

the value, origin, and specification of goods and the applicable tariffs thereupon.

B- Disagreements between the persons concerned and the Department shall be referred to the said committee which may seek the assistance of those with expertise and technical competence.

C- The Director's decision shall be issued upon the committee's recommendation .

D- The Director's decisions may be challenged before the Customs Court within 15 days from the notification date.

E- The goods may be delivered before settlement of the disagreements mentioned in paragraph (A) of this Article. However, samples of the goods in question shall be kept with the Department according to the terms, procedures, and guarantees specified by the Director.

F- Customs duties and other fees and taxes which are not disputed shall be levied as revenue, while a deposit or a bank guarantee shall be placed against disputed duties and other fees and taxes until settlement of the dispute.

Chapter Four

Special Provisions for Travelers

Article 81:

A- Travelers personal effects and items accompanied by travelers shall be declared and inspected at the competent custom's houses, and in accordance with procedures and regulations set by the Director.

B-Notwithstanding the provisions of this Law, Customs duties on goods in the possession of travelers shall be levied at the rates set by the Minister, upon the Director's recommendation, with instructions issued in this regard specifying the terms and procedures for applying the provisions of this Articles and the goods to which they are applicable.

Chapter Five

Payment of Duties and Taxes and Withdrawal of Goods

Article 82:

A- Goods are held as a pledge for duties and taxes and shall not be withdrawn except after the completion of customs formalities and the payment of duties and taxes in accordance with the provisions of this Law.

B- Without prejudice to the principle of joint and several liability provided for in this Law, customs duties and other set duties and taxes shall be paid by the importer.

C- The withdrawal of goods before payment of duties and taxes in cases of emergency, the terms of withdrawal, the required guarantees, the assessment of taxes and duties thereupon, and the receipts against which duties and taxes are collected and other related matters shall be provided for in instruction issued by the Minister.

Article 83: Goods may be withdrawn by those liable for payment, before payment of duties and taxes, but against a bank or a cash guarantee and at the terms and rules specified by the Director.

Article 84:

A- The customs authorities, by the Director's permission, may review the declaration and the commercial documents pertaining to the exportation and importation of goods which are already released. Goods in the premises of the person concerned or any other person directly or indirectly involved in the business transaction may be inspected and tested within a period not exceeding three months from the date of release of the goods.

B- If it is established through post - clearance inspection and examination that the customs procedures provided for in this Law have been applied incorrectly or on the basis of false or incomplete information, the customs authorities may take the measures necessary to rectify the mistake in the light of

available information and in accordance with the procedures stipulated in this Law.

Article 85: Under the exceptional circumstances determined by the Cabinet, measures may be taken to withdraw goods against special guarantees and subject to the terms stipulated by a Minister's decision. Such goods shall be subject to the customs duties and other fees and taxes in effect at the withdrawal date.

Article 86: A receipt prepared in the importer's name and in the format set by the Minister shall be issued by the Department officials in charge of collecting duties and taxes. Drawbacks shall be made to the importer's name and upon presentation of a receipt issued thereto or a copy of the receipt, if necessary.

Article 87: A detailed customs declaration for goods imported by ministries, public departments and institutions, and municipalities shall be prepared in accordance with the general rules. It may be authorized to withdraw such goods after inspection, but before payment of due duties and taxes, subject to the terms set by the Minister, and upon the Director's recommendation.

Title SIX

Suspended Duties Status

Chapter One

General Provisions

Article 88: Payment of Duties and other fees and taxes on goods which enter the Kingdom, moved within, or pass in transit therein may be suspended against a cash or a bank guarantee or a guaranteed undertaking, in accordance with the Director's instructions.

Article 89: Materials and classes of goods admitted under any of suspended duties statuses shall not be used, allotted, or disposed of for other than the purpose of import.

Article 90: Bank securities and guaranteed undertakings shall be discharged, and deposits on taxes and duties shall be

refunded on the basis of quittances, and in accordance with the terms set by the Director.

Chapter Two

Goods in Transit

General Provisions

Article 91:

A- Goods of foreign origin which enter the Kingdom at one border and leave at another may be granted a transit status. The transit status shall be terminated upon producing either copies of the declarations endorsed by the first customs house in the neighboring country, or a certificate of arrival from the country of destination, or any other evidence accepted by the Department.

