

In accordance with Article 257 of the Customs Law ('Official Journal of the Republic of Macedonia' No. 39/05) the Government of the Republic of Macedonia adopted this

CUSTOMS LAW IMPLEMENTING REGULATION

PART I

GENERAL PROVISIONS

TITLE I

GENERAL

CHAPTER 1

Definitions

Article 1

For the purposes of this Regulation:

- 1) '*ATA carnet*' means the international customs document for temporary importation established by virtue of the ATA Convention or the Istanbul Convention;
- 2) '*Particulars required for identification of the goods*' means, on the one hand, the particulars used to identify the goods commercially allowing the customs authority to determine the tariff classification and, on the other hand, the quantity of the goods;
- 3) '*Goods of a non-commercial nature*' means goods whose entry for the customs procedure in question is on an occasional basis and whose nature and quantity indicate that they are intended for the private, personal or family use of the consignee or person carrying them, or which are clearly intended as gifts;
- 4) '*Commercial policy measures*' means non-tariff measures established, as part of the commercial policy, in the form of provisions governing the import and export of goods, such as surveillance or safeguard measures, quantitative restrictions or limits and import or export prohibitions;
- 5) '*Customs nomenclature*' means one of the nomenclatures referred to in Article 19 of the Customs Law;
- 6) '*Harmonized System*' means the Harmonized Commodity Description and Coding System;
- 7) '*Istanbul Convention*' means the Convention on Temporary Admission agreed in Istanbul on 26 June 1990.

CHAPTER 2

Decisions

Article 2

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

Article 3

The revocation referred to in Article 2 of this Regulation shall not affect goods which, at the moment of its entry into effect, have already been placed under a procedure by virtue of the revoked authorisation.

However, the customs authority may require that such goods be assigned a permitted customs-approved treatment or use within the period which it shall set.

CHAPTER 3

Data-processing techniques

Article 4

(1) The Central Administration of the Customs Administration may allow the formalities provided for under customs rules to be carried out by a data-processing technique.

For this purpose:

a) ‘*a data-processing technique*’ means:

- exchange of standard messages by EDI with the customs authorities;
- introduction of information required for completion of the formalities concerned into the customs data-processing system;

b) ‘*EDI*’ means the communication of data structured in accordance with agreed standards for messaging between one computer system and another with the use of electronic means.

c) ‘*standard message*’ means a predefined structure recognized for the electronic transmission of data.

(2) The authorisation referred to in paragraph (1) of this Article may be granted subject to the compliance with the following conditions:

a) compliance with the principles of the customs rules;

b) determination of the measures for checking and protection of the source of data and for protecting data against the risk of unauthorised access, loss, alteration or destruction.

Article 5

Where the Central Administration of the Customs Administration allows the formalities to be carried out by a data-processing technique, it shall also determine the rules for replacement of the handwritten signature by another technique which may be based on the use of codes.

TITLE 2

BINDING INFORMATION

CHAPTER 1

Definitions

Article 6

For the purpose of this Title:

- 1) '*Binding information*': means tariff information or origin information binding on the customs authority when the conditions laid down in Articles 7 and 8 of this Regulation are fulfilled;
- 2) '*Submitter of application*' means:
 - for tariff matters: a person who has applied to the Central Administration of the Customs Administration for the issuing of binding tariff information,
 - for origin matters: a person who has applied to the Central Administration of the Customs Administration for the issuing of binding origin information and has valid reasons for applying,
- 3) '*Holder of information*': means the person to whom the binding information is given.

CHAPTER 2

Procedure for obtaining binding information — Notification of information to the submitter of the application

Article 7

- (1) Applications for issuing of binding information shall be made in writing, to the Central Administration of the Customs Administration. Applications for binding tariff information shall be made by means of a form conforming to the specimen shown in Annex 1 of this Regulation.
- (2) An application for issuing of binding tariff information shall relate to only one type of goods. An application for binding origin information shall relate to only one type of goods and one set of circumstances conferring origin of the goods.
- (3) Applications for binding tariff information shall include the following data:
 - a) the information holder's name, address and tax number;
 - b) the name, address and tax number of the submitter of the application where that person is not the holder of the information;
 - c) the customs nomenclature in which the goods are to be classified. The submitter of the application shall make express mention of the nomenclature referred to in Article 19 paragraph (3) of the Customs Law according to which he wishes to obtain the tariff classification of goods;
 - d) a detailed description of the goods permitting their identification and the determination of their classification in the customs nomenclature;
 - e) the composition of the goods and any methods of examination used to determine this, where the classification of the goods according to the customs nomenclature depends on their composition;
 - f) any samples, photographs, plans, catalogues or other documents available which may assist the Central Administration of the Customs Administration in determining the correct classification of the goods in the customs nomenclature, to be attached as annexes;
 - g) the classification envisaged;

h) agreement of the submitter of the application to supply a translation of any attached document to the application into Macedonian language if requested by the Central Administration of the Customs Administration;

i) any data to be treated as confidential;

j) indication by the submitter of the application whether, to his knowledge, binding tariff information for identical or similar goods has already been applied for, or issued;

k) acceptance that the information supplied may be stored on a public-access database of the Customs Administration. Article 16 of the Customs Law shall apply to data treated to be confidential.

