Chapter VIII
Co-operation with the police

20.1 Inside the customs area and customs surveillance area, the customs authorities are solely responsible for the application of rules laid down in the present Code and its Implementing provisions and other rules whose application is assigned to the customs authorities.

20.2 The Directory of Anti-Smuggling of the operational and investigative Department is responsible for the co-ordination of the customs activity with the police, especially with the border police, and with other control agencies inside and outside the customs and surveillance areas referred to in paragraph 1.

21. In accordance with Article 11, paragraph 7 and 8 of the Code, customs and police authorities must offer, upon explicit request of one or both, mutual assistance in performing controls related to their competence.

Title 3
Decisions and Binding tariff information

Chapter I
Decisions

22. Where a person making a request for a decision is not in position to provide all the documents and information necessary to give a ruling, the customs authorities shall provide the documents and information at their disposal.

23. A decision concerning security favourable to a person who has signed an undertaking to pay the sums due at the first written request of the customs authorities, shall be revoked where the said undertaking is not fulfilled.

24. A revocation shall not affect goods which, at the moment of its entry into effect, have already been placed under a procedure by virtue of the revoked authorisation.
However, the customs authorities may require that such goods be assigned to a permitted customs-approved treatment or use within the period, which they shall set.

Chapter II
Procedure for obtaining binding tariff information-
Notification of information to applicants

25.1 Applications for binding tariff information shall be made in writing either to the competent customs authority in which the information is to be used, or to the competent customs authority within the area of which the applicant is established. Such competent customs authority shall transmit the application for binding tariff information to the General Directorate of Customs within two days from the date of acceptance.

25.2 An application for binding tariff information shall relate to only one type of goods.

25.3 Applications shall include the following particulars:

a) the holder’s name and address;

b) the name and address of the applicant where that person is not the holder;

c) the harmonised nomenclature in which the goods are to be classified. Where an applicant wishes to obtain the classification of goods in one of the nomenclatures referred to in Article 28 (3) (b) and (6) (b) of the Code, the application for binding tariff information shall make express mention of the nomenclature in question;

d) a detailed description of the goods permitting their identification and the determination of their classification in the customs nomenclature;

e) the composition of the goods and any methods of examination used to determine this, where the classification depends on it;

f) any samples, photographs, plans, catalogues or other documents available which may assist the customs authorities in determining the correct classification of the goods in the customs nomenclature, to be attached as annexes;

g) the classification envisaged;

h) agreement to supply a translation of any attached document in the Albanian language if requested by the customs authorities;

i) any particulars to be treated as confidential;

j) indication by the applicant whether to his knowledge binding tariff information for identical or similar goods has already been applied for or issued in Albania;

k) acceptance that the information supplied may be stored on a database of the General Customs Directorate; however, apart from Article 25 of the Code, the provisions governing the protection of information in force shall apply.

25.4 Where the customs authorities consider that the application does not contain all the particulars they require to give an informed opinion, they shall ask the applicant to supply the missing information.

25.5 The General Customs Directorate is entitled to issue binding tariff information.

26.1 Binding tariff information shall be notified to the applicant in writing as soon as possible. If it has not been possible to notify binding tariff information to the applicant within two months of acceptance of the application, the General Directorate of Customs shall contact the applicant to explain the reason of the delay and indicate when they expect to be able to notify the information.

26.2 Binding tariff information shall be notified by means of a form confirming to the specimen shown in Annex 2. The notification shall indicate what particulars are to be considered as having been supplied on a confidential basis. The possibility of appeal referred to in Articles 19 and 20 of the Code shall be mentioned.

Chapter III
Provisions applying in the event of inconsistencies in binding tariff information

27. Where the General Customs Directorate finds that different binding tariff information exists in respect of the same goods it shall if necessary adopt a measure to ensure the uniform application of the customs nomenclature.

Chapter IV
Legal effect of binding tariff information

28.1 Without prejudice to Articles 17 and 89 of the Code, binding tariff information may be invoked only by the holder.

28.2 The customs authorities may require the holder, when fulfilling customs formalities, to inform the customs authorities that he is in possession of binding tariff information in respect of the goods being cleared through customs.

28.3 The holder of binding tariff information may use it in respect of particular goods only where it is established to the satisfaction of the customs authorities that the goods in question conform in all respects to those described in the information presented.

29.1 Upon adoption of one of the acts or measures referred to in Article 22 (5) of the Code, the customs authorities shall take the necessary steps to ensure that binding tariff information shall thenceforth be issued only in conformity with the act or measure in question.

29.2 For the purposes of paragraph 1 above, the date to be taken into consideration shall be as follows:

- for the regulations provided for in Article 22 (5) (a) of the Code concerning amendments to the customs nomenclature, the date of their applicability,
- for the regulations provided for in (b) of the same Article and paragraph and establishing or affecting the classification of goods in the customs nomenclature, the date of their entry in force.
- for the measures provided for in (b) of the same Article and paragraph, concerning amendments to the explanatory notes to the Nomenclature of the Harmonised System, the date of their entry in force.

Title 4
Right of representation

30.1 In applying Article 17 of the Code, all indirect representation must be performed only by authorised Customs Agents.

30.2 As Customs Agents are considered the natural persons, licensed by the General Directorate of Customs, to fulfil customs formalities.

30.3 Customs Agents may be organised in Custom Agencies as a legal person, whose main activity concerns the performance of all customs formalities for every kind of customs procedure in the name of his own but on behalf of other persons.

30.4 Starting from the date in which the Code enters into force, Customs Agents registered in the proper records kept by the General Directorate of Customs, may be conferred the right of indirect representation.

30.5 The license to act as Customs Agent may be issued to a natural person that meet the following requirements:

a) Albanian citizenship;

b) University degree;

c) is deemed as reliable by the Customs Administration;

d) pass the test referred to in Point 32 below;

e) lodge a security equal to 5 million Lek with the Customs Administration in accordance with Articles 204 to 215 of the Code.

30.6 The license to act as a customs agent may be issued also to a natural person working for a legal person.

a) The natural person has in these cases to meet the following conditions:
   i) Albanian citizenship;
   ii) University degree;
   iii) is deemed as reliable by the Customs Administration;
   iv) pass the test referred to in Point 32 below.

b) The legal person has in these cases to meet the following conditions:
   i) is deemed reliable by the Customs Administration;
   ii) show a copy of the Court decision registering him as a legal person;
   iii) show a copy of his licence for exercising his profession issued by the tax authorities;
   iv) lodge a security equal to 10 million Lek in accordance with Articles 204 to 215 of the Code.

30.7 Persons who have previously committed, intentionally or repeatedly, violations of any customs or fiscal rules as well as not being involved in any business committing such violations or have been convicted of penal offences shall not be eligible to obtain a license to act as a custom agent.

31. The Director General of Customs grants the license on permanent term to act as a Customs Agent when all conditions are fulfilled.

32.1 The application for the license to work as a Customs Agent is presented to the General Directorate of Customs. The application must be in writing and accompanied by the documents required in accordance with Point 30 paragraph 5 and 6. The documents must be presented to the General Directorate of Customs no later than 15 days before the date of the test.

32.2 The tests to obtain the license as a customs agent are organised two times a year in the months June and December by the General Directorate of Customs and consist of a written test regarding the theoretical knowledge and the practical application of customs legislation.

32.3 The commission that conducts the tests is appointed by the Minister of Finance and headed by the Director General of Customs and consists of the Head of the Customs Procedure and Tax collection Directory or the Head of one of the Sections within that Directory and two Heads of Custom Houses.

32.4 The Director General of Customs grants the license to act as a Customs Agent for those applicants that passes the test and fulfils all other conditions stated within one month from the date when all conditions have been fulfilled. Each approved customs agent is given an individual identification number.

33.1 Custom agents and/or their companies can employ assisting staff to help them carrying out customs formalities. The assisting staff must be authorised by the General Directorate of Customs and fulfil the following conditions:

a) Albanian citizenship;

b) is more than 23 years of age;

c) is deemed as reliable by the customs administration;

d) pass the test referred to in paragraph 2 below.

33.2 The test that the assisting staff must pass is organised in a way decided in guidelines issued by the General Directorate of Custom.

33.3 The assistant staff are not allowed to sign any customs declaration, this can only be done by an authorised customs agent. All customs documents signed by a customs agent must be endorsed with his personal stamp. The stamp should have the name of the agent, the name of the legal company, if applicable and his identification number.

33.4 The custom agent have, without prejudice to the staffs own legal responsibility, full responsibility for all actions taken by his staff whilst fulfilling customs formalities.

34. The customs administration will provide the Customs Agents and their assisting staff with the proper ID card which must be shown by them at the customs offices whenever and everywhere they are exercising their activity. The form and content of the ID card is defined in guidelines issued by the General Directorate of Customs.

35. All licensed Custom Agents and the assistant staff are registered in a record book kept at the General Directorate of Customs.

36. For every customs operation, upon request by the custom authorities the Custom Agent shall present the mandate from the person to act as an indirect representative for him fulfilling customs formalities. The mandate must contain at least the following information:

a) Name of the authorising person;

b) Extent of the mandate;

c) The N.I.P.T number if the authorising person is a legal person;

d) The signature of the authorising person.

37.1 Every Custom Agent must have an register book where all operations are registered. The form and content of this register book is decided in guidelines issued by the General Directorate of Customs.

37.2 Every Custom Agent must keep the mandate to act as a representative, their record book and the documents stating that they have paid taxes in accordance with the time limit laid down in Article 26 of the Code.

38. Customs Agents or their companies are required to pay any customs debt incurred in accordance with Article 216 (3) of the Code.

39. All Customs Agents are obliged to notify within 15 days the General Directorate of Customs of all changes concerning their address, legal status and all other information provided to the customs authorities in their application to become a customs agent.

40. Customs Agents working within a legal company are responsible as natural persons for any information provided for in a customs declaration and also responsible as a natural person, when he is acting as an indirect representative, if he commits any violation as described in Title VIII of the Code.

41.1 Without prejudice to all the formalities provided by the Code to recover the customs debt, by way of a well reasoned ruling, the Director General of Customs may decide for suspension of the license of Customs agent in the event of failure to pay the customs duties legally due, or failure to comply with any other obligation to the customs. The suspension will last as long as the customs duties are not paid or the other obligations not met.

41.2 The Director General should through a reasoned ruling revoke the license and subsequently cause the removal from the register the Customs Agents which:

a) fail to met any of the conditions provided for in Point 30 (1), paragraph (5)(a, c to e) or paragraph 6 (a) (i, iii to iv) or paragraph 6 (b) (i to iv);

b) intentionally or repeatedly commit any of the violations described in Title VIII of the Code;

c) are convicted for any other fiscal or penal offence.

41.3 The ruling of revocation or suspension must be notified to the person concerned within 10 days period from the day of issuance. The customs agent may appeal against the decision taken by the Director General of Customs to the Minister of Finance. Article 19 and 20 of the Code shall in such cases apply *"mutatis mutandis"*.

41.4 The presentation of an appeal does not interrupt the legal effects of the revocation or suspension.

42.1 For purposes of the application of this implementing provisions, the licenses issued to the customs agencies in the context of Article 38 of Law no.7599, date 02.09.1992 and its Implementing Provisions, will be valid during a transition period lasting up to 01.01.2000. After this date all Customs Agents licensed under Article 38 of Law no 7599, date 2.09.1992 must fulfil all conditions in this implementing provisions except Article 30 paragraph 5 (b) and 6 (a)(ii).

42.2 In the transition period all Customs Agents with licenses issued in accordance with Article 38 of Law no. 7599, date 2,09,1992 must act in accordance to Article 33 (4) paragraph (4) and Articles 36 and 38-41.

43. The General Directorate of Customs may lay down guidelines in the application of the points concerning Custom Agents.

Title 3
Origin of goods

Chapter I
Non preferential origin

44. In applying Article 29 of the Code, when the origin of a product has to be proved on importation by the production of a certificate of origin, that certificate shall fulfil the following conditions:

a) it shall be made out by a reliable authority or agency duly authorised for that purpose by the country of issue;

b) it shall contain all the particulars necessary for identifying the product to which it relates, in particular:
   i) the number of packages, their nature and the marks and number they bear;
   ii) the type of product;
   iii) the gross and net weight of the product; these particulars may, however, be replaced by others, such as the number and volume, when the product is subject to appreciable changes in weight during carriage or when its weight cannot be ascertained or when it is normally identified by such other particulars;
   iv) the name of the consignor.

c) it shall certify unambiguously that the products to which it relates originated in a specific country.

d) the certificate and the applications relating to them shall be made out on forms corresponding to the specimens in Annex 3.

45.1 A certificate of origin for Albanian goods is issued by the Chamber of Commerce upon a request in writing by the person concerned. When the circumstances so warrant, in particular where the applicant concerned maintains a regular flow of export, the Chamber of Commerce may decide not to require the lodging of a request in writing for each export operation, on condition that the provisions concerning origin are complied with.

45.2 Where the commercial needs so warrant, one or more extra copies of an origin certificate may be issued.

46.1 Within the framework of the administrative collaboration with other countries, the Chamber of Commerce will respond to the requests from the competent customs authorities of other countries for retrospective verifications that may be received, also for requests received through the Albanian Customs authorities.

46.2 The results of the retrospective verifications shall be communicated to the requesting country as soon as possible. Maximum time limit for reply shall be 6 months.

Chapter II
Preferential origin

47.1 In applying Article 32 of the Code, the rules about the preferential origin shall determine the conditions relating to obtaining of origin that products must fulfil in order to benefit the preferential tariff treatment provided within the framework of the agreements that the Republic of Albania concludes with certain countries or group of countries, or in the framework of benefits granted autonomously by the above mentioned countries or group of countries. The respective rules of origin shall be established within the framework of separate agreements.

47.2 However, these products may be considered of Albanian origin:

a) products entirely obtained in Albania,

b) products obtained in Albania, in the manufacture of which products other than those referred to in paragraph (a), provided that the said products have undergone sufficient working or processing within the meaning of Point 49 (1).

48.1 The following shall be considered as wholly obtained in Albania within the meaning of Point 47 (2)(a):

a) mineral products taken from its soil or from its sea beds;

b) vegetable products harvested therein;

c) live animals, born and raised therein;

d) products obtained from live animals therein;

e) products obtained by hunting and fishing conducted therein;

f) products of sea fishing and other products taken from the sea by Albanian vessels;

g) products made on board Albanian factory ships exclusively from products referred to in paragraph (f);

h) used articles collected therein fit only for the recovery of the raw materials.

i) waste and scrap resulting from manufacturing operations conducted therein;

j) products extracted from marine soil or subsoil outside Albania's territorial waters, provided that it has sole rights to work that soil or subsoil.

k) products produced therein exclusively from products specified in (a) to (j).

48.2 The phrase *"vessel"* referred to in paragraph 1 (f) is used only for the vessel:

a) which are registered or recorded in Albania,

b) which sale under the flag of Albania

c) which are at least 50% owned by nationals of Albania or by a company with its head office in Albania, of witch the manager or managers, chairman of the board of directors or of the supervisory board, and the majority of the members of such boards are nationals of Albania, and of witch, in addition, in case of partnerships or limited companies, at least half the capital belongs to Albania or the public bodies or nationals of Albania,

d) of witch the captain and officers are all nationals of Albania, and

e) of witch at least 75% of the crew are nationals of Albania.

48.3 The expression *"Albania"* includes the territorial waters.

48.4 Vessels operating in the high seas, including factory ships on which the fish caught is worked or processed, shall be deemed to be part of the territory of Albania, provided that they satisfy the conditions set out in paragraph 2.

49.1 For the purpose of Point 47 (2)(b), non-originating materials shall be considered to be sufficiently worked or processed when the product obtained is classified in a heading different from those in witch all the non-originating materials used in its manufacture are classified, subject to paragraph (2) and (3) below.

49.2 For a product mentioned in column (1) and (2) of the list in Annex 4, the conditions set out in column 3 for the product concerned shall be fulfilled instead of the rule in paragraph (1).

49.3 For the purposes Point 47(2)(b), the following shall in any event be considered as insufficient working or processing to confer the status of originating products, whether or not there is a change of heading:

a) operations to ensure the preservation of products in good condition during transport and storage (ventilation, spreading out drying, chilling, placing in salt, sulphur dioxide or other aqueous solutions, removal of damaged parts and like operations);

b) simple operations consisting of removal dust, sifting or screening, sorting, classifying, matching (including the making-up of sets of articles), washing, cutting up;

c) i) changes of packing and breaking up and assembly of consignments;
ii) simple placing in bottles, flasks, bags, boxes, fixing on cards or boards, etc., and all other simple operations;

d) the affixing of marks, labels or other like distinguishing signs on products or their packing;

e) simple mixing of products, whether or not of different kinds, where one or more components of the mixture do not meet the conditions laid down in this Title to enable them to be considered as originating products;

f) simple assembly of parts of products to constitute a complete product;

g) a combination of two or more operations specified in (a) to (f);

h) slaughter of animals.

50.1 The certificate of preferential origin is, according to what is established in Article 32(2) of the Code, issued by the customs office at which is presented the customs declaration of export, when the products to be exported fulfil the conditions set forth in Point 47 for products originating in the Republic of Albania.

50.2 A certificate of preferential origin shall be issued only upon written application of the exporter or his authorised representative. The exporter or his representative shall submit with his application any appropriate supporting document proving that the products to be exported qualify for the issue of a certificate of preferential origin.

50.3 For the purpose of verifying whether the conditions stated in paragraph 1 has been met, the competent customs authority shall have the right to call for any documentary evidence or to carry out any check which it considers appropriate.

50.4 It shall be the responsibility of the customs authorities to ensure that certificates and applications are duly completed.

51.1 The certificates of preferential origin is issued by the customs office when the products to which it relates are exported. It shall be made available to the exporter as soon as the exportation is actually carried out or when it is certain that it will be carried out.

51.2 In exceptional cases a certificate of preferential origin may be issued after the actual exportation of the products to which it relates, if it was not issued at the time of exportation as a result of involuntary errors or omissions or other special circumstances, deemed valid and acceptable by the customs office.

51.3 The competent customs office may issue a certificate retrospectively only after verifying that the particulars contained in the exporters application agree with those contained in the corresponding export documents and that no certificate of preferential origin was issued when the products in question were exported.

51.4 The relevant box of certificates of preferential origin issued retrospectively shall bear the endorsement *"issued retrospectively"* in English.

52.1 In the event of theft, loss, or destruction of a certificate of preferential origin, the exporter may apply at the competent customs authority which issued it for a duplicate to be made out on the basis of the export documents in their possession. The relevant box of the duplicate issued in this way shall be endorsed *"duplicate"* in English, together with the date of issue and the serial number of the original certificate.

52.2 The duplicate shall take effect from the date of original.

Chapter III
Methods of administrative co-operation

53.1 The General Directorate of Customs shall inform competent authorities of the countries or group of countries as mentioned in Point 47 the names and addresses of the customs offices entitled to issue the certificates of preferential origin, together with specimens of stamps used, and the name and addresses of the customs authorities responsible for carry out verifications of certificates of preferential origin.

53.2 In order to carry out retrospectively verifications of certificates of preferential origin, the issuing customs office shall keep copies of the certificates and all relevant documents for at least two years after the date of issue of the certificate.

53.3 In the event it is necessary to carry out a retrospective verification with respect to authenticity and regularity of certificates of preferential origin issued by the Albanian customs offices, the customs authorities will carry out all the controls that they deem necessary in order to effectuate, within 6 months, the request of retrospectively verification demanded by the foreign authorities.

Title 6
Custom Value

Chapter I
General provisions

54.1 In applying the provisions of Articles 27, 33 to 40 of the Code and those of this Title, customs authorities shall comply with the provisions set out in Annex 6. The provisions as set out in the first column of Annex 6 shall be applied in the light of the interpretative note appearing in the second column.

54.2 If it is necessary to make reference to generally accepted accounting principles in determining the customs value, the provisions of Annex 7 shall apply.

55.1 For the purposes of Articles 34(1)(d) and 35(2)(c) of the Code, persons shall be deemed to be related only if:

a) they are officers or directors of one another business;
b) they are legally recognised partners in business;
c) they are employer and employee;

d) any person directly or indirectly owns, controls or holds 5% or more of the outstanding voting stock or shares or both of them;

e) one of them directly or indirectly controls the other;

f) both of them are directly or indirectly controlled by a third person;

g) together they directly or indirectly control a third person; or

h) they are members of the same family. Persons shall be deemed to be members of the same family only if they stand in any of the following relationships to one another:
   i) husband and wife;
   ii) parent and child;
   iii) brother and sister (whether by whole or half blood);
   iv) grandparent and grandchild;
   v) uncle or aunt and nephew or niece;
   vi) parent in law and son in law or daughter in law;
   vii) brother in law and sister in law.

55.2 For the purposes of this Title, persons who are associated in business with one another in that one is the sole agent, sole distributor or sole concessionaire, however described, of the other shall be deemed to be related only if they fall within the criteria of paragraph 1.

56. For the purposes of determining customs value under Article 34 of the Code of goods in regard to which the price has not actually been paid at the material time for valuation for customs purposes, the price payable for settlement at the said time shall as a general rule be taken as the basis for customs value.

57.1 Where goods declared for free circulation are part of a larger quantity of the same goods purchased in one transaction, the price actually paid or payable for the purposes of Article 34(1) of the Code shall be that price represented by the proportion of the total price which the quantity so declared bears to the total quantity purchased.

57.2 Apportioning the price actually paid or payable shall also apply in the case of the loss of part of the consignment or when the goods being valued have been damaged before entry into free circulation.

58. Where the price actually paid or payable for the purposes of Article 34(1) of the Code includes an amount in respect of any internal tax applicable within the country of origin or export in respect of the goods in question, the said amount shall not be incorporated in the customs value provided that it can be demonstrated to the satisfaction of the customs authorities concerned that the goods in question have been or will be relieved therefrom for the benefit of the buyer.

59.1 For the purposes of Article 34 of the Code, the fact that the goods which are the subject of a sale are declared for free circulation shall be regarded as adequate indication that they were sold for export to the customs territory of the Republic of Albania. This indication shall also apply in the case of successive sales before valuation; in such cases each price resulting from these sales may be taken as a basis for valuation.

59.2 However, where goods are used in a third country between the time of sale and the time of entry into free circulation the customs value need not be the transaction value.
59.3 The buyer need satisfy no condition other than that of being a party to the contract of sale.

60. Where, in applying Article 34(1)(b) of the Code, it is established that the sale or price of imported goods is subject to a condition or consideration the value of which can be determined with respect to the goods being valued, such value shall be regarded as an indirect payment by the buyer to the seller and part of the price actually paid or payable provided that the condition or consideration does not relate to either:

a) an activity to which Article 34(3)(b) of the Code applies; or

b) a factor in respect of which an addition is to be made to the price actually paid or payable under the provisions of Article 37 of the Code.

61.1 For the purposes of Article 34(3)(b) of the Code, the term *"marketing activities"* means all activities relating to advertising and promoting the sale of the goods in question and all activities relating to warranties or guarantees in respect of them.

61.2 Such activities undertaken by the buyer shall be regarded as having been undertaken on his own account even if they are performed in pursuance of an obligation on the buyer following an agreement with the seller.

62.1 In applying Article 35(2)(a) of the Code (the transaction value of identical goods), the customs value shall be determined by reference to the transaction value of identical goods in a sale at the same commercial level and in substantially the same quantity as the goods being valued. Where no such sale is found, the transaction value of identical goods sold at a different commercial level and / or in different quantities, adjusted to take account of differences attributable to commercial level and / or to quantity, shall be used, provided that such adjustments can be made on the basis of demonstrated evidence which clearly establishes the reasonableness and accuracy of the adjustment, whether the adjustment leads to an increase or a decrease in the value.

62.2 Where the costs and charges referred to in Article 37(1)(e) of the Code are included in the transaction value, an adjustment shall be made to take account of significant differences in such costs and charges between the imported goods and the identical goods in question arising from differences in distances and modes of transport.

62.3 If, in applying this Point, more than one transaction value of identical goods is found, the lowest such value shall be used to determine the customs value of the imported goods.

