial character, and of loose illustrations, printed pages and reproduction proofs for the production of books
	- Reproduction films for the production of books
ex 3705 10 00	
ex 3705 90 10	Children's picture, drawing or coloring books
ex 3705 90 90	Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed:
4903 00 00	- Other:
4905	- - Other:
	- Maps, charts and diagrams of interest in scientific fields such as geology, zoology, botany, mineralogy, paleontology, archaeology, ethnology, meteorology, climatology and geophysics
ex 4905 99 00	Architectural, industrial or engineering plans and designs and reproductions thereof
	Other printed matter, including pictures and photographs:
ex 4906 00 00	- Trade advertising material, commercial catalogues and the like:
	- - Other:
4911	- Catalogues of books and publications, being books and publications offered for sale by publishers or booksellers established outside Kosovo
4911 10	- Catalogues of films, recording or other visual and auditory materials of an educational, scientific or cultural character
ex 4911 10 90	- Posters for the promotion of tourism and tourist publications, brochures, guidebooks, timetables, pamphlets and like publications, whether or not illustrated, including those published by private concerns, designed to encourage the public to travel outside Kosovo, including microcopies of such articles
	- Bibliographical information material for distribution free of charge ⁽¹⁾
	- Other:
	- - Other:
	- - - Other:

<p>4911 99 ex 4911 99 90</p> <p>9023 00 ex 9023 00 90</p>	<ul style="list-style-type: none"> - Loose illustrations, printed pages and reproduction proofs to be used for the production of books, including microcopies of such articles ⁽¹⁾ - Microcopies of books, children's picture books and drawing or painting books, school exercise books (workbooks), crossword puzzle books, newspapers and periodicals and of documents or reports of a noncommercial character ⁽¹⁾ - Publications designed to encourage the public to study outside Kosovo, including microcopies of such publications ⁽¹⁾ - Meteorological and geophysical diagrams <p>Instruments, apparatus and models, designed for demonstrational purposes (for example, in education or exhibitions), unsuitable for other uses:</p> <ul style="list-style-type: none"> - Other: <ul style="list-style-type: none"> - Maps and charts in relief of interest in scientific fields such as geology, zoology, botany, mineralogy, paleontology, archaeology, ethnology, meteorology, climatology and geophysics
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⁽¹⁾ The exemption shall not, however, apply to articles in which the advertising covers more than 25 % of the surface. In the case of publications and posters for the promotion of tourism, this percentage applies only to private commercial publicity.

B. Visual and auditory materials of an educational, scientific or cultural character

The articles listed in Appendix III (A) produced by the United Nations or any of its specialized agencies.

APPENDIX II

A. Visual and auditory materials of an educational, scientific or cultural character

CN code	Description	Beneficiary establishment or organizations
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3704 00	Photographic plates, film, paper, paperboard and textiles, exposed but not developed:	
ex 3704 00 10	- Plates and film: - Cinematograph film, positives, of an educational, scientific or cultural character	
ex 3705	Photographic plates and film, exposed and developed, other than cinematograph film: - Of an educational, scientific or cultural character	
3706	Cinematograph film, exposed and developed, whether or not incorporating sound track or consisting only of sound track:	
3706 10	- Of a width of 35 mm or more:	
ex 3706 10 99	- - Other: - - - Other positives:	
	- Newsreels (with or without sound track) depicting events of current news value at the time of importation, and imported up to a limit of two copies of each subject for copying purposes - Archival film material (with or without sound track) intended for use in connection with newsreel films - Recreational films particularly suited for children and young people - Other films of educational, scientific or cultural character	All organizations (including broadcasting and television organizations), institutions or associations
3706 90	- Other: - - Other: - - - Other positives:	
ex 3706 90 51	- Newsreels (with or without sound track) depicting events of current news value at the time of importation, and imported up to a limit of two copies of each subject for copying purposes	
ex 3706 90 91	- Archival film material (with or without sound track) intended for use in connection with newsreel films	
ex 3706 90 99	- Recreational films particularly suited for children and young people - Other films of educational, scientific or cultural character	
	- Other films of educational, scientific or cultural character	