(4) Applications for binding origin information shall include the following particulars:

a) the information holder's name, address and tax number;

b) the name, address and tax number of the submitter of the application where that person is not the holder of the information;

c) the applicable legal basis, for the purposes of Articles 21 and 26 of the Customs Law;

d) a detailed description of the goods and their tariff classification;

e) the composition of the goods and any methods of examination used to determine the composition of the goods and their ex-works price, as necessary;

f) the conditions enabling origin to be determined, the materials used and their origin, tariff classification, corresponding value and a description of the circumstances (rules on change of tariff heading, value added, description of the operation or processing, or any other specific rule) enabling the conditions in question for determination of origin to be met; in particular the exact rule of origin applied and the origin envisaged for the goods shall be mentioned;

(g) any samples, photographs, plans, catalogues or other documents available on the composition of the goods and their component materials and which may assist in describing the manufacturing process or the processing undergone by the materials;

(h) agreement of the submitter of the application to supply a translation of any attached document to the application into Macedonian language, if requested by the Central Administration of the Customs Administration;

(i) any particulars to be treated as confidential, whether in relation to the public or the service;

(j) indication by the submitter of the application whether, to his knowledge, binding tariff information or binding origin information for goods or materials identical or similar to those referred to under points (d) or

(f) of this paragraph have already been applied for or issued;

(k) acceptance that the information supplied may be stored on a public-access database of the Customs Administration. Article 16 of the Customs Law shall apply for confidential information.

(5) Where, on receipt of the application, the Central Administration of the Customs Administration considers that it does not contain all the data required to give out binding information, the Central Administration of the Customs Administration shall ask the submitter of the application to supply the required information. The time limits of three months and 150 days referred to in Article 8 of this

Regulation shall run from the moment when the Central Administration of the Customs Administration has all the information needed to reach a decision. The Central Administration of the Customs Administration shall notify the submitter of the application that the application has been received and that the said time limit shall run from that moment forward.

(6) The Central Administration of the Customs Administration shall issue the binding information.

Article 8

(1) Binding information shall be notified to the submitter of the application as soon as possible.

a) For tariff matters: if it has not been possible to notify binding tariff information to the submitter of the application within three months of acceptance of the application, the Central Administration of the Customs Administration shall contact the submitter of the application to explain the reason for the delay and indicate when it expects to be able to notify the information.

b) For origin matters: information shall be notified within a time limit of 150 days from the date when the application was accepted.

(2) Binding information shall be issued using means and a form conforming to the specimen shown in Annex 2 (binding tariff information) and Annex 3 (binding origin information). The binding information shall indicate what particulars will be treated as confidential. The right of appeal referred to in Article 7 of the Customs Law shall also be mentioned in the binding information.

CHAPTER 3

Legal effect of binding information

Article 9

(1) Without prejudice to Articles 5 and 74 of the Customs Law, binding information may be invoked only by the holder of the information.

(2) a) For tariff matters: the holder of the information, when fulfilling customs formalities, shall inform the customs authority that he is in possession of binding tariff information in respect of the goods being cleared through customs.

b) For origin matters: the holder of the information, when completing customs formalities, shall inform the customs authority that he is in possession of binding origin information covering the goods in respect of which the customs formalities are being completed.

(3) The holder of the information may use the binding information in respect of particular goods where the customs authority establishes:

a) tariff matters: that the goods in question conform in all respects to those described in the information presented;

b) origin matters: that the goods in question and the circumstances determining their origin conform in all respect to those described in the information presented.

CHAPTER 4

Provisions to be applied in the case of expiration of the binding information

Article 10

Where the holder of the binding information that has ceased for reasons referred to in Article 11 paragraph (5) of the Customs Law wishes to continue to use the information over a certain period, in accordance with Article 11 paragraph (6) of the Customs Law, he notifies the Central Administration of the Customs Administration of this, submitting all necessary accompanying documents allowing to check whether all appropriate conditions are fulfilled.

TITLE 3

ORIGIN OF GOODS

CHAPTER 1

Non-preferential origin of goods

Section 1

Working or processing conferring origin

Article 11

This Chapter lays down, for textiles and textile articles falling within Section XI of the Customs Tariff nomenclature, and for certain products other than textiles and textile articles, the working or processing which shall be regarded as satisfying the criteria laid down in Article 23 of the Customs Law and shall confer on the products concerned the origin of the country in which they were carried out.

'*Country*' means either the Republic of Macedonia or a third country, as appropriate.

Subsection 1

Textiles and textile articles falling within Section XI of the Customs Tariff nomenclature

Article 12

For textiles and textile articles falling within Section XI of the Customs Tariff nomenclature, the working or processing conferring origin in terms of Article 23 of the Customs Law shall be regarded as a complete processing procedure as specified in Article 13 of this Regulation.

Article 13

Working or processing as a result of which the products obtained receive a classification under tariff headings of the Customs Tariff nomenclature other than the ones covering the various non-originating materials used shall be regarded as a complete processing procedure.

However, for products listed in Annex 5 of this Regulation, only the specific procedures referred to in column 3 of that Annex in connection with each product obtained shall be regarded as complete, whether or not they involve a change of tariff heading.

The method of applying the rules in Annex 5 of this Regulation is described in the introductory Notes in Annex 4 of this Regulation.

Article 14

For the purposes of the provisions of the preceding Article, the following shall in any event be considered as insufficient working or processing to confer the status of originating products whether or not there is a change of tariff heading:

- a) operations to ensure the preservation of products in good condition during transport and storage (ventilation, spreading out, drying, removal of damaged parts and like operations);
- b) simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making-up of sets of articles), washing, cutting up;
- c)
 - 1. changes of packing and breaking-up and assembly of consignments,
 - 2. simple placing in bags, cases, boxes, fixing on cards or boards, etc., and all other simple packing operations,
- d) the affixing of marks, labels or other like distinguishing signs on products or their packaging;
- e) simple assembly of parts of products to constitute a complete product;
- f) a combination of two or more operations specified in a) to e) of this Article.

Subsection 2

Products other than textiles and textile articles falling within Section XI of the Customs Tariff nomenclature

Article 15

In the case of products obtained which are listed in Annex 6 of this Regulation, the working or processing referred to in column 3 of the Annex shall be regarded as a processing or working operation conferring origin under Article 23 of the Customs Law.

The method of applying the rules set out in Annex 6 of this Regulation is described in the introductory notes in Annex 4 of this Regulation.

Subsection 3

Common provisions for all products

Article 16

Where the lists in Annexes 5 and 6 of this Regulation provide that origin is conferred if the value of the non-originating materials used does not exceed a given percentage of the ex-works price of the products obtained, such percentage shall be calculated as follows:

— ‘*value*’ means the customs value at the time of import of the non originating materials used or, if this is not known and cannot be ascertained, the first ascertainable price paid for such materials in the country of processing,

— ‘*ex-works price*’ means the ex-works price of the product obtained minus any internal taxes which are, or may be, repaid when such product is exported,

— ‘*value acquired as a result of assembly operations*’ means the increase in value resulting from the assembly itself, together with any finishing and checking operations, and from the incorporation of any parts originating in the country where the operations in question were carried out, including profit and the general costs borne in that country as a result of the operations.

Section 2

Provisions relating to spare parts

Article 17

(1) Accessories, spare parts or tools delivered with any piece of equipment, machine, apparatus or vehicle which form part of its standard equipment shall be deemed to have the same origin as that piece of equipment, machine, apparatus or vehicle.

(2) Essential spare parts for use with any piece of equipment, machine, apparatus or vehicle put into free circulation or previously exported shall be deemed to have the same origin as that piece of equipment, machine, apparatus or vehicle provided the conditions laid down in this Section are fulfilled.

Article 18

The presumption of origin referred to in the preceding Article of this Regulation shall be accepted only:

— if this is necessary for importation into the country of destination,

— if the incorporation of the said essential spare parts in the piece of equipment, machine, apparatus or vehicle concerned at the production stage would not have prevented the piece of equipment, machine, apparatus or vehicle from having origin in the Republic of Macedonia or in the country of manufacture.

Article 19

For the purposes of Article 17 of this Regulation:

a) ‘*piece of equipment, machine, apparatus or vehicle*’ means goods listed in Sections XVI, XVII and XVIII of the Customs Tariff nomenclature,

b) ‘*essential spare parts*’ means parts which are:

— components without which the proper operation of the goods referred to in item a) of this Article which have been put into free circulation or previously exported cannot be ensured, and

— characteristic of those goods, and

— intended for their normal maintenance and to replace parts of the same kind which are damaged or have become unserviceable.

Article 20

Where an application is presented to the competent authority for the issuing of a certificate of origin for essential spare parts within the meaning of Article 17 of this Regulation:

- the data of box 6 (Item number, marks, numbers, number and kind of packages, description of goods) of that certificate and the application shall relate to essential spare parts;

- the application shall include a declaration by the party that the goods mentioned therein are intended for the normal maintenance of a piece of equipment, machine, apparatus or vehicle previously exported, together with the exact data of the said piece of equipment, machine, apparatus or vehicle.

Whenever possible, the party shall also give the data of the certificate of origin (issuing authority, number and date of certificate) relating to the exported piece of equipment, machine, apparatus or vehicle for whose maintenance the parts are intended.