62.4 In applying this Point, a transaction value for goods produced by a different person shall be taken into account only when no transaction value can be found under paragraph 1 for identical goods produced by the same person as the goods being valued.

62.5 For the purposes of this Point, the transaction value of identical imported goods means a customs value previously determined under Article 34 of the Code, adjusted as provided for in paragraphs 1 (b) and 2 of this Point.

63.1 In applying Article 35(2)(b) of the Code (the transaction value of similar goods), the customs value shall be determined by reference to the transaction value of similar goods in a sale at the same commercial level and in substantially the same quantity as the goods being valued. Where no such sale is found, the transaction value of similar goods sold at a different commercial level and / or in different quantities, adjusted to take account of differences attributable to commercial level and/or to quantity, shall be used, provided that such adjustments can be made on the basis of demonstrated evidence which clearly establishes the reasonableness and accuracy of the adjustment, whether the adjustment leads to an increase or a decrease in the value.

63.2 Where the costs and charges referred to in Article 37 (1) (e) of the Code are included in the transaction value, an adjustment shall be made to take account of significant differences in such costs and charges between the imported goods and the similar goods in question arising from differences in distances and modes of transport.

63.3 If, in applying this Point, more than one transaction value of similar goods is found, the lowest such value shall be used to determine the customs value for the imported goods.

63.4 In applying this Point, a transaction value for goods produced by a different person shall be taken into account only when no transaction value can be found under paragraph 1 for similar goods produced by the same person as the goods being valued.

63.5 For the purposes of this Point, the transaction value of similar imported goods means a customs value previously determined under Article 34 of the Code, adjusted as provided for in paragraphs 1 (b) and 2 of this Article.

64.1 a) If the imported goods or identical or similar imported goods are sold in the Republic of Albania in the condition as imported, the customs value of imported goods, determined in accordance with Article 35(2)(c) of the Code, shall be based on the unit price at which the imported goods or identical or similar imported goods are so sold in the greatest aggregate quantity, at or about the time of the importation of the goods being valued, to persons who are not related to the persons from whom they buy such goods, subject to deductions for the following:

- i) either the commissions usually paid or agreed to be paid or the additions usually made for profit and general expenses (including the direct and indirect costs of marketing the goods in question) in connection with sales in the Republic of Albania of imported goods of the same class or kind;
- ii) the usual costs of transport and insurance and associated costs incurred within the Republic of Albania;
- iii) the import duties and other charges payable in Albania by reason of the importation or sale of the goods.

b) If neither the imported goods nor identical goods nor similar imported goods are sold at or about the time of importation of the goods being valued, the customs value of imported goods determined under this Point shall, subject otherwise to the provisions of paragraph 1 (a), be based on the unit price at which the imported goods or identical or similar imported goods are sold in the country in the condition as imported at the earliest date after the importation of the goods being valued but before the expiration of 90 days after such importation.

64.2 If neither the imported goods nor identical nor similar goods are sold in the country in the condition as imported, then, if the importer so requests, the customs value shall be based on the unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to persons in the country who are not related to the persons from whom they buy such goods, due allowance being made for the value added by such processing and the deductions provided for in paragraph 1 (a).

64.3 For the purposes of this Point, the unit price at which imported goods are sold in the greatest aggregate quantity is the price at which the greatest number of units is sold in sales to persons who are not related to the persons from whom they buy such goods at the first commercial level after importation at which such sales take place.

64.4 Any sale in the country to a person who supplies directly or indirectly free of charge or at reduced cost for use in connection with the production and sale for export of the imported goods any

of the elements specified in Article 37 (1) (b) of the Code should not be taken into account in establishing the unit price for the purposes of this Point.

64.5 For the purposes of paragraph 1 (b), the *"earliest date"* shall be the date by which sales of the imported goods or of identical or similar imported goods are made in sufficient quantity to establish the unit price.

65.1 In applying Article 35 (2) (d) of the Code (computed value), the customs authorities may not require or compel any person not resident in the Republic of Albania to produce for examination, or to allow access to, any account or other record for the purposes of determining this value. However, information supplied by the producer of the goods for the purposes of determining the customs value under this Point may be verified in a foreign country by the customs authorities with the agreement of the producer and provided that such authorities give sufficient advance notice to the authorities of the country in question and the latter do not object to the investigation.

65.2 The cost or value of materials and fabrication referred to in the first indent of Article 35 (2) (d) of the Code shall include the cost of elements specified in Article 37 (1) (a) (ii) and (iii) of the Code.

65.3 It shall also include the value, duly apportioned, of any product or service specified in Article 37 (1) (b) of the Code which has been supplied directly or indirectly by the buyer for use in connection with the production of the imported goods. The value of the elements specified in Article 37 (1) (b) (iv) of the Code which are undertaken in the Republic of Albania shall be included only to the extent that such elements are charged to the producer.

65.4 Where information other than that supplied by or on behalf of the producer is used for the purposes of determining a computed value, the customs authorities shall inform the declarant, if the latter so requests, of the source of such information, the data used and the calculations based on such data, subject to Article 25 of the Code.

65.5 The *"general expenses"* referred to in the second indent of Article 35 (2) (d) of the Code, cover the direct and indirect costs of producing and selling the goods for export which are not included under the first indent of Article 35 (2) (d) of the Code.

66. Where containers referred to in Article 37 (1) (a) (ii) of the Code are to be the subject of repeated importation, their cost shall, at the request of the declarant, be apportioned, as appropriate, in accordance with generally accepted accounting principles.

67. For the purposes of Article 37 (1) (b) (iv) of the Code, the cost of research and preliminary design sketches is not to be included in the customs value.

68. Article 38 (c) of the Code shall apply *"mutatis mutandis"* where the customs value is determined by applying a method other than the transaction value.

Chapter II
Provisions concerning royalties and license fees

69.1 For the purposes of Article 37 (1) (c) of the Code, royalties and license fees shall be taken to mean in particular payment for the use of rights relating:

a) to the manufacture of imported goods (in particular, patents, designs, models and manufacturing know-how), or

b) to the sale for exportation of imported goods (in particular, trade marks, registered designs), or

c) to the use or resale of imported goods (in particular, copyright, manufacturing processes inseparably embodied in the imported goods).

69.2 Without prejudice to Article 37 (5) of the Code, when the customs value of imported goods is determined under the provisions of Article 34 of the Code, a royalty or license fee shall be added to the price actually paid or payable only when this payment:

a) is related to the goods being valued, and constitutes a condition of sale of those goods.

69.3 payments for royalties and license fee for imported movies in the Republic of Albania with the right of reproduction and distribution, shall not be added to the price actually paid or that should be paid.

70.1 When the imported goods are only an ingredient or component of goods manufactured in the Republic of Albania, an adjustment to the price actually paid or payable for the imported goods shall only be made when the royalty or license fee relates to those goods.

70.2 Where goods are imported in an unassembled state or only have to undergo minor processing before resale, such as diluting or packing, this shall not prevent a royalty or license fee from being considered related to the imported goods.

70.3 If royalties or license fees relate partly to the imported goods and partly to other ingredients or component parts added to the goods after their importation, or to post-importation activities or services, an appropriate apportionment shall be made only on the basis of objective and quantifiable data, in accordance with the interpretative note to Article 37 (2) of the Code in Annex 6.

71. A royalty or license fee in respect of the right to use a trade mark is only to be added to the price actually paid or payable for the imported goods where:

a) the royalty or license fee refers to goods which are resold in the same state or which are subject only to minor processing after importation,

b) the goods are marketed under the trade mark, affixed before or after importation, for which the royalty or license fee is paid, and

c) the buyer is not free to obtain such goods from other suppliers unrelated to the seller.

72. When the buyer pays royalties or license fees to a third party, the conditions provided for in Point 69 (2) shall not be considered as met unless the seller or a person related to him requires the buyer to make that payment.

73. Where the method of calculation of the amount of a royalty or license fee derives from the price of the imported goods, it may be assumed in the absence of evidence to the contrary that the payment of that royalty or license fee is related to the goods to be valued. However, where the amount of a royalty or license fee is calculated regardless of the price of the imported goods, the payment of that royalty or license fee may nevertheless be related to the goods to be valued.

74. In applying Article 37 (1) (c) of the Code, the country of residence of the recipient of the payment of the royalty or license fee shall not be a material consideration.

Chapter III
Provisions concerning the place of introduction into the Republic of Albania

75.1 For the purposes of Article 37 (1) (e) and Article 38 (a) of the Code, the place of introduction into the customs territory of the Republic of Albania shall be:

a) for goods carried by sea, the port of unloading, or the port of transhipment, subject to transhipment being certified by the customs authorities of that port;

b) for goods carried by sea and then, without transhipment, by inland waterway, the first port where unloading can take place either at the mouth of the river or canal or further inland, subject to proof being furnished to the customs office that the freight to the port of unloading is higher than that to the first port;

c) for goods carried by rail, inland waterway, or road, the place where the first customs office is situated;

d) for goods carried by other means, the place where the land frontier of the customs territory of the Republic of Albania is crossed.

75.2 The customs value of goods introduced into the customs territory of the Republic of Albania and then carried by sea to a destination in another part of that territory shall be determined by reference to the first place of introduction into the customs territory of the Republic of Albania, provided the goods are carried directly by a usual route to the place of destination.

Chapter IV
Provisions concerning transport costs

76. In applying Articles 37 (1) (e) and 38 (a) of the Code:

a) where goods are carried by the same mode of transport to a point beyond the place of introduction into the customs territory of the Republic of Albania, transport costs shall be assessed in proportion to the distance covered outside and inside the customs territory of the Republic of Albania, unless evidence is produced to the customs authorities to show the costs that would have been incurred under a general compulsory schedule of freight rates for the carriage of the goods to the place of introduction into the customs territory of the Republic of Albania;

b) where goods are invoiced at a uniform free domicile price which corresponds to the price at the place of introduction, transport costs within the Republic of Albania shall not be deducted from that price. However, such deduction shall be allowed if evidence is produced to the customs authorities that the free-frontier price would be lower than the uniform free domicile price;

c) where transport is free or provided by the buyer, transport costs to the place of introduction, calculated in accordance with the schedule of freight rates normally applied for the same modes of transport, shall be included in the customs value.

77.1 All postal charges levied up to the place of destination in respect of goods sent by post shall be included in the customs value of these goods, with the exception of any supplementary postal charge levied in the Republic of Albania.

77.2 No adjustment to the declared value shall, however, be made in respect of such charges in determining the value of consignments of a non-commercial nature.

77.3 Paragraphs 1 and 2 are not applicable to goods carried by the express postal services known as EMS-Datapost (in Denmark, EMS-Jetpost, in Germany, EMS-Kurierpostsendungen, in Italy, CAI-Post).

78. The air transport costs to be included in the customs value of goods shall be determined by applying the rules and percentages shown in Annex 8.

Chapter V
Valuation of certain carrier media for use in ADP equipment

79. Notwithstanding Articles 34 to 38 of the Code, in determining the customs value of imported carrier media bearing data or instructions for use in data processing equipment, only the cost or value of the carrier medium itself shall be taken into account. The customs value of imported carrier media bearing data or instructions shall not, therefore, include the cost or value of the data or instructions, provided that such cost or value is distinguished from the cost or value of the carrier medium in question.

Chapter VI
Documents to be furnished

80. Where it is necessary to establish a customs value for the purposes of Articles 27 and 33 to 40 of the Code the declarant shall furnish the customs authorities with the invoice on the basis of which the value of the imported goods is declared. Where the customs value is declared in writing this invoice shall be retained by the customs authorities.

81.1 The customs authorities need not determine the customs valuation of imported goods on the basis of the transaction value method if, in accordance with the procedure set out in paragraph 2, they are not satisfied, on the basis of reasonable doubts, that the declared value represents the total amount paid or payable as referred to in Article 34 of the Code.

81.2 Where the customs authorities have the doubts described in paragraph 1 they may ask for additional information in accordance paragraph 3. If those doubts continue, the customs authorities must, before reaching a final decision, notify the person concerned, in writing if requested, of the grounds for those doubts and provide him with a reasonable opportunity to respond. A final decision and the grounds therefor shall be communicated in writing to the person concerned.

81.3 It should be the responsibility of the declarant to supply with the following additional information and documents concerning the establishment of the customs value if the custom authorities so require:

a) the authenticity of the documents produced,

b) the supply of any additional information or documents necessary to establish the customs value of goods.

Title 7
Provisions applicable to goods in entry or exit from the customs territory of the Republic of Albania until they are assigned a customs-approved treatment or use

Chapter I
Entry or exit of goods from the customs territory of the Republic of Albania

82. In accordance with Article 41 of the Code this Chapter will lay down provisions concerning goods entering the customs territory of the Republic of Albania.

83. All means of transport remains under customs supervision as long as;

a) they carry goods which are under customs supervision;

b) when entering the customs territory or the Republic of Albania without carrying goods, until they have carried out all customs procedures;

c) when leaving the customs territory of the Republic of Albania without carrying goods, after they have notified the customs authorities about their departure.

84. Masters or drivers in means of transport under customs supervision are liable to use the itinerary prescribed by the customs authorities, and carry all customs documents concerning the means of transport and its cargo and to stop at the request of a custom officer. Masters and drivers in means of transport not under customs supervision and other persons are also liable to stop at the request of a customs officer. Such request may be given, when there are doubts that all provisions concerning customs rules have not been fulfilled.

85.1 Upon arrival or departure from the customs territory of the Republic of Albania the person in charge of any means of transport is obliged to notify and inform the customs authorities about the means of transport and all goods transported. Means of transport under customs supervision are not allowed to enter or leave other places than customs areas. However, the General Directorate of Customs may in exceptional cases allow means of transport to enter or leave at other places upon a written request. In the authorisation the General Directorate of Customs state under which conditions the authorisation is granted.

85.2 Before an authorisation is granted a fee must be paid. The fee is 20.000 LEK for each authorisation.

86.1 Vehicles carrying goods entering the customs territory of the Republic of Albania must in accordance with Article 65 of the Code be presented to the customs. Presentation is done on a form *"vehicle declaration"* approved by the General Directorate of Customs. However, if all goods on a vehicle are transported under a TIR or ATA carnet no vehicle declaration is needed.

86.2 The vehicle declaration should contain general information about all goods carried by the vehicle, the name of the driver, registration number of the vehicle and the drivers signature stating that the declaration is true and correct.

87. In order to control that information and declarations according to this Code and its implementing provisions have been carried out correct, and completely the customs authorities can examine:

a) Means of transport, include containers, boxes and other spaces where goods can be stored

b) Temporary storage facilities, warehouses, free zones, free warehouses and victualling warehouses, airports, railway stations and harbours, where goods under customs supervision are stored, and also all facilities inside these areas; and

c) Luggage such as suitcases and briefcases, handbags and similar items carried by travellers entering or leaving the customs territory of the Republic of Albania or by persons entering or leaving by any means of transport that are under customs supervision.

88. For such control mentioned in Point 87 the person whose declaration is to be verified must give the customs authorities access to both means of transport and goods. He must also give access to all facilities and other places used for transport, storage and similar activities related to the verification.

89. If needed for customs control purposes and not causing considerable hindrance for normal traffic, a customs authority can temporarily close loading or unloading areas or areas where passengers are entering or leaving a means of transport. This is also applicable in other areas in the vicinity of means of transport such as exits and entrances to temporary storage facilities, warehouses, harbours, free zones and airports.

90. Customs authorities can lock, seal or mark on a means of transport, container and other goods that are under customs supervision. The customs authorities can also temporarily retain registration papers and similar documents, concerning any means of transport, when it is necessary in order to prevent its departure.

91. Transport companies transporting travellers from outside the customs territory of the Republic of Albania must, without cost provide the customs authorities with necessary facilities needed for clearance of vehicles and passengers carried by them. The facilities shall apply with a standard settled by the General Directorate of Customs.

92. What is written in the Code and its implementing provisions concerning non Albanian goods should also be applied *"mutatis mutandis"* on Albanian goods for which there has been an application for any export subsidiaries, remission, repayment or other economical matters due to its export from the customs territory of Albania.

Chapter II
Air traffic

93. No person is allowed to enter or leave an aircraft under customs supervision arriving from places outside the customs territory of the Republic of Albania without prior authorisation from the customs authorities except representatives from public authorities and the captain carrying out official duties.

94. Without prejudice to Article 45 in the Code, the General Directorate of Customs can in exceptional cases authorise an aircraft to enter or leave from places other than international airports. Point 85 shall apply.

Chapter III
Maritime and water traffic

95. Any vessel under customs supervision arriving from places outside the customs territory of the Republic of Albania are not allowed to make any other stops in the customs territory except what is necessary for safety reasons or approved by customs authorities or due to requests from any public authority in accordance with Albanian legislation.

96. No person is allowed to enter or leave a vessel under customs supervision arriving from places outside the customs territory of the Republic of Albania without prior authorisation from the customs authorities except pilots, shipping agents, representatives from public authorities and the master carrying out official duties.

97. Without prejudice to Point 85, vessels entering the customs territory of the Republic of Albania are not allowed to go to other places than an approved customs area.

98. Vessels in regular traffic with other counties, carrying passengers or goods inside lorries and trailers asking for immediate clearance upon arrival are not allowed to enter except on times and places approved by the competent customs authorities. Approval can be occasional or general.

99.1 It is the duty of the master of a vessel to notify the competent customs authorities at least 24 hours before arrival to the customs territory of Albania. The notification should contain information about expected time of arrival, type of vessel, nationality, size, call sign, port of departure and ports visited on this voyage and a general description of its cargo and passengers. However, the customs authorities can authorise that this notification can be given later than 24 hours before arrival for vessels in a regular schedule acknowledged by the customs authorities in advance. The notification can in such cases be given not later than 1 hour before arrival.

99.2 If the time of arrival changes the master must immediately inform the customs authorities but in no cases later than 1 hour before arrival.

99.3 The master have the right to use a representative to fulfil his duties laid down in paragraph 1 and 2.

100. When the captain declares the vessel in accordance with Article 53 of the Code he should together with the manifest also lodge the ships declaration, crew list, cargo declaration, ships provision declaration, crew declaration, passenger list all on forms approved by the General Directorate of Customs.

101. Vessels leaving the customs territory of the Republic of Albania carrying goods or passengers under customs supervision are not allowed to make any other stops in the customs territory except what is necessary for safety reasons or approved by customs authorities or due to requests from any public authority in accordance with Albanian legislation.

102. Vessels in regular traffic with other counties, carrying passengers or goods in lorries or trailers asking for immediate clearance upon departure are not allowed to leave except on times and places approved by the competent customs authorities. Approval can be occasional or general.

103. Vessels leaving the customs territory of the Republic of Albania cannot start loading without permission from the competent customs authorities. After loading has started, unloading is not permitted without prior permission from the customs authorities.

104.1 It is the duty of the master of a vessel to notify the competent customs authorities at least 2 hours before departure from the customs territory of the Republic of Albania. The notification should contain information about expected time of departure, port of destination and a general description of its cargo and passengers, the form ships declaration described in Point 100 should be used. However, the customs authorities can authorise that this notification can be given later than 2 hours before departure for vessels in a regular schedule acknowledged by the customs authorities in advance. The notification can in such cases be given not later than 30 minutes before departure.

104.2 If the time of departure changes, the master must immediately inform the customs authorities but in no cases later than 30 minutes before departure.

104.3 The master have the right to use a representative to fulfil his duties laid down in paragraph 1 and 2.

105. No person is allowed to enter or leave a departing vessels carrying goods or passengers under customs supervision without prior authorisation from the customs authorities except pilots, shipping agents, representatives from public authorities and the master carrying out official duties.

106. If the customs authorities have sealed stores or other spaces or goods on a vessel departing under customs supervision, the seal may not be broken within the customs territory of the Republic of Albania.

107. The General Directorate of Customs may decide on simplifications in the declaration procedure for certain kind of vessels as government ships, salvage tugs and similar vessels, vessels used for pleasure and fishing vessels.

108. The General Directorate of Customs may lay down guidelines in the practical application concerning goods entering or leaving the customs territory of the Republic of Albania.

TITLE 8
Introduction of goods into the customs territory

Chapter I
Examination of the goods and taking of samples by the person concerned

109.1 Permission to examine the goods under Article 67 of the Code shall be granted to the person empowered to assign the goods a customs approved treatment or use at his written request, unless the customs authorities consider having regard to the circumstances, that an oral request is sufficient. The taking of samples may be authorised only at the written request of the person concerned.

109.2 A written request as referred to in paragraph 1 shall be signed by the person concerned and lodged with the relevant customs authorities. It shall include the following particulars:

a) name and address of the applicant;

b) the location of the goods;

c) number of the summary declaration, where it has already been presented, save where the customs office undertakes to enter such information, or indication of the previous customs procedure, or the particulars for identifying the means of transport on which the goods are located;

d) all other particulars necessary for identifying the goods.

109.3 The customs authorities shall indicate their authorisation on the request presented by the person concerned. Where the request is for taking of samples, the said authorities shall indicate the quantity of goods to be taken.

109.4 A copy of the authorisation shall be keep together with the summary declaration.

109.5 Prior examination of goods and the taking of samples shall be carried out under the supervision of the customs authorities, which shall specify the procedures to be followed in each particular case. The person concerned shall bear the risk and the cost of unpacking, weighing,

repackaging and any other operation involving the goods. He shall also pay any costs in connection with analysis.

109.6 The samples taken shall be the subject of formalities with a view to assigning them a customs approved treatment or use. Where examination of the samples results in their destruction or irretrievable loss, no debt shall be deemed to have been incurred. Article 197 (5) of the Code shall apply to waste and scrap.

Chapter II
Summary declaration

110.1 The summary declaration shall be signed by the person making it.

110.2 The summary declaration shall be endorsed by the customs authorities and retained by them for the purpose of verifying that the goods to which it relates are assigned a customs-approved treatment or use within the period laid down in Article 74 of the Code.

110.3 The summary declaration for goods which have been moved under a transit procedure before being presented to customs shall take the form of the copy of the transit document intended for the customs office of destination.

110.4 The customs authorities may allow the summary declaration to be made in computerised form. In that case, the rules adapted in paragraph 2 shall be adapted accordingly.

110.5 The summary declaration is made out of a ships manifesto, aeroplane manifesto, trains manifesto, CMR transport documents, transit declarations or in any other form accepted by the relevant customs office. A summary declaration is not needed for goods entering by post or are carried by traveller’s.

110.6 The summary declarations shall at least contain information concerning:

a) number of packages, their nature and the marks and number they bear;

b) type of goods;

c) the gross weight of the goods.

110.7 When the summary declaration is lodged at the competent customs office it shall register the declaration in the appropriate register and the registration number shall be indicated on the summary declaration. The registration number of the summary declaration shall also be indicated in box 40 of any customs declaration made in respect of goods referred to in the respective summary declaration.

111.1 Goods covered by a summary declaration which have not been unloaded from the means of transport carrying them shall be re-presented intact by the person referred to in Point 110(1) whenever the customs authorities so require, until such time as the goods in question are assigned a customs-approved treatment or use.

111.2 Any person who holds goods after they have been unloaded in order to move or store them shall become responsible for compliance with the obligation to re-present all the goods intact at the request of the customs authorities.

Chapter III
Temporary storage

112.1 Where the places referred to in Article 76(1) of the Code have been approved on a permanent basis for the placing of goods in temporary storage, such places shall be called *"temporary storage facilities"*.

112.2 In order to ensure the application of customs rules, the customs authorities may, where they do not themselves manage the temporary storage facility, require that:

a) temporary storage facilities be double-locked, one by being held by the said customs authorities;

b) the person operating the temporary storage facility keep stock account which enable the movements of goods to be traced.

113.1 Authorisation for temporary storage facilities shall be granted by the General Director of Customs. This point does not apply for temporary storage facilities managed by the Customs Authorities.

113.2 In order to have an authorisation for temporary storage facilities a security must be provided. The amount of security to be lodged shall in no cases be less than 4 million Lek. No security has to be provided when the temporary storage facilities are managed by the state of Albania or by public bodies of Albania. The security must be lodged before an authorisation can be granted. Article 207 (2) of the Customs Code shall apply.

