

- d) the time required to reimport the compensating products;
- e) the rate of yield or, where appropriate, the manner of establishing the rate of yield;
- f) the means of identification.

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

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

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

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

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

415.1 Where the processing operations concern repairs of a non-commercial nature, whether for a consideration or free of charge, the customs office designated by the General Directorate of Customs shall, at the request of the declarant, allow the declaration for release for free circulation to constitute the application for authorisation. In these cases, acceptance of the declaration shall constitute authorisation and the said acceptance shall be subject to the conditions governing the granting of the authorisation.

415.2 For the purposes of paragraph 1 “*repairs of a non-commercial nature*” means repairs to goods, including restoring them to their original condition and putting them in order, which:

- a) are carried out on an occasional basis, and
- b) relate exclusively to goods for the personal use of the importer or his family, which do not by their nature or quantity reflect any commercial interest.

415.3 It shall be for the applicant to prove the non-commercial nature of the goods. The customs office shall not grant the facilities provided for in paragraph 1 unless all the conditions are fulfilled.

Section 3

Operation of the procedure

416. The procedures governing the entry of goods for the outward processing procedure shall apply to temporary export goods, including temporary export goods used under the standard exchange system whether with prior importation or not.

417.1 Except where the simplified authorisation procedure applies, the declaration entering temporary export goods for the outward processing procedure (export declaration) shall be lodged at one of the offices of entry for the procedure specified in the authorisation.

417.2 Where the simplified authorisation procedure applies, the declaration entering the procedure shall be lodged at a duly empowered customs office.

417.3 Each export declaration must contain the code EX 2 in box 1 of the declaration and reference to the number and date of the authorisation for outward processing in box 44. The form “*outward processing record, import*”, as described in Annex 35 must be issued for each declaration assigning goods to the procedure and should form an integral part of the copy of the declaration kept by the custom authorities. All re-imports should be registered in this form, in accordance with instructions issued by the General Directorate of Customs. The export declaration together with all attached documents shall after the release of the consignment be kept in a special file for each company authorised to use the outward processing procedure.

418.1 The declaration entering the outward processing procedure shall be made in accordance with the provisions laid down for exportation.

418.2 Without prejudice to the application simplified procedure concerning repairs of a non-commercial nature, the description of the goods in the declaration entering the outward processing procedure shall correspond to the specifications in the authorisation.

418.3 The declaration for entering the outward processing procedure shall be made in accordance with Points 121 to 161.

418.4 Without prejudice to the simplified application procedure, the description of the goods given in the declaration entering the outward processing procedure shall correspond to the specifications in the authorisation.

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

419. Without prejudice to Point 409 (running of period provided for in Article 169 (1) of the Code), entitlement to relief under the outward processing procedure shall be subject to the lodging of a declaration for release for free circulation.

420.1 Except where simplified authorisations are applied, the declaration for release for free circulation shall be lodged at one of the offices of discharge specified in the authorisation.

420.2 Where the simplified authorisation concerning the repair of goods (commercial) is applied, the declaration for free circulation shall be lodged with the customs office which issued the authorisation.

420.3 Where the simplified authorisation concerning repair of goods (non-commercial) is applied, the declaration for release for free circulation shall be lodged with a customs office duly empowered by the General Directorate of Customs.

420.4 The declaration for release for free circulation referred to in paragraph 1 to 3 shall be made in accordance with Points 121 to 161.

420.5 Without prejudice to the application of the simplified authorisation for repair of a non commercial nature, the description of the compensating products or replacement products in the declaration for free circulation shall correspond to the specifications in the authorisation.

420.6 For the purposes of Article 87 (2) of the Code, the documents to accompany the declaration shall be those whose production is necessary for the release of the goods for free circulation, as provided for in Points 142 to 146 and:

- a) a copy of the declaration of entry for the procedure, and
- b) where the declaration for release for free circulation is lodged after the expiry of the periods fixed in accordance with Article 169 (1) of the Code, and Point 409(3) is applied, any supporting documents making it possible to verify that the compensating or replacement products were assigned to the customs-approved treatments or uses within the said period.

420.7 Each declaration for free circulation finalising the outward processing procedure must contain the reference to the number and date of the authorisation for outward processing in box 44.

421.1 Where the second sentence of Article 171 (2) of the Code is applied, the loading, transport and insurance costs for the temporary export goods to the place where the processing operation or the last such operation took place shall not be included in:

- a) the value of the temporary export goods which is taken into account when determining the customs value of the compensating products in accordance with Article 37 (1) (b) (i) of the Code,
- b) the processing costs, where the value of the temporary export goods cannot be determined by application of Article 37 (1) (b) (i) of the Code, referred to in the first indent.

421.2 The processing costs shall include the loading, transport and insurance costs for the compensating products from the place where the processing operation or the last processing operation took place to the place where they enter the customs territory of the Republic of Albania.

421.3 The repair costs referred to in Article 173 of the Code shall consist of the total payment made or to be made by the holder of the authorisation to or for the benefit of the person carrying out the repairs for the repairs carried out and shall include all payments made or to be made as conditions of the repair of the temporary export goods by the holder of the authorisation to the person carrying out the repairs or by the holder of the authorisation to satisfy an obligation of the person carrying out the repairs. Such payment need not necessarily take the form of a transfer of money. Payment may be made by way of letters of credit or negotiable instruments and may be made directly or indirectly.

422.1 The proportion of temporary export goods incorporated in the compensating products shall be calculated by either using the quantitative scale method or the value scale method where all the compensating products, other than secondary compensating products which constitute waste, scrap, residues, offcuts and remainders resulting from a given processing operation are not released for free circulation at the same time.

422.2 The calculations using these methods shall be worked out on the basis of the examples set out in Annex 54 or by any other method giving the same results.

423.1 Where one kind of compensating product only is derived from the outward processing operations from one or more kinds of temporary export goods, the quantitative scale method (compensating products) shall be used to determine the amount to be deducted on release for free circulation of the compensating products.

423.2 For the purposes of paragraph 1, the quantity of each kind of temporary export goods corresponding to the quantity of compensating products released for free circulation to be taken into account for determining the amount to be deducted shall be calculated by applying to the total quantity of each kind of the said goods a coefficient corresponding to the ratio of the quantity of compensating products released for free circulation to the total quantity of compensating products.

424.1 Where several kinds of compensating product are derived from the outward processing operations from one or more kinds of temporary export goods and all elements of the said goods are found in each of the different kinds of compensating product, the quantitative scale method (temporary export goods) shall be used to determine the amount to be deducted on the release for free circulation of the compensating products.

424.2 In deciding whether the method referred to in paragraph 1 applies, no account shall be taken of losses.

424.3 In determining the proportion of temporary export goods, secondary compensating products which constitute waste, scrap, residues, offcuts and remainders shall be treated as losses.

424.4 Where paragraph 1 is applied, the quantity of each kind of temporary export goods used in the manufacture of each kind of compensating product shall be determined by successively applying to the total quantity of each kind of temporary export goods a coefficient corresponding to the ratio of the quantity of the said goods found in each kind of compensating product to the total quantity of the said goods found in the compensating products as a whole.

424.5 The quantity of each kind of temporary export goods corresponding to the quantity of each kind of compensating product released for free circulation to be taken into account for determining the amount to be deducted shall be calculated by applying the coefficient corresponding to the ratio of the quantity of compensating products released for free circulation to the total quantity of compensating products to the quantity of each kind of temporary export goods used in the manufacture of each kind of the said products, calculated in accordance with paragraph 4.

425.1 Where the quantitative scale method do not apply, the value scale method shall be used. However, with the agreement of the holder of the authorisation and for the purposes of simplification, the customs authorities may apply the quantitative scale method (temporary export goods) instead of the value scale method where either method would give similar results.

425.2 In order to determine the quantity of each kind of temporary export goods used in the manufacture of each kind of compensating product, successive coefficients corresponding to the ratio of the customs value of each compensating product to the total customs value of those products shall be applied to the total quantity of temporary export goods.

425.3 Where one type of compensating product is not reimported, the value of such products for the purposes of the value scale shall be the recent selling price in the Republic of Albania of identical or similar products, provided such price is not influenced by a relationship between the buyer and seller. Point 55 shall apply for the appraisal of the relationship between the buyer and seller. If the value cannot be determined by application of the above provisions, it shall be determined by the customs authorities by any reasonable method.

425.4 The quantity of each kind of temporary export goods corresponding to the quantity of each kind of compensating product released for free circulation to be taken into account for determining the amount to be deducted shall be calculated by applying the coefficient corresponding to the ratio of the quantity of compensating products released for free circulation to the total quantity of compensating products to the quantity of each kind of temporary export goods used in the manufacture of those products, calculated in accordance with paragraph 2.

426.1 Commercial policy measures on exports shall apply at the time of acceptance of the declaration of entry for the procedure.

426.2 When the compensating products referred to in Article 165 (1) of the Code are released for free circulation, the specific commercial policy measures in force for such products at the time when the declaration for release for free circulation is accepted shall apply only where such products do not originate in the Republic of Albania within the meaning of Articles 29 and 30 of the Code.

426.3 Commercial policy measures for imports shall not apply where the standard exchange system is used, nor in the case of repairs or of additional processing operations to be carried out in accordance with Article 144 of the Code.

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

Title 4 **Implementing provisions relating to export**

Chapter I **Exportation**

428. In accordance to Title IV, Chapter II, Section 4 of the Code this chapter will lay down provisions in the implementing of the export procedure.

429.1 The exporter, within the meaning of Article 181 (4) of the Code, shall be considered to be the person on whose behalf the export declaration is made and who is the owner of the goods or has a similar right of disposal over them at the time when the declaration is accepted.

429.2 Where ownership or a similar right of disposal over the goods belongs to a person established outside the Republic of Albania pursuant to the contract on which the export is based, the exporter shall be considered to be the contracting party established in the Republic of Albania.

430. Where, for administrative reasons, the first sentence of Article 181 (4) of the Code cannot be applied, the declaration may be lodged with any customs office, which is competent for the operation in question.

431. Where there are duly justified good reasons accepted by the customs authorities, an export declaration may be accepted at a customs office other than that referred to in the first sentence of Article 181 (4) of the Code.

432. Duly justified good reasons means e.g. that the customs office responsible for supervising the place where the exporter is established is situated in the wrong direction and in a distance more than 30 km from the exporters premises. The exporter can in these cases lodge the export declaration at the first custom office on route to the border.

433.1 The export declaration is made on the basis of the Single Administrative Document and copies 1, 2 and 3 of the form shall be used. The customs office where the export declaration has been lodged (customs office of export) shall stamp Box A and complete box D. On granting release of the goods, it shall retain copy 1, send copy 2 to the statistical office and return copy 3 to the person concerned.

433.2 Before releasing the goods, as a general rule, identification of the goods shall be ensured by sealing.

433.3 The following shall be sealed:

- a) the space containing the goods, where the means of transport has been approved under other rules or recognised by the customs office of export as suitable for sealing;
- b) each individual package, in other cases.

433.4 Means of transport may be recognised as suitable for sealing on condition that:

- a) seals can be simply and effectively affixed to them;
- b) they are so constructed that no goods can be removed or introduced without leaving visible traces of tampering or without breaking the seals;
- c) they contain no concealed spaces where goods may be hidden; and
- d) the spaces reserved for the load are readily accessible for inspection by the customs authorities.

433.5 The customs office of export may dispense with sealing if, having regard to other possible measures for identification, the description of the goods in the export declaration make them readily identifiable.

434.1 Copy 3 of the Single Administrative Document and the goods released for export shall be presented to customs at the customs office of exit.

434.2 Customs office of exit means:

- a) in the case of goods exported by rail, post, air or sea, the customs office competent for the place where the goods are taken over under a single transport contract for transport to another country by the railway companies, the postal authorities, the airlines or the shipping companies;
- b) in the case of goods exported by pipeline and of electrical energy, the office designated by the General Directorate of Customs;
- c) in the case of goods exported by other means or in circumstances not covered by (a) and (b), the last customs office before the goods leave the customs territory of the Republic of Albania

434.3 The customs office of exit shall satisfy itself that the goods presented correspond to those declared and shall supervise their physical departure. The normal indication that the presented goods correspond to those declared is that the attached seal is intact and shows no signs of tampering. The said office shall certify the physical departure of the goods by means of an endorsement on the back of Copy No 3 and shall give that copy to the person who presented it. The endorsement shall take the form of a stamp showing the name of the office and the date. Copy No 3 of the export declaration,

endorsed in accordance with this paragraph can be used, upon request of other public Administration to prove that the goods covered by the Copy No 3 of the export declaration have been exported from the customs territory of the Republic of Albania. However, when paragraph 8 is applied the return of Copy No 3 to the person who presented it shall not take place before the transit procedure is discharged.

434.4 Where the customs office of exit establishes that goods are missing, without prejudice to the institution of criminal proceedings it shall note the copy of the declaration presented and inform the customs office of export.

434.5 Where the customs office of exit establishes that there are goods in excess, without prejudice to the institution of criminal proceedings, it shall refuse exit to these goods until the export formalities have been completed.

434.6 When the customs office of exit establishes a discrepancy in the nature of the goods, without prejudice to the institution of criminal proceedings, it shall refuse exit until the export formalities have been completed, and shall also inform the customs office of export.

434.7 In the cases referred to in paragraph 2 (a), the customs office of exit shall endorse copy 3 of the export declaration in accordance with paragraph 3. The transit procedure must be used if the goods is unloaded or transhipped in another Albanian port, airport or railway station.

434.8 When export goods are sent to a customs office of exit under a transit procedure, the office of departure shall make the endorsement "*Export*", in red, on all copies of the transit document. The customs office of exit shall control the physical exit of the goods.

434.9 The customs office of export may ask the exporter to provide evidence that the goods have left the customs territory of the Republic of Albania.

435.1 Goods not subject to prohibition or restriction and not exceeding 100.000 LEK in value per consignment and per declarant may be declared at the customs office of exit. This provision shall not apply when the person making the export declaration is acting as a professional customs agent on behalf of others.