Article 21

Where the origin of essential spare parts within the meaning of Article 17 of this Regulation shall be proved for their release for free circulation by the production of a certificate of origin, the certificate shall include the data referred to in Article 20 of this Regulation.

Article 22

In order to ensure application of the rules laid down in this section, the competent authority may require additional proof, in particular:

— production of the invoice or a copy of the invoice relating to the piece of equipment, machine, apparatus or vehicle put into free circulation or previously exported,

— the contract or a copy of the contract or any other document showing that delivery is being made as part of the normal maintenance service.

Section 3

Provisions relating to certificates of origin

Article 23

When the origin of a product is or shall be proved on importation by the production of a certificate of origin, that certificate shall fulfil the following conditions:

a) it shall be issued by a competent authority authorised for that purpose by the issuing country;

b) it shall contain all the data necessary for identifying the goods to which it relates, in particular:

— the number of packages, their nature, and the marks and numbers they bear,

- the type of product,
 - the gross and net weight of the product, however, this data may be replaced by other, such as the number or volume, when the product is subject to appreciable changes in weight during carriage or when its weight cannot be ascertained or when it is normally identified by such other data,
 - the name of the consignor;
- c) it shall certify unambiguously that the product to which it relates originated in a specific country.

Article 24

- (1) A certificate of origin issued by the competent authority shall comply with the conditions prescribed by Article 23 items a) and b) of this Regulation.
- (2) The certificate and the application for the issuing of the certificate shall be made out on forms corresponding to the specimens in Annex 7 of this Regulation.
- (3) Such certificates of origin shall certify that the goods originated in the Republic of Macedonia.

Article 25

Certificates of origin shall be issued upon written request of the submitter of the application.

Where the circumstances so warrant, in particular where the submitter of the application maintains a regular flow of exports, the competent authority may decide not to require an application for each export operation, on condition that the provisions concerning origin are complied with.

One or more extra copies of an origin certificate may be issued where this is necessary for trade with the goods in question. Such copies shall be made out on forms corresponding to the specimen in Annex 7 of this Regulation.

Article 26

- (1) The certificate shall measure 210 x 297 mm. A tolerance of up to minus 5 mm or plus 8 mm in length shall be allowed. The paper used shall be white, free of mechanical pulp, dressed for writing purposes and weigh at least 64 g/m² or between 25 and 30 g/m² where air-mail paper is used. It shall have a printed guilloche pattern background such as to reveal any falsification by mechanical or chemical means.
- (2) The application form shall be printed in Macedonian or, depending on the practice and requirements of trade, in any other language.
- (3) The competent authority may reserve the right to print the certificate of origin forms or may have them printed by approved printers. In the latter case, each certificate form shall bear a reference to such approval. Each certificate of origin form shall bear the name and address of the printer or a mark by which the printer can be identified. It shall also bear a serial number, either printed or stamped, by which it can be identified.

Article 27

The application form and the certificate of origin shall be completed using a printer, a typewriter or by hand in block capitals, in an identical manner, into Macedonian or, depending on the practice and requirements of trade, in any other language.

Article 28

Each origin certificate referred to in Article 24 of this Regulation shall bear a serial number by which it can be identified. The application for the issuing of the certificate and all copies of the certificate itself shall bear the same number.

In addition, the competent authority may number such documents by order of issue.

Article 29

The competent authority shall determine what additional data, if any, is to be given in the application. Such additional data shall be kept to a strict minimum.

Article 30

For the needs of this Chapter, the Chamber of Commerce of the Republic of Macedonia shall be the competent authority for issuing of certificates for Macedonian origin.

The competent authority for issuing of certificates of origin shall retain the applications for a minimum of three years.

CHAPTER 2

Preferential origin of goods

Section 1

General

Article 31

For the purposes of this Chapter:

- a) '*manufacture*' means any kind of working or processing including assembly or specific operations;
- b) '*material*' means any ingredient, raw material, component or part etc., used in the manufacture of the product;
- c) '*product*' means the product being manufactured, even if it is intended for later use in another manufacturing operation;
- d) '*goods*' means both materials and products;
- e) '*customs value*' means the value as determined in accordance with the 1994 Agreement on implementation of Article VII of the General Agreement on Tariffs and Trade (GATT) (WTO Agreement on customs valuation);

- f) '*ex-works price*' referred to in Annex 8 of this Regulation means the price paid for the product ex-works to the manufacturer in whose undertaking the last working or processing is carried out, provided that the price includes the value of all the materials used, minus any internal taxes which are, or may be, repaid when the product is exported;
- g) '*value of materials*' referred to in Annex 8 of this Regulation means the customs value at the time of importation of the non-originating materials used, or, if this is not known and cannot be ascertained, the first ascertainable price paid for the materials in the beneficiary country within the meaning of Article 37 paragraph (1) of this Regulation. Where the value of the originating materials used needs to be established, this item shall be applied *mutatis mutandis*;
- h) '*chapters*' and '*tariff headings*' mean the chapters and the tariff headings (four digit codes) used in the nomenclature which makes up the Harmonised System;
- i) '*classified*' refers to the classification of a product or material under a particular tariff heading;
- j) '*consignment*' means products which are either sent simultaneously from one exporter to one consignee or products covered by a single transport document covering their shipment from the exporter to the consignee or, in the absence of such document, products covered by a single invoice.

Article 32

Preferential origin of goods is determined in accordance with the provisions of this Chapter, unless otherwise regulated in the agreements referred to in Article 19 paragraph (3) item d) of the Customs Law or in accordance with the General System of Preferences.

Article 33

- (1) Preferential origin of goods shall be proved with declaring a proof of origin, in accordance with Section 2 of this Chapter or agreements referred to in Article 19 paragraph (3) item d) of the Customs Law.
- (2) When under the agreements referred to in Article 19 paragraph (3) item d) of the Customs Law, that envisage preferential tariff measures, provision is made that simplification in proving the origin of the goods may be approved, Article 55 of this Regulation shall apply.

Article 34

- (1) The 'Form A' certificate of origin used to prove the Macedonian origin of goods in order to apply the preferential tariff measures on the basis of the General Preferential System, is issued by the Chamber of Commerce of the Republic of Macedonia, if the conditions envisaged in a specific country are fulfilled. The 'Form A' Certificate of Origin is given in Annex 9 of this Regulation.
- (2) The Movement Certificate 'EUR.1' used to prove the Macedonian origin of goods, in accordance with Section 2 of this Chapter or in accordance with the agreements referred to in Article 19 paragraph (3) item d) of the Customs Law shall be issued by the customs authority.

Article 35

The Chamber of Commerce of the Republic of Macedonia shall keep the applications for the issuing of origin certificates, together with the accompanying documents, at least three years from the date of their issuance.

Article 36

(1) The supplier of goods in internal traffic (hereinafter referred to as the 'supplier') shall by declaration provide information of the status of the goods in respect of the preferential origin rules. The supplier's declaration shall be used by the exporters as evidence and especially as an annex to the applications for the issuing of a Moving Certificate EUR.1 or as a basis for the preparation of an invoice statement, regardless whether or not the goods are to be exported in an unaltered state or they shall be worked or processed into other goods.

(2) For the purpose of goods acquiring the status of preferential origin goods, the supplier shall prepare a declaration as follows:

a) a short-term declaration – for each separate operation the text of which is given in Annex 10 item 1 of this Regulation, or

b) a long-term declaration – in the case of regular supplies to a particular customer with goods the status of which in respect of the rules of preferential origin is expected to remain constant for considerable periods of time which may not exceed 12 months in accordance with the specimen given in Annex 10 item 2) of this Regulation.

(3) For products that were worked or processed in the Republic of Macedonia without receiving status of preferential origin goods the supplier shall prepare a declaration as follows:

a) a short-term declaration – for each separate operation in accordance with the specimen set out in Annex 10 item 3 of this Regulation, or

b) a long-term declaration – in the case of regular supplies to a particular customer with goods the status of which in respect of the rules of preferential origin is expected to remain constant for considerable periods of time which may not exceed 12 months in accordance with the specimen given in Annex 10 item 4) of this Regulation.

(4) The supplier shall prepare the short-term declaration referred to in Annex 10 item 1) of this Regulation by typing, stamping or printing in the invoice for the consignment, the delivery note or other commercial document providing a sufficient description to allow its identification. All types of declarations of the supplier shall contain an original handwritten signature of the supplier and shall be stamped.

(5) The supplier shall retain the document in which the declaration is made for at least three years following the issuance.

Section 2

**Beneficiary countries or territories to which preferential tariff
measures adopted unilaterally by the Republic of Macedonia for certain countries, groups of
countries or territories apply**

Subsection 1

Definition of the term ‘originating products’

Article 37

(1) For the purposes of the provisions concerning preferential tariff measures adopted unilaterally by the Republic of Macedonia for certain countries, groups of countries or territories (hereinafter referred to as ‘beneficiary country’), the following products shall be considered as products originating in a beneficiary country:

- a) products wholly obtained in such countries, within the meaning of Article 38 of this Regulation;
- b) products obtained in such countries in the manufacture of which materials other than those wholly obtained therein are used, provided that the said materials have undergone sufficient working or processing within the meaning of Article 39 of this Regulation.

(2) For the purposes of the provisions of this Section, products originating in the Republic of Macedonia within the meaning of paragraph (3) of this Article, which are subject in a beneficiary country to working or processing going beyond that described in Article 40 of this Regulation shall be considered as originating in that beneficiary country.

(3) Paragraph (1) of this Article shall apply *mutatis mutandis* in establishing the origin of the products obtained in the Republic of Macedonia.

Article 38

(1) The following shall be considered as wholly obtained in a beneficiary country or in the Republic of Macedonia:

- a) mineral products extracted from its soil or from its seabed;
- b) vegetable products harvested in that country;
- c) live animals born and raised in that country;
- d) products obtained from live animals raised in that country;
- e) products obtained by hunting or fishing taking place in that country;
- f) products of sea-fishing and other products taken from the sea outside the territorial waters of that country by its vessels;
- g) products made on board its factory ships exclusively from the products referred to in item (f) of this paragraph;
- h) used articles collected in that country, fit only for the recovery of raw materials;
- i) waste and scrap resulting from manufacturing operations conducted in that country;
- j) products extracted from the seabed or below the seabed which is situated outside its territorial waters, but only where it has exclusive exploitation rights for the seabed or below the seabed;
- k) goods produced in that country exclusively from products specified in items a) to j) of this paragraph.

(2) The terms *'its vessels'* and *'its factory ships'* in paragraph (1) item f) and g) of this Article shall apply only to vessels and factory ships:

- a) which are registered or recorded in the beneficiary country or in the Republic of Macedonia;
- b) which sail under the flag of a beneficiary country or of the Republic of Macedonia;
- c) which are owned to the extent of at least 50 % by nationals of the beneficiary country or of the Republic of Macedonia or by a company with its head office in that beneficiary country or in the Republic of Macedonia, of which the manager or managers, Chairman of the Board of Directors or of the Supervisory Board, and the majority of the members of such boards are nationals of that beneficiary country or of the Republic of Macedonia and of which, in addition, in the case of companies, at least half the capital belongs to that beneficiary country or to the Republic of Macedonia or to public bodies or nationals of that beneficiary country or of the Republic of Macedonia;
- d) of which the master and officers are nationals of the beneficiary country or of the Republic of Macedonia; and
- e) of which at least 75 % of the crew are nationals of the beneficiary country or of the Republic of Macedonia.

(3) The term *'beneficiary country'* shall also cover the territorial waters of that country.

(4) Vessels operating on the high seas, including factory ships on which the fish caught is worked or processed, shall be considered as part of the territory of the beneficiary country or of the Republic of Macedonia to which they belong, provided that they satisfy the conditions set out in paragraph (2) of this Article.

Article 39

For the purposes of application of the provisions of Article 37 of this Regulation, products which are not wholly obtained in a beneficiary country or in the Republic of Macedonia are considered to be sufficiently worked or processed when the conditions set out in the list in Annex 8 of this Regulation are fulfilled.

The conditions of the previous subparagraph of this Article indicate, for all products covered by this Section, the working or processing which shall be carried out on non-originating materials used in manufacturing and apply only in relation to such materials.

If a product, which has acquired originating status by fulfilling the conditions set out in the list, is used in the manufacture of another product, the conditions applicable to the product in which it is incorporated do not apply to it, and no account shall be taken of the non-originating materials which may have been used in its manufacture.

Article 40

(1) Without prejudice to paragraph (2) of this Article, the following operations shall be considered as insufficient working or processing to confer the status of originating products, whether or not the requirements of Article 39 of this Regulation are satisfied:

- a) preserving operations to ensure that the products remain in good condition during transport and warehousing;
- b) breaking-up and assembly of packages;
- c) washing, cleaning; removal of dust, oxide, oil, paint or other coverings;
- d) ironing or pressing of textiles;
- e) simple painting and polishing operations;
- f) husking, partial or total milling, polishing and glazing of cereals and rice;
- g) operations to colour sugar or form sugar lumps, partial or total milling of sugar;
- h) peeling, stoning and shelling, of fruits, nuts and vegetables;
- i) sharpening, simple grinding or simple cutting;
- j) sifting, screening, sorting, classifying, grading, matching (including the making-up of sets of articles);
- k) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;
- l) affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;
- m) simple mixing of products, whether or not of different kinds, where one or more components of the mixtures do not meet the conditions laid down in this Section to enable them to be considered as originating in a beneficiary country or in the Republic of Macedonia;
- n) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts;
- o) a combination of two or more of the operations specified in points (a) to (n) of this paragraph;
- p) slaughter of animals.

(2) All the operations carried out in either a beneficiary country or in the Republic of Macedonia on a given product shall be considered together when determining whether the working or processing undergone by that product is to be regarded as insufficient within the meaning of paragraph (1) of this Article.

Article 41

(1) The unit of qualification for the application of the provisions of this Section shall be the particular product which is considered as the basic unit when determining classification using the nomenclature of the Harmonised System.

Accordingly, it follows that:

- a) when a product composed of a group or assembly of articles is classified under the terms of the Harmonised System in a single tariff heading, the whole constitutes the unit of qualification;

b) when a consignment consists of a number of identical products classified under the same tariff heading of the Harmonised System, each product shall be taken individually when applying the provisions of this Section.

(2) Where, under general rule 5 of the Harmonised System, packaging is included with the product for classification purposes, it shall be included for the purposes of determining origin.

Article 42

(1) By way of derogation from the provisions of Article 39 of this Regulation, non-originating materials may be used in the manufacture of a given product, provided that their total value does not exceed 10 % of the ex-works price of the product.

Where, in the list, one or several percentages are given for the maximum value of non-originating materials, such percentages must not be exceeded through the application of the previous paragraph.

(2) Paragraph (1) of this Article shall not apply to products falling within Chapters 50 to 63 of the Harmonised System.

Article 43

Accessories, spare parts and tools dispatched with a piece of equipment, machine, apparatus or vehicle which are part of the normal equipment and included in the price thereof or which are not separately invoiced, shall be regarded as one with the piece of equipment, machine, apparatus or vehicle in question.

Article 44

Sets, as defined in general rule 3 of the Harmonised System, shall be regarded as originating when all the component products are originating products. Nevertheless, when a set is composed of originating and non-originating products, the set as a whole shall be regarded as originating provided that the value of the non-originating products does not exceed 15 % of the ex-works price of the set.

Article 45

In order to determine whether a product is an originating product, it shall not be necessary to determine the origin of the following which might be used in its manufacture:

- a) energy and fuel;
- b) plant and equipment;
- c) machines and tools;
- d) goods which do not enter, and which are not intended to enter, into the final composition of the product.

Article 46

(1) The conditions set out in this Section for acquiring originating status shall continue to be fulfilled at all times in the beneficiary country or in the Republic of Macedonia.

(2) If originating products exported from the beneficiary country or from the Republic of Macedonia to another country are returned, they shall be considered as non-originating unless it can be demonstrated to the satisfaction of the competent authority that:

- a) the products returned are the same as those which were exported; and
- b) they have not undergone any operation beyond that necessary to preserve them in good condition while in that country or while being exported.

Article 47

(1) The following shall be considered as transported directly from the beneficiary country to the Republic of Macedonia or from the Republic of Macedonia to the beneficiary country:

- a) Products transported without passing through the territory of any other country;
- b) Products constituting one single consignment transported through the territory of countries other than the beneficiary country or the Republic of Macedonia, with, should the occasion arise, transshipment or temporary warehousing in those countries, provided that the products remain under the surveillance of the customs authority in the country of transit or of warehousing and do not undergo operations other than unloading, reloading or any operation designed to preserve them in good condition;
- c) Products which are transported by pipeline without interruption across a territory other than that of the exporting beneficiary country or of the Republic of Macedonia.

(2) Evidence that the conditions set out in paragraph (1) item b) of this Article are fulfilled shall be supplied to the competent customs authority by the production of:

- a) a single transport document covering the passage from the exporting country through the country of transit; or
- b) a certificate issued by the customs authority of the country of transit:
 - giving an exact description of the products,
 - stating the dates of unloading and reloading of the products and, where applicable, the names of the ships, or the other means of transport used, and
 - certifying the conditions under which the products remained in the country of transit;
- c) or, failing these, any substantiating documents.

Article 48

(1) Originating products, sent from a beneficiary country for exhibition in another country and sold after the exhibition for importation into the Republic of Macedonia, shall benefit on importation from the tariff preferences referred to in Article 37 of this Regulation, provided that they meet the requirements of this section entitling them to be recognised as originating in that beneficiary country and provided that it is shown to the satisfaction of the customs authority of the Republic of Macedonia that:

- a) an exporter has consigned the products from the beneficiary country directly to the country in which the exhibition is held and has exhibited them there;
- b) the products have been sold or otherwise disposed of by that exporter to a person in the Republic of Macedonia;
- c) the products have been consigned during the exhibition or immediately thereafter to the Republic of Macedonia in the state in which they were sent for exhibition; and
- d) the products have not been, since they were consigned for exhibition, used for any purpose other than demonstration at the exhibition.

(2) A certificate of origin EUR.1 shall be submitted to the customs authority of the Republic of Macedonia in the normal manner. The name and address of the exhibition shall be indicated thereon. Where necessary, additional documentary evidence of the nature of the products and the conditions under which they have been exhibited may be required.

(3) Paragraph (1) of this Article shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display which is not organised for private purposes in shops or business premises with a view to the sale of foreign products, and during which the products remain under customs supervision.

Subsection 2

Proof of origin

Article 49

Products originating in the beneficiary country shall benefit from the tariff preferences referred to in Article 37 of this Regulation, on submission of either:

- a) a movement certificate EUR.1., a specimen of which appears in Annex 11 of this Regulation, or
- b) in the cases specified in Article 54 paragraph (1) of this Regulation, a declaration, the text of which appears in Annex 12 of this Regulation, given by the exporter on an invoice, a delivery note or any other commercial document which describes the products concerned in sufficient detail to enable them to be identified (hereinafter referred to as the ‘invoice declaration’).