113.3 A written request for authorisation as referred to in paragraph 1 shall be signed by the person concerned and lodged at the custom office were the premises are situated. They shall forward the request to General Directorate of Customs together with their written opinion about granting an authorisation within two weeks. The application must include the following particulars:

a) Name and address of the applicant;

b) Information concerning the applicants main business activities;

c) Estimated number of consignment in a year;

d) Number of employees;

e) Description of the stock records;

f) Authorised copy of the companies registration papers;

g) Map, drawing or like showing the location of the facilities and its boundaries.

113.4 Authorisation is granted for a limited time of one year at a time and under the conditions stated in the authorisation.

113.5 The keeper of the temporary storage facilities must comply with all conditions and provisions stated in the authorisation regarding customs control, customs clearance, stock records and other provisions. If the keeper of the temporary storage facilities does not comply with all conditions in the authorisation shall render its immediate withdrawal and all goods stored there must immediately be assigned a customs approved treatment or use.

113.6 A condition shall be that the keeper must provide the customs authorities with necessary office facilities without any costs. This facilities must comply with a standard decided by the General Directorate of Customs.

113.7 A fee is due to be paid for each authorisation and the amount shall be 400.000 Lek for every period of twelve months covering the administrative expenses for the customs authorities.

114. Goods shall be placed in temporary storage facility on the basis of the summary declaration. However, the customs authorities may require the lodging of a specific declaration made out on a form corresponding to the model they have determined.

115. The keeper of the temporary storage facility must do regular inventories of all goods stored there. The inventories shall take place at least once every three months. The customs authorities shall be present whilst the inventory is done. The written result must be forwarded to the relevant custom office within three days after the inventory. This point shall apply *"mutatis mutandis"* on temporary storage facilities managed by customs authorities.

116. Without prejudice to Article 81 of the Code or to provisions applicable to the sale of goods by the customs authorities, the person who has made the summary declaration or, where such a declaration has not yet been lodged, the person referred to in Article 69 (2) of the Code shall be responsible for giving effect to the measures taken by the customs authorities pursuant to Article 78 (1) of the Code and for bearing the costs of such measures.

117. Where the customs authorities sell the goods in accordance with Article 78 of the Code, this shall be done in accordance with the rules in force in the Republic of Albania.

Title 9
Counterfeit goods and pirated goods

Chapter I
Application for action by the customs authorities

118. This Chapter lays down provisions in the implementing of Article 82 (4) of the Code.

119.1 The holder of the right, may lodge an application in writing at the General Directorate of Customs, for action by the customs authorities, where the counterfeit or pirated goods are placed in one of the following situations:

a) released for free circulation, export, or re-export;

b) placed under a transit procedure or a procedure with economic impact.

119.2 The application referred to in paragraph 1 shall contain:

a) a sufficiently detailed description of the goods to enable the customs authorities to recognise them;

b) the length of the period during which the customs officers are requested to take action;

c) any other useful information to identify the exporter or the importer.

The application shall be accompanied by proof that the applicant is holder of the right for the said goods, as well as other helpful documents for the identification of the goods.

119.3 After examining the application, the General Directorate of Customs issues a ruling that shall be notified to the applicant, within 5 days, according to Article 18 of the Code. The applicant may lodge an appeal against this decision, in conformity with the procedures provided for in Article 19 (4) and Article 20 (5) of the Code. When the application is accepted, the General Directorate establishes a period within which the customs authorities may intervene. This time limit may be extended upon express request of the holder of the right. The ruling for the approval of the request of the holder of the right shall be notified promptly to all customs offices.

119.4 The General Directorate of Customs may establish that, once the request is approved, the applicant shall forward a down payment, subject to repayment of any excess amount, to cover any administrative charges occurred by the customs administration for carrying out the service.

119.5 The holder of the right shall be obliged to immediately inform the General Directorate of Customs should the right cease to be validly registered or it expire.

Chapter II
Control procedures

120.1 Where the customs authorities is satisfied, after consulting the applicant where necessary, that goods or part of goods referred to in Point 2 (5)(a) and (b), correspond to the description of the counterfeit or pirated goods contained in the decision of the General Directorate of Customs, they suspend the release of the goods or seize the goods depending on the situation.

120.2 The customs authorities shall immediately inform the applicant about the actions taken. In accordance with the legislation in force regarding the protection of professional, commercial and industrial secrecy, the customs authorities notifies the holder of the right, of the name and address of the declarant, and if known, the name of the consignee of the goods, with a view to allow the applicant to take the legal action provided by the legislation in force in the field. The customs authorities shall afford the applicant the opportunity to inspect the goods whose release has been suspended or which have been seized.

120.3 If within 20 days from notification of the seizure of goods or from the decision to suspend the release of the goods, the customs authorities do not receive a copy of the appeal lodged with the competent authorities by the holder of the right, the customs authorities revoke the decision to suspend the release of the goods or the seizure of the goods and release the goods.

120.4 The applicant is responsible for any eventual damage occurred to the importer or a third party. Besides this, he is obliged to forward payment of all eventual charges related to the warehousing of the goods.

Title 10
Customs declaration

Chapter I
Customs declarations in writing

Section 1
General Provision

121.1 Where a customs declaration covers two or more articles, the particulars relating to each article shall be regarded as constituting a separate declaration.

121.2 In a customs declaration goods under the same tariff code, same country of origin and imported under same conditions regarding preferential treatment and restrictions should be put together under a single article.

121.3 Component parts of industrial plant coming under a single CN code shall be regarded as constituting single item of goods.

122. Without prejudice to the possible application of penal provisions, the lodging with a customs office of a declaration signed by the declarant or his representative shall render him responsible under the provisions in force for:

a) the accuracy of the information given in the declaration;

b) the authenticity of the documents attached; and

c) compliance with all the obligations relating to the entry of the goods in question under the procedure concerned.

123. Documents accompanying a declaration shall be kept by the customs authorities unless the said authorities provide otherwise.

124.1 The declaration shall be lodged with the customs office where the goods were presented. It may be lodged as soon as such presentation as described in Article 12 in the Code has taken place.

124.2 The customs authorities may authorise the declaration to be lodged before the declarant is in a position to present the goods. In this case, the customs authorities may set a time limit, to be determined according to the circumstances, for presentation of the goods. If the goods have not been presented within this time limit, the declaration shall be considered not to have been lodged.

124.3 Where a declaration has been lodged before the goods to which it relates have arrived at the customs office or at another place designated by the customs authorities, it may be accepted only after the goods in question have been presented to the customs.

125.1 The declaration shall be lodged with the competent customs office during the days and hours appointed for opening. However, the customs authorities may, at the request of the declarant and at his expense, authorise the declaration to be lodged outside the appointed days and hours.

125.2 Any declaration lodged with the officials of a customs office in any other place duly designated for that purpose by agreement between the customs authorities and the person concerned shall be considered to have been lodged in the said office.

126.1 The date of acceptance of the declaration shall be noted thereon.

126.2 The date of acceptance for an computerised declaration should be the date when the declaration has been transferred to the customs authorities computer system in a readable form.

127.1 The customs authorities may allow or require the corrections referred to in Article 90 of the Code to be made by the lodging of a new declaration intended to replace the original declaration. In that event, the relevant date for determination of any duties payable and for the application of any provisions governing the customs procedure in question shall be the date of the acceptance of the original declaration.

127.2 If the customs authorities accept the lodging of a new declaration all copies of the old declaration must be kept in the files together with the new declaration. Notes on the old declaration

must be made making it clear that it is invalidated. The notes must contain the decision to invalidate the declaration.

128. Without prejudice to the possible application of penal provisions, if the declarant or his representative finds out that information concerning import or export of goods provided in a customs declaration is incorrect or incomplete, he should without delay inform the relevant customs authorities. Article 90 of the Code shall apply.

By way of derogation from Article 91 (2) of the Code, a customs declaration may be invalidated after the goods have been released, as provided below:

129.1 Where it is established that the goods have been declared in error, instead of other goods, for a customs procedure entailing the obligation to pay import duties, the customs authorities shall invalidate the declaration if a request to that effect is made within three months of the date of acceptance of the declaration, provided that:

a) the goods originally declared:
   (i) have not been used other than as authorised in their original status; and
   (ii) have been restored to their original status; and that

b) the goods which ought to have been declared for the customs procedure originally intended:
   (i) could, when the original declaration was lodged, have been presented to the same customs office: and
   (ii) have been declared for the same customs procedure as that originally intended.

The customs authorities may allow the time limit referred to above to be exceeded in duly substantiated exceptional cases;

129.2 Where the goods have been declared for export or for the outward processing procedure, the declaration shall be invalidated provided that the customs office of export has been informed in accordance with Point 437 that the goods declared have not left the customs territory of the Republic of Albania and provided that:
   i) the declarant provides the customs office of export with evidence that the goods have not left the customs territory of the Republic of Albania,
   ii) the declarant returns to the said office all copies of the customs declaration, together with any other documents issued to him on acceptance of the declaration,
   iii) the declarant, in accordance with the provisions in force, complies with any other obligations laid down by the customs office of export to regularise the position of the goods.

Invalidation of the declaration shall entail cancellation of any adjustments made on an export license or advance-fixing certificate presented in support of the declaration. Where the goods declared for export are required to leave the customs territory of the Republic of Albania by a specified time limit, failure to comply with that time limit shall entail invalidation of the relevant declaration;

129.3 In so far as the re-export of the goods entails the lodging of a declaration, paragraph (1) above shall apply *“mutatis mutandis”*.

Section 2
Forms to be used

130.1 The official model for written declaration to customs, for the purposes of placing goods under a customs procedure or re-exporting them in accordance with Article 197 (3) of the Code, shall be the Single Administrative Document.

130.2 Other forms may be used for this purpose where the provisions of the customs procedure in question permit.

130.3 The provisions of paragraph 1 and 2 shall not preclude:

a) waiver of the written declaration prescribed in Points 150 to 161 for release for free circulation, export or temporary importation;

b) waiver based on the dispositions in force, for the forms referred to in paragraph 1 where the special provisions laid down in Articles 60 (1) and 61 of the Code with regard to consignment by letter or parcel-post apply;

c) use of special forms to facilitate the declaration in specific cases, where the General Directorate of Customs so permit.

d) waiver of the form referred to in paragraph 1 in the case of existing or future agreements or arrangements concluded between the Republic of Albania and other states with a view to greater simplification of formalities in all or part of the trade between the two countries;

e) use by the persons concerned of loading lists for the completion of the transit formalities in force, in the case of consignments composed of more than one kind of goods;

f) printing of export, transit or import declarations and documents certifying the Albanian status of goods not being moved under transit procedure by means of official or private-sector data processing systems, if necessary on plain paper, on conditions laid down by the General Directorate of Customs;

g) provision by specific rule to the effect that where a computerised declaration-processing-system is used, the declaration, within the meaning of paragraph 1, may take the form of the Single Administrative Document printed out by that system.

130.4 When formalities are completed using public or private computers, which also print out the declarations, the customs authorities may provide that:

a) the hand-written signature may be replaced by another identification technique which may be based on the use of codes and having the same legal consequences as a hand-written signature. This facility shall only be granted if the technical and administrative conditions laid down by the competent authorities are complied with;

b) the declarations thus produced may be directly authenticated by those systems, in place if the manual or mechanical application of the customs office stamp and the signature of the competent official.

130.5 Where in the legislation in force, reference is made to an export, re-export or import declaration or a declaration for placing goods under another customs procedure, the customs authorities may not require any administrative documents other than those which are:

a) expressly created by Albanian legislation or provided by such legislation;

b) required under the terms of international conventions;

c) required from operators to enable them to qualify, at their request, for an advantage or specific facility;

d) required, for the implementation of specific regulations which cannot be implemented solely by the use of the document referred to in paragraph 1.

131. Without prejudice to Point 130(3), the customs administration may for the purpose of completing export or import formalities, dispense with the production of one or more copies of the Single Administrative Document intended for use by the public authorities, provided that the information in question is available on other media.

132.1 The Single Administrative document shall be presented in subsets containing the number of copies required for the completion of formalities relating to the customs procedure under which the goods are to be placed.

132.2 Where the transit procedure is preceded or followed by another customs procedure, a subset containing the number of copies required for the completion of formalities relating to the transit procedure and the preceding or following procedure may be presented.

132.3 The subsets referred to in paragraph 1 and 2 shall be taken from a set of eight copies, in accordance with the specimen contained in Annex 9;

132.4 Without prejudice to Points 130(3), 147 to 149, the declaration forms may be supplemented, where appropriate, by one or more continuation forms presented in subsets containing the declaration copies needed to complete the formalities relating to the customs procedure under which the goods are to be placed. Those copies needed in order to complete the formalities relating to preceding or subsequent customs procedures may be attached where appropriate. The continuation subsets shall be taken from a set of eight copies, in accordance with the specimen contained in Annex 10. The continuation forms shall be an integral part of the Single Administrative Document to which they relate.

132.5 By way of derogation from paragraph 4, the customs authorities may provide that continuation forms shall not be used where a computerised system is used to produce such declarations.

133.1 Where Point 132 (2) is applied, each party involved shall be liable only as regards the particulars relating to the procedure for which he applied as declarant, principal or as the representative of one of these.

133.2 For the purposes of paragraph 1, where the declarant uses a Single Administrative Document issued during the preceding customs procedure, he shall be required prior to lodging his declaration, to verify the accuracy of existing particulars for the boxes for which he is responsible and their applicability to the goods in question and the procedure applied for, and to supplement them as necessary. In the cases referred to in the first sentence, the declarant shall immediately inform the customs office where the declaration is lodged of any discrepancy found between the goods in question and the existing particulars. In this case the declarant shall then draw up his declaration on fresh copies of the Single Administrative Document.

134. Where the Single Administrative Document is used to cover several successive customs procedures, the customs authorities shall satisfy themselves that the particulars given in the declarations relating to the various procedures in question all agree.

135.1 The declaration must be drawn in Albanian, except when the declaration is made under the terms of international conventions.

135.2 In the latter cases, the Albanian customs authorities may require from the declarant or his representative a translation of the declaration into Albanian.

136.1 The Single Administrative Document must be completed in accordance with the explanatory note in Annex 12.

136.2 The customs authorities shall ensure that users have ready access to copies of the explanatory note referred to in paragraph 1.

137. The codes to be used in completing the forms referred to in Point 130(1) are listed in Annex 13.

138.1 In cases where the rules require supplementary copies of the form referred to in Point 130(1), the declarant may use additional sheets or photocopies of the said form for this purpose.

138.2 Such additional sheets or photocopies must be signed by the declarant, presented to the customs authorities and endorsed by the latter under the same conditions as the Single Administrative Document. They shall be accepted by the customs authorities as if their quality and legibility are considered satisfactory by the said authorities.

139.1 The forms referred to in Point 130(1) shall be printed on self-copying paper, dressed for writing purposes and weighing at least 40 g/m^2. The paper must be sufficiently opaque for the information on one side not to affect the legibility of the information on the other side and its strength should be such that in normal use it does not easily tear or crease.

139.2 The paper shall be white for all copies. However, on the copies used for transit (1, 4, 5 and 7), boxes 1 (first and third subdivisions), 2, 3, 4, 5, 6, 8, 15, 17, 18, 19, 21, 25, 27, 31, 32, 33 (first subdivision on the left), 35, 38, 40, 44, 50, 51, 52, 53, 55 and 56 shall have a green background.

139.3 The form shall be printed in green ink.

139.4 The boxes are based on a unit of measurement of one tenth of an inch horizontally and one sixth of an inch vertically. The subdivisions are based on a unit of measurement of one-tenth of an inch horizontally.

139.5 A colour marking of the different copies shall be effected in the following manner:

a) on forms conforming to the specimens shown in Annexes 9 and 10:
   - i) copies 1, 2, 3 and 5 shall have at the right hand edge a continuous margin, coloured respectively red, green, yellow and blue.
   - ii) copies 4, 6, 7 and 8 shall have at the right hand edge a broken margin coloured respectively blue, red, green and yellow;

139.6 The width of these margins shall be approximately 3 mm. The broken margin shall comprise a series of squares with a side measurement of 3 mm each one separated by 3 mm.

139.7 The copies on which the particulars contained in the forms shown in Annexes 9 and 10 must appear by a self-copying process are shown in Annex 11.

139.8 The forms shall measure 210 x 297 mm with a maximum tolerance as to length of 5 mm less and 8 mm more.

139.9 The form must show the name and address of the printer or a mark enabling the printer to be identified. The printing of Single Administrative Documents is subject to prior technical approval of the forms by the General Directorate of Customs.

Section 3
Particulars required according to the customs procedure concerned

140. The list of boxes to be used for declarations of entry for a particular customs procedure using the Single Administrative Document is contained in Annex 12.

141. The particulars required when one of the forms referred to in Point 130 (2) is used, depend on the form in question. They shall be supplemented where appropriate by the provisions relating to the customs procedure in question.

Section 4
Documents to accompany the customs declaration

142.1 The following documents shall accompany the customs declaration for release for free circulation:

a) the invoice on the basis of which the customs value of the goods is declared, as required under Point 80;

b) the documents required for the application of preferential tariff arrangements or other measures derogating from the legal rules applicable to the goods declared;

c) all other documents required for the application of the provisions governing the release for free circulation of the goods declared.

142.2 The customs authorities may require transport documents or documents relating to the previous customs procedure, as appropriate, to be produced when the declaration is lodged.

142.3 Where a single item is presented in two or more packages, they may also require the production of a packing list or equivalent document indicating the contents of each package.

142.4 However, where goods qualify for duties under Article 104 of the Code, the documents referred to in paragraph 1 (c) need not to be required.

142.5 In addition, where goods qualify for relief from import duty, the documents referred to in paragraph 1 (a) and (c) need not to be required unless the customs authorities consider it necessary for the purpose of applying the provisions governing the release of the goods in question for free circulation.

143.1 To satisfy the information provided in a customs declaration the invoice required by Point 142(1)(a) should contain the following information, unless the customs authorities consider having regard to the circumstances, that some information can be omitted:

a) name and address of the seller,

b) name and address of the buyer

c) date of issue

d) number of packages, their nature and the marks and number they bear,

e) gross weight

f) type of goods and quantity and price for each type of goods,

g) eventual discounts and type of discount, and conditions of delivery.

143.2 If information concerning packages is not shown in the invoice a packing list should be attached to the invoice.

143.3 The customs authorities may, if needed, ask for a written translation to the Albanian language for information provided in the invoice.

144.1 The transit declaration shall be accompanied by the transport document. The office of departure may dispense with the presentation of this document at the time of completion of the formalities. However, the transport document shall be presented at the request of the customs office or any other competent authority in the course of transport.

144.2 Without prejudice to any applicable simplification measures, the customs document of export/dispatch or re-exportation of the goods from the customs territory of the Republic of Albania or any document of equivalent effect shall be presented to the office of departure with the transit declaration to which it relates.

144.3 The customs authorities may, where appropriate, require production of the document relating to the preceding customs procedure.

145.1 The documents to accompany the declaration of entry for a customs procedure with economic impact, except for the outward processing procedure, shall be as follows:

a) the documents laid down in Point 142;

b) the authorisation for the customs procedure in question or a copy of the application for authorisation where the second subparagraph of Point 278(1) applies, except in cases of entry for the customs warehousing procedure or where Points 284(3) or 366(3) applies.

145.2 The documents to accompany the declaration of entry for the outward processing procedure shall be as follows:

a) the documents laid down in Point 146;

b) the authorisation for the procedure or a copy of the application for authorisation where the second subparagraph of Point 406(3) applies, except where Point 414(2) applies.

145.3 Point 142(2) shall apply to declarations of entry for any customs procedure with economic impact.

145.4 The customs authorities may allow the documents referred to paragraph 1 (b) and 2 (b) to be kept at their disposal instead of accompanying the declaration.

146.1 The export or re-export declaration shall be accompanied by all documents necessary for the correct application of export duties and of the provisions governing the export of the goods in question.

146.2 Point 142 (2) shall apply to export or re-export declarations.

Chapter II
Computerised customs declarations

147.1 The customs authorities may authorise the declarant, in accordance with Article 86 (b) in the Code, to replace all or part of the particulars of the written declaration referred to in Annex 12 by sending to the customs office designated for that purpose, with a view to their processing by computer, codified data, or data made out in any other form specified by those authorities, corresponding to the particulars required for written declarations.

147.2 The General Directorate of Customs shall determine the conditions under which the data referred to in paragraph 1 are to be sent.

148. The General Directorate of Customs may authorise the use of computers, inter alia, as follows:

a) they may stipulate that the data necessary for completing the formalities in question shall be entered in their computerised declaration-processing systems, without a written declaration being required,

b) they may provide that the declaration within the meaning of Point 130 (1) shall be constituted by entry of data in the computer if a document corresponding to a declaration is not produced.

149.1 When formalities are completed using public or private computer systems, the General Directorate of Customs shall authorise persons who so request to replace the hand-written signature with a comparable identification device, which may be based on the use of codes, and which has the same legal consequences as a hand-written signature.

149.2 The General Directorate of Customs may authorise the persons concerned to make out and transmit by computer in whole or in part the supporting documents referred to in Points 142 to 146.

149.3 The facilities referred to in paragraph 1 and 2 shall be granted only if the technical and administrative conditions laid down by the General Directorate of Customs are met.

Chapter III
Customs declarations made orally or by any other act

Section 1
Oral declarations

150. Customs declarations may be made orally for the release for free circulation of the following goods:

a) goods of a non-commercial nature:

i) contained in traveller's personal luggage, or
ii) sent to private individuals, or
iii) in other cases, when the value of the consignment is less than 5000 LEK and the goods are allowed to enter without restrictions, where this is authorised by the customs authorities;

b) goods of commercial nature provided:
i) the total value per consignment and per declarant does not exceed 2000 LEK,
ii) the consignment is not part of a regular series of similar consignments, and
iii) the goods are not being carried by an independent carrier as a part of a larger freight movement;

c) the goods referred to in Point 145, where these qualify for relief as returned goods;

d) the goods referred to in Point 155(b) and (c).

151. Customs declarations may be made orally for the export of:

a) goods of a non-commercial nature:
i) contained in traveller's personal luggage, or
ii) sent by private individuals;

b) the goods referred to in Point 150 (b);

c) the goods referred to in Point 156(b) and (c);

d) other goods in cases of negligible economic importance, where this is authorised by the customs authorities.

152.1 Points 150 and 151 shall not apply where the person clearing the goods is acting on behalf of another person in his capacity as customs agent.

152.2 Where the customs authorities are not satisfied that the particulars declared are accurate or that they are complete, they shall require a written declaration.

153. Where goods declared to customs orally in accordance with Point 150 and 151 are subject to import or export duty the customs authorities shall issue a receipt to the person concerned against payment of the duty owing.

154.1 Customs declarations may be made orally for the temporary importation of the following goods, in accordance with the conditions laid down by the General Directorate of Customs:

a) i) animals and equipment listed in Point 356,
ii) packings listed in Point 349,
iii) radio and television production and broadcasting equipment and vehicles specially adapted for use for the above purpose and their equipment imported by public or private organisations established outside the customs territory of the Republic of Albania and approved by the customs authorities issuing the authorisation for the procedure to import such equipment and vehicles,
iv) instruments and apparatus necessary for doctors to provide assistance for patients awaiting an organ transplant pursuant to Point 342(2)(c);

b) the goods referred to in Point 157;
c) other goods, where this is authorised by the customs authorities.

154.2 The goods referred to in paragraph 1 may also be the subject of an oral declaration for re-exportation discharging a temporary importation procedure.

Section 2
Customs declarations made by any other act

155. The following, where not expressly declared to customs, shall be considered to have been declared for release for free circulation by the act referred to in Point 158:

a) goods of a non-commercial nature contained in traveller's personal luggage entitled to relief as duty free import or as returned goods;

b) means of transport entitled to relief as returned goods;

c) goods imported in the context of traffic of negligible importance and exempted from the requirements to be conveyed to a customs office in accordance with Article 42 (3) of the Code, provided they are not subject to import duty.

