

Customs Law No. 14 of 1990 and its amendments by Law No. 12 of 2010

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Chapter One : DEFINITIONS

Article (1) :The following words and expressions appearing in this law shall have the meanings shown before each of them hereunder :

Republic	The Republic of Yemen
Minister	The Minister of Finance to whom the customs Authority is subordinated.
Customs Authority	The central customs organ and the executive departments represented by the Chairman of the Authority.
Chairman of the customs	Chairman of the Customs Authority who heads the customs organs of the state.
Customs Department	The customs executive departments subordinated to the Chairman of the Customs Authority.
Customs Tariff	The schedule containing the nomenclatures of goods , rates of customs duties they are subject to and the rules and remarks appearing therein.
Customs Precinct	The place determined by the Customs Authority in each sea or air port or in any other place wherein a customs department exists , and, in which it is permitted to conclude all or some of the customs procedures
Warehouses	The place or building prepared by the Customs Authority or which it has permitted others to use for the storage of goods in anticipation of drawing them in accordance with one of the customs conditions.
Store	The place or building wherein goods are deposited under the supervision of the Customs Authority in a condition contingent on duties in accordance with the provisions of this law.
Declaration	The declaration made by the owner of the goods or whosoever authorized to do so and containing a determination of the quantities and distinguishing elements of the goods declared in accordance with the provisions of this law and customs regulations.
Customs line	The line corresponding to the political frontiers separating the Republic and contiguous states and the coasts of surrounding seas.
Customs Scope	The part of land or sea subject to customs control and measures determined in this law, and is of two types: (a) Customs Marine Scope –that includes the sea region falling between the shores and the end of the Republic’s frontiers in its waters. (b) Customs Land Scope – that includes the land located between the shores of land borders on the hand and an internal line on the other hand, determined by a resolution issued by the minister or by whom he authorizes and published in the Official journal.
Goods	Every material or natural, animal , agricultural or industrial product.

Type of Goods	Their nomenclatures in the Customs Tariffs Schedule.
Goods Origin	The country of its manufacture.
Source of Goods	The country from which it has been directly imported.
Prohibited Goods	Every goods whose import or export is prohibited in reliance upon the provisions of this law or the other legal provisions in force.
Designated Prohibited Goods	Some of the Prohibited goods that are designated for the purposes of customs control by resolution of the Minister of Supplies and Trade and published in the official journal.
Restricted Goods	Goods whose import or export is restricted to special license or permit from the competent authority.
Limited Goods	Goods which, by resolution of the competent authority , cannot be imported or exported except by the authorities legally empowered to do so.
Goods subject to excessive duty	Goods that are so determined for the purposes of customs control by resolution of the Minister of Supplies and Trade and published in the official journal.
Services Fees	All that is received in return for rendering a service, such as portorage fees and overtime fees.
Customs Violations	Every act or omission of act in contravention of the provisions of this law and the regulations, resolutions and rules issued in accordance therewith.

Article (2): The provisions of this law shall apply to the customs scope which includes the territory subject to the sovereignty of the state and its territorial waters.

In this territory there may be established free zones in which the customs provisions shall not be applied, either wholly or partially.

Article (3): Every goods that traverses the customs line in entry or exit shall be subject to the provisions of this law and the customs regulations.

chapter Two: Customs Department's Scope of Work

Article (4): The Customs Department shall pursue its work within the customs precinct and the customs scope. It may also exercise its powers throughout the territory of the Republic and its territorial waters within the conditions determined in this law.

Article (5): Customs departments, centers and points shall be established and revoked by resolution of the minister upon the proposal of the Chairman of the Authority and published in the Official journal.

Article (6) : The responsibilities of the customs departments, centers and points and work precinct therein shall be determined by resolution issued by the minister upon the proposal of the Chairman of the Authority.

Article (7): It shall not be permissible to undertake customs procedures except within the competent customs departments in accordance with the preceding article, with due regard for the provisions of Article (64) of this law.

Chapter Three: Principle of Application of Customs Tariffs

Article (8): Goods entering the territory of the Republic in any form shall be subject to the customs duties specified in the customs tariff and other fees and taxes established in accordance with applicable laws

Article (9): Tariff duties shall be applied to goods from all countries, subject to the special provisions of this law.

Article (10): The preferential tariffs duties shall be applied to some states in accordance with agreements concluded in this respect. In this case it shall be a condition that the economic interests of the Republic and reciprocal treatment are taken into consideration.

Article (11): A- The Customs Tariff Council shall consist of:

1. The Minister	Head.
2. The Minister of Industry and Trade,	Member
3. The Chairman of the Customs Authority	Member
4. The competent Deputy of the Authority	Member
5. The general manager of Customs Tariff	Member and Rapporteur

B- The Council shall undertake the following tasks:

1- Formulating the customs tariff policy, in accordance with the provisions of this law and applicable laws, in a manner that serves the economic and developmental objectives of the State.

2- Studying proposals submitted by the Customs Authority to impose, amend, or cancel customs duties, in preparation for submitting them to the competent authorities to complete their constitutional procedures.

C- The Minister of Finance shall issue regulations governing the work of the Tariff Council and the procedures for voting on its decisions.

Article (12): In addition to the duties assigned to Customs Authority in the relevant applicable laws, it shall undertake the following:

1- Collect anti-dumping duties, countervailing duties, and protective duties imposed on - specific goods imported from certain countries upon their release for consumption.

2- Implementing any measures issued by the competent authorities pursuant to legislation, including quantitative restrictions, to address practices adopted by some countries that are harmful to the national economy.

Article (13): with due regard for Article (11) of this law, it shall be permissible by resolution of the Presidential Council, to impose utmost tariffs duties not exceeding two-fold the ordinary tariffs on goods of some states, provided that it shall not be less than 25% of the value of the goods.

Article (14): The decisions referred to in Articles (11, 12, and 13) shall have the force of law and must be presented to the legislative authority within two weeks from the date of their issuance. If they are not approved, their force of law shall cease and they shall remain in effect for the previous period in which they were applied. (This Article is void pursuant to Law No. (12) of 2010 amending Customs Law No. (14) of 1990)

Article (15): With due regard for Article (11) of this law, the resolutions and laws related to customs tariffs shall determine the date of their coming into force, provided that such date shall not be prior to the date of their promulgation.

Article (16): Goods declared to be placed in the condition of consumption or export shall be subject to the customs tariffs in force on the date of recording their detailed declarations, unless the contrary thereof is stated in the core of the laws amending the tariffs.

As for goods prepared for export on which duties have been paid in full prior to entry into the customs precinct, the part which has not been so entered, shall be subject to the tariff in force at the time of entry.

Article(17): when fees have to be cleared and which have been adjudged on goods deposited in the store by reason of the end of the period of depositing and regulatory extension thereof not having been obtained, the text of the tariff in force on the day of the end of the period of depositing shall be applied, Goods that have been drawn from the store in an illegal manner, or whose shortage is noticed upon review of store accounts, shall be subject to the tariff in force on the date of the last draw therefrom or the date of discovery of the shortage or the date of its occurrence if such determination has been possible, whichever is the highest.

Article (18): Goods whose duty is suspended in accordance with article (86) of this law and which have not been submitted to the Customs Department, shall be subject to the tariff duties in force on the date of recording such declarations or the date of end of the period granted, whichever is higher, As for the goods ,that are submitted to the Customs Department by related persons in order to be placed for consumption, shall be subject to the tariff in force in accordance with what is stated in Article (16) of this law.

Article (19): Goods Leaving the free zone to be placed for consumption shall be subject to the same fundamentals and procedures of import from a foreign origin and the tariff duty in force in accordance with the provisions of Article (16) of this law.

Article (20): Goods that are sold by the Customs Department to be placed for consumption in accordance with the provisions of this law shall subject to the tariff in force on the day of sale applied to them.

Article (21): The tariff in force shall be applied to the goods subject to relative (value) duty according to the condition they are in. As for goods that are subject to a qualitative (determined) duty then such duty shall be collected on them in full regardless of their condition, unless Customs ascertain that they have been damaged by majeure or a sudden accident, the amount of the qualitative duty shall be lowered in ratio to the damage sustained by the goods.

The percentage of damage shall be determined by a decision of the chairman of authority or by whom he is authorized, and the concerned parties may object to this decision before the arbitration committee stipulated in Article (77) of this law.

Article (22) : The provisions of Articles 15,16,17,18,19,20 and 21 of this law shall apply to all other duties and taxes that must be collected by customs, unless there be a provision to the contrary thereof.

Chapter Four: Restrictions and Prohibitions

Article (23): Every Goods that enter or leave the Republic must be submitted to the competent customs center and declared in accordance with what is determined by the Customs Authority. The center to which the declaration is given upon entry must be the center nearest to the frontier. By resolution of the Chairman of the Authority, a specific customs department may be designated to deal with goods whose types are determined in that resolution.

Article (24): Vessels of any tonnage whatsoever are prohibited from docking except in the ports prepared for that, except in the conditions arising out of a marine emergency, a force majeure or when the higher interest of the state so requires, provided that the Customs Authority is so informed and captains, in such case, must notify the same to the nearest

customs center or the nearest police station in the event of the absence of a customs center, and that without delay.

Article (25): Vessels whose tonnage is less than two hundred marine tons are prohibited from transporting within the customs marine scope limited goods published in the official journal or prohibited goods or goods subject to excessive duty or designated prohibited goods referred to in the first article of this law.

Article (26): Vessels whose tonnage is less than two hundred marine tons and transporting goods of the types referred in Article (25) are prohibited from entering the customs marine scope or cruise or change their course therein, except in conditions arising out of a marine emergency or force majeure. In such case, captains must notify the nearest customs point or department or other public authority. They must without delay submit a report to the Customs Department thereon supported by the authority that has been informed.

Article (27): Aircraft are prohibited from crossing the frontiers from other than the places so appointed or to land at to take off from airports where no customs centers exist, except in the case of force majeure. In such case the captains of aircraft must inform the nearest customs point or other public authority and they must without delay submit a report thereon to the Customs Department supported by the authority that has been so informed.

Article (28): Prohibited goods that are declared in their real nomenclatures shall not be detained. Goods declared for entry shall be returned to abroad and goods declared for taking out shall be returned to within, except if their exception in both cases has been permitted.

As for designated prohibited goods shall be detained even if declared in their real nomenclatures, unless there is a prior permit for their entry or exit. If such permit is subsequently obtained the goods shall be allowed to be entered or taken out after settling the violation.

suspending import or export upon a license, permit, certificate or any other document obligated the customs department not to allow completion of the customs transaction before obtaining the necessary documents.

Article (29): All foreign goods that bear the mark of a factory, shop or any other name, sign or indication that entails misguidance that such products were manufactured in the Republic or are of local origin, whether such marks are on the goods themselves or on their wrappings or on their binders shall be deemed prohibited. This prohibition will also apply to conditions in abeyance for duties which are the subject of chapter eight.

Local products that bear the mark of a factory or shop or any name or sign or indication that entails the misguidance that such products are of foreign manufacture shall also be prohibited from entry and exit.

Article (30): It is prohibited to bring in foreign goods that do not meet the conditions stipulated in the agreements and laws for the protection of origin, as well as imported goods that constitute an infringement on any intellectual property right subject to protection under international agreements and applicable laws and legislation, including the conditions for suspending fees, the subject of Chapter Eight.

Article (31): The Chairman of the Authority has the right to make a resolution of special rules for wrapping as regards some goods, provided that the same is announced three months before the commencement of application of such rules.

chapter Five:

Distinguishing Elements of Goods (Origin – Source – Type- Value)

Article (32): A- With the exception of preferential rules of origin, the rules and standards for the origin of goods shall be determined by a decision of the competent minister, provided that they do not conflict with agreements to which the Republic is a party.

B- The rules of preferential origin shall be applied in accordance with agreements concluded between the Republic and other parties that stipulate preferential treatment.

Article (33): Imported goods are subject to origin rules. A resolution of the minister concerned shall determine the conditions for origin rules and the cases of exemption from establishing such origin.

Article (34): Goods imported from other than the country of origin after being placed for consumption in that country shall have subject the tariff of the country of origin or the country of source, whichever is higher.

If the goods have had manufacture added to it in other than the country of origin then it shall be subject to the tariff applied to the country of origin or the country of manufacture according to the degree of manufacture and in accordance with rules established by the resolution of the competent minister based on the proposal of the Chairman of the Authority.

Article (35): (a) Resolutions on symmetry and itemization of goods for which there is no there is no mention in the tariffs schedule shall be issued by the Chairman of the Authority in accordance with the rules appearing in such schedule, and these resolutions shall be published in the official journal.

(b) With due regard for the interpretive clarifications of tariffs issued by the League of Arab States additional clarifications of customs tariffs and their conditions of application shall be issued by the Chairman of the Authority by resolutions in which he shall determine commencement of implementation, and these shall be published in the official journal.

Article (36): Without prejudice to the provisions and agreements to which the Republic is a party, the value shall be calculated for customs purposes in accordance with the provisions and bases issued by a decision of the Prime Minister based on the Minister's proposal.

Article (37): To complete customs procedures, the following must be followed:

A. Each customs declaration must be accompanied by an original, detailed invoice certified by the Chamber of Commerce or any other body accepted by the Customs Authority, proving the validity of prices and origin.

B. The Customs Authority has the right to request documents, contracts, correspondence, and other documents related to the transaction without being bound by their contents.

C. Documents submitted to the Customs Authority shall be translated whenever required.

D. The following shall be regulated by a decision of the chairman of the Customs Authority:

1. Cases in which goods are released with preliminary documents if the original documents are delayed in arrival, in exchange for financial guarantees or pledges acceptable to the Authority, and in accordance with the deadlines specified in the decision.
2. Cases in which the submission of certified original documents is waived.
3. Cases in which documents related to e-commerce may be submitted.

Article (38): The value declared in export is the value of the goods at the time of registering the customs declaration to which are added all costs until the goods leave the frontiers. Such value does not include:

- 1- Fees and taxes imposed on exports.
- 2- Internal fees and taxes and production taxes and others that are refunded upon export.

Chapter Six: Import and export

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Chapter Six

Section One

Import

(1) Marine Transportation: -

Article (39): Every good that arrives by sea, even if sent to the free zones, must be recorded in the shipment declaration (manifest).

The Shipment manifest must be single and must carry the signature of the vessel's captain.

The shipment declaration must include the following information: -

- Name of the vessel and its registered tonnage.
- Types of goods and their gross weight and weight of the disassembled goods, if existed.
- If the goods are prohibited their real nomenclature must be mentioned.
- Number or parcels and parts and description of their wrappings , markings and numbers.
- Name of shipper and name of addressee.
- Ports from which the goods have been shipped.

When entering the customs precinct, the vessel's captain must produce, on first demand of customs employees, the original shipment manifest for endorsement, and hand over a copy thereof.

When the vessel enters the customs scope (the harbour), he must also submit to the Customs Department:

- The sole shipment state and when necessary a preliminary translation thereof.
- The shipment manifest related to the vessel's supplies, sailors' effects and their commodities.

- A list of the names of passengers and all documents and shipment policies that may be required by the Customs Department for the sake of applying customs regulations.
- A list of the goods to be disembarked at the harbor.
- The manifests and documents shall be submitted within thirty-six hours of the vessel's entry into the harbor. Official holidays shall not be entered within this period. The Chairman of the Authority shall define the form of the shipment manifest and the number of copies that must be submitted.

Article (40) : if the shipment declaration belonged to a vessel that does not undertake regular trips or does not have shipping agents at ports or to a sailing vessel, that must be indicated by the customs of the shipping port. In exceptional cases at the discretion of the general manager of the department, the shipment declaration may be accepted from the captain of the vessel.

Article (41): In principle it shall not be permissible to unload the vessel's cargo and that of all other water transport means except in the precinct of the harbour in which the customs center is existent.

It shall not be permissible to unload any goods or transport them to another vessel except with the written permission of the Customs Department and in the presence of its employees.

Unloading and transfer from one vessel to another shall take place during hours and within the Conditions determined by the Customs Authority. Fishing vessels and transporters of fish products shall be allowed to load and unload at sea outside the harbours, provided that a prior annual permit is obtained from the minister.

Article (42): Vessels' captains or their representatives shall be responsible for shortage in pieces or parcels or their contents or the quantity of excess cargo until the goods are received into the customs warehouses or stores or by their owners when they are so permitted, with due regard for the provisions of Article (65) of this law.

The executive regulation shall determine the ratio of allowance permitted in excess cargo by increase or decrease, as well as the ratio of partial shortage in goods arising out of natural factors or as a result of the weakness of wrappings and the outflow of their contents.

Article (43): If a shortage in the number of pieces or parcels unloaded from that entered in the cargo declaration is established or a shortage in the amount of excess goods surpassing the ratio of allowance permitted by resolution of the Chairman of the Authority is established, then the vessel's captain or his representative must justify such shortage and support it with documents of established relevance. If the submissions of such documents is

not possible immediately a period of six months grace may be granted for their submissions after taking such surety as guarantees the rights of the Customs Department.

(2) Land Transportation

Article (44): Goods imported by land must be taken from the frontiers to the nearest customs center and its transporters must follow the road or route that leads directly to such center determined by resolution of the Chairman of the Authority published in the Official journal.

The transporters of such goods are barred from surpassing them beyond the customs center without a permit or place them in houses or other places before taking them to such center.

When necessary and by resolution of the Chairman of the Authority the entry of some goods by other routes may be permitted.

Article (45): Goods transporters and their companions must upon arrival at the customs center submit a loading list or road voucher that takes the place of a cargo declaration signed by the driver of the transport means and endorsed by the transport company, if any, and organized in accordance with Article (39) of this law, provided that the value of the goods shall be added. When necessary the Chairman of the Authority may decide some exceptions to this rule. The loading list or road voucher must be accompanied by documents in support of its contents in accordance with the conditions determined by the Customs Authority.

(3) Aerial Transportation

Article (46): The aircraft's captain must steer the craft from the moment it crosses the frontiers the aerial ways that have been determined for it.

Article (47): The goods carried by aircraft must be recorded in the cargo manifest signed by the captain of the aircraft and such manifest must be organized in accordance with the conditions set in Article (39) of this law.

Article (48): The captain of the aircraft must produce the cargo declaration and the lists provided for in Article (39) of this law to the employees of the customs on first demand.

He must submit these documents to the airport customs center, along with their translation when necessary, and that immediately upon the aircraft's arrival.

Article (49): In principle the unloading and casting away of goods from aircraft while in flight is prohibited. However, the captain of the aircraft may order the casting away of goods if that is necessary for the safety of the aircraft, provided that he informs the Customs Department thereof immediately upon its landing.

General Provisions

Article (50): The Provisions of Articles 41,42 and 43 of this law shall be applied to land and aerial transportation in respect of unloading and transportation of goods from one means of transport to another. Drivers, captains of aircraft and transport companies shall be responsible for any shortage in the event of land or aerial transportation in the course of application of this law.

Chapter six

Section Two

Export

Article (51): Every Vessel, train, motor car, aircraft or any other means of transport, whether loaded or empty, shall be prohibited from leaving the Republic without its having presented to the Customs Department a cargo declaration in accordance with the provisions of Article (39) and all the documents referred to in the mentioned article, and having obtained a departure permit, unless there is some exception determined by the executive Regulation of this law.

Article (52): Goods prepared for export must be taken to be declared in detail to the nearest Customs Department. It is prohibited for transporters towards the land frontiers to cross customs centers or point without permit or to follow other roads with the intent of avoiding such centers and points, provided that the goods subject to the control of the customs score are taken into consideration by the provisions determined by the Customs Authority in accordance with the provisions of this law.

Chapter six

Section three

Transportation by postal Correspondence and Parcels

Article (53): Goods are imported and exported by way of postal parcels or correspondence in accordance with the Arab and international postal agreements and the internal legal provisions in force.

Chapter six

Section Four

Common Provisions

Article (54):

A- Several sealed packages, assembled in any way, may not be listed in the cargo manifest or its equivalent as one package. Containers, pallets, and trailers shall be subject to the regulations issued by the Customs Authority.

B- It is permissible to allow the division of a single shipment of goods when there are justifiable reasons for doing so, provided that such division does not result in any loss to the public treasury. The chairman of the Authority may issue the instructions regulating this.

Chapter Seven: Customs Clearance Stages

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Chapter Seven

Section One

Customs Declarations

Article (55): When clearing any goods, even if exempt from fees and taxes, a detailed declaration must be presented to the Customs Department containing all information that enables application of customs regulations and the collection of fees and Taxes due and for the purposes of statistics.

Article (55 bis): Anyone who obstructs or hinders customs employees from carrying out their duties or exercising their powers of inspection or seizure shall be punished by imprisonment for a period not exceeding two years.

Article (56 bis): The principles of simplification, openness and transparency are taken in consideration in customs procedures. In application of these principles, the Customs Authority undertakes to adopt modern methods and advanced and developed systems with regard to the conduct of customs transactions, especially the following:

1. Implementing computerized customs procedures systems. Customs declarations may be submitted electronically.
2. Receiving cargo declarations and delivery orders electronically via approved carriers.
3. Promoting the use of electronic exchange of information and data, and developing customs operations and procedures in an electronic, paperless environment.

The rules and conditions implementing the preceding paragraphs (1, 2, and 3) shall be regulated by a decision of the Authority's chairman.

Article (56): The Chairman of the Authority shall determine the form of the detailed declarations, the number of copies and the information that must be contained in the documents that are appended thereto and the exceptions to this rule.

The detailed declaration shall be recorded under an annual serial number following ascertainment of its being compatible with the provisions of the articles of this section.

Article (57): It shall not be permissible to mention in the detailed declaration except goods related to a single cargo declaration, with the exception of cases that are determined by the Customs Authority.

Article (58): It shall not be permissible to mention in the declaration several closed parcels and grouped in any manner whatsoever as being a single parcel.

As regards containers, drums and trailers the regulations issues by the Customs authority shall be taken into due consideration.

Article (59): It shall not permissible to amend the contents of the Customs declaration after its being recorded. However, the declarer can apply to effect a correction regarding the number, measurements, weight or value, provided that such applications is submitted before the declaration is referred to the inspection organ.

Article (60): The Customs Department shall have the right to cancel the declarations that have been recorded and on which the fees and taxes due have not been settled or whose stages of clearance have not been completed for reasons owed to those who submitted it and that within a period of fifteen days from the date of recording such declarations.

The Customs Department may agree to cancel the declarations at the request of their submitters so long as the fees and taxes due on them have not been paid.

In the event of there being a dispute cancellation shall not be permitted until such dispute has been settled.

In the preceding cases, the Customs Department shall have the right to demand inspection of the goods and to carry out such inspection in the absence of the submitter of the declaration after notifying him of his attending the inspection by a written invitation but he didn't attend.

Article (61): Owners of goods or their legal representatives have the right to inspect their goods before submitting the detailed declaration, and taking samples when necessary, and that after obtaining a permit from the Customs Department. It shall be a condition that such inspection shall take place under its supervision. The samples taken shall be subject to the fees and taxes due.

Article (62): It shall not be permissible for other than the owners of goods or their legal representatives to peruse customs declarations. The judicial and competent official authorities are excepted from this.

Chapter seven

Section Two

Inspection of Goods

Article (63): After recording the detailed declarations, the customs Department shall undertake a full or partial inspection of the goods or except them therefrom according to the organizational instructions issued by the Customs Authority.

Article (63 bis): The Customs Authority shall, in implementing customs procedures, take into account the principle of trade facilitation without compromising effective customs control. To this end, it shall be guided by modern methods of risk assessment and management, in accordance with the following:

A. Analyzing customs risks and adopting selective criteria for examining and inspecting imported and exported customs consignments.

B. Taking into account the provisions of Article (63) of this law and for the purpose of simplifying procedures for exceptional release, the chairman of the Authority may waive the inspection of goods and accept the documents submitted by importers and exporters who comply with customs requirements and trade security and facilitation standards.

In this case, the customs authorities have the right, after the release of the goods, to examine the customs and commercial documents and data related to the import and export operations of those goods at the premises of the concerned party.

Inspection and examination of the goods may be conducted at the premises of the concerned party or any other person directly or indirectly involved in the aforementioned commercial transaction within a period not exceeding three months from the date of release of the goods, if necessary.

C- If, after the clearance of the goods, it becomes clear, as a result of subsequent inspection and audit, that the customs provisions stipulated in this law were applied incorrectly or based on incomplete or incorrect information, the customs authority shall take all necessary measures to correct this error in light of the available information.

Article (64): Inspection of goods shall take place within the customs precincts and inspection outside such precincts shall not be permitted except for necessity dictated by the nature and type of the goods themselves. This shall be upon the request of those concerned and at their expense in accordance with the rules that are established by the Customs Authority.

The goods shall be transported to the place of inspection. The parcels shall be opened and re-wrapped and all other acts required by such inspection shall be done at the expense and responsibility of the submitter of the declaration.

It shall not be permissible to transport goods that have been placed in customs warehouses in the places specified for inspection without the permission of the Customs Department.

Those engaged in the transport and submission of goods for inspection must be acceptable to the Customs Department. It shall not be permissible for any person to enter the customs warehouses and stores, sheds covered places and squares prepared for the storage of goods or their being deposited in the places specified for inspection without the permission of the Customs Department.

Article (64 bis): Goods may be inspected using X-ray machines or any other devices or means, and the terms and rules governing these procedures shall be determined by a decision of the chairman of the Authority.

Article (65): Inspection shall not be permissible to carry out an inspection without the presence of the submitter of the declaration or his legal representative. When a shortage appears in the contents of the parcels responsibility therefore shall be determined in the following manner:

1. if the parcels were entered into the customs warehouses or stores in an apparently sound condition establishing that the shortage occurs in the source country before shipment then the responsibility is nullified

2. If the parcels entering the customs warehouses or stores were in an apparently unsound condition, then the body exploiting such warehouses or stores must, along with the Customs Department and the transport company when necessary establish such condition in receipt minute and ascertain their weight and contents. The exploiting body should then take the measures necessary for their safe preservation.

The transporters shall be responsible unless he produces documents of established relevance that he received the parcels and their contents in the manner they were seen in when entered into the warehouses or stores.

3. If the parcels were entered in an apparently intact condition and then became the subject of suspicion after having been brought into the customs warehouses or stores, then the responsibility shall fall upon the exploiting body in the event of the existence of a shortage or a change being established.

Article (66): The customs Department may open the parcels for inspection, in the event of suspicion of the presence of prohibited goods or a contravention of what is stated in the customs documents, if the person concerned or his legal representative refuses to attend the

inspection at the specified time and a minute shall be recorded of the outcome of the inspection.

Article (67): The Customs Department has the right to re-inspect the goods when necessary.

Article (68): The Customs Department has the right to have the goods analysed by an approved analyst of the Customs Authority to ascertain their type or specifications or their being compatible with regulations.

Article (69): The Customs Department and those concerned may object to the outcome of the analysis before the arbitration committee provided for in Article (77) of this law which shall decide upon the dispute after into consideration the views of the analyst (s) chosen by this committee.

The rules regulating such measures and analysis wages shall be determined by resolution of the minister upon the proposal of the Chairman of the Authority.

Article (70): 1- If the other legal provisions in force require the presence of special conditions and specifications necessitating analysis and inspection, then this must be accomplished before the goods are released.

2- Goods which are established through inspection and analysis to be harmful may be destroyed by the Customs Department and that at the expense of and in the presence of their owners or their legal representative. They may, if they wish, re-export them within a period specified by the Customs Department. If they fail to attend or re-export after being informed in writing the destruction operation shall be carried out at their expense and the necessary report thereon shall be recorded.

Article (70 bis): A- The Director of the Department may, with the approval of the relevant authority, release the goods subject to analysis before the results are released, in exchange for a financial guarantee of customs duties and other fees and taxes, in accordance with the principles issued by a decision of the Authority's Chairman.

B- The release of goods may be authorized before the results of the analysis are released, if the purpose of the analysis is to apply the customs tariff. The owner of the goods shall pay the customs duties and other fees and taxes at the highest rate of the tariff, as a deposit, until the results are released. The Department must retain a sample of the disputed goods.

C- Owners of the goods are required to re-export harmful or non-conforming materials if they cannot be destroyed, or if the destruction would result in harm to health, the environment, or other harm.

Article (71): 1- The wrappings of goods of relative tariffs (value) shall be subject to the fees of the goods contained therein. The minister may, by his resolution issued upon the proposal of the Chairman of the Authority, determine the cases when the fees and taxes due on the

wrappings shall be levied separately from the goods that are contained therein and according to their tariffs items, whether to the goods of relative or qualitative tariffs or to those that are subject to lowered duties or are exempt of customs duties.

2- By resolution of the minister, upon the proposal of the Chairman of the Authority, the conditions by which the inspection of goods subject to duties on the basis of weight shall be determined and the duties due calculated.

Article (72): If the Customs Department cannot ascertain the correctness of the declaration through examination of the goods or the documents submitted, it may decide to halt the inspection and demand such documents as provide the necessary elements of proof, provided that all measures shall be taken to shorten the period of stoppage.

Article (73): Duties and taxes must be levied according to the contents of the declaration . However, if the outcome of the inspection shows a disparity between them and what is stated in the declaration, duties and taxes shall be levied on the basis of such outcome, without prejudice to the right of the Customs Department to follow-up levy of the fines due, when necessary, in accordance with this law's provisions.

Article (74): 1- Advance documentary release of goods shall be issued prior to their arrival. Customs duties and other taxes due shall be deposited on account until the goods arrive, are inspected, and verified. The customs tariff shall be applied on the date of opening the customs declaration.