4911	Other printed matter, including printed pictures and photographs: - Other:	
4911 99 ex 4911 99 90	- - Other: - - - Other: - Micro cards or other information storage media required in computerized information and documentation services of an educational, scientific or cultural character - Wall charts designed solely for demonstration and education	
ex 8524	Records, tapes and other recorded media for sound or other similarly recorded phenomena including matrices and masters for the production of records, but excluding products of Chapter 37: - Of an educational, scientific or cultural character	All organizations (including broadcasting and television organizations), institutions or associations
ex 9023 00	Instruments, apparatus and models, designed for demonstrational purposes (for example, in education or exhibitions), unsuitable for others uses: - Patterns, models and wall charts of an educational, scientific or cultural character, designed solely for demonstration and education - Mock-ups or visualizations of abstract concepts such as molecular structures or mathematical formulae	
Various	Holograms for laser projection Multi-media kits Materials for programmed instructions, including materials in kit form with the corresponding printed materials	

B. Collector's pieces and works of art of an educational, scientific or cultural character

CN code	Description	Beneficiary establishment or organizations
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Various	Collectors' pieces and works of art, not intended for sale	Galleries, museums and other institutions
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APPENDIX III

CN code	Description
4911	Other printed matter, including printed pictures and photographs:
4911 10	- Trade advertising material, commercial catalogues and the like:
ex 4911 10 90	- - Other: - In relief for the blind and partially sighted
4911 91	- Other: - - Pictures, prints and photographs: - - - Other:
ex 4911 91 91	- - - - Pictures and designs: - In relief for the blind and partially sighted
ex 4911 91 99	- - - - Photographs: - In relief for the blind and partially sighted - - Other:
4911 99	- - - Other: - In relief for the blind and partially sighted
ex 4911 99 90	

APPENDIX IV

CN code	Description
4802	Uncoated paper and paperboard, of a kind used for writing, printing or other graphic purposes, and punch card-stock and punch tape paper, in rolls or sheets, other than paper of heading No 4801 or 4803; hand-made paper and paperboard: - Other paper and paperboard, not containing fibres obtained by

	mechanical process or of which not more than 10 % by weight of the total fibre content consists of such fibres:
ex 4802 52 00	- - Weighing 40 g/m2 or more but not more than 150 g/m2 - Braille paper
4802 53	- - Weighing more than 150 g/m2:
ex 4802 53 90	- - - Other: - Braille paper
4802 60	- Other paper and paperboard of which more than 10 % by weight of the total fibre content consists of fibres obtained by a mechanical process:
ex 4802 60 90	- - - Other: - Braille paper
	Other uncoated paper and paperboard, in rolls or sheets:
4805	- Other paper and paperboard, weighing 150 g/m2 or less:
4805 60	- Other: - Braille paper
ex 4805 60 90	- Other paper and paperboard, weighing more than 150 g/m2 but less than 225 g/m2:
4805 70	- - Other: - Braille paper
ex 4805 70 90	- Other paper and paperboard, weighing 225 g/m2 or more: - - Other: - Braille paper
4805 80	Other paper, paperboard, cellulose wadding and webs of cellulose fibres, cut to size or shape; other articles of paper pulp, paper, paperboard, cellulose wadding or webs of cellulose fibres:
ex 4805 80 90	- Other paper and paperboard, of a kind used for writing, printing or other graphic purposes:
4823	- - Other: - - Other: - Braille paper

4823 59	Walking-sticks, seat-sticks, whips, riding-crops and the like: - White canes for the blind and partially sighted
ex 4823 59 90	Typewriters and word-processing machines: - Adapted for use by the blind and partially sighted
ex 6602 00 00	Automatic data-processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, not elsewhere specified or included:
ex 8469	- Equipment for the mechanical production of braille and recorded material for the blind
ex 8471	Turntables (record-decks), record-players, cassette-players and other sound reproducing apparatus, not incorporating a sound recording device: - Record-players and cassette players specially designed or adapted for the blind and partially sighted
ex 8519	Records, tapes and other recorded media for sound or other similarly recorded phenomena, including matrices and masters for the production of records, but excluding products of Chapter 37: - Talking books - Magnetic tapes and cassettes for the production of Braille and talking books
ex 8524	Liquid crystal devices not constituting articles provided for more specifically in other headings; lasers, other than laser diodes; other optical appliances and instruments, not specified or included elsewhere in this chapter:
9013	- Other devices, appliances and instruments: - Television enlargers for the blind and partially sighted
ex 9013 80 00	Orthopedic appliances, including crutches, surgical belts and trusses; splints and other fracture appliances; artificial parts of the body; hearing aids and other appliances which are worn or carried, or implanted in the body, to compensate for a defect or disability:
9021	- Other: - - Other: - Electronic orientator and obstacle detector appliances for the blind and partially sighted
9021 90	- Television enlargers for the blind and partially sighted - Electronic reading machines for the blind and partially sighted
ex 9021 90	