156. The following, where not expressly declared to customs, shall be considered to have been declared for export by the act referred to in Point 158(b):

a) goods of a non-commercial nature not liable for export duty contained in traveller's personal luggage;

b) means of transport registered in the Republic of Albania and intended to be re-imported;

c) other goods in cases of negligible economic importance, where this is authorised by the customs authorities.

157.1 The following, where not declared to customs in writing or orally, shall be considered to have been declared for temporary importation by the act referred to in Point 158, in accordance with Points 368 and 394:

a) traveller's personal effects and goods imported for sport purposes listed in Point 354;

b) the means of transport listed in Points 383 to 390.

157.2 Where they are not declared to customs in writing or orally, the goods referred to in paragraph 1 shall be considered to have been declared for re-exportation discharging the temporary importation procedure by the act referred to in Point 158.

158. For the purpose of Point 155-157, the act which is considered to be a customs declaration may take the following forms:

a) in the case of goods conveyed to a customs office or to any other place designated or approved in accordance with Article 42 (1) a of the Code:
   i) going through the green or *"nothing to declare"* channel in the customs office where the two-channel system is in operation,
   ii) going through a customs office which does not operate the two-channel system without spontaneously making a customs declaration;

b) in the case of exemption from the obligation to convey goods to customs in accordance with the provisions implementing Article 42 (3) of the Code, in the case of export in accordance with Point 156 and in the case of re-exportation in accordance with Point 157 (2):
   i) the sole act of crossing the frontier of the customs territory of Albania.

159.1 Where the conditions of Points 155-157 are fulfilled, the goods shall be considered to have been presented to customs within the meaning of Article 88 of the Code, the declaration to have been accepted and release to have been granted, at the time when the act referred to in Point 158 is carried out.

159.2 Where a check reveals that the act referred to in Point 158 has been carried out but the goods imported or taken out do not fulfil the conditions in Points 155 to 157, the goods concerned shall be considered to have been imported or exported unlawfully.

Section 3
Provisions common to Sections 1 and 2

160. The provisions in Points 150 to 157 shall not apply to goods in respect of which the payment of refunds or other amounts or the repayment of duties is sought, or which are subject to a prohibition or restriction or to any other special formality.

161. For the purpose of Sections 1 and 2, the following definition shall apply:
"Traveller" means: The person mentioned in Article 63 of the Code.

PART II
CUSTOMS-APPROVED TREATMENT OR USE

Title 1
Release for free circulation

Chapter I
General provisions

162.1 Where Albanian goods are exported under an ATA carnet, when imported again those goods may be released for free circulation on the basis of the ATA carnet.

162.2 In this case, the office where the goods are released for free circulation shall carry out the following formalities:

a) verify the information given in boxes A to G of the re-importation voucher;

b) complete the counterfoil and box H of the re-importation sheet;

c) retain the re-importation voucher.

Chapter II
Favourable tariff treatment by reason of the nature of goods and by reason of their end use

Section 1
General provisions

163. In accordance with Title II, Chapter I, Article 28 (7) of the Code this chapter will lay down provisions in the implementing of the favourable tariff treatment procedures.

Section 2
Favourable tariff treatment by reason of the nature of goods

Subsection 1
Goods subject to the condition that they be denatured

164. Classification under the tariff subheadings listed in column 2 of the table in Annex 14 of the goods listed against each subheading in column 3 shall be subject to the condition that the goods are denatured so as to make them unfit for human consumption, by means of one of the denaturants referred to in column 4 used in the quantities indicated in column 5.

165. Denaturing shall be carried out in such a way as to ensure that the product to be denatured and the denaturant are homogeneously mixed and cannot be separated again in a manner which is economically viable.

Subsection 2
Conditions for tariff classification of certain types of seed

166. Classification under the tariff subheadings listed in column 2 of Annex 15 of the goods listed against each subheading in column 3 shall be subject to the conditions laid down in Point 167.

167. Seed potatoes, sweet corn, spelt, hybrid maize, rice, sorghum hybrid, oil seeds and oleaginous fruits shall not be entered in the subheadings indicated in Point 166 unless the person concerned establishes to the satisfaction of the competent customs authorities of the Republic of Albania that they are actually intended for sowing.

Subsection 3
Conditions for tariff classification of bolting cloth as piece goods

168. The tariff classification of bolting cloth, not made up, falling within CN code 5911 20 00 shall be subject to the condition that it is marked as indicated below. A mark consisting of a rectangle and its diagonals must be reproduced at regular intervals along both edges of the fabric without encroaching on the selvedges, in such a way that the distance between two consecutive marks, measured between the adjacent ends of the rectangles, is not more than one metre and that the marks on one edge are staggered so as to be half way between those on the other edge (the centre of each mark must be equidistant from the centre of the two nearest marks on the opposite edge). Each mark is to be so positioned that the long sides of the rectangle are parallel to the warp of the fabric (see sketch in Annex 16). The thickness of the lines forming the sides of the rectangle must be 5 mm, and that of the diagonals 7 mm. The rectangle from the outer edge of the lines must be at least 8 cm in length and 5 cm in width. The marks must be printed in a single colour contrasting with the colour of the fabric and must be indelible.

Section 3
Admission of goods with favourable tariff treatment by reason of their end-use

169.1 The admission of goods entered for free circulation with favourable tariff treatment by reason of their end-use shall be subject to the granting of written authorisation to the person importing the goods or having them imported for free circulation. Articles 109 and 110 of the Code shall apply *“mutatis mutandis”*.

169.2 The said authorisation shall be issued at the written request of the person concerned by the General Directorate of Customs.

169.3 The request shall contain inter alia the following information:

a) name and address of the applicant;

b) a brief description of the plant to be used for the proposed treatment;

c) the nature of the proposed treatment;

d) the type and quantity of goods to be used; and

e) when applicable, the type, quantity and tariff description of the goods obtained. The person concerned shall enable the customs authorities to trace the goods to their satisfaction in the establishment or establishments of the undertaking throughout their processing.

170.1 The customs authorities may limit the period of validity of the authorisation referred to in Point 169.

170.2 Where an authorisation is revoked the holder shall immediately pay import duties, established in accordance with Article 223 of the Code, in respect of those goods which have not already been assigned to the prescribed end-use.

171. The holder of the authorisation shall be obliged:

a) to assign the goods to the prescribed end-use;

b) to keep records enabling the customs authorities to carry out any checks which they consider necessary to ensure that the goods are actually put to the prescribed end-use, and to retain such records.

172.1 All the goods shall be assigned to the prescribed end-use within one year of the date on which the declaration for free circulation was accepted by the customs authorities.

172.2 The period laid down in paragraph 1 may be extended by the General Directorate of Customs if the goods have not been assigned to the prescribed end-use on account either of unforeseeable circumstances or force majeure or of exigencies inherent in the working or processing of the goods.

173.1 Goods shall be considered to have been assigned to the end-use in question:

a) in the case of goods which can be used only once, when all the goods have been assigned to the prescribed end-use in accordance with the time limits laid down;

b) in the case of goods which may be put to repeated use, two years after they are first assigned to the prescribed use; the date of such first assignment shall be entered in the records referred to in Point 171(b).

173.2 Waste and scrap which result from the working or processing of the goods and losses due to natural wastage shall be considered as goods having been assigned to the end-use.

174. In cases of necessity duly substantiated by the holder of the authorisation, the customs authorities may allow the goods referred to in this Section to be stored with goods of the same type and quality having the same technical and physical characteristics. Where goods are stored in this way this Section shall apply to a quantity of goods equivalent to that released for free circulation under this Section.

175.1 The customs authorities shall not approve the use of the goods otherwise than as provided for by the favourable tariff treatment referred to in Point 169 unless the holder of the authorisation can

establish to their satisfaction that it has been impossible for reasons relating to his circumstances or to the goods themselves for the goods to be put to the prescribed end-use.

175.2 The approval referred to in the preceding paragraphs shall be conditional on the holder of the authorisation paying the amount of import duties established in accordance with Article 223 of the Code.

176. The customs authorities shall not approve the export of the goods from the customs territory of the Republic of Albania or the destruction of the goods under customs supervision unless the holder of the authorisation can establish to their satisfaction that it has been impossible for reasons relating to his circumstances or to the goods themselves for the goods to be put to the prescribed end-use. Where export of the goods from the customs territory of the Republic of Albania is approved, the goods shall be considered as non-Albanian goods from the time of acceptance of the export declaration.

Section 4
Common provisions

177. Where the import duty applicable under the favourable tariff treatment by reason of the nature of goods or end-use arrangements to goods for a specific end-use is not lower than that which would otherwise be applicable to the goods, the said goods shall be classified in the CN code referring to the end-use and this Chapter shall not apply.

178. Favourable tariff treatment by reason of the nature of goods and by reasons of their end use for other goods than those mentioned in this Chapter may be granted in provisions laid down by the Minister of Finance.

179. The General Directorate of Customs may lay down guidelines in the practical application of the favourable tariff treatment procedures.

Chapter III
Management of tariff measures

Management of tariff quotas designed to be used following the chronological order of dates of customs declarations

180.1 Save as otherwise provided, where tariff quotas are opened by an Albanian provision, those tariff quotas shall be managed in accordance with the chronological order of dates of acceptance of declarations for release for free circulation.

180.2 Where a declaration for release for free circulation incorporating a valid request by the declarant to benefit from a tariff quota is accepted, the customs authorities concerned shall draw from the tariff quota, through the General Directorate of Customs, a quantity corresponding to its needs.

180.3 The customs authorities shall not present any request for drawing until all documents have been presented to the customs authorities on which the granting of the reduced or zero rate is conditional.

180.4 Subject to paragraph 8, allocations shall be granted by the General Directorate of Customs on the basis of the date of acceptance of the relevant declaration for release for free circulation, and to the extent that the balance of the relevant tariff quota so permits. Priority shall be established in accordance with the chronological order of these dates.

180.5 The customs authorities shall communicate to the General Directorate of Customs all valid requests for drawing without delay. Those communications shall include the date referred to in paragraph 4, and the exact amount applied for on the relevant customs declaration.

180.6 For the purposes of paragraphs 4 and 5, the General Directorate of Customs shall fix order numbers where none are provided by the Albanian provision opening the tariff quota.

180.7 If the quantities requested for drawing from a tariff quota are greater than the balance available, allocation shall be made on a pro rata basis with respect to the requested quantities.

180.8 For the purposes of this Point, acceptance of a declaration by the customs authorities on 1, 2 or 3 January shall be regarded as acceptance on 3 January. However, if one of those days falls on a Saturday or a Sunday, such acceptance shall be regarded as having taken place on 4 January.

180.9 Where a new tariff quota is opened, drawings shall not be granted by the General Directorate of Customs before the 11th working day following the date of publication of the provision which created that tariff quota.

180.10 Customs authorities shall immediately return to the General Directorate of Customs the amount of drawings which they do not use. However, where an erroneous drawing representing a customs debt of 2000 LEK or less is discovered after the first month following the end of the period of validity of the tariff quota concerned, customs authorities needs not make a return.

180.11 If the customs authorities invalidate a declaration for release for free circulation in respect of goods which are the subject of a request for benefit of a tariff quota, the complete request shall be cancelled in respect of those goods. The customs authorities concerned shall immediately return to the General Directorate of Customs any quantity drawn, in respect of those goods, from the tariff quota.

181.1 The General Directorate of Customs shall make an allocation each working day, except:

- days which are holidays for the General Directorate of Customs, or
- in exceptional circumstances, any other day, upon decision by the Director General of Customs.

181.2 Subject to Point 180(8), any allocation shall take into account all unanswered requests which relate to declarations for release for free circulation accepted up to and including the second previous day, and which have been communicated to the General Directorate of Customs.

Title 2
Transit

182. In accordance to Title IV, Chapter II, Section 3 B of the Code this chapter will lay down provisions in the implementing of the transit procedure.

183.1 In accordance with Article 114 (1) (b) of the Code, Albanian goods shall move under the transit procedure in the following situations:

i) when a repayment or remission of import duties is conditional on their being re-exported from the customs territory of the Republic of Albania or placed in a customs warehouse, free zone or free warehouse or under any customs procedure other than release for free circulation, or

ii) when they have been released for free circulation under the inward processing procedure, drawback system, with a view to their later export in the form of compensating products and for which an application for repayment may be presented

in accordance with Article 149 of the Code, and the person concerned have the intention of submitting such an application,

183.2 Goods referred to in paragraph 1 which have not left the customs territory of the Republic of Albania shall be treated as Albanian goods provided it is certified that the export declaration and other customs formalities requiring the goods to leave the said customs territory, and any effects of those formalities have been cancelled.

184.1 All goods which are to move under the transit procedure shall be the subject of a T1 declaration in accordance with this Section. A T1 declaration means a declaration on a form corresponding to the specimens in Annexes 9 and 10 and used in accordance with the notes referred to in Annexes 12 and 13.

184.2 Loading lists based on the specimen in Annex 17 may be used in accordance with this implementing provisions as the descriptive part of transit declarations. Such use shall in no way affect obligations in respect of any formalities attaching to a dispatch/export procedure, or in respect of the forms used for such formalities.

185. The loading list shall include:

a) the heading “Loading List”;

b) a box measuring 70 x 55 mm, divided into a top part measuring 70 x 15 mm for the insertion of the symbol “T” followed by one of the endorsements “T1” or “T1 bis” and a lower part measuring 70 x 40 mm for official use;

c) columns, in the following order and headed as shown:
   i) serial No,
   ii) marks, numbers, number and kind of package; description of goods,
   iii) country of dispatch/export,
   iv) gross mass (in kilograms),
   v) for official use only.

d) The width of the columns may be adapted as necessary. However, the width of the column headed “For official use only” shall be not less than 30 mm. Spaces other than those referred to under (a), (b) and (c) above, may also be used.

186.1 Only the front of the forms may be used as a loading list.

186.2 Each item shown on a loading list shall be preceded by a serial number.

186.3 Each item shall be followed, where appropriate, by any special reference required by Albanian legislation, documents produced, and certificates and authorisations.

186.4 A horizontal line shall be drawn after the last entry and the remaining unused spaces barred so that any subsequent addition is impossible.

187.1 The customs authorities may allow the use as loading lists which do not comply with all the requirements. However, the size and the space used for customs authorities must not be changed.
Use of such lists shall be allowed only where:

a) they are produced by firms whose records are based on an integrated electronic or automatic data processing system;

b) they are designed and completed in such a way that they can be used without difficulty by the customs authorities;

c) they include for each item, the number, kind and marks and numbers of packages, the description of the goods, the country of dispatch/export and the gross mass in kilograms.

187.2 The customs authorities may allow firms whose records are based on an electronic or automatic data-processing system, and which are already allowed under paragraphs 1 and 2 to use loading lists of a special type, to use such lists for transit operations involving only one type of goods where this facility is made necessary by the computer programs of the firms concerned.

188.1 Where the principal uses loading lists for a consignment comprising two or more types of goods, boxes 15 “Country of dispatch/export”, 33 “Commodity code”, 35 “Gross mass (kg)”, 38 “Net mass (kg)” and, where necessary, 44 “Additional information, documents produced, certificates and authorisations” of the form shall be barred and box 31 “Packages and description of goods” of that form shall not be used to show the marks and numbers, number and kind of the packages and description of goods. When loading lists are used, supplementary forms shall not be used.

188.2 The loading list shall be produced in the same number of copies as the T1 declaration to which it relates.

188.3 When the declaration is registered, the loading list must bear the same registration number as the T1 declaration to which it relates. That number must be entered either by means of a stamp incorporating the name of the office of departure or by hand. In the latter case it must be accompanied by the official stamp of the office of departure. The signature of an official of the office of departure shall be optional.

188.4 Where two or more loading lists accompany a single T1 declaration, each number must bear a serial number allotted by the principal: the number of loading lists shall be shown in box 4 *“Loading lists”* of the T1 declaration.

188.5 A declaration on a single administrative document form bearing the symbol “T1” in the right-hand subdivision of box 1 and accompanied by one or more loading lists shall be treated as a transit declaration.

189.1 Where goods have to move under the transit procedure, the principal shall enter the symbol “T1” in the right-hand subdivision of box 1 of the form used. Where supplementary forms are used, the principal shall enter the symbol “T1 bis” in the right-hand subdivision of box 1 of the supplementary forms used.

189.2 The T1 declaration shall be signed by the principal and copy 1, 4, 5 and 7 thereof shall be produced at the office of departure.

189.3 Where the transit procedure succeeds another customs procedure, reference shall be made on the T1 declaration to that procedure or to the corresponding customs documents.

190.1 The same means of transport may be used for the loading of goods at more than one office of departure and for unloading at more than one office of destination.

190.2 Each T1 declaration shall include only the goods loaded or to be loaded on a single means of transport for carriage from one office of departure to one office of destination. For the purposes of the first sentence, the following shall be regarded as constituting a single means of transport, on condition that the goods transported are to be dispatched together:

a) a road vehicle accompanied by its trailer(s) or semi-trailer(s);

b) a line of coupled railway carriages or wagons;

c) boats constituting a single chain;

d) containers loaded on a means of transport within the meaning of this Point.

191.1 The office of departure shall accept and register the T1 declaration, prescribe the period within which the goods must be presented at the office of destination and take such measures for identification as it considers necessary.

191.2 The office of departure shall enter the necessary particulars on the T1 declaration, retain its copy 1 and return the others copies to the principal or his representative.

191.3 Means of transport under transit procedure are not allowed to depart from customs office of departure without authorisation from the customs authorities.

191.4 In cases where the goods considered for transit presents an increased risk of fraud, or whenever the customs authorities consider it necessary, the office of departure may prescribe an itinerary for the consignment. The itinerary shall be changed, upon application by the principal, only by the customs authorities of the office of departure and the application must be lodged within the prescribed time limit. The customs authorities shall take the necessary measures to deal with any offence or irregularity and to impose effective penalties in accordance with Article 260 of the Code.

191.5 In the case of force majeure the carrier may diverge from the prescribed itinerary. The consignment and the T1 document shall be presented without delay to the nearest customs authorities. The customs authorities shall inform without delay the office of departure of the diversion and record the relevant details on the T1 document.

192.1 As a general rule, identification of the goods shall be ensured by sealing.

192.2 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 office of departure as suitable for sealing;

b) each individual package, in other cases.

192.3 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.

192.4 The office of departure may dispense with sealing if, having regard to other possible measures for identification, the description of the goods in the T1 document or in the supplementary documents make them readily identifiable.

193. The General Directorate of Customs may decide that transit with trucks, trailers or containers is only allowed if they are approved for international carriage of goods under customs seal and are in good condition.

194.1 The goods shall be transported under cover of copy 4, 5 and 7 of the T1 document returned to the principal or his representative by the office of departure.

194.2 The master or driver on means of transport under transit procedure must at all time carry the those copies of the T1 document and present it at request from customs authorities or any other public authority in accordance with Albanian legislation.

195. Where goods are loaded or unloaded in the presence of intermediate customs authorities the copies of the T1 document shall be presented to those authorities.

196. The goods described on a T1 document may be transferred to another means of transport under the supervision of the customs authorities in the territory of which the transfer is to be made, without the need for a new declaration. In that case, the competent authorities shall record the relevant details on the T1 document.

197.1 If seals are broken in the course of the transport operation for reasons beyond the carrier's control, the carrier shall without delay request that a certified report be drawn up by the nearest customs authorities without prejudice to the institutions of criminal proceedings in Article 280 of the Code. The customs authority concerned shall, if possible, affix new seals.

197.2 In the event of an accident necessitating transfer to another means of transport, it must be done under the supervision of the customs authorities in the territory of which the transfer is to be made.

197.3 In the event of imminent danger necessitating immediate unloading of the whole or part of the load, the carrier may take action on his own initiative. He shall record such action on the T1 document. Paragraph 1 shall apply in such a case.

197.4 If, as a result of accidents or other incidents arising in the course of the transport operation, the carrier is not in a position to comply with the prescribed period within which the goods must be presented at the office of destination, he shall inform the customs authority referred to in paragraph 1 as soon as possible. That authority shall then record the relevant details on the T1 document.

198.1 The goods and the T1 document shall be presented at the office of destination.

198.2 Masters and drivers on means of transport under transit procedure shall without delay present the transit declaration together with the goods at the customs office of destination. He is not allowed make any stops during the transit procedure, except what is necessary for safety reasons or approved by customs authorities or due to requests from any public authority in accordance with Albanian legislation.

198.3 The office of destination shall record on copy 4 and 5 of the T1 document the details of controls carried out and shall without delay send copy 5 to the office of departure within 10 days and retain the other copy.

198.4 Whenever the customs authorities consider it necessary, the office of destination may be changed, upon application by the principal, only by the office of departure. The customs authorities shall, in such cases, record the relevant details on all copies of the T1 document.

198.5 The time limit prescribed by the office of departure within which the goods must be produced to the office of destination are not allowed to be changed by the office of destination.

198.6 Where the goods are presented at the office of destination after expiry of the time limit prescribed by the office of departure and the failure to comply with the time limit is due to circumstances which are explained to the satisfaction of the office of destination and are not attributable to the carrier or the principal, the latter shall be deemed to have complied with the time limit prescribed.

199.1 The person presenting a transit document to the office of destination together with the consignment to which that document relates are entitled to obtain a receipt on request.

199.2 The form for the receipt certifying that a transit document and the relevant consignment have been presented at the office of destination shall conform to the specimen in Annex 18. However, the receipt in respect of the transit document may be made out on the specimen on the back of the copy 5 of the T1 declaration.

199.3 The receipt shall be completed in advance by the person concerned. It may contain other particulars relating to the consignment, except in the space reserved for the office of destination, but the endorsement by the office of destination shall be valid only in respect of the particulars contained in that space.

200.1 The guarantee referred to in Article 117 (1) of the Code shall be valid throughout the Republic of Albania.

200.2 The guarantee may be comprehensive, covering a number of transit operations, or individual, covering a single transit operation.

200.3 The guarantee shall consist of the joint and several guarantee of any natural or legal third person fulfilling the conditions referred to in Article 210 of the Code or be a cash deposit lodged at the office of departure. The office of departure may allow a cash deposit to be lodged at any other customs office, when circumstances so warrant.

200.4 The guarantee document referred to in paragraph 3 shall conform to the specimen contained in:

a) Annex 19, in the case of a comprehensive guarantee,

b) Annex 20, in the case of an individual guarantee.

200.5 Where the provisions laid down by Albanian law, regulation or administrative action or common practice so require, the customs authorities may allow the guarantee to be in a different form, on condition that it has the same legal effects as the specimen document.

201.1 The use of the comprehensive guarantee shall be granted only to persons:
a) who are established in the Republic of Albania;

b) who have been regular users, either as principals or as consignors, of the transit system during the previous six months or are known by the customs authorities to have a good financial standing which is sufficient to fulfil their commitments; and

c) who have not committed any serious or repeated infringement of customs or tax laws.

201.2 A comprehensive guarantee shall be lodged with an office of guarantee.

201.3 Office of guarantee shall be the General Directorate of Customs.

201.4 The office of guarantee shall determine the amount of the guarantee, accept the guarantor's undertaking and issue an authorisation allowing the principal to carry out, within the limits of the amounts guaranteed, any transit operation irrespective of the office of departure.

201.5 Each person who has obtained authorisation shall, be issued with one or more guarantee certificates made out on a form conforming to the specimen contained in Annex 21.

201.6 Reference to the guarantee certificate shall be made on each T1 document.

201.7 The office of guarantee shall revoke the authorisation for the use of the comprehensive guarantee if the conditions referred to in paragraph 1 no longer obtain.

202.1 The amount of the comprehensive guarantee is fixed at 100 % of the duties and other charges payable, with a minimum of LEK 1.500.000, under the provisions of paragraph 4, except in the cases referred to in paragraph 2.

202.2 The customs authority may fix the amount of the comprehensive guarantee to at least 30% of the duties and other charges payable, with a minimum of LEK 1.500.000, under the provisions of paragraph 4, as long as:

a) the operator has during the period of two years regularly carried out transit operations under the comprehensive guarantee system,

b) he has not committed any serious breaches of his obligations during that period,

c) that reduced guarantee covers at least the amount of the customs duty,

d) the goods are not listed in Annex 22 and are not excluded from the comprehensive guarantee.

202.3 The exception provided for in paragraph 2 shall not apply if the conditions referred to therein no longer obtain.

202.4 The office of guarantee shall make an evaluation over a period of a week of:

a) consignments made;

b) the duties and other charges payable taking account of the highest level of taxation applicable.

This evaluation shall be made on the basis of the commercial and accounting documentation of the person concerned in respect of goods transported during the past year, the amount obtained then being divided by 52. In the case of applicants for the use of the comprehensive guarantee the office of guarantee shall, in collaboration with the person concerned estimate the quantity, value and taxes applicable to the goods being transported over a given period based on data already available. The

office of guarantee shall, by extrapolation, determine the likely value of and taxes on the goods to be transported during a period of one week.

202.5 The office of guarantee shall carry out an annual review of the amount of the comprehensive guarantee, in particular on the basis of information from the office of departure, and shall if appropriate adjust the amount.

203.1 Either upon initiative of the Minister of Finance or following a request of the Director General of Customs, the use of the comprehensive guarantee shall be temporarily forbidden, when it is intended to cover transit operations concerning goods which are considered to present an increased risk of fraud.

203.2 The maximum period for which use of the comprehensive guarantee shall be prohibited in respect of any goods shall be 12 months, unless the Minister of Finance decides to extend the period.

204.1 On issue of the certificate of guarantee or at any time during the validity thereof, the principal shall on his own responsibility designate on the reverse of the certificate the person or persons authorised to sign transit declarations on his behalf. The particulars shall include the surname and forename of each authorised person followed by the signature of that person. Each nomination of an authorised person shall be acknowledged by the signature of the principal. The principal shall be entitled at his discretion to cross through the unused boxes.

204.2 The principal may at any time delete the name of an authorised person from the reverse of the certificate.

205. Any person named on the reverse of a guarantee certificate presented at an office of departure shall be deemed to be the authorised representative of the principal.

206. The period of validity of a guarantee certificate shall not exceed two years. However, that period may be extended by the guarantee office for one further period not exceeding two years.

207. If the guarantee is cancelled the principal shall be responsible for returning to the guarantee office forthwith all valid guarantee certificates issued to him.

208.1 An individual guarantee furnished for a single transit operation shall be lodged at the office of departure. The office of departure shall fix the amount of the guarantee. The amount should cover all duties and other charges due on the consignment.

208.2 The guarantee referred to in paragraph 1 may be a cash deposit lodged with the office of departure. In that case, it shall be returned when the T1 document is discharged at the office of departure.

209.1 The guarantor shall be released from his obligations as provided for in Article 214 (1) of the Code and in addition he shall be released from his obligations upon expiry of a period of 12 months from the date of registration of the T1 declaration where he has not been advised by the customs office of departure of the non-discharge of the T1 document. Where, within the period provided for in the first sentence, the guarantor has been advised by the customs authorities of the non-discharge of the T1 document, he shall, in addition, be notified that he is or may be required to pay the amounts for which he is liable in respect of the transit operation in question. This notification shall reach the guarantor not later than three years after the date of registration of the T1 declaration. Where no such notification has been made before the expiry of that time limit, the guarantor shall likewise be released from his obligations.

209.2 The guarantee covering the transit operation shall not be released until the end of the aforementioned three-year period or until the duties and other charges applicable have been paid. The customs authorities shall take the necessary measures to deal with any offence or irregularity and to impose effective penalties in accordance with the Code.

210.1 For the purposes of granting the guarantee waiver for transit operations, the undertaking to be given by the person concerned in accordance with Article 118 (2) (e) of the Code shall be drawn up in accordance with the specimen shown in Annex 23.

210.2 Where the provisions laid down by Albanian law, regulation or administrative action or common practice so require, the customs authorities may have the undertaking by the person concerned drawn up in a different form, on condition that it has the same binding effects as those of the undertaking provided for in the specimen.

211.1 In accordance with Article 118 (3) of the Code, the guarantee waiver shall not apply to goods:

a) the total value of which exceeds LEK 1.000.000 per consignment; or

b) which are listed in Annex 22 as involving increased risks.

211.2 The guarantee waiver shall not apply where, the use of the comprehensive guarantee is forbidden.

212.1 Where the guarantee waiver is applied, reference to the waiver shall be made on the corresponding T1 transit declaration.

212.2 The guarantee waiver certificate shall conform to the specimen in Annex 24.

212.3 On issue of the guarantee waiver certificate or at any other time during the validity thereof, the principal shall on his own responsibility designate on the reverse of the certificate the person or persons authorised to sign transit declarations on his behalf. The particulars shall include the surname and forename of each authorised person followed by the signature of that person. Each nomination of an authorised person shall be acknowledged by the signature of the principal. The principal shall be entitled at his discretion to cross through the unused boxes. The principal may at any time delete the name of an authorised person from the reverse of the certificate.

212.4 Any person named on the reverse of a guarantee waiver certificate presented at an office of departure shall be deemed to be the authorised representative of the principal.

212.5 The period of validity of a guarantee waiver certificate shall not exceed two years. However, this period may be extended by the authorities granting the waiver for one further period not exceeding two years.

212.6 If the guarantee waiver is revoked the principal shall be responsible for returning forthwith to the General Directorate of Customs all the guarantee waiver certificates issued to him which are still valid.

213.1 Where a consignment has not been presented at the office of destination the office of departure shall notify the principal of this within 5 weeks following the date of registration of the transit declaration. However, the right to notify ceases to exist by the end of the 11th month following the date of registration of the transit declaration.

213.2 The notification referred to in paragraph 1 shall indicate, in particular, the time limit by which proof of the regularity of the transit operation must be furnished to the office of departure to the

satisfaction of the customs authorities. That time limit shall be maximum one month from the date of the notification referred to in paragraph 1. If the said proof has not been produced by the end of that period, the competent customs authorities shall take steps to recover the duties and other charges involved.

214. Proof of the regularity of a transit operation shall be furnished to the satisfaction of the customs authorities:

a) by the production of a customs document certified by the customs authorities establishing that the goods in question were presented at the office of destination. That document shall contain enough information to enable the said goods to be identified; or

b) by the production of a customs document placing the goods under a customs procedure in an other country or by a copy or photocopy thereof; such copy or photocopy must be certified as being a true copy by the authorities of the other country concerned. The document shall contain enough information to enable the goods in question to be identified.

215. The transit declarations shall be drawn up in Albanian language.

216.1 The paper used for the loading lists and receipts shall be dressed for writing purposes and weigh at least 40 g/m2; its strength shall be such that in normal use it does not easily tear or crease.

216.2 The paper used for the guarantee certificate and guarantee waiver certificate forms shall be free of mechanical pulp and weigh at least 100 g/m2. It shall have a guilloche pattern background on both sides so as to reveal any falsification by mechanical or chemical means. The said background shall be:

a) green for guarantee certificates,

b) pale blue for guarantee waiver certificates.

216.3 The paper referred to in paragraphs 1, and 2 shall be white, except for the loading lists, for which the choice of colour shall be left to the persons concerned.

217. The forms shall measure:

a) 210 x 297 mm for the loading list, a tolerance in the length of between - 5 and + 8 mm being allowed;

b) 210 x 148 mm for the guarantee certificate and the guarantee waiver certificate.

218.1 The General Directorate of Customs shall be responsible for printing or arranging the printing of the guarantee certificates and the guarantee waiver certificates. Each certificate shall bear a serial number for purposes of identification.

218.2 Forms for guarantee certificates and guarantee waiver certificates shall be completed using a typewriter or other mechanographical or similar process.

218.3 Loading lists and receipts may be completed using a typewriter or other mechanographical or similar process, or legibly by hand; in the latter case they shall be completed in ink in block letters.

218.4 Forms shall not contain any erasures or alterations. Corrections shall be made by crossing out the wrong words and adding any necessary particulars. Corrections shall be initialled by the person making them and explicitly authenticated by the customs authorities.

219. The transit procedure shall only be compulsory in respect of non Albanian goods transported by air if they are loaded or reloaded at an airport in the Republic of Albania and their destination is another airport in the Republic of Albania.

220. The transit procedure shall only be compulsory in respect of non Albanian goods transported by sea if they are loaded or transhipped at a port in the Republic of Albania and their destination is another port in the Republic of Albania.

221. The transit procedure shall not apply when goods referred to in Article 114 (1) of the Code are loaded on a vessel in a port situated in the customs territory of the Republic of Albania for export to a third country without unloading or transhipment in another port situated in the customs territory of the Republic of Albania.

222. For the purposes of using ATA carnets as transit documents, *"transit"* shall mean the transport of goods from a customs office situated in the customs territory of the Republic of Albania to another customs office situated within the same territory.

223. Where, in the course of transport from one point in the customs territory of the Republic of Albania to another, goods pass through the territory of an other country, the controls and formalities associated with the TIR or ATA procedure shall be carried out at the points where the goods temporarily leave the customs territory of the Republic of Albania and where they re-enter that territory.

224. Goods transported under cover of TIR or ATA carnets within the customs territory of the Republic of Albania shall be deemed to be non-Albanian goods, unless their Albanian status is duly established.

225.1 This Point shall apply without prejudice to the specific provisions of the TIR and ATA Conventions concerning the liability of the guaranteeing associations when a TIR or an ATA carnet is being used.

225.2 Where it is found that, in the course of or in connection with a transport operation carried out under cover of a TIR carnet or a transit operation carried out under cover of an ATA carnet, an irregularity or offence has been committed inside the Republic of Albania, the recovery of duties and other charges which may be payable shall be effected by the General Directorate of Customs, without prejudice to the institution of criminal proceedings.

225.3 Where it is not possible to determine in which territory the offence or irregularity was committed, such offence or irregularity shall be deemed to have been committed in the Republic of Albania if it was detected there unless, within the period laid down in the TIR and ATA conventions, proof of the regularity of the operation or of the place where the offence or irregularity was actually committed is furnished to the satisfaction of the customs authorities. Where no such proof is furnished and the said offence or irregularity is thus deemed to have been committed in the Republic of Albania, the duties and other charges relating to the goods concerned shall be levied by the General Directorate of Customs in accordance with the Code and its implementing provisions. The customs authorities shall take the necessary measures to deal with any offence or irregularity and to impose effective penalties in accordance with the Code.

226.1 Where an offence or irregularity is found to have been committed in the course of or in connection with a transport operation carried out under cover of a TIR carnet or a transit operation

carried out under cover of an ATA carnet, the customs authorities shall notify the holder of the TIR carnet or ATA carnet and the guaranteeing association within the period prescribed in Article 11 (1) of the TIR Convention or Article 6 (4) of the ATA Convention, as the case may be.

226.2 Proof of the regularity of the operation carried out under cover of a TIR carnet or an ATA carnet shall be furnished within the period prescribed in Article 11 (2) of the TIR Convention or Article 7 (1) and (2) of the ATA Convention, as the case may be.
226.3 The proof referred to in paragraph 2 shall be furnished to the satisfaction of the customs authorities:

a) by production of a customs document or the carnet voucher certified by the customs authorities establishing that the goods in question have been presented at the office of destination. This document must include information enabling the goods to be identified; or

b) by the production of a customs document showing entry for a customs procedure in an other country, or a copy or photocopy thereof; such copy or photocopy must be certified as a true copy either by the body which endorsed the original document, or by the authorities of the other country concerned. This document must include information enabling the goods in question to be identified; or

c) for the purposes of the ATA Convention, by the evidence referred to in Article 8 of that Convention.

227. For the purposes of Article 1 (h) of the TIR Convention, *"customs office en route"* shall mean any customs office through which a road vehicle, combination of vehicles or container, as defined in the TIR Convention, is imported into or exported from the customs territory of the Republic of Albania in the course of a TIR operation.

228. For the purposes of Article 8 (4) of the TIR Convention, where a consignment enters the customs territory of the Republic of Albania or starts from a customs office of departure situated in the customs territory of the Republic of Albania, the guaranteeing association shall become or shall be responsible to the customs authorities, up to the point at which it leave the customs territory of the Republic of Albania or up to the customs office of destination in that territory.

229. Where the General Directorate of Customs decide to exclude a person from the TIR procedure under the provisions of Article 38 of the TIR Convention, this decision shall apply throughout the customs territory of the Republic of Albania. This decision shall apply to all TIR carnets presented to a customs office for acceptance.

230.1 Where a TIR operation concerns the goods with an increased risk of fraud or where the customs authorities consider it necessary, the office of departure/office of entry may prescribe an itinerary for the consignment. The itinerary shall be changed, on application by the holder of the TIR carnet, only by the customs authorities of departure/entry. The customs authorities shall record the relevant details on the TIR carnet. The customs authorities shall take the necessary measures to deal with any offence or irregularity and to impose effective penalties in accordance with the Code.

230.2 In the case of force majeure the carrier may diverge from the prescribed itinerary. The consignment and the TIR carnet shall be presented without delay to the nearest customs authorities. The customs authorities shall inform the office of departure/office of entry without delay and record the relevant details on the TIR carnet.

231. Where the customs authorities of the Republic of Albania establish that a customs debt has been incurred, a claim shall be sent to the guaranteeing association as soon as possible. Where the

incurrence of the debt is due to the fact that the goods covered by the ATA carnet have not been re-exported or have not been assigned a customs-approved treatment or use within the periods laid down by the ATA Convention, this claim shall be sent at the earliest three months after the date of expiry of the carnet.

232.1 The amount of duties and taxes arising from the non discharge of an ATA Carnet shall be calculated by means of the model taxation form set out in Annex 25 completed in accordance with the instructions attached to it. The taxation form may be sent later than the claim, though not more than three months from the claim and in any event not more than six months from the date on which the customs authorities initiate the recovery proceedings.

232.2 The taxation form shall be completed in duplicate or triplicate, as necessary. The first copy shall be for the guaranteeing association connected with the customs authority of the Republic of Albania. The issuing customs office shall retain the second copy.

233. The General Directorate of Customs may lay down guidelines in the practical application of the transit procedure.

Title 3
Customs procedures with economic impact

Chapter I
Common provisions

234.1 In accordance with Article 108 in the Code and without prejudice to the use of a simplified authorisation procedure, an application for authorisation to use a customs procedure with economic impact, hereinafter referred to as the *"application",* shall be made out in writing. It shall conform to the appropriate model in Annexes 26 to 30. The applicant shall provide in the application all the information required, as shown in Annexes 26 to 30, including the notes. The text of the notes need not, however, be reproduced in the application. Applications shall be signed and dated. Where the General Directorate of Customs consider that the information given in the application is inadequate, it shall require the applicant to furnish additional information, or require other particulars needed for the application.

234.2 The application shall refer to and be accompanied by originals or copies of all supporting evidence or documents relating to particulars to be given in the application whose presentation is necessary for its appraisal. It may be accompanied by additional sheets where more extensive information is to be provided. All such documents, evidence or additional sheets shall constitute an integral part of the application they accompany. The number of annexes shall be indicated on the application.

234.3 All applications for legal persons must be accompanied with an authorised copy of their registration papers.

234.4 Without prejudice to the simplified application procedures, an application which does not fulfil the requirements laid down by this Point and which is not presented in accordance with the implementing provisions shall be inadmissible.

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

a) the accuracy of the information given in the declaration,

b) the authenticity of the documents accompanying it, and

c) compliance with all the obligations relating to the customs procedure applied for.

236.1 Before issuing an authorisation, the customs authorities competent to grant it shall satisfy themselves that all the conditions for granting the authorisation are fulfilled.

236.2 An authorisation shall not be granted where the application is inadmissible.

237.1 Without prejudice to the simplified authorisation procedures, an authorisation to use a customs procedure with economic impact as provided for in Article 108 of the Code, shall be made out on a model conforming to the relevant provisions in Annexes 31 to 35. It shall be signed and dated.

237.2 The applicant shall be notified that the authorisation has been issued.

237.3 Authorisations shall take effect on the date of issue. However, the General Directorate of Customs may issue a retroactive authorisation in exceptional cases.

237.4 Authorisations may cover more than one entries for the procedure concerned.

238.1 Where one of the conditions for granting the authorisation is not fulfilled, the application shall be rejected.

238.2 The decision rejecting the application shall be set out in writing and shall be communicated to the applicant, in conformity with Article 18 (3) of the Code.

239.1 The customs authorities shall keep applications and their annexes, together with any authorisation issued.

239.2 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 or, in the case of an authorisation to operate a customs warehouse or use the customs warehousing procedure, for at least three years from the end of the calendar year in which the authorisation is cancelled or withdrawn.

239.3 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.

Chapter II
Customs warehousing

240. In accordance to Title IV, Chapter II, Section 3 C of the Code this chapter will lay down provisions in the implementing of the customs warehouse procedure.

241.1 Customs warehouses in which goods are stored under the customs warehousing procedure shall be classified as follows:

a) type A: public warehouse available for use by any person for the warehousing of goods under the responsibility of the warehousekeeper,

b) type B: public warehouse available for use by any person for the warehousing of goods under the responsibility of each depositor, in accordance with Article 125 (1) of the Code, having regard to the second sub-paragraph of Article 128 of the Code,

c) type C: private warehouse reserved only for the warehousing of goods by the warehousekeeper, where the warehousekeeper is the same person as the depositor but is not necessarily the owner of the goods,

d) type E: private warehouse, reserved only for the warehousing of goods by the warehousekeeper, where the warehousekeeper is the same person as the depositor but is not necessarily the owner of the goods, under a system permitting the warehousing of goods in storage facilities belonging to the holder of the authorisation but where the goods may be placed under the customs warehousing procedure without being stored in a customs warehouse.

e) type F: public warehouse available for use by any person for the warehousing of goods operated by the customs authorities.

241.2 A location cannot be approved as more than one customs warehouse at the same time.

242.1 With the exception of type E and type F warehouses, a customs warehouse shall consist of premises approved by the General Directorate of Customs.

242.2 Where the customs authorities decide to operate a type F warehouse, they shall designate the premises or location which constitute the warehouse. The decision shall be published in the form used by the General Directorate of Customs publishing its administrative or legal instruments.

242.3 A place approved by the customs authorities as a *"temporary storage facility"* or operated by the customs authorities may also be approved as a type A, type B or type C warehouse or operated as a type F warehouse.

243. Type C warehouses may also be approved as victualling warehouses or duty free shops.

244. Where Albanian legislation provide that commercial policy measures are to apply to:

a) the release of goods for free circulation, they shall not apply when the goods are entered for the customs warehousing procedure, nor for such time as the goods remain there;

b) the introduction of goods into the customs territory of the Republic of Albania, they shall apply when non-Albanian goods are entered for the customs warehousing procedure;

c) the export of goods, they shall apply when Albanian goods are exported from the customs territory of the Republic of Albania after being entered for the customs warehousing procedure.

245. The provisions regarding authorisation shall apply to all types of warehouse except type F.

246. The application for authorisation shall be submitted, in accordance with Annex 26, to the custom office were the premises are situated or, in the case of a type E warehouse, to the customs authorities where the warehousekeeper's main accounts are kept. They shall forward the request to General Directorate of Customs together with their written opinion about granting an authorisation within two weeks from the date the application was submitted.

247.1 Authorisation may be granted only if the applicant shows that there is a real economic need for warehousing and if the warehouse is intended principally for the storage of goods; however, the goods may undergo usual forms of handling, inward processing or processing under customs control under the conditions referred to in Points 129 and 132 of the Code, provided that such operations do not predominate over the storage of the goods.

247.2 Without prejudice to warehouses type C approved as victualling warehouses or duty free shops, retail sales in the premises, storage area or any other defined location of a customs warehouse shall not be allowed.

248.1 Authorisations shall be issued by the General Directorate of Customs, except for duty free shops which are approved by the Minister of Finance in accordance with Article 199 of the Code. Authorisations shall take effect on the date of issue or on a later date if they so provide. Authorisations shall be in the form prescribed for in Annex 31.

248.2 In order to have an authorisation for customs warehouse a security must be provided. The amount of security to be lodged shall in no cases be less than 4 million Lek. No security has to be provided when the customs warehouse are of type F or managed by the state of Albania or by public bodies of Albania. The security must be lodged before an authorisation can be granted. Article 207 (2) of the Code shall apply.

248.3 The warehousekeeper must comply with all conditions and provisions stated in the authorisation regarding customs control, customs clearance, stock records and other provisions. If the warehousekeeper does not comply with all conditions in the authorisation shall render its immediate withdrawal and all goods stored there must immediately be assigned a customs approved treatment or use.

248.4 A condition shall be that the warehousekeeper must provide the customs authorities with necessary office facilities without any costs. This facilities must comply with a standard decided by the General Directorate of Customs.

248.5 A fee is due to be paid for each authorisation and the amount shall be 200.000 Lek for every period of twelve months covering the administrative expenses for the customs authorities.

248.6 Without prejudice to the rules governing annulment, revocation and amendment, authorisations shall be for an unlimited period.

248.7 Authorisations shall specify the customs office responsible for supervising the customs warehouse. In the case of a private warehouse, the authorisation may also specify the categories of goods which may be admitted to that warehouse.

248.8 Where the person concerned asks permission to present the goods or declare them for the procedure at customs offices other than the supervising office, the General Directorate of Customs may empower one or more other offices to act as office(s) of entry for the procedure.

249.1 The economic need criterion shall be held to be no longer fulfilled where the person concerned asks in writing for the authorisation to be revoked.
249.2 An authorisation may also be revoked where the General Directorate of Customs considers that the customs warehouse is not longer sufficiently used to warrant its existence.

250. For the purpose of Point 251 to 255 with *"provision"* is meant goods taken onboard ships and aircraft for use onboard or for sale to passengers and crew onboard such ships and aircraft.

251.1 Victualling warehouse means a customs warehouse type C used for storage of provisions for ships and aircraft.

251.2 Victualling warehouse is only for storage of non Albanian goods and non taxed Albanian goods used for:

a) provision or equipment of ships and aircraft in international traffic;

b) sale in duty free shops;

c) sale of non Albanian goods to persons who, enjoy such rights, privileges and immunities laid down in the Vienna convention of 1961 on Diplomatic Relations, the Vienna Convention of 24 April 1963 on Consular Relations, or the New York Convention of 16 December 1969 on Special Missions;

252. In a victualling warehouse it is allowed to store:

a) non Albanian goods of the following kind:
   i) provisions, including alcoholic and other beverages,
   ii) tobacco and tobacco products,
   iii) chocolate and other sweets,
   iv) perfumes, cosmetics and toilet waters,
   v) articles for personal use of a kind normally carried on persons, i.e. ties, scarves, watches, jewellery, pencils and cigarette lighters
   vi) goods used for equipping ships and aircraft,

b) non taxed Albanian goods of the following kind:
   i) provisions, including alcoholic and other beverages,
   ii) tobacco and tobacco products,
   iii) chocolate and other sweets,
   iv) perfumes, cosmetics and toilet waters,
   v) articles for personal use of a kind normally carried on persons, i.e. ties, scarves, watches, jewellery, pencils and cigarette lighters
   vi) goods used for equipping ships and aircraft,

253. A duty free shop means a customs warehouse type C used for storage of provisions for sale to passengers leaving the customs territory of the republic of Albania.

254. In a duty free shop it is allowed to store:

a) non Albanian goods of the following kind:
   i) alcoholic beverages, wine and beer,
   ii) tobacco and tobacco products,
   iii) chocolate and other sweets,
   iv) perfumes, cosmetics and toilet waters,
   v) articles for personal use of a kind normally carried on persons, i.e. ties, scarves, watches, jewellery, pencils and cigarette lighters;
   vi) handicrafts and souvenir items.

b) non taxed Albanian goods of the following kind:
   i) alcoholic beverages, wine and beer;
   ii) tobacco and tobacco products.
   iii) chocolate and other sweets,
   iv) perfumes, cosmetics and toilet waters,

v) articles for personal use of a kind normally carried on persons, i.e. ties, scarves, watches, jewellery, pencils and cigarette lighters;
vi) handicrafts and souvenir items.

255.1 Duty free shops may only sell goods to passengers leaving the customs territory of the Republic of Albania. Alcoholic beverages, wine and beer may only be sold to persons over the age of 18. Cigarettes only to persons over the age of 15.

255.2 In accordance with Point 156 and 158 no export declaration should be lodged for goods leaving duty free shops.

256.1 Goods to be entered for the customs warehousing procedure and the corresponding declarations of entry for the procedure must be presented at the supervising office.

256.2 Albanian goods entering a duty free shop must lodge a declaration in accordance with Point 121 to 161. The declaration must be presented at the supervising office.

256.3 Where the entry of Albanian goods into a duty free shop needs to be certified, the customs authorities supervising the duty free shop may endorse the invoice relating to the goods, upon request of the person concerned.

257. The declaration for entering the warehouse procedure shall be made in accordance with Points 121 to 161.

258. The normal declaration procedure shall also apply in respect of the transfer of goods from a location that is both temporary storage facility and customs warehouse.

259.1 In type A, type C and type E warehouses, the customs authorities shall designate the warehousekeeper to keep the stock records referred to in Article 128 of the Code. The stock records shall be made available to the supervising office to enable it to carry out any checks.

259.2 In type B customs warehouses, the supervising office shall keep the declarations of entry for the procedure in order to monitor their discharge. Stock records shall not be kept. Where the goods to which the declaration relates have not been assigned to a customs-approved treatment or use within the time limit the supervising office shall require that the goods be assigned such treatment or use or that the initial declaration of entry for the procedure be replaced by a new declaration reproducing all the particulars of the old declaration.

259.3 In a type F warehouse, the customs records shall contain all the information concerning the goods. The said records shall replace the stock records referred to in Article 128 of the Code.

260. Except in type F warehouses, the supervising office shall not keep stock records. However, for administrative purposes it may keep a register of all declarations accepted.

261.1 The stock records referred to in Article 105 of the Code shall contain all the particulars necessary for the proper application and supervision of the procedure. They shall include:

a) the information contained in boxes 1, 31, 37 and 38 of the declaration of entry for the procedure;

b) reference of the declarations by means of which the goods are assigned to a customs-approved treatment or use discharging the customs warehousing procedure;

c) the date and reference of other customs documents and all other documents relating to entry and discharge;

d) information enabling the goods to be monitored, including their location and particulars of any transfer of goods between customs warehouses;

e) information concerning the common storage of Albanian and non Albanian goods;

f) any other details which may be needed to identify the goods;

g) information concerning the usual forms of handling to which the goods are subject;

h) information concerning the temporary removal of goods from the premises of the customs warehouse.

261.2 The stock records shall at all times show the current stock of goods which are still under the customs warehousing procedure. At the times laid down by the customs authorities, the warehousekeeper shall lodge at the supervising office a list of the said stock.

261.3 Where Article 135 (2) of the Code applies, the customs value of the goods before handling shall appear in the stock records.

262.1 Goods entered for the customs warehousing procedure in a type A or type C warehouse shall be entered in the stock records in accordance with Article 130 of the Code at the time when they are physically placed in the customs warehouse, on the basis of particulars recognised or accepted by the supervising office.

262.2 Where goods are entered for the procedure in a type E warehouse, the entry in the stock records referred to in paragraph 1 shall take place at the time when they arrive at the storage facilities.

262.3 Where the customs warehouse also serves as a temporary storage facility, the entry in the stock records referred to in paragraph 1 shall take place at the time when the goods are released following the lodging of the declaration entering the goods for the customs warehousing procedure.

262.4 Particulars relating to discharge of the procedure must be entered in the stock records at the time when the goods are released following presentation of a declaration entering them for a customs approved treatment or use.

263. The usual forms of handling referred to in Article 132 (2) of the Code shall be those defined in Annex 36.

264.1 The person concerned must apply to the supervising office in writing, on a case-by-case basis, for authorisation to carry out usual forms of handling before such handling is carried out.

264.2 Applications for authorisation to carry out usual forms of handling must provide all particulars necessary. If the application is approved, the supervising office shall grant authorisation by endorsing the application to that effect and stamping it. Applications, annexes and the authorisation shall be kept by the supervising office for at least three years from the end of the year where the application was granted.

264.3 An authorisation to operate a customs warehouse indicate the usual forms of handling which are expected to be carried out under the procedure. In this case notification to the supervising office that handling is to be carried out shall replace the application.

265.1 Provided the proper conduct of operations is not thereby affected, the supervising office may allow Albanian goods and non-Albanian goods to be stored in the same storage area. However, Albanian goods of the following nature are not allowed to be stored together with non Albanian goods:

a) alcoholic beverages, wine and beer;

b) tobacco and tobacco products, except in victualling warehouses and duty free shops.

265.2 Where common storage, as referred to in paragraph 1, makes it impossible to identify at all times the customs status of each type of goods, it shall be permitted only if the goods are equivalent. Equivalent goods are those falling within the same subheading of the combined nomenclature, having the same commercial quality and the same technical characteristics.

266.1 Before temporarily removing goods from the premises of the customs warehouse, the person concerned shall apply to the supervising office in writing, on a case-by-case basis, for authorisation to do so.

266.2 Applications for authorisation to remove goods temporarily shall provide all particulars necessary for the application of the provisions governing the customs warehousing procedure. If the application is approved, the supervising office shall grant authorisation by endorsing the application to that effect and stamping it. Applications, annexes and the authorisation shall be kept by the supervising office for at least three years from the end of the year where the authorisation was granted.

266.3 Authorisations to operate customs warehouses may indicate that goods can be temporarily removed. In this case notification to the supervising office that the goods are to be temporarily removed shall replace the application.

267.1 To transfer goods between customs warehouses without termination of the customs warehousing procedure, the SAD document made according to the normal procedure, shall be used in accordance with the procedure described in Annex 37.

267.2 Responsibility for goods transferred between warehouses shall pass to the warehousekeeper of the customs warehouse in which the goods are to be placed when he receives the goods and enters them in his stock records.

267.3 When the goods to be transferred have undergone usual forms of handling and Article 135 (2) of the Code applies, the SAD document for entering the warehouse shall include the nature, customs value and quantity of the transferred goods.

267.4 Transfer without termination of the procedure is not allowed if one of the warehouses involved are a type B warehouse.

268.1 The warehousekeeper must do regular inventories of all goods stored at the warehouse. The inventories shall take place at least once every three months. The supervising office shall be present whilst the inventory is done. The written result must be forwarded to the supervising office within three days after the inventory. This point shall apply *"mutatis mutandis"* on warehouses type F managed by customs authorities.

268.2 The procedure described in paragraph 1 shall also apply to victualling warehouses and duty free shops with the exception that inventories shall take place once a month.

269.1 Where equivalent goods are stored in common, goods declared for a customs-approved treatment or use may be considered to be either Albanian or non-Albanian goods, at the choice of the person concerned. In no case may application of the first sentence result in a given customs status being assigned to a quantity of goods greater than the quantity actually having that status which is stored at the customs warehouse when the goods declared for a customs-approved treatment or use are removed.

269.2 In the event of the total destruction or irretrievable loss of goods, the portion of goods entered for the procedure which has been destroyed or lost shall be established by reference to the proportion of goods of the same type under the procedure on the premises of the customs warehouse at the time when the destruction or loss occurred, unless the warehousekeeper can produce evidence of the actual quantity of goods under the procedure which was destroyed or lost. Article 221 of the Code shall apply.

270.1 Where the customs authorities require Albanian goods which are stored on the premises of a customs warehouse to be listed in the stock records, the entry must make clear their customs status.

270.2 Without prejudice to equivalent goods, the supervising office may lay down specific methods of identifying Albanian goods, with a view in particular to distinguishing them from Non Albanian goods entered for the customs warehousing procedure stored on the same premises.

270.3 The goods referred to in paragraph 1 may be used for usual forms of handling, inward processing or processing under customs control.

271. The General Directorate of Customs may lay down guidelines in the practical application of the warehouse procedure.

Chapter III
Inward processing

Section 1
General provisions

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

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

Section 2
Grant of the authorisation

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

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

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

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

a) the indication or description of special marks or manufacturers numbers;

b) the affixing of plumbs, seals, clip-marks or other distinctive marks;

c) the taking of samples, illustrations or technical descriptions;

d) the carrying out of analyses;

e) the examination of stock records or other supporting documents relating to the transaction under consideration which show clearly that the compensating products have been manufactured from the import goods.

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

a) the processing consists of one of the following:
   i) operations carried out under a job-processing contract concluded with a person established in an other country. *"Job processing"* means any processing of import goods directly or indirectly placed at the disposal of the holder of the authorisation which is carried out according to the specifications and on behalf of a principal established outside the customs territory, generally against payment of processing costs alone;
   ii) operations involving goods of a non-commercial nature;
   iii) repairs, including overhaul and adjustments;
   iv) usual forms of handling intended to preserve goods, improve their appearance or marketable quality or prepare them for distribution or resale;
   v) operations in which the value of the goods, by eight-digit CN code, does not exceed LEK 50.000.000 (ECU 300 000) per applicant and per calendar year, irrespective of the number of operators carrying out the processing operation. The said value shall be the customs value of the goods estimated on the basis of the particulars known and the documents presented at the time when the application is lodged. This sub-point may be waived in respect of particular import goods after decision by the Minister of Finance;
   vi) processing operations carried out in a free zone or free warehouse;

b) no goods comparable to the goods to be processed are produced in the Republic of Albania; *"Comparable goods"* means goods falling within the same eight-digit CNN code, being of the same commercial quality and having the same technical characteristics, having regard to the compensating products to be obtained;

c) comparable goods as defined in paragraph (b) are not produced in the Republic of Albania in sufficient quantity;

d) comparable goods as defined in paragraph (b) cannot be made available to the applicant within a suitable time by producers established in the Republic of Albania. Such goods shall be considered unavailable within a *"suitable time"* where producers established in the Republic of Albania cannot make them available to the operator in time for the proposed commercial operation to be carried out, despite a request having been made to them in good time;

e) comparable goods as defined in paragraph (b) are produced in the Republic of Albania but cannot be used for one of the following reasons:
   i) their price would make the proposed commercial operation economically impossible, having regard to:
   ii) the price before duty of the goods for processing and the price of comparable goods produced in the Republic of Albania less domestic taxes refunded or refundable on export. Conditions of sale, in particular payment terms, and proposed delivery terms for the Albanian goods shall also be taken into account when comparing prices,
   iii) the price obtainable for the compensating products on the market of other countries;
   iv) they do not have the quality or characteristics necessary for the operator to produce the required compensating products;
   v) they do not conform to the expressly stated requirements of the person from another country purchasing the compensating products;
   vi) the compensating products must be obtained from import goods in order to comply with provisions concerning the protection of industrial and commercial property rights;

f) the applicant for an authorisation in respect of a particular type of goods to be entered for the procedure within a given period:
   i) is trying to guard against real supply problems, proven to the satisfaction of the customs authorities, for that type of goods, and the proportion of supplies of goods produced in the Republic of Albania is lower than 80% of his need;
   ii) satisfies the customs authorities that he is taking the necessary steps to obtain goods for processing in the Republic of Albania, but has met with no response from Albanian producers;

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

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

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

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

277.2 The application shall be presented to the General Directorate of Customs.
277.3 For the purposes of the second sentence of Article 138 (a) of the Code, *"imports of a non-commercial nature"* means imports of goods referred to in Point 1(5).

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

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

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

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

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

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

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

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

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

282.2 The rate, or method of determining the rate, shall be set in accordance with paragraph 1 and shall be subject to retrospective verification by the customs authorities.

283.1 The standard rates of yield referred to in paragraph 2 shall apply only to import goods of sound, genuine and merchantable quality which conform to any standard quality laid down in Albanian legislation.

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

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

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

b) repairs, including overhaul and adjustments;

c) processing operations carried out in a free zone or free warehouse.

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

284.3 Declarations presented under paragraph 2 shall be accompanied by a document made out by the declarant containing the following information, unless such information can be entered in box 44 of the form used for the declaration itself:

a) where the person applying to use the procedure is not the same as the declarant, the name or business name and address of the applicant;

b) where the operator is not the same as the applicant or declarant, the name or business name and address of the operator;

c) the nature of the processing operation;

d) the trade and/or technical description of the compensating products;

e) the estimated rate of yield or, where appropriate, the method by which that rate is to be determined;

f) the estimated period for re-exportation;

g) the place where it is intended to carry out the processing operation.

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

a) the accuracy of the information given in the declaration,

b) the authenticity of the documents accompanying it, and

c) compliance with all the obligations relating to the customs procedure applied for.

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

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

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

Section 3
Provisions applying to the suspension system

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

285.2 Where the simplified application procedure is used, the declaration referred to in paragraph 1 shall be lodged at a duly empowered customs office.

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

286.2 Without prejudice to the simplified application procedure, the description of the goods given in the declaration referred to in paragraph 1 shall correspond to the specifications in the authorisation.

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

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

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

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

287.3 Discharge of the procedure shall be carried out according either to the quantities of import goods corresponding to the compensating products assigned to one of the treatments or uses referred to in paragraph 1 or paragraph 2 or to the quantities of goods in the unaltered state assigned to such a treatment or use.

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

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

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

288.2 In cases where the alteration in question may affect the continuation in force or the substance of the authorisation, paragraph 1 shall be without prejudice to Articles 20 and 110 (2) of the Code.

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

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

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

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

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

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

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

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

292.1 The import duties to be charged under Article 142 (1) of the Code on import goods eligible, at the time when the declaration of entry for the procedure was accepted, for favourable tariff treatment by reason of their end-use shall be calculated at the rate corresponding to such end-use without special authorisation for the granting of such treatment being required, provided that the conditions attaching to the granting of favourable tariff treatment are satisfied.
292.2 Paragraph 1 shall apply only where the goods have been put to the end-use qualifying them for favourable tariff treatment before expiry of the time limit set for that purpose by the provisions governing the conditions under which such goods may be accorded the said treatment. The time limit shall run from the time of acceptance of the declaration of entry for the procedure. It may be extended by the customs authorities where the goods have not been put to the end-use in question as a result of unforeseeable circumstances, force majeure or the inherent technical exigencies of the processing operation.

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

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

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

295.2 Paragraph 1 shall not apply:

a) where a customs debt is incurred in order to allow the application of preferential tariff treatment under an agreement between the Republic of Albania and an other country on imports into that country,

b) where waste and scrap resulting from destruction under Article 197 of the Code is released for free circulation,

c) where compensatory interest calculated in accordance with paragraph 4 does not exceed 2.000 LEK per declaration for free circulation,

d) where the holder of the authorisation requests release for free circulation and supplies proof that particular circumstances not arising from any negligence or deception on his part make it impossible or uneconomic to carry out the export operation under the conditions he had anticipated when applying for the authorisation.

e) where a customs debt is incurred as a result of an application for release for free circulation under Article 149 (4) of the Code, as long as the import duties payable on the products in question have not yet actually been repaid or remitted.

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

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

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

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

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

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

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

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

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

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

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

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

299.2 In order to determine the quantity of import goods used in the manufacture of each type of compensating product, successive coefficients corresponding to the ratio of the value of each compensating product to the total value of those products, calculated in accordance with paragraph 3, shall be applied to the total quantity of import goods.

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

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

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

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

299.4 The quantity of import goods corresponding to the quantity of compensating products in respect of which a customs debt is incurred shall be calculated by applying the coefficient arrived at by using the quantitative scale method for compensating products to the quantity of import goods used in the manufacture of the products in question, calculated in accordance with paragraph 2.

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

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

a) reference particulars of the authorisation;

b) the quantity of each type of import goods and reference particulars of the declarations entering them for the procedure;

c) the combined nomenclature code of the import goods;

d) the customs value of the import goods and the rate of import duties to which they are liable;

e) the rate of yield established;

f) the nature and quantity of the compensating products and the customs-approved treatment or use to which they are assigned, together with reference particulars of the declarations assigning the said products to a customs-approved treatment or use;

g) the value of the compensating products if the value scale method is used for the purposes of discharge;

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

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

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

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

302.2 Where the holder of the authorisation can show the specific import goods from which the compensating products or goods in the unaltered state referred to in paragraph 1 were obtained, paragraph 1 shall not apply.

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

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

a) release of goods for free circulation, the said measures shall not apply on entry of the goods for the inward processing procedure nor for such time as they remain under the procedure;

b) goods brought into the customs territory of the Republic of Albania, the said measures shall apply when the import goods are entered for the inward processing procedure.

304.2 Where paragraph 1 (a) applies, it shall not be necessary to present any licence, authorisation or other related document at the time of entry for the procedure.

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

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

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

306.2 Where import goods entered for the procedure using the suspension system are subject to specific commercial policy measures and such measures continue to be applicable at the time when the goods, either in the unaltered state or in the form of compensating products, are placed under a customs procedure or in a free zone or free warehouse, the indication referred to in paragraph 1 shall be supplemented by the text: *"Commercial policy"* in red.

306.3 The office of discharge shall satisfy itself that the indications referred to in paragraph 1 and paragraph 2 have been entered as appropriate on any documents issued to replace or discharge the documents referred to in those paragraphs.

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

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

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

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

Section 4
Provisions applicable to the drawback system

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

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

310.2 Without prejudice to the simplified application procedure, the description of the goods given in the declaration referred to in paragraph 1 shall correspond to the specifications in the authorisation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

318.2 In order to determine the quantity of import goods used in the manufacture of each type of compensating product, successive coefficients corresponding to the ratio between the comparable value of each compensating product, calculated in accordance with paragraph 3, shall be applied to the total quantity of import goods.

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

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

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

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

318.4 The quantity of import goods corresponding to the quantity of compensating products for which repayment or remission may be claimed shall be calculated by applying the coefficient arrived at by the quantitative scale method (compensating products) to the quantity of import goods used in the manufacture of the products in question, calculated in accordance with paragraph 2.

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

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

320.2 Where special circumstances so warrant, the General Directorate of Customs may extend the period referred to in paragraph 1 even after it has expired.

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

a) reference particulars of the authorisation;

b) the quantity of each type of import goods in respect of which repayment or remission is claimed;

c) the CNN code of the import goods;

d) the customs value of the import goods and the rate of import duties to which they are liable as ascertained by the customs authorities on the date of acceptance of the declaration for release for free circulation under the drawback system;

e) the date of release for free circulation of the import goods under the drawback system;

f) reference to the declarations under which the import goods were released for free circulation under the drawback system;

g) the type and quantity of the compensating products and the customs-approved treatment or use to which they are to be assigned;

h) the value of the compensating products if the value scale method is used for the purpose of discharge;

i) the rate of yield fixed;

j) reference to the declarations under which the compensating products or, if need be, goods in the unaltered state were entered for one of the customs-approved treatments or uses referred to in Article 149 of the Code;

k) the amount of import duties to be repaid or remitted and any compensatory interest collected, taking into account inter alia the import duties on other compensating products.

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

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

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

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

324.2 The office of discharge shall satisfy itself that the indications referred to in paragraph 1 are entered on any document issued to replace or discharge the documents referred to in that paragraph.

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

Chapter IV
Processing under customs control

326. In accordance to Title IV, Chapter II, Section 3 E of the Code this chapter will lay down provisions in the implementing of the processing under customs control procedure.

327. Pursuant to Article 151 of the Code, the procedure for processing under customs control may be used for goods in column 1 of the list in Annex 41 which are to undergo the processing referred to in column 2.

328.1 The application shall be made in conformity with Point 234 and in accordance with the specimen in Annex 28, and presented by the person to whom the authorisation may be granted under Articles 109, 152 and 153 of the Code.

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

329.1 The authorisation shall be issued by the General Directorate of Customs and shall be made out on a model conforming to the specimen in Annex 33.

329.2 Each authorisation should be accompanied by a form *"processing under customs control record"* that should form an integrated part of each authorisation. The specimen of the processing under customs control record import is described in Annex 33. All entries should be registered in this form, in accordance with instructions issued by the General Directorate of Customs.

329.3 To ensure correct application of the provisions governing the procedure, the customs authorities shall require the holder of the authorisation, to keep stock records which indicate the quantities of import goods entered for the procedure and of processed products obtained, and all particulars needed for the monitoring of the operations and the correct calculation of any import duties which may be payable. The *"records of processing under customs control"* shall be made available to

the supervising office to enable it to carry out any checks necessary for the proper implementation of the procedure.

330. The period of validity of the authorisation shall be set case by case by the customs authorities, having regard to the specific requirements of the applicant. Where the period exceeds two years, the conditions on which the authorisation was issued shall be reviewed periodically at intervals laid down in the authorisation.

331.1 When issuing the authorisation the General Directorate of Customs shall specify the period within which the processed products must be assigned to a customs-approved treatment or use in accordance with Article 154 of the Code, taking into account the time required to carry out the processing operations and the time required to assign the processed products to a customs-approved treatment or use.

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

332.1 The rate of yield, or method of determining the rate, referred to in Article 154 of the Code shall as far as possible be set on the basis of production data and shall be identifiable in the records of the holder of the authorisation.

332.2 The rate or method of determining the rate shall be set in accordance with paragraph 1, subject to retrospective verification by the customs authorities.

333.1 The declaration entering goods for processing under customs control shall be lodged at one of the offices of entry for the procedure specified in the authorisation.

333.2 The declaration referred to in paragraph 1 shall be made in accordance with Points 121 to 161.

333.3 The description of the goods given in the declaration referred to in paragraph 2 shall correspond to the specifications in the authorisation.

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

333.5 Each import declaration must contain the code IM 9 in box 1 of the declaration and reference to the number and date of the authorisation for processing under customs control in box 44. The form *"processing under customs control record, import",* as described in Annex 33 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 exits should be registered in this form, in accordance with instructions issued by the General Directorate of Customs. The import declaration together with all attached documents shall after the release of the consignment be kept in a special file for each company authorised to use the processing under customs control procedure.

334.1 Discharge of the procedure shall be based either on the quantity of import goods corresponding, by application of the rate of yield, to the processed products or on the quantity of goods in the unaltered state which have been assigned to a customs-approved treatment or use.

334.2 Where necessary, pursuant to Article 155 of the Code, the quantitative scale method or the value scale method concerning the proportion of import goods incorporated in the products shall apply *"mutatis mutandis"*.

335. The declaration discharging the procedure for the processing of goods under customs control shall be lodged at one of the customs offices of discharge specified in the authorisation.

336.1 The declaration discharging the procedure for the processing of goods under customs control shall be made in accordance with the provisions laid down for the customs-approved treatment or use concerned.

336.2 The description of the processed products or import goods in the declaration referred to in paragraph 1 shall correspond to the specifications in the authorisation.

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

336.4 Each declaration for discharge of the processing under customs control procedure must contain the reference to the number and date of the authorisation for processing under customs control in box 44.

337.1 The holder of the authorisation shall supply the supervising office with a bill of discharge within thirty days of the expiry of the time limit for discharge.

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

a) reference to the authorisation;

b) the quantity by type of import goods and reference particulars of the declarations entering them for the procedure;

c) the CNN code of the import goods;

d) the customs value of the import goods;

e) the rate of yield set;

f) the nature and quantity of the processed products and the customs-approved treatment or use to which they are assigned, together with reference particulars of the declarations assigning the said products to a customs-approved treatment or use;

g) when the customs value should include processing costs, the processing costs;

h) the CNN code of the processed products.

338.1 The supervising office may agree that:

a) the bill of discharge should be made out by computer or in any other form that the said office shall stipulate;

b) the bill of discharge should be made out on the declaration entering the goods for the procedure.

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

339. Pursuant to Article 40 (1) of the Code, where the processed products are released for free circulation their customs value shall be one of the following, at the choice of the person concerned, such choice being exercised on the date of acceptance of the declaration for release for free circulation:

i) the customs value, determined at or about the same time of identical or similar goods produced in any other country,
ii) their selling price, provided this is not influenced by a relationship between buyer and seller,
iii) the selling price in the Republic of Albania of identical or similar goods, provided this is not influenced by a relationship between buyer and seller,
iv) the customs value of the import goods plus the processing costs.

340. Where commercial policy measures are in force for the import goods at the time of acceptance of the declaration for release for free circulation, such measures shall not apply to the processed products unless they are also in force for products identical to the processed products. In this case, the measures shall be applied to the quantity of import goods actually used in the manufacture of the processed products released for free circulation.