B- The required time periods for transport on a transit basis and the documents for settling and discharging declarations shall be specified by the instructions issued by the Department.

Article 92: Transit crossing shall be allowed only at authorized customs houses.

Article 93: Goods passing in transit shall not be subject to restriction or prohibition unless the Laws and regulations in effect provide otherwise.

Article 94:

A – Goods passing in transit may be stored only in free zones. However, such goods may be stored in a public storehouse for a maximum period of ninety days, by the Director's permission, upon valid justification, and subject to the terms and guarantees set by the Director. If the goods are not withdrawn after the expiry of this period and the Director does not grant an extension, the Director may take the necessary measures to sell the goods at auction and to deposit in trust the sum outstanding, after making deductions for fees, expenses and fines due by law, which fines shall not exceed 10 % of the value of the goods. The

remaining amount may not be refunded after three years from the date of sale.

B - Transit goods may be put for local consumption by the Director's decision, upon consultation with the competent authority.

Ordinary Transit

Article 95: Goods transported under an ordinary transit status, on designated routes, and by any means of transport, shall be at the responsibility of the undertaking's signatory.

Article 96: Goods referred to in the previous Article shall be subject to the special provisions in this Law regarding detailed customs declarations and customs inspection.

Article 97: Goods transported under the ordinary transit status shall be subject to the terms set by the Director regarding the leading of parcels and containers, and regarding means of transport, and the submission of guarantees and other obligations.

Special Transit

Article 98:

A – Transport on a special transit basis shall be through railway entities, licensed car or air transport companies or any other means approved by a Director's decision, and shall be at the responsibility of such entities and establishments

B - Licenses for the entities and establishments provided for in paragraph (A) of this Article shall be issued by the Director and shall stipulate therein the guarantees to be furnished and other requirement to be met. A license may be suspended for a certain period or cancelled entirely by the Director, if the requirements and regulations are violated, or if the special transit status is abused and the licensed means of transport is used in acts of smuggling.

Article 99: The roads and paths which may be used for the transport of goods under a special transit status, and the conditions for transport thereupon shall be specified by a Director's decision, without prejudice to treaties with other countries.

Article 100: Provisions applicable to the procedures regarding detailed customs declarations and inspections shall not apply to the goods transported under a special transit status. In the case of such goods, a summary declaration and general inspection [spot check] shall suffice, unless detailed inspection is deemed necessary by the Department.

Article 101: The special transit provisions of this Law shall apply in the implementation of agreements with provisions on transit, unless otherwise stipulated therein.

Transit by International Documents

Article 102: Companies and agencies licensed by the Director may, upon submitting the required guarantees, carry out transportation under a transit status on the basis of international documents- namely unified international booklets and other documents. Such transportation shall be by means of vehicles which meet the terms and specifications accepted by the Director.

Transport of Goods from One Customs House to Another

Article 103: Goods may be transported from one customs house to another, subject to the same provisions applicable to transport on a transit basis.

Chapter Three Warehouses

A - General Provisions

Article 104: Goods may be stored in warehouses without payment of fees and taxes in accordance with the provisions of this chapter. Warehouses are of two kinds:

- Public,
- Private.

Article 105: Each access point to a public warehouse site shall be secured by two different padlocks, with one of the padlock keys kept with the customs Department and the other with the party concerned.

Article 106: Goods shall not be admitted to any warehouse before the submission of a deposit statement prepared according to the provisions of this Law. Goods shall also be inspected according to such provisions. Records of all activities relating to goods shall be maintained to keep track of goods, and to serve as a reference against which to check the contents of the warehouse .

Article 107: Goods may not be kept in public warehouses for more than a period of one year, which may be extended by another year if necessary, upon the Director's approval.

B - The Public Warehouse

Article 108:

A- Working conditions at public warehouses, warehouse storage fees and other expense thereof, allowances to be paid to the Department, and required guarantees and any other provisions and specifications pertinent to public warehouses shall be regulated by instructions issued by the Director and published in the Official Gazette .

B- The Minister may take a decision to license a public establishment or company to set up a public warehouse, specifying in the decision the warehouse site, and its managing entity.