435.2 Oral declarations may be made only at the customs office of exit.

436. Without prejudice to the export procedures used for products of sea-fishing and other products taken from the sea, where goods leave the customs territory of the Republic of Albania without an export declaration being lodged due to involuntary errors or omissions or other special circumstances, such declaration may be lodged retrospectively by the exporter at the customs office competent for the place where he is established. Acceptance of this declaration shall be subject to presentation by the exporter, to the satisfaction of the customs authorities of the customs office concerned, of evidence concerning the nature and quantity of the goods in question and the circumstances under which they left the customs territory of the Republic of Albania. That office shall also endorse copy 3 of the Single Administrative Document. Retrospective acceptance of the declaration shall not preclude application of the penalties in force.

437. Where goods released for export do not leave the customs territory of the Republic of Albania, the exporter shall immediately inform the customs office of export. Copy 3 of the declaration in question shall be returned to that office.

Chapter II
Export of products of sea-fishing and other products taken from the sea by
Albanian fishing vessels without being landed in the Republic of Albania

438. The following procedure should be used if products of sea-fishing and other products taken from the sea is exported from the Republic of Albania without actually being landed there:

- a) Upon return to the Republic of Albania the master of the fishing vessel must lodge an export declaration. Such declaration shall be lodged at the customs office competent for the place where he is established. Acceptance of this declaration shall be subject to presentation by the master, to the satisfaction of the customs authorities of the customs office concerned, of evidence concerning the nature and quantity of the goods in question.
- b) The said evidence should consist of an authorised copy of the customs declaration lodged at the country of destination.
- c) That competent customs office shall endorse copy 3 of the Single Administrative Document in accordance with Point 433(3).

Chapter III
Temporary exportation using an ATA carnet

439.1 An ATA carnet may be used for export where the following conditions are fulfilled:

- a) the ATA carnet shall be issued in the Republic of Albania and endorsed and guaranteed by an association established in the Republic of Albania forming part of an international guarantee chain;
- b) the ATA carnet shall be applicable only to Albanian goods:
 - i) in respect of which no request for repayment has been submitted;
- c) the documents referred to in Point 146 must be presented. The customs authorities may require production of the transport document;
- d) the goods must be intended for reimportation.

439.2 Where goods covered by an ATA carnet are entered for the purposes of temporary exportation, the customs office of export shall carry out the following formalities:

- a) verify the information given in boxes A to G of the exportation voucher against the goods under cover of the carnet;
- b) complete, where appropriate, the box on the cover page of the carnet headed "*Certificate by customs authorities*";
- c) complete the counterfoil and box H of the exportation voucher;
- d) enter its name in box H (b) of the reimportation voucher;
- e) retain the exportation voucher.

439.3 If the customs office of export is not the office of exit, the customs office of export shall carry out the formalities referred to in paragraph 2, but it shall not complete box 7 of the exportation counterfoil, which must be completed by the customs office of exit.

439.4 The time limit for reimportation of the goods laid down by the customs authorities in box H (b) of the exportation voucher may not exceed the validity of the carnet.

440. Where goods which left the customs territory of the Republic of Albania under cover of an ATA carnet are no longer intended to be reimported, an export declaration containing the particulars referred to in Annex 37 shall be presented to the customs office of export. On presentation of the carnet in question, the latter shall endorse copy 3 of the export declaration and shall invalidate the reimportation voucher and counterfoil.

441. The General Directorate of Customs may lay down guidelines in the practical application of the export procedure.

Title 5

Other customs-approved treatments or uses

Chapter I

Free zones and free warehouses

Section 1

General provisions

442. In accordance to Title IV, Chapter III, Section 1 of the Code this chapter will lay down provisions in the implementing of the free zone and free warehouse procedure.

443. Where Albanian legislation provide that commercial policy measures are to apply to:
- a) the release of goods for free circulation, such measures shall not apply when the goods are placed in a free zone or free warehouse nor for such time as the goods remain there;
 - b) the entry of goods into the customs territory of the Republic of Albania, such measures shall apply when non-Albanian goods are placed in a free zone or free warehouse;
 - c) the export of goods, such measures shall apply when Albanian goods in a free zone or free warehouse are exported from the customs territory of the Republic of Albania. Such goods shall be subject to supervision by the customs authorities.

444.1 The perimeter enclosing free zones and the premises of free warehouses shall be such as to facilitate supervision by the customs authorities outside the free zone or free warehouse and prevent any goods being removed irregularly from the free zone or free warehouse. The area immediately outside the perimeter shall be such as to permit adequate supervision by the customs authorities. Access to the said area shall require the consent of the said authorities.

444.2 The developer of a free zone shall without cost to the government build and maintain fences and other protection decided by the General Directorate of Customs.

444.3 Customs authorities may decide when and where different sort of traffic may enter or exit a free zone.

444.4 The means of transport must upon request by a customs officer stop and make all parts of the means of transport available for customs control.

445. Without prejudice to the supervision referred to in Article 185 (1) of the Code, the customs authorities shall carry out the checks referred to in Article 185 (2) and (4) of the Code only at random or whenever they have reasonable doubts concerning compliance with the applicable legislation.

446. In the case of activities referred to in Article 192 (1) of the Code, the notification referred to in Article 189 (1) of the Code shall take the form of presentation of the application for approval of the stock records.

447. The operator shall take the necessary precautions to ensure that the persons he employs to carry on his activities comply with customs legislation.

448.1 Before commencing activities in a free zone or a free warehouse, the operator shall obtain the customs authorities approval of the stock records referred to in Article 192 of the Code.

448.2 The approval of the stock records shall be accorded only to persons offering all the necessary guarantees concerning the application of the provisions on free zones and free warehouses.

449.1 The application for approval stock records, hereinafter referred to as the “*application*”, shall be submitted in writing to the General Directorate of Customs.

449.2 The application shall specify which of the activities referred to in Article 192 (1) of the Code is envisaged. It shall include a detailed description of the stock records kept, or to be kept, the nature and customs status of the goods to which these activities relate, the customs procedure under which the activities are to be carried out, where applicable, and any other information needed by the customs authorities in order to ensure the proper application of the provisions governing free zones and free warehouses.

449.3 Applications and related documents shall be kept by the customs authorities for at least three years from the end of the calendar year in which the operator ceases activity in the free zone or free warehouse.

450. Approval of the stock records shall be issued in writing and shall be dated and signed. The applicant shall be notified of approval. A copy shall be kept by the customs authorities for at least three years from the end of the calendar year in which the operator ceases activity in the free zone or free warehouse.

451.1 The customs authorities shall amend or revoke the approval of the stock records where they prohibit the person to whom the approval was issued from carrying on an activity in the free zone or free warehouse under Article 189 (2) or (3) of the Code.

451.2 Approval shall be revoked by the customs authorities where they find repeated disappearances of goods which cannot be explained to their satisfaction.

451.3 Once an approval has been revoked the activities to which the stock records relate may no longer be carried on in the free zone or free warehouse.

Section 2

Entry of goods into a free zone or a free warehouse

452. Without prejudice to Articles 185 (4) and 187 (2) of the Code, when goods arrive in a free zone or free warehouse they need not be presented nor shall a customs declaration be required. The

arrival of any goods in the places used for the activity shall be entered immediately in the stock records.

453. The transport document referred to in Article 185 (4) of the Code shall be any document relating to transport, such as a waybill, delivery note, CMR, manifest or dispatch note, provided it gives all the information necessary for identification of the goods.

454.1 Where goods placed under a customs procedure need to be presented to the customs authorities responsible for supervising the free zone pursuant to Article 187 (2) (a) of the Code, the relevant document must be presented with the goods.

454.2 Where the inward processing procedure or temporary importation procedure is discharged by placing of the compensating products or import goods under the transit procedure, followed by entry into a free zone or a free warehouse with a view to subsequent export from the customs territory of the Republic of Albania, the customs authorities shall carry out random checks to satisfy themselves that all relevant information are entered in the stock records. They shall also satisfy themselves that where goods are transferred from one operator to another within a free zone this is entered in the stock records of the operator receiving them.

455. Where a decision to repay or remit import duties authorises the placing of the goods in a free zone or a free warehouse, the customs authorities responsible for supervising the free zone/ free warehouse shall certify that the goods are placed in a free zone/free warehouse.

456. The entry into a free zone or a free warehouse of goods which are subject to export duties or other export provisions and which are required by the customs authorities under Article 187 (3) of the Code to be brought to the attention of the customs office shall occasion neither presentation of a document on entry nor systematic and general controls on all goods entering.

457.1 Where the customs authorities certify the Albanian or non-Albanian status of the goods, in accordance with Article 187 (4) of the Code, they shall use a form conforming to the model and provisions in Annex 55.

457.2 Where the entry of Albanian goods into a free zone or free warehouse needs to be certified, the customs authorities supervising the free zone may endorse the invoice relating to the goods, upon request of the person concerned.

Section 3

Operation of a free zone or a free warehouse

458.1 The operator keeping the approved stock records shall enter therein all particulars necessary to check the proper application of customs legislation.

458.2 If the operator discovers that goods have disappeared other than by natural causes he shall notify the customs authorities.

458.3 The stock records shall include:

- a) particulars of marks, identifying numbers, number and kind of packages, the quantity and usual commercial description of the goods and, where relevant, the identification marks of the container;
- b) information enabling the goods to be monitored, in particular their location;

- c) reference particulars of the transport document used on entry and removal of the goods;
- d) indication of customs status;
- e) particulars of usual forms of handling;
- f) where the bringing of goods into a free zone or a free warehouse discharges either an inward processing procedure, a temporary importation procedure, or an transit procedure which itself discharges one of these procedures, one of the appropriate indications below:
 - i) *Inward Processing/Suspension Goods, Inward Processing/Drawback. Goods*” in red,
or
 - ii) *“Temporary Admission Goods”* in red;
- g) particulars concerning goods which would not be subject upon release for free circulation or temporary importation to import duties or commercial policy measures, the use or destination of which must be checked.

458.4 Where accounts have to be kept for the purposes of a customs procedure, the information contained in those records need not appear in the stock records.

459. The usual forms of handling referred to in point (b) of the first paragraph of Article 190 of the Code are those defined in Annex 36.

Section 4 **Exit of goods from a free zone or a free warehouse**

460. Particulars of the removal of goods from the places used for the activity shall be entered immediately in the stock records.

461. In the case of the re-exportation of non-Albanian goods, which are not unloaded or which are transhipped within the meaning of Article 192 (2) of the Code, the notification referred to in Article 197 (3) of the Code shall not be required.

462. A victualling warehouse and a duty free shop may be set up, as a customs warehouse type C, in a free zone or a free warehouse.

Section 5 **Procedures applicable where the inward processing procedure (suspension system) or procedure for processing under customs control is used in a free zone or free warehouse**

463. Processing operations carried out under the inward processing procedure (suspension system) or the procedure for processing under customs control in a free zone or free warehouse shall not take place until the authorisation for the procedure in question has been granted. The authorisation shall specify the free zone or free warehouse where the operations will be carried out.

464. The customs authority shall withhold authorisation to use the procedures referred to in this Section where the necessary guarantees for the proper conduct of the operations are not afforded. The customs authorities may withhold authorisation from persons who do not frequently carry out inward processing operations or processing under customs control.

465.1 The holder of the authorisation shall keep inward processing records or records of processing under customs control, which shall also contain a reference to the authorisation.

465.2 For the purpose of drawing up the bill of discharge, a reference to the entries in the records specified in paragraph 1 shall replace the reference to the declarations and documents specified in the bill of discharge.

466. Where goods are placed under the inward processing procedure or the procedure for processing under customs control at the time when they are brought into the free zone or free warehouse, the normal procedures laid down in Points 121 to 161 shall apply.

467.1 Where goods already in a free zone or free warehouse are placed under the inward processing procedure or the procedure for processing under customs control, the normal procedure laid down in Points 121 to 161 shall apply.

467.2 Reference particulars of the entry in the inward processing records or records of processing under customs control shall be recorded in the stock records of the free zone or free warehouse.

468.1 The inward processing procedure or procedure for processing under customs control shall be discharged in respect of the compensating products, processed products or goods in the unaltered state situated in a free zone or free warehouse by the lodging of declaration in accordance with the normal procedure laid down in Point 121 to 161 and subsequently entry the particulars in the stock records of the free zone or free warehouse. Reference particulars of such entry shall also be recorded in the inward processing records or records of processing under customs control, as the case may be.

468.2 The indications "*Inward Processing /Suspension Goods*" in red shall be entered in the stock records of the free zone or free warehouse.

469.1 Where the inward processing procedure, in respect of the compensating products or goods in the unaltered state, or the procedure for processing under customs control, in respect of the processed products or goods in the unaltered state, is discharged at the time of removal from the free zone or free warehouse by the re-export of those products or goods, the normal procedure laid down for this purpose shall apply.

469.2 Where the inward processing procedure, in respect of the compensating products or goods in the unaltered state, or the procedure for processing under customs control, in respect of the processed products or goods in the unaltered state, is discharged at the time of removal from the free zone or free warehouse by the release for free circulation of those products or goods, the normal procedure laid down for this purpose shall apply.

469.3 Where the inward processing procedure or procedure for processing under customs control is discharged at the time when the compensating products, processed products or goods in the unaltered state are removed from the free zone or free warehouse to be entered for a procedure other than release for free circulation or export, the normal procedure laid down for that purpose shall apply.

470. The Albanian status of compensating or processed products or goods in the unaltered state released for free circulation in or on removal from a free zone or free warehouse shall be certified by the document referred to in Annex 55, to be issued by the customs authorities.

471. Entries in the inward processing records or records of processing under customs control must enable the customs authority to verify at any time the exact situation of all goods or products placed under one of the procedures in question or in the free zone or free warehouse.

472. The General Directorate of Customs may lay down guidelines in the practical application of the free zone and free warehouse procedure.

Chapter II

Re-exportation, destruction and abandonment

473. In accordance to Title IV, Chapter III, Section 2 of the Code this chapter will lay down provisions in the implementing of the re-exportation, destruction and abandonment procedures.

474. Where re-exportation is subject to a customs declaration, the provisions regarding export shall apply, without prejudice to particular provisions which may apply when the previous customs procedure with economic impact is discharged.

475.1 For the purposes of Article 197 (3) of the Code, notification of destruction of goods shall be made in writing and signed by the person concerned. The single administrative document shall be used. The notification must be made in sufficient time to allow the customs authorities to supervise the destruction.