341. The General Directorate of Customs may lay down guidelines in the practical application of the processing under customs control procedure.

Chapter V
Temporary importation procedure

Section 1
General provisions

342. In accordance to Title IV Chapter II Section 3 F of the Code this Chapter will lay down provisions in the implementing of the temporary importation procedure.

Section 2
Temporary importation of goods other than means of transport

343.1 The temporary importation procedure with total relief from import duties shall be granted for professional equipment.

343.2 Professional equipment means:

a) equipment for the press or for sound or television broadcasting which is necessary for representatives of the press or of broadcasting or television organisations established outside the customs territory of the Republic of Albania and visiting Albania for purposes of reporting or in order to transmit or record material for specified programmes;

b) cinematographic equipment necessary for a person established outside the customs territory of the Republic of Albania and visiting Albania in order to make a specified film or films;

c) any other equipment necessary for the exercise of the calling, trade or profession of a person established outside the customs territory of the Republic of Albania and visiting Albania to perform a specified task. It does not include equipment which is to be used for the industrial manufacture or packaging of goods or (except in the case of hand tools) for the exploitation of natural resources, for the construction, repair or maintenance of buildings or for earth moving and like projects;

d) ancillary apparatus for the equipment mentioned in subparagraphs (a), (b) and (c) of this paragraph, and accessories thereof. An illustrative list of goods to be considered as professional equipment is given in Annex 42.

343.3 The temporary importation procedure referred to in paragraph 1 shall be granted provided that the professional equipment is:

a) owned by a person established outside the customs territory of the Republic of Albania;

b) imported by a person established outside the said territory;

c) used solely by or under the personal supervision of the person visiting the said territory. However, the condition referred to in (c) shall not apply to cinematographic equipment imported for the production of films, television programmes or audio-visual works, under a coproduction contract concluded with a person established in the customs territory of the Republic of Albania. In the case of joint radio or television programme productions, professional equipment may be the subject of a hire contract or similar arrangement to which a person established in the customs territory of the Republic of Albania is a party.

344. Spare parts subsequently imported for the repair of professional equipment which has been temporarily imported shall be entitled to temporary importation facilities on the same conditions as the equipment itself.

345.1 The temporary importation procedure with total relief from import duties shall be granted for:

a) goods intended for display or demonstration at an event;

b) goods intended for use in connection with the display of imported products at an event, including:
   i) goods necessary for the purpose of demonstrating imported machinery or apparatus to be displayed,
   ii) construction and decoration material, including electrical fittings, for the temporary stands of persons established outside the Republic of Albania,
   iii) advertising and demonstration material and other equipment which is publicity material for the imported goods displayed, such as sound and image recordings, films and transparencies, together with apparatus necessary for their use;

c) equipment, including interpretation equipment, sound and image recording apparatus and films of an educational, scientific or cultural character, intended for use at international meetings, conferences or congresses;

d) live animals intended for exhibition at or participation in an event;

e) products obtained during an event from goods, machinery, apparatus or animals imported temporarily.

345.2 Event means:

a) a trade, industrial, agricultural or craft exhibition, fair, or similar show or display;

b) an exhibition or meeting which is primarily organised for a charitable purpose;

c) an exhibition or meeting which is primarily organised to promote any branch of learning, art, craft, sport or scientific, technical educational, cultural, trade union or tourist activity, to promote religious knowledge or worship or to promote friendship between peoples;

d) a meeting of representatives of international organisations or international groups of organisations;

e) a representative meeting of an official or commemorative character, except exhibitions organised for private purposes in shops or business premises with a view to sale of the imported goods.

346.1 The temporary importation procedure with total relief from import duties shall be granted for:

a) pedagogic material and scientific equipment;

b) spare parts and accessories for such material or equipment;

c) tools especially designed for the maintenance, checking, calibration or repair of such material or equipment.

346.2 "*Pedagogic material*" means any material intended for the sole purpose of teaching or vocational training, and in particular models, instruments, apparatus and machines. The list of goods to be considered as pedagogic materials is set out in Annex 43. An illustrative list of other goods imported in connection with educational, scientific or cultural activities is given in Annex 44.

346.3 *"Scientific equipment"* means equipment intended for the sole purpose of scientific research or teaching, and in particular models, instruments, apparatus and machines.

346.4 The temporary importation procedure referred to in paragraph 1 shall be granted provided that the pedagogic material or scientific equipment, spare parts, accessories or tools:

a) are imported by approved establishments and are used under the supervision and responsibility of such establishments;

b) are used for non-commercial purposes;

c) are imported in reasonable numbers, having regard to the purpose of the importation;

d) remain throughout their stay in the customs territory of the Republic of Albania the property of a person established outside that territory.

346.5 The period during which such pedagogic material or scientific equipment may remain under the temporary importation procedure shall be 12 months.

346.6 For the purposes of paragraph 4 (a), *"approved establishments"* means, in the case of pedagogic material public or private teaching or vocational training establishments which are essentially non-profit making and have been approved by the General Directorate of Customs as recipients of pedagogic material under the temporary importation procedure.

346.7 For the purposes of paragraph 4 (a) *"approved establishments"* means, in the case of scientific equipment, public or private scientific or teaching establishments which are essentially non-profit making and have been approved by the General Directorate of Customs as recipients of scientific equipment under the temporary importation procedure.

347.1 The temporary importation procedure with total relief from import duties shall be granted for medical, surgical and laboratory equipment intended for hospitals and other medical institutions.

347.2 The temporary importation procedure referred to in paragraph 1 shall be granted provided that the said equipment:

a) has been dispatched on an occasional basis, on loan free of charge;

b) is intended for diagnostic or therapeutic purposes.

347.3 Equipment dispatched on an occasional basis means any medical, surgical or laboratory equipment dispatched at the request of a hospital or other medical institution which is facing exceptional circumstances and has urgent need of such equipment to make up for the inadequacy of its own facilities.

348.1 The temporary importation procedure with total relief from import duties shall be granted for materials to be used in connection with measures taken to counter the effects of disasters affecting the customs territory of the Republic of Albania.

348.2 The temporary importation procedure referred to in paragraph 1 shall be granted provided that such materials:

a) are imported on loan free of charge,

b) are intended for state bodies or bodies approved by the General Directorate of Customs.

349.1 The temporary importation procedure with total relief from import duties shall be granted for packings.

349.2 Packings means:

a) containers used, or to be used, in the state in which they are imported, for external or internal packing of goods;

b) supports on which goods are, or are to be, rolled, wound or attached, but excluding packing materials such as straw, paper, glass wool and shavings when imported in bulk.

349.3 The temporary importation procedure referred to in paragraph 1 shall be granted provided that:

a) if the packings are imported filled, they are declared as being for re-exportation empty or filled;

b) if the packings are imported empty, they are declared as being for re-exportation filled.

349.4 Packings admitted under the temporary importation procedure may not be used even occasionally in internal traffic, except with a view to the export of goods from the customs territory of the Republic of Albania. In the case of packings imported filled, this ban shall apply only from the time that they are emptied of their contents.

349.5 The period during which such packings may remain under the temporary importation procedure shall be six months.

350.1 The temporary importation procedure with total relief from import duties shall be granted for:

a) moulds, dies, blocks, drawings, sketches and other similar articles intended for a person established in the customs territory of the Republic of Albania, where at least 75 % of the production resulting from their use is exported from that territory;

b) measuring, checking and testing instruments and other similar articles intended for a person established in the customs territory of the Republic of Albania for use in a manufacturing process, where at least 75 % of the production resulting from their use is exported from that territory;

c) special tools and instruments made available free of charge to a person established in the customs territory of the Republic of Albania for use in the manufacture of goods which are to be exported in their entirety, on condition that such tools and instruments remain the property of a person established outside the customs territory of the Republic of Albania;

d) goods of any kind which are to be subjected to tests, experiments or demonstrations, including the tests and experiments required for type-approval procedures, but excluding any tests, experiments or demonstrations constituting a gainful activity;

e) goods of any kind to be used to carry out tests, experiments or demonstrations, but excluding any tests, experiments or demonstrations constituting a gainful activity;

f) samples, i.e. articles which are representative of a particular category of goods already produced or which are examples of goods the production of which is contemplated, but not including identical articles brought in by the same individual, or sent to a single consignee, in such quantity that, taken as a whole, they no longer constitute samples under ordinary commercial usage.

350.2 To qualify for the temporary importation procedure referred to in paragraph 1:

a) the goods referred to in points (a), (b), (c) and (f) of that paragraph must be owned by a person established outside the customs territory of the Republic of Albania;

b) the samples referred to in point (f) of that paragraph must be imported solely for the purpose of being shown or demonstrated in the customs territory of the Republic of Albania for the soliciting of orders for similar goods to be imported into that territory. They may not be sold or put to normal use except for the purposes of demonstration, or used in any way while in the customs territory of the Republic of Albania.

351.1 The temporary importation procedure with total relief from import duties shall be granted for replacement means of production.

351.2 The period during which replacement means of production may remain under the temporary importation procedure shall be six months.
351.3 Replacement means of production means instruments, apparatus and machines made temporarily available to a customer free of charge by a supplier or repairer, pending the delivery or repair of similar goods.

352.1 The temporary importation procedure with total relief from import duties shall be granted for:

a) second-hand goods imported with a view to their sale by auction;

b) goods imported under a contract of sale subject to satisfactory acceptance tests;

c) works of art, collectors items and antiques imported for the purpose of exhibition, with a view to possible sale;

d) consignments on approval of made-up articles of fur, precious stones, carpets and articles of jewellery, provided that their particular characteristics prevent their being imported as samples.

352.2 The period during which the goods referred to in paragraph 1 may remain under the temporary importation procedure is 6 months in the case of (a) and (c), 3 months in the case of (b) and 1 month in that of (d).

352.3 For these purposes:

a) *"second-hand goods"* means goods other than newly manufactured goods,

b) *"works of art, collectors items and antiques"* mean goods as defined in Annex 45;

c) *"consignments on approval"* means consignments of goods which the consignor for his part wishes to sell and which the consignee may decide to purchase after inspection.

353. The temporary importation procedure with total relief from import duties shall be granted for:

a) positive cinematograph films, printed and developed and other recorded image-bearing media intended for viewing prior to commercial use;

b) films, magnetic tapes and wires and other sound- or image-bearing media which are intended to be provided with a sound track, dubbed or copied;

c) films demonstrating the nature or the operation of foreign products or equipment, provided that they are not intended for public showing for charge;

d) data-carrying media, sent free of charge for use in automatic data-processing;

354.1 The temporary importation procedure with total relief from import duties shall be granted for personal effects and goods imported for sports purposes.

354.2 For these purposes:

a) *"traveller"* means: The person mentioned in Article 63 of the Code;

b) *"personal effects"* means all articles, new or used, which a traveller may reasonably require for his or her personal use during the journey, taking into account all the circumstances of the journey, but excluding any goods imported for commercial purposes;

c) *"goods imported for sports purposes"* means sports requisites and other articles for use by travellers in sports contests or demonstrations or for training taking place in the customs territory of the Republic of Albania.

354.3 Personal effects shall be re-exported at the latest when the person who imported them leaves the customs territory of the Republic of Albania. The period during which goods imported for sports purposes may remain under the temporary importation procedure shall be 12 months.

354.4 The illustrative list of such goods is set out in Annex 46.

355.1 The temporary importation procedure with total relief from import duties shall be granted for tourist publicity material.

355.2 *"Tourist publicity material"* means goods the purpose of which is to encourage the public to visit foreign countries, in particular in order to attend cultural, religious, touristic, sporting or professional meetings or events held there.

355.3 An illustrative list of such goods is set out in Annex 47.

356.1 The temporary importation procedure with total relief from import duties shall be granted for the equipment and live animals of any species imported for the purposes listed in Annex 48.

356.2 The temporary importation procedure referred to in paragraph 1 shall be granted on condition that:

a) the animals are owned by a person established outside the customs territory of the Republic of Albania;

b) the equipment is owned by a person established in the frontier zone adjacent to that of the customs territory of the Republic of Albania;

c) draught animals and equipment are imported by a person established in the frontier zone adjacent to that of the customs territory of the Republic of Albania for working land located inside the customs territory of the Republic of Albania, involving the performance of agricultural or forestry work, including the clearing or transport of timber, or for pisciculture.

356.3 *"Frontier zone"* means, without prejudice to existing conventions in this respect, a zone which, as the crow flies, does not extend more than 15 kilometres from the frontier. The local administrative districts, part of whose territory lies within the zone, shall also be considered to be part of the frontier zone, notwithstanding any derogations on this matter.

357.1 The temporary importation procedure with total relief from import duties shall be granted for welfare materials for seafarers.

357.2 For these purposes:

a) welfare material means material for the pursuit of cultural, education, recreational, religious or sporting activities by seafarers,

b) seafarers means all persons transported on board a vessel responsible for tasks relating to the operating or service of the vessel at sea.

357.3 The list of goods to be considered as welfare material for seafarers is given in Annex 49.
357.4 The temporary importation procedure referred to in paragraph 1 shall be granted on condition that the material is:

a) unloaded from a vessel engaged in international maritime traffic to be temporarily used ashore by the crew for a period not exceeding the vessels stay in port;

b) imported for temporary use in cultural or social establishments for a period of 6 months. Cultural or social establishments means hostels, clubs or recreation centres for seafarers,

managed either by official bodies or by religious or other non-profit making organisations, and places of worship where services for seafarers are regularly held.

358. The temporary importation procedure with total relief from import duties shall be granted for miscellaneous equipment used under the supervision and responsibility of a public authorities for the building, repair or maintenance of infrastructure of general importance in frontier zones.

359.1 The temporary importation procedure with total relief from import duties shall be granted for goods temporarily imported into the customs territory of the Republic of Albania in a particular situation having no economic effect.

359.2 Temporary importation into the customs territory of the Republic of Albania on an occasional basis, for a period not exceeding three months, of goods whose value is less than 150.000 LEK shall be considered a particular situation having no economic effect.

360.1 The General Directorate of Customs may decide to grant total relief instead of the partial relief referred to in Article 162 of the Code for goods imported into its territory on an occasional basis for a period not exceeding three months.

360.2 Following expiry of the period for which goods entered for the procedure under this Point may remain under the procedure, the goods shall be assigned to a new customs-approved treatment or use or entered for the temporary importation procedure with partial relief from import duties. If it becomes necessary to determine the duties to be levied under the partial relief procedure, the date to be taken into consideration shall be that on which the goods were entered for temporary importation under paragraph 1.

361. In accordance with Article 162 (1) of the Code the General Directorate of Customs may decide to grant the use of the temporary importation procedure with partial relief from import duties. The list of goods in respect of which the temporary importation procedure with partial relief from import duties may not be used is given in Annex 50.

362.1 The application shall be made in conformity with Point 234 and in accordance with the specimen in Annex 29, and presented by the person to whom the authorisation may be granted under Articles 109 and 158 of the Code.

362.2 Without prejudice to the simplified application procedure, the application shall be submitted to the General Directorate of Customs.

363.1 Without prejudice to the simplified authorisation procedure, the authorisation shall be issued by the General Directorate of Customs and shall be made out in accordance with the specimen in Annex 34.

363.2 Each authorisation should be accompanied by a form *"temporary importation record import"* that should form an integrated part of each authorisation. The specimen of the temporary importation record import is described in Annex 34. All entries should be registered in this form, in accordance with instructions issued by the General Directorate of Customs.

364. The period of validity of the authorisation shall be set by the General Directorate of Customs on a case-by-case basis, having regard to the specific needs of the applicant.

365.1 When issuing the authorisation the General Directorate of Customs shall specify the period within which the import goods must be assigned a customs-approved treatment or use, taking into account the specific periods laid down in the Code and in the implementing provisions and the time required to achieve the object of the temporary importation.

365.2 Where an extension is granted which exceeds the period provided for, it shall be set having regard to the circumstances which prevented the holder of the authorisation from fulfilling his obligation to re-export within that period.

366.1 This point shall apply whenever application of Article 162 (1) of the Code is not requested.

366.2 A customs office empowered by the General Directorate of Customs to grant authorisations using the simplified procedure shall allow the declaration of entry for the procedure to constitute an application for authorisation. In this case acceptance of the declaration shall constitute the authorisation, the said acceptance remaining in any event subject to the conditions governing the granting of the authorisation, including the decision of the control office, indicated in the box 44 of the form.

366.3 A declaration presented under paragraph 2 shall be accompanied by a document made out by the declarant containing the following information, in so far as this information is necessary and cannot be entered in box 44 of the form used for the declaration itself:

a) where the person applying to use the procedure is not the same as the declarant, the name or business name and address of the applicant, and, where appropriate, of the owner of the goods;

b) where the user is not the same as the applicant or declarant, the name or business name and address of the user of the goods;

c) the article under which the application is being made;

d) the period for which the goods are expected to remain under the procedure;

e) the place where the goods are to be used;

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

a) the accuracy of the information given in the declaration,

b) the authenticity of the documents accompanying it, and

c) compliance with all the obligations relating to the customs procedure applied for.

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

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

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

367.1 Presentation of an ATA carnet to a customs office duly empowered by the General Directorate of Customs in order to use the temporary importation procedure shall be equivalent to presentation of the application for authorisation and acceptance of the carnet (temporary importation voucher) shall be equivalent to authorisation to use the procedure.

367.2 Goods which can be temporarily imported in accordance with the procedure described in paragraph 1 are listed in Annex 51.

367.3 ATA carnets shall be accepted by the customs offices only if they are:

a) issued in a country which is a contracting party to the ATA Convention, and endorsed and guaranteed by an association forming part of an international guarantee chain, and

b) certified by the customs authorities in the appropriate section of the cover page, and

c) valid in the customs territory of the Republic of Albania.

368.1 *"Travellers"* personal effects and goods imported for sports purposes as mentioned in Annex 46 shall be authorised for the temporary importation procedure without written or oral application or authorisation.

368.2 Where a high amount of import duties and other charges is involved, paragraph 1 shall be waived with regard to personal effects and to goods imported for sports purposes. In this case the simplified application procedure shall apply *"mutatis mutandis"*.

369.1 The declaration entering goods for the temporary importation procedure shall be lodged at one of the customs offices of entry for the procedure specified in the authorisation.

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

369.3 Where temporary importation is done using an ATA carnet, the ATA carnet shall be presented in order to enter goods for the temporary importation procedure at any duly empowered office of entry. However:

a) where the duly empowered office of entry is unable to check the fulfilment of all conditions to which the use of the temporary importation procedure is subject, or

b) where the office of entry is not empowered to act as the office of entry for the procedure;

c) the said office shall permit the goods to be carried to the office of destination able to carry out such checks under cover of the ATA carnet used as a transit document.

369.4 The General Directorate of Customs shall empower customs offices to act as offices of entry for the procedure.

370.1 For the purposes of Article 111 of the Code, entry for the temporary importation procedure shall be subject to the provision of a security.

370.2 By way of derogation from paragraph 1, Annex 52 lists the cases in which no security shall be required for entry of goods for the temporary importation procedure.

371.1 The security shall be lodged at the office issuing the authorisation, in order to ensure payment of any customs debt and other charges which may be incurred in respect of the goods.

371.2 The security shall be released by the office issuing the authorisation, once they receives a copy endorsed by the office of discharge:

a) either by copy No 3 of the re-export declaration, or

b) by a copy of the document entering the goods for another customs-approved treatment or use or, proof to the satisfaction of the customs authorities that the goods have been assigned another customs-approved treatment or use.

372.1 The declaration entering the temporary importation procedure shall be made in accordance with Points 121 to 161.

372.2 Without prejudice to the simplified application procedure, the description of the goods in the declaration referred to in paragraph 1 shall correspond to the specifications in the authorisation.

372.3 Each import declaration must contain the code IM 5 in box 1 of the declaration and reference to the number and date of the authorisation for temporary importation in box 44. The form *"temporary importation record, export"*, as described in Annex 34 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 exits should be registered in this form, in accordance with instructions issued by the General Directorate of Customs. The import declaration together with all attached documents shall after the release of the consignment be kept in a special file for each company authorised to use the temporary importation procedure.

372.4 Where the temporary importation procedure is done under cover of an ATA carnet, the office of entry for the procedure shall proceed as follows:

a) verify the information given in boxes A to G of the importation voucher;

b) complete the counterfoil and box H of the importation voucher; the final date for re-exportation of the goods, to be entered in box H (b), must not be later than the date on which the carnet's validity expires, without prejudice to the special periods referred to in Article 160 of the Code;

c) enter the name and address of the office of entry for the procedure in box H (e) of the re-exportation voucher; and

d) retain the importation voucher.

373. The entry for a customs-approved treatment or use of goods under the temporary importation procedure with partial relief shall be subject to payment of any amount due under Article 163 of the Code.

374.1 Except where the simplified application procedure are applied, the declaration discharging the temporary importation procedure shall be lodged at one of the customs offices of discharge specified in the authorisation.

374.2 Where the simplified application procedure is applied, the declaration referred to in paragraph 1 shall be lodged at the customs office which issued the authorisation.

374.3 Where the temporary importation procedure is done under cover of an ATA carnet, the ATA carnet shall be presented at a duly empowered customs office of discharge.

374.4 Each declaration for discharge of the temporary importation procedure must contain the reference to the number and date of the authorisation for temporary importation in box 44.

375.1 The declaration discharging the temporary importation procedure shall be made in accordance with the provisions laid down for the customs-approved treatment or use concerned.

375.2 The description of the import goods in the declaration referred to in paragraph 1 shall correspond to the specifications in the authorisation.

375.3 Where the temporary importation procedure is done under cover of an ATA carnet, the office of discharge shall:

a) complete the counterfoil and box H of the re-exportation voucher;

b) retain the re-exportation voucher and return it without delay to the office referred to in box H (e).

376. Pursuant to Article 164 (1) of the Code, in the case of goods for display or use at exhibitions, fairs, meetings or similar events or second-hand goods imported with a view to their sale by auction or works of art, collectors items and antiques imported for the purpose of exhibition or consignments on approval of made-up articles of fur, precious stones, carpets and articles of jewellery, the material time for the purposes of determining the customs debt shall be the time of acceptance of the declaration for release for free circulation.

377.1 Where a customs debt is incurred in respect of goods previously entered for the procedure of temporary importation, compensatory interest shall be paid on the total amount of the import duty applicable.

377.2 Paragraph 1 shall not apply:

a) where a customs debt is incurred pursuant to Article 216 (1) (b) of the Code;

b) where a customs debt is incurred and a security is provided by a cash deposit equal to one of the amounts of customs debt set out in Article 207 (1) of the Code;

c) where a customs debt is incurred due to the release for free circulation of goods which were entered for the temporary importation procedure for display or use at exhibitions, fairs, meetings or similar events or second-hand goods imported with a view to their sale by auction or works of art, collectors items and antiques imported for the purpose of exhibition or consignments on approval of made-up articles of fur, precious stones, carpets and articles of jewellery;

d) where compensatory interest, calculated in accordance with paragraph 3, does not exceed LEK 1.000 per case of a customs debt incurred;

e) where the holder of the authorisation requests release for free circulation and supplies proof that particular circumstances not arising from any negligence or deception on his part make it impossible or uneconomic to carry out the re-export operation under the conditions he had anticipated and duly substantiated when applying for the authorisation.

f) Point 295 shall apply *“mutatis mutandis”*.

377.3 a) The annual interest rates shall be those in force at the time when the customs debt is incurred.

b) Interest shall be applied per calendar month for the period running from the first day of the month following the month in which the import goods were first entered for the procedure to the last day of the month in which the customs debt is incurred. The material period for the application of compensatory interest shall not be less than one month.

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

378. In the case of an offence or irregularity committed in the course of or in connection with a temporary import operation under cover of an ATA carnet, the provisions relating to use of the ATA carnet as a transit document shall apply *"mutatis mutandis"* to recovery of the import duties payable.

379. Where the import goods are placed in a free zone or free warehouse or entered for one of the permitted conditional relief procedures, enabling the temporary importation procedure to be discharged, the box reserved for the description of goods on the document concerning the said customs-approved treatment or use, shall, in addition to the information laid down for the procedure in question, contain the following indication: *"Temporary Admission goods"* in red.