2- Customs declarations shall be accepted for submitting applications or exporting the quantities required for such documents, provided that quantities from those declarations are deferred according to their arrival. The customs tariff in effect on those goods on the date of opening the general declaration shall be applied.

3- the conditions and rules governing paragraphs (1 and 2) of this Article are determined by a resolution of the chairman of the authority.

Chapter seven

Section Three

Provisions Concerning Travelers

Article (75): Travelers must present themselves to the customs center to declare what they accompany or what belongs to them.

Declaration and inspection must take place in accordance with the rules and fundamentals determined by the Customs Authority.

Chapter Seven

Chapter Four

Arbitration

Article (76, 77):

If a dispute arises between the Customs Department and the concerned parties regarding the specifications, origin, or value of goods, the Department's decision shall be final, except in the following two cases:

1. If the Department's decision would result in the concerned party being liable for a difference in customs duties and other fees and taxes of no less than 30,000 riyals.
2. If the aforementioned decision would result in the non-release of the goods, and their value is no less than 60,000 riyals.

The dispute shall be recorded in a report, which shall be referred to two experts for arbitration by conciliation. One of these experts shall be appointed by the Customs Department, and the other shall be appointed by the owner of the goods or their legal representative. They shall issue their decision within a period not exceeding fifteen days. If the owner of the goods refuses to appoint an expert to represent him within eight days from the date of the report, the Department's decision shall be considered final.

b- If the two experts agree, their opinion shall be final. If they disagree, the dispute shall be referred to a committee composed of a permanent commissioner appointed by the Minister upon nomination by the chairman of the Authority, and two other members, one of whom shall be chosen by the merchant, and the other a casting member chosen by representatives of both parties. If the merchant declines to appoint a representative to this committee, the experts' decision shall be deemed final.

The committee shall issue its decision after reviewing the opinions of the two experts and those whom it deems necessary to assist. The committee's decision on the arbitration matter shall be final unless appealed within sixty days in accordance with applicable laws. The losing party shall bear the arbitration expenses.

Article (78): The minister shall determine the number of committees, their centers, departments of competence and the bonuses to be expended to its members and the costs of the arbitration.

Article (79): 1- The Customs Authority shall determine the arbitration procedures, the fundamentals to be adopted in the collection of samples, conditions of the inspection of

goods disagreed upon the prior undertaking of those charged with arbitration and the writing of the documents following the decision of the two experts or the decision of the committee.

2- Arbitration shall not be permissible except as regards the goods that are still under the control of the Customs Department.

3- If the presence of the goods is not necessary and not in the condition in which the goods are subject to prohibition, the Customs Department may permit handing over of the goods before the conclusion of arbitration procedures under terms and guarantees set by the Customs Authority.

Article (80): 1- The two experts and members of the arbitration committee shall render the legal oath before the competent director, while the permanent commissioner who is appointed by the minister renders the legal oath upon appointment before the minister. The Executive Regulation shall determine the text of the legal oath.

2- The courts shall adhere to the provisions of this section when considering disputes regarding the value, origin or specifications of goods.

Chapter seven

Section Five

Payment of Duties and Taxes and Removal of Goods

Article (81): Goods are deemed to be collateral for duties and taxes and may not be removed from customs except after completion of customs measures in respect thereof, and payment of duties and taxes, or payment of a surety or submission of collateral therefor.

Article (82): Duties and taxes shall be paid in accordance with the provisions of this law. Customs employees charged with collection of duties and taxes must give receipts therefore in the name of the submitter of the declaration for the owner of the goods. The receipt shall be in the form determined by the Customs Authority.

the refundable duties and taxes shall be organized in the name of the owner of the goods or his legal representative, after that the original receipt or a copy thereof, when necessary, is produced, and Customs have not bear after that such amounts are paid.

Article (82 bi): Customs duties and other fees and taxes may be paid through credit accounts, bank guarantees, electronic payment methods, and other various payment methods that facilitate and stimulate trade activity. The chairman of the Authority shall issue relevant instructions in this regard.

Article (83): Goods that are imported by the state and the public sector institutions and companies and bodies or to their account shall be subject to the duties and taxes due, unless there is a special legal provision exempting them there from.

Detailed declarations as regards such goods shall be made according to general rules. Permission may be given to draw such goods immediately or after completion of inspection and before payment of duties and taxes due and that within the conditions determined by the minister upon the proposal of the Chairman of the Authority.

Article (84): When a state of emergency is declared it may be possible to deliver goods against special guarantees and conditions determined by resolution of the minister. Such goods shall be subject to the rates of customs duties and other fees and taxes in force on the date of their being removed.

Article (85): Those subject to taxation, maybe permitted to take their goods before payment of duties and taxes thereon against a banker's or cash guarantee within the conditions and rules determined by the minister.

Chapter Eight: Suspended Duty Status

Section 1: General provisions

Section 2: Transit Goods

Section 3: BondedWarehouses

Section 4: free Zones and markets

Section 5: Temporary Admission

Section 6: Re-export

Section 7: (Drawback (refund of duties upon re-export

Chapter eight

Section One

General Provisions

Article (86): -Goods may be brought into the Republic and transported from one place to another inside it or through it with placing the payment of customs duties and other fees and taxes thereon in abeyance.

In such cases it shall be a condition that guarantees in cash, banker's guarantees or guaranteed undertakings ensuring the fees and taxes are presented in accordance with the regulations issued by the Customs Authority.

Article (87): -Guaranteed obligations are disclaimed and the banker's guarantees or insured fees and taxes are returned against customs discharge certificates in accordance with the conditions determined by the Customs Authority.

Chapter Eight
Section Two
Transitory Goods (Transit)

A-General Provisions

Article (88): Goods of foreign origin may be transported in accordance with the transitory system (transit), whether such goods have entered the frontiers to leave from other frontiers or are sent from one customs center to another, provided that the last transportation is not by sea except by guarantees ensuring customs rights.

Article (89): Transit operations may not be undertaken except in the customs centers that are permitted to do so.

Article (90): Goods passing through in accordance with the transit system are not subject to restriction or prohibition unless there is provision to the contrary thereof in the laws and regulations issued by the competent authorities.

B- Ordinary (Transit) Passage

Article (91): Goods may be transported according to the ordinary passage system on all roads appointed by the Customs Authority and by various means of transport at the responsibility of the signatory of the undertaking and the guarantor.

Article (92): The provisions concerning detailed declaration and inspections provided for in this law shall apply to the goods referred to in the preceding article.

Article (93): The goods that are transported in the condition of transit shall be subject to the conditions that are determined by the Customs Authority as regards the compressing of parcels and containers and as regards the means of transport and the submission of guarantees and other undertakings.

C- special(Transit) Passage

Article (94): Transportation is conducted under the special transit system by railway authorities and vehicle or aircraft transportation companies licensed by a decision of the Authority's head, under the responsibility of these authorities and institutions.

Transportation companies are licensed according to the numbers, conditions, and specifications determined by the Authority's chairman, provided they do not conflict with any other law.

The licensing decision includes the guarantees that must be provided and all other conditions.

The Authority's chairman may suspend or revoke this license for a specified period in the event of a breach of the conditions and instructions specified by the Authority, or in the event of misuse of the special transit status to commit smuggling acts on licensed means of transportation. The decision to suspend or revoke licenses is final and not subject to any appeal.

Article (95): By resolution of the Chairman of the Authority the roads and routes on which transportation can take place in the condition of special passage shall be determined along with the conditions of such passage, with due regard for agreements concluded with other states.

Article (96): The provisions of procedures related to detailed declaration and detail inspection shall not apply to goods sent according to the condition of special passage. In this regard a brief declaration and overall inspection shall suffice, unless the Customs Department considers the carrying out of detailed inspection necessary.

Article (97): The provisions of special transit provide for in this law shall be applied for the purposes of implementing agreements that incorporate provisions on passage, unless the contrary thereof is provided for in such agreements.

D- (Transit) Passage on International Documents

Article (98): Transport in accordance with the interstate transit system is permitted to companies and organizations so licensed by the Chairman of the Authority after submission of the guarantees determined in the licensing resolution. Such transport shall take place according to unified international carnets or documents and on motorcars of specific specifications.

The customs Authority shall determine samples of the unified international documents or transport books according to the system of passage on international documents, matters of compressing and the specifications of motor cars that are permitted to undertake such transportation.

E-Transport from Center One to Center Two

Article (99) : In the event of transport from center one to center two the persons concerned may be exempted from making a detailed declaration. In such case, they must produce to the first center:

1- Road papers or cargo lists and other documents that are determined by the Customs Authority.

2- Submit a brief declaration thereon endorsed by a guaranteed undertaking whose sample is determined by the Customs Authority. Such brief declaration may be replaced by a

shipment declaration prepared in the country of source in the cases that are determined by the Customs Authority.

Article (100): Customs employees at the entry center have the right to carry out an inspection to ascertain the correctness of the contents of the brief declaration.

Article (101): The brief declaration referred to in Article (99) of this law maybe replaced by an accompanying memorandum prepared by the customs employees at the first center, and that in the cases and according to conditions that are determined by the Customs Authority.

Chapter Eight

Section Three Warehouses

A- General Provisions:

Article (102): Goods may be deposited in warehouses without the payment of duties and taxes in accordance with the provisions of this section. Such warehouses shall be of three types:

1. Real 2. private 3. bonded

Article (103): All accesses to the places reserved for the real and a private warehouses shall be locked with two different locks, the keys of one of them remaining in the possession of the person concerned.

Article (104): Goods shall not accepted at all types of warehouses except after production of a deposit declaration prepared in accordance with the terms set in Article (56) and the articles thereafter of this law and inspection shall take place in accordance with the rules that are provided for in Article (63) and the articles thereafter of this law.

The Customs Department may, for control of movement of goods accepted into the warehouses, hold special registers in which all operations related to them are recorded and these shall be a reference for the tallying of warehouses sets against the entries.

Article (105): The customs Authority shall determine the conditions of practical implementation of the condition of various types of warehouses.

B- Real warehouses

Article (106): The establishment of a real warehouses shall be permitted by resolution of the minister upon the proposal of the Chairman of the Authority. In this resolution the place of the warehouse, the body charged with its management, the conditions of investment, storage fees and other expenses, the portorage due to the Customs Authority, the guarantees that must be submitted and other provisions related thereto shall be determined.

Article (107): Goods may remain in the genuine warehouses for two years and may be extended by another year, when necessary, on the basis of an application approved by the Customs Authority.

Article (108): In the real warehouse, the storage of designated prohibited goods, explosives and similar materials, inflammable materials, products bearing false markings and goods that appear to be damaged and those whose presence in the warehouse entails danger or may endanger the quality of other products, goods whose storage requires special installations and waste goods, unless the warehouse is specified for that, shall not be permitted.

Article (109): The Customs Department shall have the right of control over the real warehouses managed by other bodies. The Customs Department shall not be deemed responsible for what happens of loss, shortage, impairment or change of goods. The body that invests in the warehouse alone shall be responsible for the goods deposited therein in accordance with the provisions of laws in force.

Article (110): The body investing in the real warehouse shall take the place of the owners of the goods deposited with it before the Customs Department as regards all of their obligations for the deposit of such goods.

Article (111): Upon expiry of the deposit period provided for in Article (107) of this law the customs Department shall have the right to sell the goods deposited in the real warehouse unless its owners undertake their re-export or place them for consumption. Such sale shall take place one month after the date of warning of the investing body and the owner of the goods or his legal representative.

The outcome of the sale, following deduction of various expenses, duties and taxes, shall be held as a trust in the fund Customs Department for a period of two years to be handed over to the persons concerned. If the person concerned or his heirs or whosoever deposes for them do not show upon announcement shall be made through the information media for three successive days. If none of them appears following three months after the date of the announcement the sale outcome shall become property of the public treasury in a final manner

Article (112): The following operations shall be permitted in the real warehouse under the supervision and following the approval of the Customs Department:

a. Mixture of foreign with other foreign and local products with the purpose of re-export only. In such cases, the placing of special markings on the wrappings and allocating an independent place for these products in the warehouse shall be a condition.

b. Removal of wrapping, transfer from one container to another, collection or division of parcels and the undertaking of all works which are intended to maintain the products, improve their appearance or facilitate their marketing.

Article (113): Customs duties and taxes and other fees and taxes shall be collected on the full quantities of goods that have been deposited. The body investing in the warehouse shall be responsible for these duties and taxes in the event of an increase, shortage, loss or change of goods, apart from the fines that are imposed by the Customs Department.

Customs duties and other fees and taxes shall not be due if the shortage in goods or loss result from a force majeure, fatalist accident or as a result of natural causes. Customs duties, other fees and taxes and fines on excess quantities, lower, lost or changed quantities remain due on the investing body even in the presence of a causer whose responsibility has been proved.

Article (114): Goods may be transferred from one real warehouse to another real warehouse or to a customs center in accordance with declarations of guaranteed obligations. The signatories of such obligations must produce ,within a period determine by the Customs Authority, a certificate showing the entry of such goods into a real warehouse or customs centers for storage, placing for consumption or according to another customs condition.

C- Private Warehouse

Article (115): The establishment of special warehouses may be permitted in places where there are centers of the Customs Department, if economic necessity requires that if the matter requires the erection of special installations. The work of private warehouse shall be eliminated upon the cancellation of the customs center within three months at least.

Article (116): The permit for establishing a private warehouse shall be issued by resolution of the minister upon the proposal of the chairman of the Authority, in which will be determined the place of such warehouse, the brokerage that must be paid annually, the guarantees that must be provided before commencing work and the other provisions related thereto.

Article (117): Goods deposited in a private warehouse must be presented on every demand of the customs department. The duties and taxes shall be levied on the full quantities of the deposited goods, without surpassing any shortage that may occur, except that which results from a force majeure, natural or self causes, apart from the fines that are imposed by the customs department.

Article (118): Goods may remain in the private warehouse for a period of one year, which may be extended by another year, when necessary, upon the request that is approved by the Customs authority.

Article (119): The provisions of Article (109), (111) and (114) of this law shall apply to the special warehouses.

Article (120): Damaged goods may not be deposited in private warehouses. Similarly, prohibited goods may not be deposited except with the special permission of the Chairman of the Authority.

Article (121): It shall not be permissible to undertake in the private warehouses except those operations that are intended to preserve the goods. Such operations shall take place with the permission and under the control of the Customs Department.

Some exceptional operations maybe permitted by the resolution of the Chairman of the Authority in which the conditions of such operations and the rules that must be observed in subjecting its produces to fees and taxes when placed for consumption are determined.

In all cases, the rules appearing in the tariffs schedule and the legal provisions on other fees and taxes shall be observed.

D- bonded Warehouse

Article (122): Some goods determined by resolution of the minister according to the condition of bonded warehouses may be deposited in commercial stores or special places in the towns and the places where there exists a customs center.

The Permit for establishing a bonded warehouse shall be issued by the Chairman of the Authority by a special resolution in which are determined the place of the warehouse, the conditions that must be available, the guarantees that must be submitted and the brokerage that is imposed annually and the works that are permitted.