475.2 Where the goods in question are already the subject of a declaration accepted by the customs authorities, they shall make a reference to the destruction on the declaration and invalidate the declaration in accordance with Article 91 of the Code. The customs authorities present when the goods are destroyed shall specify on the form or declaration the type and quantity of any waste or scrap resulting from the destruction in order to determine the items of charge applicable to them and to be used when they are assigned another customs-approved treatment or use.

475.3 Paragraph 1 and 2 shall apply "*mutatis mutandis*" to goods abandoned to the Exchequer.

476. The General Directorate of Customs may lay down guidelines in the practical application of the re-exportation, destruction and abandonment procedures.

PART III

EXEMPTIONS

Chapter I

General provisions

477. In accordance to Article 199 of the Code this chapter will lay down provisions in those cases, owing to special circumstances, relief from import duties shall be granted when goods are released for free circulation.

478. Relief from import duties 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.

479. Where relief from import duties is granted conditional upon goods being put to a particular use by the recipient, only the competent customs authorities of the Republic of Albania may grant this relief.

480. The competent customs authorities of the Republic of Albania shall take all appropriate measures to ensure that goods placed in free circulation, where relief from import duties is granted conditional upon goods being put to a particular use by the recipient, may not be used for other purposes without the relevant import duties being paid unless such alternative use is in conformity with the conditions laid down by this regulation.

481. Where the same person simultaneously fulfils the conditions required for the grant of relief from import duties under different provisions of this regulation the provisions in question shall apply concurrently.

482. Where this regulation provides that the granting of relief shall be subject to the fulfilment of certain conditions, the person concerned shall, to the satisfaction of the competent customs authorities, furnish proof that these conditions have been met.

483. In the event of duty-free importation being granted within the limit of an amount determined in Lek, the sum arrived should be round-off.

484. Nothing in this provisions shall prevent the Republic of Albania from granting:

- a) relief pursuant to the Vienna convention on diplomatic relations of 18 April 1961, the Vienna convention on consular relations of 24 April 1963 or other consular conventions, or the New York convention of 16 December 1969 on special missions;
- b) relief under the customary privileges accorded by virtue of international agreements or headquarters agreements to which either another country or an international organisation is a contracting party, including the relief granted on the occasion of international meetings;
- c) relief under the customary privileges and immunities accorded in the context of international agreements concluded and the setting up of a cultural or scientific institute or organisation under international law;
- d) relief under the customary privileges and immunities accorded in the context of cultural, scientific or technical co-operation agreements concluded with other countries;
- e) special relief introduced under agreements concluded with other countries and providing for common measures for the protection of persons or of the environment;
- f) special relief introduced under agreements concluded with adjacent countries, justified by the nature of the frontier-zone trade with the countries in question.
- g) relief in the context of agreements entered into on the basis of reciprocity with other countries that are contracting parties to the convention on international civil aviation (Chicago 1944) for the purpose of implementing recommended practices 4.42 and 4.44 in Annex 9 to the convention.

Chapter II

Special circumstances where relief from import duty shall be granted

Section 1

Personal property belonging to natural persons transferring their normal place of residence from another country to republic of Albania

485. Subject to Points 486 to 492, personal property imported by natural persons transferring their normal place of residence from another country to the customs territory of the Republic of Albania shall be admitted free of import duties. The form "*Customs relief for migrants property, form of assurance*" laid down in Annex 56 should be used.

486. The relief shall be limited to personal property which:

- a) except in special cases justified by the circumstances, has been in the possession of and, in the case of non-consumable goods, used by the person concerned at his former normal place of residence for a minimum of six months before the date on which he ceases to have his normal place of residence in the country of departure;
- b) is intended to be used for the same purpose at his new normal place of residence.
- c) in the case of motor vehicles, caravans, vessels and aircraft's have to fulfil the following additional conditions:
 - i) the person concerned has been the registered owner for the motor vehicle, caravan, vessel or aircraft, where such registration is applicable, for at least 12 months before moving to the Republic of Albania;
 - ii) has belonged to the person concerned for at least 12 months before being brought into the customs territory of the Republic of Albania;
 - iii) has been used by the person concerned to a normal extent in another country for at least 12 months before being brought into the customs territory of the Republic of Albania;
 - iv) after being granted relief may not be transferred until two years after its submission to customs clearance unless payment is first made of any customs duty and other taxes for which relief has been granted.
 - v) relief from import duties shall be subject to the lodging of a security. The form and amount shall be determined by the competent customs authorities. The security shall be released after two years have elapsed following the submission to customs clearance, upon production of satisfactory evidence that the person concerned is and has been throughout this period of time, the registered owner of the motor vehicle, caravan, vessel or aircraft, for which relief was granted.

487. Relief may be granted only to persons whose normal place of residence has been outside the customs territory of the Republic of Albania for a continuous period of at least 12 months. However, the competent authorities may grant exceptions to the rule in the first sentence provided that the intention of the person concerned was clearly to reside outside the customs territory of the Republic of Albania for a continuous period of at least 12 months and transfers his normal place of residence from another country to the Republic of Albania as a result of exceptional political circumstances.

488. No relief shall be granted for:

- a) alcoholic products;
- b) tobacco or tobacco products;
- c) commercial means of transport;
- d) articles for use in the exercise of a trade or profession, other than portable instruments of the applied or liberal arts.

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

490.1 Until 12 months have elapsed from the date on which its entry for free circulation was accepted, personal property which has been admitted duty-free may not be lent, given as security,

hired out or transferred, whether for a consideration or free of charge, without prior notification to the competent customs authorities.

490.2 Any loan, giving as security, hiring out or transfer before the expiry of the period referred to in paragraph 1 shall entail payment of the relevant import duties on the property concerned, at the rate applying on the date of such loan, giving as security, hiring out or transfer, on the basis of the type of property and the customs value ascertained or accepted on that date by the competent customs authorities.

491.1 By way of derogation from Point 489, 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 Albania, provided that he undertakes actually to establish his normal place of residence there within a period of six months. Such undertaking shall be accompanied by a security, the form and amount of which shall be determined by the competent authorities.

491.2 Where use is made of the provisions of paragraph 1, the period laid down in Point 486 (a) shall be calculated from the date on which the personal property is brought into the customs territory of the Republic of Albania.

492. The competent customs authorities may derogate from Points 486(a) and (b), 488(c) and (d) and 490, when a person has to transfer his normal place of residence from another country to the customs territory of the Republic of Albania as a result of exceptional political circumstances.

Section 2

Goods imported on the occasion of a marriage

493.1 Subject to Points 494 to 497, trousseaux and household effects, whether or not new, belonging to a person transferring his or her normal place of residence from another country to the customs territory of the Republic of Albania on the occasion of his or her marriage, shall be admitted free of import duties.

493.2 Subject to the same conditions, presents customarily given on the occasion of a marriage, which are received by a person fulfilling the conditions laid down in paragraph 1 from persons having their normal place of residence in another country shall also be admitted free of import duties. The value of each present admitted duty-free may not, however, exceed 50.000 Lek

494. The relief referred to in Point 493 may be granted only to persons:

- a) whose normal place of residence has been outside the customs territory of the Republic of Albania for a continuous period of at least 12 months. However, derogation 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 Albania for a continuous period of at least 12 months and transfers his normal place of residence from another country to the Republic of Albania as a result of exceptional political circumstances;
- b) who produce evidence of their marriage.

495. No relief shall be granted for alcoholic products, tobacco or tobacco products.

496.1 Save in exceptional circumstances, relief shall be granted only in respect of goods entered for free circulation:

- a) not earlier than two months before the date fixed for the wedding (in this case the relief shall be subject to the lodging of appropriate security, the form and amount of which shall be determined by the competent customs authorities), and
- b) not later than four months after the date of the wedding.

496.2 The goods referred to in Point 493 may be released for free circulation in several separate consignments within the period referred to in paragraph 1 above.

497.1 Until 12 months have elapsed from the date on which their entry for free circulation was accepted, goods which have been admitted duty-free under Point 493 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 customs authorities.

497.2 Any loan, giving as security, hiring out or transfer before the expiry of the 12 months period shall entail payment of the relevant import duties on the goods concerned, at the rate applying on the date of such loan, giving as security, hiring out or transfer, on the basis of the type of goods and the customs value ascertained or accepted on that date by the competent customs authorities.

Section 3

Personal property acquired by inheritance

498.1 Subject to Points 499 to 501, personal property acquired by inheritance, by a natural person having his normal place of residence in the customs territory of the Republic of Albania shall be admitted free of import duties.

498.2 For the purposes of paragraph 1, "*personal property*" means all the property referred to in Article 2(12)(a) constituting the estate of the deceased.

499. No relief shall be granted for:

- a) alcoholic products;
- b) tobacco and tobacco products;
- c) commercial means of transport;
- d) articles for use in the exercise of a trade or profession, other than portable instruments of the applied or liberal arts, which were required for the exercise of the trade or profession of the deceased;
- e) stocks of raw materials and finished or semi-finished products;
- f) livestock and stocks of agricultural products exceeding the quantities appropriate to normal family requirements.

500.1 Relief shall be granted only for personal property entered for free circulation not later than two years from the date on which the person concerned becomes entitled to the property (final settlement of the inheritance). However, this period may be extended by the competent customs authorities on special grounds.

500.2 The personal property may be imported in several separate consignments within the period referred to in paragraph 1.

501. Points 498 to 500 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 Albania.

Section 4

School outfits , scholastic materials and other scholastic household effects

502.1 Outfits, scholastic materials and household effects representing the usual furnishings for a student's room and belonging to foreign pupils or students coming to stay in the customs territory of the Republic of Albania 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.

502.2 For the purposes of paragraph 1:

- a) "*pupil or student*" means any person enrolled in an educational establishment in order to attend full-time the courses offered therein;
- b) "*outfit*" means underwear or household linen as well as clothing, whether or not new;
- c) "*scholastic materials*" means objects and instruments (including calculators and typewriters) normally used by pupils or students for the purposes of their studies.

503. Relief shall be granted at least once per school year.

Section 5

Consignments of negligible value

504.1 Subject to Point 505, any consignments made up of goods of negligible value dispatched direct from another country to a consignee in the Republic of Albania shall be admitted free of import duties.

504.2 "*Goods of negligible value*" means goods the intrinsic value of which does not exceed a total of 10 000 Lek per consignment.

505. The relief shall not apply to the following:

- a) alcoholic products;
- b) perfumes and toilet waters;
- c) tobacco or tobacco products.

Section 6

Goods contained in travellers' personal luggage

506.1 Subject to Points 507 to 510, goods contained in the personal luggage of travellers coming from another country shall be admitted free of import duties, provided such imports are of a non-commercial nature.

506.2 For the purposes of paragraph 1:

- a) "*personal luggage*" means the whole of the luggage which a traveller is in a position to submit to the customs authorities on his arrival in the customs territory of the Republic of Albania, 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 traveller's departure, as accompanied luggage with the company which transported it into the customs territory of the Republic of Albania from the country of departure. Without prejudice to Point 549(1) (b), portable containers holding fuel shall not constitute personal luggage;

- b) "*imports of a non-commercial nature*" means imports which:
- i) are of an occasional nature, and
 - ii) consist exclusively of goods for the personal use of the travellers or their families, or of goods intended as presents; the nature and quantity of such goods should not be such as might indicate that they are being imported for commercial reasons.

507.1 The relief referred to in Point 506(1) shall, in respect of the goods listed below, apply subject to the following quantitative limits per traveller:

- a) tobacco products:
 - 200 cigarettes, or
 - 100 cigarillos (cigars of a maximum weight of three grams each), or
 - 50 cigars, or
 - 250 grams of smoking tobacco, or a proportional assortment of these different products;
- b) alcohol's and alcoholic beverages:
 - i) distilled beverages and spirits of an alcoholic strength by volume exceeding 22 % volume; non-denatured ethyl alcohol of 80 % volume and over: one litre, or
 - ii) distilled beverages and spirits, and aperitifs with a wine or alcoholic base, tafia, sake, or similar beverages, of an alcoholic strength by volume not exceeding 22 % volume; sparkling wines, liqueur wines: two litres, or a proportional assortment of these different products and
 - iii) still wines: two litres;
- c) perfumes: 50 grams or toilet waters: 0,25 litre;
- d) medicinal products: the quantity required to meet travellers personal needs.

507.2 No relief for the goods referred to in paragraph 1 (a) shall be granted to travellers under 15 years old.

507.3 No relief for the goods referred to in paragraph 1 (b) shall be granted to travellers under 18 years old.

508. The relief referred to in Point 506 shall be granted up to a total value of 30 000 Lek per traveller to goods other than those listed in Point 507. This amount is reduced to 15 000 Lek for travellers under 15 years of age. The Minister of Finance may decide that a special tariff for travellers can be used in the calculation of import duties for quantities in excess of the quantities mentioned in Point 507 (1)(a) to (b).

509. Where the total value per traveller of two or more items exceeds the amounts referred to in Point 508, 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.

510.1 The Minister of Finance may reduce the value and/or the quantities of goods allowed to enter duty-free if they are imported by:

- a) persons residing in the frontier zone,

- b) frontier workers,
- c) the crews of means of transport used between other countries and the Republic of Albania.

510.2 These restrictions shall not apply where persons having their residence in 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 the Republic of Albania where they import goods when travelling in the course of their work.

510.3 For the purposes of applying the provisions of paragraph 1:

- a) “*frontier zone*” means, without prejudice to existing conventions in this respect, a zone which, as the crow flies, does not extend more than 10 kilometres from the frontier.
- b) “*frontier worker*” means any person whose normal activities require that he should go to the other side of the frontier on his work days.

Section 7

Laboratory animals and biological or chemical substances intended for research

511.1 Relief from import duties shall be granted for animals specially prepared for laboratory use.

511.2 The relief referred to in paragraph 1 shall be limited to animals which are intended for:

- a) either public establishments principally engaged in education or scientific research and those departments of public establishments which are principally engaged in education or scientific research, or
- b) private establishments principally engaged in education or scientific research and authorised by the competent customs authorities of the Republic of Albania to receive such articles duty-free.

Section 8

Therapeutic substances of human origin and blood-grouping and tissue-typing reagents; human organs for transplantation

512.1 Subject to Point 513, the following shall be admitted free of import duties:

- a) therapeutic substances of human origin;
- b) blood-grouping reagents;
- c) tissue-typing reagents.
- d) human organs for transplantation

512.2 For the purposes of paragraph 1:

- a) “*therapeutic substances of human origin*” means human blood and its derivatives (whole human blood, dried human plasma, human albumin and fixed solutions of human plasmic protein, human immunoglobulin and human fibrinogen),

- b) “*blood-grouping reagents*” means all reagents, whether of human, animal, plant or other origin used for blood-type grouping and for the detection of blood incompatibilities,
- c) “*tissue-typing reagents*” means all reagents whether of human, animal, plant or other origin used for the determination of human tissue-types.

513. Relief shall be limited to therapeutic substances of human origin and blood-grouping and tissue-typing reagents which:

- a) are intended for institutions or laboratories approved by the competent customs authorities, for use exclusively for non-commercial medical or scientific purposes;
- b) are accompanied by a certificate of conformity issued by a duly authorised body in the country of departure;
- c) are in containers bearing a special label identifying them.

514. Relief shall be limited to human organs for transplantation which:

- a) are intended for hospitals or other medical institutions, for the exclusive use of transplantation purposes;
- b) are accompanied by a certificate issued by a duly authorised body in the country of departure;
- c) are in containers bearing a special label identifying them.

515. Relief shall include the special packaging essential for the transport of therapeutic substances of human origin or blood-grouping or tissue-typing reagents or human organs and also any solvents and accessories needed for their use which may be included in the consignments whether imported together with the products or separately.

Section 9

Reference substances for the quality control of medicinal products

516. Consignments which contain samples of reference substances approved by the world health organisation for the quality control of materials used in the manufacture of medicinal products and which are addressed to consignees authorised by the competent customs authorities of the Republic of Albania states to receive such consignments free of duty shall be admitted free of import duties.

Section 10

Pharmaceutics products used at international sports events

517. Pharmaceutical products for human or veterinary medical use by persons or animals coming from other countries to participate in international sports events organised in the customs territory of the Republic of Albania, shall, within the limits necessary to meet their requirements throughout their stay in that territory, be admitted free of import duties.

Section 11
Goods for charitable organisations, philanthropic organisations or assistance
purposes for charity organisations, religious institutions, public entities
as well as budget funded state entities

518.1 Subject to Points 520 and 521, the following shall be admitted free of import duties, in so far as this does not give rise to abuses or major distortions of competition:

- a) basic necessities imported by charitable, philanthropic or religious organisations, public entities as well as budget funded state entities approved by the competent customs authorities for distribution free of charge to needy persons;
- b) equipment and office materials sent free of charge, by a person or an organisation established outside the customs territory of the Republic of Albania, and without any commercial intent on the part of the sender, to charitable, philanthropic or religious organisations, public entities as well as budget funded state entities approved by the competent customs authorities, to be used solely for the purpose of meeting their operating needs or carrying out their charitable or philanthropic aims.

518.2 For the purposes of paragraph 1 (a), “*basic necessities*” means those goods required to meet the immediate needs of human beings, e.g. food, medicine, clothing and bed-clothes.

519. No relief shall be granted for:

- a) alcoholic products;
- b) tobacco or tobacco products;
- c) coffee and tea;
- d) motor vehicles other than ambulances and other emergency vehicles.

520. Relief shall be granted only to organisations the accounting procedures of which enable the competent customs authorities to supervise their operations and which offer all the guarantees considered necessary.

521.1 The organisation benefiting from the relief may not lend, hire out or transfer, whether for a consideration or free of charge, the goods and equipment referred to in Point 529 for purposes other than those laid down in paragraph 1 (a) and (b) of that point without prior notification to the competent customs authorities.

521.2 Should goods and equipment be lent, hired out or transferred to an organisation entitled to benefit from relief pursuant to Points 518 and 520, the relief shall continue to be granted provided the latter uses the goods and equipment 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 or equipment and the customs value ascertained or accepted on that date by the competent customs authorities.

522.1 Organisations referred to in Point 518 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 Point, shall so inform the competent customs authorities.

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

522.3 Goods and equipment used by the organisation benefiting from the relief for purposes other than those provided for in Point 518 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 competent customs authorities.

523. Subject to Points 524 to 528, goods imported by charitable, philanthropic or religious organisations, public entities as well as budget funded state entities approved by the competent customs authorities shall be admitted free of import duties where they are intended:

- a) for distribution free of charge to victims of disasters affecting the territory of the Republic of Albania; or
- b) to be made available free of charge to the victims of such disasters, while remaining the property of the organisations in question.

524. No relief shall be granted for materials and equipment intended for rebuilding disaster areas.

525. Relief shall be granted only to organisations the accounting procedures of which enable the competent customs authorities to supervise their operations and which offer all the guarantees considered necessary.

526.1 The organisations benefiting from the relief may not lend, hire out or transfer, whether for consideration or free of charge, the goods referred to in Point 523 under conditions other than those laid down in that point without prior notification thereof to the competent customs authorities.

526.2 Should goods be lent, hired out or transferred to an organisation itself entitled to benefit from relief pursuant to Point 523, the relief shall continue to be granted, provided the latter uses the goods for purposes which confer the right to such relief. In other cases, loan, hiring out or transfer shall be subject to prior payment of import duties at the rate applying on the date of the loan, hiring out or transfer, on the basis of the type of goods and the customs value ascertained or accepted on that date by the competent customs authorities.

527.1 The goods referred to in Point 523 (b), after they cease to be used by disaster victims, may not be lent, hired out or transferred, whether for a consideration or free of charge, unless the competent customs authorities are notified in advance.

527.2 Should goods be lent, hired out or transferred to an organisation itself entitled to benefit from relief pursuant to Point 523 or, if appropriate, to an organisation entitled to benefit from relief pursuant to Point 518 (1) (a), the relief shall continue to be granted, provided such organisations use them for purposes which confer the right to such relief. In other cases, loan, hiring out or transfer shall be subject to prior payment of import duties at the rate applying on the date of the loan, hiring out or transfer, on the basis of the type of goods and the customs value ascertained or accepted on that date by the competent customs authorities.

528.1 Organisations referred to in Point 523 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 Point, shall so inform the competent customs authorities.

528.2 In the case of goods remaining in the possession of organisations which cease to fulfil the conditions giving entitlement to relief, when these are transferred to an organisation itself entitled to benefit from relief pursuant to Point 523 or, if appropriate, to an organisation entitled to benefit from relief pursuant to Point 518 (1) (a), relief shall continue to be granted, provided the organisation 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 the competent customs authorities.

528.3 Goods used by the organisation benefiting from the relief for purposes other than those provided for in Point 523 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 customs authorities.

529.1 Instruments and apparatus intended for medical research, establishing medical diagnoses or carrying out medical treatment which are donated either by a charitable or philanthropic organisation or by a private individual to health authorities, hospital departments or medical research institutions approved by the competent customs authorities of the Republic of Albania 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 organisation or with voluntary contributions, shall be admitted free of import duties, always provided that it is established that:

- a) the donation of the instruments or apparatus in question does not conceal any commercial intent on the part of the donor; and
- b) the donor is in no way connected with the manufacturer of the instruments or apparatus for which relief is requested.

529.2 The relief shall also apply, subject to the same conditions, to:

- a) spare parts, components or accessories specifically suitable for the above instruments or apparatus, provided that these spare parts, components or accessories are imported at the same time as such instruments and apparatus or, where they are imported subsequently, that they can be identified as being intended for instruments or apparatus previously admitted duty free;
- b) tools to be used for the maintenance, checking, calibration or repair of instruments or apparatus, provided that these tools are imported at the same time as such instruments and apparatus or, where they are imported subsequently, that they can be identified as being intended for instruments or apparatus previously admitted duty free.

Section 12

Honorary decorations or awards

530. On production of satisfactory evidence to the competent customs authorities by the persons concerned, and provided the operations involved are not in any way of a commercial character, the following shall be admitted free of import duties:

- a) decorations conferred by governments of other countries on persons whose normal place of residence is in the customs territory of the Republic of Albania;
- b) cups, medals and similar articles of an essentially symbolic nature which, having been awarded in another country to persons having their normal place of residence in the customs territory of the Republic of Albania 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 Republic of Albania by such persons themselves;

- c) cups, medals and similar articles of an essentially symbolic nature which are given free of charge by authorities or persons established in another country to be presented in the customs territory of the Republic of Albania for the same purposes as those referred to in (b);
- d) awards, trophies and souvenirs of a symbolic nature and of limited value intended for distribution free of charge to persons normally resident in other countries at business conferences or similar international events; their nature, unitary value or other features, must not be such as might indicate that they are being imported for commercial reasons.

Section 13

Presents received in the context of international relations

531. Without prejudice, where relevant, to Points 506 to 510, and subject to Points 532 and 533 below, relief shall be granted for goods:

- a) imported into the customs territory of the Republic of Albania by persons who have paid an official visit to another country and who have received them on this occasion as gifts from the host authorities;
- b) imported into the customs territory of the Republic of Albania by persons coming to pay an official visit in the Republic of Albania and who intend to offer them on that occasion as gifts to the host authorities;
- c) sent as gifts, in token of friendship or goodwill, by an official body, public authority or group, carrying on an activity in the public interest which is located in another country, to an official body, public authority or group carrying on an activity in the public interest which is located in the customs territory of the Republic of Albania and approved by the competent customs authorities to receive such articles free of duty.

532. No relief shall be granted for alcoholic products, tobacco or tobacco products.

533. Relief shall be granted only:

- a) where the articles intended as gifts are offered on an occasional basis,
- b) where they do not, by their nature, value or quantity, reflect any commercial interest,
- c) if they are not used for commercial purposes.

Section 14

Goods to be used by heads of state

534.1 The following shall be admitted free of import duties, within the limits and under the conditions laid down by the General Directorate of Customs:

- a) gifts to heads of state;
- b) goods to be used or consumed by heads of state of other countries, or persons officially representing them, during their official stay in the customs territory of the Republic of Albania. However, relief may be made subject, by the member state of importation, to reciprocal treatment.

534.2 The provisions of the preceding paragraph are also applicable to persons enjoying prerogatives at international level analogous to those enjoyed by reigning monarchs or heads of state.

Section 15

Goods imported for trade promotion purposes

535.1 Without prejudice to Point 539(1)(a), samples of goods which are of negligible value and can be used only to solicit orders for goods of the type they represent with a view to their being imported into the customs territory of the Republic of Albania shall be admitted free of import duties.

535.2 The competent customs authorities may require that certain articles, to qualify for relief, be rendered permanently unusable by being torn, perforated, or clearly and indelibly marked, or by any other process, provided such operation does not destroy their character as samples.

535.3 For the purposes of paragraph 1, "*samples of goods*" means any article representing a type of goods whose manner of presentation and quantity, for goods of the same type or quality, rule out its use for any purpose other than that of seeking orders.

536. Subject to Point 537, printed advertising matter such as catalogues, price lists, directions for use or brochures shall be admitted free of import duties, provided that they relate to:

- a) goods for sale or hire, or
- b) transport, commercial insurance or banking services offered by a person established outside the customs territory of the Republic of Albania.

537. The relief referred to in Point 536 shall be limited to printed advertisements which fulfil the following conditions:

- a) printed matter must clearly display the name of the undertaking which produces, sells or hires out the goods, or which offers the services to which it refers;
- b) each consignment must contain no more than one document or a single copy of each document if it is made up of several documents. Consignments comprising several copies of the same document may nevertheless be granted relief, provided their total gross weight does not exceed one kilogram;
- c) printed matter may not be the subject of grouped consignments from the same consignor to the same consignee.

538. 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.

539.1 Subject to Points 540 to 543, the following shall be admitted free of import duties:

- a) small representative samples of goods manufactured outside the customs territory of the Republic of Albania intended for a trade fair or similar event;
- b) goods imported solely in order to be demonstrated or in order to demonstrate machines and apparatus, manufactured outside the customs territory of the Republic of Albania and displayed at a trade fair or similar event;

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

539.2 For the purposes of paragraph 1, "*trade fair or similar event*" means:

- a) exhibitions, fairs, shows and similar events connected with trade, industry, agriculture or handicrafts;
- b) exhibitions and events held mainly for charitable reasons;
- c) exhibitions and events held mainly for scientific, technical, handicraft, artistic, educational or cultural, or sporting reasons, for religious reasons or for reasons of worship, trade union activity or tourism, or in order to promote international understanding;
- d) meetings of representatives of international organisations or collective bodies;
- e) official or commemorative ceremonies and gatherings, but not exhibitions staged for private purposes in commercial stores or premises to sell goods of other countries.

540. The relief referred to in Point 539(1)(a) shall be limited to samples which:

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

541. The relief referred to in 539(1)(b) shall be limited to goods which 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.

542. The relief referred to in Point 539(1)(d) shall be limited to printed matter and articles for advertising purposes which:

- a) are intended exclusively to be distributed free of charge to the public at the place where the exhibition is held;
- b) in their total value and quantity, are appropriate to the nature of the exhibition, the number of visitors and the extent of the exhibitor's participation.

543. The relief referred to in Point 539(1)(a) and (b) shall not be granted for:

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

Section 16

Consignments sent to organisations protecting copyrights or industrial and commercial patent rights

544. 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.

Section 17

Tourist information literature

545. The following shall be admitted free of import duties:

- a) documentation (leaflets, brochures, books, magazines, guidebooks, posters whether or not framed, unframed photographs and photographic enlargements, maps whether or not illustrated, window transparencies, and illustrated calendars) intended to be distributed free of charge and the principal purpose of which is to encourage the public to visit foreign countries, in particular in order to attend cultural, tourist, sporting, religious or trade or professional meetings or events, provided that such literature contains not more than 25 % of private commercial advertising matter, excluding all private commercial advertising for Republic of Albania firms, and that the general nature of its promotional aims is evident;
- b) foreign hotel lists and yearbooks published by the official tourist agencies, or under their auspices, and timetables for foreign transport services, where such literature is intended to be distributed free of charge and contains not more than 25% of private commercial advertising, excluding all private commercial advertising for Republic of Albania firms;
- c) reference material supplied to accredited representatives or correspondents appointed by official national tourist agencies and not intended for distribution, viz. yearbooks, lists of telephone or telex numbers, hotel lists, fairs catalogues, specimens of craft goods of negligible value, and literature on museums, universities, spas or other similar establishments.

Section 18

Miscellaneous documents and articles

546. The following shall be admitted free of import duties:

- a) documents sent free of charge to the public services of the Republic of Albania;

- b) publications of foreign governments and publications of official international bodies intended for distribution without charge;
- c) ballot papers for elections organised by bodies set up in other countries;
- d) objects to be submitted as evidence or for like purposes to the courts or other official agencies of the Republic of Albania;
- e) specimen signatures and printed circulars concerning signatures sent as part of customary exchanges of information between public services or banking establishments;
- f) official printed matter sent to the central banks of the Republic of Albania;
- g) reports, statements, notes, prospectuses, application forms and other documents drawn up by companies registered in another country and sent to the bearers or subscribers of securities issued by such companies;
- h) recorded media (punched cards, sound recordings, microfilms, etc.) used for the transmission of information sent free of charge to the addressee, in so far as duty-free admission does not give rise to abuses or to major distortions of competition;
- i) files, archives, printed forms and other documents to be used in international meetings, conferences or congresses, and reports on such gatherings;
- j) plans, technical drawings, traced designs, descriptions and other similar documents imported with a view to obtaining or fulfilling orders in other countries or to participating in a competition held in the customs territory of the Republic of Albania;
- k) documents to be used in examinations held in the customs territory of the Republic of Albania by institutions set up in other countries;
- l) printed forms to be used as official documents in the international movement of vehicles or goods, within the framework of international conventions;
- m) printed forms, labels, tickets and similar documents sent by transport undertakings or by undertakings of the hotel industry in another country to travel agencies set up in the customs territory of the Republic of Albania;
- n) printed forms and tickets, bills of lading, way-bills and other commercial or office documents which have been used;
- o) official printed forms from other country or international authorities, and printed matter conforming to international standards sent for distribution by other country associations to corresponding associations located in the customs territory of the Republic of Albania;
- p) photographs, slides and stereotype mats for photographs, whether or not captioned, sent to press agencies or newspaper or magazine publishers.
- q) tax and similar stamps proving payment of charges in other countries.
- r) banknotes and coins that are legal tender, sent to banks or state bodies in the Republic of Albania.

Section 19
Ancillary materials for the stowage and protection
of goods during their transport

547. 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 another country to the customs territory of the Republic of Albania, not normally reusable, shall be admitted free of import duties.

Section 20
Litter, fodder and feedingstuffs for animals during their transport

548. Litter, fodder and feeding stuffs of any description put on board the means of transport used to convey animals from another country to the customs territory of the Republic of Albania for the purpose of distribution to the said animals during the journey shall be admitted free of import duties.

Section 21
Fuel and lubricants present in land motor vehicles

549.1 Subject to the provisions of Points 550 to 553:

- a) fuel contained in the standard tanks of private and commercial motor vehicles and motor cycles entering the customs territory of the Republic of Albania
- b) fuel contained in portable tanks carried by private motor vehicles and motor cycles, with a maximum of 10 litres per vehicle and without prejudice to national provisions on the holding and transport of fuel;

shall be admitted free of import duties.

549.2 For the purposes of paragraph 1:

- a) “*commercial motor vehicle*” means any motorised 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:
 - i) more than nine persons including the driver,
 - ii) goods,
 - iii) and any road vehicle for a special purpose other than transport as such;
- b) “*private motor vehicle*” means any motor vehicle not covered by the definition set out in (a);
- c) “*standard tanks*” means: the tanks permanently fixed by the manufacturer to all motor vehicles of the same type as the vehicle in question and whose permanent fitting enables fuel to be used directly, both for the purpose of propulsion and, where appropriate, for the operation, during transport, of refrigeration systems and other systems. Gas tanks fitted to motor vehicles designed for the direct use of gas as a fuel and tanks fitted to the other systems with which the vehicle may be equipped shall also be considered to be standard tanks.

550. As regards the fuel contained in the standard tanks of commercial motor vehicles, the General Directorate of Customs may limit application of the relief to 200 litres per vehicle and per journey.

551. The General Directorate of Customs may limit the amount of duty-free fuel allowed in the case of:

- a) commercial motor vehicles engaged in international traffic into their frontier zone to a maximum depth of 25 km as the crow flies, provided such journeys are made by persons residing in the frontier zone,
- b) private motor vehicles belonging to persons residing in the frontier zone specified in Point 510(3).

552. Fuel admitted duty-free under Points 549 to 551 may not be used in a vehicle other than that in which it was imported nor be removed from that vehicle and stored, except during necessary repairs to that vehicle, nor be transferred, whether for a consideration or free of charge, by the person benefiting from the relief. Non-compliance with the preceding paragraph shall give rise to application of the import duties relating to the products in question at the rate in force on the date of such non-compliance, on the basis of the type of goods and the customs value ascertained or accepted on that date by the competent customs authorities.

553. The relief referred to in Point 549 shall also apply to the lubricants present in the motor vehicles and required for their normal operation during the journey in question.

Section 22

Materials for the construction, upkeep or ornamentation of memorials to, or cemeteries for, war victims

554. Goods of every description, imported by organisations authorised for this purpose by the competent customs authorities, to be used for the construction, upkeep or ornamentation of cemeteries and tombs of, and memorials to, war victims of other countries who are buried in the customs territory of the Republic of Albania, shall be admitted free of import duties.

Section 23

Coffins and funerary urns and ornamental funerary articles

555. The following shall be admitted free of import duties:

- a) The coffins containing bodies and urns containing the ashes of deceased persons, as well as the flowers, funeral wreaths and other ornamental objects normally accompanying them;
- b) flowers, wreaths and other ornamental objects brought by persons resident in other countries attending a funeral or coming to decorate graves in the customs territory of the Republic of Albania, provided that the value of these items are less than 10.000 LEK.

Section 24

Machinery and other equipment for use in a free zone or free warehouse imported by persons licensed to operate in a free zone or free warehouse

556. In accordance with the provisions of the Law on Free Zones and without prejudice to the measures in force in the Republic of Albania with regard to industrial and commercial policy, and subject to Points 557 to 559, machinery and other equipment for permanent use in a free zone or free warehouse, shall be admitted free of import duties when imported by persons licensed in accordance with the provisions of the Law on Free Zones.

557. Relief shall be limited to machinery and other equipment which:

- a) are intended for permanent use in a free zone or free warehouse;

- b) are intended to be used by the licensed person;
- c) are appropriate to the nature and size for the activity carried out by the licensed person

558. No relief shall be granted for:

- a) means of transport which are not of the nature of instruments of production or of the service industry;
- b) supplies of all kinds intended for human consumption;
- c) fuel and stocks of raw materials or finished or semi-finished products;

559.1 Until 36 months have elapsed from the date on which their entry for free circulation was accepted, machinery 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 custom authorities supervising the free zone or free warehouse .

559.2 Any loan, giving as security, hiring out or transfer before the expiry of the period referred to in paragraph 1 shall entail payment of the relevant import duties on the goods concerned, at the rate applying on the date of such loan, giving as security, hiring out or transfer, on the basis of the type of goods and the customs value ascertained or accepted on that date by the custom authorities supervising the free zone or free warehouse.

559.3 Removal from the free zone or free warehouse shall entail payment of the relevant import duties on the goods concerned, at the rate applying on the date of removal on the basis of the type of goods and the customs value ascertained or accepted on that date by the custom authorities supervising the free zone or free warehouse.

Section 25

Final provisions

560. The General Directorate of Customs may lay down guidelines in the practical application of exemption procedures.

PART IV

RETURNED GOODS

Title 1

Returned goods

561. In accordance to Title VI, Chapter II of the Code this Title will lay down provisions in the implementing of returned goods procedure.

562.1 In accordance with Article 200 (2) (b) of the Code, goods which have been the subject of a measure involving their exportation to another country shall be exempt from import duties if the goods:

- a) could not be entered for free circulation in the country to which they were sent on account of laws in force in that country;
- b) were returned by the consignee as being defective or not in accordance with the provisions of the contract relating to them;

- c) were reimported into the customs territory of the Republic of Albania because they could not be used for the purposes intended owing to other circumstances outside the exporter's control.

562.2 The circumstances referred to in paragraph 1 (c) shall include the following:

- a) goods returned to the customs territory of the Republic of Albania following damage occurring before delivery to the consignee, either to the goods themselves or to the means of transport on which they were carried;
- b) goods originally exported for the purposes of consumption or sale in the course of a trade fair or similar occasion which have not been so consumed or sold;
- c) goods which could not be delivered to the consignee on account of his physical or legal incapacity to honour the contract under which the goods were exported;
- d) goods which, because of natural, political or social disturbances, could not be delivered to their consignee or which reached him after the mandatory delivery date stipulated in the contract under which the goods were exported;
- e) fruit and vegetables, exported and sent for sale on consignment, but which were not sold in the market of the country of destination.

562.3 The goods referred to in paragraph 1 shall not be exempt from import duties unless they are entered for free circulation in the customs territory of the Republic of Albania within twelve months of the date of completion of the customs formalities relating to their exportation.

563. Returned goods shall be exempt from import duties even where they represent only a proportion of the goods previously exported from the customs territory of the Republic of Albania.

The same applies where the goods consist of parts or accessories belonging to machines, instruments, apparatus or other products previously exported from the customs territory of the Republic of Albania.

564.1 By way of derogation from Article 201 of the Code, returned goods in one of the following situations shall be exempt from import duties:

- a) goods which, after having been exported from the customs territory of the Republic of Albania, have received no treatment other than that necessary to maintain them in good condition or handling which alters their appearance only;
- b) goods which, after having been exported from the customs territory of the Republic of Albania, received treatment other than that necessary to maintain them in good condition or handling other than that altering their appearance, but which proved to be defective or unsuitable for their intended use, provided that one of the following conditions is fulfilled:
 - i) such treatment or handling was applied to the goods solely with a view to repairing them or restoring them to good condition,
 - ii) their unsuitability for their intended use became apparent only after such treatment or handling had commenced.

564.2 Where returned goods have undergone treatment or handling permitted under paragraph 1 (b) and such treatment would have rendered them liable to import duties if they had come under outward processing arrangements, the rules in force for charging duty under the said arrangements shall apply.

564.3 However, if goods have undergone an operation consisting of repair or restoration to good condition which became necessary as a result of unforeseen circumstances which arose outside the customs territory of the Republic of Albania, this being established to the satisfaction of the customs authorities, relief from import duties shall be granted provided that the value of the returned goods is not higher, as a result of such operation, than their value at the time of export from the customs territory of the Republic of Albania.

564.4 For the purposes of paragraph 3:

- a) *“repair or restoration to good condition which became necessary”* means: any operation to remedy operating defects or material damage suffered by goods while they were outside the customs territory of the Republic of Albania, without which the goods could no longer be used in the normal way for the purposes for which they were intended;
- b) the value of returned goods shall be considered not to be higher, as a result of the operation which they have undergone, than their value at the time of export from the customs territory of the Republic of Albania, when the operation does not exceed that which is strictly necessary to enable them to continue to be used in the same way as at that time. When the repair or restoration to good condition of goods necessitates the incorporation of spare parts, such incorporation shall be limited to those parts strictly necessary to enable the goods to be used in the same way as at the time of export.

565.1 The following shall be accepted as returned goods:

- a) goods for which the following documents are produced in support of the declaration for release for free circulation:
 - i) copy No 3 of the export declaration returned to the exporter by the customs authorities, or a copy of such document certified true by the said authorities; or
 - ii) where evidence available to the customs authorities at the customs office of reimportation or ascertainable by them from the person concerned indicates that the goods declared for free circulation were originally exported from the customs territory of the Republic of Albania, and at that time satisfied the conditions for acceptance as returned goods, the documents referred to at (i) shall not be required.
- b) goods covered by an ATA carnet issued in the Republic of Albania. These goods may be accepted as returned goods, within the limits laid down by Article 200 of the Code, even when the validity of the ATA carnet has expired. In all cases, the formalities discharging the ATA Carnet shall be carried out.

565.2 Paragraph 1 (a) shall not apply to the international movement of packing materials, means of transport or certain goods admitted under specific customs arrangements where autonomous or conventional provisions lay down that customs documents are not required in these circumstances. Nor shall it apply in cases where goods may be declared for release for free circulation orally or by any other act.

565.3 Where they consider it necessary, the customs authorities at the customs office of reimportation may ask the person concerned to submit additional evidence, in particular for the purposes of identification of the returned goods.

566. At the request of the customs authorities at the customs office of reimportation, the customs authorities at the customs office of exportation shall communicate to the former all the information at

their disposal to enable them to determine whether the goods meet the conditions necessary to benefit from the provisions of this part.

567. The General Directorate of Customs may lay down guidelines in the practical application of the return goods procedure.

Title 2
Products of sea-fishing and other products taken
from the sea by Albanian fishing vessels

568. In accordance to Title VI, Chapter III of the Code this Title will lay down provisions in the implementing of the exemption from import duties for products of sea-fishing and other products taken from the sea.

569.1 Exemption from import duties for the products referred to in Article 203 (a) of the Code can only be granted if the products fulfil the following conditions:

- a) are unloaded from the Albanian fishing vessel which made the catch;
- b) are processed on board an Albanian factory ship and the catch have been made by an Albanian fishing vessel.

569.2 For products to be released for free circulation in the Republic of Albania, the master of the Albanian vessel making the catch shall certify the particulars concerning the catch. If the catch has been processed on board, the master of the vessel shall also declare which vessel made the catch.

569.3 For the purposes of paragraphs 1 to 2, the meaning of “*Albanian fishing vessel*” and “*Albanian factory ship*” shall be:

- a) “*Albanian fishing vessel*” means a vessel which is listed and registered in the customs territory of the Republic of Albania and, flies the flag of the Republic of Albania, catches products of sea-fishing and, as the case may be, processes them on board;
- b) “*Albanian factory ship*” means a vessel which is listed or registered in the customs territory of the Republic of Albania and, flies the flag of the Republic of Albania and does not catch products of sea-fishing but does process such products on board.

569.4 In order to ensure that paragraphs 1 to 3 are complied with, the customs authorities may perform any checks and controls they deem necessary in checking that information provided are accurate.

570. The General Directorate of Customs may lay down guidelines in the practical application of the exemption from import duties for products of sea-fishing and other products taken from the sea.