90	Instruments, apparatus and models, designed for demonstrational purposes (for example, in education or exhibitions), unsuitable for other uses:
9023 00	- Other: - Teaching aids and apparatus specifically designed for the use of the blind and partially sighted
ex 9023 00 90	Wrist-watches, pocket-watches and other watches, including stop-watches, other than those of heading No 9101: - Braille watches with cases other than of precious metals
ex 9102	Articles for funfair, table or parlous games, including pintables, billiards, special tables for casino games and automatic bowling alley equipment: - Other:
9504	- - Other: - Tables games and accessories specially adapted for the use of the blind and partially sighted
9504 90 ex 9504 90 90	All other articles specially designed for the education, scientific or cultural advancement of the blind and partially sighted
Various	

ANNEX B
PRODUCTS EXEMPTED FROM EXCISE TAX

Excise taxes shall not be levied on the following:

(a) Raw and auxiliary materials, that otherwise would be subject to excise taxes, imported into Kosovo by persons holding a license issued by the Kosovo Customs authorizing such importation, where such materials are to be used in the manufacture of goods for export;

(b) Goods which the Director-General of the Kosovo Customs determines are to be used exclusively for humanitarian purposes and are not to be offered for sale for consumption in Kosovo; and

(c) Goods funded from the proceeds of grants made to Government of Republic Kosovo. By governments, government agencies, governmental or non-governmental organizations, in support of humanitarian and reconstruction programmes and projects in Kosovo.

ANNEX C ORGANISATIONS ETC. NOT PAYING EXCISE TAX

Excise tax shall not be payable by the following:

(a) Foreign diplomatic and consular missions;

(b) The United Nations or any of its organs including UNMIK, the specialized agencies of the United Nations, KFOR, international inter-governmental organizations and government agencies on goods used for official purposes;

(c) Contractors to UNMIK, the specialized agencies of the United Nations and KFOR importing goods to be used exclusively by those contractors in connection with the performance of contracts for UNMIK, the specialized agencies of the United Nations or KFOR; and

(d) Registered non-governmental organizations with public benefit status as defined in UNMIK Regulation No. 1999/22 of 15 November 1999 on the following goods used exclusively by the non-governmental organization to fulfill its public benefit purposes: gasoline, kerosene, diesel, ethanol.

ANNEX D Exemption from any customs duty including any excise tax defined in this Law for the Serbian Orthodox Church and for other religious denominations as defined by law

Article 1 Basis for the Exemption

This Annex provides for special exemptions as defined in this Annex to be granted to the Serbian Orthodox Church in Kosovo and to other religious denominations as defined by law in accordance with the Constitution of the Republic of Kosovo, Article 2.2 of Annex V of the Comprehensive Proposal for Kosovo Status Settlement of 26 March, 2007 and other applicable legislation.

Article 2
Nature of the Exemption

1. The Serbian Orthodox Church and other religious denominations as defined by law shall, notwithstanding any provision to the contrary in this Law and in addition to any other exemption enjoyed under relevant applicable legislation, be exempt from any customs duty, including any excise tax, prescribed by this Law for economic activities which are specific to their financial sustainability.
2. Economic activities which are specific to the financial sustainability of religious denominations, including the Serbian Orthodox Church, shall cover activities, such as, the production of embroidery and clerical vestments, candles, icon painting, woodcarving and carpentry, and traditional agricultural products.
3. The exemption referred to in paragraph 1 of Article 2 of this Annex shall cover the import and purchase of relevant products, materials, machinery, tools and livestock.
4. The exemption referred to in paragraphs 1 of Article 2 of this Annex shall cover the export of products resulting from the economic activities referred to in paragraph 2 of Article 2 of this Annex.

Article 3
Supervision by the Ministry for Economy and Finance

1. The Ministry for Economy and Finance shall issue a sub-legal act which shall define the customs supervision and control measures, record keeping mechanisms and verification procedures which shall be introduced to give effect to this Annex.
2. The customs supervision and control measures, record keeping mechanisms and verification procedures referred to in paragraph 1 of Article 3 of this Annex shall not have the effect, either directly or indirectly, of preventing or restricting the application of the exemptions as defined by this Annex.