As a rule, the assets of a bonded warehouse shall be liquidated and its entries settled upon cancellation of the customs center and that within a period of three months at most and the warehouse owner must carry out all that is required in this regard.

Article (123): The period of deposit in the bonded warehouses shall be set at one year, which can be renewed another year, when necessary, with the approval of the Customs Authority.

Article (124): The Customs Department shall have the right of control over bonded warehouses and the owners of such warehouses shall be responsible for the goods deposited therein.

Article (125): The Provisions of Articles (111) and (117) of this law shall be applied to the bonded warehouses.

Chapter Eight

Section Four

Free Markets and Zones

Article (126): Free zones may be created by allocating parts of ports and internal places and consider them as being outside the customs scope. Their establishment and investment shall be in accordance with the laws organizing the same

Article (127): With due regard for the provisions of the law concerning the free zone, foreign goods of whatsoever type. Origin or source may be brought into the free zones and taken therefrom to other than the customs. Domain without being subject to import or re-export restrictions. Interruption or prohibition. They shall not entail fees and taxes other than what is levied in favor of the body undertaking investment therein and made up of services fees. The executive regulations will determine the conditions and reservations related to implementation. National goods or goods that have gained this quality by being placed for domestic consumption shall also be permitted entry into the free zone. However, it will then be subject to export, prohibition and foreign currency restrictions, as well as customs duties and taxes that are imposed upon export to a foreign country, and that in addition to what fees and service charges are imposed in favour of the investing body.

Article (128): The body investing in the free zone must submit to the Customs Department a list of everything entering and leaving the free zone within thirty-six hours from the moment of entry or exit.

Article (129): Goods present in the free zone shall not be subject to any restriction as regards period and services fees shall be periodically paid to the Customs Department, when it undertakes investment in accordance with the conditions of such investment. In the event of goods owners defaulting on payment of such fees to the Customs Department, it may sell the goods, deduct what is due to it from the outcome of the sale and deposit the remainder in the Central Bank for handing over to the persons concerned. As for services fees due to investment bodies, other than the customs Authority, they shall be collected according to the regulations of such bodies.

Article (130): Free zones may be cancelled or their bounds amended in accordance with the laws regulating that.

Article (131): In the free zones shall be permitted the undertaking of all works on goods, whether for their collection, separation, maintenance or all other works, including the manufacture operations. In this last case they will be subject to the provisions of the following article.

Article (132): with due regard for the provisions of customs control, industrial establishments may be founded in the free zones, expanded or their industrial purpose amended in accordance with the investment laws regulations concerning such zones.

Article (133): The Customs Department has the right to carry out works of inspection in the free zones on goods whose entry is prohibited. It may also scrutinize documents and examine goods when there is suspicion of smuggling operations taking place.

Article (134): Goods may not be landed from sea to the free zone and entered into it by land except with the permission of the investing body according to legal precepts and regulations determined by the Customs Authority. Similarly, goods present in the free zone may not be sent to another free zone, warehouses or stores except by guaranteed undertaking given to the Customs Authority.

Article (135): Goods shall be drawn from the free zone in accordance with the provisions of this law, the investment system and the directives that are issued by the Customs Authority.

Article (136): A - Goods of foreign origin leaving the free zone in their original position shall be treated as foreign goods.

B - Goods manufactured or remanufactured in the free zone shall be exempt from customs duties when placed for local consumption within the limits of the value of the materials, costs, and local expenses involved in their manufacture.

C - A product, manufactured in the free zone, entering the local market shall be exempt from customs duties if the local added value exceeds 75% of the product. The terms and procedures for implementing this article shall be regulated by a decision of the Minister of Finance.

Article (137): Foreign goods in free zones may not be consumed for personal use before settling what is due on them of customs duties and other fees and taxes. Similarly, domicile in such zones shall not be permitted except with the permission of the chairman of the Customs Authority according to the requirements of work therein.

Article (138): National and foreign vessels are allowed to take on supplies from the free zone with all marine equipment.

Article (139): The bodies investing in the free zones shall be deemed responsible for all the violations committed by their employees and outflow of goods in an illegal manner and all laws and regulations concerning security, health, public morality, combat of smuggling and cheating shall remain in force in them.

Article (140): It shall be permissible to create free markets by resolution of the competent minister whose provisions are determined in accordance with the law.

Section Five

Temporary Admission

Article (141): Without prejudice to the provisions of Sales Tax Law No. (19) of 2001 and its amendments:

1- A- Customs duties and other fees and taxes may be temporarily suspended for a period of one year, extendable for no more than one additional year, on foreign goods imported for the purpose of manufacturing, completing, or repairing them, whether the beneficiary is a manufacturer or an exporter for export purposes, provided that their owners undertake to re-export them or place them in customs warehouses, depots, or free zones. The goods that enjoy this status, the industrial operations that may be performed, the required financial guarantees, and other conditions shall be determined by a decision of the Authority's chairman.

B- Imported or manufactured goods may be exported by someone other than the importer. Materials brought into the country may also be sold from one factory to another for the same purpose for which they were brought in, subject to the approval of the Authority's chairman. In this case, all obligations incurred by the first importer shall be transferred to the latter.

C- Goods manufactured from the materials included in paragraph (A) of this Article may be placed for local consumption with the approval of the Authority's chairman. Customs duties and other fees and taxes due on the imported materials shall be collected according to the tariff in effect on the date of registration of the declaration and the value of these materials on the date of their entry. These goods may be sold to legally exempt entities.

2- The Customs Authority may temporarily suspend customs duties and other fees and taxes for a period of six months, extendable under the terms and financial guarantees determined by the Authority's chairman, for the following items:

A- Machinery, equipment, and vehicles necessary to complete government and public sector projects and to conduct practical and scientific experiments.

B- Items temporarily imported for stadiums, theaters, exhibitions, or similar purposes.

C- Machinery, equipment, means of transportation, and other items imported for repair.

D- Containers and packaging imported for filling.

E- Commercial samples.

F- Items issued by a decision of the Minister.

The Minister's resolution determines the service fees collected by Customs in exchange for suspending the payment of customs taxes and duties after the first six months, or for settling or renewing those conditions.

The items listed in the previous clauses shall be re-exported or deposited in customs warehouses or storage facilities within six months from the date of their entry, subject to extension at the discretion of the Customs Authority.

Article (142): The customs Authority shall determine the conditions of temporary admission as regards things of any type that belong to arriving persons wishing to be temporarily domiciled, provided these shall be re-exported within an extendable period of six months.

Article (143): Temporary admission shall be applied to motor cars of persons arriving in the Republic for temporary domicile, whether arriving in their company or bought from customs warehouses and stores or free zones according to the regulation issued by the minister of finance.

Article (144): 1- Cars registered in the Arab and foreign states that transport passengers and goods between them and the Republic or other states shall benefit from temporary admission , provided there is reciprocal treatment, and re-export in accordance with the provisions of this law or in accordance with agreements concluded or this purpose.

2- Such Cars shall not have the right of domestic transportation.

3- Exception from some provisions of this article is permitted by resolution of the competent quarter.

Article (145): Owners of cars and motor-cycles whose major place of domicile is outside the Republic and belong to tourism establishment acceptable to the Customs Authority may benefit from temporary admission of their motor cars or motor cycles according to special tourist bonds (Carnet de passages en douanes (CPD) or traffic carnets given by such establishments and by which they bear the responsibility for customs duties and other fees and taxes that are due in place of their owners.

Article (146): The provisions of international agreements concerning temporary admission of motor cars and customs facilities granted to tourists shall be observed in accordance with the directives issued by the Customs Authority.

Article (147) : The customs Authority may decide to grant temporary admission to the motor cars of the employees and experts of the United Nations Organizations, other international, regional and Arab organizations and organs subordinated thereto, whether such motor cars are accompanied by their owners from abroad or purchased from customs warehouses or stores or free zones and that under the conditions that are determined by the Chairman of the Authority, provided that the provisions of treaties in force and in accordance with the terms of ratification are observed.

Article (148): It shall not be permissible to use the materials and types accepted in the condition of temporary admission or allocated them or dispose of them for other than the

purposes and objectives for which they were imported and declared in the declarations submitted.

Article (149): When paying temporary admission accounts any shortage that appears shall be subject to the duties and taxes due in accordance with the provisions of Article (18) of this law.

Article (150): The Customs Authority shall determine the conditions of practical application of the condition of temporary admission and the guarantees that must be presented.

Article (151): The Customs Authority may permit the placing for consumption of produces accepted as temporary admission, provided that all legal conditions in force are duly observed.

Chapter Eight

Section six Re-Export

Article (152): Goods entering the Republic that have not been placed for consumption may be re-exported to abroad or to a free zone in accordance with the fundamentals and procedures that are determined by the customs authority, with due regard of the laws and regulations in force.

The condition of re-export shall apply to the following: -

- 1- Goods present in customs warehouses.
- 2- Goods accepted in one of the conditions of warehousing or as temporary admission.
- 3- Goods placed for consumption exempt from all or some duties and taxes and that when the exemption lapses for some reason.

Article (153) : In some cases permission may be given to transport goods from one vessel to another or draw the goods that have not been entered in the customs warehouses on the wharves to vessels under conditions determined by the customs Authority.

Chapter Eight

Section Seven Refund of Duties on Re-Export (DRAWBACK)

Article (154) : Customs duties and other fees and taxes collected on some foreign materials entering into national exports shall be wholly or partially refunded on their re-export to abroad.

Such materials shall be determined by a resolution issued by the minister upon the proposal of the Chairman of the Authority, and following receipt of the views of the ministers of industry and trade.

In this resolution based on the proposal of the Chairman of the Authority shall be determined:

- 1- The periods and conditions that must be present for refund of such duties and fees.
- 2- Type of duties that must be refunded and the ratio whose refund is permitted in respect of each material.

Article (155): Customs duties and other fees and taxes on goods that are re-exported in their original position after having been placed for consumption and for which there is no local parallel in domestic production may be wholly or partially refunded, provided that their samples have been examined.

After taking the views of the ministers of trade and industry, the minister shall determine the types of such goods, the ratio that can be refunded of such fees and taxes and the periods during which such condition is applies.

Article (156): Customs duties and other fees and taxes shall be refunded on goods that are re-exported by reason of a disparity in their specifications and that under conditions, periods and reservations determined by the customs Authority.

chapter Nine: Coastal Shipping and Internal Transport

Article (157): Local goods or goods that have acquired such status through payment of taxes and fees, and which are transported in between the ports of the Republic, shall not be subject to the taxes and fees imposed on import or export, with the conditions determined by the Customs Authority.

Article (158): The Customs Authority must respond to the request of those concerned as regards handing them receipts proving that they have paid fees and taxes, or completed regulatory measures, or documents permitting transport, cruising or possession of goods and that under conditions determined by it.

Article (159): The Customs Authority may permit transport of local goods or goods that have acquired such status through payment of fees and taxes, through the territory of the neighboring country under conditions determined by its.

Chapter Ten: Exemptions

Section One: Exemptions from Gifts and Donations

Section Two: Diplomatic Exemptions

Section Three: Military Exemptions

Section Four: Personal Exemptions

Section Five: Returned Goods

Section Six: Miscellaneous Exemptions

Section Seven: General Provisions

Chapter ten

Section One

: Exemptions from Gifts and Donations

Article (160): Grants and contributions coming to state authorities, municipalities, mass, charitable and social organizations shall be exempted from customs duties and other fees and taxes. The Customs Authority shall determine the conditions and measures that must be completed so as to benefit from such exemption.

Chapter ten

Section Two

Diplomatic Exemptions

Article (161): There shall be exemption from customs duties and other fees and taxes on condition of reciprocal treatment, within the limits of such transaction and being subject to inspection, when necessary, with the knowledge of the Ministry of Foreign Affairs:

1- All that arrives for the personal use of the heads and members of the diplomatic and consular corps, non-national Arabs and foreigners working in the Republic who do not have honorary status and whose names appear in the schedules that are issued by the Ministry of Foreign Affairs, as well as their spouses and minor children.

2- That which is imported by embassies, commissions and non-honorary consulates for official use, except foodstuffs, alcoholic beverages and cigarettes. Such imports which are exempted in accordance with these provisions should be compatible with actual needs and within reasonable limits, and in accordance with a regulation issued by the ministers of finance and foreign affairs that determiners such needs.

3- Personal effects, furniture and household appliances that are brought in for the personal use of administrative (non- national) employees working for the diplomatic or consular missions.

There should be adherence to the proper quantities and inspection measures and on the condition that such imports take place within six months of the arrival of the beneficiary from the exemption. This period may be extended to another six months with the approval of the Ministry of Foreign Affairs.

As regards their motor cars these will be granted temporary admission status for a period that in principle may not exceed three years and may be extended on the basis of the approval of the Ministry of Foreign Affairs.

The Exemptions referred to in this article are granted on the basis of an application made by the head of the diplomatic, consular missions as the case may be.

Article (162): It shall not be permissible to dispose of things that have been exempted in accordance with the foregoing in other than the purpose they were exempted for. They may not be relinquished except after informing the Customs Authority and after settlement of the customs duties and other fees and taxed according to the condition of the things and their value on the date of disposal or relinquishment and according to the customs tariffs in force on the date of recording the detailed declaration submitted for the settlement of the fees and taxes due on them. The body benefiting from exemption may not hand over the relinquished things except after the completion of customs procedures and the granting of the permit to hand over by the Customs Department.

Customs duties and other fees and taxes shall not be due if the beneficiary from the exemption in accordance with Article (161) of this law disposed of that which he has been exempted from after five years from the date of take out the goods from customs, provided the existence of the principle of reciprocal treatment.

As for cars that are accepted for exemption, these are subject to the following:

1- It shall not be permissible to relinquish the motor car before the elapse of three years on the date of its exemption declaration except in the following cases:

a- End of the assignment of the diplomatic or consular member benefiting from the exemption in the country.

b- Following registration of its exemption declaration the motor car becoming involved in an accident rendering it inappropriate for the requirements of use by the diplomatic or consular member.

In these two cases customs duties shall be collected at the rates in force according to Article (21) of this law.

c- Sale by a diplomatic or consular member to another and provided that in such case the person relinquished to enjoys the right of exemption if the motor car is in the condition of exemption, otherwise the general fundamentals shall be applied in this respect.

2- If the relinquishment of the car took place three years after registration of the declaration of its exemption, it shall be treated in accordance with the provisions of Article (21) of this law.

3- It shall be possible for the administrative employees who have benefited from the condition of temporary admission of their cars, and upon the end of the period granted or the end of the assignment by reason of transfer or otherwise, to relinquish them to whosoever benefits from the right of exemption or temporary admission or re-export it or settle the duties and taxes thereon in full in accordance with tariffs and regulations in force on the date of registering the condition of the motor car as in consumption and according to the value of the car upon its being so relinquished. In all cases, the Chairman of the Authority may issue a resolution prohibiting the right of purchase of the cars desired to be relinquished locally after the end of the reasons of their exemption, or grant them the right of temporary admission to one of the public organizations or the public sector.

Article (163): The right of exemption in respect of persons benefiting therefrom according to Article (161) of this law commence as from the date of their commencing work at their official place of work in the country.

Article (164): The privileges and exemptions, provided for in Article (161) of this law shall not be granted except if the legislation of the state to which the diplomatic or consular mission or its members belong grants the same or better privileges and exemptions to the mission of the Republic of Yemen and its members. In other than such case, the privileges and exemptions shall be granted within the limits of what is applied thereof in the country concerned.

Article (165): Every employee of the diplomatic and consular corps or worker in such diplomatic or consular missions who has previously benefitted from any exemption should, when transferred from the country, submit to the Ministry of Foreign Affairs a list of the household and personal effects and the motor car which he has previously brought into the country to be referred to the Customs Department to

issue a permit for their being taken out and for carrying out an examination, when necessary, provided that such examination takes place with the knowledge of the Ministry of Foreign Affairs.

Chapter Ten

Section Three

Military Exemptions

Article (166): Ammunition, weapons, military and security equipment, and devices not intended for trade, that are imported by government are exempt from Customs duties

Chapter Ten
Section Four
Personal Exemptions

Article (167): The following shall be determined by resolution of the Council or Ministers upon the submission of the minister: -

1- The quantities of effects, gifts, furniture and household appliances that may be brought into the Republic.

2- The extent of exemption from customs duties and taxes on personal effects, gifts, furniture and household's appliances.

3- Extension of facilities to immigrants as regards workshop equipment and machinery and production equipment.

4- The resolution of the Council shall regulate the facilities granted to scientific competents, provided that these shall be for one time only.

The resolution of the Council of Ministers upon the submission of the minister and in coordination with the Minister of Foreign Affairs shall determine the personal effects which may be brought in by employees of the state working abroad upon the end of their period of work and the extent of exemption from customs duties and taxes and the regulatory conditions and controls for the enjoyment thereof.

Chapter ten
Section Five
Returned Goods

Article (168) : The following are exempt from customs duties:

1- Re-imported goods whose local origin is clearly proven and whose previous exportation has been established.

2-Goods and packaging temporarily exported after acquiring local status by paying duties and taxes and then re-imported.

3-Goods temporarily exported for completion of manufacturing, repair, or any other work shall be subject to customs duties and other fees and taxes for the increase in value thereof, according to the customs duty category specified for those goods in the tariff schedule.

In all cases, the Customs Authority shall reclaim the taxes and fees previously refunded upon export, as stated in the first paragraph. The Customs Authority shall determine the conditions and reservations that must be met to benefit from the provisions of this article.

Chapter ten

Section Six

Miscellaneous Exemptions

Article (169): It is exempt from customs duties within the conditions and reservations determined by the Customs Authority: -

1-Samples that are not commercial.

2-Installs, fuel materials, lubrication oils, switching cuts and tasks needed for the ships of the high seas and aircraft, as well as what is necessary to use their passengers and passengers on their external trips, all within the limits of reciprocity.

3- personal things that not bear commercial characteristic, such as decorations, sports and scientific awards.

4-The raw materials that are imported for people with special needs to accomplish special works they do.

5- What is imported by the ancient Arab and foreign antiquities necessary for its work.

6- The means of rehabilitation and transfer of people with special needs are specially manufactured for them, which the minister decides to exempt based on the proposal of the chairman of the Authority, supported by a medical report certified by the Ministry of Health.

7-The goods that are received from the outside without compensation for damage or deficiency that affected goods that were previously supplied and obtained at the time customs duties, fees and other taxes are complete, and the Customs Department is required to achieve the validity of this.

Chapter ten

Section Seven

General Provisions

Article (170): The provisions on exemptions appearing in this part shall be applied to goods, whether imported directly or purchased from Customs warehouses or stores or the free zones.

Article (171): The customs exemptions issued in accordance with this law are applicable as the following:

A - Exemptions stipulated in applicable international agreements to which the Republic is a party, and agreements concluded with international and regional organizations or foreign entities that have completed their constitutional procedures. Any customs exemptions stipulated in contravention of the provisions of this law shall be revoked.

B - Fixed and imported assets for the establishment of investment and industrial projects, represented by machinery, equipment, and devices, including vessels intended for transportation and marine fishing, and aircraft intended for air transport, pursuant to the lists prepared and submitted by the General Investment Authority in accordance with the provisions of this law and its executive regulations.

C - Production inputs for licensed and registered industrial investment projects shall be exempted by (50%) from customs duties, in accordance with the controls and conditions governing this in the executive regulations of this law, provided that the interested party may not combine the two benefits of the exemptions stipulated in this paragraph and the exemptions stipulated in the applicable international agreements to which the Republic is a party, and in the agreement establishing the Arab Free Trade Area, provided that the interested party chooses one of them.

Chapter Eleven: Services Fees

Article (172): 1- The goods that are placed in the squares, warehouses, stores and free zones that are managed by the customs shall be subject to warehousing fees, brokerage, insurance and other services fees which are necessitated by the goods warehousing and inspection operations.

Such fees and the terms of their collection shall be determined by resolution of the minister. In the event of the warehouses, stores and free zones begin administered by other authorities, then such authorities shall collect such fees in accordance with the provisions and rates determined in this respect.

In no case whatsoever shall it be permissible to have the warehousing fees exceed one half the price of the goods on the date of its begin taken out of Customs.

2- The goods may be subjected to compression buttoning, sealing, analysings and fees all other services that are rendered.

3- By resolution of the minister the said fees referred to above, terms of their collection, the cases of their lowering or exemption there from shall be determined.

4- By resolution of the minister some of the publications that are presented by the Customs Authority to those concerned shall be determined.

Article (173) The value of the overtime work to be collected from the owners of the goods, and its conditions, and the methods of disbursement thereof shall be determined by a decision of the Minister based on the proposal of the chairman of customs authority

Article (174): The fees wages and values (prices) provided for in the preceding two paragraphs shall not fall within the scope of exemption or return of fees referred to in this law

Chapter Twelve: Customs Brokers

Article (175): The declaration on goods at the Customs Department and completion of customs procedures thereon, whether for imports, exports or other customs conditions shall be accepted from:

- a. Owners of goods or their authorized employees in whom the conditions prescribed by the Customs Authority are available.
- b. The licensed practitioners of the vocation of Customs clearance.
- c. Customs employees in cases determined by the Customs Authority.
- d. Workers of the state who are so designated for this purpose by the quarter charging them therewith.

Article (176) A- The delivery permit for the goods must be submitted by the persons mentioned in the previous article. The submission of the delivery permits by a customs broker or an employee authorized by the owner of the goods shall be deemed authorization to complete customs procedures. Customs shall not be liable for the delivery of the goods to the person who submitted the delivery permit.

B- Subject to the provisions of the articles contained in Chapter Four of section Fifteen of this Law, and without prejudice to the more severe penalties stipulated in the Penal law, a customs broker who has obtained a written authorization from the interested party or the authorized person shall be legally liable for his actions and the actions of his subordinates before the Customs Authority, importers, exporters, and relevant authorities for any violation of the provisions of this Law.

Article (177): A. Every natural person who engages in the preparation, signing and submission to customs of the customs declarations and completion of the procedures related to clearance of goods to the account of other shall be deemed a customs .broker

b- Body corporates may be licensed to practice the vocation of customs clearance, provided that the General Manager of the member authorized to manage the company and managers of its branches, if any, meets the conditions required in the natural person licensed to practice clearance.

Article (178): Any natural person or body corporate may not practice the vocation of customs clearance except after obtaining a permit therefor from the Customs Authority.

The conditions that must be met for such permit to be granted, and the duties which brokers must undertake, the disciplinary board that considers their professional violations and the disciplinary penalties that are imposed in this regard shall be determined by a resolution issued by the minister.

Chapter Thirteen: Rights and Duties of Customs Employees

Article (179): Customs employees are considered to be customs enforcement men as regards their work as judicial enforcement officers within the limits of their responsibilities. customs employees and its enforcement officers shall not be litigated against before the judiciary for a reason relating to their undertaking their functions, except following prior consent of the public Attorney. Upon their appointment, the customs employees and the customs enforcements officers receive the service authorization granted by the chairman of the authority. They must carry such authorization when undertaking their work and produce it on first demand. The Customs employees and enforcement officers swear, upon their appointment, the legal oath before the primary court in the region where they have been appointed.

Article (180): The civil and military authorities and the internal security forces must extend to Customs employees and enforcement officers every assistance in undertaking their work when they request the same. the Customs Department also must provide its support to other departments.

The officers of the mentioned authorities may not be litigated against before the judiciary for a criminal offence that ensues out of the post in the course of their undertaking the compact of smuggling except in accordance with the provisions of Article (179) of this law.

Article (181): Members of the customs enforcement officers and customs employees are permitted to carry fire arms if the nature of their work necessitates that . the segments of such employees, who are not numbers of the customs enforcement officers, shall be determined by resolution of the Chairman of the Authority following approval of the Minister of the Interior.

Article (182): Every employee of the customs or the customs enforcement officers who leaves the job for any reason whatsoever should immediately retune all that is in his trust of authorization, registers, equipment and the like to the competent quarter.

Chaper Fourteen: The Customs scope and Detection Of Smuggling

Section One

The Customs Scope

Article (183): Designated prohibited goods , goods subject to excessive duties and others as appointed By the minister by resolution published in the official journal shall be subject to the provisions of the customs domain .

Article (184): It shall be a condition for the goods Subject to the provisions of the customs scope for their transport within it that they be accompanied by a transport voucher given by the Customs Department in accordance with the conditions determined by the Customs Authority. Similarly, the possession of goods subject to the Provisions of the customs domain can be restricted to certain places by resolution of the Chairman of the Authority, and other than such places the presence of any warehouse for the said goods shall be prohibited.

The place where large and small bales or other parcels , when there presence is not supported by a regulatory voucher, shall be deemed to be a warehouse.

The normal requirements that can be obtained within the scope for the purposes of consumption shall be determined by the Customs Department.

Article (185) : The transport or possession or movement of goods subject to the provisions of the customs scope in a non- regulatory manner like import and export shall be considerate as smuggling to import or export by smuggling , the goods are subject to the scope provisions unless proof to the contrary thereof is presented.

Chapter fourteen

Section Tow

Detection of Smuggling

Article (186): a. Customs employees and enforcement officers shall , for the sake of implementing this law and combatting smuggling, have the right to carry out examination of goods and means of transport and that within the regulatory limits that are formulated by the customs authority in accordance with the provisions of this law and other laws in force.

b. Investigation (inspection) of persons. At the frontiers in the condition of entry and departure shall take place in accordance with the fundamentals determined by laws and regulations.

Apart from that, it shall not be permissible to carry out a physical inspection of persons save in cases of being in the evident act or on the basis of notification established in a primary process minute.

c. Drivers of means of transport must obey the orders issued to them by customs employees and enforcement officers who shall have the right to use all necessary means to stop the means of transport when its drivers do not obey their orders, and in this due regard shall be given to provisions and regulations in force.

Article (187): Customs employees and enforcement officers shall have the right to board all vessels present in local harbors and those entering or leaving them, and to remain thereon until they unload the whole of their cargo. They may order opening of the vessel's scuttles, rooms, strong rooms and the parcels carried therein. They may affix lead seals on limited, designated restricted and goods subject to excessive fees and taxes, etc .as may be specified by the Chairman of the Authority by a resolution published in the official journal and demand of captains that they produce lists of such goods when entering the harbors.

Article (188): Customs employees and enforcement officers shall have the right to board vessels within the scope of the custom domain to inspect them or to demand the cargo manifest or other documents that this law. They shall have the right, in the event of refusal to submit the documents or their absence or suspicion of there being certain smuggled or prohibited goods to take all necessary measures , including the use of force to seize the goods and lead the vessel to the nearest customs harbor.

Article (189): Detection of smuggling , seizure of goods and the investigation of customs violations in respect of all goods may be carried out within the following conditions:

1-Within the customs land and sea domains.

2-Within the customs precincts, harbors and airports and, generally, in all places subject to customs control, including genuine, special and pseudo warehouses.

3- Outside the land and sea customs scope when following up and ongoing chase of smuggled goods , if seen within the domain and in a condition evidencing the intent of smuggling

As for goods subject to duties, other than the designated restricted goods, prohibited goods or goods subject to excessive fees, it shall be a condition for carrying out an investigation thereof , seizure of goods and investigation of violations outside places determined in paragraphs 1,2 and 3 including places of residence, that customs employees should have proof of smuggling in accordance with laws and regulations in force, provided that this is established in a procès-verbal (a minute) . In respect of places of residence, it shall be a condition that permission is obtained from the prosecution. As regards designated restricted goods or those subject to excessive duties and others that are specified by the Chairman of the Authority by a resolution published in the official journal and whose possessors or transports cannot produce regulatory proof determined by the by the Customs Authority these shall be considered to be smuggled, unless the contrary is proved.

Article (190): when charged with Investigation, custom employees and enforcement officers may peruse vessel documents, lists, commercial correspondence, contracts ,registers and all other documents of whatsoever kind that directly or documents of whatsoever kind that directly or indirectly relate to customs operations and they may, when necessary, hold them

with any quarter that relate to customs operations .such quarters must retain the records, documents and registers for a period of five years.

Chapter Fifteen: Customs Litigation

Section One: the investigation through a seizure report

Section Two: Arrest and detention, travel bans for violators, and two charges for smuggling

Section Three: Administrative and judicial prosecution

Section Four: Crime and joint liability in crimes and smuggling crimes

Section Five: Procedures of trials

Section Six: Expedited enforcement and judicial execution

Section Seven: General judgment and various data violations

Section Eight: Definition of smuggling, criminal investigation, and fines

Chapter Fifteen

Section One

Investigation Through a Seizure report

Article (191): The crimes of smuggling and customs violations shall be investigated by a seizure report issued in accordance with fundamentals determined in this law.

Article (192): the seizure report shall be prepared by at least two employees of the customs or its enforcement officers or any of the judicial enforcement commissioners.

Immediately upon discovery of the violation or crime of smuggling If there be any obstacle thereto it should be removed immediately.

The smuggled goods and the goods used to hide the violation or crime of smuggling and the means of transport should be moved to the nearest customs center when possible.

Article (193): the seizure report shall conclude: -

- Place, date and hour of its preparation in words and figures.
- Names of preparers, their ranks, jobs and signatures.
- Names of the violators or those responsible for the smuggling, their status, vocations, detailed addresses and chosen domiciles, when possible
- The seized goods, their types, quantities, values and the duties and taxes subjected to loss, whenever that is possible.

-Goods that escaped seizure at the frontiers within the limits of what has become known or established.

- Details of the incidents, statements of the violators or those responsible for smuggling and the statements of witnesses if present.

- The legal articles that shall be applied against the violation or crime of smuggling, whenever possible.