Article 109: Prohibited goods, explosive, semi-explosive, radioactive and inflammable materials, and goods showing signs of decay and goods which are a hazard to, or which may affect the quality of other goods, and goods whose upkeep requires special facilities, or knocked goods shall not be kept in the warehouse, unless it is set up for this purpose.

Article 110: The Department shall be entitled to supervise public warehouses which are managed by other entities. The investing entity shall be solely and entirely liable for the goods deposited at the warehouse according to the provisions of the Laws in effect.

Article 111: The public warehouse investing entity shall take the place of the owners of goods, with respect to all obligations towards the Department arising from the deposit of goods.

Article 112:

A- The Department may sell the goods deposited in the public warehouse upon the expiry of deposit delay period, and if the owners fail to re-export the good or put them for consumption.

B- The sale may be carried out one month after notifying the investing entity, and the owner or a representative thereof. The balance outstanding from the proceeds of the sale, after making deductions for duties, taxes and expenses, shall be deposited in trust with the Department, to be delivered to the persons concerned. The right to claim the proceeds shall be prescribed after three years from the date of the sale, at which point proceeds shall devolve to the treasury.

C- Sale shall be carried out through public auction and by a committee consisting of two officials of the competent customs house - one of whom shall head the committee- and a representative of each of the Municipal Council, and the Chamber of Commerce or Chamber of Industry as the case may be. The auction shall take place in the presence of the majority of committee members.

Article 113: Goods in the public warehouse may be unpacked and transferred to other containers, and parcels may be aggregated and disassembled. Moreover, it is allowed to perform any task to improve the appearance of the goods and facilitate the disposal thereof, however, subject to the

Director's approval and under the supervision of the Department and the competent official authority.

Article 114:

A- The Customs duties and other fees and taxes due shall be assessed on the basis of the entire quantity of goods originally deposited at the warehouse. The warehouse investing entity shall be liable for the fees and taxes in the case of shortages, overages, losses, or replacements in the goods and for the fines imposed by the Department under the provisions of this Law.

B - Customs duties and other fees and taxes shall not apply if the shortages or losses are a result of force Majeure, an inevitable accident, or a natural cause.

C – The investing entity remains liable for customs duties and other fees and taxes, and fines on shortages, overages, losses or replacements in the goods, even if a responsible cause is established.

Article 115: Goods may be moved from a public warehouse to another, or to any customs house on the basis of statements supported by guaranteed undertakings. Such transfers shall be subject to the provisions applicable to the transit status. Signatories of the statement of transfer shall submit within the period set by the Director a certificate of deposit attesting to the admission of the goods to the public warehouse or to a customs house for storage, or to be put for consumption, or to be placed under another customs status.

C - Private Warehouse

Article 116: Licenses for setting up private warehouses may be issued if necessary.

Article 117: Licenses to set up a private warehouse shall be issued by the Minister's decision upon the Director's recommendation, which decisions shall specify the warehouse site, annual

payments, and the guarantees to be submitted before the start of activities, and other related provisions.

Article 118: Goods in the private warehouse shall be presented to the Department upon every request. Duties and taxes shall be assessed on the basis of the entire quantity of goods originally deposited regardless of subsequent shortages in the goods, unless the shortages are due to a force Majeure or a natural cause such as evaporation, and dryness, or the like. The fines set by the Department shall also apply.

Article 119: The Provisions of Articles (110, 112, 115) of this Law shall apply to private warehouses.

Article 120: Prohibited goods and damaged goods shall not be deposited in private warehouses.

Article 121: The function of the private warehouse shall be limited to the storage of goods.

Chapter Four

Duty - Free Zones and Shops

Article 122:

A- Without prejudice to the provisions of Article (123) of this Law, foreign goods of any class and origin which are brought into free zones and taken out therefrom to other than the customs territory shall not be subject to import and prohibition restrictions or to duties and taxes except for any imposts made for the benefit of the free zone investing and managing entity.

B- National goods or goods which qualify as such by virtue of being put for local consumption may be admitted to the free zone provided they become subject to export restrictions and prohibitions, and to the customs duties and fees and other taxes applicable to exports, and to any imposts which are made for the benefit of the free zone investing and managing entity.

Article 123: