Code No. 08/L-247

CUSTOMS AND EXCISE CODE

The Assembly of the Republic of Kosovo;

Based on Article 65 (1) of the Constitution of the Republic of Kosovo,

Approves:

CUSTOMS AND EXCISE CODE

FIRST BOOK
CUSTOMS LAW

FIRST PART
GENERAL PROVISIONS

CHAPTER I
SCOPE, MISSION OF CUSTOMS AND DEFINITIONS

Article 1
Purpose

1. The purpose of this Code is to lay down the general rules and procedures applicable to goods brought into or taken out of the customs territory of the Republic of Kosovo.

2. This Code is in partial compliance with the consolidated Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (recast).

Article 2
Scope

1. This Code applies throughout the customs territory of the Republic of Kosovo.

2. Certain provisions of this Code may apply outside the customs territory of the Republic of Kosovo within the framework of legislation governing specific fields or of international conventions.

Article 3
Application of Law on General Administrative Procedure

Provisions of the Law on General Administrative Procedure are applicable in the procedures carried out by Kosovo Customs, only if it is not otherwise provided by the provisions of this Code.

Article 4
Mission of Kosovo Customs

1. Kosovo Customs (hereinafter: Customs) shall be primarily responsible for the supervision

of the Republic of Kosovo international trade, thereby contributing to fair and open trade, to the implementation of the trade policy and of the other policies having a bearing on trade, and to overall supply chain security. Customs shall put in place measures aimed, in particular, at the following:

1.1. protecting the financial interests of the Republic of Kosovo;

1.2. protecting the Republic of Kosovo from unfair and illegal trade while supporting legitimate business activity;

1.3. ensuring the security and safety of the Republic of Kosovo and its residents, and protection of the environment, where appropriate in close cooperation with other authorities; and

1.4. maintaining a proper balance between customs controls and facilitation of legitimate trade.

Article 5
Customs territory

Customs territory is considered territory of Republic of Kosovo, including internal waters and its airspace and is bordered with customs line which is identical to the border line of the Republic of Kosovo.

Article 6
Definitions

1. In this Code, the terms used shall have the following meanings:

1.1. Kosovo Customs - the customs administrations of the Republic of Kosovo, responsible for applying the customs legislation and other rules in force.

1.2. Customs legislation - the body of legislation made up of the following:

1.2.1. conventions and international agreements ratified from Republic of Kosovo;

1.2.2. the Customs and excise Code and the sub-legal acts implementing it;

1.2.3. legislation on customs tariff and combined nomenclature of goods, in the Republic of Kosovo, and

1.2.4. the legislation setting up a system of reliefs from customs duty.

1.3. Customs controls - specific acts performed by the customs in order to ensure compliance with the customs legislation and other legislation governing the entry, exit, transit, movement, storage and end-use of goods moved between the customs territory of the Republic of Kosovo and countries or territories outside that territory, and the presence and movement within the customs territory of the non-Kosovo goods and goods placed under the end-use procedure;

1.4. Person - a natural person or a legal person, and any association of persons which is not a legal person but which is recognised under national law as having the capacity to perform legal acts;

1.5. Economic operator - a person who, in the course of his or her business, is involved in activities covered by the customs legislation;

1.6. Customs representative - any person appointed by another person to carry out the acts and formalities required under the customs legislation in his or her dealings with customs;

1.7. Risk - the likelihood and the impact of an event occurring, with regard to the entry, exit, transit, movement or end-use of goods moved between the customs territory of the Kosovo and countries or territories outside that territory and to the presence within the customs territory of the Republic of Kosovo of non-Kosovo goods, which would:

1.7.1. prevent the correct application of national measures;

1.7.2. compromise the financial interests of the Republic of Kosovo; or

1.7.3. pose a threat to the security and safety of the Republic of Kosovo and its residents, to human, animal or plant health, to the environment or to consumers;

1.8. Customs formalities - all the operations which must be carried out by a person and by the customs in order to comply with the customs legislation;

1.9. Entry summary declaration - the act whereby a person informs the Customs, in the prescribed form and manner and within a specific time-limit, that goods are to be brought into the customs territory of the Republic of Kosovo;

1.10. Exit summary declaration - the act whereby a person informs the customs, in the prescribed form and manner and within a specific time-limit, that goods are to be taken out of the customs territory of the Republic of Kosovo;

1.11. Temporary storage declaration - the act whereby a person indicates, in the prescribed form and manner, that goods are in temporary storage;

1.12. Customs declaration - the act whereby a person indicates, in the prescribed form and manner, a wish to place goods under a given customs procedure, with an indication, where appropriate, of any specific arrangements to be applied;

1.13. Re-export declaration - the act whereby a person indicates, in the prescribed form and manner, a wish to take non-Kosovo goods, with the exception of those under the free zone procedure or in temporary storage, out of the customs territory of the Republic of Kosovo;

1.14. Re-export notification - the act whereby a person indicates, in the prescribed form and manner, a wish to take non- Kosovo goods which are under the free zone procedure or in temporary storage out of the customs territory of the Republic of Kosovo;

1.15. Declarant - the person lodging a customs declaration, a temporary storage declaration, an entry summary declaration, an exit summary declaration, a re-export declaration or a re-export notification in his or her own name or the person in whose name such a declaration or notification is lodged;

1.16. Customs procedure - any of the following procedures under which goods may be placed in accordance with the Code:

1.16.1. release for free circulation;

1.16.2. special procedures;

1.16.3. export.

1.17. Temporary storage - the situation of non-Kosovo goods temporarily stored under customs supervision in the period between their presentation to customs and their placing under a customs procedure or re-export;

1.18. Customs debt - the obligation on a person to pay the amount of import or export duty which applies to specific goods under the customs legislation in force;

1.19. Debtor - any person liable for a customs debt;

1.20. Import duty - customs duty payable on the import of goods;

1.21. Export duty - customs duty payable on the export of goods;

1.22. Customs status - the status of goods as Kosovo or non-Kosovo goods;

1.23. Kosovo goods - goods which fall into any of the following categories:

1.23.1. goods wholly obtained in the customs territory of the Republic of Kosovo and not incorporating goods imported from countries or territories outside the customs territory of the Republic of Kosovo;

1.23.2. goods brought into the customs territory of the Republic of Kosovo from countries or territories outside that territory and released for free circulation;

1.23.3. goods obtained or produced in the customs territory of the Republic of Kosovo, either solely from goods referred to in subparagraph 1.23.2. of this Article or from goods referred to in subparagraph 1.23.1 and 1.23.2 of this Article.

1.24. Non- Kosovo goods - goods other than those referred to in sub-paragraph 1.23 of this Article or which have lost their customs status as Kosovo goods;

1.25. Risk management - the systematic identification of risk, including through random checks, and the implementation of all measures necessary for limiting exposure to risk;

1.26. Release of goods - the act whereby the customs make goods available for the purposes specified for the customs procedure under which they are placed;

1.27. Customs supervision - action taken in general by the customs with a view to ensuring that customs legislation and, where appropriate, other provisions applicable to goods subject to such action are observed;

1.28. Repayment - of an amount of import or export duty that has been paid;

1.29. Remission - the waiving of the obligation to pay an amount of import or export duty which has not been paid;

1.30. Processed products - goods placed under a processing procedure which have undergone processing operations;

1.31. Person established in the customs territory of the Republic of Kosovo – is as follows:

1.31.1. in the case of a natural person, any person who has his or her habitual residence in the customs territory of the Kosovo;

1.31.2. in the case of a legal person or an association of persons, any person having its registered office, central headquarters or a permanent business establishment in the customs territory of the Republic of Kosovo.

1.32. Permanent business establishment - a fixed place of business, where both the necessary human and technical resources are permanently present and through which a person's customs-related operations are wholly or partly carried out;

1.33. Presentation of goods to customs - the notification to the customs of the arrival of goods at the customs office or at any other place designated or approved by the customs and the availability of those goods for customs controls;

1.34. Holder of the goods - the person who is the owner of the goods or who has a similar right of disposal over them or who has physical control of them;

1.35. Holder of the procedure:

1.35.1. the person who lodges the customs declaration, or on whose behalf that declaration is lodged; or

1.35.2. the person to whom the rights and obligations in respect to a customs procedure have been transferred.

1.36. Commercial policy measures - non-tariff measures established, as part of the commercial policy, governing international trade in goods;

1.37. Processing operations - any of the following operations:

1.37.1. the working of goods, including erecting or assembling them or fitting them to other goods;

1.37.2. the processing of goods;

1.37.3. the destruction of goods;

1.37.4. the repair of goods, including restoring them and putting them in order;

1.37.5. the use of goods which are not to be found in the processed products, but which allow or facilitate the production of those products, even if they are entirely or partially used up in the process - production accessories.

1.38. Rate of yield - the quantity or percentage of processed products obtained from the processing of a given quantity of goods placed under a processing procedure;

1.39. Decision - any act by the customs pertaining to the customs legislation giving a ruling on a particular case, and having legal effects on the person or persons concerned;

1.40. Carrier - as follows:

1.40.1. in the context of entry, the person who brings the goods, or who assumes responsibility for the carriage of the goods, into the customs territory of the Republic of Kosovo. However:

1.40.1.1. in the case of combined transportation, "carrier" means the person who operates the means of transport which, once brought into the customs territory of the Kosovo, moves by itself as an active means of transport;

1.40.1.2. in the case of air traffic under a sharing or contracting arrangement, "carrier" means the person who concludes a contract and issues a bill of lading or air waybill for the actual carriage of the goods into the customs territory of the

Republic of Kosovo.

1.40.2. in the context of exit, the person who takes the goods, or who assumes responsibility for the carriage of the goods, out of the customs territory of the Republic of Kosovo. However:

1.40.2.1. in the case of combined transportation, where the active means of transport leaving the customs territory of the Republic of Kosovo is only transporting another means of transport which, after the arrival of the active means of transport at its destination, will move by itself as an active means of transport, ‘carrier’ means the person who will operate the means of transport which will move by itself once the means of transport leaving the customs territory of the Republic of Kosovo has arrived at its destination;

1.40.2.2. in the case of air traffic under a sharing or contracting arrangement, “carrier” means the person who concludes a contract, and issues a bill of lading or air waybill, for the actual carriage of the goods out of the customs territory of the Republic of Kosovo.

1.41. Buying commission - a fee paid by an importer to an agent for representing him or her in the purchase of goods being valued;

CHAPTER II
RIGHTS AND OBLIGATIONS OF PERSONS WITH REGARD TO THE CUSTOMS LEGISLATION

SUB-CHAPTER I
PROVISION OF INFORMATION

Article 7
Means for the exchange and storage of information and data requirements

1. All exchanges of information, such as declarations, applications or decisions, between Customs and economic operators, and the storage of such information, as required under the Customs legislation, shall be made using electronic data-processing techniques.

2. Data requirements shall be drawn up for the purpose of the exchange and storage of information referred to in paragraph 1. of this Article.

3. Means for the exchange and storage of information, other than the electronic data-processing techniques referred to in paragraph 1. of this Article, may be used as follows:

3.1. on a permanent basis where duly justified by the type of traffic or where the use of electronic data-processing techniques is not appropriate for the Customs formalities concerned;

3.2. on a temporary basis, in the event of a temporary failure of the computerized system of the Customs or of the economic operators.

4. By a sub-legal act of the Government, which is proposed by the ministry responsible for Finance, are determined as follows:

4.1. Data requirements referred to in paragraph 2. of this Article, taking into account the need to accomplish the customs formalities laid down in the customs legislation and the nature and purpose of the exchange and storage of information referred to in paragraph 1. of this Article.

4.2. The specific cases where means for the exchange and storage of information, other than electronic data-processing techniques, may be used in accordance with sub paragraph 3.1 of this Article.

4.3. The type of information and the particulars that are to be contained in the records referred to in paragraphs 5., 6. and 7. of Article 106 and paragraph 1. and 2. of Article 145.

5. By sub-legal act of the relevant Minister of Finance are determined as follows:

5.1. where necessary, the format and code of the data requirements referred to in paragraph 2. of this Article.

5.2. the procedural rules on the exchange and storage of information which can be made by means other than the electronic data-processing techniques referred to in paragraph 3. of this Article.

Article 8
Registration

1. Economic operators established in the Customs territory of the Republic of Kosovo shall register by the Customs.

2. Persons other than economic operators shall not be required to register with the Customs unless otherwise provided.

3. In specific cases, Customs shall invalidate the registration.

4. Cases referred to paragraph 2. of this Article where persons other than economic operators are required to register with the Customs, and cases referred to paragraph 3. of this Article where the Customs invalidate a registration, are determined by a sublegal act of the Government which is proposed by the ministry responsible for Finance.

5. Procedures for registration of economic operators, are determined by a sublegal act of the relevant Minister of Finance.

Article 9
Communication of information and data protection

1. All information acquired by the Customs in the course of performing their duty which is by its nature confidential or which is provided on a confidential basis shall be covered by the obligation of professional secrecy. Except as provided for in paragraph 2. of Article 30, such information shall not be disclosed by the Customs without the express permission of the person or authority that provided it.

2. The information from paragraph 1. of this Article may, however, be disclosed without permission where the Customs are obliged or authorised to do so pursuant to the provisions in force, particularly in respect of data protection, or in connection with legal proceedings.

3. Confidential information referred to in paragraph 1. of this Article may be communicated to the Customs and other competent authorities of countries or territories outside the Customs territory of, for the purpose of Customs cooperation with those countries or territories in the framework of an international agreement or national legislation in the commercial area.

4. Any disclosure or communication of information as referred to in paragraphs 1., 2. and 3. of this Article shall ensure an adequate level of data protection in full compliance with data protection provisions in force.

Article 10
Exchange of additional information between Customs and economic operators

1. Customs and economic operators may exchange any information not specifically required under the Customs legislation, in particular for the purpose of mutual cooperation in the identification and counteraction of risk. That exchange may take place under a written agreement and may include access to the computer systems of economic operators by Customs.

2. Any information provided by one party to the other in the course of the cooperation referred to in paragraph 1. of this Article, shall be confidential unless both parties agree otherwise.

Article 11
Provision of information by the Customs

1. Any person may request information concerning the application of the Customs legislation from the Customs. Such a request may be refused where it does not relate to an activity pertaining to international trade in goods that is actually envisaged.

2. Customs shall maintain a regular dialogue with economic operators and other authorities involved in international trade in goods and promote transparency by making the Customs legislation, general administrative rulings and application forms freely available, wherever practical without charge, and through the Internet.

Article 12
Provision of information to Customs

1. Any person directly or indirectly involved in the accomplishment of Customs formalities or in Customs controls shall, at the request of the Customs and within any time-limit specified, provide Customs with all the requisite documents and information, in an appropriate form, and all the assistance necessary for the completion of those formalities or controls.

2. The lodging of a Customs declaration, temporary storage declaration, entry summary declaration, exit summary declaration, re-export declaration or re-export notification by a person to the customs, or the submission of an application for an authorisation or any other decision, shall render the person concerned responsible for all of the following:

2.1. the accuracy and completeness of the information given in the declaration, notification or application;

2.2. the authenticity, accuracy and validity of any document supporting the declaration, notification or application;

2.3. where applicable, compliance with all of the obligations relating to the placing of the goods in question under the customs procedure concerned, or to the conduct of the authorised operations.

3. Paragraph 2. of this Article shall also apply to the provision of any information in any other form required by, or given to, the customs.

4. Where the declaration or notification is lodged, the application is submitted, or information is provided, by a Customs representative, as referred to in Article 13, that Customs representative shall also be bound by the obligations set out in paragraph 2. of this Article.

SUB CHAPTER II
CUSTOMS REPRESENTATION

Article 13
Customs representative

1. Any person may appoint a Customs representative. Such representation may be either direct, in which case the Customs representative shall act in the name of and on behalf of another person, or indirect, in which case the Customs representative shall act in his name but on behalf of another person.

2. A Customs representative shall be established within the Customs territory of the Republic of Kosovo. Except where otherwise provided, that requirement shall be waived where the Customs representative acts on behalf of persons who are not required to be established within the Customs territory of the Republic of Kosovo.

3. Upon request, the Customs shall authorize the customs representative who meets the following conditions:

3.1. have registered the business activity with the competent authorities;

3.2. to have no unpaid customs and tax duties;

3.3. the owner, shareholder or authorized representative of the legal entity has not been convicted of a disciplinary violation as an employee of the Customs, in the last two (2) years;

3.4. no criminal proceedings are instituted against the legal person or the responsible person or he/she has not been convicted of a criminal offense against economy, corruption, against official duty, criminal violations of customs or tax legislation or other criminal offenses that are considered serious crimes according to the legislation in force;

3.5. has not been convicted for serious minor offences or repeated violations of customs and tax legislation;

3.6. in employment has the person to act as a customs agent who meets the following conditions:

3.6.1.has completed at least high school;

3.6.2.has completed the professional exam for customs agent;

3.6.3. meets the conditions set out in sub-paragraphs 3.3., 3.4. and 3.5. of this Article.

4. Professional exam and licensing of customs agents is organized by Customs.

5. In case of non-compliance with the conditions according to paragraph 3. of this Article or carry out the activity in an unethical manner, the Customs revokes the authorization given to the customs representatives or the license to the agents.

6. Cases when the customs representative is not required to be established in the customs territory of the Republic of Kosovo according to paragraph 2. of this Article, are determined by a sub-legal act of the Government, at the proposal of the ministry responsible for finance.

7. The procedural rules from this Article for the authorization and revocation of the authorization of customs representatives, licensing of customs agents, ethical rules and classification of violations from sub-paragraph 3.5. of this Article, are determined by a sub-legal act of the relevant Minister of

Finance.

Article 14
Empowerment of the customs representative

1. When dealing with the customs, a Customs representative shall state that he or she is acting on behalf of the person represented and shall specify whether the representation is direct or indirect. Persons who fail to state that they are acting as a Customs representative or who state that they are acting as a Customs representative without being empowered to do so shall be deemed to be acting in their own name and on their own behalf.

2.The Kosovo Customs may require persons stating that they are acting as a Customs representative to provide evidence of their empowerment by the person represented.

3. In specific cases, the Customs shall not require such evidence to be provided.

4.The Customs shall not require a person acting as a Customs representative, carrying out acts and formalities on a regular basis, to produce on every occasion evidence of empowerment, provided that such person is in a position to produce such evidence on request by the customs.

5.The cases where the evidence of empowerment referred to in the paragraph 3. of this Article is not required by the customs, is determined by a sub-legal act of the Government, with the proposal of the Ministry responsible for Finance.

SUB CHAPTER III
DECISIONS RELATING TO THE APPLICATION OF THE CUSTOMS LEGISLATION

Article 15
Decisions taken upon application

1. Where a person applies for a decision relating to the application of the Customs legislation, that person shall supply all the information required by the Customs in order to enable them to take that decision.

2. A decision may also be applied for by, and taken with regard to, several persons, in accordance with the conditions laid down in the Customs legislation.

3. Customs shall, without delay and at the latest within thirty (30) days of receipt of the application for a decision, verify whether the conditions for the acceptance of that application are fulfilled.

4. Where the Customs establish that the application contains all the information required in order for them to be able to take the decision, they shall communicate its acceptance to the applicant within the period specified in paragraph 3. of this Article.

5. The Customs shall take a decision as referred to in paragraph 1. of this Article, and shall notify the applicant without delay, and at the latest within one hundred and twenty (120) days of the date of acceptance of the application, except where otherwise provided.

6. Where the Customs are unable to comply with the time-limit for taking a decision, they shall inform the applicant of that fact before the expiry of that time-limit, stating the reasons and indicating the further period of time which they consider necessary in order to take a decision. Except where otherwise provided, that further period of time shall not exceed thirty (30) days.

7. Without prejudice to paragraph 6. of this Article, the Customs may extend the time-limit for taking a decision, as laid down in the Customs legislation, where the applicant requests an extension to carry

out adjustments in order to ensure the fulfilment of the conditions and criteria. Those adjustments and the further period of time necessary to carry them out shall be communicated to the customs, which shall decide on the extension.

8. Except where otherwise specified in the decision or in the Customs legislation, the decision shall take effect from the date on which the applicant receives it, or is deemed to have received it. Except in the cases provided for in paragraph 2. of Article 28, decisions adopted shall be enforceable by the Customs from that date.

9. Except where otherwise provided in the Customs legislation, the decision shall be valid without limitation of time.

10. Before taking a decision which would adversely affect the applicant, the Customs shall communicate the grounds on which they intend to base their decision to the applicant, who shall be given the opportunity to express his or her point of view within a period prescribed from the date on which he or she receives that communication or is deemed to have received it. Following the expiry of that period, the applicant shall be notified, in the appropriate form, of the decision.

11. Paragraph 10. of this Article, shall not apply in any of the following cases:

11.1. where it concerns a decision referred to in paragraph 1. of Article 21;

11.2. in the event of refusal of the benefit of a tariff quota where the specified tariff quota volume is reached, as referred to in paragraph 5. of Article 37;

11.3. where the nature or the level of a threat to the security and safety of the Republic of Kosovo and its residents, to human, animal or plant health, to the environment or to consumers so requires;

11.4. here the decision aims at securing the implementation of another decision for which the paragraph 10. of this Article has been applied;

11.5. where it would prejudice investigations initiated for the purpose of combating fraud;

11.6. in other specific cases.

12. A decision which adversely affects the applicant shall set out the grounds on which it is based and shall refer to the right of appeal provided for in Article 27.

13. By a sub-legal act of the Government on the proposal of the ministry responsible for finance the following are determined:

13.1. the conditions for the acceptance of an application, referred to the paragraph 3. of this Article;

13.2. the time-limit to take a specific decision, including the possible extension of that time-limit, in accordance with the paragraph 5., 6. and 7. of this Article;

13.3. the cases, referred to in paragraph 8. of this Article, where the decision takes effect from a date which is different from the date on which the applicant receives it or is deemed to have received it;

13.4. the cases, referred to in paragraph 9. of this Article, where the decision is not valid without limitation of time;

13.5. the duration of the period referred to in the paragraph 10. of this Article;

13.6. the specific cases, referred to in subparagraph 11.6. of this Article, where the applicant is given no opportunity to express his or her point of view;

14. By sub legal act of the relevant Minister of Finance are determined the procedural rules for:

14.1. the application and acceptance of an application, referred to paragraph 1. to 4. of this Article;

14.2. taking the decision, referred to this Article.

Article 16
Management of decisions taken upon application

1. The holder of the decision shall comply with the obligations resulting from that decision.

2. The holder of the decision shall inform the Customs without delay of any factor arising after the decision was taken, which may influence its continuation or content.

3.Without prejudice to provisions laid down in other fields which specify the cases in which decisions are invalid or become null, the Customs which took a decision may at any time annul, amend or revoke it where it does not conform to the Customs legislation.

4. In specific cases Customs shall carry out the following:

4.1. re-assess a decision;

4.2. suspend a decision which is not to be annulled, revoked or amended.

5. The Customs shall monitor the conditions and criteria to be fulfilled by the holder of a decision and compliance with the obligations resulting from that decision. Where the holder of the decision has been established for less than three (3) years, the Customs shall closely monitor it during the first year after the decision is taken.

6. The cases and the rules for re-assessing and suspending decisions in accordance with paragraph 4. of this Article are determined by a sublegal act of the Government, with proposal of the responsible Ministry of Finances.

7. Procedures for monitoring a decision, in accordance paragraph 5. of this Article, are determined by a sublegal act of the relevant Minister of Finance.

Article 17
Annulment of favorable decisions

1. The Customs shall annul a decision favorable to the holder of the decision if all the following conditions are fulfilled:

1.1.the decision was taken on the basis of incorrect or incomplete information;

1.2. the holder of the decision knew or ought reasonably to have known that the information was incorrect or incomplete;

1.3. if the information had been correct and complete, the decision would have been different.

2. The holder of the decision shall be notified of its annulment.

3. Annulment shall take effect from the date on which the initial decision took effect, unless otherwise specified in the decision in accordance with the Customs legislation.

Article 18
Revocation and amendment of favorable decisions

1. In cases other than those referred to in Article 17, a favorable decision shall be revoked or amended where:

    1.1. one or more of the conditions for taking that decision were not or are no longer fulfilled; or

    1.2. upon application by the holder of the decision.

2. Except where otherwise provided by legislation, a favorable decision addressed to several persons may be revoked only in respect of a person who fails to fulfil an obligation imposed under that decision. The holder of the decision shall be notified of its revocation or amendment.

3. Paragraph 8. of Article 15 shall apply to the revocation or amendment of the decision.

4. However, in exceptional cases where the legitimate interests of the holder of the decision so require, the Customs may defer the date on which revocation or amendment takes effect up to one (1) year. That date shall be indicated in the revoking or amending decision.

5. By a sublegal act of the Government on the proposal of the ministry responsible for finance are determined:

    5.1. the cases, referred to in paragraph 2. of this Article, where a favorable decision addressed to several persons may be revoked also in respect of persons other than the person who fails to fulfil an obligation imposed under that decision;

    5.2. the exceptional cases from paragraph 4. of this Article, in which the Customs may defer the date on which revocation or amendment takes effect.

6. By a sublegal act of the relevant Minister of Finance are determined the procedural rules for annulling referred to in Article 17, and revoking or amending favourable decisions of this Article.

Article 19
Decisions taken without prior application

In the cases provided in paragraphs 8., 9., 10., 11. and 13. of Article 15, paragraph 3. of Article 16 and Articles 17 and 18, shall apply to decisions taken by the Customs without prior application by the person concerned.

Article 20
Limitations applicable to decisions on goods placed under a Customs procedure or in temporary storage

Except where the person concerned so requests, the revocation, amendment or suspension of a favourable decision shall not affect goods which, at the moment where the revocation, amendment or suspension takes effect, have already been placed and are still under a Customs procedure or in temporary storage by virtue of the revoked, amended or suspended decision.

Article 21
Decisions relating to binding information

1. Customs shall, upon application, take decisions relating to binding tariff information (BTI decisions),

or decisions relating to binding origin information (BOI decisions).

2. Such an application shall not be accepted in any of the following circumstances:

2.1. where the application is made, or has already been made, by or on behalf of the holder of a decision in respect of the same goods and, for BOI decisions, under the same circumstances determining the acquisition of origin;

2.2. where the application does not relate to any intended use of the BTI or BOI decision or any intended use of a Customs procedure.

3. BTI or BOI decisions shall be binding, only in respect of the tariff classification or determination of the origin of goods:

3.1. for the customs, as against the holder of the decision, only in respect of goods for which Customs formalities are completed after the date on which the decision takes effect;

3.2. on the holder of the decision, as against the Customs, only with effect from the date on which he or she receives, or is deemed to have received, notification of the decision.

4. BTI or BOI decisions shall be valid for a period of three (3) years from the date on which the decision takes effect.

5. For the application of a BTI or BOI decision in the context of a particular customs procedure, the holder of the decision shall be able to prove that:

5.1. in the case of a BTI decision, the goods declared correspond in every respect to those described in the decision;

5.2.in the case of a BOI decision, the goods in question and the circumstances determining the acquisition of origin correspond in every respect to the goods and the circumstances described in the decision.

Article 22
Management of decisions relating to binding information

1. A BTI decision shall cease to be valid before the end of the period referred to in paragraph 4. of Article 21, where it no longer conforms to the law, as a result of either of the following:

1.1.the adoption of an amendment to the nomenclatures referred to sub paragraphs 3.1 and 3.2 of Article 37;

1.2. the adoption of measures referred to in paragraph 4. of Article 38, with effect from the date of application of such amendment or measures.

2. A BOI decision shall cease to be valid before the end of the period referred to in paragraph 4. of Article 21 in any of the following cases:

2.1. where a law is adopted or an agreement is concluded by, and becomes applicable, and the BOI decision no longer conforms to the law thereby laid down, with effect from the date of application of that regulation or agreement;

2.2. where it is no longer compatible with the Agreement on Rules of Origin established in the World Trade Organization or with the explanatory notes or an origin opinion adopted for the interpretation of that Agreement, with effect from the date when Customs is notified.

3. BTI or BOI decisions shall not cease to be valid with retroactive effect.

4. By way of derogation from paragraph 3. of Article 16, and Article 17, BTI and BOI decisions shall be annulled where they are based on inaccurate or incomplete information from the applicants.

5. BTI and BOI decisions shall be revoked in accordance with paragraph 3. of Article 16 and Article 17. However, such decisions shall not be revoked upon application by the holder of the decision.

6. BTI and BOI decisions may not be amended.

7. The Customs shall revoke BTI decisions:

7.1. where they are no longer compatible with the interpretation of any of the nomenclatures referred to sub-paragraphs 3.1 and 3.2 of Article 37;

7.2. in other specific cases.

8. BOI decisions shall be revoked:

8.1. where they are no longer compatible with national Court decisions, and

8.2. in other specific cases.

9. Where sub-paragraph 1.2. or paragraph 2., or paragraphs 5., 7. or 8. of this Article apply, a BTI or BOI decision may still be used in respect of binding contracts which were based upon that decision and were concluded before it ceased to be valid or was revoked. That extended use shall not apply where a BOI decision is taken for goods to be exported.

10. The extended use referred to in the paragraph 9. of this Article, shall not exceed six (6) months from the date on which the BTI or BOI decision ceases to be valid or is revoked. However, a measure referred to in paragraph 4. of Article 38 may exclude that extended use or lay down a shorter period of time. In the case of products for which an import or export certificate is submitted when Customs formalities are carried out, the period of six (6) months shall be replaced by the period of validity of the certificate.

11. In order to benefit from the extended use of a BTI or BOI decision, the holder of that decision shall lodge an application to the Customs within thirty (30) days of the date on which it ceases to be valid or is revoked, indicating the quantities for which a period of extended use is requested. Customs shall take a decision on the extended use and notify the holder, without delay, and at the latest within thirty (30) days of the date on which it receives all the information required in order to enable it to take that decision.

12. By a sublegal act of the of Government of Kosovo are determined the specific cases referred to in subparagraph 7.2 and 8.2 of this Article, where BTI and BOI decisions are to be revoked.

13. By a sublegal act of the relevant Minister of Finance is determined procedure for using a BTI or BOI decision after it ceases to be valid or is revoked, in accordance with paragraph 9. of this Article.

Article 23
Decisions relating to binding information with regard to other factors

1. In specific cases, the Customs shall, upon application, take decisions relating to binding information with regard to other factors referred to in Part two of this Book, on the basis of which import or export duty and other measures in respect of trade in goods are applied.

2. By a sublegal act of Government of Kosovo are determined the specific cases referred to in

paragraph 1. of this Article;

3. By a sublegal act of the relevant Minister of Finance are determined:

3.1. procedure for using decisions referred to in paragraph 1. and determined in accordance with paragraph 2. of this Article after they cease to be valid;

3.2. suspending decisions referred to in paragraph 1. of this Article, and determined in accordance with paragraph 2. of this Article, and notifying the suspension or the withdrawal of the suspension to the customs.

SUBCHAPTER IV
AUTHORIZED ECONOMIC OPERATOR

Article 24
Application and authorization

1. An economic operator who is established in the Customs territory of the Republic of Kosovo and who meets the criteria set out in Article 25 of this Code, may apply for the status of authorized economic operator.

2. Customs shall, following consultation with other competent authorities if necessary, grant that status, which shall be subject to monitoring.

3. The status of authorized economic operator shall consist in the following types of authorizations:

3.1. that of an authorized economic operator for Customs simplifications, which shall enable the holder to benefit from certain simplifications in accordance with the Customs legislation; or

3.2. that of an authorized economic operator for security and safety that shall entitle the holder to facilitations relating to security and safety.

4. Both types of authorizations referred to in paragraph 3. of this Article may be held at the same time.

5. The authorized economic operator referred to in paragraph 3. of this Article shall enjoy more favorable treatment than other economic operators in respect of Customs controls according to the type of authorization granted, including fewer physical and document-based controls.

6. Customs shall grant benefits resulting from the status of authorised economic operator to persons established in countries or territories outside the Customs territory of the Kosovo, who fulfil conditions and comply with obligations defined by the relevant legislation of those countries or territories, insofar as those conditions and obligations are recognized by the Kosovo as equivalent to those imposed to authorised economic operators established in the Customs territory of the Kosovo. Such a granting of benefits shall be based on the principle of reciprocity unless otherwise decided by the Government, and shall be supported by an international agreement or national legislation.

7. By a sublegal act of the Government on the proposal of the ministry responsible for finance are determined:

7.1. the simplifications referred to subparagraph 3.1., of this Article;

7.2. the facilitations referred to subparagraph 3.2. of this Article;

7.3. the more favorable treatment referred to in paragraph 5. of this Article.

Article 25
Granting of status

1. The criteria for granting the status of authorized economic operator shall be the following:

1.1. the absence of any serious infringement or repeated infringements of Customs legislation and taxation rules, including no record of serious criminal offences relating to the economic activity of the applicant;

1.2. the demonstration by the applicant of a high level of control of his or her operations and of the flow of goods, by means of a system of managing commercial and, where appropriate, transport records, which allows appropriate customs controls;

1.3. financial solvency, which shall be deemed to be proven where the applicant has good financial standing, which enables him or her to fulfil his or her commitments, with due regard to the characteristics of the type of business activity concerned;

1.4. with regard to the authorization referred to in sub paragraph 3.1 of Article 24, practical standards of competence or professional qualifications directly related to the activity carried out; and

1.5. with regard to the authorization referred to in sub paragraph 3.2 of Article 24, appropriate security and safety standards, which shall be considered as fulfilled where the applicant demonstrates that maintains appropriate measures to ensure the security and safety of the international supply chain including in the areas of physical integrity and access controls, logistical processes and handling of specific types of goods, personnel and identification of his or her business partners.

2.The modalities for the application of the criteria referred to this Article, are determined with sublegal acts of the relevant Ministry of Finance.

SUBCHAPTER V
APPEALS

Article 26
Decisions taken by a judicial authority

Articles 27 and 28 shall not apply to appeals lodged with a view to the annulment, revocation or amendment of a decision relating to the application of the Customs legislation taken by a judicial authority.

Article 27
Right of appeal

1. Any person shall have the right to appeal against any decision taken by the Customs relating to the application of the Customs legislation which concerns him or her directly and individually.

2. Any person who has applied to the Customs for a decision and has not obtained a decision on that application within the time-limits referred to in paragraphs 5., 6. and 7. of Article 15 shall also be entitled to exercise the right of appeal.

3. The interested person may appeal, according to paragraph 1. and 2. of this Article, within thirty (30) days from the date of notification by act or the date of expiration of this deadline. Customs

decides within sixty (60) days on whether or not to accept the complaint.

4. Against final Customs decision, the dissatisfied person may file a complaint to the Complaints Board, according to the procedure defined by the Law on the Administration of Tax Procedures.

5. In case the issue is solved definitely in final instance in favor of the appellant, the Customs shall:

5.1. refund every import duty or export duty overpaid and interest if were paid:

5.2. if goods are returned to the owner, sold or destroyed:

5.2.1. a sum equivalent to the amount paid by the owner for return of items;

5.2.2. if items are sold, the equivalent amount with the income from the sale, or

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

Article 28
Suspension of implementation

1.The submission of an appeal shall not cause implementation of the disputed decision to be suspended.

2. However, in exceptional from paragraph 1. of this Article, Customs shall, however, suspend implementation of such a decision in whole or in part where they have good reason to believe that the disputed decision is inconsistent with the Customs legislation or that irreparable damage is to be feared for the person concerned.

3. In the cases referred to in paragraph 2. of this Article, where the disputed decision has the effect of causing import or export duty to be payable, suspension of implementation of that decision shall be conditional upon the provision of a guarantee, unless it is established, on the basis of a documented assessment, that such a guarantee would be likely to cause the debtor serious economic or social difficulties.

SUBCHAPTER VI
CONTROL OF GOODS

Article 29
Risk management and Customs controls

1.The Customs may carry out any Customs controls they deem necessary.

2. Customs controls may in particular consist of examining goods, taking samples, verifying the accuracy and completeness of the information given in a declaration or notification and the existence, authenticity, accuracy and validity of documents, examining the accounts of economic operators and other records, inspecting means of transport, inspecting luggage and other goods carried by or on persons and carrying out official enquiries and other similar acts.

3. Customs controls, other than random checks, shall primarily be based on risk analysis using electronic data- processing techniques, with the purpose of identifying and evaluating the risks and developing the necessary counter- measures, on the basis of criteria developed at national, and, where available, international level including when it is possible their exchange.

4. Customs shall undertake risk management to differentiate between the levels of risk associated

with goods subject to Customs control or supervision and to determine whether the goods will be subject to specific Customs controls, and if so, where.

5. The risk management shall include activities such as collecting data and information, analyzing and assessing risk, prescribing and taking action and regularly monitoring and reviewing that process and its outcomes, based on international, and national sources and strategies.

6. By sub-legal act of the relevant Minister of Finance are determined, measures to ensure uniform application of the Customs controls.

Article 30
Cooperation between authorities

1.Where, in respect of the same goods, controls other than Customs controls are to be performed by competent authorities other than the customs, Customs shall, in close cooperation with those other authorities, endeavor to have those controls performed, wherever possible, at the same time and place as Customs controls- one-stop-shop, with Customs having the coordinating role in achieving this.

2. In the framework of the controls referred to in this sub chapter, Customs and other competent authorities may, where necessary for the purposes of minimizing risk and combating fraud, exchange with each other data received in the context of the:

2.1. entry, exit, transit, movement, storage and end-use of goods, including postal traffic, moved between the Customs territory of the Republic of Kosovo and countries or territories outside the Customs territory;

2.2. the presence and movement within the Customs territory of non-Kosovo goods and goods placed under the end- use procedure, and the results of any control.

Article 31
Post-release control

1. For the purpose of Customs controls, the Customs may verify the accuracy and completeness of the information given in a Customs declaration, temporary storage declaration, entry summary declaration, exit summary declaration, re-export declaration or re-export notification, and the existence, authenticity, accuracy and validity of any supporting document and may examine the accounts of the declarant and other records relating to the operations in respect of the goods in question or to prior or subsequent commercial operations involving those goods after having released them. Customs may also examine such goods and/or take samples where it is still possible for them to do so.

2. Such controls may be carried out at the premises of the holder of the goods or of the holder's representative, of any other person directly or indirectly involved in those operations in a business capacity or of any other person in possession of those documents and data for business purposes.

Article 32
Air transport within the Republic of Kosovo

1. Customs controls or formalities shall be carried out in respect of the cabin and hold baggage of persons either taking an intra-Republic of Kosovo flight, only where the Customs legislation provides for such controls or formalities.

2. Paragraph 1. of this Article shall apply without prejudice to either of the following:

2.1. security and safety checks;

2.2. checks linked to prohibitions or restrictions.

3. By sub-legal act of the relevant Minister of Finance are determined Airports defined in this Article, where customs controls and formalities apply to:

3.1. the cabin and hold baggage of persons:

3.1.1. taking a flight in an aircraft which comes from a non- Republic of Kosovo airport and which, after a stopover at a Republic of Kosovo airport, continues to another Republic of Kosovo airport;

3.1.2. taking a flight in an aircraft which stops over at a Republic of Kosovo airport before continuing to a non-Kosovo airport;

SUBCHAPTER VII
KEEPING OF DOCUMENTS AND OTHER INFORMATION, CHARGES AND OTHERS

Article 33
Keeping of documents and other information

1.The person concerned shall, for the purposes of Customs controls, keep the documents and information referred to in paragraph 1. of Article 12 for at least three (3) years, by any means accessible by and acceptable to the customs.

2. In the case of goods released for free circulation in circumstances other than those referred to in paragraph 3. of this Article, or goods declared for export, period as referred in paragraph 1. of this Article, shall run from the end of the year in which the Customs declarations for release for free circulation or export are accepted.

3. In the case of goods released for free circulation duty-free or at a reduced rate of import duty on account of their end-use, period as referred in paragraph 1. of this Article, shall run from the end of the year in which they cease to be subject to Customs supervision.

4. In the case of goods placed under another Customs procedure or of goods in temporary storage, period as referred in paragraph 1. of this Article, shall run from the end of the year in which the Customs procedure concerned has been discharged or temporary storage has ended.

5. Without prejudice to paragraph 4. of Article 72, where a Customs control in respect of a Customs debt shows that the relevant entry in the accounts has to be corrected and the person concerned has been notified of this, the documents and information shall be kept for three (3) years beyond the time-limit provided for in paragraph 1. of this Article.

6.Where an appeal has been lodged or where court proceedings have begun, the documents and information shall be kept for the period provided for in paragraph 1. of this Article or until the appeals procedure or court proceedings are terminated, whichever is the later.

Article 34
Charges and costs

1. Customs shall not impose charges for the performance of Customs controls or any other application of the Customs legislation during the official opening hours of their competent Customs offices.

2. Customs may impose charges or recover costs where specific services are rendered, in particular the following:

2.1. attendance, where requested, by Customs officer outside official office hours or at premises other than Customs premises;

2.2. analyses or expert reports on goods and postal fees for the return of goods to an applicant, particularly in respect of decisions taken pursuant to Article 21 or the provision of information in accordance with paragraph 1. of Article 11;

2.3 the examination or sampling of goods for verification purposes, or the destruction of goods, where costs other than the cost of using Customs staff are involved;

2.4. exceptional control measures, where these are necessary due to the nature of the goods or to a potential risk.

3. For the implementation of paragraph 2. of this Article, the rate of payments and the reimbursement of expenses are determined by a sub-legal act of the relevant Minister for Finance.

CHAPTER III
CURRENCY CONVERSION AND TIME-LIMITS

Article 35
Currency conversion

Kosovo Central Bank shall publish or make available on the Internet the rate of exchange applicable where the conversion of currency is necessary because factors used to determine the Customs value of goods are expressed in a currency other than one used in Republic of Kosovo;

Article 36
Periods, dates and time-limits

Unless otherwise provided, where a period, date or time- limit is laid down in the Customs legislation, such period shall not be extended or reduced and such date or time-limit shall not be deferred or brought forward.

PART TWO
FACTORS ON THE BASIS OF WHICH IMPORT OR EXPORT DUTY AND OTHER MEASURES IN RESPECT OF TRADE IN GOODS ARE APPLIED

CHAPTER I
CUSTOMS TARIFF AND TARIFF CLASSIFICATION OF GOODS

Article 37
Customs Tariff and surveillance

1. Import and export duty due shall be based on the Kosovo Customs Tariff.

2. Other measures prescribed by provisions governing specific fields relating to trade in goods shall, where appropriate, be applied in accordance with the tariff classification of those goods.

3. The Kosovo Customs Tariff shall comprise all of the following:

3.1. the Combined Nomenclature of goods, based on harmonized system, determined by the legislation in force;

3.2. any other nomenclature which is wholly or partly based on the Combined Nomenclature or which provides for further subdivisions to it, and which is established by provisions governing specific fields with a view to the application of tariff measures relating to trade in goods;

3.3. the conventional or normal autonomous Customs duty applicable to goods covered by the Combined Nomenclature;

3.4. the preferential tariff measures contained in agreements which the Republic of Kosovo has concluded with certain countries or territories outside the Customs territory of the Republic of Kosovo or groups of such countries or territories;

3.5. preferential tariff measures adopted unilaterally by the Kosovo in respect of certain countries or territories outside the Customs territory of the Kosovo or groups of such countries or territories;

3.6. autonomous measures providing for a reduction in, or exemption from, Customs duty on certain goods;

3.7. favorable tariff treatment specified for certain goods, by reason of their nature or end-use, in the framework of measures referred to subparagraphs 3.3., 3.6. and 3.8. of this Article.

3.8. other tariff measures provided for by agricultural or commercial or other Republic of Kosovo legislation.

4.Where the goods concerned fulfil the conditions included in the measures laid down in subparagraphs 3.4 to 3.7 of this Article, the measures referred to in those provisions shall apply, upon application by the declarant, instead of those provided for in subparagraph 3.3 of this Article. Such application may be made retrospectively, provided that the time-limits and conditions laid down in the relevant measure or in the Code are complied with.

5.Where application of the measures referred to in subparagraphs 3.4 to 3.7 of this Article, or the exemption from measures referred to in subparagraph 3.8 of this Article, is restricted to a certain volume of imports or exports, such application or exemption shall, in the case of tariff quotas, cease as soon as the specified volume of imports or exports is reached.

6.In the case of tariff ceilings such application shall cease by virtue of a legal act for determining such ceilings.

7.The release for free circulation or the export of goods, to which the measures referred to in paragraphs 1., 2. and 3. of this Article apply, may be made subject to surveillance.

8. Measures on the uniform management of the tariff quotas and the tariff ceilings referred to in paragraph 5. and 6. of this Article, and on the management of the surveillance of the release for free circulation or export of goods, referred to in paragraph 7. of this Article, are determined by the relevant Minister of Finance.

Article 38
Tariff classification of goods

1. For the application of the Republic of Kosovo Customs Tariff, tariff classification of goods shall consist in the determination of one of the subheadings or further subdivisions of the Combined Nomenclature under which those goods are to be classified.

2. For the application of non-tariff measures, tariff classification of goods shall consist in the determination of one of the subheadings or further subdivisions of the Combined Nomenclature, or of any other nomenclature which is established by Republic of Kosovo provisions and which is

wholly or partly based on the Combined Nomenclature or which provides for further subdivisions to it, under which those goods are to be classified.

3. The subheading or further subdivision determined in accordance with paragraphs 1. and 2. of this Article shall be used for the purpose of applying the measures linked to that subheading.

4. European Commission regulations on the classification of certain goods in the EU Combined Nomenclature, published in the Official Journal of the European Union, may be enforced by Customs through decision of the relevant Minister of Finance.

CHAPTER II
ORIGIN OF GOODS

SUB CHAPTER I
NON-PREFERENTIAL ORIGIN

Article 39
Scope

1. Articles 40 and 41 shall lay down rules for the determination of the non-preferential origin of goods for the purposes of applying the following:

    1.1. The Common Customs Tariff, with the exception of the measures referred to in subparagraphs 3.4 and 3.5 of Article 37 of this Code;

    1.2. measures, other than tariff measures, established by provisions governing specific fields relating to trade in goods; and

    1.3. other measures relating to the origin of goods.

2. Rules under which goods, whose determination of non-preferential origin is required for the purposes of applying the measures referred to this Article, are considered as wholly obtained in a single country or territory or to have undergone their last, substantial, economically-justified processing or working, in an undertaking equipped for that purpose, resulting in the manufacture of a new product or representing an important stage of manufacture in a country or territory, in accordance with Article 40, are determined by sublegal act of the Government on the proposal of the ministry responsible for finance.

Article 40
Acquisition of origin

1. Goods wholly obtained in a single country or territory shall be regarded as having their origin in that country or territory.

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

Article 41
Proof of origin

1. Where an origin has been indicated in the Customs declaration pursuant to the Customs legislation, the Customs may require the declarant to prove the origin of the goods.

2.Where proof of origin of goods is provided pursuant to the Customs legislation or other legislation governing specific fields, the Customs may, in the event of reasonable doubt, require any additional evidence needed in order to ensure that the indication of origin complies with the rules laid down by the relevant legislation.

3.Where the exigencies of trade so require, a document proving origin may be issued in the Republic of Kosovo in accordance with the rules of origin in force in the country or territory of destination or any other method identifying the country where the goods were wholly obtained or underwent their last substantial transformation.

4.The procedural rules for the provision and verification of the proof of origin referred to this Article, are determined by sublegal act of the Minister of Finance.

SUB CHAPTER II
PREFERENTIAL ORIGIN

Article 42
Preferential origin of goods

1. In order to benefit from the measures referred to in subparagraphs 3.4 and 3.5 of Article 37 of this Code or from non-tariff preferential measures, goods shall comply with the rules on preferential origin referred to in paragraphs 2. to 6. of this Article.

2. In the case of goods benefiting from preferential measures contained in agreements which the Republic of Kosovo has concluded with certain countries or territories outside the Customs territory of the Republic of Kosovo or with groups of such countries or territories, the rules on preferential origin shall be laid down in those agreements.

3. In the case of goods benefiting from preferential measures adopted unilaterally by the Republic of Kosovo in respect of certain countries or territories outside the Customs territory of the Republic of Kosovo or groups of such countries or territories, other than those referred to in paragraph 5. of this Article, Government by decision shall adopt measures laying down the rules on preferential origin.

4. The rules for preferential origin from paragraph 3. of this Article, are based on the criterion that the goods are fully obtained or on the criterion of sufficient processing or work.

5. Government upon its own initiative or at the request of a beneficiary country or territory, by decision may, for certain goods, grant a country or territory a temporary derogation from the rules on preferential origin referred to in paragraph 3. of this Article.

6. The temporary derogation shall be justified by one of the following reasons:

    6.1. internal or external factors temporarily deprive the beneficiary country or territory of the ability to comply with the rules on preferential origin;

    6.2. the beneficiary country or territory requires time to prepare itself to comply with those rules.

7. A request for derogation shall be made in writing to the Government by the beneficiary country or territory concerned. The request shall state the reasons, as indicated in the paragraph 6. of this Article, why derogation is required and shall contain appropriate supporting documents.

8.The temporary derogation shall be limited to the duration of the effects of the internal or external factors giving rise to it or the length of time needed for the beneficiary country or territory to achieve compliance with the rules.

9.Where a derogation is granted, the beneficiary country or territory concerned shall comply with any requirements laid down as to information to be provided to the Government concerning the use of the derogation and the management of the quantities for which the derogation is granted.

10.The rules on preferential origin referred to in paragraph 3. of this Article shall be determined by a sub legal act of the Government with the proposal of the ministry responsible for finance.

11.The procedural rules, referred to in paragraph 1. of this Article, to facilitate the establishment in the Republic of Kosovo of the preferential origin of goods, and a measure granting a beneficiary country or territory the temporary derogation referred to in paragraph 6. of this Article, shall be determined by the sub legal act of the relevant Minister of Finance.

CHAPTER III
VALUE OF GOODS FOR CUSTOMS PURPOSES

Article 43
Scope

The Customs value of goods, for the purposes of applying the Kosovo Customs Tariff and non-tariff measures laid down by other provisions governing specific fields relating to trade in goods, shall be determined in accordance with Articles 44 and 48 of this Code.

Article 44
Method of Customs valuation based on the transaction value

1. The primary basis for the Customs value of goods shall be the transaction value, that is the price actually paid or payable for the goods when sold for export to the Customs territory of the Republic of Kosovo, adjusted, where necessary.

2. The price actually paid or payable shall be the total payment made or to be made by the buyer to the seller or by the buyer to a third party for the benefit of the seller for the imported goods and include all payments made or to be made as a condition of sale of the imported goods.

3.The transaction value shall apply provided that all of the following conditions are fulfilled:

3.1. there are no restrictions as to the disposal or use of the goods by the buyer, other than any of the following:

3.1.1. Restrictions imposed or required by a law or by the public authorities in the Republic of Kosovo;

3.1.2. Limitations of the geographical area in which the goods may be resold;

3.1.3. Restrictions which do not substantially affect the Customs value of the goods;

3.2. 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;

3.3. 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;

3.4. the buyer and seller are not related or the relationship did not influence the price.

4. Procedural rules for determining the customs value in accordance with paragraph 1. and 2. of

this Article, and following Articles 45 and 46, including those for adjusting the price actually paid or payable, and the application of the conditions referred to in paragraph 3. of this Article, are determined by a sublegal act of the Minister of Finance.

Article 45
Elements of the transaction value

1. In determining the Customs value under Article 44, the price actually paid or payable for the imported goods shall be supplemented by:

1.1.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:

1.1.1. commissions and brokerage, except buying commissions;

1.1.2. the cost of containers which are treated as being one, for Customs purposes, with the goods in question; and

1.1.3. the cost of packing, whether for labour or materials;

1.2. 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:

1.2.1. materials, components, parts and similar items incorporated into the imported goods;

1.2.2. tools, dies, moulds and similar items used in the production of the imported goods;

1.2.3. materials consumed in the production of the imported goods; and

1.2.4. engineering, development, artwork, design work, and plans and sketches undertaken elsewhere than in the Republic of Kosovo and necessary for the production of the imported goods;

1.3. royalties and licence fees related to the goods being valued that the buyer must pay, either directly or indirectly, as a condition of sale of the goods being valued, to the extent that such royalties and fees are not included in the price actually paid or payable;

1.4. 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; and

1.5. the following costs up to the place where goods are brought into the Customs territory of the Republic of Kosovo:

1.5.1. the cost of transport and insurance of the imported goods; and

1.5.2. loading and handling charges associated with the transport of the imported goods.

2. Additions to the price actually paid or payable, pursuant to paragraph 1. of this Article, shall be made 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.

Article 46
Elements not to be included in the Customs value

1. In determining the Customs value under Article 44, none of the following shall be included:

1.1.the cost of transport of the imported goods after their entry into the Customs territory of the Republic of Kosovo;

1.2. charges for construction, erection, assembly, maintenance or technical assistance, undertaken after the entry into the Customs territory of the Republic of Kosovo of the imported goods such as industrial plants, machinery or equipment;

1.3. charges for interest under a financing arrangement entered into by the buyer and relating to the purchase of the 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 the following conditions are fulfilled:

1.3.1. such goods are actually sold at the price declared as the price actually paid or payable;

1.3.2. 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;

1.4. charges for the right to reproduce the imported goods in the Republic of Kosovo;

1.5. buying commissions;

1.6. import duties or other charges payable in the Republic of Kosovo by reason of the import or sale of the goods;

1.7. notwithstanding subparagraph 1.3 of Article 45, payments made by the buyer for the right to distribute or resell the imported goods, if such payments are not a condition of the sale for export of the goods to the Republic of Kosovo.

Article 47
Simplification

1. Customs may, upon application, authorize that the following amounts be determined on the basis of specific criteria, where they are not quantifiable on the date on which the Customs declaration is accepted:

1.1. amounts which are to be included in the Customs value in accordance with paragraph 2. of Article 44 of this Code; and

1.2. the amounts referred to in Articles 45 and 46 of this Code.

2. The conditions for granting the authorization from this Article are determined by a sublegal act of the Government on the proposal of the ministry responsible for finance.

Article 48
Secondary methods of Customs valuation

1.Where the Customs value of goods cannot be determined under Article 44, it shall be determined by proceeding sequentially from subparagraphs 3.1 to 3.4 of this Article, until the first subparagraph under which the Customs value of goods can be determined.

2.The order of application of subparagraphs 3.3 and 3.4 of this Article shall be reversed if the declarant so requests.

3.The Customs value, pursuant to paragraph 1. of this Article, shall be:

3.1. the transaction value of identical goods sold for export to the Customs territory of the Republic of Kosovo and exported at or about the same time as the goods being valued;

3.2. the transaction value of similar goods sold for export to the Customs territory of the Republic of Kosovo and exported at or about the same time as the goods being valued;

3.3. the value based on the unit price at which the imported goods, or identical or similar imported goods, are sold within the Customs territory of the Republic of Kosovo in the greatest aggregate quantity to persons not related to the sellers; or

3.4. the computed value, consisting of the sum of:

3.4.1. the cost or value of materials and fabrication or other processing employed in producing the imported goods;

3.4.2. 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 export for export to the Republic of Kosovo;

3.4.3. the cost or value of the elements referred to in subparagraph 1.5. of Article 45 of this Code.

4. Where the customs value cannot be determined under paragraph 1. of this Article, it shall be determined on the basis of data available in the Customs territory of the Republic of Kosovo, using reasonable means consistent with the principles and general provisions of all of the following:

4.1. the agreement on application of Article VII of the General Agreement on Tariffs and Trade (GATT);

4.2. article VII of the General Agreement on Tariffs and Trade;

4.3. this Chapter.

5. The procedural rules for determining the Customs value referred in this Article are determined by a sublegal act of the relevant Minister of Finance.

PART THREE
CUSTOMS DEBT AND GUARANTEES

CHAPTER I
INCURRENCE OF A CUSTOMS DEBT

SUBCHAPTER I
CUSTOMS DEBT ON IMPORT

Article 49
Release for free circulation and temporary admission

1. A Customs debt on import shall be incurred through the placing of non-Kosovo goods liable to import duty under either of the following Customs procedures:

1.1. release for free circulation, including under the end-use provisions;

1.2. temporary admission with partial relief from import duty.

2. A Customs debt shall be incurred at the time of acceptance of the Customs declaration.

3. The declarant shall be the debtor. 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. of this Article, is drawn up on the basis of information which leads to all or part of the import duty not being collected, the person 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 shall also be a debtor.

Article 50
Special provisions relating to non-originating goods

1.Where a prohibition of drawback of, or exemption from, import duty applies to non-originating goods used in the manufacture of products for which a proof of origin is issued or made out in the framework of a preferential arrangement between the Republic of Kosovo and certain countries or territories outside the Customs territory of the Republic of Kosovo or groups of such countries or territories, a Customs debt on import shall be incurred in respect of those non-originating goods, through the acceptance of the re-export declaration relating to the products in question.

2.Where a Customs debt is incurred pursuant to paragraph 1. of this Article, the amount of import duty corresponding to that 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 Customs declaration for release for free circulation of the non-originating goods used in the manufacture of the products in question for the purpose of ending the inward processing procedure.

3. As a rule, the debtor is the person defined in paragraphs 2., 3. and 4. of Article 49. However, in the case of non-Kosovo goods as referred to in Article 185 the person who lodges the re-export declaration shall be the debtor. In the event of indirect representation, the person on whose behalf the declaration is lodged shall also be a debtor.

Article 51
Customs debt incurred through non-compliance

1. For goods liable to import duty, a Customs debt on import shall be incurred through non-compliance with any of the following:

1.1. one of the obligations laid down in the Customs legislation concerning the introduction of non-Kosovo goods into the Customs territory, their removal from Customs supervision, or the movement, processing, storage, temporary storage, temporary admission or disposal of such goods within that territory;

1.2. one of the obligations laid down in the Customs legislation concerning the end-use of goods within the Customs territory of the Republic of Kosovo;

1.3. a condition governing the placing of non-Kosovo goods under a Customs procedure or the granting, by virtue of the end-use of the goods, of duty exemption or a reduced rate of import duty.

2. The time at which the Customs debt is incurred shall be either of the following:

2.1. the moment when the obligation the non-fulfilment of which gives rise to the Customs debt is not met or ceases to be met;

2.2. the moment when a Customs declaration is accepted for the placing of goods under a Customs procedure where it is established subsequently that a condition governing the placing of the goods under that procedure or the granting of a duty exemption or a reduced rate of import duty by virtue of the end-use of the goods was not in fact fulfilled.

3. In cases referred of sub paragraph 1.1 and 1.2 of this Article, the debtor shall be any of the following:

3.1. any person who was required to fulfil the obligations concerned;

3.2. any person who was aware or should reasonably have been aware that an obligation under the customs legislation was not fulfilled and who acted on behalf of the person who was obliged to fulfil the obligation, or who participated in the act which led to the non-fulfilment of the obligation;

3.3. any person who acquired or held the goods in question and who was aware or should reasonably have been aware at the time of acquiring or receiving the goods that an obligation under the customs legislation was not fulfilled.

4. In cases referred to under subparagraphs 1.3. of this Article, the debtor shall be the person who is required to comply with the conditions governing the placing of the goods under a customs procedure or the customs declaration of the goods placed under that Customs procedure or the granting of a duty exemption or reduced rate of import duty by virtue of the end-use of the goods.

5. Where a customs declaration in respect of one of the Customs procedures referred to subparagraphs 1.3. of this Article, and any information required under the customs legislation relating to the conditions governing the placing of the goods under that customs procedure is given to the customs, which leads to all or part of the import duty not being collected, the person who provided the information required to draw up the Customs declaration and who knew, or who ought reasonably to have known, that such information was false shall also be a debtor.

Article 52
Deduction of an amount of import duty already paid

1. Where a customs debt is incurred, pursuant to paragraph 1. of Article 51, in respect of goods released for free circulation at a reduced rate of import duty on account of their end-use, the amount of import duty paid when the goods were released for free circulation shall be deducted from the amount of import duty corresponding to the customs debt.

2. Paragraph 1. of this Article shall apply where a customs debt is incurred in respect of scrap and waste resulting from the destruction of such goods.

3. Where a customs debt is incurred, pursuant to paragraph 1. of Article 51 in respect of goods placed under temporary admission with partial relief from import duty, the amount of import duty paid under partial relief shall be deducted from the amount of import duty corresponding to the customs debt.

SUB CHAPTER II
CUSTOMS DEBT ON EXPORT

Article 53
Export and outward processing

1. A customs debt on export shall be incurred through the placing of goods liable to export duty under the export procedure or the outward processing procedure.

2. The customs debt shall be incurred at the time of acceptance of the customs declaration.

3. The declarant shall be the debtor. 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 is drawn up on the basis of information which leads to all or part of the export duty not being collected, the person who provided the information required for the declaration and who knew, or who should reasonably have known, that such information was false shall also be a debtor.

Article 54
Customs debt incurred through non-compliance

1. For goods liable to export duty, a Customs debt on export shall be incurred through non-compliance with either of the following:

1.1. one of the obligations laid down in the Customs legislation for the exit of the goods;

1.2. the conditions under which the goods were allowed to be taken out of the Customs territory of the Republic of Kosovo with total or partial relief from export duty.

2. The time at which the customs debt is incurred shall be one of the following:

2.1.the moment at which the goods are actually taken out of the Customs territory without a Customs declaration;

2.2.the moment at which the goods reach a destination other than that for which they were allowed to be taken out of the Customs territory of Republic of Kosovo with total or partial relief from export duty;

2.3. should the Customs be unable to determine the moment referred to in subparagraph 2.2 of this Article, 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. In cases referred to subparagraph 1.1 of this Article, the debtor shall be any of the following:

3.1. any person who was required to fulfil the obligation concerned;

3.2. any person who was aware or should reasonably have been aware that the obligation concerned was not fulfilled and who acted on behalf of the person who was obliged to fulfil the obligation;

3.3. any person who participated in the act which led to the non-fulfilment of the obligation and who was aware or should reasonably have been aware that a Customs declaration had not been lodged but should have been.

4. In cases referred to subparagraph 1.2. of this Article, the debtor shall be any person who is required to comply with the conditions under which the goods were allowed to be taken out of the Customs territory of Republic of Kosovo with total or partial relief from export duty.

SUB CHAPTER III
PROVISIONS COMMON TO CUSTOMS DEBT INCURRED IN IMPORT AND EXPORT

Article 55
Prohibitions and restrictions

1. The customs debt on import or export shall be incurred even if it relates to goods which are subject to measures of prohibition or restriction on import or export of any kind.

2. Exceptionally from paragraph 1. of this Article, no customs debt shall be incurred on either of the following:

2.1. the unlawful introduction into the customs territory of counterfeit currency;

2.2. the introduction into the customs territory of narcotic drugs and psychotropic substances other than where strictly supervised by the competent authorities with a view to their use for medical and scientific purposes.

3. For the purposes of penalties as applicable to customs offences, the customs debt shall nevertheless be deemed to have been incurred where, under the law in force, import or export duty or the existence of a Customs debt provide the basis for determining penalties.

Article 56
Several debtors

Where several persons are liable for payment of the amount of import or export duty corresponding to one customs debt, they shall be jointly and severally liable for payment of that amount.

Article 57
General rules for calculating the amount of import or export duty

1. The amount of import or export duty shall be determined on the basis of those rules for calculation of duty which were applicable to the goods concerned at the time at which the customs debt in respect of them was incurred.

2. Where it is not possible to determine precisely the time at which the Customs debt is incurred, that time shall be deemed to be the time at which the Customs conclude that the goods are in a situation in which a Customs debt has been incurred.

3. However, where the information available to the Customs enables them to establish that the Customs debt had been incurred prior to the time at which they reached that conclusion from paragraph 2. of this Article, the Customs debt shall be deemed to have been incurred at the earliest time that such a situation can be established.

Article 58
Special rules for calculating the amount of import duty

1. Where costs for storage or usual forms of handling have been incurred within the Customs territory of the Republic of Kosovo in respect of goods placed under a Customs procedure or in temporary storage, such costs or the increase in value shall not be taken into account for the calculation of the amount of import duty where satisfactory proof of those costs is provided by the declarant.

2. Exceptionally from paragraph 1. of this Article, the Customs value, quantity, nature and origin of non- Kosovo goods used in the operations shall be taken into account for the calculation of the amount of import duty.

3. Where the tariff classification of goods placed under a Customs procedure changes as a result of usual forms of handling within the Customs territory of the Republic of Kosovo, the original tariff classification for the goods placed under the procedure shall be applied at the request of the declarant.

4. Where a Customs debt is incurred for processed products resulting from the inward processing procedure, the amount of import duty corresponding to such debt shall, at the request of the declarant, be determined on the basis of the tariff classification, Customs value, quantity, nature and origin of the goods placed under the inward processing procedure at the time of acceptance of the Customs declaration relating to those goods.

5. In specific cases, the amount of import duty shall be determined in accordance with paragraphs 3. and 4. of this Article without a request of the declarant in order to avoid the circumvention of tariff measures referred to in sub paragraph 3.8. of Article 37.

6. Where a Customs debt is incurred for processed products resulting from the outward processing procedure or replacement products as referred to in paragraph 1. of Article 179, the amount of import duty shall be calculated on the basis of the cost of the processing operation undertaken outside the Customs territory of the Republic of Kosovo.

7. Where the Customs legislation provides for a favorable tariff treatment of goods, or for relief or total or partial exemption from import or export duty pursuant to sub paragraphs 3.4. to 3.7. of Article 37, of Articles 139, 140, 141 and 142, or Articles 232 to 235 or pursuant to Fifth Book of this Code setting up a system of reliefs from Customs duty such favorable tariff treatment, relief or exemption shall also apply in cases where a Customs debt is incurred pursuant to Articles 51 or 54 of this Code, on condition that the failure which led to the incurrence of a Customs debt did not constitute an attempt at deception.

8. By a sublegal act of the Government on the proposal of the ministry responsible for Finance are determined the rules for the calculation of the amount of import or export duty applicable to goods for which a Customs debt is incurred in the context of a special procedure, which supplement the rules laid down in Articles 57 and on this Article.

9. The cases referred to paragraph 5. of this Article, are determined by a sublegal act of the Minister of Finance.

Article 59
Place where the Customs debt is incurred

1. A Customs debt shall be incurred at the place where the Customs declaration or the re-export declaration referred to in Articles 49, 50 and 53 is lodged.

2. In all other cases, the place where a Customs debt is incurred shall be the place where the events from which it arises occur.

3. If it is not possible to determine that place, the Customs debt shall be incurred at the place where the Customs conclude that the goods are in a situation in which a Customs debt is incurred.

4. If the goods have been placed under a Customs procedure which has not been discharged or when a temporary storage did not end properly, and the place where the Customs debt is incurred cannot be determined pursuant to the paragraphs 2. and 3. of this Article within a specific time- limit, the Customs debt shall be incurred at the place where the goods were either placed under the procedure concerned or were introduced into the Customs territory of the Republic of Kosovo under that procedure or were in temporary storage.

5. Where the information available to the Customs enables them to establish that the Customs debt may have been incurred in several places, the Customs debt shall be deemed to have been incurred at the place where it was first incurred.

6. The time-limit referred to in paragraph 4. of this Article are determined by a sublegal act of the Minister of Finance.

CHAPTER II
GUARANTEE FOR A POTENTIAL OR EXISTING CUSTOMS DEBT

Article 60
General provisions

1. This Chapter shall apply to guarantees both for Customs debts which have been incurred and for those which may be incurred, unless otherwise specified.

2. Where the Customs require a guarantee for a potential or existing Customs debt to be provided, that guarantee shall cover the amount of import or export duty and the other charges due in connection with the import or export of the goods where the guarantee is used for the placing of goods under the Republic of Kosovo transit procedure.

3. Where the Customs require a guarantee to be provided, it shall be required from the debtor or the person who may become the debtor. They may also permit the guarantee to be provided by a person other than the person from whom it is required.

4. Without prejudice to Article 68, the Customs shall require only one guarantee to be provided in respect of specific goods or a specific declaration.

5. The guarantee provided for a specific declaration shall apply to the amount of import or export duty corresponding to the Customs debt and other charges in respect of all goods covered by or released against that declaration, whether or not that declaration is correct.

6. If the guarantee has not been released, it may also be used, within the limits of the secured amount, for the recovery of amounts of import or export duty and other charges payable following post-release control of those goods.

7. Upon application by the person referred to in paragraph 3. of this Article, the Customs may, in accordance with paragraphs 1., 2. and 3. of Article 66, authorize the provision of a comprehensive guarantee to cover the amount of import or export duty corresponding to the Customs debt in respect of two or more operations, declarations or Customs procedures.

8. The Customs shall monitor the guarantee.

9. No guarantee shall be required from state authorities, regional and local government authorities or other bodies governed by public law, in respect of the activities in which they engage as public

authorities.

10. No guarantee shall be required in any of the following situations:

10.1. goods carried by a fixed transport installation;

10.2. in specific cases where goods are placed under the temporary admission procedure;

10.3. goods placed under the national transit procedure using the simplification referred to in subparagraph 4.5 of Article 154, and carried in customs territory of Republic of Kosovo.

11. The Customs may waive the requirement for provision of a guarantee where the amount of import or export duty to be secured does not exceed the statistical value threshold for declarations laid down in legislation in force.

12. By sub-legal act of the Government on the proposal of the ministry responsible for finance are determined the special cases, defined in sub paragraph 10.2. of this Article, when no guarantee is required for the goods placed under the temporary admission procedure;

13. By sub-legal act of the relevant Minister of Finance are defined the procedural rules for the provisions and the monitoring of the guarantee referred to this Article.

Article 61
Compulsory guarantee

1. Where it is compulsory for a guarantee to be provided, the Customs shall fix the amount of such guarantee at a level equal to the precise amount of import or export duty corresponding to the Customs debt and of other charges where that amount can be established with certainty at the time when the guarantee is required.

2. Where it is not possible to establish the precise amount, the guarantee shall be fixed at the maximum amount, as estimated by the customs, of import or export duty corresponding to the Customs debt and of other charges which have been or may be incurred.

3. Without prejudice to Article 66 where a comprehensive guarantee is provided for the amount of import or export duty corresponding to Customs debts and other charges which vary in amount over time, the amount of such guarantee shall be set at a level enabling the amount of import or export duty corresponding to Customs debts and other charges to be covered at all times.

Article 62
Optional guarantee

Where the provision of a guarantee is optional, such guarantee shall in any case be required by the Customs if they consider that the amount of import or export duty corresponding to a Customs debt and other charges are not certain to be paid within the prescribed period. Its amount shall be fixed by customs so as not to exceed the level referred to in Article 61.

Article 63
Provision of a guarantee

1. A guarantee may be provided in one of the following forms:

1.1. by a cash deposit or by any other means of payment recognized by the Customs as being equivalent to a cash deposit, paid in euros;

1.2. by an undertaking given by a guarantor;

1.3. by another form of guarantee recognised by law, which provides equivalent assurance that the amount of import or export duty corresponding to the Customs debt and other charges will be paid.

2. A guarantee in the form of a cash deposit or any other equivalent means of payment shall be given in accordance with the provisions in force in which the guarantee is required.

3. Where a guarantee is given by making a cash deposit or any other equivalent means of payment, no interest thereon shall be payable by the customs.

4. By sublegal act of the Government on the proposal of the ministry responsible for finance is determined the form of guarantee referred to in sub-paragraph 1.3 of this Article.

Article 64
Choice of guarantee

1. The person required to provide a guarantee may choose between the forms of guarantee laid down in paragraph 1. of Article 63.

2. The Customs may refuse to accept the form of guarantee chosen where it is incompatible with the proper functioning of the Customs procedure concerned.

3. The Customs may require that the form of guarantee chosen be maintained for a specific period.

Article 65
Guarantor

1. The guarantor referred to in sub paragraph 1.2. of Article 63, shall be a third person established in the Customs territory of the Republic of Kosovo. The guarantor shall be approved by the Customs requiring the guarantee, unless the guarantor is a credit institution, financial institution or insurance company accredited in the Republic of Kosovo in accordance with national provisions in force.

2. The guarantor shall undertake in writing to pay the secured amount of import or export duty corresponding to a Customs debt and other charges.

3. The Customs may refuse to approve the guarantor or the type of guarantee proposed where either does not appear certain to ensure payment within the prescribed period of the amount of import or export duty corresponding to the Customs debt and of other charges.

4. By sub-legal act of the Government, on the proposal of the ministry responsible for finance are determined the rules for the guarantor according to this Article.

5. By sub-legal act of the Minister of Finance are determined the procedural rules for the revocation and cancellation of the undertaking given by the guarantor referred to this Article.

Article 66
Comprehensive guarantee

1. The authorization referred to in paragraph 7. of Article 60 shall be granted only to persons who satisfy all of the following conditions:

1.1. they are established in the Customs territory of the Republic of Kosovo;

1.2. they fulfil the criteria laid down in sub paragraph 1.1 of Article 25;

1.3. they are regular users of the Customs procedures involved or operators of temporary storage facilities or they fulfil the criteria laid down in sub paragraph 1.4 of Article 25.

2. Where a comprehensive guarantee is to be provided for Customs debts and other charges which may be incurred, an economic operator may be authorized to use a comprehensive guarantee with a reduced amount or to have a guarantee waiver, provided that he or she fulfils the criteria laid down in sub paragraphs 1.2 and 1.3 of Article 25.

3. Where a comprehensive guarantee is to be provided for Customs debts and other charges which have been incurred, an authorized economic operator for Customs simplification shall, upon application, be authorized to use a comprehensive guarantee with a reduced amount.

4. The comprehensive guarantee with a reduced amount referred to in paragraph 3. of this Article shall be equivalent to the provision of a guarantee.

5. By decision of the Government on the proposal of the ministry responsible for finance, are determined the conditions for granting an authorization for the use a comprehensive guarantee with a reduced amount or to have a guarantee waiver referred to paragraph 2. of this Article.

6. By sub-legal act of the Minister of Finance are determined the procedural rules for the determining the amount of the guarantee, including the reduced amount of the guarantee, including the reduced amount referred to paragraphs 2. and 3. of this Article.

Article 67
Temporary prohibitions relating to the use of comprehensive guarantees

1. In the context of special procedures or temporary storage, the Government by decision may decide to temporarily prohibit recourse to any of the following:

1.1. the comprehensive guarantee for a reduced amount or a guarantee waiver referred to in paragraph 2. of Article 66;

1.2. the comprehensive guarantee referred to in Article 66, in respect of goods which have been identified as being subject to large-scale fraud.

2. Where sub paragraphs 1.1. and 1.2. of this Article apply, recourse to the comprehensive guarantee for a reduced amount or a guarantee waiver or recourse to the comprehensive guarantee referred to in Article 66 may be authorized where the person concerned fulfils either of the following conditions:

2.1. that person can show that no Customs debt has arisen in respect of the goods in question in the course of operations which that person has undertaken in the two years preceding the decision referred to in paragraph 1. of this Article;

2.2. where Customs debts have arisen in the two (2) years preceding the decision referred to in paragraph 1. of this Article, the person concerned can show that those debts were fully paid by the debtor or debtors or the guarantor within the prescribed time-limit.

3. To obtain authorization to use a temporarily prohibited comprehensive guarantee, the person concerned must also fulfil the criteria laid down in sub paragraphs 1.2. and 1.3. of Article 25.

4. By sublegal act of the relevant Minister of Finance are determined the procedural rules for temporary prohibitions according to this Article.

Article 68
Additional or replacement guarantee

Where the Customs establish that the guarantee provided does not ensure, or is no longer certain or sufficient to ensure, payment within the prescribed period of the amount of import or export duty corresponding to the Customs debt and other charges, they shall require any of the persons referred to in paragraph 3. of Article 60 either to provide an additional guarantee or to replace the original guarantee with a new guarantee, according to his choice.

Article 69
Release of the guarantee

1. Customs shall release the guarantee immediately when the Customs debt or liability for other charges is extinguished or can no longer arise.

2. Where the Customs debt or liability for other charges has been extinguished in part, or may arise only in respect of part of the amount which has been secured, a corresponding part of the guarantee shall be released accordingly at the request of the person concerned, unless the amount involved does not justify such action.

3. By sub-legal act of the Government on the proposal of the Ministry responsible for finance, are determined, time-limits for the release of a guarantee.

4. By sub-legal act of the Minister of Finance are determined the procedural rules for the release of the guarantee according to this Article.

CHAPTER III
RECOVERY, PAYMENT, REPAYMENT AND REMISSION OF THE AMOUNT OF IMPORT OR EXPORT DUTY

SUBCHAPTER I
DETERMINATION OF THE AMOUNT OF IMPORT OR EXPORT DUTY, NOTIFICATION OF THE CUSTOMS DEBT AND ENTRY ON THE ACCOUNTS

Article 70
Determination of the amount of import or export duty

1. The amount of import or export duty payable shall be determined by Customs, as soon as they have the necessary information.

2. Without prejudice to Article 31, Customs may accept the amount of import or export duty payable determined by the declarant.

3. Where the amount of import or export duty payable does not result in a whole number, that amount may be rounded.

4. Where the amount referred in paragraph 3. of this Article is expressed in euros, rounding may not be more than a rounding up or down to the nearest whole number.

Article 71
Notification of the Customs debt

1. The Customs debt shall be notified to the debtor in the form prescribed.

2. The notification referred to in paragraph 1. of this Article shall not be made in any of the following cases:

> 2.1. where, pending a final determination of the amount of import or export duty, a provisional commercial policy measure taking the form of a duty has been imposed;

2.2. where the amount of import or export duty payable exceeds that determined on the basis of a decision made in accordance with Article 21;

2.3. where the original decision not to notify the Customs debt or to notify it with an amount of import or export duty at a figure less than the amount of import or export duty payable was taken on the basis of general provisions invalidated at a later date by a court decision;

2.4. where the Customs are exempted under the Customs legislation from notification of the Customs debt.

3. Where the amount of import or export duty payable is equal to the amount entered in the Customs declaration, release of the goods by the Customs shall be equivalent to notifying the debtor of the Customs debt.

4. Where paragraph 3. of this Article does not apply, the Customs debt shall be notified to the debtor by the Customs when they are in a position to determine the amount of import or export duty payable and take a decision thereon.

5. However, where the notification of the Customs debt would prejudice a criminal investigation, the Customs may defer that notification until such time as it no longer prejudices the criminal investigation.

6. Provided that payment has been guaranteed, the Customs debt corresponding to the total amount of import or export duty relating to all the goods released to one and the same person during a period fixed by the customs, may be notified at the end of that period. The period fixed by the Customs shall not exceed thirty-one (31) days.

7. The cases referred to in subparagraph 2.4 of this Article, where the Customs are exempted from notification of the Customs debt, are determined by a sublegal act of the Government of Kosovo on the proposal of the ministry responsible for finance.

Article 72
Limitation of the Customs debt

1. No Customs debt shall be notified to the debtor after the expiry of a period of three (3) years from the date on which the Customs debt was incurred.

2. Where the Customs debt is incurred as the result of an act which, at the time it was committed, there were element to initiate criminal proceedings, the three (3) year period laid down in paragraph 1. of this Article shall be extended to a period of ten (10) years.

3. The periods laid down in paragraphs 1. and 2. of this Article shall be suspended where:

3.1. an appeal is lodged in accordance with Article 27, such suspension shall apply from the date on which the appeal is lodged and shall last for the duration of the appeal proceedings; or

3.2. customs communicate to the debtor, in accordance with paragraph 11. of Article 15, the grounds on which they intend to notify the Customs debt. Such suspension shall apply from the date of that communication until the end of the period within which the debtor is given the opportunity to express his or her point of view.

4. Where a Customs debt is reinstated pursuant to paragraph 9. of Article 82, the periods laid down in paragraphs 1. and 2. of this Article shall be considered as suspended from the date on which the application for repayment or remission was submitted in accordance with Article 87, until the date on which the decision on the repayment or remission was taken.

Article 73
Entry in the accounts

1. Customs shall enter in their accounts, the amount of import or export duty payable as determined in accordance with that Article 70.

2. Paragraph 1. of this Article shall not apply in cases referred to in the paragraph 2. of Article 71.

3. Customs need not enter in the accounts amounts of import or export duty which, pursuant to Article 72, correspond to a Customs debt which could no longer be notified to the debtor.

4. Customs shall determine the practical procedures for the entry in the accounts of the amounts of import or export duty. Those procedures may differ according to whether, in view of the circumstances in which the Customs debt was incurred, Customs are satisfied that those amounts will be paid.

Article 74
Time of entry in the accounts

1. Where a Customs debt is incurred as a result of the acceptance of the Customs declaration of goods for a Customs procedure, other than temporary admission with partial relief from import duty, or of any other act having the same legal effect as such acceptance, Customs shall enter the amount of import or export duty payable in the accounts within fourteen (14) days of the release of the goods.

2. However, provided that payment has been guaranteed, the total amount of import or export duty relating to all the goods released to one and the same person during a period fixed by Customs, which may not exceed thirty-one (31) days, may be covered by a single entry in the accounts at the end of that period. Such entry in the accounts shall take place within fourteen (14) days of the expiry of the period concerned.

3. Where goods may be released subject to certain conditions which govern either the determination of the amount of import or export duty payable or its collection, entry in the accounts shall take place within fourteen (14) days of the day on which the amount of import or export duty payable is determined or the obligation to pay that duty is fixed.

4. However, where the Customs debt relates to a provisional commercial policy measure taking the form of a duty, the amount of import or export duty payable shall be entered in the accounts within two (2) months of the date of publication in the Official Journal of the regulation establishing the definitive commercial policy measure.

5. Where a Customs debt is incurred in circumstances not covered by paragraph 1. of this Article, the amount of import or export duty payable shall be entered in the accounts within fourteen (14) days of the date on which Customs are in a position to determine the amount of import or export duty in question and take a decision.

6. Paragraph 5. of this Article shall apply with regard to the amount of import or export duty to be recovered or which remains to be recovered where the amount of import or export duty payable has not been entered in the accounts in accordance with paragraphs 1 to 5 of this Article, or has been determined and entered in the accounts at a level lower than the amount payable.

7.The time-limits for entry in the accounts laid down in paragraphs 1 to 5 of this Article shall not apply in unforeseeable circumstances or in cases of force majeure.

8.The entry in the accounts may be deferred in the case referred to in paragraph 5. of Article 71, until such time as the notification of the Customs debt no longer prejudices a criminal investigation.

SUB CHAPTER II
PAYMENT OF THE AMOUNT OF IMPORT OR EXPORT DUTY

Article 75
General time-limits for payment and suspension of the time-limit for payment

1. Amounts of import or export duty, corresponding to a Customs debt notified in accordance with Article 71, shall be paid by the debtor within the period prescribed by the customs.

2. Without prejudice to paragraph 2. of Article 28, that period shall not exceed ten (10) days following notification to the debtor of the Customs debt. In the case of aggregation of entries in the accounts under the conditions laid down in paragraph 2. of Article 74, it shall be so fixed as not to enable the debtor to obtain a longer period for payment than if he or she had been granted deferred payment in accordance with Article 77.

3. The Customs may extend that period upon application by the debtor where the amount of import or export duty payable has been determined in the course of post-release control as referred to in Article 31. Without prejudice to paragraph 1. of Article 79, such extensions shall not exceed the time necessary for the debtor to take the appropriate steps to discharge his or her obligation.

4. If the debtor is entitled to any of the payment facilities laid down in Articles 77 to 79, payment shall be made within the period or periods specified in relation to those facilities.

5. The time-limit for payment of the amount of import or export duty corresponding to a Customs debt shall be suspended in any of the following cases:

5.1. where an application for remission of duty is made in accordance with Article 87;

5.2. where goods are to be confiscated, destroyed or abandoned to the State;

5.3. where the Customs debt was incurred pursuant to Article 51 and there is more than one debtor.

6. Rules for the suspension of the time-limit for payment of the amount of import or export duty corresponding to a Customs debt referred to in paragraph 5. of this Article and the period of suspension are determined by a decision of the Government on the proposal of the ministry responsible for finance.

Article 76
Payment

1. Payment shall be made in cash or by any other means with similar discharging effect, including by adjustment of a credit balance, in accordance with national legislation.

2. Payment may be made by a third person instead of the debtor.

3. The debtor may in any case pay all or part of the amount of import or export duty without awaiting expiry of the period he or she has been granted for payment.

Article 77
Deferment of payment

1. Customs shall, upon application by the person concerned and upon provision of a guarantee, authorize deferment of payment of the duty payable in any of the following ways:

1.1. separately in respect of each amount of import or export duty entered in the accounts in accordance with paragraph 1. or paragraph 5 of Article 74.

1.2. globally in respect of all amounts of import or export duty entered in the accounts in accordance with paragraph 1. of Article 74 during a period fixed by the Customs and not exceeding thirty-one (31) days;

1.3. globally in respect of all amounts of import or export duty forming a single entry in accordance with paragraph 2. of Article 74.

Article 78
Periods for which payment is deferred

1. The period for which payment is deferred under Article 77 shall be thirty (30) days.

2. Where payment is deferred in accordance with sub paragraph 1.1 of Article 77, the period shall begin on the day following that on which the Customs debt is notified to the debtor.

3. Where payment is deferred in accordance with sub paragraph 1.2 of Article 77, the period shall begin on the day following that on which the aggregation period ends. It shall be reduced by the number of days corresponding to half the number of days covered by the aggregation period.

4. Where payment is deferred in accordance with sub paragraph 1.3. of Article 77, the period shall begin on the day following the end of the period fixed for release of the goods in question. It shall be reduced by the number of days corresponding to half the number of days covered by the period concerned.

5. Where the number of days in the periods referred to in paragraphs 3. and 4. of this Article is an odd number, the number of days to be deducted from the thirty (30) day period pursuant to those paragraphs shall be equal to half the next lowest even number.

6. Where the periods referred to in paragraphs 3. and 4. of this Article are weeks, Customs may provide that the amount of import or export duty in respect of which payment has been deferred is to be paid on the Friday of the fourth week following the week in question at the latest.

7. If those periods are months, Customs may provide that the amount of import or export duty in respect of which payment has been deferred is to be paid by the 16th day of the month following the month in question.

Article 79
Other payment facilities

1. Customs may grant the debtor payment facilities other than deferred payment on condition that a guarantee is provided.

2. Where facilities are granted pursuant to paragraph 1. of this Article, credit interest shall be charged on the amount of import or export duty.

3. The rate of credit interest shall be equal to the interest rate as published in the Kosovo Central Bank applied to its main refinancing operations, on the first day of the month in which the due date fell, increased by one (1) percentage point.

4. The Customs may refrain from requiring a guarantee or from charging credit interest where it is established, on the basis of a documented assessment of the situation of the debtor, that this would create serious economic or social difficulties.

5.The Customs shall refrain from charging credit interest where the amount for each recovery action is less than ten (10) euro.

Article 80
Enforcement of payment

Where the amount of import or export duty payable has not been paid within the prescribed period, the Customs shall secure payment of that amount by all means available under this Code and the legislation in force.

Article 81
Interest on arrears

1. Interest on arrears shall be charged on the amount of import or export duty from the date of expiry of the prescribed period until the date of payment.

2. The rate of interest on arrears shall be equal to the interest rate as published in the Kosovo Central Bank applied to its main refinancing operations, on the first day of the month in which the due date fell, increased by two (2) percentage points.

3. Where the Customs debt is incurred on the basis of Article 51 or 54, or where the notification of the Customs debt results from a post-release control, interest on arrears shall be charged over and above the amount of import or export duty, from the date on which the Customs debt was incurred until the date of its notification. The rate of interest on arrears shall be set in accordance with paragraph 1. of this Article.

4.The Customs may refrain from charging interest on arrears where it is established, on the basis of a documented assessment of the situation of the debtor, that to charge it would create serious economic or social difficulties.

5.The Customs shall refrain from charging interest on arrears where the amount for each recovery action is less than ten (10) euros.

SUB CHAPTER III
REPAYMENT AND REMISSION

Article 82
General provisions

1. Subject to the conditions laid down in this sub chapter, amounts of import or export duty shall be repaid or remitted on any of the following grounds:

1.1. overcharged amounts of import or export duty;

1.2. defective goods or goods not complying with the terms of the contract;

1.3. error by customs;

1.4. equity.

2. Where an amount of import or export duty has been paid and the corresponding Customs declaration is invalidated in accordance with Article 122, that amount shall be repaid.

3. The Customs shall repay or remit the import or export duty when the amount is ten (10) euros or more.

4. Subject to the rules of competence for a decision, where the Customs themselves discover within the periods referred to in paragraph 1. of Article 114 that an amount of import or export duty is repayable or remissible pursuant to Articles 110, 112 or 113, customs shall repay or remit on their own initiative.

5. No repayment or remission shall be granted when the situation which led to the notification of the Customs debt results from deception by the debtor.

6. Repayment shall not give rise to the payment of interest by Customs.

7. However, interest shall be paid where a decision granting repayment is not implemented within three months of the date on which that decision was taken, unless the failure to meet the deadline was outside the control of the Customs.

8. In such cases, the interest shall be paid from the date of expiry of the three-month period until the date of repayment. The rate of interest shall be established in accordance with Article 79.

9. Where the Customs have granted repayment or remission in error, the original Customs debt shall be reinstated insofar as it is not time-barred under Article 72.

10. In such cases, any interest paid under paragraph 7. of this Article shall be reimbursed.

11.The procedural rules for repayment and remission, as referred to this Article, are determined with sub-legal act by the relevant Minister of Finance.

Article 83
Overcharged amounts of import or export duty

1. An amount of import or export duty shall be repaid or remitted insofar as the amount corresponding to the Customs debt initially notified exceeds the amount payable, or the Customs debt was notified to the debtor contrary to sub paragraphs 2.3 and 2.4 of Article 71.

2. Where the application for repayment or remission is based on the existence, at the time when the declaration for release for free circulation was accepted, of a reduced or zero rate of import duty on the goods under a tariff quota, a tariff ceiling or other favorable tariff measures, repayment or remission shall be granted provided that, at the time of lodging the application accompanied by the necessary documents, either of the following conditions are fulfilled:

2.1. in the case of a tariff quota, its volume has not been exhausted;

2.2. in other cases, the rate of duty normally due has not been re-established.

Article 84
Defective goods or goods not complying with the terms of the contract

1. An amount of import duty shall be repaid or remitted if the notification of the Customs debt relates to goods which have been rejected by the importer because, at the time of release, they were defective or did not comply with the terms of the contract on the basis of which they were imported.

2. Defective goods shall be deemed to include goods damaged before their release.

3. Notwithstanding paragraph 4. of this Article, repayment or remission shall be granted provided 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 and provided they are taken out of the Customs territory of the Republic of Kosovo.

4. Repayment or remission shall not be granted where:

4.1. the goods, before being released for free circulation, were placed under a special procedure 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;

4.2. the defective nature of the goods was taken into consideration in drawing up the terms of the contract, in particular the price, before the goods were placed under a Customs procedure involving the incurrence of a Customs debt; or

4.3. the goods are sold by the applicant after it has been ascertained that they are defective or do not comply with the terms of the contract.

5. Instead of being taken out of the Customs territory of the Republic of Kosovo, and upon application by the person concerned, the Customs shall authorize that the goods be placed under the inward processing procedure, including for destruction, or the external transit, the Customs warehousing or the free zone procedure.

Article 85
Error by the Customs

1. In cases other than those referred to in the paragraph 2. of Article 82 and in Articles 83, 84 and 86, an amount of import or export duty shall be repaid or remitted where, as a result of an error on the part of the Customs, the amount corresponding to the Customs debt initially notified was lower than the amount payable, provided the following conditions are met:

1.1. the debtor could not reasonably have detected that error; and

1.2. the debtor was acting in good faith.

2. Where the conditions laid down in paragraph 2. of Article 83 are not fulfilled, repayment or remission shall be granted where failure to apply the reduced or zero rate of duty was as a result of an error on the part of the Customs and the Customs declaration for release for free circulation contained all the particulars and was accompanied by all the documents necessary for application of the reduced or zero rate.

3. Where the preferential treatment of the goods is granted on the basis of a system of administrative cooperation involving the authorities of a country or territory outside the Customs territory of the Republic of Kosovo, 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 sub paragraph 1.1 of this Article.

4. 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 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.

5. The debtor shall be considered to be in good faith if he or she can demonstrate that, during the period of the trading operations concerned, he or she has taken due care to ensure that all the conditions for the preferential treatment have been fulfilled.

6. The debtor may not rely on a plea of good faith if it is published a notice in the Official Journal stating that there are grounds for doubt concerning the proper application of the preferential arrangements by the beneficiary country or territory.

Article 86
Equity

1. In cases other than those referred to in the paragraph 2. of Article 82 and in Articles 83, 84 and 85 an amount of import or export duty shall be repaid or remitted in the interest of equity where a Customs debt is incurred under special circumstances in which no deception or obvious negligence may be attributed to the debtor.

2. The special circumstances referred to in paragraph 1. of this Article shall be deemed to exist where it is clear from the circumstances of the case that the debtor is in an exceptional situation as compared with other operators engaged in the same business, and that, in the absence of such circumstances, he or she would not have suffered disadvantage by the collection of the amount of import or export duty.

Article 87
Procedure for repayment and remission

1. Applications for repayment or remission in accordance with Article 82 shall be submitted to the Customs within the following periods:

> 1.1. in the case of overcharged, amounts of import or export duty, error by the customs or equity, within three (3) years of the date of notification of the Customs debt;
>
> 1.2. in the case of defective goods or goods not complying with the terms of the contract, within one (1) year of the date of notification of the Customs debt;
>
> 1.3. in the case of invalidation of a Customs declaration, within the period specified in the rules applicable to invalidation.

2. The period specified in subparagraphs 1.1 and 1.2 of this Article shall be extended where the applicant provides evidence that he or she was prevented from submitting an application within the prescribed period as a result of unforeseeable circumstances or force majeure.

3. Where the Customs are not in a position, on the basis of the grounds adduced, to grant repayment or remission of an amount of import or export duty, it is required to examine the merits of an application for repayment or remission in the light of the other grounds for repayment or remission referred to in Article 82.

4. Where an appeal has been lodged under Article 27 against the notification of the Customs debt, the relevant period specified in paragraph 1. of this Article shall be suspended, from the date on which the appeal is lodged, for the duration of the appeal proceedings.

CHAPTER IV
EXTINGUISHMENT OF A CUSTOMS DEBT

Article 88
Extinguishment

1.Without prejudice to the provisions in force relating to non-recovery of the amount of import or export duty corresponding to a Customs debt in the event of the judicially established insolvency of the debtor, a Customs debt on import or export shall be extinguished in any of the following ways:

> 1.1. where the debtor can no longer be notified of the Customs debt, in accordance with Article 72;

1.2. by payment of the amount of import or export duty;

1.3. subject to paragraph 5. of this Article, by remission of the amount of import or export duty;

1.4. where, in respect of goods declared for a Customs procedure entailing the obligation to pay import or export duty, the Customs declaration is invalidated;

1.5. where goods liable to import or export duty are confiscated or seized and simultaneously or subsequently confiscated;

1.6. where goods liable to import or export duty are destroyed under Customs supervision or abandoned to the State;

1.7. where the disappearance of the goods or the non-fulfilment of obligations arising from the customs legislation results from the total destruction or irretrievable loss of those goods as a result of the actual nature of the goods or unforeseeable circumstances or force majeure, or as a consequence of instruction by the Customs. For the purpose of this point, goods shall be considered as irretrievably lost when they have been rendered unusable by any person;

1.8. where the Customs debt was incurred pursuant to Article 51 or 54 and where the following conditions are fulfilled:

1.8.1. the failure which led to the incurrence of a Customs debt had no significant effect on the correct operation of the Customs procedure concerned and did not constitute an attempt at deception;

1.8.2. all of the formalities necessary to regularize the situation of the goods are subsequently carried out;

1.9. where goods released for free circulation duty-free, or at a reduced rate of import duty by virtue of their end-use, have been exported with the permission of the Customs;

1.10. where it was incurred pursuant to Article 50 and where the formalities carried out in order to enable the preferential tariff treatment referred to in that Article to be granted are cancelled;

1.11. where, subject to paragraph 6. of this Article, the Customs debt was incurred pursuant to Article 51 and evidence is provided to the satisfaction of the Customs that the goods have not been used or consumed and have been taken out of the Customs territory of the Republic of Kosovo.

2. In the cases referred to subparagraph 1.5 of this Article, the Customs debt shall, nevertheless, for the purposes of penalties applicable to Customs offences, be deemed not to have been extinguished where, under the law in force, import or export duty or the existence of a Customs debt provide the basis for determining penalties.

3. Where, in accordance with subparagraph 1.7 of this Article, a Customs debt is extinguished in respect of goods released for free circulation duty-free or at a reduced rate of import duty on account of their end-use, any scrap or waste resulting from their destruction shall be deemed to be non-Kosovo goods.

4. The provisions in force pertaining to standard rates for irretrievable loss due to the nature of goods shall apply where the person concerned fails to show that the real loss exceeds that calculated by applying the standard rate for the goods in question.

5. Where several persons are liable for payment of the amount of import or export duty corresponding

to the Customs debt and remission is granted, the Customs debt shall be extinguished only in respect of the person or persons to whom the remission is granted.

6. In the case referred to in subparagraph 1.11 of this Article, the Customs debt shall not be extinguished in respect of any person or persons who attempted deception.

7. Where the Customs debt was incurred pursuant to Article 51, it shall be extinguished with regard to the person whose behavior did not involve any attempt at deception and who contributed to the fight against fraud.

8. The list of failures with no significant effect on the correct operation of the temporary storage or of the Customs procedure concerned and to supplement subparagraph 1.8.1 of this Article, are determined by sublegal act of Government on the proposal of the ministry responsible for finance.

Article 89
Application of penalties

Where the Customs debt is extinguished on the basis of subparagraph 1.8 of Article 88, shall not preclude from the application of penalties for failure to comply with the customs legislation.

PART FOUR
GOODS BROUGHT INTO THE CUSTOMS TERRITORY OF THE REPUBLIC OF KOSOVO

CHAPTER I
ENTRY SUMMARY DECLARATION

Article 90

Lodging of an entry summary declaration

1. Goods brought into the Customs territory of the Republic of Kosovo shall be covered by an entry summary declaration.

2. The obligation referred to in paragraph 1. of this Article shall be waived:

2.1. for means of transport and the goods carried thereon only passing through the airspace of the Customs territory of the Republic of Kosovo; and

2.2. in other cases, where duly justified by the type of goods or traffic, or where required by international agreements.

3. The entry summary declaration shall be lodged at the Customs office of first entry within a specific time-limit, before the goods are brought into the Customs territory of the Republic of Kosovo.

4. Customs may allow the entry summary declaration to be lodged at another Customs office, provided that the latter immediately communicates or makes available electronically the necessary particulars to the Customs office of first entry.

5. The entry summary declaration shall be lodged by the carrier. Notwithstanding the obligations of the carrier, the entry summary declaration may be lodged instead by one of the following persons:

5.1. the importer or consignee or other person in whose name or on whose behalf the carrier acts;

5.2. any person who is able to present the goods in question or have them presented at the Customs office of entry.

6. The entry summary declaration shall contain the particulars necessary for risk analysis for security and safety purposes.

7. In specific cases, where all the particulars referred to in paragraph 6. of this Article cannot be obtained from the persons referred to in paragraph 5. of this Article, other persons holding those particulars and the appropriate rights to provide them may be required to provide those particulars.

8. Customs may accept that commercial, port or transport information systems are used for the lodging of an entry summary declaration provided such systems contain the necessary particulars for such declaration and those particulars are available within a specific time-limit, before the goods are brought into the Customs territory of the Republic of Kosovo.

9. Customs may accept, instead of the lodging of the entry summary declaration, the lodging of a notification and access to the particulars of an entry summary declaration in the economic operator's computer system.

10. By sublegal act of Government on the proposal of the ministry responsible for finance are determined:

10.1. cases where the obligation to lodge an entry summary declaration is waived, in accordance with subparagraph 2.2 of this Article;

10.2. the specific time-limit referred to in paragraph 3., 4. and 8. of this Article, within which the entry summary declaration is to be lodged before the goods are brought into the Customs territory of the Republic of Kosovo, taking into account the type of goods and traffic;

10.3. the cases referred to in paragraph 7. of this Article and the other persons who may be required to provide particulars of the entry summary declaration in those cases.

11. By sublegal acts of relevant Minister of Finance are determined:

11.1. the procedural rules for lodging the entry summary declaration pursuant to this Article;

11.2. the procedural rules and the provision of particulars of the entry summary declaration by the other persons referred to in paragraph 7. of this Article.

Article 91
Risk analysis

1. The Customs office referred to in paragraph 3. of Article 90 shall, within a specific time-limit, ensure that a risk analysis is carried out, primarily for security and safety purposes, on the basis of the entry summary declaration referred to in paragraph 1. of Article 90, or the particulars referred to in paragraph 9. of Article 90 and shall take the necessary measures based on the results of that risk analysis.

2. Time-limit within which a risk analysis is to be carried out and the necessary measures to be taken, in accordance with paragraph 1. of this Article, are determined with sub-legal act by the Minister of Finance.

Article 92
Amendment and invalidation of an entry summary declaration

1. The declarant may, upon application, be permitted to amend one or more particulars of the entry summary declaration after it has been lodged.

2. No amendment shall be possible after any of the following:

2.1. Customs have informed the person who lodged the entry summary declaration that they intend to examine the goods;

2.2. Customs have established that the particulars of the entry summary declaration are incorrect;

2.3. the goods have already been presented to customs.

3. When the goods for which an entry summary declaration has been lodged are not brought into the Customs territory of the Republic of Kosovo, the Customs shall invalidate that declaration in either of the following cases:

3.1. upon application by the declarant;

3.2. within two hundred (200) days after the lodging of the declaration.

4. By sub-legal act of the relevant Minister of Finance are determined:

4.1. the procedural rules for amending the entry summary declaration, in accordance with paragraph 1. of this Article;

4.2. the procedural rules for invalidating the entry summary declaration in accordance with paragraph 3. of this Article, taking into account the proper management of the entry of the goods.

Article 93
Declarations lodged instead of an entry summary declaration

1. The Customs office referred to in paragraph 3. of Article 90, may waive the lodging of an entry summary declaration in respect of goods for which, prior to the expiry of the time-limit for lodging that declaration, a Customs declaration is lodged. In that case, the Customs declaration shall contain at least the particulars necessary for the entry summary declaration. Until such time as the Customs declaration is accepted in accordance with Article 120, it shall have the status of an entry summary declaration.

2. The Customs office referred to in paragraph 3. of Article 90 may waive the lodging of an entry summary declaration in respect of goods for which, prior to the expiry of the time-limit for lodging that declaration, a temporary storage declaration is lodged. That declaration shall contain at least the particulars necessary for the entry summary declaration. Until such time as the goods declared are presented to Customs in accordance with Article 99, the temporary storage declaration shall have the status of an entry summary declaration.

CHAPTER II
ARRIVAL OF GOODS

SUB CHAPTER I
ENTRY OF GOODS IN THE CUSTOMS TERRITORY OF THE REPUBLIC OF KOSOVO

Article 94
Notification of arrival of an aircraft

1.The operator of an aircraft entering the Customs territory of the Republic of Kosovo shall notify the arrival to the Customs office of first entry upon arrival of the means of transport.

2.Where information on arrival of an aircraft is available to the Customs they may waive the notification referred to in the paragraph 1. of this Article.

3.Customs may accept that port or airport systems or other available methods of information be used to notify the arrival of the means of transport.

4.Procedural rules for the notification of arrival referred to in this Article, are determined with sublegal act by the Minister of Finance.

Article 95
Customs supervision

1. Goods brought into the Customs territory of the Republic of Kosovo shall, from the time of their entry, be subject to Customs supervision and may be subject to Customs controls. Where applicable, they shall be subject to such prohibitions and restrictions as are justified on grounds of, inter alia, public morality, public policy or public security, the protection of the health and life of humans, animals or plants, the protection of the environment, the protection of national treasures possessing artistic, historic or archaeological value and the protection of industrial or commercial property, including controls on drug precursors, goods infringing certain intellectual property rights and cash, as well as to the implementation of and management measures and of commercial policy measures.

2. They shall remain under such supervision for as long as is necessary to determine their Customs status and shall not be removed there from without the permission of the Customs.

3.Without prejudice to Article 171, Kosovo goods shall not be subject to Customs supervision once their Customs status is established.

4. Non-Kosovo goods shall remain under Customs supervision until their Customs status is changed, or they are taken out of the Customs territory Republic of Kosovo or destroyed.

5. The holder of goods under Customs supervision may, with the permission of the customs, at any time examine the goods or take samples, in particular in order to determine their tariff classification, Customs value or Customs status.

Article 96
Conveyance to the appropriate place

1.The person who brings goods into the Customs territory of the Republic of Kosovo shall convey them without delay, by the route specified by the Customs and in accordance with their instructions, if any, to the Customs office designated by the customs, or to any other place designated or approved by Customs, or into a free zone.

2. Goods brought into a free zone shall be brought into that free zone directly, either by air or, if by land, without passing through another part of the Customs territory of the Republic of Kosovo, where the free zone adjoins the land frontier between the Republic of Kosovo and other country.

3. Any person who assumes responsibility for the carriage of goods after they have been brought into the Customs territory of the Republic of Kosovo shall become responsible for compliance with the obligations laid down in paragraphs 1. and 2. of this Article.

4. Goods which, although still outside the Customs territory of the Republic of Kosovo, may be subject to Customs controls by the Customs as a result of an agreement concluded with the relevant country or territory outside the Customs territory, shall be treated in the same way as goods brought into the Customs territory of the Republic of Kosovo.

5. Paragraphs 1. and 2. of this Article shall not preclude application of special rules with respect to goods transported within frontier zones or in pipelines and wires as well as for traffic of negligible economic importance such as letters, postcards and printed matter and their electronic equivalents held on other media or to goods carried by travelers, provided that Customs supervision and Customs control possibilities are not thereby jeopardized.

6. Paragraph 1. of this Article shall not apply to means of transport and goods carried thereon only passing through the airspace of the Customs territory of the Republic of Kosovo without a stop within that territory.

7. The procedural rules of the conveyance of goods referred to in paragraph 5. of this Article, are determined with sublegal act by Minster of Finance.

Article 97
Goods that have temporarily left the customs territory of the Republic of Kosovo by air

1. Articles 90 to 94 shall not apply in cases where non-Kosovo goods are brought into the customs territory of the Republic of Kosovo after having temporarily left that territory by air and having been carried by direct route without a stop outside the customs territory of the Republic of Kosovo.

2. Articles 90 to 94 shall not apply in cases where Kosovo goods the customs status of which as Kosovo goods needs to be proven pursuant to paragraph 2. of Article 109 are brought into the customs territory of the Republic of Kosovo after having temporarily left that territory by air and having been carried by direct route without a stop outside the customs territory of the Republic of Kosovo.

3. Articles 90 to 94, 99 and 100 shall not apply in cases where Kosovo goods which move without alteration of their customs status in accordance with paragraph 2. of Article 111 are brought into the customs territory of the Republic of Kosovo after having temporarily left that territory by air and having been carried by direct route without a stop outside the customs territory of the Republic of Kosovo.

Article 98
Conveyance under special circumstances

1. Where, by reason of unforeseeable circumstances or force majeure, the obligation laid down in paragraph 1. of Article 96, cannot be complied with, the person bound by that obligation or any other person acting on that person’s behalf 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 paragraph 6. of Article 96 is forced to put into port or to land temporarily in the Customs territory of the Republic of Kosovo and the obligation laid down in paragraph 1. of Article 96 cannot be complied with, the person who brought the aircraft into the Customs territory of the Republic of Kosovo, or any other person acting on that person’s behalf, 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. of this Article, or aircraft and any goods thereon in the circumstances specified in paragraph 2. of this Article, and to ensure, where appropriate, that they are subsequently conveyed to a Customs office or other place designated or approved by the Customs.

SUBCHAPTER II
PRESENTATION, UNLOADING AND EXAMINATION OF GOODS

Article 99
Presentation of goods to customs

1. Goods brought into the Customs territory of the Republic of Kosovo shall be presented to Customs immediately upon their arrival at the designated Customs office or any other place designated or approved by the Customs or in the free zone by one of the following persons:

1.1. the person who brought the goods into the Customs territory of the Republic of Kosovo;

1.2. the person in whose name or on whose behalf the person who brought the goods into customs territory acts;

1.3. the person who assumed responsibility for carriage of the goods after they were brought into the Customs territory of the Republic of Kosovo.

2. Goods which are brought into the Customs territory of the Republic of Kosovo by air and which remain on board the same means of transport for carriage, shall be presented to Customs only at the airport where they are unloaded or transshipped. However, goods brought into the Customs territory of the Republic of Kosovo which are unloaded and reloaded onto the same means of transport during its voyage in order to enable the unloading or loading of other goods, shall not be presented to Customs at that airport.

3. Notwithstanding the obligations of the person described in paragraph 1. of this Article, presentation of the goods may be effected instead by one of the following persons:

3.1. any person who immediately places the goods under a customs procedure;

3.2. the holder of an authorization for the operation of storage facilities or any person who carries out an activity in a free zone.

4. The person presenting the goods shall make a reference to the entry summary declaration or, in the cases referred to in Article 93, the customs declaration or temporary storage declaration which has been lodged in respect of the goods, except where the obligation to lodge an entry summary declaration is waived.

5. Where non-Kosovo goods presented to customs are not covered by an entry summary declaration, and except where the obligation to lodge such declaration is waived, one of the persons referred to in paragraph 5. of Article 90 shall, without prejudice to paragraph 7. of Article 90, immediately lodge such declaration or, if permitted by the customs, shall instead lodge a customs declaration or temporary storage declaration. Where, in such circumstances, a customs declaration or a temporary storage declaration is lodged, the declaration shall contain at least the particulars necessary for the entry summary declaration.

6. Paragraph 1. of this Article shall not preclude application of special rules with respect to goods transported within frontier zones or in pipelines and wires as well as for traffic of negligible economic importance such as letters, postcards and printed matter and their electronic equivalents held on other media or to goods carried by travelers, provided that customs supervision and customs control possibilities are not thereby jeopardized.

7. Goods presented to customs shall not be removed from the place where they have been presented without the permission of the customs.

8. Conditions for approving the places referred to in paragraph 1. of this Article are determined by

sublegal act of the Government on the proposal of the ministry responsible for finance.

9. The procedural rules regarding the presentation of goods to Customs referred to in this Article, are determined by sublegal acts of the relevant Minister of Finance.

Article 100
Unloading and examination of goods

1. Goods shall be unloaded or trans-shipped from the means of transport carrying them solely with the authorization of the Customs in places designated or approved by customs.

2. The authorization from paragraph 1. of this Article shall not be required in the event of an imminent danger necessitating the immediate unloading of all or part of the goods. In that case, the Customs shall immediately be informed accordingly.

3. The Customs may at any time require goods to be unloaded and unpacked for the purpose of examining them, taking samples or examining the means of transport carrying them.

Article 101
Goods moved under transit

1. Paragraphs 2. to 6. of Article 96, and Articles 99, 100 and 102 to 107 shall not apply when goods already under a transit procedure are brought into the Customs territory of the Republic of Kosovo.

2. Articles 100 and 102 to 107 shall apply to non-Kosovo goods moved under a transit procedure, once such goods have been presented to the Customs office of destination in the Customs territory of the Republic of Kosovo in accordance with the rules governing the transit procedure.

SUB CHAPTER III
TEMPORARY STORAGE OF GOODS

Article 102
Goods in temporary storage

Non-Kosovo goods shall be in temporary storage from the moment they are presented to customs.

Article 103
Temporary storage declaration

1. Non-Kosovo goods presented to Customs shall be covered by a temporary storage declaration containing all the particulars necessary for the application of the provisions governing temporary storage.

2. Documents related to goods in temporary storage shall be provided to the Customs where legislation in force so requires or where necessary for Customs controls.

3. The temporary storage declaration shall be lodged by one of the persons referred to in paragraph 1. or 3. of Article 99 at the latest at the time of the presentation of the goods to customs.

4. The temporary storage declaration shall, unless the obligation to lodge an entry summary declaration is waived, include a reference to any entry summary declaration lodged for the goods presented to customs, except where they have already been in temporary storage or have been placed under a Customs procedure and have not left the Customs territory of the Republic of Kosovo.

5. Customs may accept that the temporary storage declaration also takes one of the following forms:

5.1. a reference to any entry summary declaration lodged for the goods concerned, supplemented by the particulars of a temporary storage declaration;

5.2. a manifest or another transport document, provided that it contains the particulars of a temporary storage declaration, including a reference to any entry summary declaration for the goods concerned.

6. Customs may accept that commercial, port or transport information systems are used to lodge a temporary storage declaration provided that they contain the necessary particulars for such declaration and these particulars are available in accordance with paragraph 3. of this Article.

7. Articles 127 to 131 shall apply to the temporary storage declaration.

8. The temporary storage declaration may be used also for the purpose of:

8.1. the notification of arrival referred to in Article 124; or

8.2. the presentation of the goods to Customs referred to in Article 94, insofar as it fulfils the conditions laid down in those provisions.

9. A temporary storage declaration shall not be required where, at the latest at the time of the presentation of the goods to customs, their Customs status as Kosovo goods is determined in accordance with Articles 109 to 111.

10.The temporary storage declaration shall be kept by, or be accessible to, the Customs for the purpose of verifying that the goods to which it relates are subsequently placed under a Customs procedure or re-exported in accordance with Article 107 of this Code.

11. For the purpose of paragraphs 1. to 10. of this Article, where non-Kosovo goods under a transit procedure are presented at an office of destination within the Customs territory of the Republic of Kosovo, the particulars for the transit operation concerned shall be deemed to be the temporary storage declaration, provided they meet the requirements for that purpose. However, the holder of the goods may lodge a temporary storage declaration after the end of the transit procedure.

12. Procedural rules for lodging the temporary storage declaration referred to this Article are determined with sublegal act by the relevant Minster of Finance.

Article 104
Amendment and invalidation of a temporary storage declaration

1.The declarant shall, upon application, be permitted to amend one or more particulars of the temporary storage declaration after it has been lodged. The amendment shall not render the declaration applicable to goods other than those which it originally covered.

2. No amendment shall be possible after any of the following:

2.1. Customs have informed the person who lodged the declaration that they intend to examine the goods;

2.2. Customs have established that particulars of the declaration are incorrect.

3.Where the goods for which a temporary storage declaration has been lodged are not presented to customs, the Customs shall invalidate that declaration in either of the following cases:

3.1. upon application by the declarant;

3.2. after thirty (30) days have elapsed since the declaration was lodged.

4. Procedural rules for amending the temporary storage declaration, in accordance with paragraph 1. and 2. of this Article and those for invalidating the temporary storage declaration, in accordance with paragraph 3. of this Article, are determined with sub-legal act by relevant Minister of Finance.

Article 105
Conditions and responsibilities for the temporary storage of goods

1. Goods in temporary storage shall be stored only in temporary storage facilities in accordance with Article 106 or, where justified, in other places designated or approved by the Customs.

2. Without prejudice to paragraph 5. of Article 95, 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.

3. The holder of the authorization referred to in Article 106 or the person storing the goods in the cases where the goods are stored in other places designated or approved by the Customs, shall be responsible for all of the following:

3.1. ensuring that goods in temporary storage are not removed from Customs supervision;

3.2. fulfilling the obligations arising from the storage of goods in temporary storage.

4. Where, for any reason, goods cannot be maintained in temporary storage, the Customs shall without delay take all measures necessary to regularize the situation of the goods in accordance with Articles 134, 135 and 136.

5.The conditions for approving the places referred to in paragraph 1. of this Article are determined by sub-legal act of the Government on the proposal of the ministry responsible for finance.

Article 106
Authorization for the operation of temporary storage facilities

1. An authorization from the Customs shall be required for the operation of temporary storage facilities. Such authorization shall not be required where the operator of the temporary storage facility is the Customs itself. The conditions under which the operation of temporary storage facilities is permitted shall be set out in the authorization.

2. The authorization referred to in paragraph 1. of this Article shall be granted only to persons who satisfy all of the following conditions:

2.1. they are established in the Customs territory of the Republic of Kosovo;

2.2. they provide the necessary assurance of the proper conduct of the operations; an authorized economic operator for Customs simplifications shall be deemed to fulfil that condition insofar as the operation of temporary storage facilities is taken into account in the authorization referred to in sub paragraph 3.1 of Article 24;

2.3. they provide a guarantee in accordance with Article 60.

3. Where a comprehensive guarantee is provided, compliance with the obligations attached to that guarantee shall be monitored by appropriate audit.

4. The authorization referred to in paragraph 1. of this Article shall be granted only where the Customs are able to exercise Customs supervision without having to introduce administrative arrangements

which are disproportionate to the economic needs involved.

5. The holder of the authorization shall keep appropriate records in a form approved by the Customs.

6. The records shall contain the information and the particulars which enable the Customs to supervise the operation of the temporary storage facilities, in particular with regard to the identification of the goods stored, their Customs status and their movements.

7. An authorized economic operator for Customs simplifications shall be deemed to comply with the obligation referred to in the paragraphs 5. and 6. of this Article, insofar as his or her records are appropriate for the purpose of the operation of temporary storage.

8.Customs may authorize the holder of the authorization to move goods in temporary storage between different temporary storage facilities under the condition that such movements would not increase the risk of fraud, as follows:

8.1. such movement takes place under the responsibility of Customs;

8.2. such movement is covered by only one authorization, issued to an authorized economic operator for Customs simplifications; or

8.3. in other cases of movement.

9. Customs may, where an economic need exists and Customs supervision will not be adversely affected, authorize the storage of Kosovo goods in a temporary storage facility. Those goods shall not be regarded as goods in temporary storage.

10. The conditions for granting the authorization for the operation of temporary storage facilities, referred to this Article and the cases of movement referred to in sub paragraph 8.3. of this Article are determined by Government sublegal act on the proposal of the ministry responsible for finance.

11. Procedural rules for the movement of goods in temporary storage referred to in paragraph 8. of this Article, are determined with sub-legal act by relevant Minister of Finance.

Article 107
End of temporary storage

Non-Kosovo goods in temporary storage shall be placed under a Customs procedure or re-exported within ninety (90) days.

Article 108
Choice of a Customs procedure

Except where otherwise provided, the declarant shall be free to choose the Customs procedure under which to place the goods, under the conditions for that procedure, irrespective of their nature or quantity, or their country of origin, consignment or destination.

PART FIVE
GENERAL RULES ON CUSTOMS STATUS, PLACING GOODS UNDER A CUSTOMS PROCEDURE, VERIFICATION, RELEASE AND DISPOSAL OF GOODS

CHAPTER I
CUSTOMS STATUS OF GOODS

Article 109
Customs status of Kosovo goods

1. All goods in the Customs territory of the Republic of Kosovo shall be presumed to have the Customs status of Kosovo goods, unless it is established that they are not Kosovo goods.

2. In specific cases, where the presumption laid down in paragraph 1. of this Article does not apply, the Customs status of Kosovo goods shall need to be proven.

3. In specific cases, goods wholly obtained in the Customs territory of the Republic of Kosovo do not have the Customs status of Kosovo goods if they are obtained from goods in temporary storage or placed under the external transit procedure, a storage procedure, the temporary admission procedure or the inward processing procedure.

4. By sublegal act of Government on the proposal of the ministry responsible for finance are determined:

4.1. the cases where the presumption laid down in paragraph 1. of this Article does not apply;

4.2. the conditions for granting facilitation in the establishment of the proof of Customs status of Kosovo goods;

4.3. the cases where the goods referred to in paragraph 3. of this Article do not have the Customs status of Kosovo goods;

5.The procedural rules for the provision and verification of the proof of the Customs status of Kosovo goods, are determined with sub-legal act by relevant Minister of Finance.

Article 110
Loss of Customs status of Kosovo goods

1. Kosovo goods shall become non-Kosovo goods in the following cases:

1.1. where they are taken out of the Customs territory of the Republic of Kosovo, insofar as the rules on internal transit do not apply;

1.2. where they have been placed under the external transit procedure, a storage procedure or the inward processing procedure, insofar as the Customs legislation so allows;

1.3. where they have been placed under the end-use procedure and are either subsequently abandoned to the State, or are destroyed and waste remains;

1.4. where the declaration for release for free circulation is invalidated after release of the goods.

Article 111
Kosovo goods leaving the Customs territory of the Republic of Kosovo temporarily

1. In the cases referred to in sub paragraphs 2.2 to 2.5 of Article 152, goods shall keep their Customs

status as Kosovo goods only if that status is established under certain conditions and by means laid down in the Customs legislation

2. In specific cases, Kosovo goods may move, without being subject to a Customs procedure, from one point to another within the Customs territory of the Republic of Kosovo and temporarily out of that territory without alteration of their Customs status.

3. The cases where the Customs status of goods referred to in paragraph 2. of this Article is not altered, are determined with government sublegal act on the proposal of the ministry responsible for finance.

CHAPTER II
PLACING GOODS UNDER A CUSTOMS PROCEDURE

SUBCHAPTER I
GENERAL PROVISIONS

Article 112
Customs declaration of goods and Customs supervision of Kosovo goods

1. All goods intended to be placed under a Customs procedure, except for the free zone procedure, shall be covered by a Customs declaration appropriate for the particular procedure.

2. In specific cases, other than those referred to in paragraph 3. of Article 7, a Customs declaration may be lodged using means other than electronic data-processing techniques.

3. Kosovo goods declared for export, internal transit or outward processing shall be subject to Customs supervision from the time of acceptance of the declaration referred to in paragraph 1. of this Article until such time as they are taken out of the Customs territory of the Republic of Kosovo or are abandoned to the State or destroyed or the Customs declaration is invalidated.

4. Cases where a Customs declaration may be lodged using means other than electronic data-processing techniques in accordance with paragraph 2. of this Article, are determined by Government of Republic sublegal act. on the proposal of the ministry responsible for finance.

5. Procedural rules for lodging the Customs declaration in the cases referred to in paragraph 2. of this Article, are determined with sub-legal act by relevant Minister of Finance.

Article 113
Competent Customs offices

1. Minister of Finance by sublegal act shall determine the condition, location, working hours and competence of the various Customs offices situated in the territory of Republic of Kosovo.

2. Except where otherwise provided, the competent customs office for placing the goods under a customs procedure shall be the customs office responsible for the place where the goods are presented to customs.

3. Procedural rules for determining the competent Customs offices other than the one referred to in paragraph 2. of this Article, are determined with sub-legal act by relevant Minister of Finance.

SUBCHAPTER II
STANDARD CUSTOMS DECLARATION

Article 114
Content of a standard Customs declaration

1. Standard Customs declarations shall contain all the particulars necessary for application of the provisions governing the Customs procedure for which the goods are declared.

2. The procedural rules for lodging the standard Customs declaration referred to in this Article, are determined with sub-legal act by Minister of Finance.

Article 115
Supporting documents

1. The supporting documents required for the application of the provisions governing the Customs procedure for which the goods are declared shall be in the declarant's possession and at the disposal of the Customs at the time when the Customs declaration is lodged.

2. Supporting documents shall be provided to the Customs where legislation in force so requires or where necessary for Customs controls.

3. In specific cases, economic operators may draw up the supporting documents provided they are authorized to do so by the Customs.

4. Laying down the rules for granting the authorization referred to in paragraph 3. of this Article, are determined by Government sublegal act on the proposal of the ministry responsible for finance.

5.The procedural rules on the making available of the supporting documents referred to in paragraph 1. of this Article, are determined with sub-legal act by relevant Minister of Finance.

SUB CHAPTER III
SIMPLIFIED CUSTOMS DECLARATION

Article 116
Simplified declaration

1. The Customs may accept that a person has goods placed under a Customs procedure on the basis of a simplified declaration which may omit certain of the particulars referred to in Article 114 or the supporting documents referred to in Article 115.

2. The regular use of a simplified declaration referred to in paragraph 1. of this Article shall be subject to an authorization from the Customs.

3. The conditions for granting the authorization referred to in paragraph 2. of this Article, are determined by Government sublegal act, on the proposal of the ministry responsible for finance.

4. The procedural rules for lodging the simplified declaration referred to this Article, are determined with sub-legal act by relevant Minister of Finance.

Article 117
Supplementary declaration

1. In the case of a simplified declaration pursuant to Article 116 or of an entry in the declarant's records pursuant to Article 125, the declarant shall lodge a supplementary declaration containing

the particulars necessary for the Customs procedure concerned at the competent Customs office within a specific time-limit.

2. In the case of a simplified declaration pursuant to Article 116, the necessary supporting documents shall be in the declarant's possession and at the disposal of Customs within a specific time-limit.

3.The supplementary declaration may be of a general, periodic or recapitulative nature.

4.The obligation to lodge a supplementary declaration shall be waived in the following cases:

4.1. where the goods are placed under a customs warehousing procedure;

4.2. in other specific cases.

5. Customs may waive the requirement to lodge a supplementary declaration where the following conditions apply:

5.1. the simplified declaration concerns goods the value and quantity of which is below the statistical threshold;

5.2. the simplified declaration already contains all the information needed for the Customs procedure concerned; and

5.3. the simplified declaration is not made by entry in the declarant's records.

6. The simplified declaration referred to in Article 116 or the entry in the declarant's records referred to in Article 125, and the supplementary declaration shall be deemed to constitute a single, indivisible instrument taking effect, respectively, on the date on which the simplified declaration is accepted in accordance with Article 120 and on the date on which the goods are entered in the declarant's records.

7. The place where the supplementary declaration is to be lodged for the purposes of Article 59, to be the place where the Customs declaration has been lodged.

8. By sublegal act of the Government, on the proposal of the ministry responsible for finance are determined:

8.1. the specific time-limit referred to in the first paragraph 1. of this Article within which the supplementary declaration is to be lodged;

8.2. the specific time-limit referred to in paragraph 2. of this Article, within which supporting documents are to be in the possession of the declarant;

8.3. the specific cases where the obligation to lodge a supplementary declaration is waived in accordance with subparagraph 4.2. of this Article.

9.The procedural rules for the supplementary declaration referred to this Article, are determined with sub-legal act by relevant Minister of Finance.

SUB CHAPTER IV
PROVISIONS APPLYING TO ALL CUSTOMS DECLARATIONS

Article 118
Lodging a Customs declaration

1.Without prejudice to paragraph 1. of Article 117, a Customs declaration may be lodged by any person who is able to provide all of the information which is required for the application of the provisions governing the Customs procedure in respect of which the goods are declared. That person shall also be able to present the goods in question or to have them presented to customs.

2. However, where acceptance of a Customs declaration imposes particular obligations on a specific person, that declaration shall be lodged by that person or by his or her representative.

3.The declarant shall be established in the Customs territory of the Republic of Kosovo.

4. By way of derogation from paragraph 3. of this Article, the following declarants shall not be required to be established in the Customs territory of the Republic of Kosovo:

4.1. persons who lodge a Customs declaration for transit or temporary admission;

4.2. persons, who occasionally lodge a Customs declaration, including for end-use or inward processing, provided that the Customs consider this to be justified;

4.3. persons who are established in a country the territory of which is adjacent to the Customs territory of the Republic of Kosovo, and who present the goods to which the Customs declaration refers at a border Customs office adjacent to that country, provided that the country in which the persons are established grants reciprocal benefits to persons established in the Customs territory of the Republic of Kosovo.

5. Customs declarations shall be authenticated.

Article 119
Lodging a Customs declaration prior to the presentation of the goods

1. A Customs declaration may be lodged prior to the expected presentation of the goods to customs. If the goods are not presented within thirty (30) days of lodging of the Customs declaration, the Customs declaration shall be deemed not to have been lodged.

2. The procedural rules for lodging a Customs declaration in accordance with this Article, are determined with sub-legal act by relevant Minister of Finance.

Article 120
Acceptance of a Customs declaration

1.Customs declarations which comply with the conditions laid down in this Chapter shall be accepted by the Customs immediately, provided that the goods to which they refer have been presented to customs.

2.The date of acceptance of the Customs declaration by the Customs shall, except where otherwise provided, be the date to be used for the application of the provisions governing the Customs procedure for which the goods are declared and for all other import or export formalities.

3.The procedural rules for accepting a Customs declaration as referred to this Article, including the application of those rules in the cases referred to in Article 124, and are determined with sub-legal act by relevant Minister of Finance.

Article 121
Amendment of a Customs declaration

1.The declarant shall, upon application, be permitted to amend one or more of the particulars of the Customs declaration after that declaration has been accepted by customs. The amendment shall not render the Customs declaration applicable to goods other than those which it originally covered.

2. No such amendment shall be permitted by customs where it is applied for after any of the following events:

2.1. have informed the declarant that they intend to examine the goods;

2.2. have established that the particulars of the Customs declaration are incorrect;

2.3. have released goods.

3. Upon application by the declarant, within three (3) years of the date of acceptance of the Customs declaration, the amendment of the Customs declaration may be permitted after release of the goods in order for the declarant to comply with his or her obligations relating to the placing of the goods under the Customs procedure concerned.

4. The procedural rules for amending the Customs declaration after the release of the goods in accordance with paragraph 3. of this Article, are determined with sub-legal act by relevant Minister of Finance.

Article 122
Invalidation of a Customs declaration

1. Customs shall, upon application by the declarant, invalidate a Customs declaration already accepted in either of the following cases:

1.1. where they are satisfied that the goods are immediately to be placed under another Customs procedure;

1.2. where they are satisfied that, as a result of special circumstances, the placing of the goods under the Customs procedure for which they were declared is no longer justified.

2. By way derogation of paragraph 1. of this Article, where the Customs have informed the declarant of their intention to examine the goods, an application for invalidation of the Customs declaration shall not be accepted before the examination has taken place.

3. Customs declaration shall not be invalidated after the goods have been released unless where otherwise provided.

4. The cases where the Customs declaration is invalidated after the release of the goods, as referred to paragraph 3. of this Article are determined by sublegal act of Government on the proposal of the Ministry responsible for Finance.

SUBCHAPTER V
OTHER SIMPLIFICATION

Article 123
Simplification of the drawing-up of Customs declarations for goods falling under different tariff subheadings

1. Where a consignment is made up of goods falling within different tariff subheadings, and dealing with each of those goods in accordance with its tariff subheading for the purpose of drawing-up the Customs declaration would entail a burden of work and expense disproportionate to the import or export duty chargeable, the Customs may, upon application by the declarant, agree that import or export duty be charged on the whole consignment on the basis of the tariff subheading of the goods which are subject to the highest rate of import or export duty.

2. Customs shall refuse the use of the simplification referred to in paragraph 1. of this Article to goods subject to prohibitions or restrictions or excise duty where the correct classification is necessary to apply the measure.

3. Measures for the determination of the tariff subheading for the application of paragraph 1. of this Article, are determined with sub-legal act by relevant Minister of Finance.

Article 124
Centralized clearance

1. Customs may authorize a person to lodge at a Customs office responsible for the place where such person is established, a Customs declaration for goods which are presented to Customs at another Customs office.

2. Customs office at which the Customs declaration is lodged shall:

2.1. supervise the placing of the goods under the Customs procedure concerned;

2.2. carry out the customs controls for the verification of the Customs declaration, referred to in sub paragraphs 1.1 and 1.2 of Article 127;

2.3. where justified, request that the Customs office at which the goods are presented carry out the Customs controls for the verification of the Customs declaration referred to in sub paragraphs 1.3 and 1.4 of Article 127; and

2.4. carry out the customs formalities for the recovery of the amount of import or export duty corresponding to any Customs debt.

3. Customs office at which the Customs declaration is lodged and the Customs office at which the goods are presented shall exchange the information necessary for the verification of the Customs declaration and for the release of the goods.

4. Customs office at which the goods are presented shall, without prejudice to its own controls pertaining to goods brought into or taken out of the Customs territory of the Republic of Kosovo, carry out the Customs controls referred to in subparagraph 2.3 of this Article and provide the Customs office at which the Customs declaration is lodged with the results of these controls.

5.Customs office at which the Customs declaration is lodged shall release the goods in accordance with Articles 132 and 133, taking into account:

5.1. the results of its own controls for the verification of the Customs declaration;

5.2. the results of the controls carried out by the Customs office at which the goods are presented for the verification of the Customs declaration and the controls pertaining to goods brought into or taken out of the Customs territory of the Republic of Kosovo.

6. The conditions for granting the authorisation referred to in the paragraph 1. of this Article are determined by sublegal act of Government on the proposal of the ministry responsible for finance.

7. The procedural rules concerning the centralised clearance, including the relevant Customs formalities and controls, referred to this Article and the waiver from the obligation for goods to be presented referred to in paragraph 3. of Article 125, in the context of centralised clearance, are determined with sub-legal act by relevant Minister of Finance.

Article 125
Entry in the declarant's records

1.Customs may, upon application, authorize a person to lodge a Customs declaration, including a simplified declaration, in the form of an entry in the declarant's records, provided that the particulars of that declaration are at the disposal of the Customs in the declarant's electronic system at the time when the Customs declaration in the form of an entry in the declarant's records is lodged.

2. The Customs declaration shall be deemed to have been accepted at the moment at which the goods are entered in the records.

3. The Customs may, upon application, waive the obligation for the goods to be presented. In that case, the goods shall be deemed to have been released at the moment of entry in the declarant's records.

4. That waiver may be granted where all of the following conditions are fulfilled.

4.1. the declarant is an authorized economic operator for Customs simplifications;

4.2. the nature and flow of the goods concerned so warrant and are known by the Customs;

4.3. the supervising Customs office has access to all the information it considers necessary to enable it to exercise its right to examine the goods should the need arise;

4.4. at the time of the entry into the records, the goods are no longer subject to prohibitions or restrictions, except where otherwise provided in the authorization.

5. However, the supervising Customs office may, in specific situations, request that the goods be presented.

6.The conditions under which the release of the goods is allowed shall be set out in the authorization.

7. The conditions for granting the authorization referred to in paragraph 1. of this Article, are determined by Government on the proposal of the ministry responsible for finance.

8. The procedural rules on entry in the declarant's records referred to this Article, including the relevant Customs formalities and controls are determined with sub-legal act by relevant Minister of Finance.

Article 126
Self-assessment

1.Customs may, upon application, authorize an economic operator to carry out certain Customs formalities which are to be carried out by the Customs, to determine the amount of import and export duty payable, and to perform certain controls under Customs supervision.

2.The applicant for the authorization referred to in paragraph 1. of this Article shall be an authorized economic operator for Customs simplifications.

3.The conditions for granting the authorization referred to paragraph 1. of this Article and the Customs formalities and the controls to be carried out by the holder of the authorization are determined with sub-legal act by Government on the proposal of the ministry responsible for finance.

4.The procedural rules regarding the Customs formalities and the controls to be carried out by the holder of the authorization in accordance with paragraph 1. of this Article, are determined with sub-legal act by relevant Minister of Finance.

CHAPTER III
VERIFICATION AND RELEASE OF GOODS

SUB CHAPTER I
VERIFICATION

Article 127
Verification of a Customs declaration

1.Customs may, for the purpose of verifying the accuracy of the particulars contained in a Customs declaration which has been accepted:

1.1. examine the declaration and the supporting documents;

1.2. require the declarant to provide other documents;

1.3. examine the goods;

1.4. take samples for analysis or for detailed examination of the goods.

Article 128
Examination and sampling of goods

1.Transport of the goods to the places where they are to be examined and where 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 have the right to be present or represented when the goods are examined and when samples are taken. Where the Customs have reasonable grounds for so doing, they may require the declarant to be present or represented when the goods are examined or samples are taken or 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 129
Partial examination and sampling of goods

1.Where only part of the goods covered by a Customs declaration is examined, or samples are taken, the results of the partial examination, or of the analysis or examination of the samples, shall be taken to apply to all the goods covered by the same declaration.

2. Notwithstanding paragraph 1. of this Article, the declarant may request a further examination or sampling of the goods if he or she considers that the results of the partial examination, or of the analysis or examination of the samples taken, are not valid as regards the remainder of the goods declared. The request shall be granted provided that the goods have not been released or, if they have been released, that the declarant proves that they have not been altered in any way.

3. For the purposes of paragraph 1. of this Article, where a Customs declaration covers goods falling under two or more items, the particulars relating to goods falling under each item shall be deemed to constitute a separate declaration.

Article 130
Results of the verification

1. The results of verifying the Customs declaration shall be used for the application of the provisions governing the Customs procedure under which the goods are placed.

2. Where the Customs declaration is not verified, paragraph 1. of this Article shall apply on the basis of the particulars contained in that declaration.

Article 131
Identification measures

1. The Customs or, where appropriate, economic operators authorized to do so by the Customs, shall take the measures necessary to identify the goods where identification is required in order to ensure compliance with the provisions governing the Customs procedure for which those goods have been declared.

2. Means of identification affixed to the goods, packaging or means of transport shall be removed or destroyed only by the Customs or, where they are authorized to do so by Customs, by economic operators, unless, as a result of unforeseeable circumstances or force majeure, their removal or destruction is essential to ensure the protection of the goods or the means of transport.

3. Measures on the verification of the Customs declaration, the examination and sampling of goods and the results of the verification, are determined with sub-legal act by relevant Minister of Finance.

SUB CHAPTER II
RELEASE

Article 132
Release of the goods

1.Where the conditions for placing the goods under the procedure concerned are fulfilled and provided that any restriction has been applied and the goods are not subject to any prohibition, the Customs shall release the goods as soon as the particulars in the Customs declaration have been verified or are accepted without verification.

2. Paragraph 1. of this Article shall also apply where verification as referred to in Article 127 cannot be completed within a reasonable period of time and the goods are no longer required to be present for verification purposes.

3. All the goods covered by the same declaration shall be released at the same time.

4. For the purposes of the paragraph 3. of this Article, where a Customs declaration covers goods

falling under two or more items the particulars relating to goods falling under each item shall be deemed to constitute a separate Customs declaration.

Article 133
Release dependent upon payment of the amount of import or export duty corresponding to the Customs debt or provision of a guarantee

1. Where the placing of goods under a Customs procedure gives rise to a Customs debt, the release of the goods shall be conditional upon the payment of the amount of import or export duty corresponding to the Customs debt or the provision of a guarantee to cover that debt.

2. However, without prejudice to paragraph 3. of this Article, paragraph 1. of this Article shall not apply to temporary admission with partial relief from import duty.

3. Where, pursuant to the provisions governing the Customs procedure for which the goods are declared, the Customs require the provision of a guarantee, those goods shall not be released for the Customs procedure in question until such guarantee is provided.

4. In specific cases, the release of the goods shall not be conditional upon the provision of a guarantee in respect of goods which are the subject of a drawing request on a tariff quota.

5. Where a simplification as referred to in Articles 116, 125 and 126 is used and a comprehensive guarantee is provided, release of the goods shall not be conditional upon a monitoring of the guarantee by Customs.

6. The cases referred to in paragraph 4. of this Article, are determined with sub-legal act of the Government on the proposal of the ministry responsible for finance.

CHAPTER IV
DISPOSAL OF GOODS

Article 134
Destruction of goods

1. Where the Customs have reasonable grounds for so doing, they may require goods which have been presented to Customs to be destroyed and shall inform the holder of the goods accordingly. The costs of the destruction shall be borne by the holder of the goods.

2. The procedural rules on the destruction of goods, referred to this Article, are determined with sub-legal act by relevant Minister of Finance.

Article 135
Measures to be taken by the Customs

1. Customs shall take any necessary measures, including confiscation and sale, or destruction, in the following cases:

1.1. where one of the obligations laid down in the Customs legislation concerning the introduction of non-Kosovo goods into the Customs territory of the Republic of Kosovo has not been fulfilled, or the goods have been withheld from Customs supervision;

1.2. where the goods cannot be released for any of the following reasons:

1.2.1. it has not been possible, for reasons attributable to the declarant, to undertake or continue examination of the goods within the period prescribed by the Customs;

1.2.2. the documents which must be provided before the goods can be placed under, or released for, the Customs procedure requested have not been provided;

1.2.3. payments or a guarantee which should have been made or provided in respect of import or export duty, as the case may be, have not been made or provided within the prescribed period;

1.2.4. the goods are subject to prohibitions or restrictions;

1.3. where the goods have not been removed within a reasonable period after their release;

1.4. where after their release, the goods are found not to have fulfilled the conditions for that release; or

1.5. where goods are abandoned to the State in accordance with Article 136.

2. Non-Kosovo goods which have been abandoned to the State, seized or confiscated shall be deemed to be placed under the Customs warehousing procedure. They shall be entered in the records of the Customs warehousing operator, or, where they are held by Customs, by the latter.

3. Where goods to be destroyed, abandoned to the State, seized or confiscated are already subject to a Customs declaration, the records shall include a reference to the Customs declaration. Customs shall invalidate that Customs declaration.

4. The costs of the measures referred to in paragraph 1. of this Article shall be borne:

4.1. in the case referred to in subparagraph 1.1 of this Article, by any person who was required to fulfil the obligations concerned or who withheld the goods from Customs supervision;

4.2. in the cases referred to in subparagraph 1.2. and 1.3. of this Article, by the declarant;

4.3. in the case referred to in subparagraph 1.4. of this Article, by the person who is required to comply with the conditions governing the release of the goods;

4.4. in the case referred to in subparagraph 1.5. of this Article, by the person who abandons the goods to the State.

5. The procedural rules on the sale of goods, referred to paragraph 1. of this Article, are determined with sub-legal act by relevant Minister of Finance.

Article 136
Abandonment

1. Non-Kosovo goods and goods placed under the end-use procedure may with prior permission of the Customs be abandoned to the State by the holder of the procedure or, where applicable, the holder of the goods.

2. The procedural rules on abandonment of goods to the State, referred to this Article, are determined with sub-legal act by Minister of Finance.

PART SIX
RELEASE FOR FREE CIRCULATION AND RELIEF FROM IMPORT DUTY

CHAPTER I
RELEASE FOR FREE CIRCULATION

Article 137
Scope and effect

1.Non-Kosovo goods intended to be put on the Republic of Kosovo market or intended for private use or consumption within the Customs territory of the Republic of Kosovo shall be placed under release for free circulation.

2.Release for free circulation shall entail the following:

2.1. the collection of any import duty due;

2.2. the collection, as appropriate, of other charges, as provided for under relevant provisions in force relating to the collection of those charges;

2.3. the application of commercial policy measures and prohibitions and restrictions insofar as they do not have to be applied at an earlier stage; and

2.4. completion of the other formalities laid down in respect of the import of the goods.

3. Release for free circulation shall confer on non-Kosovo goods the Customs status of Kosovo goods.

Article 138
Commercial policy measures

1.Where processed products obtained under inward processing are released for free circulation and the calculation of the amount of import duty is made in accordance with paragraph 4. of Article 58, the commercial policy measures to be applied shall be those applicable to the release for free circulation of the goods which were placed under inward processing.

2. Paragraph 1. of this Article shall not apply to waste and scrap.

3. Where processed products obtained under inward processing are released for free circulation and the calculation of the amount of import duty is made in accordance with paragraph 1. of Article 57, the commercial policy measures applicable to those goods shall be applied only where the goods which were placed under inward processing are subject to such measures.

4. Where legislation establishes commercial policy measures on release for free circulation, such measures shall not apply to processed products released for free circulation following outward processing where:

4.1. the processed products retain their Republic of Kosovo origin within the meaning of Article 40;

4.2. the outward processing involves repair, including the standard exchange system referred to in Article 179; or

4.3. the outward processing follows further processing operations in accordance with Article 175.

CHAPTER II
RELIEF FROM IMPORT DUTY

SUB CHAPTER I
RETURNED GOODS

Article 139
Scope and effect

1.Non-Kosovo goods which, having originally been exported as Kosovo goods from the Customs territory of the Republic of Kosovo, are within a period of three (3) years and declared for release for free circulation shall, upon application by the person concerned, be granted relief from import duty.

2. Paragraph 1. of this Article shall apply even where the returned goods represent only a part of the goods previously exported from the Customs territory of the Republic of Kosovo.

3.The three (3) year period referred to in paragraph 1. of this Article may be extended in order to take account of special circumstances.

4.Where, prior to their export from the Customs territory of the Republic of Kosovo, the returned goods had been released for free circulation duty-free or at a reduced rate of import duty because of a particular end-use, relief from duty under paragraph 1. of this Article shall be granted only if they are to be released for free circulation for the same end-use.

5.Where the end-use for which the goods in question are to be released for free circulation is no longer the same, the amount of import duty shall be reduced by any amount collected on the goods when they were first released for free circulation. Should the latter amount exceed that levied on the release for free circulation of the returned goods, no repayment shall be granted.

6. Where Kosovo goods have lost their Customs status as Kosovo goods pursuant to Article 110 and are subsequently released for free circulation, paragraphs 1. to 5. of this Article shall apply.

7. The relief from import duty shall be granted only if goods are returned in the state in which they were exported.

8.The relief from import duty shall be supported by information establishing that the conditions for the relief are fulfilled.

9.The cases where goods are considered to be returned in the state in which they were exported, are determined with sub-legal act of the Government on the proposal of the ministry responsible for finance.

10.The procedural rules for the provision of information referred to in paragraph 8. of this Article, are determined with sub-legal act by relevant Minister of Finance.

Article 140
Goods which benefited from measures under the agricultural policy

1.Relief from import duty provided for in Article 139 shall not be granted to goods which have benefited from measures laid down under the agricultural policy involving their export out of the Customs territory of the Republic of Kosovo, except where otherwise provided in specific cases.

2. The specific cases referred to in paragraph 1. of this Article are determined by sub-legal act of the Government on the proposal of the ministry responsible for finance.

Article 141
Goods previously placed under the inward processing procedure

1. Article 139 shall apply to processed products which were originally re-exported from the Customs territory of the Republic of Kosovo subsequent to an inward processing procedure.

2. Upon application by the declarant and provided the declarant submits the necessary information, the amount of import duty on the goods covered by paragraph 1. of this Article shall be determined in accordance with paragraph 4. of Article 58. The date of acceptance of the re-export declaration shall be regarded as the date of release for free circulation.

3. The relief from import duty provided for in Article 139 shall not be granted for processed products which were exported in accordance with sub paragraph 4.3 of Article 150, unless it is ensured that no goods will be placed under the inward processing procedure.

SUBCHAPTER II
SEA FISHING AND PRODUCTS TAKEN FROM SEA

Article 142
Products of sea-fishing and other products taken from the sea

1.Without prejudice to paragraph 1. of Article 40 of this Code, the following shall be granted relief from import duty when they are released for free circulation:

1.1. products of sea-fishing and other products taken from territory outside the customs territory of the Republic of Kosovo by vessels solely registered or recorded in a Republic of Kosovo and flying the flag of that State;

1.2. products obtained from products referred to in subparagraph 1.1 of this Article on board factory-ships fulfilling the conditions laid down in that subparagraph.

2. The relief from import duty referred to in paragraph 1. of this Article shall be supported by evidence that the conditions laid down in that paragraph are fulfilled.

3. The procedural rules for the provision of the evidence referred to in paragraph 2. of this Article, are determined with sub-legal act by relevant Minister of Finance.

PART SEVEN
SPECIAL PROCEDURES

CHAPTER I
GENERAL PROVISIONS

Article 143
Scope

1. Goods may be placed under any of the following categories of special procedures:

1.1. transit, which shall comprise external and internal transit;

1.2. storage, which shall comprise Customs warehousing and free zones;

1.3. specific use, which shall comprise temporary admission and end-use;

1.4. processing, which shall comprise inward and outward processing.

Article 144
Authorization

1. An authorization from the Customs shall be required for the following:

1.1. the use of the inward or outward processing procedure, the temporary admission procedure or the end-use procedure;

1.2. the operation of storage facilities for the Customs warehousing of goods, except where the storage facility operator is the Customs itself.

2. The conditions under which the use of one or more of the procedures referred to in paragraph 1. of this Article or the operation of storage facilities is permitted shall be set out in the authorization.

3.The Customs shall grant an authorization with retroactive effect, where all of the following conditions are fulfilled:

3.1. there is a proven economic need;

3.2. the application is not related to attempted deception;

3.3. the applicant has proven on the basis of accounts or records that:

3.3.1. all the requirements of the procedure are met;

3.3.2. where appropriate, the goods can be identified for the period involved;

3.3.3. such accounts or records allow the procedure to be controlled;

3.4. all the formalities necessary to regularize the situation of the goods can be carried out, including, where necessary, the invalidation of the Customs declarations concerned;

3.5. no authorization with retroactive effect has been granted to the applicant within three (3) years of the date on which the application was accepted;

3.6. an examination of the economic conditions is not required, except where an application concerns renewal of an authorization for the same kind of operation and goods;

3.7. the application does not concern the operation of storage facilities for the Customs warehousing of goods;

3.8. where an application concerns renewal of an authorization for the same kind of operation and goods, the application is submitted within three (3) years of expiry of the original authorization.

4. Customs may grant an authorization with retroactive effect also where the goods which were placed under a Customs procedure are no longer available at the time when the application for such authorization was accepted.

5. Except where otherwise provided, the authorization referred to in paragraph 1. of this Article shall be granted only to persons who satisfy all of the following conditions:

5.1. they are established in the Customs territory of the Republic of Kosovo;

5.2. they provide the necessary assurance of the proper conduct of the operations; an authorised economic operator for Customs simplifications shall be deemed to fulfil this condition, insofar as the activity pertaining to the special procedure concerned is taken into account in the authorisation referred to in sub paragraph 3.1 of Article 24;

5.3. where a Customs debt or other charges may be incurred for goods placed under a special procedure, they provide a guarantee in accordance with Article 60;

5.4. in the case of the temporary admission or inward processing procedure, they use the goods or arrange for their use or they carry out processing operations on the goods or arrange for them to be carried out, respectively.

6. Except where otherwise provided and in addition to paragraph 5. of this Article, the authorization referred to in paragraph 1. of this Article shall be granted only where all of the following conditions are fulfilled:

6.1. when Customs are able to exercise Customs supervision without having to introduce administrative arrangements disproportionate to the economic needs involved;

6.2. when the essential interests which mean economic conditions, producers would not be adversely affected by an authorization for a processing procedure.

7. The essential interests of national producers shall be deemed not to be adversely affected, as referred to in sub paragraph 6.2 of this Article, except where evidence to the contrary exists or where the economic conditions are deemed to be fulfilled.

8. Where evidence exists that the essential interests of national producers are likely to be adversely affected, an examination of the economic conditions shall take place by the Government.

9. By sublegal act of the Government on the proposal of the ministry responsible for finance are determined:

9.1. the conditions for granting the authorization for the procedures referred to in paragraph 1. and 2. of this Article.

9.2. the exceptions to the conditions referred to in paragraph 5. and 6. of this Article.

9.3. the cases in which the economic conditions are deemed to be fulfilled as referred to in paragraph 7. of this Article.

10.The procedural rules for examining the economic conditions referred to in paragraph 8. of this Article are determined with sub-legal act by relevant Minister of Finance.

Article 145
Records

1. Except for the transit procedure, or where otherwise provided, the holder of the authorization, the holder of the procedure, and all persons carrying on an activity involving the storage, working or processing of goods, or the sale or purchase of goods in free zones, shall keep appropriate records in a form approved by the Customs.

2. The records shall contain the information and the particulars which enable the Customs to supervise the procedure concerned, in particular with regard to identification of the goods placed under that procedure, their Customs status and their movements.

3. An authorized economic operator for Customs simplifications shall be deemed to comply with the

obligation laid down in paragraph 1. of this Article insofar as his or her records are appropriate for the purpose of the special procedure concerned.

Article 146
Discharge of a special procedure

1. In cases other than the transit procedure and without prejudice to Article 171, a special procedure shall be discharged when the goods placed under the procedure, or the processed products, are placed under a subsequent Customs procedure, have been taken out of the Customs territory of the Republic of Kosovo, or have been destroyed with no waste remaining, or are abandoned to the State in accordance with Article 136.

2. The transit procedure shall be discharged by the Customs when they are in a position to establish, on the basis of a comparison of the data available to the Customs office of departure and those available to the Customs office of destination, that the procedure has ended correctly.

3. The Customs shall take all the measures necessary to regulate the situation of the goods in respect of which a procedure has not been discharged under the conditions prescribed.

4. The discharge of the procedure shall take place within a certain time-limit, unless otherwise provided.

5. The time-limit referred to paragraph 4. of this Article are determined by sub-legal act of the Government on the proposal of the ministry responsible for finance.

6. The procedural rules for the discharge of a special procedure, referred to this Article are determined by sublegal act of relevant Minister of Finance.

Article 147
Transfer of rights and obligations

1.The rights and obligations of the holder of a procedure with regard to goods which have been placed under a special procedure other than transit may be fully or partially transferred to another person who fulfils the conditions laid down for the procedure concerned.

2.The procedural rules for transferring the rights and obligations in accordance with paragraph 1. of this Article, are determined with sub-legal act by relevant Minister of Finance.

Article 148
Movement of goods

1.In specific cases, goods placed under a special procedure other than transit or in a free zone may be moved between different places in the Customs territory of the Republic of Kosovo.

2.The cases and the conditions for the movement of goods in accordance with paragraph 1. of this Article, are determined with sub legal act by the Government sublegal act on the proposal of the ministry responsible for finance.

3.The procedural rules for the movement of goods in accordance with paragraph 1. of this Article, are determined with sub-legal act by relevant Minister of Finance.

Article 149
Usual forms of handling

1.Goods placed under Customs warehousing or a processing procedure or in a free zone may undergo usual forms of handling intended to preserve them, improve their appearance or marketable quality or prepare them for distribution or resale.

2.The usual forms of handling for goods as referred to paragraph 1. of this Article are determined with sub-legal act by the Government on the proposal of the ministry responsible for finance.

Article 150
Equivalent goods

1. Equivalent goods shall consist in Kosovo goods which are stored, used or processed instead of the goods placed under a special procedure.

2. Under the outward processing procedure, equivalent goods shall consist in non-Kosovo goods which are processed instead of Kosovo goods placed under the outward processing procedure.

3. Except where otherwise provided, equivalent goods shall have the same eight-digit Combined Nomenclature code, the same commercial quality and the same technical characteristics as the goods which they are replacing.

4. The Customs shall, upon application, authorize the following, provided that the proper conduct of the procedure, in particular as regards Customs supervision, is ensured:

4.1. the use of equivalent goods under Customs warehousing, free zones, end-use and a processing procedure;

4.2. the use of equivalent goods under the temporary admission procedure, in specific cases;

4.3. in the case of the inward processing procedure, the export of processed products obtained from equivalent goods before the import of the goods they are replacing;

4.4. in the case of the outward processing procedure, the import of processed products obtained from equivalent goods before the export of the goods they are replacing.

5. An authorized economic operator for Customs simplifications shall be deemed to fulfil the condition that the proper conduct of the procedure is ensured, insofar as the activity pertaining to the use of equivalent goods for the procedure concerned is taken into account in the authorization referred to in sub paragraph 3.1 of Article 24.

6. The use of equivalent goods shall not be authorized in any of the following cases:

6.1. where only usual forms of handling as defined in Article 149 are carried out under the inward processing procedure;

6.2. where a prohibition of drawback of, or exemption from, import duty applies to non-originating goods used in the manufacture of processed products under the inward processing procedure, for which a proof of origin is issued or made out in the framework of a preferential arrangement between the Republic of Kosovo and certain countries or territories outside the Customs territory of the Republic of Kosovo or groups of such countries or territories;

6.3. where it would lead to an unjustified import duty advantage or where provided by legislation.

7. In the case referred to in subparagraph 4.3 of this Article, and where the processed products would be liable to export duty if they were not being exported in the context of the inward processing procedure, the holder of the authorization shall provide a guarantee to ensure payment of the export duty should the non-Kosovo goods not be imported within the period referred to in paragraph 5. of Article 174.

8. By a Government`s sublegal act on proposal of the ministry responsible for finance are determined:

8.1. the exceptions from the paragraph 3. of this Article;

8.2. the conditions under which equivalent goods are used in accordance with paragraph 4. and 5. of this Article.

8.3. the specific cases where equivalent goods are used under the temporary admission procedure, in accordance with subparagraph 4.2 of this Article.

8.4. the cases where the use of equivalent goods is not authorized in accordance with subparagraph 6.3. of this Article.

9.The procedural rules for the use of equivalent goods authorized in accordance with paragraph 4. and 5. of this Article, are determined with sub-legal act by relevant Minister of Finance.

CHAPTER II
TRANSIT

SUBCHAPTER I
EXTERNAL AND INTERNAL TRANSIT

Article 151
External transit

1. Under the external transit procedure, non-Kosovo goods may be moved from one point to another within the Customs territory of the Republic of Kosovo without being subject to any of the following:

1.1. import duty;

1.2. other charges as provided for under other relevant provisions in force;

1.3. commercial policy measures, insofar as they do not prohibit the entry or exit of goods into or from the Customs territory of the Republic of Kosovo.

2. In specific cases, Kosovo goods shall be placed under the external transit procedure.

3. Movement as referred to paragraph 1. of this Article shall take place in one of the following ways:

3.1. under the external transit procedure;

3.2. in accordance with the TIR Convention, provided that such movement:

3.2.1. began or is to end outside the Customs territory of the Republic of Kosovo;

3.2.2. is effected between two points in the Customs territory of the Republic of Kosovo through the territory of a country or territory outside the Customs territory of the Republic of Kosovo;

3.3. in accordance with the ATA Convention, Istanbul Convention, where a transit movement takes place;

3.4. under cover of form 302 provided for in the Agreement between the Parties to the North Atlantic Treaty regarding the Status of their Forces, signed in London on 19 June 1951;

3.5. under the postal system in accordance with the acts of the Universal Postal Union, when the goods are carried by or for holders of rights and obligations under such acts.

4.The specific cases where Kosovo goods are to be placed under the external transit procedure in accordance with paragraph 2. of this Article, are determined by Government on the proposal of the ministry responsible for finance.

5.The procedural rules to apply subparagraphs 3.2 to 3.5 of this Article, are determined by sub-legal act of the relevant Minister of Finance, taking into account the needs of the Republic of Kosovo.

Article 152
Internal transit

1. Under the internal transit procedure, and under the conditions laid down in paragraph 2. of this Article, Kosovo goods may be moved from one point to another within the Customs territory of the Republic of Kosovo, and pass through a country or territory outside that Customs territory, without any change in their Customs status.

2.The movement referred to in paragraph 1. of this Article shall take place in one of the following ways:

2.1. under the internal transit procedure provided that such a possibility is provided for in an international agreement;

2.2. in accordance with the TIR Convention;

2.3. in accordance with the ATA Convention/Istanbul Convention, where a transit movement takes place;

2.4. Under cover of form 302 as provided for in the Agreement between the Parties to the North Atlantic Treaty regarding the Status of their Forces, signed in London on 19 June 1951;

2.5. under the postal system in accordance with the acts of the Universal Postal Union, when the goods are carried by or for holders of rights and obligations under such acts.

3.The procedural rules to apply subparagraphs 2.2 to 2.5 of this Article, are determined by sub-legal act of the Minister of Finance, taking into account the needs of the Republic of Kosovo.

Article 153
Authorized consignee for TIR purposes

1. The Customs may, upon application, authorize a person, referred to as an ‘authorized consignee’ to receive goods moved in accordance with the TIR Convention at an authorized place, so that the procedure is terminated in accordance with point (d) of Article 1 of the TIR Convention.

2. The conditions for the granting of the authorisation referred to in paragraph 1. of this Article, are determined by sublegal act of Government on the proposal of the ministry responsible for finance.

SUBCHAPTER II
NATIONAL TRANSIT

Article 154
Obligations of the holder of the transit procedure and of the carrier and recipient of goods

1.The holder of the transit procedure shall be responsible for all of the following:

1.1. presentation of the goods intact and the required information at the Customs office of destination within the prescribed time-limit and in compliance with the measures taken by the Customs to ensure their identification;

1.2. observance of the Customs provisions relating to the procedure;

1.3. unless otherwise provided for in the customs legislation, provision of a guarantee in order to ensure payment of the amount of import or export duty corresponding to any Customs debt or other charges, as provided for under other relevant provisions in force, which may be incurred in respect of the goods.

2. The obligation of the holder of the procedure shall be met and the transit procedure shall end when the goods placed under the procedure and the required information are available at the Customs office of destination in accordance with the Customs legislation.

3. A carrier or recipient of goods who accepts goods knowing that they are moving under the transit procedure shall also be responsible for presentation of the goods intact at the Customs office of destination within the prescribed time-limit and in compliance with the measures taken by the Customs to ensure their identification.

4. Upon application, the Customs may authorize any of the following simplifications regarding the placing of goods under the transit procedure or the end of that procedure:

4.1.the status of authorized consignor, allowing the holder of the authorization to place goods under the transit procedure without presenting them to customs;

4.2. the status of authorized consignee, allowing the holder of the authorization to receive goods moved under the transit procedure at an authorized place, to end the procedure in accordance with paragraph 2. of this Article;

4.3. the use of seals of a special type, where sealing is required to ensure the identification of the goods placed under the transit procedure;

4.4. the use of a Customs declaration with reduced data requirements to place goods under the transit procedure;

4.5. the use of an electronic transport document as Customs declaration to place goods under the transit procedure, provided it contains the particulars of such declaration and those particulars are available to the Customs at departure and at destination to allow the Customs supervision of the goods and the discharge of the procedure.

5. The conditions for granting the authorizations referred to in paragraph 4. of this Article are determined by sublegal act of Government on the proposal of the ministry responsible for finance.

6. Procedural rules the placing of goods under the transit procedure and the end of that procedure, and those for the operation of the simplifications referred to in paragraph 4. of this Article are determined with sub-legal act by Minister of Finance.

Article 155
Goods passing through the territory of a country or territory outside the Customs territory of the Republic of Kosovo under the external transit procedure

1. The external transit procedure shall apply to goods passing through a country or a territory outside the Customs territory of the Republic of Kosovo if one of the following conditions is fulfilled:

1.1. provision is made to that effect under an international agreement;

1.2. carriage through that country or territory is effected under cover of a single transport document drawn up in the Customs territory of the Republic of Kosovo.

2. In the case referred to in subparagraph 2.2 of this Article, the operation of the external transit procedure shall be suspended while the goods are outside the Customs territory of the Republic of Kosovo.

3. The procedural rules for the customs supervision of goods passing through the territory of a country or territory outside the Customs territory of the Republic of Kosovo under the external transit procedure, referred to this Article, are determined by Ministry of Finance sublegal act.

CHAPTER III
STORAGE

SUB CHAPTER I
COMMON PROVISIONS

Article 156
Scope

1.Under a storage procedure, non-Kosovo goods may be stored in the Customs territory of the Republic of Kosovo without being subject to any of the following:

1.1. import duty;

1.2. other charges as provided for under other relevant provisions in force;

1.3. commercial policy measures, insofar as they do not prohibit the entry or exit of goods into or from the Customs territory of the Republic of Kosovo.

2. Kosovo goods may be placed under the Customs warehousing or free zone procedure in accordance with national legislation governing specific fields, or in order to benefit from a decision granting repayment or remission of import duty.

3. The Customs may, where an economic need exists and Customs supervision will not be adversely affected, authorize the storage of Kosovo goods in a storage facility for Customs warehousing. Those goods shall not be regarded as being under the Customs warehousing procedure.

4. The procedural rules for the placing of goods under the Customs warehousing or free zone procedure as referred to in paragraph 2. of this Article, are determined by sub legal act of the relevant Minister of Finance.

Article 157
Duration of a storage procedure

1.There shall be no limit to the length of time goods may remain under a storage procedure.

2. In exceptional circumstances, the Customs may set a time-limit by which a storage procedure must be discharged in particular where the type and nature of the goods may, in the case of long-term storage, pose a threat to human, animal or plant health or to the environment.

SUB CHAPTER II
CUSTOMS WAREHOUSING

Article 158
Storage in Customs warehouses

1.Under the Customs warehousing procedure non-Kosovo goods may be stored in premises or any other location authorized for that procedure by the Customs and under Customs supervision -Customs warehouses.

2. Customs warehouses may be available for use by any person for the Customs warehousing of goods-public Customs warehouse, or for the storage of goods by the holder of an authorization for Customs warehousing - private Customs warehouse.

3. Goods placed under the Customs warehousing procedure may be temporarily removed from the Customs warehouse. Such removal shall, except in case of force majeure, be authorised in advance by Customs.

Article 159
Processing

1. Customs may, where an economic need exists and Customs supervision is not adversely affected, authorize the processing of goods under the inward processing or end-use procedure to take place in a Customs warehouse, subject to the conditions provided for by those procedures.

2. The goods referred to in paragraph 1. of this Article shall not be regarded as being under the Customs warehousing procedure.

Article 160
Responsibilities of the holder of the authorization or procedure

1.The holder of the authorization and the holder of the procedure shall be responsible for the following:

> 1.1. ensuring that goods under the Customs warehousing procedure are not removed from Customs supervision; and
>
> 1.2. fulfilling the obligations arising from the storage of goods covered by the Customs warehousing procedure.

2. By way of derogation from paragraph 1. of this Article, where the authorization concerns a public Customs warehouse, it may provide that the responsibilities referred to in subparagraph 1.1 and 1.2 of this Article devolve exclusively upon the holder of the procedure.

3. The holder of the procedure shall be responsible for fulfilling the obligations arising from the placing of the goods under the Customs warehousing procedure.

SUB CHAPTER III
FREE ZONES

Article 161
Designation of free zones

1. Government may designate parts of the Customs territory of the Republic of Kosovo as free zones.

2. For each free zone the Government shall determine the area covered and define the entry and exit points.

3. Free zones shall be enclosed. The perimeter and the entry and exit points of the area of free zones shall be subject to Customs supervision.

4. Persons, goods and means of transport entering or leaving free zones may be subject to Customs controls.

Article 162
Buildings and activities in free zones

1.The construction of any building in a free zone shall require the prior approval of the Customs.

2. Subject to the Customs legislation, any industrial, commercial or service activity shall be permitted in a free zone. The carrying on of such activities shall be subject to notification, in advance, to the Customs.

3. The Customs may impose prohibitions or restrictions on the activities referred to in paragraph 2. of this Article, having regard to the nature of the goods in question, or the requirements of Customs supervision, or security and safety requirements.

4. The Customs may prohibit persons who do not provide the necessary assurance of compliance with the Customs provisions from carrying on an activity in a free zone.

Article 163
Presentation of goods and their placing under the procedure

1.Goods brought into a free zone shall be presented to Customs and undergo the prescribed Customs formalities in any of the following cases:

1.1. where they are brought into the free zone directly from outside the Customs territory of the Republic of Kosovo;

1.2. where they have been placed under a Customs procedure which is ended or discharged when they are placed under the free zone procedure;

1.3. where they are placed under the free zone procedure in order to benefit from a decision granting repayment or remission of import duty;

1.4. where legislation other than the Customs legislation provides for such formalities.

2. Goods brought into a free zone in circumstances other than those covered by paragraph 1. of this Article shall not be presented to customs.

3. Without prejudice to Article 164, goods brought into a free zone are deemed to be placed under the free zone procedure:

3.1. at the moment of their entry into a free zone, unless they have already been placed under another Customs procedure; or

3.2. at the moment when a transit procedure is ended, unless they are immediately placed under a subsequent Customs procedure.

Article 164
Kosovo goods in free zones

1. Kosovo goods may be entered, stored, moved, used, processed or consumed in a free zone. In such cases the goods shall not be regarded as being under the free zone procedure.

2. Upon application by the person concerned, the Customs shall establish the Customs status as Kosovo goods of any of the following goods:

2.1. Kosovo goods which enter a free zone;

2.2. Kosovo goods which have undergone processing operations within a free zone;

2.3. goods released for free circulation within a free zone.

Article 165
Non-Kosovo goods in free zones

1.Non-Kosovo goods may, while they remain in a free zone, be released for free circulation or be placed under the inward processing, temporary admission or end-use procedure, under the conditions laid down for those procedures.

2. In cases referred to paragraph 1. of this Article, such goods shall not be regarded as being under the free zone procedure.

3. Without prejudice to the provisions applicable to supplies or to victualling storage, where the procedure concerned so provides, paragraph 1. of this Article shall not preclude the use or consumption of goods of which the release for free circulation or temporary admission would not entail application of import duty or measures laid down under the agricultural or commercial policies.

4. In the case of such use or consumption, no Customs declaration for the release for free circulation or temporary admission procedure shall be required.

5. Such declaration shall, however, be required if such goods are subject to a tariff quota or ceiling.

Article 166
Taking goods out of a free zone

1.Without prejudice to legislation in fields other than customs, goods in a free zone may be exported or re- exported from the Customs territory of the Republic of Kosovo, or brought into another part of the Customs territory of the Republic of Kosovo.

2. Articles 95 to 107 shall apply to goods taken out of a free zone into other parts of the Customs territory of the Republic of Kosovo.

Article 167
Customs status

1.Where goods are taken out of a free zone into another part of the Customs territory of the Republic of Kosovo or placed under a Customs procedure, they shall be regarded as non-Kosovo goods unless their Customs status as Kosovo goods has been proven.

2. However, for the purposes of applying export duty and export licenses or export control measures laid down under the common agricultural or commercial policies, such goods shall be regarded as Kosovo goods, unless it is established that they do not have the Customs status of Kosovo goods.

CHAPTER IV
SPECIFIC USE

SUB CHAPTER I
TEMPORARY ADMISSION

Article 168
Scope

1.Under the temporary admission procedure non-Kosovo goods intended for re-export may be subject to specific use in the Customs territory of the Republic of Kosovo, with total or partial relief from import duty, and without being subject to any of the following:

1.1. other charges as provided for under other relevant provisions in force;

1.2. commercial policy measures, insofar as they do not prohibit the entry or exit of goods into or from the Customs territory of the Republic of Kosovo.

2.The temporary admission procedure may only be used provided that the following conditions are met:

2.1. the goods are not intended to undergo any change, except normal depreciation due to the use made of them;

2.2. it is possible to ensure that the goods placed under the procedure can be identified, except where, in view of the nature of the goods or of the intended use, the absence of identification measures is not liable to give rise to any abuse of the procedure or, in the case referred to in Article 150, where compliance with the conditions laid down in respect of equivalent goods can be verified;

2.3. the holder of the procedure is established outside the Customs territory of the Republic of Kosovo, except where otherwise provided;

2.4.the requirements for total or partial duty relief laid down in the Customs legislation are met.

3. The specific use referred to in paragraph 1. of this Article and the requirements referred to in subparagraph 2.4 of this Article, are determined by sublegal act of Government on the proposal of the ministry responsible for finance.

Article 169
Period during which goods may remain under the temporary admission procedure

1. Customs shall determine the period within which goods placed under the temporary admission procedure must be re-exported or placed under a subsequent Customs procedure. Such period shall be long enough for the objective of authorized use to be achieved.

2. Except where otherwise provided, the maximum period during which goods may remain under the temporary admission procedure for the same purpose and under the responsibility of the same authorization holder shall be twenty-four (24) months, even where the procedure was discharged by placing the goods under another special procedure and subsequently placing them under the temporary admission procedure again.

3. Where, in exceptional circumstances, the authorized use cannot be achieved within the period referred to in paragraphs 1. and 2. of this Article, the Customs may grant an extension, of reasonable duration of that period, upon justified application by the holder of the authorization.

4. The overall period during which goods may remain under the temporary admission procedure shall not exceed ten (10) years, except in the case of an unforeseeable event.

Article 170
Amount of import duty in case of temporary admission with partial relief from import duty

1.The amount of import duty in respect of goods placed under the temporary admission procedure with partial relief from import duty shall be set at three percent (3%) of the amount of import duty which would have been payable on those goods had they been released for free circulation on the date on which they were placed under the temporary admission procedure.

2.That amount as referred in paragraph 1. of this Article shall be payable for every month or fraction of a month during which the goods have been placed under the temporary admission procedure with partial relief from import duty.

3.The amount of import duty shall not exceed that which would have been payable if the goods in question had been released for free circulation on the date on which they were placed under the temporary admission procedure.

SUB CHAPTER II
END-USE

Article 171
End-use procedure

1. Under the end-use procedure, goods may be released for free circulation under a duty exemption or at a reduced rate of duty on account of their specific use.

2. Where the goods are at a production stage which would allow economically the prescribed end-use only, Customs may establish in the authorisation the conditions under which the goods shall be deemed to have been used for the purposes laid down for applying the duty exemption or reduced rate of duty.

3. Where goods are suitable for repeated use and the Customs consider it appropriate in order to avoid abuse, Customs supervision shall continue for a period not exceeding two (2) years after the date of their first use for the purposes laid down for applying the duty exemption or reduced rate of duty.

4. Customs supervision under the end-use procedure shall end in any of the following cases:

4.1. where the goods have been used for the purposes laid down for the application of the duty exemption or reduced rate of duty;

4.2. where the goods have been taken out of the Customs territory of the Republic of Kosovo, destroyed or abandoned to the State;

4.3. where the goods have been used for purposes other than those laid down for the application of the duty exemption or reduced duty rate and the applicable import duty has been paid.

5.Where a rate of yield is required, Article 172 shall apply to the end-use procedure.

6.Waste and scrap which result from the working or processing of goods according to the prescribed end-use and losses due to natural wastage shall be considered as goods assigned to the prescribed end-use.

7.Waste and scrap resulting from the destruction of goods placed under the end-use procedure shall be deemed to be placed under the Customs warehousing procedure.

CHAPTER V
PROCESSING

SUB CHAPTER I
GENERAL PROVISIONS

Article 172
Rate of yield

1. Except where a rate of yield has been specified in national legislation governing specific fields, the Customs shall set either the rate of yield or average rate of yield of the processing operation or where appropriate, the method of determining such rate.

2.The rate of yield or average rate of yield shall be determined on the basis of the actual circumstances in which processing operations are, or are to be, carried out. That rate may be adjusted, where appropriate, in accordance with Article 18.

SUB CHAPTER II
INWARD PROCESSING

Article 173
Scope

1. Without prejudice to Article 150, under the inward processing procedure non-Kosovo goods may be used in the Customs territory of the Republic of Kosovo in one or more processing operations without such goods being subject to any of the following:

    1.1. import duty;

    1.2. other charges as provided for under other relevant provisions in force;

    1.3. commercial policy measures, insofar as they do not prohibit the entry or exit of goods into or from the Customs territory of the Republic of Kosovo.

2. The inward processing procedure may be used in cases other than repair and destruction only where, without prejudice to the use of production accessories, the goods placed under the procedure can be identified in the processed products.

3. In the case referred to in Article 150, the procedure may be used where compliance with the conditions laid down in respect of equivalent goods can be verified.

4. In addition to paragraphs 1. to 3. of this Article, the inward processing procedure may also be used for any of the following goods:

    4.1. goods intended to undergo operations to ensure their compliance with technical requirements for their release for free circulation;

    4.2. goods which have to undergo usual forms of handling in accordance with Article 149.

Article 174
Period for discharge

1. Customs shall specify the period within which the inward processing procedure is to be discharged, in accordance with Article 146.

2. Period from paragraph 1. of this Article shall run from the date on which the non-Kosovo goods are placed under the procedure and shall take account of the time required to carry out the processing operations and to discharge the procedure.

3. Customs may grant an extension, of reasonable duration, of the period specified pursuant to paragraph 1. of this Article, upon justified application by the holder of the authorization.

4. The authorization may specify that a period which commences in the course of a month, quarter or semester shall end on the last day of a subsequent month, quarter or semester respectively.

5. In the case of prior export in accordance with sub paragraph 4.3 of Article 150, the authorization shall specify the period within which the non-Kosovo goods shall be declared for the inward processing procedure, taking account of the time required for procurement and transport to the Customs territory of the Republic of Kosovo.

6.The period referred to in the paragraph 5. of this Article shall be set in months and shall not exceed six (6) months. It shall run from the date of acceptance of the export declaration relating to the processed products obtained from the corresponding equivalent goods.

7. At the request of the holder of the authorization, the period of six (6) months referred to in paragraph 5. of this Article may be extended, even after its expiry, provided that the total period does not exceed twelve (12) months.

Article 175
Temporary re-export for further processing

Upon application, the Customs may authorize some or all of the goods placed under the inward -processing procedure, or the processed products, to be temporarily re- exported for the purpose of further processing outside the Customs territory of the Republic of Kosovo, in accordance with the conditions laid down for the outward processing procedure.

SUB CHAPTER III
OUTWARD PROCESSING

Article 176
Scope

1. Under the outward processing procedure Kosovo goods may be temporarily exported from the Customs territory of the Republic of Kosovo in order to undergo processing operations. The processed products resulting from those goods may be released for free circulation with total or partial relief from import duty upon application by the holder of the authorization or any other person established in the Customs territory of the Republic of Kosovo provided that that person has obtained the consent of the holder of the authorization and the conditions of the authorization are fulfilled.

2. Outward processing shall not be allowed for any of the following goods:

2.1. goods the export of which gives rise to repayment or remission of import duty;

2.2. goods which, prior to export, were released for free circulation under a duty exemption or at a reduced rate of duty by virtue of their end-use, for as long as the purposes of such end-use have not been fulfilled, unless those goods have to undergo repair operations;

2.3. goods the export of which gives rise to the granting of export refunds;

2.4. goods in respect of which a financial advantage other than refunds referred to in subparagraph 2.3 of this Article is granted under the agricultural policy by virtue of the export of those goods.

3.Customs shall specify the period within which goods temporarily exported must be re-imported into the Customs territory of the Republic of Kosovo in the form of processed products, and released for free circulation, in order to be able to benefit from total or partial relief from import duty. They may grant an extension, of reasonable duration, of that period, upon justified application by the holder of the authorization.

Article 177
Goods repaired free of charge

1.Where it is established to the satisfaction of the Customs that goods have been repaired free of charge, either because of a contractual or statutory obligation arising from a guarantee or because of a manufacturing or material defect, they shall be granted total relief from import duty.

2. Paragraph 1. of this Article shall not apply where account was taken of the manufacturing or material defect at the time when the goods in question were first released for free circulation.

Article 178
Goods repaired or altered in the context of international agreements

1.Total relief from import duty shall be granted to processed products resulting from goods placed under the outward processing procedure where it is established to the satisfaction of the customs that:

1.1. those goods have been repaired or altered in a country or territory outside the customs territory of the Republic of Kosovo with which the Republic of Kosovo has concluded an international agreement providing for such relief; and

1.2. the conditions for the relief from import duty laid down in the agreement referred to in subparagraph 1.1. of this Article are fulfilled.

2. Paragraph 1. of this Article shall not apply to processed products resulting from equivalent goods as referred to in Article 150 and to replacement products as referred to in Articles 179 and 180.

Article 179
Standard exchange system

1. Under the standard exchange system an imported product -replacement product may, in accordance with paragraphs 2. to 6. of this Article replace a processed product.

2. Customs shall, upon application authorize the standard exchange system to be used where the processing operation involves the repair of defective Kosovo goods other than those subject to measures laid down under the agricultural policy or to the specific arrangements applicable to certain goods resulting from the processing of agricultural products.

3. Replacement products shall have the same eight-digit Combined Nomenclature code, the same commercial quality and the same technical characteristics as the defective goods had the latter undergone repair.

4. Where the defective goods have been used before export, the replacement products must also have been used.

5. Customs shall, however, waive the requirement set out in the paragraph 4. of this Article 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 material or manufacturing defect.

6. The provisions which would be applicable to the processed products shall apply to the replacement products.

Article 180
Prior import of replacement products

1. The Customs shall, under the conditions they lay down, upon application by the person concerned, authorize replacement products to be imported before the defective goods are exported.

2. In the event of such prior import of a replacement product, a guarantee shall be provided, covering the amount of the import duty that would be payable should the defective goods not be exported in accordance with paragraph 3. of this Article.

3. The defective goods shall be exported within a period of two (2) months from the date of acceptance by the Customs of the declaration for the release for free circulation of the replacement products.

4. Where, in exceptional circumstances, the defective goods cannot be exported within the period referred to in paragraph 3. of this Article, Customs may grant an extension, of a reasonable duration, of that period, upon justified application by the holder of the authorization.

PART EIGHT
GOODS TAKEN OUT OF THE CUSTOMS TERRITORY OF THE REPUBLIC OF KOSOVO

CHAPTER I
FORMALITIES PRIOR TO THE EXIT OF GOODS

Article 181
Lodging a pre-departure declaration

1. Goods to be taken out of the Customs territory of the Republic of Kosovo shall be covered by a pre-departure declaration to be lodged at the competent Customs office within a specific time-limit before the goods are taken out of the Customs territory of the Republic of Kosovo.

2.The obligation referred to in paragraph 1. of this Article shall be waived:

2.1. for means of transport and the goods carried thereon only passing through the airspace of the Customs territory of the Republic of Kosovo without a stop within that territory; or

2.2. in other specific cases, where duly justified by the type of goods or traffic or where required by international agreements.

3.The pre-departure declaration shall take the form of one of the following:

3.1. a Customs declaration, where the goods to be taken out of the Customs territory of the Republic of Kosovo are placed under a Customs procedure for which such declaration is required;

3.2. a re-export declaration, in accordance with Article 185;

3.3. an exit summary declaration, in accordance with Article 186.

4. The pre-departure declaration shall contain the particulars necessary for risk analysis for security and safety purposes.

5. By Government sublegal act on the proposal of the ministry responsible for finance are determined as follows:

5.1. the specific time-limit, referred to paragraph 1. of this Article, within which the pre-departure declaration is to be lodged before the goods are taken out of the Customs territory of the Republic of Kosovo taking into account the type of traffic;

5.2. the specific cases where the obligation to lodge a pre- departure declaration is waived in accordance with subparagraph 2.2. of this Article.

Article 182
Risk analysis

1. The Customs office to which the pre-departure declaration referred to in Article 181 is lodged shall ensure that, within a specific time-limit, a risk analysis is carried out, primarily for security and safety purposes, on the basis of that declaration and shall take the necessary measures based on the results of that risk analysis.

2. The time-limit referred to paragraph 1. of this Article, within which risk analysis is to be carried out taking into account the time-limit referred to in paragraph 1. of Article 181, are determined with sub-legal act by relevant Minister of Finance.

CHAPTER II
FORMALITIES ON EXIT OF GOODS

Article 183
Customs supervision and formalities on exit

1. Goods to be taken out of the Customs territory of the Republic of Kosovo shall be subject to Customs supervision and may be subject to Customs controls. Where appropriate, the Customs may determine the route to be used, and the time- limit to be respected when goods are to be taken out of the Customs territory of the Republic of Kosovo.

2. Goods to be taken out of the Customs territory of the Republic of Kosovo shall be presented to Customs on exit by one of the following persons:

2.1. the person who takes the goods out of the Customs territory of the Republic of Kosovo;

2.2. the person in whose name or on whose behalf the person who takes the goods out of the Customs territory of the Republic of Kosovo acts;

2.3. the person who assumes responsibility for the carriage of the goods prior to their exit from the Customs territory of the Republic of Kosovo.

3. Goods to be taken out of the Customs territory of the Republic of Kosovo shall be subject, as appropriate, to the following:

3.1. the repayment or remission of import duty;

3.2. the payment of export refunds;

3.3. the collection of export duty;

3.4. the formalities required under provisions in force with regard to other charges;

3.5. the application of prohibitions and restrictions justified on grounds of, inter alia, public morality, public policy or public security, the protection of the health and life of humans, animals or plants, the protection of the environment, the protection of national treasures possessing artistic, historic or archaeological value and the protection of industrial or commercial property, including controls against drug precursors, goods infringing certain intellectual property rights and cash, as well as the implementation of fishery conservation and management measures and of commercial policy measures.

4. Release for exit shall be granted by the Customs on condition that the goods in question will be taken out of the Customs territory of the Republic of Kosovo in the same condition as when:

4.1. the Customs or re-export declaration was accepted; or

4.2. the exit summary declaration was lodged.

5. The procedural rules on the exit referred to this Article, are determined with sub-legal act by relevant Minister of Finance.

CHAPTER III
EXPORT AND RE-EXPORT

Article 184
Export of Kosovo goods

1. Kosovo goods to be taken out of the Customs territory of the Republic of Kosovo shall be placed under the export procedure.

2. Paragraph 1. of this Article shall not apply to any of the following Kosovo goods:

2.1. goods placed under the outward processing procedure;

2.2. goods taken out of the Customs territory of the Republic of Kosovo after having been placed under the end-use procedure;

2.3. goods delivered, VAT or excise duty exempted, as aircraft supplies, regardless of the destination of the aircraft, for which a proof of such supply is required;

2.4. goods placed under the internal transit procedure;

2.5. goods moved temporarily out of the Customs territory of the Republic of Kosovo in accordance with Article 111.

3. The formalities concerning the export Customs declaration laid down in the Customs legislation shall apply in the cases referred to subparagraph 2.1 to 2.3 of this Article.

Article 185
Re-export of non-Kosovo goods

1. Non-Kosovo goods to be taken out of the Customs territory of the Republic of Kosovo shall be

subject to a re-export declaration to be lodged at the competent Customs office.

2. Articles 112 to 133 shall apply to the re-export declaration.

3. Paragraph 1. of this Article shall not apply to any of the following goods:

3.1. goods placed under the external transit procedure which only pass through the customs territory of the Republic of Kosovo;

3.2. goods trans-shipped within, or directly re-exported from, a free zone;

3.3. goods in temporary storage which are directly re-exported from a temporary storage facility.

CHAPTER IV
EXIT SUMMARY DECLARATION

Article 186
Lodging an exit summary declaration

1. Where goods are to be taken out of the Customs territory of the Republic of Kosovo and a Customs declaration or a re-export declaration is not lodged as pre-departure declaration, an exit summary declaration shall be lodged at the Customs office of exit.

2. Customs may allow the exit summary declaration to be lodged at another Customs office, provided that the latter immediately communicates or makes available electronically the necessary particulars to the Customs office of exit.

3. The exit summary declaration shall be lodged by the carrier.

4. Notwithstanding the obligations of the carrier, the exit summary declaration may be lodged instead by one of the following persons:

4.1. the exporter or consignor or other person in whose name or on whose behalf the carrier acts;

4.2. any person who is able to present the goods in question or have them presented at the Customs office of exit.

5. Customs may accept that commercial, port or transport information systems may be used to lodge an exit summary declaration, provided that they contain the necessary particulars for such declaration and that these particulars are available within a specific time-limit, before the goods are taken out of the Customs territory of the Republic of Kosovo.

6. Customs may accept, instead of the lodging of the exit summary declaration, the lodging of a notification and access to the particulars of an exit summary declaration in the economic operator’s computer system.

7. The procedural rules for lodging the exit summary declaration referred to this Article, are determined with sub-legal act by relevant Minister of Finance.

Article 187
Amendment and invalidation of the exit summary declaration

1.The declarant may, upon application, be permitted to amend one or more particulars of the exit summary declaration after it has been lodged.

2. No amendment shall be possible after any of the following:

2.1. the Customs have informed the person who lodged the exit summary declaration that they intend to examine the goods;

2.2. the Customs have established that one or more particulars of the exit summary declaration are inaccurate or incomplete;

2.3. the Customs have already granted the release of the goods for exit.

3. Where the goods for which an exit summary declaration has been lodged are not taken out of the Customs territory of the Republic of Kosovo, the Customs shall invalidate that declaration in either of the following cases:

3.1. upon application by the declarant;

3.2. after hundred and fifty (150) days elapsed since the declaration was lodged.

4. The procedural rules for amending the exit summary declaration, in accordance with paragraph 1. of this Article, and for invalidating the exit summary declaration, in accordance with paragraph 3. of this Article, are determined with sub-legal act by relevant Minister of Finance.

CHAPTER V
RE-EXPORT NOTIFICATION

Article 188
Lodging a re-export notification

1. Where non-Kosovo goods referred to in sub paragraphs 3.2 and 3.3 of Article 185 are taken out of the Customs territory of the Republic of Kosovo and the obligation to lodge an exit summary declaration for those goods is waived, a re-export notification shall be lodged.

2. The re-export notification shall be lodged at the Customs office of exit of the goods by the person responsible for the presentation of goods on exit in accordance with paragraph 2. of Article 183.

3. The re-export notification shall contain the particulars necessary to discharge the free zone procedure or to end the temporary storage.

4. Customs may accept that commercial, port or transport information systems may be used to lodge a re- export notification, provided that they contain the necessary particulars for such notification and these particulars are available before the goods are taken out of the Customs territory of the Republic of Kosovo.

5. Customs may accept, instead of the lodging of the re-export notification, the lodging of a notification and access to the particulars of a re-export notification in the economic operator’s computer system.

6. The procedural rules for lodging the re-export notification referred to in this Article, are determined by sublegal act of relevant Minister of Finance.

Article 189
Amendment and invalidation of the re-export notification

1. The declarant may, upon application, be permitted to amend one or more particulars of the re-

export notification after it has been lodged.

2. No amendment shall be possible after any of the following:

2.1. the Customs have informed the person who lodged the re-export notification that they intend to examine the goods;

2.2. the Customs have established that one or more particulars of the re-export notification are inaccurate or incomplete;

2.3. the Customs have already granted the release of the goods for exit.

3. Where the goods for which a re-export notification has been lodged are not taken out of the Customs territory of the Republic of Kosovo, the Customs shall invalidate that notification in either of the following cases:

3.1. upon application by the declarant;

3.2. after hundred and fifty (150) days elapsed since the notification was lodged.

4. The procedural rules for amending the re-export notification, in accordance with paragraph 1. of this Article and those for invalidating the re-export notification in accordance with paragraph 3. of this Article, are determined by sublegal act of relevant Minister of Finance.

CHAPTER VI
RELIEF FROM EXPORT DUTY

Article 190
Relief from export duty for Kosovo goods temporarily exported

Without prejudice to Article 176, Kosovo goods which are temporarily exported from the Customs territory of the Republic of Kosovo shall benefit from export duty relief, conditional upon their re-import.

PART NINE
TRANSITIONAL PROVISIONS FOR THE FIRST BOOK

Article 191
Exercise of activity by customs representatives and customs agents

Customs representatives and customs agents registered at the time of entry into force of this Code, to exercise their activity, must be authorized, respectively licensed by Customs, for a period of six (6) months after the entry into force of the sub-legal act from paragraph 7. of Article 13.

Article 192
Application of certain provisions related to the TIR Convention and the ATA Convention, Istanbul Convention

1.Until the accession of the Republic of Kosovo to the TIR Convention and the ATA Convention, Istanbul Convention:

1.1. the amount of import or export duty payable as foreseen in paragraph 1. of Article 70, shall be determined by the Customs as soon as they have the necessary information, whereas the notification of customs debt as foreseen in paragraph 1. of Article 71 shall be notified to the debtor in the form prescribed.

1.2. paragraphs 3. to 6. of Article 59, subparagraphs 3.2. and 3.3. of Article 151, subparagraphs 2.2. and 2.3. of Article 152 and Article 153 are not applicable.

1.3. the sub-legal act foreseen in paragraph 5. of Article 151 shall determine the procedural rules for the implementation of sub-paragraphs 3.4. and 3.5. of Article 151, while the sub-legal act foreseen in paragraph 3. of Article 152 shall determine the procedural rules for the implementation of sub-paragraphs 2.4. and 2.5. of Article 152.

Article 193
Transitional measures and work program

1. Until the electronic systems necessary for the application of the provisions of this Code are operational, means for the exchange and storage of information, other than the electronic data-processing techniques referred to in paragraph 1. of Article 7, may be used.

2. The rules on the exchange and storage of data for the transitional periods referred to in paragraph 1. of this Article are specified by a sublegal act of the Government on the proposal of the ministry responsible for finance.

3. For the development and deployment of the electronic systems needed for the exchange and storage of information referred to in paragraph 1. of Article 7, the Government of Kosovo shall draw up a work program.

4.The work program referred to in paragraph 3. of this Article shall be updated regularly.

SECOND BOOK
LAW ON EXCISE

CHAPTER I
PURPOSE, SCOPE AND DEFINITIONS

Article 194
Purpose

1. The purpose of this Law is to regulate the general rules on import, production, maintenance, storage, movement and control on products subject to excise duties based on the legislation in force.

2. Excise tax is a source of income in the budget of the Republic of Kosovo.

3. This Law is partially compliant with:

3.1. Consolidated Council Directive 92/83/EEC of 19 October 1992 on the harmonization of the structures of excise duties on alcohol and alcoholic beverages;

3.2. Council Directive 95/60/EC of 27 November 1995 on fiscal marking of gas oil and kerosene;

3.3. Consolidated Council Directive 2003/96/EC of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity.

3.4. Consolidated Council Directive (EU) 2020/262 of 19 December 2019 laying down the general arrangements for excise duty (recast).

Article 195
Scope

This law is applicable in all customs territory of Republic of Kosovo.

Article 196
Definitions

1. For the purposes of this Law, following terms have these meanings:

1.1. Excise - the payable tax for products released for consumption in the Republic of Kosovo territory in accordance to legislation in force.

1.2. Customs territory – considered territory of Republic of Kosovo according to Article 5 of this Code

1.3. Excise products- all the goods on which excise calculation and payment is determined by the laws in force.

1.4. Excise authorisation - an approval issued by Customs to a person within its activity registered in an excise warehouse may accept, produce, process, hold, maintain, perform other operations with excise products in the excise duty payment suspension system.

1.5. Excise warehouse - an approved place by Kosovo Customs being noticeably marked and physically separated or enclosed by other spaces or places, where the excise warehouse authorized holder accepts, produces, processes, held, store, received or dispatch excise products and who delivers those excise products to the excise duty payment suspensive system.

1.6. Authorized holder of excise warehouse - a legal or natural person authorized by Kosovo Customs in the course of his business registered in excise warehouse may accept, produce, process, hold, maintain, perform other operations with excise products and deliver excise products in the excise payment suspensive system.

1.7. Excise duty suspension arrangement system - a tax arrangement applied to the production, processing, holding or movement of excise products where excise duty is being suspended.

1.8. Importation – release of goods in free circulation in accordance to Article 137 of this code.

1.9. Exempted user of excise products – a person approved by Kosovo Customs in the course of his business registered for the purposes mentioned above in Article 209 may procure excise products without excise payment.

1.10. Manufactory of Exempted user - the space or area where excise products are located, which the exempted user has bought due to the needs of his registered business without excise payment.

1.11. Exempted user of energy products - person approved by Kosovo Customs in the course of his business registered for the purposes mentioned in paragraph 4. of Article 228 may be supplied with excise products without excise payment.

1.12. Importer - the customs debtor determined in accordance to provisions of this Law.

1.13. Excise banderol - a specific fiscal stamp of Republic of Kosovo used to mark excise products released for consumption in accordance to provisions of this Code and other laws describing excise calculation and payment.

1.14. Remission - waiver from obligation to pay the unpaid excise sum.

1.15. Repayment - refunding of the paid excise sum.

1.16. Irregular entry- an entry of goods into the customs territory, which have not been placed under release for free circulation in accordance with Article 137, and for which a customs debt under Article 51 of this Code has been incurred, or would have been incurred if the goods had been subject to customs duty;

1.17. Release for consumption:

1.17.1. release of excise products including illegal releases, from the suspensive excise payment system.

1.17.2. holding or storage of excise products, including the illegal handling, outside of the excise payment suspensive system where there is no calculation of the excise in accordance to provisions of legislation in force.

1.17.3. production, including processing, of excise products and illegal production or processing, outside of the suspensive excise payment system.

1.17.4. excise goods importation, except in cases when those products are placed in the suspensive excise payment system immediately after importation, or illegal importation of excise goods, except in cases when customs debt is extinguished in accordance to sub paragraph 1.5, 1.6, 1.7 and 1.11 of Article 88 of this Code.

CHAPTER II
EXCISE LIABLE PERSON, CALCULATION AND PAYMENT OF EXCISE

Article 197
Excise liable person and excise payment liable person

1. Excise liable person is considered:

1.1. holder of authorization of excise warehouse and every person releasing excise products or products released from the excise suspensive payment system on behalf of that person.

1.2. the excise products importer.

1.3. excise goods manufacturer outside of suspensive system.

2.Except persons from paragraph 1. of this Article, excise payment liable person also is the:

2.1. person holding excise products outside of excise suspensive payment system on which excise has not been paid in accordance to provisions of this Law or any other person involved in holding these products.

2.2. the exempted user when delivering or using excise products having no approval to do so, including exempted use for energy products.

2.3. every person acting illegally as well as the person participating in illegal activities, knowing or as per the matter’s circumstances is supposed to know that such action is illegal.

2.4. in case of irregularities occurred during movement of excise products due to which excise shall be calculated, every person who in accordance with this law has guaranteed the excise payment.

3. In case more than one person is liable for excise payment, they are jointly liable for the payment.

Article 198
Excise calculation and excise payment

1. The obligation for excise calculation derives with release of excise products for consumption in Republic of Kosovo territory, unless otherwise provided by this Code, and:

1.1. consuming excise products for own needs within the excise warehouse;

1.2. delivering excise products form excise warehouse to a person not authorized to hold excise products with the suspension system;

1.3. where an absence or loss of excise products is ascertained during production and/or warehousing in the excise suspension system or when a loss or absence of excise products registers, while moving in the excise payment-suspension system.

1.4. on the authorization expiry date issued by competent customs office;

1.5. by importing excise products in the Republic of Kosovo territory, where obligation to calculate the excise tax rises on the day of customs debt according to the customs regulations on calculating and collecting the customs debt, except in cases when excise is suspended in accordance to this Law;

1.6. in the event for excise products the consignor did not receive the approval verification as per paragraph 3. of Article 220, where excise calculation is done at the moment of departure as per the excise base and norms, respectively in sums which are in force on the day of departure;

1.7. when irregularities are ascertained in relation to the movement of excise products, which according to this Law comprise violation of rights in excise products movement.

2. By derogation of subparagraph 1.3 of this Article, release in consumption the following not considered as:

2.1. total destruction or irretrievable absence or loss of excise goods, in total or partially, except theft, occurred during the excise payment suspension arrangement which is proven to be attributed to unforeseeable events or force majeure occurred in the territory of Republic of Kosovo or as a result or destruction of excise goods under customs supervision;

2.2.the partial absence or loss of excise goods caused due to the excise payment suspension, where related inseparably to the products characteristics and which has risen during production, warehousing and movement of excise goods.

2.3. when not excluding sanction measures, Customs during the inspection verifies that an excise product placed in the temporary import procedure according to this Code, has been used for purposes other than those for which the excise duty is charged where the product has lost the character of use as excise product.

3. For the purposes of subparagraph 2.1. of this Article, products shall be deemed to have been destroyed or lost irretrievably when cannot be used as excise products anymore.

4. Partial loss or absence of excise products mentioned in subparagraph 2.2 of this Article, born during the movement of excise products in the excise payment suspension arrangement shall not be deemed released for consumption for as much as the amount of loss is lower than the partial loss determined by a legal act from paragraph 8. of this Article, unless in the event of reasonable doubt for fraud or irregularities. The part of partial loss, which exceeds the determined amount, shall be deemed as release for consumption.

5. On shortfalls and losses ascertained from raw materials and other excise products used or authorized for manufacturing of excise goods in the excise warehouse, the debt obligation on excise tax payment arises as per the customs authorization products normative.

6. Loss or shortfall is ascertained as a difference between the anticipated production quantities, which is calculated based on raw materials used quantities, production process normative and coefficients of loss in production, specified in the excise warehouse authorization with the excise products quantity, declared as manufactured from the raw materials.

7. If the obligation for excise calculation and payment for tobacco products marked with banderols didn’t arise in accordance to paragraph 1. of this Article, the excise and customs warehouse authorized holder, shall pay the calculated excise on date 5 of following month in relation to the calendar month when one hundred and twenty days (120) have passed since being placed in the suspensive procedure.

8. The rules and procedures regarding the quantity shortfall or loss or excise products in the excise payment suspension system during manufacturing, warehousing and movement, registration, stock-registration of shortfalls or losses in the registration system and accounting, are determined by sublegal act from the Ministry of Finances.

9. By a sub-legal act of the Government on the proposal of the ministry responsible for finance, the rules, excise products and criteria for implementation of subparagraph 2.3 of this Article are defined.

Article 199
Other cases of excise calculation and payment

1. The obligation for calculation and excise payment rises when:

1.1. customs sells or delivers seized excise products, except the case when sells or delivers them to an authorized excise warehouse keeper or an exempt user.

1.2. the excise products in the process of economic subjects’ union are released for consumption, by derogation of cases when the consignee is the authorized excise warehouse keeper or the exempt user.

1.3. the economic subject’s unification process ended and when excise products are delivered to the newly created subject, by derogation of events when the newly created subject is the authorized excise warehouse keeper or excluded user, but not later than thirty (30) days from the date of union entry to the court registry.

1.4. the excise products in the bankruptcy proceedings are released for consumption or delivered to a creditor, unless when the authorized excise warehouse keeper or exempt user is the creditor.

Article 200
Excise calculation and payment in case of illegal action

1. The obligation on excise calculation and payment rises even when proving the:

1.1. illegal handling of excise products;

1.2. that excise products have been illegally released for consumption in the Republic of Kosovo territory, and

1.3. that the excise goods have been sent or used by an exempt user for excise or energy products for the purposes due to which he failed to receive an authorization.

2. For the purposes of this Code, the illegal action is the manufacturing, processing, warehousing, holding, delivering, import, entry, transport, using, selling, purchasing or possession of excise products over which, in accordance to provisions of this Law and other applicable laws which foresee the excise calculation and payment, is deemed to not have been calculated and paid or excise has not been calculated and paid totally.

3. Illegal action shall be deemed if person handling with the excise products cannot prove the purchase, possession and every other factual or legal possession and by circumstances of the matter, excise products are considered to have been handled illegally.

4. The obligation for excise calculation and payment as per this Article is determined by Customs' decision.

5.The person liable of paying the excise is obliged to pay the calculated excise within the period of ten (10) days from the day of decision delivery per way of paragraph 4. of this Article.

6. Illegal import is deemed to be the entry of excise products in the territory of Republic of Kosovo, where not being placed in a procedure of release to free circulation in accordance to Article 137 of this Code and on which a customs debt was incurred on the basis of paragraph 1. of Article 51 of this Code, or that would have risen, if the excise goods would be subject to customs duties.

Article 201
Implementation of regulations on determining excise amount

1. If not otherwise determined by the way of this Code, the excise amount for excise products shall be determined in accordance to the regulation on determination of excise amount that was in force on the day of excise debt has risen.

2. If the specific moment is not possible to be determined where the excise debt has risen, when determining the base on calculating the excise debt, that moment shall be when it is possible to ascertain that excise products were in such condition when the debt on them has risen.

3. If based on the known circumstances it is possible to ascertain that excise debt has risen prior to the moment mentioned in paragraph 2. of this Article, the specific excise debt sum shall be determined based on what was valuable in the earliest time which can be used to verify the existence of an excise debt based on the available data.

Article 202
Excise payment and reporting

1. The person liable for excise calculates and pays the excise in accordance to the rates determined for excise, respectively the amounts being in force on the day of appearing of the excise duty.

2. In the event of import, excise is paid in accordance by this Code, except in cases when excise payment is suspended or otherwise set out by this Code.

3. The person liable for excise is obligated to monthly calculate the excise and pay the calculated excise on fifth day of the month for the previous calendar month, unless otherwise set out by this

Code.

4. In the event of termination of approval for excise, unless in the event of opening a bankruptcy or liquidation procedure, by the excise report for excise products in the warehouse. The authorized excise goods warehouse keeper submits to Kosovo Customs the list of stocks of excise products and shall pay the excise up to the fifth day of the month for the previous calendar month, post expiry when causes to terminate the approval have occurred.

5. In the event of expiry of approval for the exempt user, by derogation of the opening of procedures for bankruptcy or liquidation, for excise products in the stock in the exempt user's warehouse until day five of the month after the month when causes to end the termination of authorization have occurred.

6. In the event of an union, or separating of economic subjects when the legal predecessor is not the holder of excise authorization, for the excise products stocks acquired by the status change, the excise shall be paid within the date five of the following month, in the month where the change of status is registered in the competent court; unless the case of submission of request as per paragraph 8 of Article 203.

7. The person liable for excise is obligated to declare the date on stocks situation, the received excise products, produced, delivered and imported, as well as the data on the calculated excise in the monthly report submitted to Customs, until date five of the month for the previous month; unless otherwise set out by this Code or by special law is not provided otherwise.

8. If the excise goods authorized warehouse keeper has more than one excise warehouse, he shall submit a summarized monthly report and in his accounting, he is obliged to keep a special registry for each warehouse with excise goods.

Article 203
Excise calculation and payment in suspension system

1. The obligation to calculate and pay the excise for excise goods shall be suspended when excise goods are within the excise suspension system, or in the event of:

1.1. the movement of excise products, including also receiving and dispatching excise products as per the terms determined by this Code.

1.2. production of excise products in the excise warehouse;

1.3. processing and performing other actions with excise products in the excise warehouse;

1.4. excise products warehousing in a warehouse or excise manufactory of an exempt user.

2. The obligation to calculate and pay the excise is deferred for imported excise goods in accordance by this Code if the products, immediately after completion of customs procedure for release in free circulation, by way of placing them in an excise warehouse or manufactory of an exempt user.

3. The overall rules of functioning of an excise warehouse and provisions on movement of excise products in the excise payment-suspension system are not applied for the excise products located in a temporary storage or for one of special procedures.

4. If the excise authorized warehouse keeper or the exempt user in bankruptcy or liquidation circumstances, ceases functioning, the excise payment is suspended for the excise products located in the excise warehouse or in the plant of an exempted user recorded in stock until they are released for consumption or sent to the creditor on the basis of a decision on the division of property, unless the creditor is the authorized keeper of the excise warehouse.

5. If the excise authorization for the excise authorized warehouse keeper and for the excise products or the authorization for the exempt user, ceases to be valid due to the unification of economic subjects, the excise shall be deferred for a period until the excise products in the warehouse or excise manufactory, respectively until they are released to free circulation. The excise payment is suspended not later than thirty (30) days from the date of union registration in the court registry as per the legislation in force.

6. After the judicial consequences appear due to opening of pre-bankruptcy and bankruptcy of a person liable for excise, by request from the organ in procedure or pre-bankruptcy and bankruptcy, Customs issue to the debtor in a threatening situation of inability to pay the pre-bankruptcy procedure, respectively the debtor in a situation of inability to pay and the situation on debts in the bankruptcy procedure, with a special licence to allow the performance of actions and disposal of excise products. When deciding to issue an authorization, Customs shall take into account the principles of protection and accomplishing the public right and economic interest.

7. Persons in the pre-bankruptcy and bankruptcy procedure may appeal against the Customs decision for request of issuing an authorization, according to paragraph 6. of this Article.

8. Customs may, in the event of status change, approve that the rights and obligations of the company holder of authorization, for the excise authorized warehouse keeper and the excise warehouse, respectively the authorization for the exempt user to pass on to the company creator if the company is not terminated, holder of which is the capital association, respectively the association, in case that company is transferred to a new holder. The request to issue an authorization is submitted to the competent customs office within fifteen (15) days from the day of registration in the registry as per legislation in force.

CHAPTER III
AUTHORIZATION FOR EXCISE WAREHOUSE AND AUTHORISED HOLDER

Article 204
General terms of functioning of the excise warehouse

1. Receiving, production, processing, maintaining, performing other activities and dispatching excise products in the excise payment-suspension system, can only be done in the excise warehouse for which the competent customs office has issued the approval for the authorized warehouse keeper for excise products, unless in cases when otherwise set out by this Code.

2. Excise approval for the excise authorized warehouse holder and the excise warehouse is issued by the customs who fulfils the following terms:

2.1. performs activities related to excise products, in accordance to the terms determined and has the residency or branch in the Republic of Kosovo;

2.2. fulfills all tax liabilities in timely manner;

2.3.the person directing the association’s works or a member of one trade association in accordance to provisions of the Law regulating the taxation procedure settles in time and totally the excise duties, tax and customs duties;

2.4. it’s not sentenced for a serious violation or repeated violations of provisions of excise regulations, tax or customs regulations in Republic of Kosovo;

2.5.the person managing the association’s business or a member of the trade association by meaning of provisions of the Law regulating the taxation procedure has not committed serious violations or repeated violations of provisions of excise, tax or customs regulations of the Republic of Kosovo;

2.6. when required by Customs, deposits an instrument of insurance of excise payment;

2.7. keeps a registry for the goods in the excise warehouse and the movement of excise products.

Article 205
Approval of excise

1. The approval of excise for an authorized holder of excise warehouse and for an excise warehouse is issued by request of a person wishing to operate in the excise payment-suspension system without having the right of transfer to another person.

2. The request from paragraph 1. of this Article contains these data: the applicant's identification data, Unique Identification Number - UIN, description of the registered activity, the type of excise goods, trade name and tariff code of the excise product, the quantity of excise goods for which the excise approval is requested, the anticipated annual production quantities and quantities of warehoused products or products for warehousing.

3. The request from paragraph 1. of this Article shall be accompanied with a documentation showing the location of the excise warehouse, the description of environments, mode of transport of excise products, description of individual production processes, including the data on equipment measuring the produced, processed, warehoused and dispatched quantity of excise products, accounting system work description, records, surveillance measures, surveillance and security elements applied in the excise warehouse.

4. Prior to issuing an excise authorization for an excise authorized warehouse holder and an excise warehouse, customs shall verify the facts and data declared accuracy in the application and annexes mentioned in paragraph 3. of this Article and shall determine a place if the terms for providing an authorization for excise warehouse are fulfilled. If ascertained that the applicant fails to fulfil the determine terms, customs shall assign a reasonable period to avoid shortcomings.

5.The authorized excise warehouse holder shall submit a new request for a later opening of each excise warehouse.

Article 206
The obligations of excise goods warehouse holder of authorization

1.The authorized excise warehouse keeper shall:

1.1. undertake all the necessary actions to ensure the safety of excise goods in the excise warehouse, supervise all the procedures, including dispatching and receiving excise goods;

1.2. determine and report to the competent customs office every shortfall or loss of excise goods;

1.3. check if there is any discrepancy in the excise warehouse functioning;

1.4. ensure conditions for control and supervision maintenance;

1.5. shall keep records of stocks of excise products as per category and type of product with excise, tradename and tariff code from the Combined Nomenclature - CN, records on excise products quantities manufactured, raw material on stock records, raw material in production records-processing, records on excise products movement for each excise warehouse as well as the competent office as per request shall submit the daily account of excise goods in a monthly and annual report;

1.6. post completion of movement, insert them in their excise warehouse and register in books all excise products accepted from the excise payment suspension system;

1.7. informs the customs for every change in information specified in the excise authorization of the authorized holder;

1.8. require from the customs office to modify the excise authorization in case of status change.

2. If Customs comes to the ascertainment that the excise authorized warehouse keeper doesn't fulfil or didn't fulfil the obligations set out in paragraph 1. of this Article, schedules a period within which the ascertained irregularities shall be eliminated and depending on circumstances other actions shall be taken in accordance to provisions of this Code.

Article 207
Revocation of excise authorization

1. Excise approval will be revoked:

1.1. when excise authorized warehouse keeper – natural person dies; or

1.2. when the legal person ceases to exist, or

1.3. on the request of authorised operator;

2. On the revocation of excise approval decision shall be taken.

3. Customs revokes the excise authorization for the excise warehouse if the excise warehouse holder:

3.1. ceases to fulfil the specific excise authorization terms;

3.2. fails to provide appropriate control system on stocks condition and fails to draft lists within periods determined in the excise authorization;

3.3. fails to submit the proper insurance instrument for excise payment or doesn't submit the amount that might insure payment of excise debt;

3.4. doesn't eliminate the irregularities within the period specified by Customs; or

3.5. reasons and terms cease to exist, based on which the excise authorization is issued.

4. After revocation of excise warehouse authorization, Customs ensures as in the following:

4.1. that all the customs obligations for excise goods located in the excise warehouse are redeemed;

4.2. the machineries and other equipment used for manufacturing excise products, raw materials, auxiliary materials and other excise products are transferred to another excise warehouse authorization by Customs or another permitted customs treatment is provided as per this Code.

5. The revocation procedure of excise warehouse authorization, raw materials treatment, auxiliary materials, other excise products, machineries and other equipment is determined by a sublegal act

from the relevant Minister of Finances.

Article 208
Excise payment insurance

1. The excise authorized warehouse keeper is obliged to deposit a guarantee instrument for excise to Kosovo Customs in order to pay off the possible excise debt for the excise products, which are in the excise payment-suspension system in accordance to provisions of this Code.

2. Payment of the guarantee instrument for excise shall not be required by the state administration organ for movements starting and ending in the territory of Republic of Kosovo.

3. The amount of the guarantee instrument for excise payment for excise goods dispatched from one excise warehouse in the excise suspension system will be determined by Customs depending on the amount of the possible excise debt.

4. If Customs requires depositing a guarantee for excise payment for production and maintaining of excise goods in the excise warehouse in the excise suspension system, will be determined by the customs depending on the amount of the possible excise debt in the taxation period.

5. Customs may determine the amount of the excise payment-guarantee instrument may be lower than the amount determined as per paragraphs 3. and 4. of this Article.

6. The excise authorized warehouse keeper of excise goods, who has more than one excise warehouse, may deposit a guarantee instrument for excise payment that serves for all the excise warehouses.

7. The excise payment guarantee is not required for excise products for which the excise amount is zero (0) euros, which are produced, maintained and relocated to the suspension system in the territory of Republic of Kosovo.

8. In the event of revocation of excise authorization, the guarantee instrument for excise payment, may be released or issued only after such excise payment is completed for excise goods in the warehouse and products for which payment obligation has risen prior to expiry of excise or when excise payment obligation can no further rise.

9. The way of functioning of excise warehouses in relation to import, manufacturing and storing of excise goods, the content and annexes that might be presented by request for issuing an excise authorization, the way of deposition and type of insurance instrument and amount for excise payment and the content and way of keeping record, are determined by sublegal act from the relevant Minister of Finances.

CHAPTER IV
AUTHORISATION FOR EXEMPTED USER

Article 209
General rules of work of the exempt user

1. The exempt user is supplied with excise goods without paying the excise, with the purpose of manufacturing goods without excise within its registered activity, based on Customs authorization.

2. The approval from paragraph 1. of this Article may be required from person, when he fulfils the following terms:

2.1. performs an activity in accordance to the determined terms for which uses excise products from paragraph 1. of Article 225 of this Code, and has the residency in the Republic of Kosovo;

2.2. pays off the excise duties, tax and customs duties in time and fully;

2.3. the person who manages the association's works or a member of one association by meaning of provisions of the Law, pays off in time and totally the excise, tax and customs duties;

2.4. it's not sentenced for a serious violation or repeated violations of provisions of regulations for excise, tax or customs in the Republic of Kosovo;

2.5. the person who manages the association's works or a member of one association by meaning of provisions of the Law has not committed a serious violation or repeated violations of regulations for excise, tax or customs in the Republic of Kosovo;

2.6. if requested by Customs prior to issuing the authorization, an insurance instrument shall be deposited for excise payment in the amount determined for the possible excise debt in the tax period.

3. Except the terms from paragraph 2. of this Article, the following terms have to be fulfilled too:

3.1. that the production space, warehousing or other space for warehousing excise products is organized and equipped in such way that enables the maintaining and safe using of supplied excise products and accurate measurement of these products stocks;

3.2. that the products accounting ensures an exact review of excise products consumption and the stocks situation of products for manufacturing of which the excise products are used.

Article 210
Issuing an authorization for an exempt user

1. The authorization according to this in Article is issued to the exempt user by the customs as per request.

2. The authorization is issued on the applicant's behalf without a right of transfer to another person.

3. In the approval, the customs office shall determine the categories and types and quantities of excise goods that may be supplied without excise payment for the purposes specified in a specific period not later than twelve (12) months as well as the space or surface to accommodate the excise goods and the purpose of using excise goods. The quantities are determined as per manufacturing capacities and as per the period for which the authorization is issued.

4. Changes in approved quantities determined by the authorization mentioned in paragraph 3. of this Article may be approved based on the later application.

Article 211
Obligations of the exempt user

1. The exempt user shall:

1.1. maintain notes on supply, production and consumption of excise products as per category and type of excise product, CN code, quantity and as per the request, a report on stocks of excise products having been supplied without excise payment to be delivered to the customs office;

1.2. notify the Customs on every modification in the information specified in authorization;

1.3. ensure terms for supervision and progress without impediments.

Article 212
Authorization revocation

1. Revocation of authorization occurs when:

1.1. the exempt user – natural person dies; or

1.2. the legal person ceases to exist; or

1.3. at the request of the authorized operator.

2. A decision is taken for authorization revocation.

3. Customs shall revoke the authorization, especially if the exempt user:

3.1. fails to fulfil the terms determined in authorization; or

3.2. does not provide an appropriate system of stock control; or

3.3. does not eliminate the irregularities within the period specified by Customs; or

3.4. doesn't present the appropriate instrument for excise payment guarantee or does not present it in that quantity that might guarantee the payment of excise debt.

3.5. reasons and terms cease to exist, based on which the authorization is issued.

4. After authorization revocation the user exempt by Customs shall ensure as in the following:

4.1. that all the customs obligations for excise goods located in the exempt users' manufactory are redeemed;

4.2. raw materials, auxiliary materials and other excise products are transferred to another authorized user by Customs or another customs permitted treatment is given as per this code;

5. The contents and annexes that shall be submitted along with the request for issuing an authorization, as well as the contents and way of keeping records and procedure of revocating the exempt user's authorization, raw materials treatment, auxiliary materials, other excise products of another exempt user, are determined by sublegal act from the Minister of Finances.

CHAPTER V
RECORDS AND APPLICATION FOR EXCISE LIABLE REGISTER

Article 213
The records kept by the person liable for excise

1. The person liable for excise shall keep a record in order to ensure all the necessary information for calculating and excise payment, depending on the status of the person liable for excise and especially information about:

1.1. the quantities of excise goods produced;

1.2. the quantities of excise products in production, warehouse or other business facilities;

1.3. the raw material quantities and excise products received in the excise warehouse or in the exempted user’s manufactory;

1.4. the quantity of products issued for consumption for which a duty has risen for excise calculation and payment as per the amounts and heights determined;

1.5. the delivered quantities of excise goods exempt from payment;

1.6. the quantities of excise goods for own consumption within the warehouse;

1.7. the quantities of excise goods in the excise payment-suspension system;

1.8. the quantities of excise goods for which the obligation for excise payment has ceased;

1.9. the amount of calculated and paid excise;

1.10. the quantities of excise goods delivered for which excise is paid;

1.11. the quantities of excise goods dispatched for export;

1.12. the quantities for imported excise goods and the calculated and paid excise;

1.13. individual authorized production processes and production normative;

1.14. raw material movement and excise goods in the excise warehouse and in the exempt authorized user’s manufactory.

2. The records contents on individual statuses of person liable for excise is determined by sublegal act from relevant Minister of Finances.

Article 214
Application for registration in the person liable for excise registry

1. Every person handling with excise products shall submit a request in the Customs, deposit an application for registration in the person liable for excise registry, no later than eight (8) days prior to the beginning of registration activities or any other event that includes actions with excise within the meaning of this Code.

2. The provision of paragraph 1. of this Article doesn’t apply for persons which procure excise products as per the Law issued for the reason of consumption in the Republic of Kosovo territory and continue selling in the Republic of Kosovo territory, respectively dispatching for export.

3. Persons from paragraph 1. of this Article are obliged to report to Customs Administration every modification on data specified in the application for registration in the person liable for excise registry, as well as discontinuation of activities due to reasons for which they are registered in the person liable for excise registry, within eight (8) days of creating that modification, respectively from the date of being aware about the committed modification.

4. If the person liable for excise ceases practicing the activity, Customs, by request from the person liable for excise or as per official duty, shall delete the person liable for excise from the register for persons liable for excise.

5. Customs shall create and maintain an official record or registered persons liable for excise.

6. Request from paragraph 1. of this Article shall be deemed approved if the Customs, within eight (8) days from the date of receiving the request, does not issue a decision for registration in the persons liable for excise registry.

7. On the refusal for registration in the persons liable for excise registry, a decision is taken.

8. The contents, annexes that shall be submitted along with the request for registration in the persons liable for excise registry as well as the way of registration is determined by sublegal act from the Minister of Finances.

CHAPTER VI
EXEMPTIONS FROM EXCISE

Article 215
Exemption from excise payment

1. Excise shall be exempted from excise goods payment if they are destined:

1.1. in the context of consular and diplomatic missions and special missions accredited in Republic of Kosovo by condition of reciprocity, by derogation of consular missions chaired by honored consular officials;

1.2. in the context of personal needs of the foreign diplomatic and consular and special missions personnel accredited in the Republic of Kosovo;

1.3. for the needs of international organizations, when this is determined by the way of international agreements that apply for Republic of Kosovo;

1.4. for person needs of foreign personnel of international organizations, when this is defined by international agreement which is applied in Republic of Kosovo as well;

1.5. for consumption in accordance to the international agreement concluded by Republic of Kosovo with other countries or international organization, if that agreement for supply with excise products provides for exclusion from value added tax.

1.6. for the needs of armed forces of any other country member of the North Atlantic Treaty Organization, except the member state where the obligation has risen to calculate the excise and the needs of accompanying civilian personnel or for the supplies of their messes and canteens;

1.7. for religious communities determined in accordance to regulations in force, fulfilling same conditions for relief pursuant to Article 481 of this Code.

2. If in accordance with an international agreement, which provides for profiting an exemption only by the means of reciprocity term, fulfilment of reciprocity terms shall be confirmed by the responsible foreign affairs ministry.

3. The exemption from excise from subparagraph 1.2. and 1.4. of this Article cannot be realized by Republic of Kosovo citizens or foreign citizens with habitual residence in the Republic of Kosovo.

4. The excise products for which the excise payment is not performed in accordance to paragraph 1. of this Article cannot be altered without prior notification to Kosovo Customs and without excise payment.

5. In addition to the exemptions provided by this Law and other legislation in force, the Government

by decision may exempt other entities from the payment of excise and provides for the supervision of the exemption.

6. Procedures on implementing this Article regarding the exemption from tax payments for diplomatic and consular missions, consulates, international organizations, religious communities and other subjects as well as their supervision, are determined by a sublegal act from the Minister of Finances.

Article 216
Exemptions from excise payment

1. Excise is not paid for excise goods:

1.1. supplied for sale on board of aircrafts during flights to third countries;

1.2. supplied for sale in the selling points of excise warehouses, in particular customs warehouses at airports opened for international passengers traffic who travel to other countries, by presenting the boarding pass.

2. Relief as per value and quantity of imported goods by Article 374, 377, 393, 394, 462, 463, 464, 465 and 466 of this Code apply accordingly also for excise tax payment exemptions.

Article 217
Exemption from excise payment for the excise authorized warehouse keeper and exempt user

1. The excise authorized warehouse keeper and the exempt user from excise payment for excise products:

1.1. which are used as samples for analysis, for production needs or scientific purposes;

1.2. which are used for control of quality;

1.3. that are used for the purposes of excise control;

1.4. that are destroyed under customs supervision;

1.5. for the losses or absences determined for excise products by way paragraphs 2., 3. and 4. of Article 198, recognized by Customs;

2. Rules to submit the declaration of destruction under customs supervision and way of verification of release from excise payment as per this Article, are determined by a sublegal act from the Minister of Finances.

Article 218
Reimbursement of paid excise

1. The right to paid excise reimbursement is for:

1.1. excise goods manufacturers who used the excise goods on which excise was paid, to manufacture new excise goods;

1.2. exporter who exports excise goods in unchanged condition for which the excise duty has been paid, within a period of three (3) years from the date when it was paid, except for exports for destruction;

1.3. exempt user who used excise or energy products for which excise was paid for the purposes mentioned in paragraph 1. of Article 225, and paragraph 2. and 3. of Article 228 of this Code;

1.4. the person liable for excise for excise goods rendered unusable due to the changes in special regulation and which are destroyed under customs supervision;

2. The contents and annexes of the request for paid excise reimbursement, as well as necessary proofs for obtaining the reimbursement as per this Article, are determined by a sublegal act from the Minister of Finances.

CHAPTER VII
MOVEMENT OF EXCISE PRODUCTS GOODS UNDER SUSPENSION OF EXCISE DUTY

Article 219
Movement of excise products

1. The movement of excise goods in the excise suspension system in the territory of Republic of Kosovo is considered the movement initiated and ended in the Republic of Kosovo, including the movement throughout the territory of another country.

2. Excise products move in the excise payment-suspension system when:

2.1. sent from an excise warehouse to another excise warehouse;

2.2. sent from the excise warehouse in the exempt user's facility and from the exempt user's facility to the excise warehouse with prior consent by Customs;

2.3. sent from the excise warehouse for export;

2.4. after completion of customs procedures for releasing goods to free circulation, they are brought to the excise warehouse or the exempt user's facility.

3. Movement of excise goods in the excise payment-suspension system from paragraph 1. of this Article, starts when excise goods are sent from the excise warehouse, respectively immediately after the customs procedure for releasing the goods to free circulation are sent to an excise warehouse or another exempt user's facility.

4. Movement of excise goods in the excise payment-suspension system from paragraph 1. of this Article ends when the recipient receives excise goods or when excise goods depart from the customs territory of Republic of Kosovo.

5. Provisions of this Article apply for the movement of excise goods in the excise payment-suspension system as well, the excise amount of which is zero (0) EUR.

Article 220
The accompanying excise document

1. The movement of excise products in the excise suspension system is allowed only when possessing an accompanying excise document – AED, which proves the types and quantities specified from excise products moving in the excise payment-suspension system, unless when otherwise set out by this Code.

2. During movement of excise products in the excise payment-suspension system, the consignor – authorized excise warehouse keeper, is obliged no later than the day of departure to send an AED in the determined form of five (5) copies, of which:

2.1. first copy is kept by the consignor;

2.2. second copy is held by the consignee;

2.3. third copy verified by Customs is sent back to the consignor by the consignee;

2.4. forth copy for the competent Customs office of the recipient;

2.5. fifth copy for the competent Customs office of the consignor.

3. Recipient of excise goods shall confirm to the consignor the excise products reception with AED verification, which shall return to the consignor no later than five (5) days from the date of receiving excise products.

4. The consignor who does not receive the verified copy of AED shall notify the competent Kosovo Customs office no later than the tenth day after the delivery, which will determine the obligation on excise calculation and payment in accordance to this Code.

5. Customs office confirms the export of excise products from the customs territory of Republic of Kosovo by AED verification.

6. By derogation from paragraph 1. of this Article, if after the completion of customs procedure for releasing the excise products to free circulation, the excise products enter the excise warehouse or the exempt user's facility, the movement of excise products in the excise payment-suspension system, is permitted with a copy of customs declaration based on which the excise goods are released to free circulation. The recipient verifies the reception of excise goods by verifying the copy of the customs declaration, which he returns to the competent office where import clearance is done within five (5) days from the day of entry in the excise warehouse or the exempt user's facility.

7. By way of derogation from paragraph 1. of this Article, when excise goods are transferred from excise warehouse to customs warehouse, the circulation of excise goods is permitted with common commercial document.

8. The form and content of AED is determined by a sublegal act from the Minister of Finances

Article 221
Simplified procedure

1. Simplified procedure is a procedure especially approved by Customs where circulation of excise goods in the excise payment-suspension system is permitted with common commercial documents.

2. When movement of excise goods in the excise payment suspension system is done between the excise warehouse of the same authorized holder, then a simplified procedure may be allowed.

CHAPTER VIII
MARKING, COLOURING AND USE OF OIL FUELS

Article 222
Marking and colouring of oil fuels

1. The diesel fuel used for the purposes for which the excise value is decreased or exempt from excise payment prior to delivering from the excise warehouse, shall be marked with a specified and coloured indicator.

2. The diesel fuel used for the purposes for which the excise value is decreased and which is

imported in the customs procedure of release to free circulation in the territory of Republic of Kosovo shall be deemed marked appropriately if accompanied with a certificate from a foreign supplier for the type and quantity of the marker, for indicating in the other country, by proving that marking is done in accordance to paragraph 1. of this Article.

3. If a certificate is not submitted during import or not verified in any other way that the diesel fuel which is used for purposes for which the excise value is decreased, has been marked appropriately, shall be deemed a diesel where the entire specified amount of the excise tax will be calculated.

4. The diesel fuel used for the purposes for which the excise value is decreased shall be deposited in such manner as to ensure that other products do not have an impact on neutralizing the labelling means.

5. The marking is done only in the excise warehouse by the authorized warehouse keeper, who is authorized in the authorization for the authorized excise warehouse keeper and for the excise warehouse the diesel fuel labelling is approved which is used for the purposes for which the excise value is decreased and that in the excise warehouse possesses appropriate means for dosage, mixing or equipment (manufactory, means) similar with the assistance of which the described labelling is insured.

6. When diesel fuel used for the purposes for which the excise value is decreased is not properly marked or when equipment don't provide the determined marking, Kosovo Customs shall revoke the approved action in authorisation for the diesel fuel marking.

7. The chemical marking, the method and procedure for marking diesel fuel is determined by a sublegal act from the Minister of Finances.

Article 223
Using diesel fuel marked and coloured

1. The diesel fuel which is used for the purposes for which the excise rate is reduced or exempted from excise shall be used and sold exclusively for the purpose determined by this code and other laws in force that describe excise tax and cannot be in vehicle reservoirs, motors or other machineries, nor use them for their motions, by way of exclusion in the event when question is about special motor vehicles, precisely defined, motorcycles or other machineries described by this Code and other laws in force.

2. Removing the means for marking the diesel fuel is not permitted, decreasing their concentration or adding substances that render impossible the definition of the described labelling.

3. Every action contrary to provisions of this Article is deemed as illegal in view of this Code.

Article 224
Supervision of use and sale of diesel fuel for the purposes for which the excise value is decreased

1. If during inspection of motor vehicles, motorcycles or other machineries comes to the ascertainment that diesel fuel used for the purposes for which the excise value is decreased are used for purposes different than the ones determined by this Law and other laws in force that set out the excise tax, the owner of the motor vehicle, other motors or vehicles, then excise shall be calculated on the quantities corresponding with the fuel reservoir volume as per the excise value specified for diesel fuel.

2. Customs officer shall order the person acting illegally with paragraph 1. of this Article, within the period of five (5) days from the day when inspection is performed or for a longer period specified by the official depending on case circumstances, to discharge the diesel fuel which is an object of illegal

handling and cleaning of fuel reservoirs and shall submit a written statement to Customs.

3. The discharge expenses of the diesel fuel used for the purposes for which the excise value is decreased and cleaning of reservoirs will be borne by the person who illegally performed.

4. The diesel fuel used for the purposes for which the excise value is decreased, is considered as diesel if it contains the indicator mentioned in Article 222 in every concentration and regardless of colour.

5. If the person acting illegally fails to comply with instructions from paragraph 1., 2., 3. and 4. of this Article, Customs may undertake all the measures, including seizure of motor vehicle of another machinery or motor where the fuel reservoir contain diesel fuel used for the purposes for which the excise amount is decreased, which is object of the illegal acting, then the Customs shall take the measures from this paragraph by decision.

6. Customs by decision shall seize the motor vehicle, the sailing means, the floatation or machine or other motor where a fuel reservoir is installed or used and which cannot be considered as standard in the meaning of this Law and without being attested by the competent organ or if modified for misusing the diesel fuel used for the purposes for which the excise value is decreased or to avoid the control on using the intended use of diesel fuel used for the purposes for which the excise value is decreased.

7. The tools and means from paragraphs 5. and 6. of this Article will be seized even when they are not property of the person who acted illegally. The seizure of tools and means from paragraphs 5. and 6. of this Article does not violate the third parties rights for compensation by the person whose tools and means have been seized.

8. If the danger exists that the ordered person by the authorized customs officer to discharge the diesel fuel used for the purposes for which the excise value is decreased which is object of illegal handling and cleaning of fuel reservoirs, will evade the order to be executed, the Customs may, if in proportion with the purpose they are aiming to achieve, by decision to temporarily hold the use of motor vehicles, floating means and floatation's for various purposes, except for the execution of the order. The decision is taken by sealing the motor vehicles or another appropriate manner.

9. In order to determine the legitimacy and intended use of diesel fuel used for the purposes for which the excise value is decreased, the Customs is authorized to monitor and verify if the user fulfils the terms to perform his rights on using them. While performing inspections, authorized customs officials may inspect the agricultural land, enter and inspect business and manufacturing facilities, inspect equipment, machineries, motors, means of transport, sailing boats, sailing tools, goods, cultures, plantations, business documents and other items at the users being supervised.

CHAPTER IX
EXEMPTION FOR ALCOHOL, ALCOHOLIC BEVERAGES AND ENERGETIC PRODUCTS

Article 225
Exemption from excise payment for alcohol and alcoholic beverages

1. Excise for alcohol and alcoholic beverages shall not be paid when:

1.1. denatured alcohol, which means ethylic alcohol, which is completely denatured by agents/denaturing, means described in the Republic of Kosovo as per legislation in force;

1.2. imported denatured alcohol in Republic of Kosovo provided that is completely denatured by denaturing means described in Republic of Kosovo as per legislation in force;

1.3. denatured ethylic alcohol is used in manufacturing of non-food products, integral part of which is or will be used to maintain and clean equipment for production of these non-food products;

1.4. used for production of medical products for human consumption determined by the regulation that regulates the testing and placement into market procedure, production, labelling, classification, circulation, quality control, advertisement, Kosovo market supply with medical products and control, research medicinal products, active and auxiliary substances;

1.5. used for production of vinegar that enters into CN 2209;

1.6. used for direct manufacturing or as integral part of a semi-ready product for manufacturing of food products, filled or another form, provided that the alcoholic strength doesn't exceed eight point five (8.5) litres of clean alcohol per one hundred (100) kg of chocolate product and five (5) litres of clean alcohol per one hundred (100) kg of other products.

1.7. used for manufacturing of aromatics for preparation of food products and non-alcoholic beverages with an alcoholic strength in volume that does not exceed 1.2% of vol;

1.8. used in the manufacturing processes provided, the final products does not contain alcohol;

1.9. for conservation of preparations and fruit juicing;

1.10. used for medical purposes in hospitals, family medical centres and pharmacies;

1.11. used for scientific research or educational needs in faculties, institutes and other scientific institutions using alcohol to perform educational and science activities;

1.12. used in production of food additives containing ethylic alcohol, if the package unit issued for consumption doesn't exceed zero point fifteen (0,15) litres and these food additives are placed in the market in accordance to regulation describing the terms that need to be completed by food additives as far as it concerns the composition, labelling and market placement.

1.13. used in production of medicinal-veterinary products determined by the regulation that regulates the testing and market placement procedure, production, labelling, wholesale and retail, pharma vigilance, quality control, advertisement and oversight of medicinal and veterinary products to guarantee their quality, invulnerability and effectiveness, as well as products for health safety for animals and consequently human health safety from the remnants of medicinal veterinary products in foods with animal origin and in animal foods.

2. By derogation from, excise payment for the purchased alcohol for the purposes of paragraph 1. of this Article is accomplished with previously obtaining the approval/authorization for exempt user in accordance to Article 209.

3. Exemption from excise payment for the alcohol containing in finished products mentioned in sub-paragraph 1.1. to 1.3. of this Article will apply equally for the imports from other countries.

4. The procedure of dispatching alcohol and alcoholic beverages to the exempt user, is determined by a legal act from the Minister of Finances.

Article 226
Denatured alcohol

1. The denatured alcohol, in view of this Code, is deemed the alcohol, which is in the process of

production contaminated by means described in specific quantities, in order that further processing is rendered to not easily remove the denaturants, which means the food category alcohol cannot be produced.

2. Denaturing of alcohol can occur only in the manufacturer's excise warehouse having the approval from Customs for alcohol denaturing.

3. The excise authorized warehouse keeper – denatured alcohol manufacturer shall keep a record on denaturing where it shall show the alcohol quantity and the quantity of means described which he has used for the denaturing, the quantity of denatured alcohol produced and dispatched expressed in litres of clean alcohol and the record of buyers/clients.

4. The excise warehouse where alcohol denaturing shall take place shall be equipped with equipment insuring the alcohol denaturing with determined means and specified manner.

5. The components for alcohol denaturing imported in Republic of Kosovo or manufactured in Republic of Kosovo, are determined by a legal act from the Minister of Finances.

Article 227
Energetic products

1. In view of this Code, the following products are considered as energetics:

1.1. classified in CN codes 15 07 up 15 18, when destined to be used as fuels;

1.2. classified in CN codes 27 01, 27 02 and 27 04 up to 27 15;

1.3. classified in CN code 29 01 and 29 02;

1.4. classified in CN code 29 05 11 00, non-synthetic origin, when destined to be used as fuels;

1.5. classified in CN code 34 03;

1.6. classified in CN code 38 11;

1.7. classified in CN code 38 17;

1.8. classified in CN code 38 26 00, when destined to be used as fuels.

2. Energetic products are also considered the following:

2.1. other products for consumer purposes, placed in retail sale or used as fuels for motors;

2.2. additive or filler for motors fuel, if declared as such;

2.3. other hydrocarburs placed in retail sale or used for heating fuel, excluding turf or biomass. The biomass includes a fraction of one product, which may bio-degrade, remnants from agriculture, including substances with plant or animal origin, from forestry and industries related to them, as well as biodegradable industrial and urban remnants.

3. Each product determined in paragraph 2. of this Article and every other product, used as substitute, filler or additive for heating fuel or motor fuel, is subject to excise payment, as per the same excise norm and based on same terms, as for heating fuel or motor fuel, which has substituted, filled or added.

Article 228
Exemption from excise payment of energetic products

1. The excise is not paid for energetics which are charged with excise tax as per legislation in force which are used as fuel for air transport, except for private flights;

1.1. private flights are considered using an airplane from the owner or natural or legal person based on a contract for rent or other reasons which might classify as commercial and especially different from the passengers' transport or goods transport or compensatory services or for the needs of public authorities.

2. Energy products used for purposes other than as motor fuel or as heating fuels.

2.1. energy products have dual use when are used both as heating fuel and for purposes other than as motor fuel and heating fuel and use of energy products for chemical reduction, in electrolytic and metallurgical processes.

3. Energy products used in mineralogical processes.

4. Exemption from excise of energetics supplied for purposes mentioned in paragraph 2. and 3. of this Article will be accomplished by preliminarily obtaining prior authorization for exempt user after adequately fulfilling the conditions provided in Article 209 of this Code for exempted users.

5. The conditions and criteria for the implementation of this Article regarding the exemption from excise, the quantity, customs supervision, form and content of the authorization, are determined by a sub-legal act of the Minister of Finance.

CHAPTER X
SUPERVISION PROCEDURE, ENSURING THE COLLECTION OF EXCISE AND PLACEMENT OF FISCAL BANDEROLS

Article 229
Supervision procedure

1. The supervision on implementation of provisions of this Code and regulations promulgated based on it shall be implemented by Customs.

2. Supervision is performed especially on production of taxable items, excise calculation and payment, stock registering, intended use, deliveries, receptions, possessions and movement of taxable items and keeping of notes.

3. Customs may control the commercial registers, accounting, technological and other registers, documents and data, which have to with the business of person liable for excise or other persons liable for excise payment, persons possessing or trading taxable items and every other person engaged directly or indirectly in the business or other ways involved in handling tax objects.

4. Customs shall perform the supervision from paragraphs 1., 2. and 3. of this Article by implementing provisions of this Code and other legislation in force.

5. In order to determine the calculation and excise payment accuracy, Customs may perform inspections in objects for sale, stores, warehouses and other facilities and places where sale, warehousing and holding of products is subjected to this Code.

6. If during control comes to the ascertainment that person liable for excise or the person liable for excise payment doesn't keep notes determined by this Law or golds them irregularly and due to

this reason excise is impossible for determination, Customs shall order the list of all taxable items located within the control space.

7. Customs by decision may temporarily ban the person liable for excise or person liable for excise payment to perform further activities if:

7.1. they do not calculate, or wrongly calculate or do not pay the excise;

7.2. there is no document for the produced, received, dispatched, delivered and sold taxable items;

7.3. doesn't hold notes as defined; holds the notes incompletely or fails to submit the defined reports;

7.4. doesn't possess or does not provide access to the documentation for excise payment liability and for the paid excise, as well as other relevant tax-judiciary business documents and financial documents.

8. The decision from paragraph 7. of this Article will be executed by sealing with customs seals the business facilities, warehouses, and manufactories, parts of manufactories, machineries, other equipment or facilities and by disabling them to use the manufactories, equipment and others for work or other appropriate ways.

9. The ban from paragraph 7. of this Article will continue until reasons for which the imposed the ban, are removed.

10. If even after six (6) months from the date of decision execution from paragraph 7. of this Article the reasons for what the temporary ban is imposed are not removed for further activities, Kosovo Customs may seize and sell the taxable items.

11. In the event from paragraph 8. of this Article, Kosovo Customs by decision will delete from the persons liable for excise registry or persons liable for excise payment from the persons liable for excise registry. Re-registration in the registry for persons liable for excise is possible at the moment of submitting the request for registration the applicant doesn't register the paid debts from public profits and if reasons from Article 7. of this Article cease to exist.

12. Customs by decision shall temporarily ban the legal or natural person from further activities if in case:

12.1. they do not allow or obstructs the application of customs or excise control;

12.2. manufactures, operates or performs activities with excise products in the territory of Republic of Kosovo without registration in court or other certain registry and/or without registration in the persons liable for excise registry and/or without appropriate approval/ authorization in accordance to provisions of this Code;

12.3. undertakes actions that have the characteristics of misusing the rights in movement or destruction of taxable items;

12.4. sells, purchases, holds/deposits, manufactures, possesses or has excise products in the territory of Republic of Kosovo or another way possesses excise products contrary to the terms determined by this Code;

12.5. advertises/publishes or offers excise products, trading of which is not permitted as per provisions of this Code and/or advertises/publishes trade intermediation or possession of other excise products contrary to the terms determined by the Code.

13. Decision from paragraph 12. of this Article shall be executed by proper application of paragraph 8. of this Article and temporary sequestration of taxable items, equipment and other devices for manufacturing, processing, transport, sale, advertisement and holding of taxable items, for which the authorized customs officers obligated to issue a certificate.

14. The ban from paragraph 12. of this Article continues until the causes for which the ban was imposed cease to exist and at least thirty (30) days from the date of decision being issued.

15. In the event of cases mentioned in paragraph 12. of this Article, comes to the ascertainment that illegal action or commitment of activities, Kosovo Customs for appropriate regulation of action and if in proportion with the intended purpose, may seize and sell or destroy the taxable items, machineries and other equipment for manufacturing, processing, transport, sale, advertisement and maintenance.

16. In the events mentioned in paragraph 7. of this Article, Customs, if in proportion with the purpose having to be achieved, may order to remove the identified irregularities with supervision and appoint an appropriate period within which the irregularities will be corrected.

Article 230
Documentation storage and samples taking for analysis and testing

1. For the effect of supervision, the person liable for excise is obliged to store the invoices issued and received, accompanying excise documents, customs declarations, documents based on which he profited exemption from excise payment, reports and all other accounting documents having to do with any way of production, storage, import and export of excise products and other products that are subject to this Code and other laws in force by which taxation and excise products calculation is described, which are important for excise calculation and payment, within a six years (6) period after the ending of the year with what year these documents have to do.

2. In the process of verifying relevant tax facts, Customs may inspect the excise products and other products subject to this Code and other laws in force regulating the taxation on excise products, may take samples for analysis and other suitable testing and may require from the person liable for excise and other individuals where these products are found, to submit invoices, waybills, delivery forms, accompanying documents, commercial documents, trade, official and other evidences necessary for accurate and complete verification of facts in the supervision procedure.

3. The regulation of sample collection, transport, analysis and cost of sample collection is determined by sub legal act of the relevant Minister of Finance.

Article 231
Abusing the movement or disposal of excise products

1. By way of misusing the right to move or dispose excise goods means every action of persons that are involved in any way directly or indirectly in movement or disposal of excise goods with intention to:

> 1.1. conceal the real purpose, destination or actual base of movement or disposal of excise goods;
>
> 1.2. evasion of excise payment or other public profits, including creating conditions to evade the excise payment or other public profits;

2. Persons who in any way are involved directly or indirectly in movement or possession of excise goods will be deemed to abuse with their right to move or possess excise goods, if they:

> 2.1. enter in fictitious legal transactions or transactions in appearance related to the movement

or possession of excise products or take part in bonding/closing or execution of those legal transactions of every capacity.

2.2. organize fictitious deliveries, receptions, movement or fictitious possessions of excise products or take part directly or indirectly;

2.3. misuse the movement of excise goods to present fictitious movement or possession;

2.4. participate directly or indirectly in falsifying business, transport or other documents related to the movement or possession of excise products or using these falsified documents;

2.5. unauthorized or arbitrary use of data from other legal or natural persons with the purpose of committing or creating conditions to commit actions, treatments, movement or possession of excise products;

2.6. by abusing the trust, fraudulent actions, false or deceptive, committing actions, treatments, movements or possessions of excise products or creating conditions for such actions, treatments, movements or possessions.

3. Possession of excise products within the meaning of this Article will be deemed every factual or legal possession, including exclusively commitment of financial transactions or actions that involve exemption, certificate or verification or every document for accounting maintenance or accounting, contracts binding or participation, respectively issuing transport contracts or other documents in capacity of consignee, consignor, intermediator, transporter, recipient or dispatcher.

4. If the base to determine the obligation for excise calculation and payment is misusing the rights for movement or possession of excise products and if existence of a fictitious legal transaction is ascertained or unfair, respectively delivery, reception, movement or fictitious possession of excise products. Every person that directly or indirectly takes part in misusing the rights in relation to or execution of fictitious legal transaction or unfair or delivery, reception, movement or fictitious possession of excise products, is responsible as payment warrantor for excise payment.

5. Every person who results by objective circumstances of being aware or should have been aware that his actions or failure to take right measures, participates in misusing the rights of movement or disposal with excise products, is responsible by guarantee for excise payment born/created.

6. Every person on whom from objective circumstances it results that they were aware or should have been aware of their actions or inactions to properly undertake measures, takes part in misusing the right of movement or possession of excise products, they are responsible as payment warrantor for the excise payment that have risen.

7. If the base to determine the obligation for excise calculation and payment is misusing the rights to movement or possession of excise goods, the member of trade associations and persons managing the association's works cannot invoke that based on the Law they are not responsible for association's obligations and such persons are personally responsible for the excise debt, jointly and individually with their entire assets.

8. The person that benefits from other persons acting as his/her administrator is also personally responsible, jointly and individually for the excise debt with his/her entire assets, in order that somebody else shall act as member of association, but this is performed by order and instructions of that person.

9. The Customs will use all the evidence to verify the important facts for taxation in the process of determining the misuse of rights on movement or possession of excise products, by including information collected in accordance to regulations regulating the administrative cooperation and exchange of information with other countries.

Article 232
Ensuring the collection of excise by seizure of items and means

1. If risk exists on possessing property, agreement with third parties or otherwise will hinder or significantly impede excise collection, or if other circumstances show that excise collection may be insecure, Customs may ensure collection and if in proportion with the purpose that needs to be achieved, shall seize all the items and means destined or used in illegal handling and items that result in illegal actions, including sequestration and selling motor vehicles, other motors or machineries subjected to inspection or verification in accordance to provisions of this Code.

2. The existence of risk from paragraph 1. of this Article is especially considered a circumstance:

2.1. if the person liable for excise or person liable for excise payment is a person with grievous violation or repeated violations of excise, tax or customs regulations provisions;

2.2. if due to the amount of excise debt, it is rightly expected that collection will become more difficult;

2.3. if the person liable for excise or person liable for excise payment is a person who has no funds or other assets to ensure the collection of excise debt or a person whose financial capacity doesn't provide for sufficient guarantee for the excise debt collection;

2.4. if the person liable for excise or the person liable for excise payment is a person who does not reside or permanently reside in the Republic of Kosovo; or

2.5. if the person liable for excise or person liable for excise payment is a person who does not have a registered residency in Republic of Kosovo.

3. The items and assets from paragraph 1. of this Article especially are deemed as excise products, devices and other equipment for production, processing and maintenance/storage of excise products, means of transport and similar. For the purposes of this paragraph, transport means mean every transport means for persons or goods.

4. Customs issues a verification for temporary sequestration of items and means mentioned in paragraph 1. of this Article and in period of thirty (30) days after issuing the verification shall issue a decision by which orders placing their control on excise until the execution of decision for excise collection. Decision for placement under supervision is delivered to the owner of motor vehicles, if the person caught on act of abusing or in possession of energetics occurs not to be the owner.

5. If certain instrument of insurance is submitted for the certain excise debt, the temporarily sequestrated items and means from paragraph 1. of this Article will be returned to the person sequestrated from. Another person may deposit the debt insurance instrument as well.

6. When post execution of decision for collection of excise, comes to the ascertainment that excise is not paid, the insurance instrument will collect the debt from paragraph 5. of this Article. If the insurance instrument is not submitted or not submitted for actual amount of excise debt, the customs office by decision for collection will forever seize the items and means from paragraph 1. of this Article and shall appoint them for sale.

7. The funds created by liquidation of insurance instruments and sale of items mentioned in paragraph 1. of this Article will be distributed in such order that initially the interest and certain procedure costs are charged (collection costs, maintenance and sale), followed by the amount of excise obligation, where the debt based on excise is considered paid off for one part of revenues from the sale.

8. If the funds created by liquidation of insurance instrument or by the sale are not sufficient to cover the interest, certain procedure costs and the amount of excise obligation, the uncollected part will

be subject to mandatory collection in accordance to regulations for obligatory collection regulations from public profits.

9. If the sale from sale revenues exceed the necessary means for interest payment, certain procedure costs and the amount of excise to be paid, the remaining funds after collection will be returned to the person from whom the sold items and means are seized.

10. The owner or debtor cover the expenses regarding collection, holding and maintenance of items and means mentioned in paragraph 1. of this Article.

11. The items and means from paragraph 1. of this Article will be seized even when they are not property of the person acting illegally. The seizure of items and means from paragraph 1 of this Article do not infringe the right for compensation to third parties by the person whose items and means are seized.

12. Confiscated goods handling is regulated hereon by a sub-legal act from the Minister of Finances.

Article 233
Excise collection insurance

1. When possible for the person liable for excise or excise warrantor will impede the collection of excise, including collection of unpaid and unspecified excise amount and if the person liable for excise fails to keep records or keeps records incompletely and fails to deliver the reports determined by this Code, measures of undertaking excise collection insurance may be taken.

2. The collection insurance measures are determined by decision and consist in holding means in bank accounts or other accounts of persons from paragraph 1. of this Article, in the list of movable property and their property rights, holding the possession of requests (claims), seizure of movable items and pre-registration of mortgage on the real-estate.

3. Confiscation with the purpose of collection insurance may be postponed or cancelled, if persons mentioned in paragraph 1. of this Article or in their behalf by another person, submit appropriate means of insurance.

Article 234
Special control measures

1. With the purpose of preventing misuses and illegal actions, Customs may specify special control measures toward raw materials and other materials used for production of excise products and products not considered as excise products in view of this Code, but that might be used as excise products.

2. Every person intends to do business with raw materials and products from paragraph 1. of this Article shall submit to Customs a request for registration in the persons liable for excise registry in view or Article 214 and take a special authorization. A special authorization determines each place where such activities will be performed and additional control measures may be assigned as well. A special authorization may place the obligation to submit an insurance instrument for excise payment for persons intending to do business with the raw material and products mentioned in paragraph 1. of this Article.

3. The obligation to take a special authorization for operations with raw materials and products from paragraph 1. of this Article do not apply for the excise authorized warehouse keeper and the exempt user, to whom the authorization is issued in accordance to provisions of this Code.

4. Prior to issuing the special authorization for operations with raw material and for products mentioned in paragraph 1. of this Article, Kosovo Customs shall verify the facts and the data mentioned in

the request in paragraph 2. of this Article and directly from the place where these activities are performed in order to determine if the conditions for such special permit are fulfilled. Post obtaining such executive approval, registration is done in the registry of persons liable for excise and user of special authorization may start functioning.

5. In the procedure for issuing the special authorization in paragraph 1. of this Article, the completion of terms from paragraph 2. of Article 210 must be determined.