- The statement in the seizure report that it has been read out to the violators or those responsible for smuggling present, and who have supported it with their signatures or refused to do so. or the statement that it has been notified by affixture if they be absent .

- All other registered incidents and the presence of the violators or those responsible for smuggling when the inventory of the goods was carried out or their refrain from being present.

- Date and hour of completion of preparation of seizure report.

Article (194): the seizure report prepared in accordance with the Provisions of the preceding two articles shall be considered correct until its fabrication is proved as regards the material facts inspected by its preparers in person and that as regards this law.

As regards what appears in the seizure report of statements, admissions and information given by others, such seizure reports shall not be established, except for the fact of their occurrence and the statements, admissions and information that appear therein shall remain open to being proved to the contrary.

Shortcoming in form of the seizure report shall not be considered cause for its negation ,rather it shall be returned to its preparers for completion. The seizure report may not be returned for completion if the shortcoming pertains to material facts.

The seizure reports prepared in accordance with the previous articles with the evidence, fact and admissions that have been established in another country shall have the same power of proof.

Article (195): customs violations and smuggling crimes can be Investigated and established with all means of proof, and it shall not be a condition that the basis thereof should be the seizure of goods within the customs domain or outside it. investigation of violations and smuggling crimes in respect of goods for which customs declarations have been made shall not be barred by reason that these have been made shall not be barred by reason that these have been inspected and cleared without any remark or reservation of customs referring to a violation or smuggling crime. if it becomes apparent that the goods arrived at customs, was shown to customs officials who , in agreement with the owners of the goods , changed the names of some commodities to lower their value or hide certain commodities , those

employees shall bear the full responsibility until they pay into the state treasury the shortage resulting from their acts , along with their punishment in accordance with this law or the penal code.

Article (196): The forgery allegation submits shall be presented in a written statement of the public prosecution to investigate in the case.

Following investigation, the case will be submitted to the competent court within a period not exceeding the first session at which the litigation is formed and the court commences consideration of the case matter or the objection to the resolution of indictment.

If the forgery claimant cannot write his statement may be submitted orally to the court and its clerk shall undertake its record and sign it along with the president of the court.

The court shall consider the forgery allegation as speedily as possible and shall refer the forgery allegation to the competent judicial authority for decision thereon. Then the case shall be deemed an abeyant customs case.

If it is proved that the seizure report is wholly or partially forged, the court shall rule its revocation or rectification and the employee who committed the forgery shall be punished with the penalty determined by the court in accordance with laws in force.

If the person alleging the forgery loses his case he shall be adjudged with a monetary penalty in favor of the customs as the competent court may deem fit.

Article (197): It is permissible to issue a unified total seizure report for a number of violations when the value of the goods in each of them does not exceed (10,000) riyals, within the limits and instructions set by the Customs Authority. It is permissible to confiscate these goods for the account of Customs with the approval of the chairman of the Authority or his representative, and no method of review is accepted unless the owners of these goods prefer to pay the customs duties, fees, other taxes and fines due.

Chapter fifteen

Section Two

Detention, arrest and travel ban for violators and those responsible for smuggling

part One: Precautionary Detention

part Two: Precautionary arrest

part Three: Travel Ban for Violators and Smugglers

Chapter fifteen

Section Two

Part one

Precautionary Detention

Article (198): The prepares of the seizure report shall have the right to seize the goods being the subject of the violation or the crime of smuggling and the things used to hide that as well as the means of transport, provided that the seized things shall remain in the customs department until the case is decided on. They also shall have the right to seize all documents with the aim of proving the violations or smuggling crimes and ensure duties, taxes and fines. By resolution of the minister, whenever necessary, and upon the proposal of the Chairman of the Authority and approval of the public prosecution a sufficient part of the funds of the violators and those responsible for smuggling, whether movable or immovable, may be seized to ensure duties, taxes, fines and expropriations in accordance with provisions in force and provided that the suit for rights shall be filed before the competent court within a month from the date of effecting the seizure.

Article (199): When necessary the Customs Authority, by resolution of the Chairman of the Authority and to ensure the rights of the treasury, may impose a compulsory insurance on the funds of the taxable and their guarantors within the conditions determined in laws in force.

Chapter fifteen

Section Two

Part two

Precautionary arrest

Article (200): Preventive arrest shall not be permissible except in the following cases:

1. In the event of the evident crime of smuggling or whatsoever is considered to be such.

2. when undertaking prohibitive acts that obstruct the realization of the violation or the crime of smuggling.

3. when it is feared that the persons will run away or hide to be rid of the penalties, fines and compensation they may be penalized with.

The resolution of arrest shall be issued by the Chairman of the Authority or the general manager of the customs department and the competent public prosecution notified. The person arrested shall be presented to the competent prosecution within a period of 48 hours at most. Official holidays shall not be included in such period and the period of arrest shall commence as from his arrest by the customs.

The court shall decide the arrest of the person referred to it or release him after his arrest against a guarantee that is not less than the amounts specified by law or without guarantee by previous resolution. The person arrested or the Customs Authority may appeal the decision of such court within 48 hours of the date of notification and the arrested person shall not be released before the appeal judgment acquires the decisive final degree.

The appeal shall be presented to the court that issued the decision to refer it to the appeals that issued the decision to refer it to the appeals court (Penalties Division) located in the center of the competent court.

The appeals court shall consider the resolution appealed against without enjoining the litigants and its decision shall be irrevocable.

The authority that decide on preventive arrest may terminate it before submission to the competent court against a guarantee that does not exceed the amounts that he may be adjudged with or without such guarantee by a causative resolution.

Chapter fifteen

Section Two

Part three

Prohibition of Travel of Violators and Those responsible for smuggling

Article (201): The Chairman of the Authority or whomsoever he deposes shall have the right to request of the judicial authorities' prohibition of violators and those responsible for smuggling from leaving the country in the event of the things seized not being sufficient to cover the fees, taxes and fines.

Such request shall be revoked if the violator or the one responsible for smuggling presents guarantee that equals the value of the amounts that may be demanded of him or it later becomes evident that the seized funds are sufficient to cover such amounts.

Chapter fifteen

Section three

Administrative and judicial prosecution

part 1: Administrative Prosecution

part 2: Judicial Prosecution

part 3: Loss of the Right to Prosecution

part 1: Administrative Prosecution

Administrative Prosecution in accordance with collection resolutions.

Article (202): The Chairman of the Authority or whomsoever he may depute may issue collection resolution for the settlement of duties, taxes and fines of any sort, which the Authority collects. For the issue of collection resolution, It shall be a condition that the debt be:

- 1- established amount and due for payment by undertakings or settlement bonds.
- 2- That those charged with paying the debt are default therein after having been warned to pay within a period of ten days.

Article (203): Those charged of paying may object to the collection resolution before the competent court within fifteen days of the date of notification. However, that shall not halt execution, except if the amounts demanded are settled in insurance thereof.

B – prosecution in accordance with a fine resolution.

Article (204): The chairman of the authority or his authorized representative may, within the instructions specified by the Customs Department, issue decisions imposing fines and confiscations in accordance with the Settlement Guide with regard to customs violations that do not require imprisonment. The value of the confiscated items and the fine specified for them together in this law shall not exceed 200,000 riyals.

Article (205): The resolutions on fines shall be intimated to the violators or whosoever represents them in accordance with legal fundamentals. If they do not object thereto before the competent court within fifteen days, they shall become final and shall have the power of judicial judgements and the amounts contained in such resolutions shall be collected by all legal means.

Chapter Fifteen

section Three

part Two

Legal Prosecution

Article (206): It shall not be permissible to file a suit as regards customs violations and crimes of smuggling except on the basis of a written request from the Chairman of the Authority or whomsoever he may depute.

Chapter Fifteen

Section Three

Lapse of the Right of prosecution

A- Settlement by way of conciliation

Article (207): The Chairman of the Authority or whomsoever he may, debut may ,in accordance with the settlements schedule, conclude a settlement of the violations and cases of smuggling before the filing of the suit or during the consideration thereof or after issue of the judgement and before its acquiring irrevocability, and that by having the whole or part of the customs penalties and fines provided for in this law replaced by a cash fine of not less than 25% of the minimal level of the total customs fines for the violations provided for in Articles 268 and 269 of this law.

As for other violations their fines may be lowered to less than the said level according to the circumstances of the violation. In all cases, such fines shall be paid in addition to the amount of duties and taxes due.

The settlement contract may include the return of seized goods , means of transport and the things used in covering up the violation, in whole or in part. In this the limitations that are provided for by the provisions in force must be observed. The settlements in which the value of goods or the amount of duties open to loss exceed the amounts determined by his resolution shall be subject to the approval of the minister by his resolution.

By his resolution the minister shall issue the settlements schedule which shall be published in the official journal.

Article (207 bis): Smuggled goods are subject to the tariff fees in effect on the date the smuggled goods were seized, the smuggling incident was discovered, the date of the amicable settlement, or the date of the judgment, whichever is higher.

Article (208): The chairman of the Authority or whomsoever he may depute can conclude a conciliatory settlement for the whole of the violation or smuggling crime with all or some officials. In this last case he may determine the amount of the customs fine that must be paid and which relates to each of them in the ratio of his responsibility in accordance with

conditions and reservations that are determined by a resolution of the chairman of the Authority. All fines and what remain of the customs fines, if any that are due shall remain the onus of those not covered by the settlement contract.

Article (209): Among the effects of the settlement contract shall be the lapse of the legal customs fine and others that are provided for in the settlement contract in accordance with the provisions of this law and other provisions in force.

B- Remission of Smuggling crimes

Article (210): The chairman of the Authority or whomsoever he may debut may remit customs violations or a charge therewith when justifying reasons exist. In all cases that shall be before the case reaches the judiciary. As for cases of remission of violations and crimes of smuggling In which the value of the goods or the value of the fines open to loss exceeds the amount determined by resolution of the minister referred to in Articles 269 and 271 of this law. the consent of the minister shall be a condition. In all cases. justifiable reasons shall be that which relates to cases of travelers related to their personal use. Public interest, issues of public quarters, the public and mixed sector and the popular organization.

Chapter fifteen

Section four

Civil Responsibility in customs violation And Smuggling crimes

Article (211): civil responsibility shall be entailed for violations and smuggling crimes with the presence of their material elements, and contention with good intentions or ignorance shall not be permitted. However, whosoever is proved by decisive evidence to the victim of force majeure or sudden accident shall be exonerated of responsibility. Similarly, whosoever is proved not to have committed any of the acts that constituted the violation or smuggling crime or caused their occurrence or lead to their commission shall be exonerated of responsibility.

Article (212): In addition to the perpetrators of violations and smuggling crimes or original perpetrators civil responsibility shall include the intervenes, owners of the goods subject of the violation or smuggling crime, the partners, founders, guarantors, intermediaries, agents, subordinates, transporters, possessors, beneficiaries and despatcher of the goods, when the violation or smuggling crime took place. In all cases, that shall not be except open whosoever is decisively proved to have committed the crime.

Article (213): The owners of or investors in shops or special places in which the goods subject of the violation or smuggling crime are deposited remain responsible therefor, if aware of the smuggling. As for the owners of the means of public transport of passengers, their drivers

and assistants, they remain responsible if their collusion is established, unless they prove their not knowing of the presence of the goods subject of the violation or smuggling and the absence of any director indirect interest for them therein.

Article (214): owners of goods, employers and transporters of the goods, including the transport companies, shall be responsible for the acts of their employees and all those work in their establishments as regards the taxes and fees collected by the Customs Authority and the fines and expropriations provided for in this law.

Article (215): the guarantors shall be responsible in the same manner that the original obligators are responsible for the payment of fees, taxes. Fines and other amounts due within the limits of their guarantees.

Article (216): Custom brokers shall be responsible in a full manner for the violations and smuggling crimes they commit in customs declarations and the violations and smuggling crimes committed by their employees duly authorized by them. They may revert the damage caused to them by these to the owners of goods and the employers. As for the undertakings given in customs declarations they shall not be held responsible for them unless they gave such undertakings or guaranteed those who gave them.

Article (217): The guardians of violators or those responsible for smuggling and their custodians and supervisors shall be responsible for the violations and smuggling crimes committed by minors or the legally incompetent.

Article (218): Without prejudice to legal provisions in force the heirs shall be deemed responsible for settling the amounts due from the deceased with in the limits of the share of each of them in the estate.

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section four

part two

Liability in Violations and smuggling Crimes

Article (219): The fees, taxes and fines determined upon or adjudged upon the violators and those responsible for smuggling, jointly and severally, in accordance with fundamentals adopted in the collection of state funds. The goods and the means of transport, when present or seized, shall be the guarantee for the settlement of the required amounts.

Chapter fifteen
Section Five
Trial Fundamentals

part One: The Competent Court
part Two: The Court's competence
part Three: Notifications
part Four: The Appeal Method
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section five

part one
The Competent Court

Article (220): The competent courts shall consider the cases related to customs violations and smuggling crimes. Such courts shall be established , their formation and place and the courts before which their judgements are appealed against shall be in accordance with the provisions of the judicial Authority law.

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part two
Competence of the Court

Article (221): (a) The court shall be concerned with the following:

1.Consideration of suits relating to customs violations and smuggling crimes provided for in this law.

2.Consider disputes arising out of the implementation of the provisions of this law.

3.Consider the cases filed by the Customs Authority for collection of customs duties, fees and taxes and other charges that it collects and the fines and expropriations related thereto.

4. Consider objections to the collection resolutions in accordance with the provisions of Article (203) of this law.

5. Consider the objection submitted to the fines decisions in accordance with the provisions of Article (205) of this law.

(B) The locus competence of the court shall be determined in its establishment resolution.

(C) Such court alone shall have the power to consider urgent matters that relate to customs issues in accordance with the provisions of laws in force.

(D) The court shall decide handing over the seized goods or means of transport to their owners or to a third person against a cash, banker's, commercial or real estate guarantee and collateral, acceptable to the Customs authority, equalling the value of the goods or the means of transport estimated by the Customs Authority and its detention shall not be terminated until the said guarantee or collateral has been deposited with the customs Authority. In The event of abuse of trust whosoever receives them shall be civilly and criminally responsible.

Article (222): It shall not be permissible for other courts, for whatsoever reason, to consider the cases placed before the competent court mentioned in Articles (220) and (221) of this law.

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part three
Notifications

Article (223): Customs employees and enforcement officers may prepare and notify by themselves the summons, notifications, judgments and in general all papers related to customs cases, including collection and fines resolutions.

Article (224): Notification shall be conducted in accordance with the provisions specified in the Civil Procedure and Execution Law, taking into account the following two cases:

1- If the person to be notified changes his chosen place of residence or place of work after the date of the seizure report filed against him without notifying the Customs Authority in writing, or if he provides a false or fictitious address, notification shall be posted on his last, known, or chosen place of residence or place of work and on the bulletin board of the competent customs department.

2- If the person to be notified is unknown or his domicile is unknown and the value of the goods subject to the violation or evasion does not exceed (300,000) riyals, notification shall be posted on the bulletin board of the court or the competent customs center, and this shall be recorded in a seizure report.

If the value of the goods subject to the violation or smuggling exceeds the aforementioned amount, notification shall be posted on the bulletin board of the court or the competent customs center and published in a daily newspaper, and this shall also be recorded in a seizure report. In all cases, the fact of notification shall be proven by a report signed by two customs employees or its enforcement officers.

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part four
miscellaneous Rulings

Article (225): Without prejudice to Article (226) the judgements issued by the competent court shall be subject to impingement before the courts of appeal and cassation within the periods and according to the conditions determined in the trials fundamentals law. If the impingement is not submitted during such period, the judgement of the court shall become decisive and irrevocable and not subject to any manner of impingement or stay of execution.

Article (226): Court rulings are not subject to appeal if the amounts awarded (i.e., fines and the value of confiscated goods, excluding the value of means of transport and items used to conceal the violation or smuggling crime) do not exceed 300,000 riyals.

Article (227): Those responsible for violations and smuggling may not appeal court rulings related to prohibited goods or specific prohibited goods unless they have deposited a Guarantee amount equivalent to one-quarter of the value of the goods subject to the violation or smuggling, provided that the Guarantee amount does not exceed 2,000,000 riyals. The appeal request may not be accepted unless it is accompanied by a receipt proving the deposit of Guarantee amount with the Customs Authority. If the plaintiff loses his case, the Guarantee amount shall be deducted from the amounts awarded or due under the settlement agreement.

Article (228): The judgement issued by the court of appeals on the impingement presented to it shall always be deemed in presence if the impingement is presented by the violator or the person responsible for smuggling. Such judgements may be impugned before the court of cassation in accordance with the fundamentals provided for in the trials fundamentals law.

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section five
part five
Miscellaneous Provisions

Article (229): The Customs Authority shall be exempted from the stamp duty fee and all other judicial fees and costs entailed by the case .However, if the Customs Authority should lose the case that shall not entail bearing the fees and costs that are adjudged in favor of the other party.

Article (230): The Customs authority shall be exempted from submitting surety, insurance or payment of advances to ensure the costs due form the litigants in accordance with provisions in force.

Article (231): In the trial procedures the civil or penal trials fundamentals, that is not inconsistent with the provisions of this law.

Article (232): The competent court shall speedily consider the cases that fall within its competence and which this law provides for summary enforceability of judgements thereon.

Chapter fifteen
Section Six
Urgent enforcement and execution of judgments

part One: Expedited Enforcement

part Two: Enforcement of Judgments, Collection Decisions, and Fining

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part One
Expedited Enforcement

Article (233): First: The competent court shall order expedited enforcement in the following cases:

- A. If the smuggled goods are narcotics, weapons of war, ammunition, Israeli goods, Arab boycott goods, or other prohibited goods, regardless of their value.
- B. If the smuggler is caught red-handed and the value of the goods exceeds 100,000 riyals.
- C. If the smuggled goods are live or perishable animals.

D. Upon a request from the head of the department or his authorized representative in cases where there is fear of persons fleeing or smuggling their funds, or when they do not have a permanent residence.

Second: A person sentenced to expedited enforcement may appeal to the Court of Appeal to suspend the expedited enforcement, provided that a guarantee is provided to ensure the implementation of the court's ruling.

Article (234): The judgement of expedited enforcement revokes the period of notification of the debtor.

Chapter fifteen

Section Six

part two

Enforcement of Judgements and Collection and Fines Resolutions

Article (235): The collection and fines resolutions as well as the judgements issued by customs cases shall be enforced after acquiring irrevocable status by all means of enforcement and that upon the movable and immovable funds of those charged in accordance with legal fundamentals in force

Article (236): If it is not possible to collect the amounts decided or awarded in favor of the Customs Authority from the movable and immovable assets of the debtors, imprisonment may be used to collect those amounts at a rate of one day for every (2,000) riyals that have not been collected. The period of this imprisonment may not exceed, in any case, one year for each judgment or decision separately, and the customs fine due shall be reduced by an amount equivalent to the actual period of imprisonment.

Article (237): The customs Authority shall have the right to apply within the limits prescribed in the preceding article for re-imprisonment of the adjudged who has been released in the event of his default of the conciliatory settlement contract and payment of what is resolved or adjudged.

Article (238): The imprisonment provided for in Article (236) shall not affect the right of the Customs Authority to collect the amounts outstanding on the violators or those responsible for smuggling or the prescribed expropriations, unless straitened circumstances are established by a decisive judicial judgement in accordance with laws in force.

Article (239): The imprisonment resolutions and memorandums of error issued by the competent authorities may be enforced and the enforcement notifications notified by means of the customs employees and enforcement officers.

Article (240): The customs Authority shall be exempted from all enforcement costs and from the furnishing of guarantees or insurance in all the cases in which that is imposed by the law.

Chapter fifteen

Section Seven

General Provisions and Miscellaneous Data Violations

part One: General Provisions

part Two: Violations of Consumer Status Data

part Three: Violations of Export Data

part Four: Violations of Suspended Duty Status

part Five: Violations of Cargo Manifest (Manifest)

part Six: Violations of Movement and Possession by Land, Sea, and Air

part Seven: Miscellaneous Violations

Chapter fifteen

Section Seven

part One: General Provisions

Article (241): The customs fines and expropriations provided for in this law are deemed to be civil compensation to the Customs Authority and are not covered by the provisions of amnesty laws.

Article (242): When the violations are many the fines shall be due in respect of each separately. The sterner fine will suffice if the violations are inter-related in a manner that does not allow their separation.

Article (243): By fees, wherever mentioned, is meant the imposition of the customs fine in a certain percentage of the customs duties and other fees and taxes which the Customs Authority charge and which have been subjected to loss.

Article (244): 1- Except for the specified prohibited goods, a customs fine not exceeding the rate stipulated in paragraphs (a) and (b) of Clause (1) of Article (271) of this Law shall be imposed on goods imported or exported through smuggling whose value does not exceed (20,000) riyals.

2- Except for cases considered to constitute smuggling and covered by Article (271) of this Law, the specified fines shall be imposed for the violations set forth in the following sections of this Chapter.

3- The competent court shall rule on the maximum fines stipulated in this Law in the following aggravating circumstances:

A- Delay in submitting the specified certificates to acquit payment of outstanding declarations of duties if the delay period exceeds one year.

B- Violation of the cargo manifest regarding the place of shipment from the economically boycotted countries.

C- The violator has committed a previous offense under the provisions of Articles (268) and (269) of this Law. Repeating one of the acts stipulated in the aforementioned articles within two years from the date of committing the act shall be considered a precedent.

D- The discovery of goods placed in caches prepared for concealment or in gaps or spaces not designated for storing such goods.

E- The crime of smuggling or what is considered as such is coupled with an obstruction offense or a failure to comply with parking.

Article (245): A fine ranging between one fold and three folds of the fees shall be imposed for the following violations of declarations on condition of consumption of goods:

1- The declaration which is disparate in type, origin or source.

2- The declaration which is disparate in value and which entails an increase exceeding 10% of what is permitted or 5% of the weight, number or measurements.

Article (246): A fine of (15,000) to (60,000) riyals shall be imposed for each of the other violations of the consumption status data not covered by the provisions of the previous article.

Chapter fifteen

Section seven

Part four

Violations of Export declarations

Article (247): a fine ranging between one half to the equal of the value of the goods shall be imposed for violations of export declarations as follows:

1- The declaration which is disparate in type.

2- The declaration which is disparate in value and which entails an increase exceeding 10% of what is permitted or 5% of the weight, Number or measurement.

b. A fine ranging between one half and the equal of the value of the goods shall be imposed for violations of export declarations which may lead to being rid of export licence entry and reissue and that in the following cases:

1- The declaration which is disparate in type.

2- The declaration which is disparate in value and entails an increase exceeding 10% of what is permitted or 5% of the weight number or measurements.

Article (248): A fine of between one and twice the value shall be imposed for export data violations that would lead to the unlawful benefit of a refund of fees exceeding (20,000) riyals.

Article (249): A fine of between (15,000) and (60,000) riyals shall be imposed for each export data violation not covered by the provisions of the two previous articles.

Article (250): As regards the violations of declarations of Violations of Suspended Duty Status, subject of chapter Eight of this law ,the provisions applied as regards violations of declarations of condition of consumption referred to in Articles (245)and (246)of this law shall be applied.

Chapter fifteen

Section seven

Part four

Violations of Suspended Duty Status

A- General provisions:

Article (251): A fine ranging between the equal and three –folds the fees and provided that it shall not be less than one half the value, shall be imposed for violations of goods accepted in the Suspended Duty Status or their use outside the permitted places or for other than the special purposes for which they were entered or their allocation for other than the purpose they were designed for or their irregular or unlawful change or disposal, before notification of the Customs Authority and submission of the required transactions.

Article (252): A fine of 30,000 to 170,000 riyals shall be imposed for transporting passengers or goods within the country in vehicles admitted under a duty-free status, in violation of the provisions of applicable laws and regulations.

Article (253): A fine of 7,000 to 10,000 riyals shall be imposed for violations of delay in submitting goods sent in transit to the exit office or the internal destination office after the expiry of the deadlines specified in the declarations for each day of delay, or part thereof, provided that the fine does not exceed the value of the goods.

Article (254): A fine of 15,000 to 60,000 riyals shall be imposed for the following transit violations:

1-Submitting the specified certificates (necessary) for clearance and payment of transit declarations after the expiry of the deadlines specified for that purpose.

2-Cutting off lead and buttons and removing customs seals from transit goods, without this preventing the application of the provisions of Article (271) in the event that a shortage of goods is verified.

3-Changing the route specified in the transit declaration without the approval of the Customs Administration.

4-Breaching any of the legal transit provisions or conditions stipulated in the customs regulations not mentioned in the preceding paragraphs.

Article (255): A fine of 15,000 to 60,000 riyals shall be imposed for violations of the provisions of real, private, and fictitious warehouses. This fine shall be collected from warehouse owners or investors.

Article (256): A fine of 15,000 to 60,000 riyals shall be imposed for violations of the provisions contained in the customs laws and regulations pertaining to free zones

E- Temporary Admission and Re-Export Violations:

Article (257): Fines equaling and up to three –folds the fees and provided that these shall not be less than one half the value shall be imposed for the following violations:

1-Change of the goods temporarily admitted or re-exported, whether wholly or in part, with other goods.

2-Non- presentation of the goods accepted in the condition of temporary admission to the Customs Authority upon every demand.

3-Obtaining temporary admission without justification.

Article (258): A fine of 2,000 to 6,000 riyals shall be imposed for violations of delay in re-exporting temporarily imported goods (including passenger cars), as well as violations of delay in obtaining re-export declarations after the expiry of the specified deadlines, for each week or part thereof, provided that the fine does not exceed the value of the goods.

Article (259): A fine of 15,000 to 60,000 riyals shall be imposed for the following temporary import violations:

1-Submitting the specified certificates necessary for the release, payment, and undertakings of temporary import or re-export after the expiry of the statutory deadlines.

2-Cutting lead, buttons, or removing customs seals from goods sent in re-export declarations, without this preventing the application of the penalty stipulated in Article (271) of this law in the event that a shortage of goods is verified.

3-Changing the locations specified for the presence of temporarily imported goods without the approval of the Customs Authority.

4-Changing the route specified in the re-export declaration without the approval of the Customs Authority. Violation of any condition of temporary entry or re-export other than those mentioned.

5- Failure to comply with any condition of temporary entry or re-export other than those mentioned above>

Chapter fifteen
Section seven
Part five
Cargo Manifest Violations
(manifest)

Article (260): A fine of one to three times the fees, provided that it is not less than 50% of the value of the goods, shall be imposed for the following violations:

1-Unjustified shortage of goods compared to what is stated in the cargo manifest or its equivalent, whether in the number of packages, their contents, or the quantity of bulk goods. In cases where it is impossible to determine the value and fees, a fine of not less than 15,000 riyals and not more than 170,000 riyals shall be imposed for each package.

2-Unjustified excess of goods compared to what is stated in the cargo manifest or its equivalent. If the excess includes packages bearing the same marks and numbers as other packages, the excess packages shall be considered those subject to higher fees or those covered by the prohibition provisions.

Article (261): The provisions applied for violations of manifest or condition of consumption referred to in Article (245) of this law shall be applied against violations of the cargo manifest or whatever takes its place as regards value (when available) or type or place of shipment.

Article (262): A fine of 15,000 to 60,000 riyals shall be imposed for the following cargo manifest violations: -

1-Mentioning several sealed packages, assembled in any manner, in the cargo manifest or its equivalent as a single package, subject to Article (54) of this Law regarding containers, pallets, and trailers.

2-Failure to submit the cargo manifest or its equivalent and other documents referred to in Article (39) of this Law upon entry and exit, as well as delaying the submission of the cargo manifest or its equivalent beyond the period stipulated in the same article.

3-Lack of a regular cargo manifest or its equivalent, or the presence of a cargo manifest that does not reflect the actual cargo.

4-Omitting what should be included in the cargo manifest or its equivalent other than what is stated in the two preceding articles.

5-Importing by mail sealed packages or boxes that do not bear the regular labels, in violation of the provisions of Arab or international postal agreements and applicable domestic legal texts.

6-Other cargo manifest violations not mentioned in the previous articles.

Chapter fifteen

Seven section

Part six

Cruise and Possession Violations (Land, sea and Air)

Article (263): A fine of 60,000 to 280,000 riyals shall be imposed for the following violations:

1-Illegal possession or transportation within the customs zone of goods subject to the control of this zone, or in a manner that violates the contents of the transport document.

2-Vessels with a tonnage of less than 200 marine tons transporting restricted, prohibited, or duty-excessive goods, or goods specified within the maritime customs zone, whether or not they are mentioned in the cargo manifest, or changing their course within that zone in circumstances other than those arising from maritime emergencies or force majeure.

3-Vessels docking, aircraft landing, or other means of transport stopping in places other than those designated for them and authorized by Customs.

4-Vessels, aircraft, or other means of transport leaving a port or customs area without a permit from the Customs Department.

5-Anchoring ships of any cargo or landing aircraft at ports or airports other than those designated for that purpose, and in circumstances other than maritime emergencies or force majeure, without promptly notifying the nearest customs center.

Chapter fifteen

Seven section

Part seven

Miscellaneous Violations

Article (264): A - A fine of 15,000 to 280,000 riyals shall be imposed for the following violations:

1-Failure to submit the original invoice referred to in Article (37) of this law or submitting any documents that are formally inconsistent.

2-Transferring goods from one means of transport to another or re-exporting them without a declaration or a regulatory license.

3-Loading or unloading trucks, vehicles, or other means of transport, other than ships and aircraft, or taking goods without a license from the Customs Authority, or in the absence of its employees, or outside the regulated hours, or in violation of the conditions set by the Customs Authority, or unloading them in places other than those designated for that purpose, if these acts are committed within the customs area.