380. Where Article 113 of the Code is applied the competent authorities approving such transfer shall annotate the authorisation accordingly. Such transfer shall terminate the procedure in respect of the previous holder.

381.1 Where it is foreseen that the temporary importation operation might exceed the period of validity of the ATA carnet because the holder is unable to re-export the goods, the issuing association may issue a replacement carnet. The holder shall return the original carnet to the issuing association.

381.2 The replacement carnet shall be submitted to the competent customs office for the place where the goods are located, which shall carry out the following formalities:

a) it shall discharge the original carnet using the re-exportation voucher which it shall return without delay to the initial customs office of temporary importation;

b) it shall receive the replacement carnet and retain the importation voucher, first entering on the said voucher the final date for re-exportation as shown on the original carnet plus any extension, and the number of the original carnet.

381.3 When the temporary importation procedure is discharged the office of re-exportation shall:
a) complete the counterfoil and box H of the re-exportation voucher;

b) retain the re-exportation voucher and return it without delay to the office referred to in box H (e).

c) using the re-exportation voucher of the replacement carnet, which it shall return without delay to the customs office which received the replacement carnet.

381.4 The issue of replacement carnets is the responsibility of the issuing association. If an ATA carnet expires and the holder is unable to re-export the goods, and the issuing association refuses to issue a replacement carnet, the customs authorities shall require completion of a new application for

either temporary duty free importation or any other customs approved treatment or use allowed for the goods in question.

Section 3
Temporary importation of means of transport

382. Without prejudice to Points were it is expressly allowed, the means of transport below hall not be lent, hired, pledged, transferred or put at the disposal of any person established in the Republic of Albania.

383.1 The temporary importation procedure shall apply to road vehicles for commercial use.

383.2 For the purposes of this Point, vehicles shall mean all road vehicles and all trailers which can be coupled to such vehicles.

383.3 Without prejudice to paragraph 4, admission under the temporary importation procedure referred to in paragraph 1 shall be subject to the condition that the vehicles are:

a) imported by a person established outside the customs territory of the Republic of Albania or on his behalf;

b) used for commercial purposes by such a person or on his behalf; and

c) registered outside the customs territory of the Republic of Albania in the name of a person established outside that territory. However, if the vehicles are not registered, the above condition shall be deemed to be met where the vehicles in question belong to a person established outside the customs territory of the Republic of Albania;

d) used exclusively for transport which begins or ends outside the customs territory of the Republic of Albania.

383.4 Where a trailer is coupled to a motor vehicle registered in the customs territory of the Republic of Albania, the temporary importation procedure may be granted even if the conditions set out in subparagraphs 3 (a) and (b) are not satisfied.

383.5 Road vehicles for commercial use may remain in the customs territory of the Republic of Albania subject to the conditions laid down in paragraph 3 during the time required for carrying out the operations for which temporary importation is requested, e.g. the carriage, picking up and setting down of passengers, loading and unloading goods, transport and maintenance.

383.6 For the purposes of subparagraphs 3 (a) and (b), persons acting on behalf of a person established outside the customs territory of the Republic of Albania must be duly authorised by the person concerned.

383.7 By way of derogation from paragraph 3:

a) subject to the requirements of paragraph 6, vehicles for commercial use may be driven by natural persons established in the Customs territory of the Republic of Albania;

b) the General Directorate of Customs may:
   i) in exceptional cases, allow a person established in the customs territory of the Republic of Albania to import and use vehicles for commercial use under the temporary importation procedure for a limited period fixed by the said authorities according to the circumstances of the case under consideration,

ii) allow a natural person established in the customs territory of the Republic of Albania and employed by a person established outside that territory to import and use in that territory, for commercial use, a vehicle belonging to the latter. The vehicle admitted under the temporary importation procedure may also be used for private purposes where such use is occasional, subsidiary to the commercial use and provided for in the contract of employment;

384.1 The temporary importation procedure shall apply to road vehicles for private use.

384.2 For the purposes of this Point, vehicles means all road vehicles, including caravans and trailers which can be coupled to motor vehicles.

384.3 The temporary importation procedure for road vehicles for private use shall be subject to the condition that the vehicles are:

a) imported by persons established outside the customs territory of the Republic of Albania;

b) used for private purposes by the persons concerned;

c) registered outside the customs territory of the Republic of Albania in the name of a person established outside that territory. However, if the vehicles are not registered, the above condition shall be deemed to be met where the vehicles in question belong to a person established outside the customs territory of the Republic of Albania.

384.4 The temporary importation procedure shall also apply in the following cases:

a) where a private vehicle registered in the country of normal residence of the user is used regularly in the customs territory of the Republic of Albania for the journey from his residence to his place of work and vice versa. Authorisation to use the procedure shall not be subject to any other time limit;

b) where a student uses a private vehicle registered in the country of his normal residence in the customs territory of the Republic of Albania in which the student is staying for the sole purpose of pursuing his studies.

384.5 Without prejudice to paragraph 4 (a), road vehicles for private use may remain in the customs territory of the Republic of Albania for:

a) a period of six months, whether continuous or not, in any 12 months;
b) the period the student stays in the customs territory of the Republic of Albania in the cases referred to in paragraph 4 (b).

384.6 Paragraphs 4 (b) and 5 (b) shall apply *"mutatis mutandis"* to persons fulfilling assignments of a specified duration inter alia scientists and doctors.

384.7 For the purposes of subparagraphs 3 (a) and (b), vehicles for private use shall not be hired, lent or made available following their importation or, if they were on hire, on loan or made available at the time of their importation, they shall not be re-hired or sub-hired or lent or made available to another person in the customs territory of the Republic of Albania for any purpose other than immediate re-exportation.

384.8 Pursuant to paragraph 7, vehicles for private use belonging to a hire firm whose registered place of business is outside the customs territory of the Republic of Albania may be re-hired to a

natural person established outside that territory with a view to their re-exportation within a period to be set at the discretion of the General Directorate of Customs, where they are within the customs territory of the Republic of Albania following performance of a contract of hire.

384.9 Notwithstanding paragraph 7:

a) the spouse and the relatives in the direct ascending and descending lines of a natural person established outside the customs territory of the Republic of Albania who have their normal residence outside that territory may use a private vehicle already admitted under the temporary importation procedure;

b) a vehicle for private use which has been placed under the temporary importation procedure may be used occasionally by a natural person established in the customs territory of the Republic of Albania where such person is acting on behalf of and on the instructions of the user of the procedure, who is himself in that territory.

384.10 By way of derogation from Point 381;

a) The temporary importation procedure provided for in paragraph 8 shall be available to natural persons established in the customs territory of the Republic of Albania;

b) Vehicles may also be brought back from the customs territory of the Republic of Albania by an employee of the hire firm resident in that territory;

384.11 For the purposes of subparagraph 5 (a), in order to interrupt the period in which a vehicle imported under the procedure remains in the customs territory of the Republic of Albania, the user of the temporary importation procedure shall so inform the customs authorities and shall comply with the measures considered appropriate by those authorities to prevent use of the vehicle on a temporary basis.

385.1 Point 384, excluding paragraph 11 thereof, shall apply *"mutatis mutandis"* to saddle or draught animps and the vehicles drawn by them entering the customs territory of the Republic of Albania.

385.2 The animals and the vehicles drawn by them 1 may remain in the customs territory of the Republic of Albania for a period of three months.

386.1 The temporary importation procedure shall apply to means of rail transport.

386.2 For the purposes of this Point, means of rail transport means all prime movers, railcars and multiple sets, and rolling stock of any description used for the transport of persons or goods.

386.3 The temporary importation procedure for means of rail transport shall be subject to the condition that the means of rail transport:

a) belong to a person established outside the customs territory of the Republic of Albania;

b) are registered on a railway network outside the customs territory of the Republic of Albania.

386.4 Means of rail transport may remain in the customs territory of the Republic of Albania for 12 months.

386.5 By way of derogation from Point 382: Means of rail transport may be placed at the disposal of a person established in the customs territory of the Republic of Albania on condition that they are

used jointly under an agreement whereby each network may use the rolling stock of the other networks as its own rolling stock;

387.1 The temporary importation procedure shall apply to means of air transport.

387.2 The means of air transport may remain in the customs territory of the Republic of Albania during the time required for carrying out the operations for which temporary importation is requested, e.g. the carriage, picking up and setting down of passengers, loading and unloading goods, transport and maintenance.

387.3 Where the means of air transport are used for private air transport, the following conditions apply;

a) imported by persons established outside the customs territory of the Republic of Albania;

b) used for private purposes by the persons concerned;

c) registered outside the customs territory of the Republic of Albania in the name of a person established outside that territory. However, if the means of air transport are not registered, the above condition shall be deemed to be met where the means of air transport in question belong to a person established outside the customs territory of the Republic of Albania.

387.4 The means of air transport used for private air transport may remain in the customs territory of the Republic of Albania for a period of six months, whether continuous or not, in any 12 months.

388.1 The temporary importation procedure shall apply to means of sea and inland waterway transport.

388.2 The means of sea and inland waterway transport may remain in the customs territory of the Republic of Albania for the time required for carrying out the operations for which temporary admission is requested, e.g. the carriage, picking up and setting down of passengers, loading and unloading goods, transport and maintenance.

388.3 Where the means of sea and inland waterway transport are used for private sea or inland waterway transport, the following conditions shall apply.

a) imported by persons established outside the customs territory of the Republic of Albania;

b) used for private purposes by the persons concerned;

c) registered outside the customs territory of the Republic of Albania in the name of a person established outside that territory. However, if the means of sea and inland waterway transport are not registered, the above condition shall be deemed to be met where the means of sea and inland waterway transport in question belong to a person established outside the customs territory of the Republic of Albania.

388.4 The means of transport referred to in paragraph 3 may remain in the customs territory of the Republic of Albania for a period of six months, whether continuous or not, in any 12 months.

388.5 By way of derogation from Point 382, in exceptional cases where lake harbour infrastructure outside the customs territory of the Republic of Albania is not adequate to allow the mooring of means of inland waterway transport for private use, the General Directorate of Customs may allow a natural person established in the customs territory of the Republic of Albania to import a vessel

placed under the temporary importation procedure and used on the Republic of Albania part of a lake situated both within the said territory and in the country in which the vessel is registered. The person concerned shall provide evidence of the inadequacy of lake harbour infrastructure by any means acceptable to the General Directorate of Customs.

389.1 The temporary importation procedure shall apply to pallets.

389.2 Pallets which can be identified may remain in the customs territory of the Republic of Albania for a period of 12 months, which may be reduced at the request of the person concerned.

389.3 Pallets other than those referred to in paragraph 2 may remain in the customs territory of the Republic of Albania for a period of six months, which may be reduced at the request of the person concerned.

390.1 The temporary importation procedure shall apply to containers approved for transport under customs seal or simply bearing marks when they are brought into the customs territory of the Republic of Albania on behalf of their owners, their operators or the representatives of either of those.

390.2 Containers other than those referred to in paragraph 1 shall be admitted under the temporary importation procedure where this is authorised by the customs authorities.

390.3 Containers placed under the temporary importation procedure may remain in the customs territory of the Republic of Albania for a period of 12 months.

390.4 Containers placed under the temporary importation procedure may be used in internal traffic before being re-exported from the customs territory of the Republic of Albania. However, the containers may be used only once during each stay in a Republic of Albania, for transporting goods which are loaded within the territory of the Republic of Albania and are intended to be unloaded within that territory, where the containers would otherwise have to make a journey unladen within that territory.

390.5 Without prejudice to the provisions concerning temporary importation of spare parts accessories and normal equipment for containers, container accessories and normal container equipment may be imported either with a container for subsequent re-export separately or with another container, or separately for subsequent re-export with a container.

391.1 Point 390(1) shall apply to containers, whether or not they have been approved for transport under customs seal, on which the following information has been durably marked in an appropriate and clearly visible place:

a) the identity of the owner or operator;

b) the identification marks and numbers of the container, given by the owner or operator;

c) the tare weight of the container, including all its permanently fixed equipment; and

d) the country to which the container belongs.

391.2 However, the information referred to in paragraph 1. (c) shall not be marked on swap bodies used for combined rail-road transport and the information referred to in paragraph 1.(d) shall not be marked on containers used for transport by air.

391.3 The country to which the container belongs may be shown either in full or by means of the ISO alpha-2 country code provided for in International Standard ISO 3166 or by the distinguishing

initials used to indicate the country of registration of motor vehicles in international road traffic, or in numbers, in the case of swap bodies used for combined rail-road transport. The identity of the owner or operator may be shown by either his full name or an established identification, symbols such as emblems or flags being excluded.

391.4 Containers which:

a) bear, in addition to the information provided for in paragraph 1, the following details, which shall be put on the approval plate in accordance with the rules referred to in paragraph 5:
   i) the manufacturer's serial number (manufacturer's number), and
   ii) if they are covered by type approval, the identification numbers or letters of the type;

b) comply with the technical conditions referred to in paragraph 5; and

c) have been approved in accordance with the procedures provided for in paragraph 5; shall be recognised as approved for transport under customs seal.

391.5 The technical rules applying to containers which may be approved for transport under customs seal and the procedures concerning such approval shall be in accordance with those contained respectively in Part I and Part II of Annex 7 to the TIR Convention.

391.6 Where it is found that containers which have been approved do not comply with the technical rules referred to in paragraph 5, or where a container has a major defect and so no longer complies with the standards under which it was approved for transport under customs seal, the customs office shall act in accordance with Annex 53.

392.1 The temporary importation procedure shall be granted for normal spare parts, accessories and equipment, including the gear used to stow, secure or protect goods, imported with or separately from the means of transport for which they are intended.

392.2 Spare parts imported together with or separately from the means of transport for which they are intended shall be used solely to carry out minor repairs and routine maintenance of those means of transport.

392.3 Routine maintenance operations and repairs to means of transport which have become necessary during the journey to or within the customs territory of the Republic of Albania shall not constitute a change for the purposes of Article 157 of the Code and may be carried out during the period of temporary importation.

393. Admission of means of transport under the procedure shall be authorised without written application or authorisation.

394.1 Means of transport where not declared to customs in writing or orally shall be entered for the temporary importation procedure by the act described in Point 157(1).

394.2 Pursuant to Article 111 of the Code, the entry for the temporary importation procedure of means of transport which are not declared shall not be subject to the provision of a security.

394.3 By way of derogation from paragraph 1, where the supervising customs office considers at the time of entry for the procedure or when carrying out controls that there is a serious risk of non-compliance with the obligation to re-export a means of transport, the temporary importation procedure shall apply subject to:

a) production of a declaration made out in accordance with Point 130(1);

b) in the case of containers, an oral declaration, accompanied by a list. The list shall indicate:
   i) the name, business name and address of the operator or his representative;
   ii) the means of identifying the containers;
   iii) the number of containers and the quantity and type of normal spare parts, accessories and equipment.

394.4 Without prejudice to paragraph 2, where the supervising customs office considers that paragraph 3 applies and that the payment of the customs debt which may be incurred is not certain, the provision of a security shall be required.

395.1 Means of transport entered for the temporary importation procedure upon discharge of the inward processing procedure shall be treated as means of transport which have been brought into the customs territory of the Republic of Albania.

395.2 The date of entry for the temporary importation procedure of the means of transport referred to in paragraph 1 shall be the date on which they are first used under the procedure.

395.3 For the purposes of drawing up the bill of discharge provided for under the inward processing procedure, the user of the temporary importation procedure shall issue the holder of the inward processing authorisation with a certificate containing the information needed to draw up the bill of discharge.

396. Parts replaced following repairs or maintenance and new spare parts which are damaged or defective shall be assigned to a customs approved treatment or use permitted for the import goods.

397. In the case of means of rail transport and pallets used jointly under an agreement, the procedure shall also be discharged when means of rail transport of the same type or pallets of the same type as or equivalent value to those which were put at the disposal of a person established in the customs territory of the Republic of Albania are assigned to a permitted customs-approved treatment or use.

398.1 Where means of transport are entered for the temporary importation procedure without any declaration, the procedure shall be discharged:

a) in the case of re-exportation, in the manner referred to in Point 157(2);

b) in the case of declaration for any other customs-approved treatment or use, in the manner specified for declarations for the treatment or use in question.

398.2 Where Point 394(3) has been applied, the temporary importation procedure shall be discharged in respect of the means of transport concerned by presenting the means of transport for a permitted customs-approved treatment or use together with the declaration by the time limit laid down by the customs office where the said document was produced or the declaration was lodged.

399. The customs authorities may revoke a temporary importation authorisation in respect of means of transport where, without prejudice to derogation provided for by this Chapter and without prejudice to the institution of criminal proceedings, it finds inter alia:

a) that means of road transport for commercial use have been used in internal traffic,

b) that means of transport for private use have been used for commercial purposes in internal traffic,

c) that means of transport have been hired, lent or made available subsequent to their importation or, if they were on hire, on loan or made available at the time of importation, have been re-hired or sub-hired or lent or made available to another person in the customs territory of the Republic of Albania for any purpose other than immediate re-exportation.

Section 4
Special arrangements for discharge and commercial policy measures

400. For the purposes of this Chapter, it shall always be possible with the agreement of the customs authorities to abandon goods to the Exchequer in exceptional substantiated cases.

401.1 Where Albanian legislation provide for commercial policy measures on:

a) release of goods for free circulation, the said measures shall not apply on entry of the goods for the temporary importation procedure nor for such time as they remain under the procedure;

b) goods brought into the customs territory of the Republic of Albania, the said measures shall apply when the goods are entered for the temporary importation procedure;

c) exports, the said measures shall not apply when non-Albanian goods are re-exported from the customs territory of the Republic of Albania after being placed under the temporary importation procedure.

401.2 The release of import goods for free circulation shall be subject to the application by the customs authorities of any commercial policy measures in force for those goods at the time when the declaration for release for free circulation was accepted.

402. The General Directorate of Customs may lay down guidelines in the practical application of the temporary importation procedure.

Chapter VI
Outward processing

Section 1
General provisions

403. In accordance to Title IV, Chapter II, Section 3 G of the Code this chapter will lay down provisions in the implementing of the outward processing procedure.

Section 2
Authorising use of the procedure

404.1 For the purposes of Article 168 (b) of the Code, the General Directorate of Customs shall satisfy themselves that it is possible to establish that the compensating products have been manufactured from temporary export goods, by means, in particular, of the following:

a) the statement or description of special marks or manufacturer's numbers;

b) the affixing of plombs, seals, clip-marks or other distinctive marks;

c) the taking of samples, illustrations or technical descriptions;

d) the carrying out of analyses;

e) the examination of supporting documents relating to the transaction under consideration (such as contracts, correspondence or invoices) which show clearly that the compensating products are to be manufactured from the temporary export goods.

404.2 Where the procedure is requested for the repair of goods, whether or not with the standard exchange system, the General Directorate of Customs shall satisfy themselves that the temporary export goods are capable of being repaired. If the General Directorate of Customs consider that this condition is not fulfilled, they shall refuse authorisation.

404.3 Where the standard exchange system is requested, the General Directorate of Customs shall, inter alia, make use of the verification methods listed in paragraph 1 (a), (c), (d) or (e). In the case of paragraph 1 (e), supporting documents shall indicate clearly that the repair in question will be carried out by supplying a replacement complying with the conditions set out in Article 175 (1) of the Code.

404.4 For the purposes of paragraph 3, the General Directorate of Customs shall, in particular, satisfy themselves that the use of the procedure to carry out a replacement as provided for in Article 174 (1) of the Code is not authorised as a means of improving the technical performance of the goods. To that end they shall check:

a) the contracts and other supporting documents relating to the repair, and

b) the sales or leasing contracts and/or invoices relating to the temporary export goods or the goods incorporating temporary export goods, in particular the terms set out therein.

404.5 Where it is not possible to establish whether the compensating products will be manufactured from the temporary export goods and a request is made to the customs authorities for a derogation under Article 168 (b) of the Code, the authorities shall submit the application to the Minister of Finance.

405.1 The application shall be made in conformity with Point 234 and in accordance with the specimen in Annex 30, and presented by the person to whom the authorisation may be granted under Articles 109, 167 and 168 of the Code.

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

406.1 Without prejudice to the simplified authorisation procedure, authorisations shall be issued by the General Directorate of Customs and shall be made out in accordance with the specimen in Annex 35.

406.2 Each authorisation should be accompanied by a form *"outward processing record export"* that should form an integrated part of each authorisation. The specimen of the outward processing record export is described in Annex 35. All entries should be registered in this form, in accordance with instructions issued by the General Directorate of Customs.

406.3 In duly substantiated exceptional cases, the General Directorate of Customs may issue a retroactive authorisation. The retroactive effect of such authorisation may not go back beyond the time when the application was lodged. This derogation shall not apply to standard exchange with prior importation.

407. An authorisation for use of the standard exchange system without prior importation may also be used for the reimportation of compensating products instead of the replacement products, provided

that all the conditions are fulfilled. The persons concerned shall submit a request to this effect no later than the time the products are imported.

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

409.1 The period within which compensating products must be reimported into the customs territory of the Republic of Albania shall be determined with reference to the time required to complete the processing operations and to transport the temporary export goods and the compensating products. This period shall be calculated from the date of acceptance of the declaration of entry for the procedure.

409.2 Under the standard exchange system without prior importation, the period within which replacement products must be imported into the customs territory of the Republic of Albania shall be determined with reference to the time required for the substitution of the temporary export goods and for transport of the temporary export goods and of the replacement products. This period shall be calculated from the date of acceptance of the declaration of entry for the procedure.

409.3 The reimportation of compensating products and the importation of replacement products shall be deemed to have been accomplished when the products are:

a) released for free circulation, or

b) placed in a free zone or free warehouse or under the customs warehousing or inward processing procedures,

c) placed under the transit procedure.

409.4 The date to be taken into account for the application of this Point shall be the date of acceptance of the declaration for release for free circulation or the declaration entering the products for one of the customs-approved treatments or uses referred to in paragraph 3, or the date of entry into a free zone or free warehouse.

410. Where circumstances so warrant the period for reimportation of compensating products and importation of replacement products under the standard exchange system without prior importation may be extended, even if the initial period has already expired.

411.1 Where circumstances so warrant, the period referred to in Article 177 of the Code may be extended even after the original period has expired.

411.2 For the purposes of Article 177 (1) of the Code, the placing of goods in a free zone or free warehouse or under the customs warehousing procedure for subsequent export shall be treated as export.

412. The rate of yield referred to in Article 169 (2) of the Code shall be fixed no later than the time when the goods are entered for the procedure, taking into account the technical data concerning the operation or operations to be performed where these are available, or, where they are not, data available in the Republic of Albania relating to operations of the same type.

413.1 For the purposes of Article 167 (2) of the Code, the authorisation for outward processing shall be issued at the request of the person exporting the temporary export goods even where he is not the

person carrying out the processing operations. This derogation shall be requested in the application presented to the customs authorities. The authorisation shall be issued to the applicant. The derogation shall enable a person other than the holder of the authorisation to declare compensating products for free circulation and to be authorised to use the procedure.

413.2 The application must be accompanied by all supporting documents required for its examination.

413.3 When the General Directorate of Customs have all the necessary information they shall decide whether and on what conditions an authorisation may be issued, and shall in particular specify control measures to ensure that the relief referred to in Article 171 of the Code is granted only for compensating products in which the temporary export goods are actually incorporated.

414.1 When the processing operations concern the repair of goods, a customs office empowered by the General Directorate of Customs to issue authorisations using the simplified procedure shall allow the lodging of the declaration of entry for the procedure to constitute an application for authorisation. In this case acceptance of the declaration shall constitute the authorisation, and the said acceptance shall be subject to the conditions governing the granting of the authorisation.

414.2 Declarations presented under paragraph 1 shall be accompanied by a document made out by the declarant containing the following information, as necessary, unless such information can be entered in box 44 of the form used for the declaration itself:

a) where the person applying to use the procedure is not the same as the declarant, the name or business name and address of the applicant;

b) the trade and/or technical description of the compensating products;

c) the nature of the processing operations;