6. The special authorization from paragraph 1. of this Article is issued for a certain period and may be revoked prior to deadline if Kosovo Customs finds that the special authorization beneficiary acted contrary to provisions of this Code.

7. Customs will revoke the special authorization:

7.1. when the special authorization user ceases to complete the terms specified in the authorization; fails to provide an appropriate system for control on stocks condition and does not compile lists within terms specified in the authorization; fails to provide the appropriate instrument for excise debt payment or does not provide it in the amount to ensure the excise payment debt; does not remedy irregularities within the period specified by Customs; participates in criminal acts; does not complete the additional control measures; evades excise;

7.2. if reasons and terms based on that the special authorization was provided for, cease to exist;

7.3. if, another way of illegal action is verified.

8. Every action contrary to provisions of this Article or contrary to conditions of special authorization/ approval will be deemed as illegal action in view of this Code.

9. If ascertainment comes that the action contrary to provisions of this Code, an action which results in production, processing, using, storing, trading or any other form of illegal possession, with facts or legal of raw materials and other materials used for manufacturing of excise products and products not considered as excise products in view of this Code, but that may be used as excise products, which are subject to special measures of controls as per provisions of this Article, will be deemed as illegal and the excise calculation and payment obligation is borne.

10. The excise calculation from paragraph 9. of this Article is specified for every quantity of raw material and other materials for production of excise products and products not considered excise products in view of this Code but may be used to manufacture excise products, which are subject to special control measures as per provisions of this Article, which were object of illegal handling based on the excise and the height (amount) of excise specified for the excise product, which in concrete case may be produced or used as an excise product.

11. Liable for excise payment from paragraph 9. of this Article is every person who illegally handled the raw material and other materials used for manufacturing excise products and products not considered excise products in view of this Code, but may be used as excise products, toward which special measures of control are imposed in accordance to provisions of this Article. If more than one person is liable for excise payment, they are jointly and individually liable for payment.

12. The contents and annexes submitted by request for special approval, data on which the user of special approval shall keep records, additional control measures, way of reporting and the list of raw materials and products mentioned in paragraph 1. of this Article over which the special control measures are performed, are determined by a sub-legal act from the Minister of Finances.

Article 235
Delivery of reports, declarations and excise-accompanying documents

1. The monthly report referred in Article 202, application for registration in the liable persons for excise registry from Article 214 and the excise-accompanying document from Article 220, are submitted:

1.1. in writing; or

1.2. by electronic exchange of data, if technical possibilities allow so and if use of such means is approved by Customs.

2. Customs publishes in its web page the technical prerequisites for electronic communication with Customs and the rules of using the electronic exchange of data and providing services from Customs and persons liable for excise shall ensure respecting the technical prerequisites published for application submission, reports, excise-accompanying documents and other data electronically.

3. When procedure for application of this Law is performed using the electronic exchange system for data, Customs Director General shall define the rules to replace the hand written signature with a new technique that may be based on code using.

Article 236
Placement of fiscal banderols of alcohol products and alcoholic beverages

1. With the Republic of Kosovo banderol, the alcohol and alcoholic beverages labelled, subjected to excise payment shall be marked in accordance to the Laws regulating the excise calculation and payment imported or released for consumption in Republic of Kosovo.

2. The person liable for excise on alcoholic beverages prior to obtaining excise banderols on marking them, shall be registered as person liable for excise and licensed by Customs for import, export or production of alcoholic beverages as well as shall deposit an insurance instrument for excise payment for alcoholic beverages if requested by Customs.

3. The person liable for excise of alcoholic beverages, who failed to complete the terms as per paragraph 2. of this Article, will not receive excise banderols to mark the alcoholic beverages.

4. The products mentioned in paragraph 1. of this Article may be placed in the market only in bottles or other suitable packaging in accordance to special provisions regulating their placement in the market.

5. The banderols shall be placed over the bottle’s lid in order for the banderol to be damaged when the lid is opened.

6. Unauthorized production of banderols from paragraph 1. of this Article or banderols for alcoholic beverages from other countries or unauthorized printing or possession or their placement in the market, is deemed illegal.

7. Intentional damaging of excise banderols for labelling of Republic of Kosovo alcoholic beverages is illegal.

8. Excise products on which excise banderols must be placed, the licensing procedure of subjects for import or production of alcoholic beverages, licence form, excise banderols marks labelling the products from this Article, the way of presentation and contents of requests for printing, obtaining and issuing excise banderols, the way of placing banderols on excise product, banderols handling, reporting, keeping records and their destruction, are determined by a sub-legal act from the relevant Minister of Finances.

Article 237
Placing fiscal stamps on tobacco products

1. With Republic of Kosovo banderol when required, the tobacco products and its substitutes shall be subjected to labelling which are subject of excise payment in accordance to the specific laws regulating the calculation and excise payment, on import or exempt to free circulation in Republic of Kosovo.

2. The person liable for excise of tobacco products prior to taking excise banderols for marking tobacco products in Republic of Kosovo shall be registered as a person liable for excise and authorized by customs for supply with banderols, as well as shall deposit an insurance instrument for excise payment for tobacco products if requested by Customs.

3. The person liable for excise for tobacco products, who has not completed the terms as per paragraph 2. of this Article, will not receive banderols for marking tobacco products.

4. The unauthorized manufacturing of excise banderols for marking tobacco products in Republic of Kosovo or banderols for tobacco products from other countries or unauthorized printing or possession or their placement in the market is deemed illegal.

5. Intentional damaging of excise banderols for labelling tobacco products in Republic of Kosovo is illegal.

6. The excise banderol for labelling tobacco products in the Republic of Kosovo shall be placed (glued) on the retail packaging below the cellophane or other transparent wrapper that wraps the packaging in order to be visible and not removed from the unit package without damaging the banderols or the packaging.

7. By derogation from paragraph 6. of this Article, is the event of tobacco products in special packaging or unusual, excise banderols for labelling tobacco products in the Republic of Kosovo may be placed directly onto the original packaging in order to be visible and not removable by the unit packaging without damaging the banderol or the packaging and the banderols placement can only be done in excise warehouse with special approval by Kosovo Customs.

8. Tobacco products, which are not labelled with excise banderols from Republic of Kosovo, are the products for which the excise is not calculated and paid and their release for consumption, purchase and possession is deemed illegal.

9. In the tobacco products packaging for retail sale only not damaged Republic of Kosovo banderols shall be placed, if the terms set out by special provisions are met.

10. The authorized excise warehouse keeper and importers shall return the damaged and unused banderols to Kosovo Customs by no later than 120 days from the day of receiving excise banderols.

11. The excise authorized warehouse keepers and importers shall deliver the excise banderols with defects to Kosovo Customs in period of thirty (30) days from the day of finding the defect on banderols.

12. In case the damaged, unused and banderols with defects are not delivered to Kosovo Customs by the holder of authorization for excise warehouse and the importer within the period set out in paragraph 10. and 11. of this Article, the excise calculation and payment obligation is born as per the excise product, for which the banderols are obtained.

13. The damaged excise banderols from paragraph 10. of this Article are deemed to be damaged for more than twenty-five percent (25%) of the entire excise banderol’s overall surface shall be placed in a special paper sheet and submitted to Customs.

14. If damaged more than twenty-five percent (25%) of the total excise banderol's surface respectively when hologram is damaged, the serial number, these banderols are considered as lost, thus creating an obligation for excise calculation and payment.

15. On damaged, unused and banderols with defect, the persons liable for excise for tobacco products will not be compensated on the value of printing excise banderols.

16. On banderols deemed as lost as per paragraph 14. of this Article or lost due to other reasons as well as banderols that can't be reasoned with goods imports or by excise tax payment, the excise calculation and payment obligation is born as per excise product for which the banderols are obtained, exceptionally Customs may accept justified losses up to 0.5% for each authorized supply.

17. The damaged, unused and banderols with defects are destroyed by Customs as per the procedure set out by this Code or other laws in force.

18. The banderols are manufactured in the authorized printing house by Customs as per a contract or a public procurement activity.

19. As per Customs authorization, the banderols are sent directly from the printing house to the tobacco products manufacturer. In special events, supply with banderols for the manufacturer may be done directly by Customs.

20. The excise products where banderols have to placed, the procedure for authorization for supply with banderols, authorization form, the excise banderols signs for labelling products from this Article, the way of presentation and content of requests for printing, obtaining and issuing excise banderols, way of placing banderols in the excise product, banderols handling and acceptance of losses, reporting, record keeping and their destruction, are determined by a sub legal act from the relevant Minister of Finances.

Article 238
Customs Order

1. Customs, in order to prevent evasion of the planned increase in the excise duty rate, issues an order against a certain person who cannot:

   1.1. import any excisable product if the importation exceeds the average amount imported by that person during the preceding nine (9) months;

   1.2. to discharge from the excise duty suspension system, any excise product if the discharge exceeds the average amount discharged by that person during the previous nine (9) months;

   1.3. in the case of the person who during the previous nine (9) months has not imported or discharged from the excise duty suspension system, the average will be zero (0).

2. If the Customs determines that the person proposes to import any excise product or discharge any excise product from the suspension system in order to avoid the possible future increase of the excise duty rate for that product, the Customs shall issue the order which is communicated in writing to the relevant person.

3. With the approval of the Customs, the person from sub-paragraph 1.1 to 1.3 of this Article can import or download from the excise duty suspension system any product with excise duty named in the order above the monthly average calculated from the previous nine (9) months at the rate of the planned or proposed increased excise duty if they meet the following conditions:

   3.1. in the competent customs office deposit the security guarantee for the tax difference that is expected with the future increase in the excise rate for that product and

3.2. declare in writing that they will fulfill customs obligations on the first working day when the increase in the excise tax rate comes into force.

4. The security guarantee will be released after the fulfillment of the customs obligations provided for in paragraph 3. of this Article.

5. The import or discharge from the excise duty suspension system of any excise product named in the order above the monthly average calculated from the previous nine (9) months without fulfilling the conditions set forth in paragraph 3. of this Article shall be considered as an act of illegal.

6. By a sublegal act of the relevant Minister for Finance, additional rules are defined in the event of a change in the calculation of the excise tax and procedural ones for the implementation of this Article.

THIRD BOOK
LAW ON CUSTOMS INFRINGEMENTS AND FINES

CHAPTER I
THE PURPOSE AND THE SCOPE

Article 239
Purpose

The purpose of this book is determining infringements in the customs and excise field as well as fines for these infringements, so to encourage the implementation of the customs and excise legislation in force.

Article 240
The scope

This book serves for all the natural and legal persons who are obliged to implement the customs and excise legislation.

Article 241
Appropriate implementation of the Law on Minor Offences

If not otherwise provided by this Code, in the offence procedure, appropriately the pertinent law on offences provisions shall apply.

Article 242
Infringements classification

1. The infringements in the customs and excise domain are:

1.1. administrative offences, and

1.2. criminal acts sanctioned by Kosovo Penal Code.

CHAPTER II
CUSTOMS OFFENSES AND SANCTIONS

Article 243
Strict liability offences

1. A fine in amount of one two thousand (2,000) euros up to twenty thousand (20,000) euros for legal

subjects for customs offences, if:

1.1. brings or attempts to bring goods, secretly, without submitting them to Customs, in the customs territory of Republic of Kosovo or removes or attempts to remove the goods from customs territory of Republic of Kosovo; defines by paragraph 1. of Article 95;

1.2. removes goods with non-domestic status from customs supervision, without customs permit as per paragraph 2. of Article 95;

1.3. fails to deposit the customs declaration for goods or part of goods in entry or exit from the customs territory of Republic of Kosovo, for goods of commercial nature or goods subject to import or export prohibitions or restrictions, as per Article 95 and Article 112.

2. A fine in amount of four hundred (400) euros up to four thousand (4,000) euros, shall be punished the legal person's liable person and the natural person, for offences from paragraph 1. of this Article.

Article 244
Customs offenses committed intentionally

1. A fine in amount of one thousand and five hundred (1,500) euros up to fifteen thousand (15,000) euros shall be punished a legal person for customs offence, if:

1.1. by request from Customs, fails to provide or doesn't provide all the necessary documents and information in an appropriate manner or any other requested manner, fails to provide all the necessary assistance to accomplish customs formalities or customs controls, contrary to paragraphs 1., 3. and 4. of Article 12;

1.2. submits a customs declaration, a declaration for temporary storage, the summarized entry declaration, summarized exit declaration, re-export declaration, or notice for re-export, application for authorization or for another decision, with inaccurate or incomplete data or insufficient description of goods, contrary to sub-paragraph 2.1 and paragraph 4. of Article 12;

1.3. encloses not so credible document, inaccurate or invalid document in the customs declaration, in the temporary storage declaration, in the summarized entry declaration, the summarized exit declaration, the notice for re-export or along with the application for authorization or another decision, contrary to sub-paragraph 2.2. and paragraph 4. of Article 12;

1.4. on the submitted customs declaration, or the temporary storage declaration, the summarized entry declaration, the summarized exit declaration, re-export declaration, application for authorization or another decision, if necessary, fails to fulfil the obligation on placing the goods under a customs procedure or by performing authorized operations, contrary to sub-paragraph 2.3 and paragraph 4. of Article 12;

1.5. fails to respect the obligation deriving from the authorization or another decision, contrary to paragraph 1. of Article 16;

1.6. fails to immediately inform Customs on a situation created, after bringing the authorization or other decision and which can affect in its continuity or contents, contrary to paragraph 2. of Article 16;

1.7. fails to store the document or information from paragraph 1. of Article 12, or fails to store it in an accessible and acceptable manner for Customs, or fails to store it in accordance to the period specified by the customs legislation, as per Article 33;

1.8. fills in or enables filling the document with inaccurate information on goods origin determined in Article 39 and Article 42;

1.9. fills or enables filling the documents containing inaccurate information based on which, the products with what the documents has to do, provides an unjustifiably preferential origin as specified in Article 42;

1.10. on goods brought in the customs territory of Republic of Kosovo or removed from the customs territory of Republic of Kosovo, fails to submit or doesn't submit the entry summarized declaration to competent customs office or the notice for airplane arrival or the customs declaration, the temporary storage declaration, supplementing declaration, re-export declaration, summarized exit declaration or re-export notice, specified in paragraphs 1. and 3. of Article 90, paragraph 1. of Article 94, paragraph 5 of Article 99, paragraphs 1. and 3. of Article 103, Article 112, Article 117, paragraph 1. of Article 181, paragraph 1. of Article 185, Article 186 and paragraph 1. of Article 188;

1.11. failure to declare the goods or doesn't declare the goods, doesn't declare all the goods or doesn't submit all the goods, contrary to Article 95, Article 99, paragraph 1. of Article 120 and Article 183;

1.12. failure to transport immediately the goods brought in the customs territory of Republic of Kosovo to the customs office assigned or approved by Customs, in a free zone or fails to transport them on the road specified by Customs and in accordance to instructions provided, contrary to paragraph 1. of Article 96 and paragraph 3. of Article 98.

1.13. failure to inform Customs immediately for an unforeseen circumstance or force majeure due to which cannot fulfil the obligation mentioned in paragraph 1. of Article 96 or fails to inform Customs about the exact location of goods if the unforeseen circumstance or force majeure due to which cannot fulfil the obligation referred to in paragraph 1. of Article 96 didn't cause a complete loss of goods, contrary to paragraph 1. of Article 98;

1.14. failure to inform immediately the Customs on the situation where the airplane mentioned in paragraph 6. of Article 96 due to the unforeseen circumstances or the force majeure is forced to temporarily land on the ground, in the customs territory of Republic of Kosovo, contrary to paragraph 2. of Article 98;

1.15. failure to submit the goods brought in the customs territory of Republic of Kosovo to the appointed customs office or another appointed or approved location by Customs, or in the free zone, or the goods brought in the customs territory of Republic of Kosovo by air and which remains on those transport means, fails to submit to Customs at the airport where its unloaded or reloaded, in contrary to Article 99;

1.16. without Customs permit, removes or attempts to remove the goods submitted in Customs from the destined location, in contrary to paragraph 7. of Article 99;

1.17. without authorization or Customs notification unloads or reloads the goods from the transport means transporting them or the goods from transport means by unloading or reloading them to another location which is not appointed or approved by Customs, in contrary to Article 100;

1.18. failure to inform Customs immediately in case of inevitable danger which requires an immediate unloading of all the goods or part of the goods, in contrary to paragraph 2. of Article 100;

1.19. failure to unload or unpack the goods with Customs request in order to examine them or take samples or examine the transport means transporting goods, in contrary to paragraph 3. of Article 100;

1.20. failure to place the goods on temporary storage in locations for temporary storage in accordance with Article 106 or another zone appointed or approved by Customs, as per paragraph 1. of Article 105 and Article 106;

1.21. failure to insure that goods on temporary storage are subject only to those forms of treatment destined to ensure their protection in an unaltered state, without modifying their appearance or their technical characteristics, or treats the goods in temporary storage in a manner which is contrary to the treatment destined to ensure their protection in an unaltered state, without modifying their appearance or technical characteristics, in contrary to paragraph 2. of Article 105;

1.22. fails to keep records or doesn't keep records in an approved form by Customs or keeps records in an inaccurate form or incomplete or in time, in contrary to paragraph 5. of Article 106 and Article 145;

1.23. fails to provide necessary accompanying documents for implementation of provisions regulating the customs procedure for which the goods are declared, when such service is requested by domestic legislation or is necessary for customs controls as per paragraph 2. of Article 115;

1.24. has possession of goods which are not exempt by Customs, as being exempt by Customs as per Article 132;
1.25. fails to discharge the special procedure in the specific manner or in the specific period as per Article 146;

1.26. failure to submit the goods or necessary information to the customs office of destination, doesn't submit them in an unaltered state, doesn't submit them within the specified period or doesn't submit them in accordance to measures to enable their recognition, or fails to implement other customs provisions for the national transit procedure as per Article 154;

1.27. goods placed under the customs warehousing procedure, are temporarily removed from the customs warehouse without prior authorization by Customs requested as per paragraph 3. of Article 158;

1.28. failure to ensure that goods under customs warehousing procedure are not to be removed from customs supervision or not to fulfil the obligation deriving from goods storage within the customs warehousing procedure or not to fulfil the obligation deriving from goods being placed under customs warehousing procedure, determined by Article 160;

1.29. starts constructing a building or constructs an object in the free zone without prior approval by Customs, requested as per paragraph 1. of Article 162;

1.30. doesn't respect the customs legislation in performing industrial activities, commercial or service authorized in a free zone or fails to notify Customs preliminarily for performing such activity in the free zone, as requested by paragraph 2. of Article 162;

1.31. failure to respect the prohibitions or restrictions regarding the activities mentioned in paragraph 2. of Article 162, placed by Customs, having to consider the nature of goods or requests by customs supervision, security requirements and protection or failure to respect Customs prohibition due to failure to obtain necessary certificates for completing customs provisions to perform the activity in the free zone, determined in paragraphs 3. and 4. of Article 162;

1.32. fails to submit the goods to Customs when entering them into free zone to be subject to customs formalities determined by Article 163;

1.33. handles the goods as they would be fulfilling the terms for temporary importation, a treatment which is against the terms for temporary import of goods or handles the goods placed under the temporary import procedure with terms or duties or purpose of the approved temporary import in accordance with Article 168;

1.34. failure to re-export the temporary imported goods or failure to place them under following customs procedure, as determined by Article 169;

1.35. failure to re-import the temporary exported goods as per the outward processing procedure, in the customs territory of Republic of Kosovo, as determined by paragraph 3 of Article 176;

1.36. after Customs receives the declaration for release to free circulation, failure to export the goods with defect within the period determined in paragraph 3 of Article 180.

1.37. does not act by order of the authorized customs officer or does not act within the time limit specified in the order, as defined in Articles 295, 296, 297 and 298.

1.38. does not declare the goods which he carries in the luggage as defined by Article 302.

2. By fine in the amount of three hundred (300) euros up to three thousand (3,000) euros, shall be punished the legal and natural liable person, for the offence from paragraph 1. of this Article.

Article 245
Other offences committed by negligence

1. By fine in amount of one five hundred (500) euros up to five thousand (5,000) euros for the customs offence, for the legal person in case:

1.1. fails to provide all the necessary assistance to Customs, in order to complete the customs formalities and controls as determined by paragraph 1. of Article 12;

1.2. by depositing a customs declaration, temporary storage declaration, entry summarized declaration, exit summarized declaration, re-export declaration or notice for re-export or application for authorization or another decision, when applicable, within the time limit fails to fulfil the obligation in relation to performing authorized operations determined by sub-paragraph 2.3 and paragraph 4. of Article 12;

1.3. on goods brought in or removed from the customs territory of Republic of Kosovo fails to submit in time the specific entry summarized declaration, the notice on arrival of a or airplane, temporary storage declaration, notice for activities in free zones, pre-emption declaration, re-export declaration, exit summarized declaration, or re-export notice, determined in paragraphs 1 and 3 of Article 90, paragraph 1 of Article 94, paragraph 5 of Article 99, paragraphs 1 and 3 of Article 103, Article 112, Article 117, paragraph 1 of Article 181, paragraph 1 of Article 185, Article 186 and paragraph 1 of Article 188;

1.4. failure to present the goods within the time limit introduced in the customs territory of Republic of Kosovo in a specific customs office or another specific place or approved by Customs or a free zone, as per Article 99;

1.5. failure to re-export or to place the temporary imported goods within the time limit determined by Customs, as per Article 169;

1.6. within the time limit determined by Customs the temporary exported goods in the outward processing procedure, again fails to re-import them in the customs territory of Republic of Kosovo, as per paragraph 3 of Article 176.

2. By fine in amount of two hundred (200) euros up to two thousand (2,000) euros, shall be punished the legal or natural person liable person, for the offence from paragraph 1 of this Article.

Article 246
Offenses for exempt customs goods

1. By fine in amount of one thousand (1,000) euros up to ten thousand (10,000) euros, for the legal person for customs offence, in case:

1.1. contrary to the law sells, alienates on another base, gives to another for use, impawns, rents, uses for other purposes, deposits a guarantee for the debt or uses for other purposes rather than those on which goods are exempt from customs duties, by not repaying in advance the customs debt and other public benefits. (Article 359, Article 367, Article 384, Article 403, Article 407, Article 412, Article 419, Article 426, Article 427, Article 433, Article 434, Article 465 and Article 470 of this code).

1.2. failure to notify Customs on cessation of fulfilling the terms due to which the exemption is provided from customs duties or imported goods with release from customs duties aims to use for other purposes (Article 404, Article 405, Article 407, Article 413, Article 414, Article 420, Article 424, Article 428, Article 433, Article 434 and Article 435 of this Code).

2. By fine in the amount of two hundred (200) euros up to two thousand (2,000) euros, shall be punished the legal and natural person liable person, for the offence from paragraph 1 of this Article.

CHAPTER III
EXCISE OFFENSES AND SANCTIONS

Article 247
Avoidance of verification or payment of excise

1. By fine in the amount of two thousand five hundred (2,500) euros up to twenty-five thousand (25,000) euros, shall be punished the legal person, for excise offence, in case of:

1.1. delivering or using excise products other than for the purposes they are authorized or uses them in larger rather than authorized amounts, in contrary to sub-paragraph 2.2 of Article 197, Article 209 and Article 210;

1.2. fails to pay the excise within the time limit as per paragraph 1.5 of Article 198, paragraph 4 of Article 200 and Article 202;

1.3. releases for consumption in an illegal manner the excise products in the territory of Republic of Kosovo without calculating and without paying excise, as per paragraph 1.2 of Article 200;

1.4. manufacturers, processes, stores, accepts, delivers, imports, transport, uses, sells, purchases or possesses illegally the excise products on which in accordance with provisions of this Code and other applicable laws describing excise calculation and payment, the excise calculation and payment is not done or on which the full excise calculation or payment is not calculated, as per paragraph 2 of Article 200;

1.5. as a person who handled excise products which were handled illegally as per paragraph 3 of Article 200, fails to verify the property rights, possession and any other factual or legal disposition;

1.6. failure to calculate excise in accordance with the determined excise base and norm or in amounts in force on the day of obligation arises for excise calculation, as specified in paragraph 1 of Article 202;

1.7. failure to submit the set out monthly report or incomplete or inaccurate or not in due time, in contrary to paragraphs 7 and 8 of Article 202;

1.8. accepts, produces, processes, stores, performs other activities or delivers excise products in the excise payment delay system outside of excise warehouse for which Customs issued an authorization to the excise warehouse holder of authorization, as per paragraph 1 of Article 204;

1.9. transfers the rights or obligations from the excise authorization for the holder of excise warehouse authorization or for the excise warehouse to another person, in contrary to paragraph 1 of Article 205;

1.10. as authorized holder of an excise warehouse fails to undertake necessary actions, as determined by paragraph 1 of Article 206;

1.11. transfers the rights or obligations from the authorization from Article 209 of this Law to another person, in contrary to paragraph 2 of Article 210;

1.12. as an exempt user fails to comply with obligations, as determined in Article 211;

1.13. fails to keep records determined in Article 213 or fails to keep records accurately or entirely;

1.14. fails to submit a request for registration in the excise liable persons register in Customs or fails to submit it within the time limit as per paragraph 1. of Article 214 and Article 234;

1.15. declares inaccurate data in the application for registration of excise liable person or application for modification of data declared during the application for registration of liable persons register or fails to report for cessation of activities due to which the registration in the liable person register occurred, in contrary to Article 214;

1.16. failure to report any change in data specified in the register for registration of persons liable for excise or failure to report the modifications within the time limit, as determined in paragraph 3 of Article 214 and Article 234;

1.17. alienates excise products for which excise is not paid as per paragraph 1 of Article 215, without prior notification to Customs or without excise payment, as determined in paragraph 4 of Article 215;

1.18. using of excise products for which excise is not paid in contrary to the purpose or terms determined in Article 216 and Article 217;

1.19. delivers or accepts excise goods out of excise suspension system without excise accompanying document, required as per paragraph 1 of Article 220;

1.20. failure to confirm admission of excise products by verifying the third copy of ESD or failure of returning that copy to the consigner not later than five (5) days from the date of receiving excise products as required by paragraph 3 of Article 220;

1.21. failure to conform admission of excise products by verifying the printed copy of customs import declaration or failure to return it to the competent office where import clearance was performed within five (5) days from the date of entry in warehouse or exempt users' manufactory, as required by paragraph 4 and 5 of Article 220;

1.22. failure to act in accordance to terms and obligations determined in the authorization for procedure simplification for excise goods circulation as per Article 221;

1.23. failure to mark or paint as determined by paragraph 1 of Article 222, as excise taxpayer, diesel fuel used for purposes on which the excise norm is decreased or exempt from excise payment;

1.24. imports in the territory of Republic of Kosovo the diesel fuel used for the purposes for which the excise norm is decreased or exempt from excise payment, failure to mark appropriately or imports it without the specific foreign supplier's certificate on type and quantity of marking means, marked in another country, in contrary to paragraph 2 of Article 222;

1.25. the diesel fuel used for the purposes for which excise value is decreased or exempt from excise payment is deposited in such manner by not insuring that other products shall not affect in neutralizing the marking means, in contrary to paragraph 4 of Article 222;

1.26. marking the diesel fuel used for the purposes for which the excise norm is decreased or exempt from excise payment, is done performed in the excise warehouse where marking of diesel fuel is authorized, used for purpose for which the excise norm is decreased or exempt from excise payment, or in an excise warehouse lacking suitable equipment for dosing or mixing or similar equipment, the assistance of which can provide the specific marking, in contrary to paragraph 5 of Article 222;

1.27. the diesel fuel used for the purposes for which the excise value is decreased or exempt from excise payment, by removing the marking means, decreasing their concentration or adding substances that render impossible the described marking, in contrary to paragraph 2 of Article 223;

1.28. the diesel fuel used for the purposes for which the excise norm is decreased or exempt from excise payment, by acting in contrary to paragraphs 1 and 2 of Article 224;

1.29. failure to act upon the authorized customs official's order as per paragraph 2 of Article 224, or failure to act upon that order within the time limit;

1.30. impedes enforcement of the seizure measure of objects and means from paragraphs 5 and 6 of Article 224;

1.31. refuses, prevents, renders impossible or aggravates monitoring and verification of adherence to conditions for exercising the right to use the diesel fuel for the purposes for which the excise norm is decreased or exempt from excise payment, in contrary to paragraph 9 of Article 224;

1.32. failure to denature the alcohol as determined in paragraph 1 of Article 226;

1.33. failure to denature the alcohol in the manufacturers excise warehouse having the authorization from Customs for alcohol denaturing, as requested in paragraph 2 of Article 226;

1.34. failure to keep records on denaturing or failure to keep records on buyers/clients or keeps these records inaccurately or incomplete, in contrary to paragraph 3 of Article 226;

1.35. uses an excise warehouse for alcohol denaturing which is not equipped with equipment insuring the alcohol denaturing with specific means or in a specific manner, in contrary to paragraph 4 of Article 226;

1.36. failure to use energetic products for which the exempt mentioned in Article 228 is implemented;

1.37. failure to keep invoices issued or admitted, excise accompanying documents, customs declarations, documents based on which the right on exemption from excise payment is benefited, reports and all other accounting documents, which in any way have to do with production, warehousing, import and export of excise goods, which are important for excise calculation and payment within the time limit as determined in paragraph 1 of Article 230;

1.38. refuses or otherwise impedes or aggravates inspection of excise products and other products subject to this Code and other applicable laws, sample taking for analysis and other appropriate testing and delivery of invoices, consignment note, delivery sheet, accompanying documents, commercial documents, official and other necessary documents for accurate and complete verification of facts in the tax procedure, in contrary to paragraph 2 of Article 230;

1.39. misuses the right of moving or possessing excise goods by concealing the right purpose, destination or base of movement or possession of excise goods or by evading excise payment or other public benefits, as determined in paragraphs 1 and 3 of Article 231;
1.40. misuses the right of moving or possessing excise goods as described in paragraph 2 of Article 231;

1.41. renders impossible implementation of measures to ensure excise debt collection as per Article 232;

1.42. operates or works with raw materials and other materials used for manufacturing excise products and products not considered as excise products in view of this Code but which can be used as excise products as per which Customs established special supervision measures, without registration in the persons liable for excise register and without obtaining a special authorization, in contrary to paragraphs 1 and 2 of Article 234;

1.43. failure to mark the excise products with Republic of Kosovo excise banderol, as required in paragraph 1 of Article 236;

1.44. removes or withdraws the excise banderol placed on the lid of the bottle so it doesn’t damage when opening the lid or when the bottle lid is opened without damaging the excise banderol, in order to be reused on the same or different packaging, in contrary to paragraph 5 of Article 236;

1.45. manufacturers unauthorized banderols from paragraph 1 of Article 236 or banderols for alcoholic beverages of others or prints or possesses or places them in the market without authorization, as determined in paragraph 6 of Article 236;

1.46. intentionally damages the excise banderols, as determined in paragraph 7 of Article 236;

1.47. the person liable for excise acts in contrary to obligations for placing fiscal banderols in tobacco products as determined in Article 237;

1.48. the person liable for excise acts in contrary to Article 238;

2. By fine in the amount of five hundred (500) euros up to five thousand (5,000) euros, shall be punished the legal and natural person`s liable person, for the offence from paragraph 1 of this Article.

Article 248
Offenses with excisable goods released by the natural person

By fine in amount of two hundred (200) euros up to five hundred (500) euros shall be punished the natural person being a citizen of the Republic of Kosovo or a foreign citizen with a usual residence in the Republic of Kosovo, if exempt from the excise payment as determined in paragraph 2 of Article 216.

CHAPTER IV
OTHER PROVISIONS

Article 249
Obstruction or assault on a customs officer

Obstruction or attack on a customs officer in the performance of official duties defined in this Code and the legislation in force, are sanctioned according to the relevant criminal Code of the Republic of Kosovo.

Article 250
Other person's liability

The legal person, persons responsible within the legal and natural person, who is in possession of the goods, respectively who purchases, sells, delivers to others, receives as gift, conceals, accepts to store or transport, uses or accepts as per any other base the goods, for which was aware or as per the case circumstances may have been aware that it is about the goods which is object of an offence, will be fined as if he had committed the offence himself, with the same fine set out for the perpetrator himself.

Article 251
Confiscation of goods, means of transport, means of transport and seizure of goods

1. Goods which are the object of an offence from Article 243 sub-paragraph 1.1 and 1.3, Article 250 related to Article 243 sub-paragraph 1.1 and 1.3, and the quantity of undeclared goods from Article 244 sub-paragraph 1.2 of this code, will be confiscated.

2. Excise goods from Article 247 sub-paragraphs 1.1, 1.3, 1.4, 1.5, 1.9, 1.22, 1.25, 1.31, 1.32, 1.34, 1.38, 1.39, 1.42, 1.44, 1.46 and 1.47 and raw material and other materials used for the production of excise products which are not considered excise products within the meaning of this Code but may be used as excise products according to which the Customs has established special surveillance measures under Article 234, shall be confiscated.

3. If the goods cannot be confiscated, the Customs shall collect from the perpetrator a value equal to the customs value of the goods, incurred for customs duties on imports. Goods that are the object of the offense from paragraph 1 and 2 of this Article, will be confiscated even if they are not owned by the perpetrator of the offense.

4. The means of transport or carrier used for transport, respectively the transported goods that are the object of the minor offense from Article 243 paragraph 1.1 of this code, will be confiscated if the value of the goods that is the object of the minor offense exceeds one third (1/3) of the value of the vehicle transport.

5. The means of transport or means of transport referred to in paragraph 4. of this Article and the means of transport or mobile vehicle in which the special space for hiding excise products is located and which is used for the transport of excise products which are subject of the offense, is confiscated, regardless of the value of the goods.

6. For the contravention from sub-paragraph 1.27 of Article 247, committed again within a period of three (3) years, together with the fine, the motor vehicle or the machinery or other engine in which such contravention has been committed shall be confiscated.

7. The transport means and mobile means used for transport or transfer of excise products and raw materials and other materials used for production of excise products, which are not considered excise products in view of this Code, but can be used as excise products being subject to special control measures by Customs, which are object of an offence from sub-paragraph 1.1, 1.3, 1.4, 1.5, 1.39, 1.40, 1.42, 1.46 and 1.47 of Article 246 and for which the excise payment duty is set out, is seized if the value of excise products being object of the offence is higher than one third (1/3) of the value of transport means or mobile means.

8. The transport means or mobile means used for transport or movement of tobacco products of commercial nature, which are object of the offence, are seized. For the purposes of this paragraph, the processed tobacco products of commercial nature are considered as processed tobacco products, type and quantity of which shows that the offender does not destine them exclusively for individual, personal or household use.

9. The motor vehicle or other machinery or motor vehicle or transport mean or mobile mean from paragraphs 5, 6, 7 and 8 of this Article are seized even when not under possession by the offender.

10. The implementation of provisions from this Article does not affect the third parties rights for compensation by the offender's side.

11. Goods which are subject to confiscation according to other provisions in force, may be detained until the completion of that relevant procedure.

12. The goods that are the object of the minor offense violation, for which the confiscation of the goods is foreseen, will be stopped until the end of the minor offense procedure.

13. Customs may, in reasonable cases, after depositing the guarantee in the amount of the value of the prohibited goods, place it with the relevant person with a warning that the goods may not be used, sold, or disposed of in another way.

14. In the case of detention of goods, a report is compiled with a detailed description of the goods. A copy of these minutes and the certificate on the receipt of the goods, the Customs must deliver to the person to whom the goods were seized.

15. The customs may, until the completion of the customs procedure, seize the goods which are not included in paragraph 12. of this Article, if there is a reasonable suspicion that the goods have been used or intended to commit an administrative violation, respectively are secured by administrative breach or acquired in exchange for goods secured by administrative breach.

16. If the seizure of the goods is no longer necessary for further proceedings, the goods must be returned to the person from whom they were taken.

17. Customs may seize goods in accordance with paragraphs 12. and 16. of this Article, without regard to the rights of third parties.

18. The goods confiscated in the administrative violation procedure may be returned by the Customs to the owner or the perpetrator of the administrative violation, upon request, if it is the goods for which the import conditions are met and provided that the claimant pays the value of the goods and import/export duties.

Article 252
Sale, free distribution and disposal of customs goods

1. The sale of confiscated goods according to the provisions of this code, is carried out through public sale after the decision has become enforceable and revenues are poured in the budget of the Republic of Kosovo.

2. With the exception of paragraph 1 of this Article, customs may immediately sell perishable goods, live animals, goods with a short expiration date or goods which for its storage and maintenance, create expenses that exceed the value of goods and other special justified cases.

3. The provisions of paragraph 2 and 5 of this Article, shall be appropriately applied to goods seized as a result of a criminal offense, if prior confirmation is obtained from the competent judicial institutions.

4. Confiscated goods which are not sold in the customs territory of the Republic of Kosovo, can be distributed for free without paying the equivalent value of the goods and import duties, to state bodies, medical, cultural and scientific institutions and humanitarian organizations or to be used for other justified purposes by state institutions.

5. Goods that cannot be sold or used according to paragraph 1 and 2 of this Article, or for reasons of health, veterinary, phytosanitary, security, or others defined by law, are disposed of under customs supervision, in accordance with special rules.

6. Disposal costs are covered by the owner or importer of the goods based on written decision, and if they are unknown or unavailable, disposal costs are covered by Customs, unless otherwise provided by special provisions.

7. Procedural rules and conditions for the sale of goods, their donation and use, disposal and payment of expenses, are determined by a sub-legal act of the relevant Minister for Finance.

Article 253
Jurisdiction, mandatory procedure and statute of limitations for the development of the minor offense procedure

1. Customs conducts the offence procedure for offences set out by this Code.

2. For the offences foreseen by this Code, when the value of the goods does not exceed the amount of five hundred (500) euros, the customs officer at the scene will impose a mandatory fine to the natural person in the amount of one hundred (100) euros.

3. The customs may temporarily suspend the goods, means of transport and any other equipment used in the commission of the prescribed contraventions until a guarantee is deposited or the amount of the relevant fine and duties is paid.

4. The mandatory procedure is determined by a sub-legal act of the relevant Minister of Finance.

5. The competent structure for the development of the regular misdemeanor procedure referred to paragraph 1. of this Article is determined by the organizational structure of the Customs.

6. The procedure for customs administrative violation may not be initiated after the expiration of the period of three (3) years from the day of committing the administrative violation.

7. The statute of limitations shall be interrupted by any action of the competent body related to the prosecution of the offender.

8. After every interruption, the statutory limitation shall recommence, however prescription shall be effective when five (5) years have passed from the date when a minor offence was committed.

CHAPTER V
TRANSITIONAL PROVISIONS FOR THE THIRD BOOK

Article 254
Completion of offence procedures

1. The offence procedures initiated prior to entry of provisions into force until the date of entry into force of this Code.

2. With exception by paragraph 1. of this Article, all the procedures for offence initiated prior to entry into force of this Code will be conducted in accordance to provisions of this Code if this more favourable for the offender.

3. All the offence procedures initiated prior to entry into force of this Code, which are not set out by this Code will be terminated.

FOURTH BOOK
LAW ON CUSTOMS ORGANIZATION, COMPETENCES AND WORK RELATION

CHAPTER I
GENERAL PROVISIONS

Article 255
Purpose

The purpose of this law is determination of basic principles on Customs organization, categorization and functioning of working places, Customs and customs officials' competencies, the rights and obligations from work relation, admission, appointment to duty, promotion, transfers, disciplinary procedure as well as other matters in relation to the Customs functioning.

Article 256
Scope

This law is implemented for Customs and all the legal and natural persons subjected to the provisions of this Code.

Article 257
Definitions

1. In this law, the following terms have these meanings:

1.1. Customs employees – all the employees in Customs structures;

1.2. Customs officer – official with customs rank employed by Kosovo Customs authorized to perform customs duties from the scope of customs;

1.3. Customs cadet – a candidate admitted in Customs following a basic training for customs official;

1.4. Customs rank – customs hierarchy expression, designation within the work category and distinctive symbols, individual quality expression, of experience and accountability in exercising functions in Customs, which is obtained through a competitive process, from a lower rank to a higher customs rank;

1.5. Transport mean – every means used for the transport of persons or goods;

1.6. Investigation – undertaking measures and investigative actions as well as other observing measures, collecting intelligence information, their processing and dissemination by the authorized customs official, commensurate to competencies in customs legislation and other special laws;

1.7. Supervision - means every action taken by the customs according to this Code and the legislation in force, which ensures the correct implementation of customs, excise, tax and other rules within its competence, as well as the prohibition, prevention and detection of sanctioned offenses based on those legal provisions;

1.8. The place of supervision - is any closed, open space or object in which the surveillance is carried out.

Article 258
Guiding principles

1. Customs actions are led by the following principles:

1.1. equal and fair treatment of all persons;

1.2. respecting human rights and fundamental freedoms;

1.3. equality and non-discrimination;

1.4. objectivity and impartiality regarding beliefs and views and political views and others of persons;

1.5. transparency, providing information and being open to the public;

1.6. legitimacy, suitability and proportionality;

1.7. integrity, honesty and responsibility in public service;

1.8. commitment toward work, advance and overall appointment of duties, with merit and non-discriminating, reflecting ethnical diversity in the Republic of Kosovo and recognizing the gender equality principles and human rights set out in the Republic of Kosovo Constitution and legislation in force.

2. Customs officials exercise their authorizations and perform their duties, in accordance with the customs legislation, the Code of Ethics and the legislation in force.

CHAPTER II
CUSTOMS STATUS AND SYMBOLS

Article 259
Status

1. Customs is an executive agency within the Ministry of Finances.

2. Customs is a legal entity, has operational autonomy and is the sole institution in Kosovo exercising

customs authorizations and competencies determined by the customs legislation and other special laws, including exercising any other duty or function that might be assigned by the Government of Republic of Kosovo.

Article 260
Symbols

1. Customs has the emblem, flag, uniform, rank insignia, stamp and other symbols by what the institutions identity is determined. By proposal from the Minister of Finances, the Government approves the dimensions, content, emblem, stamp appearance and Customs ranks.

2. The Customs day is the 31st of August.

3. The use of symbols from paragraph 1. of this Article and the content and use of identity card and badge, are determined with a sub legal act by the relevant Minister of Finances, upon proposal of the General Director.

CHAPTER III
DUTIES, CUSTOMS ORGANIZATION AND FUNCTIONING

Article 261
Customs duties

1. Customs exercises a customs supervision with the purpose of ensuring the correct implementation of the customs legislation and the legislation in force, to ensure the collection of customs taxes and other revenues collected by Customs, undertaking actions in the security interest, protection of human health and life, animals and plants, protection of environment, cultural heritage, intellectual property and enforces trade policy measures;

2. Customs responsibilities in particular are:

2.1. supervision, valuation, accounting and collection of customs duties, excise, and special taxes, taxes on the valued added and other revenues collected by Customs;

2.2. entry and exit supervision and transit of goods in accordance with the customs rules and procedures;

2.3. ascertainment, verification and sanctioning of violations set out in the customs legislation and other special laws, where Customs is in charge of their implementation;

2.4. entry and exit supervision and transit of monetary means circulation;

2.5. supervision of passengers and their luggage in the event of entry, exit and transit;

2.6. control of business premises, private and means of transport as per specific authorizations;

2.7. supervision, control and examination of goods in all customs procedures and placing customs supervision insignia in transport means, goods and facilities;

2.8. implementation of foreign trade policies;

2.9. storage, sale and disposal of seized goods, abandoned goods or goods evading control;

2.10. cooperation and exchange of information with competent authorities in the national and international level and cooperation with international organizations as well as professional associations working in the certain competent field;

2.11. collection, verification, analyzing and storage of statistical data on trade of goods with other countries;

2.12. representation in legal and court procedures to Courts and other authorities;

2.13. maintenance of documents and registrations in collection of revenues and other obligations which are Customs obligation;

2.14. direct application of security measures and duty execution, with the purpose of payment obligation as per this Code;

2.15. development, management and application of risk management framework in the national and international level, based on the exchange of information over risk and analysis on it, with the purpose of criteria determination on risk assessment, protection measures and control priority fields;

2.16. development, putting into function and maintenance of information system and communications infrastructure based on specific requests from Customs, having been independent from other institutions and in the same time joint use and interoperability with certain systems without affecting its integrity;

2.17. collection, registration, processing, exchange and protection of personal data and other data and registers, in accordance to the legislation in force;

2.18. informing persons regarding the legislation implementation;

2.19. performing all controls, that Customs deems necessary, in order to ensure the correct application of customs legislation;

2.20. performance of other duties determined by the customs legislation and other special laws.

Article 262
Customs organizing

1. Customs organizing and functioning is determined by customs legislation and other special laws.

2. Customs acts through a hierarchy line in the entire customs territory of Republic of Kosovo.

3. Customs is organized in a central and operational level.

4. Customs is organized in the following structures:

4.1. Director General;

4.2. Directorates;

4.3. Central and Regional Departments;

4.4. Central Customs offices;

4.5. Border Crossing Point Customs offices;

4.6. Internal Customs Offices;

4.7. Units and Teams.

Article 263
Central and regional level duties

1. Customs performs its duties within the competencies in central and operational level.

2. Customs is led by Director General and is organized in hierarchy organizational structures in the level of: directorates, departments, central offices, units and teams.

3. Customs operational Departments are dependent on the central level of Customs and are organized in hierarchy organizational structures in the department level, which consist of one or couple internal customs offices; customs offices in border crossing points and units or teams;

4. The organizational structure, duties, jurisdiction and competencies of each Customs structure, are determined by a sub-legal act from the relevant Minister of Finances, with proposal from Director General.

Article 264
Responsibilities and competencies of Customs Director General

1. Customs Director General leads and represents Customs and especially is responsible for:

1.1. issuing decisions, orders, guidelines and other internal acts, approve procedure and supervise their implementation in accordance with the customs legislation;

1.2. propose an annual plan and annual report of Customs performance;

1.3. manage and advance the human resources in accordance with the legislation in force;

1.4. proposes to the relevant Minister of Finances the number of staff, the budget, bonuses, other compensations and their height.

1.5. proposes to the relevant Minister of Finances a special budget for rewards payment, for discoveries and staff performance, informants and payment for special operations;

1.6. runs the budget and approves payments as per the legislation for public finances management;

1.7. concludes contracts on behalf of Customs, in accordance with the legislation in force;

1.8. manages the state property, which has been entrusted to Customs for administration;

1.9. represents Customs in the national and international level;

1.10. ensures unilateral implementation of the Customs applicable legislation;

1.11. approves the Code of Ethics for customs officials;

1.12. establish temporary customs units to perform special duties;

1.13. assigns duties to customs officials as per Customs Code;

1.14. request from the Customs employees to undergo psychological, physical, medical and laboratory tests;

1.15. request from the Customs employees the declaration of assets and authorize a unit for the verification of the declaration of assets;

1.16. engage external experts as needed, subjected to customs legislation provisions, to provide technical assistance in complex areas where expertise is needed;

1.17. propose to the relevant Minister of Finances places where customs officers will be established for goods storage and clearance and other Customs offices for performing customs formalities, their working hours and authorized roads;

1.18. enforce authorizations and other obligations delegated by the Minister and which are in accordance with the legislation in force;

1.19. every other duty with the purpose of efficient implementation of legislation in force provisions.

Article 265
Board of experts, working groups and commissions

Director General may establish, with a temporary mandate, board of experts, working groups and commissions, their scope, manner of work and compensations which are determined by legislation in force.

Article 266
Delegation of competencies

1. Director General may delegate duties specified in Article 264 to direct subordinates. In this event, the Director General remains responsible for supervision of delegated duties.

2. Director General creates a register, where acts of delegation are determined, duties and delegation areas, the person to whom the delegation is provided and the period of delegation validity.

Article 267
Director General's reporting

1. Director General shall prepare an annual report on Customs activities and shall submit it to the Minister, within three (3) months post ending of each calendar year, as per the form determined by the relevant Minister of Finance.

2. Director General submits other reports as per request by the relevant Minister of Finance, on Customs activities and results.

Article 268
Criteria on selection and appointment of Director General

1. Customs Director General is appointed by the Prime Minister of the Republic of Kosovo, based on the recommendation submitted by the relevant Minister of Finances, after the recruitment process by the Ministry of Finances.

2. In order to be selected in the position of Director General, the candidates have to complete the following terms:

2.1. shall be Republic of Kosovo citizens;

2.2. have a university degree in the field of economics, law, customs or other similar fields, issued by universities with accredited programs in the Republic of Kosovo, or certified according to the legislation in force;

2.3. at least have eight (8) years of work experience, with five (5) years of experience in managerial position;

2.4. shall not be convicted for a criminal act with a final judgement;

2.5. shall not be expelled from work for serious disciplinary violations;

2.6. shall have high integrity and ethical values; and

2.7. shall not have held a function in a political party in the last three (3) years.

3. Director General has a four (4) years mandate, with a possibility of re-appointment for another mandate by decision of the Prime Minister, with a proposal of the relevant Minister of Finances, without having to undergo the recruitment procedures mentioned in paragraph 1. of this Article.

4. By completing the Director General mandate, if the same, prior to the appointment was in the customs official's position, he or she shall return to the previous position or another equivalent position.

5. By sub-legal act of the relevant Minister of Finance is determined the procedure of recruitment, selection and deadline for the appointment of the general director.

Article 269
End of term for the Director General

1. The Director General's mandate shall end by:

1.1. losing the citizenship or the ability to act;

1.2. the inability or incompetence to perform duties longer than six (6) months;

1.3. termination of terms on which the appointment is based;

1.4. expiry of the mandate;

1.5. resignation, by offering the Minister a preliminary notice of thirty (30) days;

1.6. reaching the retirement age;

1.7. conviction with final judgement for a criminal act;

1.8. death.

2. The Director General shall be discharged from duty by decision of the Prime Minister, prior to the mandate completion, after the proposal of the relevant Minister of Finances, due to at least one of the reasons below:

2.1. due to serious disciplinary violations; and

2.2. due to documented not good performance.

3. In cases of dismissal, resignation or suspension of the Director General, with the proposal of the relevant Minister of Finances, the Prime Minister shall appoint an acting director, one of the subordinates of the Director General according to the highest rank, for a period not longer than six

(6) months.

CHAPTER IV
SYSTEMS OF RANKS AND WORKING PLACES CATEGORIES

Article 270
Ranks in Customs

1. The rank reflects the hierarchical level, to which corresponds a certain coefficient of payment, the level of professionalism and experience in relation to the duties and responsibilities of the functions of a certain level.

2. The customs grade, designation, relevant coefficient, presentation, form and its maintenance according to this Code is the right of customs officers only.