Article (265): A fine of the equal of and up to three folds the fees, provided it is not less than one half the value, shall be imposed in accordance with the condition and reservations determined by the Customs Authority on :

a. Violations of use of things covered by exemption or by a lowered tariff in other than the purpose or aim for which they were imported ,or their change, sale or disposal in an irregular manner and without the prior permission of the Customs Authority and without completion of the required regulatory transactions in their regard.

b. Change of specifications of motor cars or vehicles from goods transport motor cars or motor cars of special usages to passenger transport motor cars.

c. Import of spare parts or parts of types of goods which in their totality constitute complete or nearly complete types , whether arriving in the name of one imported or several importers , and whether cleared at one customs center or several customs centers at the same time or at different times in a manner leading to the entry of limited or prohibited goods or leading to benefit from the difference in fees of complete or nearly complete types or in a manner violating laws and regulations in force.

Article (266): Apart from the case shown in Article (248) of this law, a fine the equal of and up to two-folds the value shall be imposed in the event of refund of customs duties and taxes without due right.

Article (267): A fine of 15,000 to 60,000 riyals shall be imposed for the following violations, if they are not covered by the previous articles of this chapter:

1-Evading or attempting to evade customs procedures.

2-Failure to maintain seals, buttons, or lead on parcels, means of transport, or containers, without this resulting in a shortage or alteration of goods.

3-Failure of the parties concerned to fulfill their pledges or guarantees submitted by them to the Customs Authority, subject to the provisions of Article (269) of this Law.

4-Any other violation of the provisions of this Law and the implementing regulations and decisions thereof.

Chapter fifteen

Section Eight

Definition of Smuggling and what is Judged to be smuggling

part One: Definition of Smuggling and What Is Considered as Smuggling

part Two: Criminal Liability

part Three: Fines

Chapter Fifteen

Chapter Eight

Section One

Definition of Smuggling and What Is Considered as Smuggling

Article (268): Smuggling is the bringing in of goods into the country or taking them out of it in violation of the provisions of this law and the provisions in force through other than the customs department.

Article (269): For the purposes of application of this law the following shall be considered smuggling :

- 1-Upon bringing in not taking the goods to the first customs center or department.
- 2- Not following the roads specified in accordance with legal and regulatory provisions for bringing in, taking out and crossing with goods.
- 3- Unloading or lading of goods from and to vessels in a manner violating regulations and on shores where there are no customs centers or departments or within the customs marine domain.
- 4- Unloading or lading goods from and onto aircraft in an illegal manner outside regular airports or casting away of goods during aerial transport ,with due regard for the provisions of Article (59) of this law, and also the unloading of goods from means of transport outside customs centers and departments in a manner that violates the provisions of this law and the executive regulation.
- 5- Non-declaration at the entry or exit customs of imported or exported goods without a cargo manifest, and in that shall be included what passengers bring with them, with due regard for the provisions of Article (244).
- 6- By-passing of customs centers and departments of goods upon entry or exit without declaring them.

7- Discovery of undeclared goods at customs centers and departments placed in hiding places specially prepared for their hiding or in a hiatus or empty place which are not usually assigned for containing such goods.

8- Increase, shortage or change without legal justification in parcels or in their contents and which have been accepted in a condition placing fees in abeyance, subject or part Eight of this law, and which are discovered after the goods leave the customs entry center or department.

9- This provision shall encompass the goods that have crossed the country by smuggling or without completion of transactions.

10- Non-submission of proofs required by the customs Authority to finish the customs measures of pending declarations duties , subject of part Eight of this law.

11- Taking out goods from free zones or customs warehouses or stores to the customs domain without completion of customs transactions.

12- Contravening declarations designed to import or export designated restricted , prohibited or limited goods by means of forged or fabricated documents or designed to import goods by way of tampering with value to surpass the monetary allocations specified in provisions issued in this regard by means o forged or fabricated documents.

13- Submission of documents or lists that are forged or fabricated or placing or placing violating marks with intent to be rid of settling customs duties or other fees and taxes , wholly or partially ,or with intent to exceed prohibition or restriction provisions.

14- Transport and possession of designated restricted, prohibited or limited goods without submitting evidence supporting their import in regular manner.

15- Transport and possession of goods subject to the control of the customs domain within such domain without regular documents.

16- Non re-import of goods whose export is prohibited and temporarily exported for any purpose whatsoever.

17- Declared prohibited goods with their genuine nomenclature before obtaining a permit for their entry or exit.

18- An increase over what is permitted in re-export declarations which could lead to unreality of the pending declarations duties.

19- Non-re-export (taking out) of mator cars that were brought in or imported temporarily upon the elapse of one year from the date of end of the validity of the customs document according to which these were temporarily brought in.

Chapter fifteen
Section Eight
Part two
Criminal Liability

Article (270): The presence of intent in smuggling crimes shall be a condition for criminal liability.

In determining liability, the criminal provisions in force shall be duly observed, and in particular, the following shall be considered criminally liable:

- a – Original perpetrators.
- b- Patens in the crime.
- c- The interveners and incisors
- d. Possessors of smuggled materials.
- e. Drivers of the means of transport used in the smuggling.
- f. Tenants or beneficiaries of shops and places in which the smuggled goods were deposited.
- g. Owners of the means of transport, shops and places mentioned in items (e) and (f) of this article , if their knowledge thereof is proved.

Chapter fifteen
Section eight
Part three
Fines

Article (271): Without prejudice to any more severe penalty stipulated in other applicable laws, customs smuggling and similar offenses shall be punishable by the following penalties:

1. A customs fine, which shall serve as civil compensation to the Customs Authority, as follows:
 - A. From two to four times the value of the specified prohibited goods.
 - B. From one to three times the value and duties combined for the prohibited goods.
 - C. From one to three times the duty for goods subject to duties, unless they are prohibited, provided that the fine is not less than half their value.
 - D. From 20,000 to 40,000 riyals for goods not subject to duties, which are neither prohibited nor restricted.
- 2- Confiscation of the smuggled goods or a ruling equivalent to their value if they are not seized or escape seizure. The competent court may rule to confiscate the means of transport,

tools and materials used in smuggling, with the exception of ships and aircraft, unless they were prepared or rented for this purpose, or a ruling equivalent to their value if they are not seized or escape seizure. Article (272): The competent courts shall issue judgements with the penalties provided for in the preceding article and in that shall follow the fundamentals and procedures that are determined by the laws in force.

Article (273): Taking into account the provisions of Article (271), the general manager of the department or his delegate may decide to confiscate the goods and means of transport seized in the event that the smugglers flee and are not identified, if their value does not exceed (1,500,000) riyals. If the value of the goods exceeds this amount, the customs court shall decide urgently to confiscate the goods seized in this case.

chapter Sixteen: Sale of Goods

Article (274): - a. The Customs Authority may sell off the seized goods as animals, damageable or leak-able goods or goods whose condition endangers the safety of other goods or the installations they are in.

b. By permission of the Chairman of the Authority or whomsoever he deposes it shall be permissible to sell seized goods after the elapse of a certain period from the date of their seizure to be determined by resolution of the minister. By permission of the Chairman of the Authority or whomsoever he deposes it shall also be permissible to sell the seized goods whose value drops noticeably. In implementation of this article the sale shall take place according to a minute in which is recorded the condition of the goods, and the reason for its sale without need for notification of those concerned or awaiting the issue of a judgement from the competent court.

If such judgement is issued later and requires the return of such sold goods to their owners, they shall be paid the remainder of the outcome of the sale after deduction of the amounts that are provided for in Article (279) of this law, if necessary.

Article (275): The Customs Authority may sell the goods in regard which the regulatory period of safekeeping in customs warehouses or in the squares of the customs precinct or its wharves has elapsed. Such provisions shall also apply to the things left in trust with the Customs Departments by travelers. The period of safekeeping shall be determined by the minister.

It may also sell goods of the types mentioned in paragraph (a) of the preceding article when these are present in the customs precinct and that within the safekeeping period if symptoms of disease, rotting or danger to the soundness of other goods become evident, provided that this shall be established in accordance with a minute and the owners of the goods or their representatives notified of that, if possible: otherwise by notification in the Customs Department.

Article (276): The Customs Department shall also undertake the sale of the following:

a. Goods, things and means of transport that have become the absolute property of the Customs Authority as a result of a judgement, conciliatory settlement, written relinquishment or by expropriation according to Article (273) of this law.

b. The goods that have not been drawn from the genuine, private and pseudo warehouses within the regulatory periods and which are sold in accordance with the provisions of Articles (111,119,and 125) of this law.

c. Goods and things of meager value whose owners have not been known and which have not been claimed by anyone during the safekeeping period.

Article (277): Sales that are effected in accordance with the provisions of the preceding articles shall not lead to the filing of any suit for impairment or damage against the customs, with the exception of the instance in which a clearly gross mistake has been committed.

Article (278): a. The provisions of Articles (274,275 and 276) shall be applied to prohibited or restricted goods.

b. The sales provided for in the preceding articles shall be effected by public auction and according to the fundamentals and conditions determined of the minister published in the Official journal.

The goods, things and means of transport shall be sold duty-free and exempt of other fees and taxes , with the exception of brokerage which will be borne by the purchaser.

c. Prohibited or restricted goods or goods whose import is limited or permitted may be sold to the limiting quarters or other public quarters, the public sector quarters or to it's own account according to the conditions determined by the minister.

Article (279): The proceeds of the sale shall be distributed in accordance with the following order:

- 1- Costs of the sale operation.
- 2- Costs incurred by the Customs Authority of any sort whatsoever.
- 3- Customs duties.
- 4- Other fees and taxes according to their precedence in the date of issue of their respective legislations.
- 5- Fees for safekeeping in customs warehouses and stores encompassing opening, wrapping, transport, portorage ,etc.
- 6- Warehousing fees.
- 7- External transport fees when necessary.

The fate of the moment shall be determined as follows:

a. Abandoned Goods :

1- If the sold goods are of the type whose import is permitted on the day of the sale, the remainder of the amount shall revert to those concerned, provided they claim it.

2- If the sold goods are of the prohibited type or whose import is prohibited the remainder of the amount shall be entered as revenue into the public treasury.

b. Goods that are regularly imported and relinquished in favor of the Customs Authority, the remainder amount shall be entered as revenue into the public treasury.

c. The goods relinquished to the Customs Authority in accordance with a conciliation deed and for whose exportation a decisive and final judgment is issued, the amount shall be distributed according to the provisions of Article (208) of this law.

d. seized goods :

The remainder amount shall be held in trust in anticipation of its refund to its owners or its distribution to its account according to the conditions determined by the minister.

chapter Seventeen: Distribution of Customs Fines and values of Expropriation

Article (280): A- The share of the General Treasury's share of the fines collected by the Customs Authority, the value of confiscated items, goods, and means of transport pursuant to the settlement agreement, shall be determined at a rate of (60%). This share shall be deducted after deducting expenses, taxes, and fees, either before or after deducting the informants' share, in accordance with what is specified in the regulatory rules decided by the Minister.

The remainder shall be distributed to the confiscators, their supervisors, and those who assisted in discovering the violation, smuggling operations, or completing the procedures related thereto, as well as to the anti-smuggling funds, social cooperation funds, savings funds, the joint fund, and the sports and cultural activities funds allocated to Customs Authority employees.

B- The rules for distribution and the percentage allocated to those who benefit from this distribution shall be determined by a decision of the Minister.

Article (281): In the cases where fines or compensations are not collected or when such fines or compensations are meager and the Customs Authority cannot reward informers and seizers, the minister may permit, contrary to the provisions of Article (280) of this law, distribution of the proceeds of sale of expropriated goods and means of transport in the manner he deems fit, upon the proposal of chairman of the authority or payment of an amount from the public treasury to be determined by the minister himself.

chapter Eighteen: Customs Authority Privileges

Article (282): The Customs Authority shall, for the collection of customs duties and other fees and taxes it is charged with collection thereof and collection of finds, compensations, expropriations and refunds, enjoy a general lien on the funds of those charged there with, whether movable or immovable, even in the cases of insolvency and in preference over all details , save those related to the maintenance of things, judicial expenses borne by others and the debts that have a general lien on movable funds.

chapter Nineteen: Prescription

Article (283): a. No one shall have the right to demand of customs refund of duties or taxes on whose payment more than three years have passed.

b. The insured a moment of different types shall revert finally to customs duties and other fees and taxes within the periods and conditions determined by the Customs Authority, if those concerned do not, within the specified period, submit the document and fulfill the conditions that enable determination of these insurances.

In all cases, it shall not be permissible to demand the excess amount over what has been riveted to customs duties and other fees and taxes (remaining balance) after the elapse of four on the date of payment of the moment of insurance, except if the delay was caused by customs or by reason of suits filed with the courts or for an acceptable excuse.

Article (284): The responsibility of the Customs Authority and its subordinate branches ends after the lapse of five years over each ending year of compulsory retention of registers, receipts declarations and other customs documents related to the said year, and it cannot be obligated to produce such registers, receipts, declarations and documents except if there are cases that are still under consideration.

Article (285): The rights of the Customs Authority are prescribed in the following cases:

a. suits in customs violations, excepting smuggling violations, cannot be accepted after the elapse of three years commencing from the date of their occurrence

b. A suit in customs smuggling crimes cannot be accepted with the elapse of ten years commencing from the date of their occurrence

c. Suite in duties, taxes, fines, expropriation and other rights cannot be accepted after the elapse of three years from the date of them begin entitled.

Chapter Twenty: Transitional and Varied Provisions

Article (286): The Chairman of the Authority may exclude the state official and semi-official departments, the public sector authorities , establishments, installations and quarters to facilitate their work, including acceptance of the value of goods imported by them as shown

in invoice (lists) to which are added the costs of transport and insurance and any other expenses required by the import process, provided that this shall be limited by the condition that such exception shall not lead to prejudice against the duties and taxes due in accordance with laws in force, whether by exemption or by affecting the ratio of their levy.

Article (286 bis) Without prejudice to the provisions of Article (186) of this law, a higher committee to combat smuggling may be established by a decision of the Prime Minister based on the proposal of the Minister. The decision shall specify the members of the committee, its tasks, its working mechanism, and its operations room in the Customs Authority.

Article (287): The executive regulation shall be issued by the minister and by the competent quarter and the Chairman of the Authority, each within his competence, the group of regulate ones, resolutions, directives, declarations and fundamentals necessary for implementation of the provisions of this law.

Article (287 bis): The ceilings of customs fines stipulated in this law and the ceilings of fixed customs values may be amended, provided that a decision is issued to that effect by the Prime Minister based on the proposal of the Minister. In all cases, the maximum percentage of increase must not exceed (20%) of the value of the fine or the fixed customs value, as the case may be.

Article (288): This law shall be published in the Official journal and shall come into force from the date of its issue and revokes any previous law or provision contrary to its provisions.

Issued by Republic Presidency

Ali Abdullah Saleh

President of the republic

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