PART V
CUSTOMS DEBT

Title 1
General provisions

571. In accordance to Title VII, of the Code this Part will lay down provisions in the implementing of the customs debt.

Title 2 Security

572.1 The types of security other than cash deposits or guarantors, within the meaning of Articles 208, 209 and 210 of the Code, and the cash deposit or the submission of securities for which the customs authorities may opt even if they do not comply with the conditions laid down in Article 209 (1) of the Code, shall be as follows:

- a) the creation of a mortgage, an antichresis or other right deemed equivalent to a right pertaining to immovable property;
- b) the cession of a claim, the pledging, with or without surrendering possession, of goods, securities or claims or, in particular, a savings bank book;
- c) the assumption of joint contractual liability for the full amount of the debt by a third party approved for that purpose by the customs authorities and, in particular, the lodging of a bill of exchange the payment of which is guaranteed by such third party;
- d) a cash deposit or security deemed equivalent thereto in a currency other than Albanian LEK;
- e) participation, subject to payment of a contribution, in a general guarantee scheme administered by the customs authorities.

572.2 The circumstances in which and the conditions under which recourse may be had to the types of security referred to in paragraph 1 shall be determined by the customs authorities.

573. Where security is given by making a cash deposit, no interest thereon shall be payable by the customs authorities.

Title 3 Incurrence of the debt

Chapter I Failures which have no significant effect on the operation of temporary storage or of the customs procedure

574.1 The following failures shall be considered to have no significant effect on the correct operation of the temporary storage or customs procedure in question within the meaning of Article 219 (1) of the Code, provided:

- a) they do not constitute an attempt to remove the goods unlawfully from customs supervision,
- b) they do not imply obvious negligence on the part of the person concerned, and
- c) all the formalities necessary to regularise the situation of the goods are subsequently carried out:

574.2 The failures referred to in paragraph 1 are as follows:

- a) exceeding the time limit allowed for assignment of the goods to one of the customs-approved treatments or uses provided for under the temporary storage or customs procedure in question, where the time limit would have been extended had an extension been applied for in time;

- b) in the case of goods placed under a transit procedure, exceeding the time limit for presentation of the goods to the office of destination, where such presentation takes place later;
- c) in the case of goods placed in temporary storage or under the customs warehousing procedure, handling not authorised in advance by the customs authorities, provided such handling would have been authorised if applied for;
- d) in the case of goods placed under the temporary importation procedure, use of the goods otherwise than as provided for in the authorisation, provided such use would have been authorised under that procedure if applied for;
- e) in the case of goods in temporary storage or placed under a customs procedure, unauthorised movement of the goods, provided the goods can be presented to the customs authorities at their request;
- f) in the case of goods in temporary storage or placed under a customs procedure, removal of the goods from the customs territory of the Republic of Albania or their entry into a free zone or free warehouse without completion of the necessary formalities;
- g) in the case of goods eligible on release for free circulation for the total or partial relief from import duties referred to in Article 165 of the Code, the existence of one of the situations referred to in Article 219 (1) (a) or (b) of the Code while the goods concerned are in temporary storage or under another customs procedure before being released for free circulation;
- h) in the case of inward processing operations carried out on an ongoing basis, the failure to request renewal of the requisite authorisation even though the conditions for its issue have been met.

575. The customs authorities shall consider a customs debt to have been incurred under Article 219 (1) of the Code unless the person who would be the debtor establishes that the conditions set out in Point 574 are fulfilled.

576. The fact that the failures do not give rise to a customs debt shall not preclude the application of provisions of criminal law in force or of provisions allowing cancellation and withdrawal of authorisations issued under the customs procedure in question.

Chapter II

Natural wastage

577.1 For the purposes of Article 221 of the Code, the customs authorities shall, at the request of the person concerned, take account of the quantities missing wherever it can be shown that the losses observed result solely from the nature of the goods and not from any negligence or manipulation on the part of that person.

577.2 In particular, negligence or manipulation shall mean any failure to observe the rules for transporting, storing, handling, working or processing the goods in question imposed by the customs authorities or by normal practice.

Chapter III

Goods in special situations

578. The presentation of a customs declaration for the goods in question, or any other act having the same legal effects, and the production of a document for endorsement by the competent authorities, shall be considered as removal of goods from customs supervision within the meaning of Article 218 (1) of the Code, where these acts have the effect of wrongly conferring on them the customs status of Albanian goods.

579. Without prejudice to the provisions laid down concerning prohibitions or restrictions which may be applicable to the goods in question, where a customs debt on importation is incurred pursuant to Articles 217, 218, 219 or 220 of the Code and the import duties have been paid, those goods shall be deemed to be Albanian goods without the need for a declaration for entry into free circulation.

580. The confiscation of goods pursuant to Article 246 (c) and (d) of the Code shall not affect the customs status of the goods in question.

581.1 Non-Albanian goods which have been abandoned to the Exchequer or seized or confiscated shall be considered to have been entered for the customs warehousing procedure.

581.2 The goods referred to in paragraph 1 may be sold by the customs authorities only on the condition that the buyer immediately carries out the formalities to assign them a customs-approved treatment or use. Where the sale is at a price inclusive of import duties, the sale shall be considered as equivalent to release for free circulation, and the customs authorities themselves shall calculate the duties and enter them in the accounts. In these cases, the sale shall be conducted according to the procedures in force in the Republic of Albania.

581.3 Where the customs administration decides to deal with the goods referred to in paragraph 1 otherwise than by sale, it shall immediately carry out the formalities to assign them one of the customs-approved treatments or uses laid down in Article 8 (15) (a), (b), (c) and (d) of the Code.

Title 4

Recovery of the amount of the customs debt

582. There shall be no post-clearance recovery of import duties or export duties where the amount per recovery action is less than 1.500 LEK.

583. The customs authorities shall themselves decide not to enter uncollected duties in the accounts:

- a) in cases in which preferential tariff treatment has been applied in the context of a tariff quota, a tariff ceiling or other arrangements when entitlement to this treatment had been ended at the time of acceptance of the customs declaration without that fact having been published before the release for free circulation of the goods in question or, where such fact is not published, having been made known in an appropriate manner in the Republic of Albania, the person liable for payment for his part having acted in good faith and complied with all the provisions laid down by the legislation in force as regards the customs declaration;
- b) in cases in which they consider that the conditions laid down in Article 235 (2) (b) of the Code are fulfilled, provided that the amount not collected from the operator concerned in respect of one or more import or export operations but in consequence of a single error is less than 300.000 LEK;

584.1 The customs authorities shall suspend a debtor's obligation to pay the duties until such time as they have taken a decision on a request described in (a) to (c) below, provided that, where the goods are no longer under customs supervision, security is lodged for the amount of those duties, and that:

- a) in cases where a request for invalidation of a declaration has been presented, this request is likely to be met;
- b) in cases where a request has been presented for remission pursuant to Article 249 of the Code in conjunction with Article 235 (2) (b) of the Code or where a declaration is invalidated after the goods have been released or where the custom authorities sell the goods, the customs authorities consider that the conditions laid down in the relevant provision may be regarded as having been fulfilled;
- c) in cases other than those referred to under (b), a request has been presented for remission pursuant to Article 249 of the Code and the following conditions have been fulfilled;
 - i) where the customs authorities have good reasons to believe that the disputed decision is inconsistent with customs legislation; or
 - ii) that irreparable damage is to be feared for the person concerned

It shall not be necessary to require a security where such requirement would be likely, owing to the debtor's circumstances, to cause serious economic or social difficulties.

584.2 In cases where goods in one of the circumstances referred to in the second indent of Article 246 (c) of the Code or in Article 246 (d) of the Code are seized, the customs authorities shall suspend the debtor's obligation to pay the duties if they consider that the conditions for confiscation may be regarded as having been fulfilled.

Title 5
Repayment or remission of import or export duties

Chapter I
Implementing provisions relating to Articles 249 to 252 of the Code

Section 1
Application

585.1 Application for repayment or remission of import or export duties, hereinafter referred to as "*application for repayment or remission*", shall be made by the person who paid or is liable to pay those duties, or the persons who have taken over his rights and obligations. Application for repayment or remission may also be made by the representative of the person or persons referred in the first sentence.

585.2 Without prejudice to export goods on which export duties were levied at their time of export from the customs territory of the Republic of Albania, application for repayment or remission shall be made, in one original and one copy, on a form conforming to the specimen and provisions in Annex 57. However, application for repayment or remission may also be made, at the request of the person or persons referred to in paragraph 1, on plain paper, provided it contains the information appearing in the said Annex.

586.1 Applications for repayment or remission, accompanied by the documents referred to in Article 18 (1) of the Code, must be lodged with the customs office of entry in the accounts; the said office shall transmit it immediately after acceptance to the decision-making customs authority if it is not itself designated as such.

586.2 The customs office referred to in paragraph 1 shall enter the date of receipt on the original and the copy of the application. It shall return the copy to the applicant. Where the application is made on plain paper, the said customs office shall acknowledge receipt in writing to the applicant.

587. An application relating to goods in respect of which an import or export licence was produced when the relevant customs declaration was lodged must also be accompanied by certification issued by the authorities responsible for issuing such licence attesting that the necessary steps have been taken to cancel the effects of the said licence. Such certification shall not be required, however:

- a) where the customs authority to which the application is submitted itself issued the licence in question,
- b) where the ground relied upon in support of the application is a substantive error that has no effect on the attribution of the licence in question.

588.1 The customs office of entry in the accounts may accept an application not containing all the information provided for on the form in Annex 57. However, the application must contain at least the information to be entered in boxes 1 to 3 and 7.

588.2 Where paragraph 1 is applied, the said customs office shall set a time limit for the supply of any missing particulars and/or documents.

588.3 Where the time limit set by the customs office pursuant to paragraph 2 is not observed, the application shall be considered to have been withdrawn. The applicant shall be informed of this immediately.

589.1 For returned goods on which export duties were levied at the time of their export from the customs territory of the Republic of Albania, repayment or remission of these duties shall be subject to the presentation to the customs authorities of a request accompanied by:

- a) the document issued as evidence of payment, where the amounts concerned have already been collected;
- b) the original, or the copy certified by the customs office of reimportation, of the declaration for free circulation relating to the returned goods. This document shall bear the following endorsement made by the customs office of reimportation: "*Goods admitted as returned goods under Article 200 (2) (b) of the Code*" in red.
- c) the copy of the export declaration returned to the exporter at the time of completion of the export formalities for the goods, or a copy thereof certified by the customs office of exportation.
- d) where the decision-making customs authority is already in possession of the particulars contained in one or more of the declarations referred to at (a), (b) or (c) above, the declaration or declarations concerned need not be produced.

589.2 The request referred to in paragraph 1 must be lodged with the customs office of entry in the accounts within 12 months of the date of acceptance of the export declaration.

Section 2

Procedure for granting repayment or remission

590.1 The decision-making customs authority may authorise completion of the customs formalities to which any repayment or remission may be subject before it has ruled on the application for repayment or remission. Such authorisation shall be entirely without prejudice to its decision on the application.

590.2 Without prejudice to paragraph 1 and until a decision has been taken on the application for repayment or remission, the goods in respect of which repayment or remission of duties has been requested may not be transferred to a location other than that specified in the said application unless the applicant notifies in advance the customs office of entry in the accounts, which shall in turn inform the decision-making customs authority.

591. Where an application for repayment or remission relates to a case where supplementary information must be obtained or where the goods must be examined in order to ensure that the conditions for repayment or remission laid down in the Code and in this Title are satisfied, the decision-making customs authority shall adopt the measures necessary to that end, if necessary by requesting the assistance of the supervising customs office, specifying the nature of the information to be obtained or of the checks to be carried out. The supervising customs office shall comply promptly with this request and shall forward the information obtained and the results of the checks carried out to the decision-making customs authority within 30 days.

592.1 When the decision-making customs authority possesses all the necessary particulars, it shall give its decision in writing on the application for repayment or remission in accordance with Article 18 (2) and (3) of the Code.

592.2 Where the application is approved, the decision shall include all the particulars necessary for its implementation. Depending on the circumstances, some or all of the following particulars shall appear in the decision:

- a) the information necessary for identifying the goods to which it applies;
- b) the grounds for repayment or remission of the import or export duties and a reference to the corresponding article of the Code and, where appropriate, the corresponding point of this Title;
- c) the use to which the goods may be put or the destination to which they may be sent, depending on the possibilities available in the particular case under the Code and where appropriate on the basis of a specific authorisation by the decision-making customs authority;
- d) the time limit for completion of the formalities to which repayment or remission of the import or export duties is subject;
- e) a statement indicating that the import or export duties will not be repaid or remitted until the implementing customs office has informed the decision-making customs authority that the formalities to which repayment or remission is subject have been completed;
- f) particulars of any requirements to which the goods remain subject pending implementation of the decision;
- g) a notice informing the recipient that he must give the original of the decision to the implementing customs office of his choice when presenting the goods.

593.1 The implementing customs office shall take steps to ensure:

- a) where appropriate, that the requirements in the decision approving repayment or remission are met,
- b) that in all cases the goods are actually used in the manner or sent to the destination specified in the decision to repay or remit import or export duties.

593.2 Where the decision specifies that the goods may be placed in a customs warehouse, a free zone or a free warehouse, and the recipient avails himself of this opportunity, the necessary formalities must be carried out with the implementing customs office.

593.3 When the implementing customs office has satisfied itself that the conditions set out in paragraph 1 are fulfilled, it shall send a certificate to the decision-making customs authority certifying that the conditions set in the decision are fulfilled.

594. A decision-making customs authority having approved an application for repayment or remission of duties shall repay or remit such duty only after receiving the certificate from the implementing customs office.

595. Where the request for repayment or remission is based on the existence, at the time when the declaration of 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 preferential tariff arrangements, repayment or remission shall be granted only on condition that, at the time of lodging the application for repayment or remission accompanied by the necessary documents:

- a) in the case of a tariff quota, its volume has not been exhausted,
- b) in other cases, the rate of duty normally due has not been re-established. If the conditions laid down in the preceding paragraph are not fulfilled, repayment or remission shall nevertheless be granted where the failure to apply the reduced or zero rate of duty to the goods was the result of an error on the part of the customs authorities themselves and the declaration for free circulation contained all the particulars and was accompanied by all the documents necessary for application of the reduced or zero rate.