3. Customs officials' ranks are as in the following:

3.1. CO – Customs official;

3.2. CO1 – first (1st) level customs official;

3.3. CO2 – second (2nd) level customs official;

3.4. CO3 – third (3rd) level customs official;

3.5. CO4 – fourth (4th) level customs official;

3.6. CO5 – fifth (5th) level customs official;

3.7. CO6 – sixth (6th) level customs official, and

3.8. CO7 – Director General.

4. The rank as per sub-paragraph 3.8. of this Article is obtained in the event of appointment in the Customs Director General position.

5. The category "customs cadet" is not customs ranks, but is transitional position subject to rules and other criteria as per customs legislation.

6. The functions and the level of duties and responsibilities that correspond to the customs ranks and the corresponding coefficients, are determined by a sub-legal act of the relevant Minister for Finance, with the proposal of the General Director.

Article 271
Categorizing of working places

1. Categories of customs positions reflect the level of organization, leadership and responsibilities based on the rank and position of the workplace

2. The categorization of jobs is based on the function and level of organization, rank, professional profile, complexity of tasks, experience, level of qualification, knowledge and other skills required for the performance of work tasks.

3. The categorization of jobs from paragraph 2. of this Article is determined by a sub-legal act of the relevant Minister of Finance, with the proposal of the General Director.

CHAPTER V
COMPETENCIES AND SPECIAL DUTIES OF CUSTOMS OFFICIALS

Article 272
General Provisions

1. With the purpose of performing duties, customs officer shall act as per the competencies determined by customs legislation and other legislation in force.

2. The customs officer performing duties determined as per Article 273, shall exercise their competencies in the entire customs territory of Republic of Kosovo.

Article 273
Competencies of customs officers

1. Customs officer's competencies are:

1.1. collection, valuation, registration, processing and use of data and information;

1.2. examination and verification of document's credibility and authenticity;

1.3. verification of person's identity;

1.4. control of goods status and characteristics;

1.5. giving warnings, orders and calls;

1.6. temporary limitation of freedom of movement;

1.7. control of persons;

1.8. examination of goods;

1.9. tracking, stopping, inspecting and controlling transport means;

1.10. entry, inspection and control of business facilities, premises and objects;

1.11. temporary stop of goods and documents;

1.12. use of coercive means; and

1.13. every other duty determined by the legislation in force.

Article 274
Exercising of customs competencies

1. In the event of implementing competencies, customs officer shall respect the dignity, reputation and honour of every person, having to consider protection of human rights and fundamental freedoms.

2. Customs officer shall treat with special attention the children, the minors, the elderly as well as persons with special needs, having to consider the specific characteristics that can be observed.

3. Customs competencies toward the minors are implemented in the presence of a parent or a guardian, unless this is not possible due to the circumstances.

4. The implementation of customs competencies shall be proportional to the needs for which they

undertaken.

5. The implementation of customs competencies shall not cause serious consequences rather than what would have occurred, if the customs competencies were not enforced.

6. From some customs competencies, the customs officer shall implement those that are achievable with minor harmful consequences and in the shortest possible time.

Article 275
Types of competencies

Customs officer implements the competencies as per the official duty deriving from the work place or by order from a superior. The superior's order may be verbal or in writing.

Article 276
Customs officer identification and use of technical equipment

1. Customs officer possesses the official identification card and the badge with identification number.

2. Customs officer, performs duties while wearing a uniform or civilian clothes. The uniform may be ceremonial or work uniform with the Customs designated emblem.

3. The position where the authorized customs officer shall wear a uniform and duties that may perform while on civilian clothes are determined with an internal act by the Director General.

4. The official vehicles use for official purposes may be marked with the institution's insignia and name by Minster of Finance decision.

5. Customs officer, while performing duties may use technical equipment, detective dogs and official vehicles using light and noise signals.

6. In order to ensure the status and/or identification of goods subjected to legal provisions, the authorized customs officer may use various technical equipment.

7. Customs officer, by means of technical equipment may photograph, register and highlight the goods, the persons supervised, the place of oversight, the transport means, contract, documents and all other business documentation in relation to the supervised object.

Article 277
Camera surveillance

1. Customs for carrying out customs control and supervision may monitor the state border area, border crossings, border and internal customs offices and other objects for the implementation of customs supervision, or use the monitors of other law enforcement bodies responsible.

2. If registration and recording devices are installed in the area of border crossings, customs offices and other facilities according to paragraph 1. of this Article, the people who are in that area must be warned.

3. Records from paragraph 1. of this Article can be kept for up to one (1) year, which period can be extended by the Customs for justified legitimate purposes.

4. Procedural rules for the manner of placing and maintaining records and spaces under surveillance are determined by a sub-legal act of the relevant Minister for Finance.

Article 278
Performing duties in uniform and civilian clothes

1. Customs officer who performs customs duties in civilian clothes, prior to exercising them, shall identify themselves by a badge and official identification card.

2. Customs officer who performs duties in uniform, by request from the person toward whom the supervision is enforced, shall identify themselves by showing the badge and the official identification card.

3. Exceptionally, customs officer shall not identify themselves as determined in paragraphs 1 and 2 of this Article, if the supervision enforcement circumstances indicate that this might endanger the purpose achievement. After completion of above-mentioned circumstances, the customs officer shall identify themselves as determined in paragraphs 1 and 2 of this Article.

Article 279
Treating persons with immunity

1. Customs officer in the event of treating persons with immunity, shall act as per international agreements and legislation in force.

2. Customs officer shall immediately inform the superior about the treatment of persons with immunity.

Article 280
Assistance from other public organs

Kosovo Police and other state organs with public authorizations are obliged to provide professional assistance and other assistance to Customs in performing customs duties.

Article 281
Customs officer's duties out of state and foreign officials in Republic of Kosovo

1. When performing official duties out of state, with invitation from international organizations or based on obligations deriving from international agreements or other legal acts, the customs officer may participate in performing official duties abroad.

2. On the participation and performing of official duties from paragraph 1. of this Article and on authorized customs officer appointment decision is taken by the Minister of Finances, by suggestion from Director General.

3. The Minister of Finances issues written authorizations which determine the scope and duration of authorizations, as well as duties that might be performed by customs officials from another state or international organization when performing in the Republic of Kosovo based on an international agreement or other legal acts.

4. By invitation from international institutions, foreign customs administrations and other administrations and professional organizations, the customs officer may participate in projects work as an expert or a trainer.

5. The manner and terms of participation of the customs officer as per paragraph 4. of this Article are determined by an internal act from Director General.

Article 282
Customs investigators

The authorized police official in view of provisions from the Penal Procedure Code, the customs officer is authorized by the same Code, with competencies, responsibility and duties to investigate, observe and discover criminal acts from the scope of Customs, set out by the Kosovo Penal Code and other criminal provisions.

Article 283
Initiation of misdemeanor and investigative procedure

1. On offences set out by this Code and misdemeanors determined by special laws by Customs competencies, the customs officer is authorized to enforce the mandatory offence procedure or to initiate a regular procedure beside the competent structure for conducting the misdemeanour or penal procedure.

2. With the purpose of ensuring the sentence execution or the protection measure, respectively due to the participation in the misdemeanour process, the authorized customs officer pursuant to paragraph 1. of this Article, may temporarily take the passport from the foreign citizen, respectively another document, in duration of up to three (3) days and proof on travel document being taken is given to the citizen.

3. Exclusively from paragraph 2. of this Article, the foreign citizen or another person on his/her behalf, may deposit an insurance instrument equivalent with the fine payment.

4. Customs officer pursuant to paragraph 1. of this Article, may stop the means of transport even they are not object of the misdemeanour until the completion of offence procedure and fine payment.

5. The competent structure which conducts the misdemeanour procedure, may extend the period and issue a fine as per paragraph 2. of this Article until promulgation of final decision and fine payment.

CHAPTER VI
SPECIAL PROVISIONS FOR CUSTOMS COMPETENCIES

Article 284
Collection and processing of information

1. Customs collects data and personal information and other with the purpose of processing and performing customs duties from the existing data sources, directly from the person having to do with the data and other persons who might be aware about these data.

2. Collection of data and personal information from children is performed in the presence of a parent, a guardian, guardian parent, the person to whom the custody or child’s education is entrusted or professional person from the social welfare centre.

3. Customs officer who collects personal data and other information from existing data sources or other persons, is not obligated to inform the persons who have to do with these records if this would render impossible or difficult to perform a certain duty.

4. Authorities, institutions and other subjects which based on the law or within their scope of activities have personal data and other information available, are obliged by request from the authorized customs officer to submit the requested data and information.

5. Customs officer may collect data, personal information and other notices from official facilities, at

the person's workplace, another suitable place and with prior consent from the person in their house as well.

6. Pursuant to this Article, Customs applies the principles of personal data processing provided for by the relevant legislation in force.

Article 285
Evaluation and records of information

1. Prior to entering the data and personal information and other in the records, the authorized customs officer shall assess the source credibility and data and information authenticity.

2. Customs keeps records of the date and information collected in relation to performing duties as per the competencies.

3. The type and amount of categories of personal data that are processed are determined by a sub-legal act of the relevant Minister for Finance.

Article 286
Use of information

1. The personal data stored in registers may be used for the purposes for which the records were created, whereas for other purposes only when provided by a special law.

2. Customs may compare the personal data and other data and information collected in accordance with the customs legislation, with other personal data and information authorized to collect.

3. The inaccurate data and information stored in the registers, shall without delay be corrected and the correction shall be recorded.

Article 287
Information protection

1. When collecting, registering, processing and using personal data and other information, Customs shall especially be attentive to other personal data, their secrecy and confidentiality.

2. In the event of implementing competencies from Article 284 of this code, the legislation in force regulating the protection of personal data and data consisting of business secrets and other secrets shall be enforced.

3. Customs is obliged to keep the data secret from the risk analysis and management system and the applicant's identity as well.

4. The documentation and the collected data or verified during the supervision and the applicant's identity, Customs may offer to courts, prosecution, state administration organs and other state institutions, with a written well argumented request for the procedures under their competency.

Article 288
Register's supervision

1. Supervision of Customs records data, where personal data are stored, is performed by the responsible institution for protection of personal data in accordance with the legislation in force, which regulates the protection of personal data and are stored for up to three (3) years, which can be extended for justified legitimate purposes.

2. The data stored in the register may be used for scientific and statistical purposes in accordance

with special regulations.

3. Various numerical data from register may be used for statistical and analytical purposes by Customs and the Ministry of Finances.

4. The type, manner of storage and use and terms for keeping registers in Customs is determined by a sublegal act from the Minister of Finances, with suggestion by the Director General.

Article 289
Documentation inspection and verification of documents credibility and authenticity

Customs officer checks the work compliance of natural and legal persons in accordance with the customs legislation based on business books, registers and other documents.

Article 290
Documents control

1. Customs officer checks the documents submitted in customs procedures for which Customs is competent and the data submitted in those documents, including other documents and data collected while enforcing the supervision.

2. Customs officer may request from the person, who as per the legislation in force, is obliged to provide the information or complete a certain obligation, to submit in certain period and specific place any accounting document, business correspondence, registers or any other document that customs officer deems necessary for supervision enforcement.

3. The documents, the data or completion of a specific obligation from paragraph 2. of this Article may be requested from every person who possesses the documentation or the data requested or should be having such documents or data.

4. If the specific business books and registers are kept in an electronic medium, the authorized customs officer may check the computer system database and request preparation or submission of a document or declaration that confirms the registered data in the electronic medium.

Article 291
Person’s identity verification

1. Customs officer while enforcing supervision may verify the person’s identity.

2. The person’s identity verification is done by looking at the identification card, a travel document or any other public document with a photo.

3. By exclusion from paragraph 2. of this Article, the identity verification is done based on the person’s testimony, whose identity has been verified.

4. In the event of person’s identity verification, the authorized customs officers’ shall inform the person about the reason of his identity verification.

5. Customs officer may refuse to inform the person about the real reason of identity verification and the purpose, if this would endanger the supervision purpose achievement.

6. If the person’s identity from paragraph 1. of this Article cannot be verified based on the available data, identification of that person is requested from the police competent structures.

Article 292
Goods status and nature verification

Goods status and nature verification is done in view of Article 291, when necessary to determine in the procedure the goods characteristics and nature and the relation between the person or the goods events.

Article 293
Call and schedule for an interview

1. Unless otherwise provided by special law, the person who is likely to have useful information for the implementation of supervision may be summoned by Customs to an interview for the collection of personal and other data.

2. In the invitation the name and address of the Customs organizational unit is written down, the reason, place and time of the invitation.

3. The person responding to the call and refuses to provide information, cannot be called again for the same reason.

4. The person may be called during working hours as per administrative schedule.

5. If there is a risk that collection of date is delayed, customs may invite the same out of period as determined in paragraph 4. of this Article.

Article 294
Invitation form

1. Customs officer shall invite the person in writing, verbally or via a certain communication tool and is obliged to communicate the call reason. With person’s consent, he may accompany him to the official premises.

2. With exclusion the person may be called through information medium when this is absolutely necessary due to reasons of delay, arriving safety or when the call is directed to a huge number or people.

3. By request from the invited person, who responded to the call, the certificate is issued for Customs invitation response.

Article 295
Giving warnings and orders

1. While performing the supervision, the authorized customs officer shall give a warning to the person who with his behaviour, action or inaction may endanger his security or other persons’ safety or when reasonably believes that the person may commit or may coerce another person to commit a criminal act.

2. Customs officer issues an order, while enforcing the authorizations as per this Code in the following events:

2.1. eliminating the risk toward people’s lives and goods supervision;

2.2. in order to prevent committing a criminal act or to prevent resistance or person’s escape;

2.3. preventing destruction of evidence and tracks that might serve as evidence;

2.4. with the purpose of unhindered control on persons, goods, means of transport and business facilities, premises and other supervision subjects; and

2.5. in other events in accordance with special acts.

3. The order from paragraph 2. of this Article may be issued for a bigger number of persons as well.

Article 296
Limitation and prohibition of activity

1. Except the orders from Article 295, the authorized customs official, when the case circumstances so require, may limit or temporarily prohibit performing the activities by sealing and placing insignia in business premises, warehouses, manufactories, parts of manufactories, machineries, equipment or other premises or render impossible using the manufactories, machineries and other equipment for work or in other appropriate manners.

2. Customs officer may order measures to render impossible, prevent and discover illegal actions in certain places such as markets, fairs, exhibitions, manifestations and other places. In accordance with the order, the natural and legal persons leading the market activities or organizing market events are obliged to act upon it.

3. The measures from paragraph 2. of this Article may consist of physical marking or blocking the entrance to the facility, placing warning signs and other actions intended for rendering impossible, preventing or discovering illegal actions.

4. The order from this Article shall continue until the cause is removed, not later than thirty (30) days from the day of the order is brought.

5. After the deadline set in paragraph 4. of this Article, the Customs brings a decision that defines the legal conditions that must be met for the implementation of the legislation in force, and the appeal against this decision does not suspend its execution.

Article 297
Prohibition of activity taking place in the media

1. When the circumstances of the case so require, Customs may prevent further illegal behaviour of the natural and legal person, intermediates or publishes a print advertisement, television, radio, internet and other media or advertising notices in any other available way for the public, issuing a written order by which the publication of advertisement and all other activities aiming the public announcement are temporarily restricted or prohibited.

2. In view of this Article, an illegal behaviour is considered committing or participating in committing an unregistered activity in the meaning of provisions regulating the prohibition and prevention of unregistered activity and sale advertisement or other possession of customs goods in contrary to the terms, prohibitions and restrictions as per the legislation in force.

3. The order from paragraph 1. of this Article is executed with the relevant application of Article 296 and other relevant actions proportionally, with the purpose of rendering impossible and preventing the illegal behaviour.

4. An appeal against this order in paragraph 1. of this Article may be submitted which doesn’t suspend its execution.

5. The order from this Article shall last until the cause removal for which it was taken, not later than thirty (30) days from the day the order is brought.

6. After the deadline of the term referred to in paragraph 5. of this Article, Customs issues a decision determining the legal conditions that must be met for the implementation of the law in force, and an appeal against this decision does not delay the execution

Article 298
Issuing an order

1. If the customs officer comes to the conclusion that legal provisions and special regulations issued on their basis have been violated, except giving orders from Articles 295, 296 and 297 and depending on the case circumstances, may:

1.1. order elimination of verified irregularities within a certain period;

1.2. order the return of means obtained illegally;

1.3. stop application of actions against the customs legislation or special laws;

1.4. take other measures, respectively perform other actions for which is authorized by customs legislation or special laws.

2. The order from paragraph 1. of this Article, the authorized customs officer shall issue without delay, not later than thirty (30) days from the completion of supervision.

3. An appeal may be submitted against the order from paragraph 1. of this Article, which doesn't suspend its execution.

Article 299
Non-execution of the order

If the person toward whom the order is issued fails to act as per the order from Article 295, 296, 297 and 298, a misdemeanour procedure is initiated, particularly criminal procedure, depending on the offence qualification as per the legislation in force.

Article 300
Orders form

1. The warnings and order are verbal, in writing or another appropriate manner using light and sound signals, with marks, by hand and another way.

2. The terms and manner of giving and implementing warnings and orders is determined with an internal act by Director General.

Article 301
Temporary restriction of freedom of movement

1. In order to implement the supervision, the authorized customs officer may temporarily restrict the entry or movement in the supervision site or detain persons.

2. The temporary restriction of entry or movement in the supervision site cannot last more than the time necessary to achieve the goal for which the enforcement ensued.

3. Detention of the person at the supervision site cannot last more than accomplishing the purpose for which the authorization is exercised and not more than six (6) hours. If reasons exist for temporary detention of the person for more than six (6) hours, the competent Customs investigation structure shall be notified without delay for legislation in force enforcement.

Article 302
Persons control

1. The person who enters, uses transit or exits the customs territory of Republic of Kosovo, is obliged to declare the goods carrying with himself and when requested by the customs official, shall answer to questions regarding the itinerary, the luggage and other stuff carrying with himself and if requested for control, shall present them in the place and manner as required by Customs.

2. Customs officer control the person for the purposes of implementing the customs supervision.

3. Controlling a person includes examination of anything the person carries on the body or with themselves, specifying if they carry stuff that are object of punishable actions for which Customs is competent.

4. The control may be performed solely by authorized customs officials of the same gender with the person being checked, whereas the control on a minor can be performed only with the presence of a parent or guardian of the minor. In the event the presence of the parent or guardian cannot be provided, the control then is performed in the presence of a professional from a competent social welfare institution.

5. Exceptionally, when necessary to perform an urgent control on the person for detention of weapons or objects suitable for an attack or self-mutilation, the control may be performed by another gender person.

6. In the event of suspicion that goods being used to commit a customs offence, respectively an object of criminal act is concealed in the person's body, then Customs investigation structures shall be notified, who shall notify the Prosecution to authorize a control in health institutions as per legislation in force.

Article 303
Goods examination

1. Customs officer while enforcing the customs supervision is entitled to control the goods.

2. The persons from Article 302 and all other persons located at the supervision enforcement site are obliged to enable to the authorized customs officer to control the goods without obstacles.

3. Additional rules for the examination of goods that have a special form of transportation are determined by a sublegal act of the Minister for Finance

Article 304
Sample taking

1. In the procedure in Article 303, the authorized customs officer is entitled to take samples from goods with the purpose of performing analysis or other specific examination.

2. The procedure for taking samples is determined by sublegal act approved by the Minister of Finances with the proposal of the General Director.

Article 305
Abandoned goods

1. Customs officer is entitled to control the goods and in case those goods cannot be related to any person, they shall be considered to be abandoned.

2. If not otherwise set out by the special law, Customs with the purpose of regulating the goods

status from paragraph 1. of this Article, shall undertake all the necessary measures, including its sale, using it for their needs or donating it. The goods are destroyed if, by legislation in force, they cannot be traded in the Republic of Kosovo.

Article 306
Monitoring, detention, inspection and control of means of transport

1. Customs officer while enforcing supervision at any time and place may monitor, detain, follow, inspect and control all the transport means which:

1.1. enter or exit the customs territory of Republic of Kosovo;

1.2. move within the customs territory;

1.3. are within the approved space by Customs;

1.4. arrive or depart from the airport;

1.5. arrive or depart from a customs warehouse or an approved free zone.

2. Persons who drive the transport means for which authorizations from paragraph 1. of this Article apply, are obliged to stop at the place where the authorized customs officer specifies by giving the marks determined in order from paragraph 8. of this Article and by request from the customs officer shall provide all the necessary information and present the goods being transported or conveyed.

3. The examination of the transport means, implies checking the space and all the stuff located in it, including also giving the order of opening the closed spaces or containers.

4. If from the means of transport control, the suspicion arises for violation of customs provisions and supervision, the authorized customs officer is entitled to control all the transport means parts, including also the goods located inside and by using technical tools, is entitled to disassemble special parts of the transport means. If necessary, an expert is called to offer professional assistance.

5. If after the control and disassembling of means of transport, the conclusion is reached that no law is violated, the transport means will return to the initial state and the authorized customs officer shall compile the minutes record.

6. Customs officer may stop the transport means until completion of investigations or offence procedure and until payment of expenses caused in the customs control procedure including the goods transport expenses up to the storage area as per customs officials order.

7. If the transport means are suited to conceal goods, they shall be detained until the suited space for such concealment is not destroyed by the transport means user.

8. The way of acting of authorized customs officials during detention of transport means is determined by an internal act by Director General.

9. Cases when control expenses have to be paid are determined by a sub-legal act from the relevant Minister of Finances, with proposal by Director General.

Article 307
Airport and airplane control

1. The customs officer request from the airplane captain to make available at any time and place, entry to the airplane and checking for:

1.1. the airplane and goods transported in it; and

1.2. documents having to do with the airplane, goods and passengers.

2. Customs officer is given access from the airport employee, at any time upon request, to allow the customs officer to enter and inspect, control the airport, the buildings, makes copies and take documents and data kept by the airport official in accordance with the customs legislation.

3. The airline company operating in the airport space based on the customs officer request are obliged to:

3.1. to follow up the requested data, for every airline means arriving or departing the airport;

3.2. to follow up the requested data, regarding the passengers for every airline means arriving or departing the airport; and

3.3. shall deliver to the customs officer as requested copies and issue extracts from those notes or documents taken.

Article 308
Entry, inspection and controlling of business facilities, premises and objects

1. For implementation of customs supervision, the authorized customs officer at any time when they are open to enter, inspect and control the business facilities, premises, the land and other accompanying objects.

2. Customs officer is entitled to request from responsible persons to open them and place customs insignia if they are closed.

3. The business premises in view of paragraph 1. of this Article are also considered to the residence premises determined as residency of the legal or natural person performing activities or if being used as business object.

4. Prior to entry and control by paragraph 1. of this Article, the authorized customs officer shall inform the responsible person and request from him or her to participate in the control. Exceptionally, if special circumstances require so, the customs officer shall inform the person prior to entry and control commencement. The reason for entry and control commencement without prior notification for the responsible person is registered in the minutes report as per paragraph 6. of this Article.

5. Examination and control of other objects and premises from the ones specified in paragraph 1. of this Article, is performed as per the legislation in force.

6. For actions from this Article, the authorized customs officer prepares a report.

Article 309
Bank transfer requests

1. Customs officer is entitled to request from commercial banks and other financial institutions data on performed transfers from the subject related to the import and export of goods.

2. The request is done in writing and shall be authorized and contain the requested data.

3. The data received shall be treated with confidentiality and used for the purpose for which the request was submitted.

4. The commercial banks and other financial institutions are obliged to submit these data to Customs

in period of thirty (30) days from the day of request being submitted, except when adjournment of this period for additional thirty (30) days is reasoned.

5. The competent structure for request authorization from paragraph 2. of this Article is determined by an internal act from Director General.

Article 310
Temporary detention of goods and monetary means

1. Customs officer is entitled in all customs procedures to detain the goods, which is prohibited, restricted, for which customs duties are not paid or a mandatory seizure measure is set out for the goods.

2. Customs officer while enforcing the supervision is entitled to detain other goods which are object of illegal actions as per legislation in force.

3. If not otherwise set out by special law, the goods from paragraph 2. of this Article may be temporarily detained to ensure collection of customs debt caused as a result of handling the illegal goods as per paragraph 1. of this Article.

4. Customs officer for the purposes of customs investigations, collection of evidence and verification of goods legal status, may detain them for a period of thirty (30) days.

5. The period as per paragraph 4. of this Article may be extended for additional thirty (30) days, after which period a decision is issued for seizure or release of goods, respectively a misdemeanour or criminal procedure is initiated.

6. Customs officer may detain the domestic or foreign payment instruments in accordance with the legislation in force.

Article 311
Documents stopping

1. Customs officer is entitled to temporarily stop or stop possession of documents and the holder of data from Article 290, for a period no longer than thirty (30) days.

2. When deemed necessary for the purpose of insuring evidence, finding irregularities or if the supervised person used the documents and the data holder from paragraph 1. of this Article, infringing the customs provisions, then they may be stopped until the procedure completion.

3. The person to whom the documents have been stopped temporarily, may request for the documents and the data holder to be returned prior to expiry of period for holding them or possessing them, if manages to verify that they are necessary for such person’s activity.

4. On the request from paragraph 3. of this Article, a certain Custom structure shall decide in a period of ten (10) days from the day of request being submitted.

Article 312
Temporary detention certificate

1. A certificate is issued for temporary detention of goods, domestic and foreign payment instruments, documents and data holders.

2. The certificate contains essential characteristics of temporary detained goods, domestic and foreign payment instruments, documents and data holders, used for identification and data about the person to whom the detention applies.

3. After certificate delivery for temporary detention of goods from paragraph 3. of Article 310, the Customs competent structure in period of thirty (30) days by a verdict appoints the period of keeping the goods until the procedure completion, on calculation and payment of customs duties. If a certain insurance instrument for customs debt is provided, then the detained goods may be returned to the owner.

Article 313
Use of coercive means

1. Customs officer while enforcing the customs supervision, may use coercive means only if systemized in authorized organizational units as per the organizational structure and if has the appropriate training in accordance to the training program set out for detention and arrest.

2. The training for customs officer from paragraph 1. of this Article is performed in state specialized institutions of Republic of Kosovo.

Article 314
Means of coercion

1. Customs officer from paragraph 1. of Article 313 may use coercive means in terms set out by the customs legislation and in accordance with the legislation in force for law enforcement.

2. The coercive means in view of this Code are physical force, spray, handcuffs and firearms.

3. Customs officer shall cease using coercive means right after the causes due to which coercive means were used cease to exist.

4. The coercive means are used after preliminary notification, unless if the preliminary notification endangers the purpose achievement.

5. The procedure and way of using coercive means is enforced accordingly in accordance with the rules in force serving for Kosovo Police officials.

Article 315
Equipment with firearms

1. Customs officer is authorized to have firearms and ammunition in the entire territory of Republic of Kosovo.

2. Customs officer is authorized to keep firearms and ammunition while performing duties in uniform, and in particular in civilian clothes.

3. The conditions for equipment, the way of keeping and using firearms are determined by a sub-legal act of the relevant Minister of Finance, with the proposal of the General Director and the legislation in force.

4. The type of firearms and ammunition used by customs officers is determined according to the legislation in force.

Article 316
Mandatory collection

1. When the duty amount to be paid as per this Code, is not paid off within the specific period, Customs pursuant to Article 80 of this Code shall enforce directly the measure for insurance of duty payment and the procedure for mandatory duty collection.

2. The measures for payment insurance undertaken by Customs, include:

2.1. establishing the suspension of import/export activities until the fulfillment of the customs debt;

2.2. detention and seizure of goods declared/imported after placing suspension in import pursuant to subparagraph 2.1. of this Article;

2.3. detention and seizure of every goods, property, vehicle and other assets, either movable or immovable, tangible or intangible, on personal name or on behalf of customs liable person's business;

2.4. preventing the liable person to trade via the business bank account on his personal name, including also members of the board and responsible persons or on behalf of their businesses.

Article 317
Execution procedure and restrictions in mandatory collection

1. With the purpose of performing the seizure measure, Customs submits the notice to the customs liable person, as well as the employer, banks, other financial institutions or public authorities under their control or possession of assets belonging to the customs liable person, or the person owing to the customs liable person at the time of notice being issued.

2. The seizure measure as per this Article is a continuous measures, from the date of notice, which is registered as customs debt in certain debt registers, until the date when the customs debt and all bonuses and calculations, are entirely paid off.

3. In the event the customs liable person is in a work relation, Customs shall deliver the notice for seizure to the employer who is obliged to stop the salary and convey the means to Customs.

4. The notice for seizure consists of:

4.1. the customs liable person whose assets are seized;

4.2. the assets location; and

4.3. the customs debt amount.

5. In the events when the assets over which a measure for seizure is placed is not sufficient to pay off the customs debt, Customs may later, and whenever necessary, continue placing seizure measures on other assets, until the customs debt and all bonuses and calculations, are entirely paid off.

6. Every person in possession of assets subjected to seizure measure, by request from Customs, shall submit such assets to Customs, apart from that part of assets which at the time of request, is subject to an execution as per a court procedure.

7. Customs may issue an order for the liable person for Customs to provide a statement under oath for the assets, property of the liable person.

8. Every person objects or refuses delivering the assets subject to seizure measure, is personally responsible in a form of obligation to Customs, in the amount equal to the value of assets not delivered. Placement of this sanction doesn't exempt the customs liable person for whom the seizure measure is executed.

9. Apart from the personal obligation, the person from paragraph 8. of this Article is subject to other sanctions determined by this Code.

10. Customs may sell in a public auction every seized asset in accordance to this Article.

11. Only the necessary and sufficient assets for customs debt payment is subject to seizure measure.

12. The assets in the following are excluded from the seizure measure:

12.1. children food allowances and social payments;

12.2. basic apparel, basic personal stuff;

12.3. basic food;

12.4. basic furniture; and

12.5. every other asset specified in the sub-legal act issued in implementation of this Article.

13. The detention procedure, seizure and designation of competent structures in Customs for mandatory collection, are determined by sub-legal act from the relevant Minister of Finances, with the proposal of the General Director.

Article 318
Internal supervision and internal control

1. Customs performs internal supervision on work legality and correct application of provisions from its competencies, with the purpose of eliminating found irregularities and standardizing work practices.

2. Customs performs internal controls with the purpose of discovering, finding and preventing work legality infringements and rules of service by customs officer and other employees.

3. On implementing internal supervision and control work, the customs competencies apply determined by customs legislation and other special laws.

4. The internal supervision and control procedure is determined by internal act from Director General.

Article 319
Verification of the customs status of the goods by public and private operators

1. Customs, in order to ensure the collection of import duties, requires public and private operators who provide services in various fields according to the legislation in force, to verify the customs status of customs goods.

2. In case when the goods have non-Kosovo status, public and private operators will not provide services to the owner of the customs goods until the person fulfills the customs formalities, as provided by the provisions of this Code.

3. Customs, for the purpose of implementing paragraphs 2. and 3. of this Article, will exchange data with public and private operators through the electronic system approved by the Government.

4. The detailed procedural rules, the method of data exchange, the control measures and the supervision of the implementation of this Article are determined by a sub-legal act of the Government which is proposed by the ministry responsible for Finance.

CHAPTER VII
CUSTOMS OFFICIAL'S WORK RELATIONS

Article 320
Employment relation regulation

1. Customs employs:

    1.1. Customs officials;

    1.2. Civilian staff; and

    1.3. Technical and supportive staff.

2. The work relations for the categories of employees in Customs according to paragraph 1. of this Article, is regulated in accordance with the provisions of this Code.

3. For issues other than the labor relationship, the provisions of the legislation in force shall be applied accordingly, unless otherwise specified by this Code.

Article 321
General employment requests

1. Employment in Customs is done based on the customs legislation and other special laws and in accordance with merit principles, professional capacities, impartiality, equal opportunities, non-discrimination and equal representation, via open and public vacancy.

2. The candidate subjected to recruitment process for employment as a customs officer shall fulfil the general terms:

    2.1. to be a citizen of Republic of Kosovo;

    2.2. have full abilities to act;

    2.3. to be in a good health condition, physical and capable to perform the duties for the certain position, based on proof from specific authorities;

    2.4. should not be convicted by a final verdict for willingly committing a criminal act;

    2.5. should not have in force any disciplinary measure for serious violation in public institution; and

    2.6. have personal integrity and high ethical values.

Article 322
Recruitment

1. In accordance with the customs legislation and other special laws, the vacant positions are filled through an open and public vacancy announcement.

2. The announcement of the recruitment procedure is made by the responsible HR unit, as well as by other appropriate means of information.

3. The selected candidate is subject to data verification by Customs. In case of discrepancy between submitted and verified data, the candidate is considered unsuccessful in the recruitment process and the first ranked candidate below is selected accordingly.

4. The candidate not satisfied with recruitment results from Customs, may appeal as the pertinent procedure in Article 339, paragraph 1. of this law.

5. The procedures rules, commissions, types of tests, requirements and additional criteria and other issues regarding the recruitment according to this Article, are determined by sub-legal act of the relevant Minister of Finances with a proposal by the General Director.

Article 323
Probationary period and employment contract

1. The candidate selected through the recruitment procedure signs a temporary contract for the basic training phase for customs cadets according to the possibility criteria.

2. The customs cadet who successfully completes the theoretical training phase with a minimum of seventy percent (70%) of the result is subject to the practical operational training phase and completes all the training provided for his position.

3. After successful completion of practical training and professional training, the cadet signs an indefinite employment contract in the position of customs officer.

4. Procedural rules, the duration of theoretical and practical training, professional training and other criteria from this Article, are determined by a sub-legal act of the relevant Minister for Finance, with the proposal of the General Director.

Article 324
Salary and allowances

1. The salary and allowance for customs officials is based on special terms under which they performed their duties. The customs official’s salary changes based on inclusive factors, but not limited only to rank and duration in service.

2. As basic salary bonus, customs officials legally get types of bonuses, allowances, benefits and awards for discoveries and performance. Such bonus payments are based on factors including, but not limited to dangerous duties, working off schedule, work schedule with shifts, working while on holidays or other off days, being appointed to special duties and for special capabilities.

3. The basic salary and every bonus or authorized allowance is determined by a sub-legal act of the relevant Minister of Finances, after suggestion by the Director General.

Article 325
Promotions

1. Promotions in Customs are vertical and horizontal.

2. The vertical promotion implies rank promotion from a lower level to a higher one and based on completion of requested terms for certain positions and is accomplished via internal vacancy.

3. Horizontal promotion implies a promotion from a lower financial level to a higher level within the same rank.

4. The procedures and criteria of promotion as per this Article are determined by a sub-legal act from the Minister of Finances, after suggestion of the Director General.

Article 326
Temporary appointments

1. The vacant positions or newly created position may be filled in by temporary appointment of customs officer in that post up to twelve (12) months, provided that the customs officer fulfils all the position criteria, to be temporarily appointed.

2. The temporary appointment is possible if:

2.1. this is requested for the needs of filling in a certain position;

2.2. when the customs officer holding that position is absent over thirty (30) days; and

2.3. in other cases as per legislation in force.

3. Temporary appointment can only be made from a lower level/grade to a higher level/grade.

4. During the temporary appointment period, the customs officer temporarily appointed, is entitled to salaries and other benefits for that position.

5. During the temporary appointment period, the customs officer temporarily appointed, is entitled to salaries and other benefits for that position.

6. Procedural rules for temporary appointments are determined by a sub-legal act of the relevant Minister for Finance, after suggestion of the General Director.

Article 327
Transfer

1. The customs officer may be transferred to a position equivalent with the present one via a regular transfer to an equivalent position without limitations or for a temporary period of twelve (12) months.

2. The transfer is argumented and based on the following criteria:

2.1. the services need for transfer by argumenting the purpose and anticipated results;

2.2. the suitability for transfer accomplishment based on customs officials’ capacities and capabilities to accomplish as better the transfer purpose;

2.3. minimum necessary trainings for the requested position; and

2.4. the customs official’s profile provided by human resources.

2.5. take into account the financial costs associated with covering travel expenses.

3. The customs officer may transfer regularly to another equivalent position based on Customs needs or based on personal request from customs official.

4. After completion of temporary transfer period, the customs officer shall return to his or her previous position.

5. The procedures and other criteria related to customs officials’ transfers are determined by a sub-legal act from the relevant Minister of Finances, after suggestion by the Director General.

Article 328
Reorganizing

In events of needs for institutional re-organizing, customs officials included in the re-organizing, have their salaries and ranks preserved, regardless which position they get appointed.

Article 329
Performance appraisal

1. Customs assesses the customs official's performance on a periodic basis, and the result is considered for:

   1.1. identifying training needs;

   1.2. promotion and degradation; and

   1.3. identifying terms for transfer.

2. The periodic analysis precedes the assessment regarding the completion of objectives and duties determined by plan, reporting challenges and certain reporting.

3. In the event of identifying deficiencies by the immediate supervisor in completion of objectives and duties, the customs officer is notified in writing on proofs and recommendations that have to completed within the certain period.

4. Procedural rules, other criteria regarding the valuation of work outcomes and certain forms are determined by sub-legal act from the relevant Minister of Finances after suggestion by Director General.

Article 330
Work schedule and leaves

1. The work schedule in Customs is determined by sub-legal act, including the regular work schedule, working in shifts and the allowed rate of working off schedule.

2. The customs officer has twenty (20) working days of annual leave and for every two (2) years of work experience one (1) day is added.

3. The customs officer may receive leave without pay or without interruption for a period of one (1) year. The requests for leave without pay will be reviewed by the Commission established by Director General and may be given for special occasions as in the following:

   3.1. in case of illnesses or recovery abroad;

   3.2. to care after a close family member, due to an illness;

   3.3. with the purpose of tuition within or abroad; and

   3.4. passing exams or completing education which is in Customs interest.

4. Recommendation from the commission shall be approved by Director General.

5. The right to leave without pay for up to one (1) year is not allowed more than once within ten (10) continuous years of work at Customs, except under paragraph 3.1 of this Article.

6. The customs officer is entitled to medical leave and other leaves as per the legislation in force.

7. The work schedule is determined with a decision by Director General.

8. Procedural rules, criteria and types of leaves, are determined by a sub-legal act from the Minister, after suggestion from the Director General.

Article 331
Appointment and mandate of management position

1. Appointment and mandate of management position

1.1. General Director of Customs

1.2. Directors of Directorate;

1.3. Directors of Central Departments;

1.4. Directors of Regional Departments.

2. The appointment to the positions defined in sub-paragraphs 1.1, 1.2, 1.3 and 1.4 of this Article is made in accordance with the recruitment procedures defined by Article 268 and 322 through an external competition with a four (4) year mandate, with the possibility of extension.

3. With the exception of paragraph 2. of this Article, in cases where the General Director deems it necessary, the appointment of the positions defined in sub-paragraph 1.2, 1.3, and 1.4. of this Article can be done through:

3.1. internal competition; or,

3.2. re-election, through the continuation of the mandate.

4. With the exception of the General Director, whose term of office is determined when it ends, all other management positions according to sub-paragraphs 1.2, 1.3 and 1.4. of this Article will end their terms one (1) year after the entry into force of this Code.

5. After one (1) year, for the selection of other management positions, the General Director of Customs acts in accordance with Article.

6. Customs staff holding management positions in Customs, defined in paragraph 1. of this Article, shall continue to hold those positions one (1) year after the entry into force of this Code. In case of assignment to a lower position in Customs, according to the provisions of this Code, this staff shall continue to receive the same amount of salary (same monetary value) during the employment relationship in Customs, if the position held has a lower salary (lower monetary value) than the value of salary, according to this paragraph.

7. Management positions according to sub-paragraphs 1.1, 1.2, 1.3. and 1.4. of this Article, whose mandate is not extended, are returned to their previous position in case they had a previous position in Customs.

8. The detailed rules for the implementation of this Article are determined by a sub-legal act of the relevant Minister for Finance.

Article 332
Suspension of work relation

1. The customs officer may be suspended from work up to six (6) months, if:

1.1. an indictment for criminal act has been filed against him or her;

1.2. he or she has been under a house arrest or detention; and

1.3. is suspicious for breach of duties and his or her presence may affect in disciplinary or criminal investigations.

2. In case against the customs officer an indictment has been filed and the criminal procedure doesn't end within six (6) months, the suspension may continue until the final verdict from competent court.

3. During the suspension period, customs officer gets fifty percent (50%) of his or her base salary without other additions.

4. If the suspended official, is acquitted, the suspension period will be treated as service on duty for all the purposes and the official gets the full salary and other applicable allowances, which would have been paid if suspension from service wouldn't occur.

5. Procedural rules for the implementation of this Article are determined by a sub-legal act of the relevant Minister for Finance, by proposal of the General Director.

Article 333
Termination of work relation

1. The customs official's work relation ends with:

1.1. resignation, with prior notification of thirty (30) days;

1.2. reaching retirement age;

1.3. loss of citizenship or ability to act;

1.4. due to the inability of incompetence of performing duties longer than six (6) months;

1.5. after two (2) "unsatisfying" assessments, of work results;

1.6. in the event of serious disciplinary violations, when the measure of dismissal from work is imposed;

1.7. with a decision with a final sentence for the commission of an intentional criminal offense;

1.8. death;

1.9. in any other event, provided by legislation in force.

Article 334
Disciplinary liability

1. Customs officer shall bear the disciplinary responsibility for violation of duties and responsibilities, in cases where he/she does not perform assigned the duties, when he/she performs them improperly or when during their exercise he/she acts contrary to the laws and other sub-legal acts in force. Disciplinary violation can be done by action or inaction.

2. The criminal responsibility does not exclude the disciplinary responsibility, if the cause of the criminal charge constitutes a violation of work duties and responsibilities.

3. Exemption from criminal responsibility does not mean exemption from disciplinary responsibility, if the offense committed represents a violation of work duties and responsibilities.

Article 335
Violation of duties and responsibilities

1. Violation of duties and responsibilities can be:

1.1. minor violations;

1.2. serious violation.

2. The classification of minor and serious violations of work duties and responsibilities are determined by a sub-legal act of the relevant Minister for Finance by proposal of the General Director.

Article 336
Competence for imposing of disciplinary measures

1. Disciplinary measures for minor violations shall be imposed by the immediate supervisor of customs officer.

2. The disciplinary procedure for serious violations is carried out by the Disciplinary Commission.

3. To review the cases of directors of directorates or equivalent positions, the director general, depending on the case, appoints a committee of three (3) members composed of: one (1) representative of the senior management of customs, one (1) representative of the Ministry of Finance and one (1) representative of the Tax Administration of Kosovo, depending on the nature of the case, who will be independent in examining the case.

4. Procedural rules for the initiation of the procedure, the creation and composition of the disciplinary commission are determined by a sub-legal act of the relevant Minister for Finance by proposal of the General Director.

Article 337
Disciplinary measures

1. For minor violations a verbal reprimand or written reprimand may be issued to the customs officer, for a period of one (1) month to six (6) months.

2. For a serious violation, the Disciplinary Commission, based on the investigations and evidence provided by the relevant organizational unit, can pronounce:

2.1. salary deduction from twenty percent (20%) to fifty percent (50%) of gross monthly salary for a period of up to (6) month;

2.2. promotion ban for a period of one (1) to five (5) years;

2.3. lower post or degradation, not more than one (1) rank, without the right to promotion for a period of two (2) to three (3) years;

2.4. pre-dismissal, for a period form six (6) month to two (2) years; and

2.5. termination of employment.

3. The disciplinary procedure may be conducted along the criminal procedure, only if investigations in criminal procedure are not affected. In cases when conducting the disciplinary procedure may affect

negatively the criminal investigations, by an notification from the case prosecutor, the disciplinary procedures may be suspended, until the criminal procedure isn't complete or until it doesn't reach the stage when disciplinary measures enforcement might be effective.

Article 338
Deletion of the disciplinary measures from the evidence

1. Disciplinary measures in the human resources file are terminated, after the expiration of these deadlines:

1.1. one (1) year from the notification of the measure provided in paragraph 1 of Article 337 of this Code;

1.2. two (2) years from the expiry of the implementation of the measures provided in subparagraphs 2.1 of Article 337 of this Code;

1.3. three (3) years from the expiry of the measure provided in sub-paragraphs 2.2 and 2.3. has been applied. of Article 337 of this Code;

1.4. four (4) years from the expiry of the measure provided according to sub-paragraph 2.4 of Article 337 of this Code; and

1.5. eight (8) years from the notification of the measure determined according to subsection 2.5 of Article 337 of this Code.

2. The declaration of termination is made ex officio or upon request, by decision of the human resources unit. The measure is deleted from the personnel file and from the relevant register.

Article 339
The right of appeal

1. Customs employees can complain when they claim that their rights have been violated in the employment relationship. Candidates in the recruitment procedure at the Kosovo Customs have the right to appeal.

2. If legal remedies have not been exercised against the decision received according to paragraph 1. of this Article within the specified period, the decision takes the final form and is executed immediately according to the provisions in force.

3. For the examination of the complaints of the directors of the directorates, the General Director, as the case may be, appoints a committee of three (3) members, in this composition: one (1) representative of the senior management of Customs, one (1) representative of the Ministry of Finance and one (1) representative from the Tax Administration of Kosovo.

4. Against the decision of the Complaints Commission, the customs officer has the right to exercise a legal remedy in the competent court, in accordance with the relevant law on administrative conflict.

5. The procedural rules of the appeal, the appointment of the appeals commissions, deadlines and other issues are determined by a sub-legal act of the relevant Minister for Finance on the proposal of the General Director.

Article 340
Disciplinary violations prescription

1. The minor disciplinary violations are prescribed if a period of one (1) year passed from the time of disciplinary violation is committed.

2. Serious disciplinary violations, are prescribed if a period of four (4) years passed from the time of committing the disciplinary violation.

3. The prescription is stopped with every action from the competent organ undertaking the case investigations.

4. The act is prescribed in every event when it passes double the period of prescription for acts as in paragraph 1 and 2. of this Article.

5. The disciplinary measures are executed after the disciplinary decision obtains full administrative power.

Article 341
Legal assistance

1. In the event a criminal procedure is initiated against the customs officer due to use of firearms or other actions while performing official duties or traffic accident while performing official duties, by request from the customs official, Customs shall provide legal assistance for the customs official.

2. The commission established by Director General assesses the custom official's request and recommends to the Director General the decision for approval or refusal.

Article 342
Willingness to work

1. The customs officer, who is warned about willingness to work, is obliged to be on hold for off schedule official work and also during leaves, when the Custom`s needs require so.

2. The customs officer on hold to work, shall as soon as possible get to the working place or at the place where duties will be performed.

3. The procedural rules and terms of implementing this Article are determined by a sub-legal act from the relevant Minister of Finances with suggestion from Director General.

Article 343
Professional training and advancement

1. Customs officer shall continue completing professional knowledge, trained and take part in developing the professional competency organized by Customs.

2. The activities of professional forming and advancement refer to:

> 2.1. development and application of training programs and continuous professional advancement of customs officials;
>
> 2.2. developing and application of professional training programs and advanced training programs for customs cadets and customs officials;
>
> 2.3. organizing courses, seminars and workshops; and
>
> 2.4. releasing necessary professional publications for Customs work and for the needs of professional training for customs officials.

3. Contents, manner and criteria of professional advancement, training and verification of professional competency of customs officials and customs cadets are determined by an internal act by Director General.

Article 344
Education and training in other institutions

1. Customs based on the agreement between the Customs Director General and head of another organ, may make send the customs officer for education and training in another state institution of Republic of Kosovo or abroad.

2. Based on the agreement between the relevant Minister of Finances and head of another institution, professional officials from another state institution may get education and professional training in Customs, with the purpose of getting knowledge from Customs competency and scope of activities.

Article 345
Activities that constitute a conflict of interests

1. The customs officer performing his function in accordance to the legislation in force and the Code of Ethics and avoids any kind of conflict of interest in accordance to a certain law for prevention of conflict of interest.

2. The customs officer while performing his public function, is obliged to make a pre-declaration, case by case, of the existence of his private interest or that of relatives of his regarding the decision taking for a certain issue, that might become a reason for a conflict of interest and for this decision taking shall be withdrawn.

3. Actions that are categorized as conflict of interest in the scope of Customs, the manner of reporting, deadlines and procedures for preventing the conflict of interest are determined by sub-legal act of the relevant Minister of Finances with the proposal of the Customs Director General.

Article 346
Restriction of use of information

1. The customs officer cannot use information, data or knowledge, that has access on while working in Customs, for non-official purposes, except with consent from Director General, for research or educational purposes, provided that doesn't disclose data, personal information, tax secrets, business secrets and other protected information.

2. The customs officer cannot use or give information, data and knowledge with the purpose of achieving a financial profit for themselves or other persons.

3. After termination or completion of work relation, the customs officer remains saving the data mentioned in paragraph 1. and 2. of this Article.

Article 347
Restrictions on strike

1. The right on strike for customs officials is regulated by certain Law on strike and takes under advisement the need functioning of Customs.

2. During strike duration Director General determines the work flow and necessary activities that must be performed.

Article 348
Card withdrawal, uniforms and weapons as well as inability to access

If the customs officer is suspended or dismissed, his service card, uniform and firearm are taken for the duration of suspension or dismissal, as well as access to Customs systems is disabled.

Article 349
Acknowledgements for special contributions

1. For the achievement of successes in certain areas of work or duties performance, as well as contributes in strengthening Customs reputation, acknowledgements can be given to customs officials or organizational units within, other state organs, local authorities, other public authorities as well as individuals cooperating with Customs.

2. The awards or acknowledgements from Customs are:

2.1. first annual price;

2.2. random price; and

2.3. appreciations.

3. The customs officer may be presented with a Customs symbol upon retirement.

4. The acknowledgements and awards mentioned in paragraph 2. of this Article, as a rule, are given on the Customs Day.

5. Acknowledgements are given for a special contribution in cooperation with Customs for state administrative organs, public services or economic subjects.

6. Procedural rules for giving acknowledgements, their types and terms and way of giving the commemorative symbol are determined by a sub-legal act by Minister of Finances with the proposal of the General Director.

CHAPTER VIII
SPECIAL PROVISIONS

Article 350
Prohibition of imitating and using uniforms, Customs insignia and symbols

1. Production and use of uniforms and badges is prohibited, badges with colours, designed, or having positioning insignia and other identical markings or similar ones with Customs officials' uniforms.

2. Prohibition of imitating and using vehicles which are graphically similar with Customs vehicles and other official means.

3. Vehicles and other equipment which are designed or used in contrary to paragraph 1. and 2. of this Article are temporarily stopped and the case is processed in accordance with the legislation in force.

Article 351
Emergency measures

In the event of extraordinary situations, difficulties in circulation via border crossing points or delays in performing customs procedures within the customs territory of Republic of Kosovo, the Minister of Finances, with suggestion by Director General, may temporarily assign simplified measures for application of customs supervision and controls.

FIFTH BOOK
LAW ON RELIEFS

FIRST PART

CHAPTER I
PURPOSE, SCOPE AND DEFINITIONS

Article 352
Purpose and scope

1. This Law sets out those cases in which, owing to special circumstances, relief from import duties, export duties when goods are released for free circulation or are exported from the customs territory of the Republic of Kosovo.

2. This Law is partially compliant with:

2.1. Council Regulation (EC) No 1186/2009 of 16 November 2009 setting up a Community system of reliefs from customs duty (Codified version);

2.2. Council Directive 2007/74/EC of 20 December 2007 on the exemption from value added tax and excise duty of goods imported by persons travelling from third countries.

Article 353
Definitions

1. Terms used in this Book shall have these meanings:

1.1. Import duties - means customs duties and charges having equivalent effect and also agricultural levies and other import charges provided for under the national agricultural policy or under specific arrangements applicable to certain goods resulting from the processing of agricultural products;

1.2. Export duties - means agricultural levies and other export charges provided for under the national agricultural policy or under specific arrangements applicable to certain goods resulting from the processing of agricultural products;

1.3. Personal property - means any property intended for the personal use of the persons concerned or for meeting their household needs.

1.3.1. the following, in particular, shall constitute ‘personal property’:

1.3.1.1. household effects;

1.3.1.2. cycles and motor cycles, private motor vehicle and trailer, camping caravans, pleasure craft and private airplane.

1.3.2. 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;

1.4. 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;

1.5. Alcoholic products mean products -beer, wine, aperitifs with a wine or alcohol base, brandies, liqueurs or spirituous beverages, or spirits and the like, falling within heading Nos 2203 to 2208 of the TARIK.

SECOND PART
RELIEF FROM IMPORT DUTY

CHAPTER I
PERSONAL PROPERTY BELONGING TO NATURAL PERSONS TRANSFERRING THEIR NORMAL PLACE OF RESIDENCE TO THE REPUBLIC OF KOSOVO

Article 354

Subject to Articles 355 to 362, personal property imported by natural persons transferring their normal place of residence from another country to the customs territory of the Republic of Kosovo shall be admitted free of import duties.

Article 355

1. The relief shall be limited to personal property which:

1.1. 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 (6) months before the date on which he ceases to have his normal place of residence in the country outside Republic of Kosovo;

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

2. In addition, 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 356

1. Relief may be granted only to persons whose normal place of residence has been outside the customs territory of the Republic of Kosovo for a continuous period of at least twelve (12) months.

2. However, Customs may grant exceptions to the rule in paragraph 1. of this Article, provided that the intention of the person concerned was clearly to reside outside the customs territory of the Republic of Kosovo for a continuous period of at least twelve (12) months.

Article 357

1. No relief shall be granted for:

1.1. alcoholic products;

1.2. tobacco or tobacco products;

1.3. commercial means of transport;

1.4. articles for use in the exercise of a trade or profession, other than portable instruments of the applied or liberal arts.

Article 358

1. Except in special cases, relief shall be granted only in respect of personal property entered free circulation within twelve (12) months from the date of establishment, by the person concerned, of his normal place of residence in the customs territory of the Republic of Kosovo.

2. The personal property may be released for free circulation in several separate consignments within the period referred to in paragraph 1. of this Article.

Article 359

1. Until twelve (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.

2. Any loan, giving as security, hiring out or transfer before the expiry of the period referred to in paragraph 1. of this Article 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 360

1. By way of derogation from the paragraph 1. of Article 358, relief may be granted in respect of personal property entered for free circulation before the person concerned establishes his normal place of residence in the customs territory of the Republic of Kosovo, provided that he undertakes actually to establish his normal place of residence there within a period of six (6) 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. of this Article, the period laid down in subparagraph 1.1. of Article 355 shall be calculated from the date on which the personal property is brought into the customs territory of the Republic of Kosovo.

Article 361

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 the customs territory of the Republic of Kosovo, although having the intention of ultimately doing so, the Customs may authorize duty-free admission of the personal property which he transfers into the customs territory of Republic of Kosovo for this purpose.

2. Duty-free admission of the personal property referred to in paragraph 1. of this Article shall be granted in accordance with the conditions laid down in Articles 354 to 359, on the understanding that:

> 2.1. the periods laid down in sub-paragraph 1.1 of Article 355 and paragraph 1. of Article 358, shall be calculated from the date on which the personal property is brought into the customs territory of the Republic of Kosovo;
>
> 2.2. the period referred to in paragraph 1. of Article 359 shall be calculated from the date when the person concerned actually establishes his normal place of residence in the customs territory of the Republic of 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 the customs territory of the Republic of 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 362

Customs may derogate from paragraph 1. of Article 355, sub-paragraph 1.3. of Article 357 and Article 359, when a person has to transfer his normal place of residence from another country to the customs territory of the Republic of Kosovo as a result of exceptional political circumstances.

CHAPTER II
GOODS IMPORTED ON THE OCCASION OF A MARRIAGE

Article 363

1. Subject to Articles 364 to 367, trousseaux and household effects, whether or not new, belonging to a person transferring his or her normal place of residence from other country to the customs territory of the Republic of 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 other country shall also be admitted free of import duties. The value of each present admitted duty-free may not, however, exceed one thousand (1000) euro.

Article 364

1. The relief referred to in Article 363 may be granted only to persons:

1.1. whose normal place of residence has been outside the customs territory of the Republic of Kosovo for a continuous period of at least twelve (12) months. However, derogations from this rule may be granted provided that the intention of the person concerned was clearly to reside outside the customs territory of the Republic of Kosovo for a continuous period of at least twelve (12) months;

1.2. who produce evidence of their marriage.

Article 365

No relief shall be granted for alcoholic products, tobacco or tobacco products.

Article 366

1. Save in exceptional circumstances, relief shall be granted only in respect of goods entered for free circulation:

1.1. not earlier than two (2) 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

1.2. not later than four (4) months after the date of the wedding.

2. The goods referred to in Article 363 may be released for free circulation in several separate consignments within the period referred to in paragraph 1. of this Article.

Article 367

1. Until twelve (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 363 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. of this Article shall entail payment of the relevant import duties on the goods concerned, at the rate applying on the date of such loan, giving as security, hiring out or transfer, on the basis of the type of goods and the customs value ascertained or accepted on that date by the Customs.

CHAPTER III
PERSONAL PROPERTY ACQUIRED BY INHERITANCE

Article 368

1. Subject to Articles 369 to 371, personal property acquired by inheritance, by a natural person having his normal place of residence in the customs territory of the Republic of Kosovo shall be admitted free of import duties.

2. For the purposes of paragraph 1. of this Article, personal property means all the property referred to sub-paragraph 1.3 of Article 353 constituting the estate of the deceased.

Article 369

1. No relief shall be granted for:

1.1. alcoholic products;

1.2. tobacco and tobacco products;

1.3. commercial means of transport;

1.4. 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;

1.5. stocks of raw materials and finished or semi-finished products;

1.6. livestock and stocks of agricultural products exceeding the quantities appropriate to normal family requirements.

Article 370

1. Relief shall be granted only for personal property entered for free circulation not later than two (2) 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. of this Article.

Article 371

Articles 368, 369 and 370 shall apply mutatis mutandis to personal property acquired by inheritance by legal persons engaged in a non-profit making activity who are established in the customs territory of the Republic of Kosovo.

CHAPTER IV
SCHOOL OUTFITS, EDUCATIONAL MATERIALS AND RELATED HOUSEHOLD EFFECTS

Article 372

1. Outfits, educational materials and household effects representing the usual furnishings for a student’s room and belonging to pupils or students coming to stay in the customs territory of the Republic of 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. of this Article:

2.1. ‘pupil or student’ means any person enrolled in an educational establishment in order to attend full-time the courses offered therein;

2.2. ‘outfit’ means underwear or household linen as well as clothing, whether or not new;

2.3. ‘educational materials’ means objects and instruments, including calculators and typewriters, normally used by pupils or students for the purposes of their studies.

Article 373

Relief shall be granted at least once per school year.

CHAPTER V
CONSIGNMENTS OF NEGLIGIBLE VALUE

Article 374

1. Subject to Article 375, any consignments made up of goods of negligible value dispatched direct from a country outside Kosovo to a consignee in the customs territory of the Republic of Kosovo shall be admitted free of import duties.

2. For the purposes of paragraph 1. of this Article, low-value goods mean goods whose total value for each shipment does not exceed the amount determined by sub-legal act of the minister responsible for finance.

Article 375

1. The relief shall not apply to the following:

1.1. alcoholic products;

1.2. perfumes and toilet waters;

1.3. tobacco or tobacco products.

CHAPTER VI
CONSIGNMENTS SENT BY ONE PRIVATE INDIVIDUAL TO ANOTHER

Article 376

1. Subject to Articles 377 and 378, goods contained in consignments sent from a country outside Kosovo by a private individual to another private individual living in the customs territory of the Republic of 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. of this Article, imported consignments are ‘not of a commercial nature’ if they:

2.1. are of an occasional nature;

2.2. 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;

2.3. are sent to the consignee by the consignor free of payment of any kind.

Article 377

1. The relief referred to in paragraph 1. of Article 376 shall apply to a value which determined by sub-legal act of the minister responsible for finance, including the value of goods referred to in Article 378.

2. Where the total value per consignment of two (2) or more items exceeds the amount referred to in paragraph 1. of this Article, 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 378

1. The relief referred to in paragraph 1. of Article 376 shall be limited, per consignment, to the quantities given against each of the goods listed below:

1.1. tobacco products:

1.1.1. fifty (50) cigarettes,

1.1.2. twenty-five (25) cigarillos - cigars of a maximum weight of three (3) grams each;

1.1.3. ten (10) cigars,

1.1.4. fifty (50) grams of smoking tobacco, or

1.1.5. a proportional assortment of these different products;

1.2. alcohols and alcoholic beverages:

1.2.1. distilled beverages and spirits of an alcoholic strength by volume exceeding 22 % volume; non-denatured ethyl alcohol of 80 % volume and over: one (1) litre, or

1.2.2. 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 (1) litre, or a proportional assortment of these different products, and

1.3. still wines: two (2) litres;

1.4. perfumes: fifty (50) grams, or toilet waters: 0,25 litre.

CHAPTER VII
CAPITAL GOODS AND OTHER EQUIPMENT IMPORTED ON THE TRANSFER OF ACTIVITIES FROM OTHER COUNTRY INTO THE KOSOVO

Article 379

1. Without prejudice to the measures in force in the Kosovo with regard to industrial and commercial policy, and subject to Articles 380 to 384, the capital goods and other equipment belonging to undertakings which definitively cease their activity in other country and move to the customs territory of the Republic of 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. of this Article, 'undertaking' means an independent economic unit of production or of the service industry.

Article 380

1. Relief shall be limited to capital goods and other equipment which:

1.1. except in special cases justified by the circumstances, have actually been used in the undertaking for a minimum of twelve (12) months before the date on which the undertaking ceased to operate in the country outside Republic of Kosovo from which it has transferred its activities;

1.2. are intended to be used for the same purposes after the transfer;

1.3. are appropriate to the nature and size of the undertaking in question.

Article 381

No relief shall be granted to undertakings the transfer of which into the customs territory of the Republic of Kosovo is consequent upon or is for the purpose of merging with, or being absorbed by, an undertaking established in the customs territory of the Republic of Kosovo, without a new activity being set up.

Article 382

1. No relief shall be granted for:

1.1. means of transport which are not of the nature of instruments of production or of the service industry;

1.2. supplies of all kinds intended for human consumption or for animal feed;

1.3. fuel and stocks of raw materials or finished or semi-finished products;

1.4. livestock in the possession of dealers.

Article 383

Except in special cases justified by the circumstances, the relief referred to in Article 379 shall be granted only for capital goods and other equipment entered for free circulation before the expiry of a period of twelve (12) months from the date when the undertaking ceased its activities in other country from which it comes to the customs territory of the Republic of Kosovo.

Article 384

1. Until twelve (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 competent authorities. This period may be extended to up to thirty-six months (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. of this Article, shall entail payment of the relevant import duties on the goods concerned, at the rate applying on the date of such loan, giving as security, hiring out or transfer, on the basis of the type of goods and the customs value ascertained or accepted on that date by the Customs.

Article 385

Articles 379 to 384 shall apply mutatis mutandis 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 from other country into the customs territory of the Republic of Kosovo.

CHAPTER VIII
PRODUCTS OBTAINED BY KOSOVO FARMERS ON PROPERTIES LOCATED IN OTHER COUNTRY

Article 386

1. Subject to Articles 387 and 388, agricultural, stock-farming, bee-keeping, horticultural and forestry products from properties located in other country adjoining the customs territory of the Kosovo, which are operated by agricultural producers having their principal undertaking within the customs territory of Republic of Kosovo and adjacent to the country concerned shall be admitted free of import duties.

2. To benefit from the provisions of paragraph 1. of this Article, stock farming products must be derived from animals which originated in the republic of Kosovo or have entered into free circulation therein.

Article 387

Relief shall be limited to products which have not undergone any treatment other than that which normally follows their harvest or production.

Article 388

Relief shall be granted only for products brought into the customs territory of the Kosovo by the agricultural producer or on his behalf.

Article 389

Articles 386, 387 and 388 shall apply mutatis mutandis to the products of fishing or fish-farming activities carried out in the lakes or waterways bordering a Kosovo and other country by Kosovo fishermen and to the products of hunting activities carried out on such lakes or waterways by Kosovo sportsmen.

CHAPTER IX
SEEDS, FERTILIZERS AND PRODUCTS FOR THE TREATMENT OF SOIL AND CROPS IMPORTED BY AGRICULTURAL PRODUCERS IN FOREIGN COUNTRIES FOR USE IN PROPERTIES ADJOINING THOSE COUNTRIES

Article 390

Subject to Article 391, seeds, fertilizers and products for treatment of soil and crops, intended for use on property located in the customs territory of the Republic of Kosovo adjoining other country and operated by agricultural producers having their principal undertaking within the said other country and adjacent to the customs territory of the Republic of Kosovo, shall be admitted free of import duties.

Article 391

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 the customs territory of the Republic of Kosovo by the agricultural producer or on his behalf.

3. Customs may make relief conditional upon the granting of reciprocal treatment.

CHAPTER X
GOODS CONTAINED IN TRAVELERS' PERSONAL LUGGAGE

Article 392

1. Goods contained in the personal luggage of travelers coming from other country shall be admitted free of import duties, provided such imports are exempt from value added tax and excise duty under provisions of national law of goods imported by persons travelling from other countries.

2. For the purposes of paragraph 1. of this Article:

> 2.1. personal luggage - means the whole of the luggage which a traveler is in a position to submit to Customs on his arrival to customs territory of Republic of 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 462, sub-paragraph 1.2, portable containers holding fuel shall not constitute personal luggage;
>
> 2.2. 'imports of a non-commercial nature' means imports which:
>
>> 2.2.1. are of an occasional nature; and
>>
>> 2.2.2. 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 393

1. The relief referred to in paragraph 1. of Article 392, shall in respect of the goods listed below, apply subject to the following quantitative limits per traveler:

1.1. tobacco products:

1.1.1. two hundred (200) cigarettes, or

1.1.2. one hundred (100) cigarillos (cigars of a maximum weight of three (3) grams each), or

1.1.3. fifty (50) cigars, or

1.1.4. fifty (50) grams of smoking tobacco, or

1.1.5. a proportional assortment of these different products;

1.2. alcohols and alcoholic beverages:

1.2.1. distilled beverages and spirits of an alcoholic strength by volume exceeding twenty-two percent (22%) volume; non-denatured ethyl alcohol of 80% volume and over: one (1) liter, or

1.2.2. 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 twenty-two percent (22%) volume; sparkling wines, liqueur wines: two (2) liters, or a proportional assortment of these different products; and

1.2.3. still wines: two (2) liters;

1.3. perfumes: fifty (50) grams and toilet waters: zero point twenty-five (0,25) liter;

1.4. medicinal products: the quantity required to meet travelers' personal needs.

2. No relief for the goods referred to in sub-paragraph 1.1. and 1.2. of this Article shall be granted to travelers under seventeen (17) years old.

3. By decision of the Government, which is proposed by the Ministry responsible for Finance, the quantitative limits determined according to this Article and the monetary limits according to Article 394 can be changed.

Article 394

1. Reliefs referred to in Article 392, other than those referred to in Article 393, shall be permitted as follows:

1.1. up to the amount of three hundred (300) € for each traveler by land;

1.2. up to the amount of four hundred thirty (430) € for each passenger by air, and

1.3. for travelers under fifteen (15) years up to the amount of one hundred and fifty (150) €.

2. The value of goods referred to in Articles 393 and 462 shall not be taken into consideration for the purposes of applying the exemption provided for in Article 394.

Article 395

Where the total value per traveler of two or more items exceeds the amounts referred to in Article 394, 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 396

1. The Customs may reduce the value and/or the quantities of goods allowed entering duty-free if they are imported by:

1.1. persons residing in the frontier zone;

1.2. frontier workers;

1.3. the crews of means of transport used between other countries and Kosovo.

2. 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.

3. For the purposes of applying the provisions of paragraph 1. of this Article:

3.1. 'frontier zone' means, without prejudice to existing conventions in this respect, a zone which, does not extend more than fifteen (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;

3.2. 'frontier worker' means any person whose normal activities require that he should go to the other side of the frontier on his work days.

CHAPTER XI
EDUCATIONAL, SCIENTIFIC AND CULTURAL MATERIALS; SCIENTIFIC INSTRUMENTS AND APPARATUS

Article 397

The educational, scientific and cultural materials listed in Annex I of the sub-legal act for the implementation of this Article, shall be admitted free of import duties whoever the consignee and whatever the intended use of such materials may be.

Article 398

1. The educational, scientific and cultural materials listed in Annex II of the sublegal act for the implementation of this Article, shall be admitted free of import duties provided they are intended either:

1.1. for public educational, scientific or cultural establishments or organizations; or

1.2. for the establishments or organizations in the categories specified opposite each Article in column 3 of Annex II of the sublegal act for the implementation of this Article, on condition that they have been approved by the competent authorities to receive such Articles duty-free.

Article 399

1. Subject to Articles 400 to 404, scientific instruments and apparatus, which are not included in Article 398, shall be admitted free of import duties when they are imported exclusively for noncommercial purposes.

2. The relief referred to in paragraph 1. of this Article shall be limited to scientific instruments and apparatus which are intended for either:

2.1. 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

2.2. private establishments principally engaged in education or scientific research and authorised by the competent authorities to receive such Articles duty free.

Article 400

1. The relief referred to in paragraph 1. of Article 399 shall also apply to:

1.1. 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:

1.1.1. 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

1.1.2. which would be entitled to relief at the time when such relief is requested for the specific spare parts, components or accessories;

1.2. 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:

1.2.1. 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

1.2.2. which would be entitled to relief at the time when such relief is requested for the tools.

Article 401

1. For the purposes of Articles 399 and 400:

1.1. ‘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;

1.2. ‘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 402

If necessary, certain instruments or apparatus may be excluded from entitlement to relief based on Government decision, 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 403

1. The Articles referred to in Article 398 and the scientific instruments or apparatus which have been admitted duty-free in accordance with the conditions laid down in Articles 400, 401 and 402 may not be lent, hired out or transferred, whether for a consideration or free of charge, without prior notification of 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 398 or paragraph 2. of Article 399, 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. 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 404

1. Establishments or organizations referred to in Articles 398 and 399, which cease to fulfil 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 fulfil 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.

3. Articles used by the establishment or organization benefiting from the relief for purposes other than those provided for in Articles 398 and 399 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 405

Articles 402, 403 and 404 shall apply mutatis mutandis to the products referred to in Article 400.

Article 406

1. Equipment imported for non-commercial purposes by or on behalf of a scientific research establishment or organization based outside the Kosovo shall be admitted free of import duties.

2. The relief shall be granted provided the equipment:

2.1. is intended for use by or with the agreement of the members or representatives of the establishments and organizations referred to in paragraph 1. of this Article in the context and within the limits of scientific cooperation agreements the purpose of which is to carry out international scientific research programmes in scientific research establishments based in the Kosovo and approved for that purpose by the competent authorities of the Kosovo;

2.2. remains the property of a natural or legal person resident outside the Kosovo, during its stay in the customs territory of the Kosovo.

3. For the purposes of this Article and Article 407:

3.1. ‘equipment’ means 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;

3.2. 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 407

1. Equipment which has been admitted duty-free in accordance with the conditions laid down in Article 406 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 406, 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 399 and 400, 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 paragraph 1. of Article 406 which no longer fulfil 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 fulfil 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 competent authorities. Without prejudice to Articles 399 and 400, equipment used by the establishment or organization benefiting from the relief for purposes other than those provided for in Article 406 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.

CHAPTER XII
LABORATORY ANIMALS AND BIOLOGICAL OR CHEMICAL SUBSTANCES INTENDED FOR RESEARCH

Article 408

1. Relief from import duties shall be granted in respect of:

1.1. animals specially prepared for laboratory use;

1.2. biological or chemical substances included in a list drawn by Government, which are imported exclusively for non-commercial purposes.

2. The relief referred to in paragraph 1 of this Article shall be limited to animals and biological or chemical substances which are intended for either:

2.1. public establishments principally engaged in education or scientific research or those departments of public establishments which are principally engaged in education or scientific research; or

2.2. private establishments principally engaged in education or scientific research and authorized by the competent authorities to receive such Articles duty free.

3. The list of substances referred to in subparagraph 1.2. of this Article may include only biological or chemical substances for which there is no equivalent production in the customs territory of the Kosovo and which, on account of their specificity or degree of purity, are mainly or exclusively suited to scientific research.

CHAPTER XIII
THERAPEUTIC SUBSTANCES OF HUMAN ORIGIN AND BLOOD-GROUPING AND TISSUE-TYPING REAGENTS

Article 409

1. Subject to Article 410, the following shall be admitted free of import duties:

1.1. therapeutic substances of human origin;

1.2. blood-grouping reagents;

1.3. tissue-typing reagents.

2. For the purposes of paragraph 1. of this Article:

2.1. ‘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;

2.2. ‘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;

2.3. ‘tissue-typing reagents’ means all reagents whether of human, animal, plant or other origin used for the determination of human tissue-types.

Article 410

1. Relief shall be limited to products which:

1.1. are intended for institutions or laboratories approved by the competent authorities, for use exclusively for non-commercial medical or scientific purposes;

1.2. are accompanied by a certificate of conformity issued by a duly authorized body in the country of departure outside Kosovo;

1.3. are in containers bearing a special label identifying them.

Article 411

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.

CHAPTER XIV
INSTRUMENTS AND APPARATUS INTENDED FOR MEDICAL RESEARCH, ESTABLISHING MEDICAL DIAGNOSES OR CARRYING OUT MEDICAL TREATMENT

Article 412

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 approved by the competent authorities of the Kosovo to receive such Articles duty free, 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:

1.1. the donation of the instruments or apparatus in question does not conceal any commercial intent on the part of the donor; and

1.2. 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:

2.1. spare parts, components or accessories specifically suitable for the 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;

2.2. 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 413

For the purposes of Article 412, and in particular with regard to the instruments or apparatus and the recipient bodies referred to therein, Articles 402, 403 and 404 shall apply mutatis mutandis.

CHAPTER XV
REFERENCE SUBSTANCES FOR THE QUALITY CONTROL OF MEDICINAL PRODUCTS

Article 414

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 authorized by the competent authorities to receive such consignments free of duty shall be admitted free of import duties.

CHAPTER XVI
PHARMACEUTICAL PRODUCTS USED AT INTERNATIONAL SPORTS EVENTS

Article 415

Pharmaceutical products for human or veterinary medical use by persons or animals coming from other countries to participate in international sports events organized in the customs territory of the Republic of Kosovo, shall, within the limits necessary to meet their requirements throughout their stay in that territory, be admitted free of import duties.

CHAPTER XVII
GOODS FOR CHARITABLE OR PHILANTHROPIC ORGANISATIONS ARTICLES INTENDED FOR THE BLIND AND OTHER PERSONS WITH DISABILITY

SUB-CHAPTER I
FOR GENERAL PURPOSES

Article 416

1. Subject to Articles 418 and 419, 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:

1.1. basic necessities imported by State organizations or other charitable or philanthropic organizations, approved by the competent authorities for distribution free of charge to needy persons;

1.2. goods of every description sent free of charge, by a person or an organization established outside the customs territory of the Republic of Kosovo, and without any commercial intent on the part of the sender, to State organizations or other charitable or philanthropic organizations approved by the competent authorities, to be used for fund-raising at occasional charity events for the benefit of needy persons;

1.3. equipment and office materials sent free of charge, by a person or an organization established outside the customs territory of the Republic of Kosovo, and without any commercial intention the part of the sender, to charitable or philanthropic organizations approved by the competent authorities, 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 subparagraph 1.1. of this Article ‘basic necessities’ means those goods required to meet the immediate needs of human beings, for example food, medicine, clothing and bed-clothes.

Article 417

1. No relief shall be granted for:

1.1. alcoholic products;

1.2. tobacco or tobacco products;

1.3. coffee and tea;

1.4. motor vehicles other than ambulances.

Article 418

Relief shall be granted only to organizations the accounting procedures of which enable the competent authorities to supervise their operations and which offer all the guarantees considered necessary.

Article 419

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 416 for purposes other than those laid down in sub-paragraph 1.1 and 1.2 of that Article without prior notification to Customs.

2. Should goods and equipment be lent, hired out or transferred to an organization entitled to benefit from relief pursuant to Articles 416 and 418, 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 420

1. Organizations referred to in Article 416 which cease to fulfil the conditions giving entitlement to relief, or which are proposing to use goods and equipment admitted duty-free for purposes other than those provided for by that Article, shall so inform the competent authorities.

2. Goods and equipment remaining in the possession of organizations which cease to fulfil 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 Customs.

3. Goods and equipment used by the organization benefiting from the relief for purposes other than those provided for in Article 416 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.

SUB-CHAPTER II
FOR THE BENEFIT OF PERSONS WITH DISABILITIES

I. ARTICLES FOR THE USE OF THE BLIND

Article 421

Articles specially designed for the educational, scientific or cultural advancement of blind persons, as specified in Annex III of sublegal act for implementing this Article, shall be admitted free of import duties.

Article 422

1. Articles specially designed for the educational, scientific or cultural advancement of blind persons, as specified in Annex IV of sublegal act for implementing this Article, shall be admitted free of import duties provided that they are imported by either:

1.1. blind persons themselves for their own use; or

1.2. institutions or organizations concerned with the education of or the provision of assistance to the blind, authorized by the competent authorities of the Republic of Kosovo to receive such Articles duty free.

2. The relief referred to in paragraph 1. of this Article 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.

II. ARTICLES FOR THE USE OF OTHER PERSONS WITH DISABILITIES

Article 423

1. Articles specially designed for the education, employment or social advancement of physically or mentally persons with special needs, other than blind persons shall be admitted free of import duties where they are imported by either:

1.1. persons with special needs themselves for their own use; or

1.2. institutions or organizations authorized by the competent authority that primarily deal with education or providing assistance to persons with disabilities to accept them for free.

2. The relief referred to in paragraph 1. of this Article 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 424

1. The right to exemption from import duties of Articles specified in Article 422 and 423 of this Code can be excluded if it is proven that their exemption damages the interests of the industry of certain productive sectors in Kosovo.

2. The cases in which exemption from import duties is exempted are determined by a decision of the Government.

III. COMMON PROVISIONS

Article 425

1. The relief from import duties for Articles designed solely for education, employment or social advancement as specified in sub-paragraph 1.1 of Article 422 and sub-paragraph 1.1 of Article 423 of this Code, will be applied in accordance with the legislation in force.

2. The vehicle or any other type of transport for use by the person with disabilities must be specially designed or specially adapted to his needs.

2.1. relief from customs duty is allowed once in five (5) years;

2.2. the customs debt is extinguished after the expiry of the period of seven (7) years from the date of benefit of the exemption.

2.3. the vehicle registration document contains the following notes:

2.3.1. - “Vehicles for people with disabilities

2.3.2 - “They cannot be borrowed, rented or transferred to other persons”; and

2.3.3. - “beneficiary of release: (name, surname, driver’s license number and number of release decision);

3. For the implementation of paragraph 2. of this Article, the relevant Minister for Finance issues a sub-legal act.

Article 426

1. Articles imported duty-free by the persons referred to in Articles 422, 423 and 425 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 422, 423 and 425, 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 Customs.

Article 427

1. Articles imported by institutions or organizations eligible for relief in accordance with the conditions laid down in Articles 422 and 423 may be lent, hired out or transferred, whether for a consideration or free of charge, by these institutions or organizations on a non-profit-making basis to the blind and other handicapped persons with whom they are concerned, without payment of the corresponding customs duties.

2. No loan, hiring out or transfer may be effected under conditions other than those provided for in paragraph 1. of this Article unless the competent authorities have first been informed.

3. Should an Article be lent, hired out or transferred to a person, institution or organization entitled to benefit from relief pursuant to paragraph 1. of Article 422 or paragraph 1. of Article 423, 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 customs 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 competent authorities.

Article 428

1. Institutions or organizations referred to in Articles 422 and 423 which cease to fulfil 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 Customs.

2. Articles remaining in the possession of institutions or organizations which cease to fulfil 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 competent authorities.

3. Articles used by the institution or organization benefiting from the relief for purposes other than those provided for in Articles 422 and 423 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 competent authorities.

SUB-CHAPTER III
FOR THE BENEFIT OF DISASTER VICTIMS

Article 429

1. Subject to Articles 430 to 435, goods imported by State or organizations or other charitable or philanthropic organizations approved by the competent authorities shall be admitted free of import duties where they are intended:

1.1. for distribution free of charge to victims of disasters affecting the Kosovo; or

1.2. 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. of this Article, under the same conditions.

Article 430

No relief shall be granted for materials and equipment intended for rebuilding disaster areas.

Article 431

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 432

Relief shall be granted only to organizations the accounting procedures of which enable the competent authorities to supervise their operations and which offer all the guarantees considered necessary.

Article 433

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 paragraph 1. of Article 429 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 429, 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 Customs.

Article 434

1. The goods referred to in sub-paragraph 1.2 of Article 429, 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 429 or, if appropriate, to an organization entitled to benefit from relief pursuant to sub-paragraph 1.1 of Article 416, 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 435

1. Organizations referred to in Article 429 which cease to fulfil the conditions giving entitlement to relief, or which are proposing to use the goods admitted duty-free for purposes other than those provided for by that Article, shall so inform Customs.

2. In the case of goods remaining in the possession of organizations which cease to fulfil the conditions giving entitlement to relief, when these are transferred to an organization itself entitled to benefit from relief pursuant to Article 429 or, if appropriate, to an organization entitled to benefit from relief pursuant to sub-paragraph 1.1 of Article 416, 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 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 Customs.

3. Goods used by the organization benefiting from the relief for purposes other than those provided for in Article 429 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 Customs.

CHAPTER XVIII
HONORARY DECORATIONS OR AWARDS

Article 436

1. On production of satisfactory evidence to 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:

1.1. decorations conferred by governments of foreign countries on persons whose normal place of residence is in the customs territory of the Republic of Kosovo;

1.2. cups, medals and similar Articles of an essentially symbolic nature which, having been awarded in a country outside Kosovo to persons having their normal place of residence in the customs territory of the 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 the customs territory of the Kosovo by such persons themselves;

1.3. cups, medals and similar Articles of an essentially symbolic nature which are given free of charge by authorities or persons established in a country outside Kosovo to be presented in the customs territory of the Kosovo for the same purposes as those referred to in sub-paragraph 1.2 of this Article;

1.4. awards, trophies and souvenirs of a symbolic nature and of limited value intended for distribution free of charge to persons normally resident in countries outside Kosovo 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.

CHAPTER XIX
PRESENTS RECEIVED IN THE CONTEXT OF INTERNATIONAL RELATIONS

Article 437

1. Without prejudice, where relevant, to Article 392, and subject to Articles 438 and 439, relief shall be granted for goods:

1.1. imported into the customs territory of the Kosovo by persons who have paid an official visit to a country outside Kosovo and who have received them on this occasion as gifts from the host authorities;

1.2. imported into the customs territory of the Kosovo by persons coming to pay an official visit in the customs territory of the Kosovo and who intend to offer them on that occasion as gifts to the host authorities;

1.3. 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 a country outside Kosovo, to an official body, public authority or group carrying on an activity in the public interest which is located in the customs territory of the Kosovo and approved by the competent authorities to receive such Articles free of duty.

Article 438

No relief shall be granted for alcoholic products, tobacco or tobacco products.

Article 439

1. Relief shall be granted only:

1.1. where the Articles intended as gifts are offered on an occasional basis;

1.2. where they do not, by their nature, value or quantity, reflect any commercial interest;

1.3. if they are not used for commercial purposes.

CHAPTER XX
GOODS TO BE USED HEADS OF STATE

Article 440

1. The following shall be admitted free of import duties:

1.1. gifts to reigning monarchs and Heads of State;

1.2. goods to be used or consumed by Heads of State of countries outside Kosovo, or persons officially representing them, during their official stay in the customs territory of the Republic of Kosovo. However, relief may be made subject to reciprocal treatment.

2. The provisions of paragraph 1. of this Article are also applicable to persons enjoying prerogatives at international level analogous to those enjoyed by reigning monarchs or Heads of State.

CHAPTER XXI
GOODS IMPORTED FOR TRADE PROMOTION PURPOSES

SUB-CHAPTER 1
SAMPLES OF GOODS OF NEGLIGIBLE VALUE

Article 441

1. Without prejudice to sub-paragraph 1.1 of Article 445, samples of goods which are of negligible value and can be used only to solicit orders for goods of the type they represent with a view to their being imported into the customs territory of the Kosovo shall be admitted free of import duties.

2. 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 characters' samples.

3. For the purposes of paragraph 1. of this Article, '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.

SUB-CHAPTER II
PRINTED MATTER AND ADVERTISING MATERIAL

Article 442

1. Subject to Article 443, 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:

1.1. goods for sale or hire; or

1.2. transport, commercial insurance or banking services offered by a person established outside the customs territory of the Republic of Kosovo.

Article 443

1. The relief referred to in Article 442 shall be limited to printed advertisements which fulfil the following conditions:

1.1. 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;

1.2. 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 (1) kilogram;

1.3. printed matter may not be the subject of grouped consignments from the same consignor to the same consignee.

Article 444

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.

SUB-CHAPTER III
PRODUCTS USED OR CONSUMED AT A TRADE FAIR OR SIMILAR EVENT

Article 445

1. Subject to Articles 446 to 449, the following shall be admitted free of import duties:

1.1. small representative samples of goods manufactured outside the customs territory of the Republic of Kosovo intended for a trade fair or similar event;

1.2. goods imported solely in order to be demonstrated or in order to demonstrate machines and apparatus, manufactured outside the customs territory of the Republic of Kosovo and displayed at a trade fair or similar event;

1.3. 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 foreign countries at a trade fair or similar event, which are destroyed by being used;

1.4. printed matter, catalogues, prospectuses, price lists, advertising posters, calendars, whether or not illustrated, unframed photographs and other Articles supplied free of charge in order to advertise goods manufactured outside the customs territory of the Kosovo and displayed at a trade fair or similar event.

2. For the purposes of paragraph 1. of this Article, ‘trade fair or similar event ‘means:

2.1. exhibitions, fairs, shows and similar events connected with trade, industry, agriculture or handicrafts;

2.2. exhibitions and events held mainly for charitable reasons;

2.3. 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;

2.4. meetings of representatives of international organizations or collective bodies;

2.5. official or commemorative ceremonies and gatherings.

3. Exhibitions staged for private purposes in commercial stores or premises to sell goods of countries outside Kosovo.

Article 446

1. The relief referred to in paragraph 1. of Article 445 shall be limited to samples which:

1.1. are imported free of charge as such from countries outside Kosovo or are obtained at the exhibition from goods imported in bulk from those countries;

1.2. 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;

1.3. are identifiable as advertising samples of low unitary value;

1.4. 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;

1.5. in the case of foodstuffs and beverages not packaged as mentioned in sub-paragraph 1.4. of this Article, are consumed on the spot at the exhibition;

1.6. 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 447

1. The relief referred to in sub-paragraph 1.2. of Article 445 shall be limited to goods which are:

1.1. consumed or destroyed at the exhibition; and

1.2. 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 448

1. The relief referred to in sub-paragraph 1.4 of Article 445 shall be limited to printed matter and Articles for advertising purposes which:

1.1. are intended exclusively to be distributed free of charge to the public at the place where the exhibition is held;

1.2. 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 449

1. The relief referred to in sub-paragraph 1.1 and 1.2 of Article 445 shall not be granted for:

1.1. alcoholic products;

1.2. tobacco or tobacco products;

1.3. fuels, whether solid, liquid or gaseous.

CHAPTER XXII
GOODS IMPORTED FOR EXAMINATION, ANALYSIS OR TEST PURPOSES

Article 450

Subject to Articles 451 to 456, 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 451

Without prejudice to Article 454, the relief referred to in Article 450 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 452

Goods used in examination, analysis or tests which in themselves constitute sales promotion operations shall not enjoy relief.

Article 453

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 competent authorities, taking into account the said purpose.

Article 454

1. The relief referred to in Article 450 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 Customs.

> 1.1. completely destroyed or rendered commercially valueless on completion of examination, analysis or testing; or
>
> 1.2. surrendered to the State without causing it any expense, where this is possible under national law; or
>
> 1.3. in duly justified circumstances, exported outside the customs territory of the Republic of Kosovo.

2. For the purposes of paragraph 1. of this Article, ‘products remaining ‘means products resulting from the examination, analysis or tests or goods not actually used.

Article 455

1. Save where paragraph 1. of Article 454 is applied, products remaining at the end of the examinations, analyses or tests referred to in Article 450 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.

2. 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 456

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.

CHAPTER XXIII
CONSIGNMENTS SENT TO ORGANIZATIONS PROTECTING COPYRIGHTS OR INDUSTRIAL AND COMMERCIAL PATENT RIGHTS

Article 457

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.

CHAPTER XXIV
TOURIST INFORMATION LITERATURE

Article 458

1. Without prejudice to Articles 397 to 405, the following shall be admitted free of import duties:

1.1. 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 twenty five percent (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;

1.2. 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 twenty-five percent (25%) of private commercial advertising, excluding all private commercial advertising for Kosovo firms;

1.3. reference material supplied to accredited representatives or correspondents appointed by official national tourist agencies and not intended for distribution, namely 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.

CHAPTER XXV
MISCELLANEOUS DOCUMENTS AND ARTICLES

Article 459

1. The following shall be admitted free of import duties:

1.1. documents sent free of charge to the public services of Kosovo;

1.2. publications of foreign governments and publications of official international bodies intended for distribution without charge;

1.3. ballot papers for elections organized by bodies set up in countries outside Kosovo;

1.4. objects to be submitted as evidence or for like purposes to the courts or other official agencies of the Kosovo;

1.5. specimen signatures and printed circulars concerning signatures sent as part of customary exchanges of information between public services or banking establishments;

1.6. official printed matter sent to the central banks of the Kosovo;

1.7. reports, statements, notes, prospectuses, application forms and other documents drawn up by companies registered in a country outside Kosovo and sent to the bearers or subscribers of securities issued by such companies;

1.8. recorded media punched cards, sound recordings, microfilms and others, 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;

1.9. files, archives, printed forms and other documents to be used in international meetings, conferences or congresses, and reports on such gatherings;

1.10. plans, technical drawings, traced designs, descriptions and other similar documents imported with a view to obtaining or fulfilling orders in countries outside Kosovo or to participating in a competition held in the customs territory of the Kosovo;

1.11. documents to be used in examinations held in the customs territory of the Kosovo by institutions set up in countries outside Kosovo;

1.12. printed forms to be used as official documents in the international movement of vehicles or goods, within the framework of international conventions;

1.13. printed forms, labels, tickets and similar documents sent by transport undertakings or by undertakings of the hotel industry in a country outside Kosovo to travel agencies set up in the customs territory of the Kosovo;

1.14. printed forms and tickets, bills of lading, way-bills and other commercial or office documents which have been used;

1.15. official printed forms from country outside Kosovo or international authorities, and printed matter conforming to international standards sent for distribution by foreign associations to corresponding associations located in the customs territory of the Kosovo;

1.16. photographs, slides and stereotype mats for photographs, whether or not captioned, sent to press agencies or newspaper or magazine publishers;

1.17. tax and similar stamps proving payment of charges in countries outside Kosovo.

CHAPTER XXVI
ANCILLARY MATERIALS FOR THE STOWAGE AND PROTECTION OF GOODS DURING THEIR TRANSPORT

Article 460

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 outside Kosovo to the customs territory of the Kosovo, not normally reusable, shall be admitted free of import duties.

CHAPTER XXVII
LITTER, FODDER AND FEEDING STUFFS FOR ANIMALS DURING THEIR TRANSPORT

Article 461

Litter, fodder and feeding stuffs of any description put on board the means of transport used to convey animals from a country outside Kosovo to the customs territory of the Republic of Kosovo for the purpose of distribution to the said animals during the journey shall be admitted free of import duties.

CHAPTER XXVIII
FUEL AND LUBRICANTS PRESENT IN LAND MOTOR VEHICLES AND SPECIAL CONTAINERS

Article 462

1. Subject to Articles 463, 464 and 465 the following shall be admitted free of import duties.

1.1. fuel contained in the standard tanks of private and commercial motor vehicles and motorcycles, special containers, entering the customs territory of the Kosovo; and

1.2. fuel contained in portable tanks carried by private motor vehicles and motor cycles, with a maximum of ten (10) liters per vehicle.

2. For the purposes of paragraph 1. of this Article:

2.1. ‘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 (9) persons including the driver, goods, and any road vehicle for a special purpose other than transport as such;

2.2. private motor vehicle’ means any motor vehicle not covered by the definition set out in sub-paragraph 2.1 of this Article;

2.3. ‘standard tanks’ means:

2.3.1. 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;

2.3.2. 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;

2.3.3. 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;

2.4. special container’ means any container fitted with specially designed apparatus for refrigeration systems, oxygenation systems, thermal insulation systems, or other systems.

Article 463

As regards the fuel contained in the standard tanks of commercial motor vehicles and special containers, limit application of the relief is two hundred (200) liters per vehicle, per special container and per journey.

Article 464

1. Customs may limit the amount of duty-free fuel allowed in the case of:

1.1. commercial motor vehicles engaged in international transport into their frontier zone to a maximum depth of twenty-five (25) kilometers as the crow flies, provided such journeys are made by persons residing in the frontier zone;

1.2. private motor vehicles belonging to persons residing in the frontier zone.

2. For the purposes of applying the provisions of sub-paragraph 1.2 of this Article ‘frontier zone’ means, without prejudice to existing conventions in this respect, a zone which, as the crow flies, does not extend more than fifteen (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.

Article 465

1. Fuel admitted duty-free under Articles 462, 463 and 464 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.

2. Non-compliance with paragraph 1. of this Article 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 competent authorities.

Article 466

The relief referred to in Article 462 shall also apply to the lubricants present in the motor vehicles and required for their normal operation during the journey in question.

CHAPTER XXIX
MATERIALS FOR THE CONSTRUCTION, UPKEEP OR ORNAMENTATION OF MEMORIALS TO, OR CEMETERIES FOR, WAR VICTIMS

Article 467

Goods of every description, imported by organizations authorized for this purpose by the competent authorities, to be used for the construction, upkeep or ornamentation of cemeteries and tombs of, and memorials to, war victims of countries outside Kosovo who are buried in the customs territory of the Republic of Kosovo, shall be admitted free of import duties.

CHAPTER XXX
COFFINS, FUNERARY URNS AND ORNAMENTAL FUNERARY ARTICLES

Article 468

1. The following shall be admitted free of import duties:

1.1. 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;

1.2. flowers, wreaths and other ornamental objects brought by persons resident in countries outside Kosovo attending a funeral or coming to decorate graves in the customs territory of the Kosovo, provided these importations do not reflect, by either their nature or their quantity, any commercial intent.

THIRD PART
RELIEF FROM EXPORT DUTIES

CHAPTER I
CONSIGNMENTS OF NEGLIGIBLE VALUE

Article 469

Consignments dispatched to their consignee by letter or parcel post and containing goods of a total value not exceeding ten (10) euro may be exported free of export duties.

CHAPTER II
DOMESTICATED ANIMALS EXPORTED AT THE TIME OF TRANSFER OF AGRICULTURAL ACTIVITIES FROM THE KOSOVO TO A FOREIGN COUNTRY

Article 470

1. Domesticated animals forming the livestock of an agricultural undertaking which has ceased to operate in the customs territory of the Republic of Kosovo and transfers its activities to a country outside Kosovo may be exported free of export duties.

2. The relief referred to in paragraph 1. of this Article shall be limited to domesticated animals in numbers appropriate to the nature and size of the agricultural undertaking.

CHAPTER III
PRODUCTS OBTAINED BY AGRICULTURAL PRODUCERS FARMING ON PROPERTIES LOCATED IN THE KOSOVO

Article 471

1. Agricultural or stock-farming products obtained in the customs territory of the Kosovo on properties adjacent to country outside Kosovo, operated, in the capacity of owner or lessee, by persons having their principal undertaking in a country adjoining the customs territory of the Kosovo, may be exported free of export duties.

2. To benefit from the provisions of paragraph 1. of this Article, products obtained from domesticated animals must be derived from animals originating in the country in question or satisfying the requirements for free circulation there.

Article 472

The relief referred to in paragraph 1. of Article 471 shall be limited to products which have not undergone any treatment other than that which normally follows their harvest or production.

Article 473

Relief shall be granted only for products brought into the country in question by the agricultural producer or on his behalf.

CHAPTER IV
SEEDS EXPORTED BY AGRICULTURAL PRODUCERS FOR USE ON PROPERTIES LOCATED IN FOREIGN COUNTRIES

Article 474

Seeds for use on properties located in a country adjacent to the customs territory of the Republic Kosovo and operated, in the capacity of owner or lessee, by persons having their principal undertaking in the said customs territory in the immediate proximity of the country in question may be exported free of export duties.

Article 475

1. The relief referred to in Article 474 shall be limited to the quantities of seeds required for the purpose of operating the property.

2. It shall be granted only for seeds exported directly from the customs territory of the Kosovo by the agricultural producer or on his behalf.

CHAPTER V
FODDER AND FEEDING STUFFS ACCOMPANYING ANIMALS DURING THEIR EXPORTATION

Article 476

Fodder and feeding stuffs of any description put on board the means of transport used to convey animals from the customs territory of the Republic of Kosovo to other country for the purpose of distribution to the said animals during the journey may be exported free of export duties.

FOURTH PART
GENERAL AND FINAL PROVISIONS

Article 477

1. Subject to paragraph 2. of this Article, Part II of this law 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.

2. The cases in which duty-free admission may not be granted for goods declared for free circulation after having been subject to another customs procedure shall be determined by Government.

Article 478

Where the same person simultaneously fulfils the conditions required for the grant of relief from import or export duties under different provisions of this book, the provisions in question shall apply concurrently.

Article 479

Where this Code provides that the granting of relief shall be subject to the fulfilment of certain conditions, the person concerned shall, to the satisfaction of the Customs, furnish proof that these conditions have been met.

Article 480

1. Customs permits the following reliefs:

1.1. 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;

1.2. relief under the customary privileges accorded by virtue of international agreements or headquarters agreements to which either a country or an international organization a contracting party, including the relief granted on the occasion of international meetings;

1.3. relief under the customary privileges and immunities accorded in the context of international agreements for cultural or scientific institute or organization under international law;

1.4. relief under the customary privileges and immunities accorded in the context of cultural, scientific or technical cooperation agreements concluded with other countries;

1.5. special relief introduced under agreements concluded with other countries and providing for common measures for the protection of persons or of the environment;

1.6. special relief introduced under agreements concluded with adjacent countries, justified by the nature of the frontier-zone trade with the countries in question;

1.7. reliefs given by other laws in force.

1.8. in addition to the reliefs provided for by this Code and other legislation in force, the Government with decision may provide reliefs for other subjects and foresees the supervision of the release.

Article 481
Relief for religious communities

1. Relief is granted to religious communities that are defined in accordance with applicable law:

1.1. for economic activities that are specific to the financial viability of religious communities, which include activities such as:

1.1.1. production of religious embroidery and clothing,

1.1.2. candles, icon painting, woodwork and carpentry and

1.1.3. traditional agricultural products.

2. Importing and purchasing, including export, of relevant products, materials, machinery, tools and livestock related to the activities referred to in paragraph 1. of this Article.

3. By sublegal act of the relevant Minister of Finance is defined the supervision and control measures by the Customs.

Article 482
Sub-legal act

Provisions for the implementation of Articles 374, 377, 397 to 401, 406, 407, 412, 413, 421 to 423 and 428 of this Code and the Annexes for the implementation of Articles 397, 398, 421 and 422, are determined by a sublegal act of the Government.

Article 483
Transitional provisions

1. The customs debt for vehicles released for persons with disabilities according to the Customs and Excise Code No. 03/L-109, is extinguished after the expiration of the period specified in sub-paragraph 2.2 of Article 425 of this Code.

2. The term according to paragraph 1. of this Article begins to flow from the date of obtaining the relief.

SIXTH BOOK
TRANSITIONAL AND FINAL PROVISIONS

Article 484
Sub-legal acts

The bylaws provided by this Code are approved in a period of one (1) year from the entry into force of this Code. Until the approval of the bylaws provided by this Code, the bylaws that are in force at the time of entry into force of this Code shall apply, provided that they are not in conflict with the provisions of this Code.

Article 485
References

In any legal provision in force, which refers to Code no. 03/L-109 of Customs and Excise in Kosovo, including the laws amending and supplementing it, or special provisions of the aforementioned Code, shall be construed as being done in this Code or its relevant provision.

Article 486
Revocation

1. With the entry into force of this Code, the following are repealed:

1.1. Code no. 03/L-109 Customs and Excise in Kosovo;

1.2. Law no. 04/L-099 on Amending and Supplementing Code no. 03/L-109 Customs and Excise in Kosovo; and

1.3. any other provision contrary to this Code.

Article 487
Entry into force

This Code enters into force fifteen (15) days after its publication in the Official Gazette of the Republic of Kosovo.

Code No. 08/L-247
04 April 2024

Promulgated by Decree No. DL-55/2024 dated 30.04.2024 President of the Republic of Kosovo Vjosa Osmani-Sadriu