596. Where a certificate of origin, movement certificate or other appropriate document is produced in support of an application for repayment or remission, indicating that the imported goods were eligible, at the time of acceptance of the declaration for free circulation, for preferential tariff treatment, the decision-making customs authority shall grant such application only where it is duly established:

- i) that the document thus produced refers specifically to the goods in question and that all the conditions relating to acceptance of the said document are fulfilled,
- ii) that all the other conditions for the granting of the preferential tariff treatment are fulfilled.

Repayment or remission shall take place upon presentation of the goods. Where the goods cannot be presented to the implementing customs office, the latter shall grant repayment or remission only where it has information indicating unequivocally that the certificate or document produced post-clearance applies to the said goods.

597. Import duties shall not be repaid or remitted under Article 251 of the Code where:

- a) the defective nature of the goods was taken into consideration in drawing up the terms of the contract, in particular the price, under which the goods were entered for a customs procedure involving the obligation to pay import duties,
- b) the goods are sold by the importer after it has been ascertained that they are defective or do not comply with the terms of the contract.

598.1 Without prejudice to Point 604(1)(c), the decision-making customs authority shall set a deadline, no later than two months from the date of notification of the decision to repay or remit import duties or export duties, for completion of the customs formalities to which the repayment or remission of duties is subject.

598.2 Failure to observe the deadline shall result in loss of entitlement to repayment or remission except where the person concerned by the decision proves that he was prevented from meeting this deadline by unforeseeable circumstances or force majeure.

599. Where destruction of the goods authorised by the decision-making customs authority produces waste or scrap, such waste or scrap shall be regarded as non-Albanian goods once a decision has been taken accepting the application for repayment or remission.

600. Where the authorisation referred to in Article 251 (2) (b) of the Code is granted, the customs authorities shall take all necessary steps to ensure that goods placed in a customs warehouse, free zone or free warehouse may subsequently be recognised as non-Albanian goods.

601. Where it is not the complete article that is exported, re-exported or destroyed or assigned to another authorised customs treatment or use, but one or more parts or components of that article, the amount to be repaid or remitted shall be the difference between the amount of import duties on the complete article and the amount of import duties which would have been chargeable on the remainder of the article if the latter had been entered in the unaltered state for a customs procedure involving the obligation to pay such duties on the date on which the complete article was so entered.

602. The amount referred to in Article 253 of the Code is hereby set at 1.500 LEK.

Chapter II

Specific provisions relating to the application of Article 252 of the Code

603. Without prejudice to other situations to be considered case by case by the Minister of Finance, where the decision-making customs authority establishes that an application for repayment or remission submitted to it under Article 252 (2) of the Code:

- a) is based on grounds corresponding to one of the circumstances referred to in Points 604 to 607, and that these do not result from deception or obvious negligence on the part of the person concerned, it shall repay or remit the amount of import duties concerned.
- b) “*the person concerned*” shall mean the person or persons referred to in Point 585(1), or their representatives, and any other person who was involved with the completion of the customs formalities relating to the goods concerned or gave the instructions necessary for the completion of these formalities,
- c) is based on grounds corresponding to one of the circumstances referred to in Point 608, it shall not repay or remit the amount of import duties concerned.

604.1 Import duties shall be repaid or remitted where:

- a) non-Albanian goods placed under a customs procedure involving total or partial relief from import duties goods or released for free circulation with favourable tariff treatment by reason of their end-use are stolen, provided that the goods are recovered promptly and placed again in their original customs situation in the state they were in when they were stolen;
- b) non-Albanian goods are inadvertently withdrawn from the customs procedure involving total or partial relief from the said duties under which they had been placed, provided that, as soon as the error is found, they are placed again in their original customs situation in the state they were in when they were withdrawn;
- c) goods originally released for free circulation are subsequently returned to their non-Albanian supplier, under the outward processing arrangements, to enable him - free of charge - to eliminate defects existing prior to the release of the goods (even if found after release of the goods) or to bring them into line with the provisions of the contract under which they were released for free circulation, and the said supplier decides to keep the goods permanently because he is unable to remedy the defects or because it would not be economic to do so;
- d) a judicial body has forbidden the marketing of an item previously entered for a customs procedure obliging the person concerned to pay import duties under normal conditions, and the said item is re-exported from the customs territory of the Republic of Albania or destroyed under the control of the customs authorities, provided it is established that the item in question has not actually been used in the Republic of Albania;
- e) goods, sent through an express courier, have been entered for a customs procedure involving the obligation to pay such duties by a declarant empowered to do so on his own initiative and, through no fault of the declarant, it has not been possible to deliver them to the consignee;
- f) the goods have been addressed to the consignee in error by the consignor;
- g) the goods are found to be unsuitable for the use for which the consignee intended them because of an obvious factual error in his order;
- h) after having been released for a customs procedure involving the obligation to pay import duties, the goods are found not to have complied, at the time of their release, with the rules in force concerning their use or marketing and therefore cannot be used for the purpose intended by the consignee;
- i) the use of the goods by the consignee for the purpose intended is prevented or substantially restricted as a result of measures of general scope taken, after the date of release for a customs procedure involving the obligation to pay import duties, by an authority or other body having the appropriate power of decision;
- j) total or partial import duty relief applied for by the person concerned in accordance with existing provisions cannot, through no fault of the person concerned, be granted by the customs authorities, because of tariff quotas, ceilings or anti dumping measures, and the customs authorities accordingly enter in the accounts the import duties which have become due,
- k) the goods reached the consignee after the binding delivery dates stipulated in the contract under which they were entered for a customs procedure involving the obligation to pay import duties, the application for repayment or remission must be lodged within three days from the release of the goods;

- l) it has not been possible to sell the goods in the customs territory of the Republic of Albania and they are delivered free of charge to international charity organisations:
 - i) carrying out their activities in another country, provided that they are represented in the Republic of Albania, or
 - ii) carrying out their activities in the customs territory of the Republic of Albania, provided that they are eligible for relief in the case of importation for free circulation of similar goods from other countries;
- m) the customs debt has been incurred otherwise than under Article 216 of the Code and the person concerned is able to produce a certificate of origin, a movement certificate (EUR 1 and similar certificates) or other appropriate document showing that if the imported goods had been entered for free circulation they would have been eligible for or preferential tariff treatment, provided the other conditions referred to in Point 595 were satisfied.

604.2 Without prejudice to paragraph 3, repayment or remission of import duties in the cases referred to in paragraph 1 (d) to (l) shall, except where the goods are destroyed by order of a public authority or delivered free of charge to charities carrying out their activities in the Republic of Albania, be conditional upon their re-export from the customs territory of the Republic of Albania under the supervision of the customs authorities. If requested, the decision-making authority shall permit re-export of the goods to be replaced by their destruction or by placing them, with a view to re-export, under the transit procedure, under the customs warehousing arrangements, or in a free zone or free warehouse. However, concerning the cases referred to in paragraph 1 (e), (g) and (j), the decision-making authority may, if requested, permit re-export of the goods to be replaced by placing them under the customs warehousing arrangements, or in a free zone or free warehouse. Goods to be assigned one of these treatments shall be considered to be non-Albanian goods. In this case, the customs authorities shall take all requisite measures to ensure that the goods placed in a customs warehouse, in a free zone or in a free warehouse may later be recognised as non-Albanian goods.

604.3 In the cases referred to in paragraph 1 (f), repayment or remission of import duties shall be conditional on re-export of the goods to the original supplier or to another address specified by him.

604.4 In addition, the supervising customs office must be satisfied that the goods have been neither used nor sold before their re-exportation.

605.1 Import duties shall be repaid or remitted where:

- a) goods entered in error for a customs procedure involving the obligation to pay import duties have been re-exported from the customs territory of the Republic of Albania without having been previously entered for the customs procedure under which they should have been placed, provided the other conditions laid down in Article 250 of the Code have been met;
- b) the goods have been re-exported or destroyed in accordance with Article 251 (2) (b) of the Code without customs supervision, provided the other conditions laid down in the said Article have been met;
- c) the goods have been re-exported or destroyed without customs supervision in accordance with Point 604 (1) (d) to (l), provided the other conditions laid down in Point 604(2) and (4) have been met.

605.2 Repayment or remission of import duties in the circumstances referred to in paragraph 1 shall be conditional on:

- a) production of all the evidence needed to enable the decision-making customs authority to satisfy itself that the goods in respect of which repayment or remission is requested:

- i) have actually been re-exported from the customs territory of the Republic of Albania, or
 - ii) have been destroyed under the supervision of authorities or persons empowered to certify such destruction officially;
- b) the return to the decision-making customs authority of any document certifying the Republic of Albania status of the goods in question under cover of which the said goods may have left the customs territory of the Republic of Albania, or the presentation of whatever evidence the said authority considers necessary to satisfy itself that the document in question cannot be used subsequently in connection with any importation of goods into the Republic of Albania.

606.1 For the purposes of Point 605(2):

- a) the evidence needed to enable the decision-making customs authority to satisfy itself that the goods in respect of which repayment or remission is requested have actually been re-exported from the customs territory of the Republic of Albania shall consist of the presentation by the applicant of:
 - i) the original or a certified copy of the declaration for export of the goods from the customs territory of the Republic of Albania, and
 - ii) certification by the customs office through which the goods actually left the customs territory of the Republic of Albania.

Where such certification cannot be produced, proof that the goods have left the customs territory of the Republic of Albania may be presented in the form of:

- a) certification by the customs office in the country of destination confirming that the goods have arrived, or
- b) the original or a certified copy of the customs declaration for the goods made in the country of destination.

These documents must be accompanied by administrative and commercial documentation enabling the decision-making customs authority to check that the goods exported from the customs territory of the Republic of Albania are the same as those which had been declared for a customs procedure involving the obligation to pay import duties, namely:

- the original or a certified copy of the declaration for the said procedure, and
 - where this is considered necessary by the decision-making customs authority, commercial or administrative documents (such as invoices, dispatch details, transit documents or health certificates) containing a full description of the goods (trade description, quantities, marks and other identifying particulars) which were presented with the declaration for the said procedure or with the export declaration from the customs territory of the Republic of Albania, as the case may be;
- c) the evidence needed to enable the decision-making customs authority to satisfy itself that the goods in respect of which repayment or remission is requested have actually been destroyed under the supervision of authorities or persons authorised to certify officially such destruction shall consist of the presentation by the applicant of:
 - a report or declaration of destruction drawn up by the authorities under whose supervision the goods were destroyed, or a certified copy thereof, or
 - a certificate drawn up by the person authorised to certify destruction, accompanied by evidence of his authority.

These documents shall contain a sufficiently full description of the destroyed goods (trade description, quantities, marks and other identifying particulars) to enable the customs authorities to satisfy themselves, by means of comparison with the particulars given in the declaration for a customs procedure involving the obligation to pay import duties and the accompanying commercial documents (invoices, dispatch details, etc.), that the destroyed goods are those which had been declared for the said procedure.

606.2 Where the evidence referred to in paragraph 1 is insufficient to allow the decision-making customs authority to take a decision on the case submitted to it in full knowledge of the facts, or where certain evidence is not available, such evidence may be supplemented or replaced by any other documents considered necessary by the said authority.

607.1 For returned goods in respect of which an export duty was levied when they were exported from the customs territory of the Republic of Albania, entry for free circulation shall give the right to repayment of the amounts levied.

607.2 Paragraph 1 shall apply only to goods which are in one of the following situations:

- a) could not be entered for free circulation in the country to which they were sent on account of laws in force in that country;
- b) were returned by the consignee as being defective or not in accordance with the provisions of the contract relating to them;
- c) were reimported into the customs territory of the Republic of Albania because they could not be used for the purposes intended owing to other circumstances outside the exporter's control.

607.3 The circumstances referred to in paragraph 2 (c) shall include the following:

- a) goods returned to the customs territory of the Republic of Albania following damage occurring before delivery to the consignee, either to the goods themselves or to the means of transport on which they were carried;
- b) goods originally exported for the purposes of consumption or sale in the course of a trade fair or similar occasion which have not been so consumed or sold;
- c) goods which could not be delivered to the consignee on account of his physical or legal incapacity to honour the contract under which the goods were exported;
- d) goods which, because of natural, political or social disturbances, could not be delivered to their consignee or which reached him after the mandatory delivery date stipulated in the contract under which the goods were exported;
- e) fruit and vegetables, exported and sent for sale on consignment, but which were not sold in the market of the country of destination.

607.4 It must be proved to the satisfaction of the customs office where the goods are declared for release for free circulation that the goods are in one of the situations referred to in Article 200 (2) (b) of the Code.

607.5 Paragraph 1 shall apply even where the returned goods constitute only a proportion of the goods previously exported from the customs territory of the Republic of Albania.

608. Import duties shall not be repaid or remitted where the only grounds relied on in the application for repayment or remission are, as the case may be:

- a) re-export from the customs territory of the Republic of Albania of goods previously entered for a customs procedure involving the obligation to pay import duties, for reasons other than those referred to in Articles 250 or 251 of the Code or in Points 604 or 605, notably failure to sell;
- b) destruction, for any reason whatsoever, save in the cases expressly provided for by Albanian legislation, of goods entered for a customs procedure involving the obligation to pay import duties after their release by the customs authorities;
- c) presentation, for the purpose of obtaining preferential tariff treatment of goods declared for free circulation, of documents subsequently found to be forged, falsified or not valid for that purpose, even where such documents were presented in good faith.

609.1 Where the decision-making customs authority to which an application for repayment or remission under Article 252 (2) of the Code has been submitted cannot take a decision on the basis of Point 603, but the application is supported by evidence which might constitute a special situation resulting from circumstances in which no deception or obvious negligence may be attributed to the person concerned, the decision making custom authority shall transmit the case to the Director General of Customs to be settled under the procedure laid down for such cases. In all other cases, the decision-making customs authority shall refuse the application.

609.2 The case sent to the Director General of Customs shall include all the facts necessary for a full examination of the case presented. It shall also include a statement, signed by the applicant for repayment or remission, certifying that he has read the case and stating either that he has nothing to add or listing all the additional information that he considers should be included. Should it be found that the information supplied by the decision making customs authority is not sufficient to enable a decision to be taken on the case concerned in full knowledge of the facts, the Director General of Customs may ask for additional information to be supplied.

609.3 Without awaiting completion of the procedure laid down, the decision-making customs authority may, if requested, permit the customs formalities relating to the re-export or destruction of the goods to be carried out before the Director General of Customs has given a ruling on the application in question. Such permission shall be entirely without prejudice to the final decision on the application.

610. The Director General of Customs shall decide whether or not the special situation which has been considered justifies repayment or remission. That decision shall be taken within 90 days of the date on which the case is received by the Director General of Customs. Where the Director General of Customs has found it necessary to ask for additional information from the decision making customs authority in order to reach its decision, the 90 days shall be extended by a period equivalent to that between the date the Director General of Customs sent the request for additional information and the date it received that information.

611.1 The decision making customs authority shall be notified of the decision taken by the Director General of Customs as soon as possible and in any event within 10 days of the expiry of the time limit set to reach such a decision.

611.2 Where it is established by the decision that the circumstances under consideration justify repayment or remission, the Director General of Customs may, under conditions which it shall determine, authorise the decision making customs authority to repay or remit duties in cases involving comparable issues of fact and of law.

612. If the Director General of Customs fails to take a decision within the time limit set to reach such a decision, or fails to notify a decision to the decision making customs authority within the time limit set, the decision-making customs authority shall grant the application.

Chapter III

Final provisions

613. The General Directorate of Customs may lay down guidelines in the practical application of the customs debts.

PART VI

FINAL PROVISIONS

614. The following Regulation and Directives shall be repealed:
as well as any law or provision which does not comply with this Implementing Provisions.

615.1 All references to a Point or a paragraph without further specification within this Implementing provisions are referring to the corresponding Point or paragraph in this Implementing provisions. When referring to Articles in other legislations the reference specifies in which legislation the referred Article is included.

615.2 References to the provisions repealed shall be understood as referring to this Regulation.

616. This Regulation shall enter into force on

It shall apply from 15 May 1999.

This Regulation shall be binding in its entirety and directly applicable in the Republic of Albania.

Subject: Instructions on the Customs Value

TO ALL THE CUSTOMS HOUSES

Attached you will find the Instructions on the Customs Houses that will be of assistance in applying correctly the Customs Code and the Implementing provisions regarding the Customs Value.

These instructions are clear and the concept of the Customs Value, the present situation as well as the methods of customs evaluation and the hierarchy of their application and the documentation required for this purpose are illustrated with practical examples.

The Head of the Customs Houses should take such measures that these instructions are discussed in short training with all the staff.

**MINISTRY OF FINANCE
GENERAL DIRECTORATE OF CUSTOMS**

INSTRUCTION

No.6, dated 8.10.1999

**INSTRUCTION ON THE
ORGANIZATION OF CUSTOMS VALUE GROUP**

Based on articles 33 to 40 of the Customs Code, approved by Law no.8449, dated 27.01.1999 and modified by Law no.8473, dated 14.04.1999.

Based on points 54 to 81 of the Implementing Provisions of the Customs Code, approved by the Decision of the Council of Ministers no.205, dated 13.04.1999;

Based on the Order of the Minister of Finance no.3612, dated 21.07.1999; The General Director of Customs

INSTRUCTS

1. In order to help the customs offices for an accurate implementation of the legislation on customs value, the Customs Value Group is created at the Directorate of Origin, Value and Tariff. This Group has the following responsibilities:

- a) collects all the necessary information to the customs for the verification of customs value. These information can be received from:
 - the data base at the Directorate of Investigation and Intelligence, the Statistics Directorate
 - the Chamber of Commerce of exporting Countries or other similar institutions the Bilateral Administrative Assistance Agreements the information supplied by CAM-Albania other international organizations.
- b) collects all the information related to the Albanian market prices for products that are the most sensitive and subject of possible under-valuation.
- c) supplies all the customs offices with a list of information referred to in letter a) and b). This list shall be updated on monthly basis.

Mrs. Liliana Alimeta shall be responsible for organizing this Group assisted by the Cam-Albania expert Ms. Vicky Zarianopoulou. Two other member of this group shall be appointed by another act.

2. The Investigation and Intelligence Directorate shall be responsible for creating a data base for the management of the files on customs violations and the relevant inquiries (including *a-posteriori* controls) as well as for the collaboration with the Value Office for updating the information referred to in point 1. Such Directorate shall also be responsible for sending immediately to all the interested offices, the results of the *a- posteriori* controls carried out in cooperation with the customs authorities of foreign exporting countries or exporting companies.

3. At all customs houses, within the Office for the Documentary and Physical Controls, a Sector for the Verification of the Customs Value shall be created. Such office, created of a proper number of officials appointed by the Chief of Customs, shall examine the customs declarations related to the foreign goods placed under a customs procedure. The sector mentioned above shall make the examination of declarations with the only view of verifying the customs value, while the accuracy of the other data indicated in the declaration shall be verified by the officials of the Documentary and Physical Controls delegated by the Chief of the said office.

When a physical control is necessary for the verification of the customs value then an officer appointed by the Customs Value Group shall take part in this control together with the officers of the physical control.

For the verification of the customs value, there shall be applied the rules provided by the Customs Code and its Implementing provisions, as well as the above mentioned Order of the Minister of Finance.

4. As specified in the Order of the Minister of Finance no.3612 dated 21.07.1999, guarantees shall be asked only if it has not been possible to determine the customs value after applying all the valuation methods including the deduction method. If the customs authorities make any intervention to the customs value then the information regarding these cases shall be sent within the same day to the Customs Value Group at the General Directorate.

5. Regarding the system of guarantees, the Directory of Investigation and Intelligence as soon as it receives the answer from the group of control, created at CAM-Albania or other sources of information coming from different investigations, sends all the documentation to the concerned customs office indicating the measures to be taken. Regarding the requests for controls, for which no answer is given within the established period of 3 months, the Directory of Investigation and Intelligence sends the relevant file to the Customs Value Group, which has to express its own opinion on the accuracy of the invoice sent for controls. It is not possible to proceed with the application of article 34 in cases when the officers of the customs office have doubts regarding the truth or the accuracy of the invoice produced. The opinion of the Value Office, which is binding, shall be sent to the Directory of Investigation and Intelligence, which shall notify the related customs office indicating the measures to be taken.

6. The Director General should be informed immediately about any possible problems related to the application of this Instruction.

7. This Instruction shall come into force immediately.

ARDIAN MACI
DIRECTOR GENERAL

**MINISTRY OF FINANCE
CUSTOMS ADMINISTRATION**

INSTRUCTION

Nr. 6/1, dated 09.12.1999

FOR SOME PROBLEMS REGARDING THE CUSTOMS VALUATION

Based on Articles 33 to 40 of the Customs Code, approved by Law 8473, of 27.01.1999, and changed by Law 8449, of 14.09.1999;

Based on Articles 54 to 81 of the Implementing Provisions of the Customs Code, approved by Decision No.205, of 13.04.1999;

Based on the Order of the Minister of Finance Prot. No.3612, of 21.07.1999;

Considering the Instruction No.6, of 08.10.1999 of the Director General;

Considering that verifications made at customs offices revealed that the legislation on customs value is not applied accurately, bringing grave damages for reaching the revenue plan due to be collected from import duties;

The Director General of Customs

INSTRUCTS

1. All the customs offices are obliged to respect rigorously the provisions established in paragraph 3 of the Instruction of the Director General of Customs No.6, of 06.10.1999, "For the organization of the customs value group". In particular, the group for determining the customs value should control, very carefully, all the documentation presented together with the customs declaration, and whenever having suspicions about the accuracy of the value, should ask for supplementary information or other documents like for example: contracts, copies of bank transactions, confirmation of orders, etc. In any case, when for some types of goods it is difficult to ascertain the customs value based on the documents presented, the respective customs officials should make a physical examination of the goods before determining the exact value. In order to identify possible under-valuations and in order to enable the determination of the customs value at the moment of importation, the customs officials of the above mentioned group may use the Value Reference File prepared by the Joint , Value Group at the General Directorate of Customs.

2. As provided in point 3 of the above mentioned Instruction, all the customs offices are obliged to send daily to the Joint Value Group for the customs value, the attached list filled in with all the corrections to the customs value made during the previous day, at the following fax numbers: 04244875 or 04257169.

3. The Chiefs of customs houses are responsible for the accurate application of the provisions referred to in paragraphs I and 2 of the provisions referred to in paragraphs 1 and 2 of this instruction.

4. The Joint Group for the Customs Value at the General Directorate of Customs, with the assistance of the Mobile Groups and the Group for "*a-posteriori*" controls shall be in charge for updating by the 15th of December 1999 the Value Reference Files and to send it to all the customs offices. Besides

this, the said Group shall be responsible for updating on monthly basis the above mentioned file and sending it to all the customs offices.

5. The Internal Audit Directory shall make controls at the customs offices for controlling the accurate application of this instruction and for preparing the weekly reports for the International Monetary Fund.

6. The non-application of the terms of this Instruction by the persons concerned shall be considered very grave disciplinary violation and shall be immediately reported to the Disciplinary Commission for the application of the disciplinary measures.

7. This Instruction comes into force immediately.

FORM FOR THE COLLECTION OF
INFORMATION FOR UPDATING THE V ALUE REFERENCE FILE

Kind of information requested
The data received
Remarks and explanatory notes measures.
Code CN
Description Origin
Trade mark or the producers name
Goods
Type of packing Measuring unit
Quantity of packing Quality
Delivery term
Number of declaration
Measuring unit in the invoice Quantity in the invoice Currency
Declared price
Corrected price

MINISTRY OF FINANCE

Customs Administration

General Directorate Of Customs

Address: Rruga Sami Frasheri, Tirana, Albania, Tel 439 20, 439 21 Fax 439

23

INSTRUCTION

No. 6/2, dated 20.12.1999 ,

ON "THE WAY HOW TO UTILIZE THE VALUATION REFERENCE FILES"

Based on the articles 33 to 40 of the Customs Code as well as on the points 54 to 81 of the Implementing Provisions;

Taking into the consideration the instruction No. 6, dated 8.10.1999 and no. 6/1, dated 9.12.1999 issued by the Director General of Customs as well as the order of the Minister of Finance Prot. No.3612 dated 21.07.1999.

In order to make possible the uniform application of the dispositions regarding the customs valuation all over the customs territory of the Republic of Albania;

The Director General of Customs:

INSTRUCTS

Field of utilization:

1. The Valuation Reference Files (VRF) will be utilized to determine at the moment of import the customs value of imported goods if all the other methods of valuation detailed in Article 34 and 35 of the Customs Code are examined and found inapplicable.
2. Reference values provided for in VRF will be considered information of confidential nature. They will be utilized exclusively only by the customs officials that make up the customs valuation teams having initially the main scope of the verification if the declared value is on the acceptable limits, and further, if it is necessary as there is no other alternative, for the determination of the customs value as provided for in paragraph 1.
3. Valuation Reference Files will comprise two parts: a) VRF for goods other than vehicles (Chapter 87) b) VRF for vehicles

Utilization method of VRF for goods other than vehicles;

4. VRF for goods with the exception of vehicles are provided for in the material attached to this instruction and will be updated every month on the basis of data from stock exchange of goods; invoices of import goods verified and considered as genuine; adjustments done to the values declared in application of deductive method (article 35(2) a).

5. Based on tariff code, where the goods are declared by the declarant, the official of the customs valuation teams might be oriented in the first column of VRF with the inscription "Code" to find easily "the area" where it is found the reference value on the basis of which can be examined the declared value. Attention should be paid as the code in VRF is simply given to be oriented in the list and not for intention of tariff classification.

6. After "the area" to which we may refer for the verification of the declared value is determined, we look to find, if it is possible, the description which can refer to the goods under examination, and latter based on the origin or the derivation of the goods, it is requested if there is any data regarding the relevant country . Latter in the data referred above can be looked, if it is possible, for the trademark or the denomination of the item followed by other data available related to the goods under examination, until we can find a value to which we can refer in order to examine the reliability of the declared customs value or that may be used to determine the customs value if there is no other alternative provided for in the provisions in force.

7. In cases when it is not possible to find a reference value coinciding to a certain item, the highest average reference value that can be found in "the area" where the said item is included will be used as a reference value.

VRF for vehicles

8. The reference values provided from the relevant markets in the specialized publications, especially those used, as QuatroRoute (Italy), Tuttotrasporti (Italy), Euro Tax(EU), Zwacke(Germany) will be used as reference values for vehicles.

9. Whatever being the way of form presentation of charts, in various publications, in principle, the reference value of a vehicle will be found based on the trademark, model and year of manufacturing. The value applied for the determination of the customs value should not be less than 70% of the reference value found in the chart. The aforesaid reduction is carried out by taking into consideration various payments included in the value of the vehicle, but which are deduced in case of export, for example the Value Added Tax, etc.

10. Regarding the vehicles manufactured prior to the earliest year present in VRF and for this reason this is not present as a model, as a reference value will be used 60% of the reference value provided for in the chart for the earliest if year of the most similar model. 11. Without prejudice to points 8, 9, 10, the customs value of vehicles will not ,.: be lower than that determined below:

- a) vehicles(up to 10 people) 200000 Lek
 - b) minibuses and buses(over 10 people) 400 000 Lek
 - c) vans and trucks up to 3.5 tons 400000 Lek d) trucks over 3.5 tons 500000 Lek
12. The letter (f) in the instruction no 12. The letter (f) in the instruction no. 2 of the Director General of Customs dated 24.05.1999 is abrogated.

VRF administration

13. The VRF updating will be completed by the last working day of every month under the responsibility of the Customs Valuation Team and will be " available to sectors of value verification in the customs branches by the 5th of the coming month. The new reference values will be utilized, for the intentions detailed in paragraph 1 and 2, starting from the 6-th of the next month, along with the new exchange rate (article 40(3) of the Customs Code).

14. As it is mentioned above, VRF will be reserved only for official utilization. For this reason any unauthorized reproduction, especially of VRF for goods other than vehicles, is forbidden. After the completion of the updating process by the team, VRF will be multiplied only in 20 copies, under the responsibility of the team leader, a copy of which will be provided to every sector of value verification in every customs branch. The officials of the sector of value verification are not authorized to reveal the information of VRF and should use them only for the intentions detailed in paragraph 1 and 2.

15. The Heads of Customs Houses are responsible for the implementation of this instruction. This instruction comes into effect immediately.

Director
Petrit Ago