(a) MOVEMENT CERTIFICATE EUR.1

Article 50

(1) Originating products within the meaning of this Section shall be eligible, on importation into the Republic of Macedonia, to benefit from the tariff preferences referred to in Article 37 of this Regulation, provided that they have been transported directly within the meaning of Article 47 of this Regulation, on submission of an EUR.1 movement certificate issued by the customs or other competent authority of a beneficiary country, on condition that the beneficiary country:

— has communicated to the customs authority of the Republic of Macedonia the data required by Article 59 of this Regulation, and

— assist the Republic of Macedonia by allowing the customs authority to verify the authenticity of the documents or the accuracy of the data regarding the true origin of the products in question.

(2) A movement certificate EUR.1 may be issued only where it can serve as the documentary evidence required for the purposes of the tariff preferences referred to in Article 37 of this Regulation.

(3) A movement certificate EUR.1 shall be issued only on written application from the exporter or his authorised representative. Such application shall be made on a form, a specimen of which appears in Annex 11 of this Regulation, which shall be completed in accordance with the provisions of this Section.

Applications for movement certificates EUR.1 shall be kept for at least three years by the beneficiary country or by the Republic of Macedonia.

(4) The exporter or his authorised representative shall also submit with his application any appropriate supporting documents proving that the products to be exported qualify for the issue of a movement certificate EUR.1.

The exporter shall undertake to submit, at the request of the competent authority, any supplementary evidence it may require for the purpose of establishing the correctness of the originating status of the products eligible for preferential treatment and shall undertake to agree to any inspection of his accounts and to any check by the said authorities on the circumstances in which the products were obtained.

(5) The movement certificate EUR.1 shall be issued by the competent authority of the beneficiary country or by the customs authority of the Republic of Macedonia, if the products to be exported can be considered as originating products within the meaning of this Section.

(6) Since the movement certificate EUR.1 constitutes the documentary evidence for the application of the preferential tariff measures set out in Article 37 of this Regulation, it shall be the responsibility of the competent authority of the beneficiary country or the customs authority of the Republic of Macedonia to take any steps necessary to verify the origin of the products and to check the other statements on the certificate.

(7) For the purpose of verifying whether the conditions set out in paragraph (5) of this Article have been met, the competent authority of the beneficiary country or the customs authority of the Republic of Macedonia shall have the right to call for any documentary evidence or to carry out any checks which they consider appropriate.

(8) It shall be the responsibility of the competent authority of the beneficiary country or of the customs authority of the Republic of Macedonia to ensure that the forms referred to in paragraph (1) of this Article are duly completed.

(9) The date of issue of the movement certificate EUR.1 shall be indicated in that part of the certificate reserved for the customs authority.

(10) A movement certificate EUR.1 shall be issued by the competent authority of the beneficiary country or by the customs authority of the Republic of Macedonia and it shall be made available to the exporter as soon as the export has taken place or is ensured.

Article 51

Where, at the request of the importer and on the conditions laid down by the customs regulations of the importing country, dismantled or non-assembled products within the meaning of general rule 2(a) of the Harmonised System and falling within Section XVI or XVII i.e. within tariff heading No 7308 or 9406 of the Harmonised System are imported by instalments, a single proof of origin for such products shall be submitted to the customs authority on importation of the first instalment.

Article 52

(1) By way of derogation from Article 50 paragraph (10) of this Regulation, a movement certificate EUR.1 may exceptionally be issued after exportation of the products to which it relates if:

- a) it was not issued at the time of exportation because of errors or involuntary omissions or special circumstances; or
- b) it is demonstrated to the satisfaction of the competent authority for issuing of a movement certificate EUR.1 that a movement certificate EUR.1 was issued but was not accepted at importation for technical reasons.

(2) The competent authority for issuing of a movement certificate EUR.1 may issue a movement certificate EUR.1 retrospectively only after verifying that the data supplied in the exporter's application agrees with that in the corresponding export file and that a movement certificate EUR.1 satisfying the provisions of this section was not issued when the products in question were exported.

(3) Movement certificates EUR.1 issued retrospectively shall be endorsed with the following phrase: 'ISSUED RETROSPECTIVELY'.

(4) The endorsement referred to in paragraph (3) of this Article shall be inserted in the 'Remarks' box of the movement certificate EUR.1.

Article 53

(1) In the event of the theft, loss or destruction of a movement certificate EUR.1, the exporter may apply to the competent authority which issued it, for a duplicate to be made out on the basis of the export documents in his possession.

(2) The duplicate issued in this way shall be endorsed with the following word 'DUPLICATE'.

(3) The endorsement referred to in paragraph (2) of this Article shall be inserted in the 'Remarks' box of the movement certificate EUR.1.

(4) The duplicate, which shall bear the date of issue of the original movement certificate EUR.1, shall take effect as from that date.

(b) INVOICE DECLARATION

Article 54

- (1) The invoice declaration may be made out:
- a) by an approved exporter within the meaning of Article 55 of this Regulation, or
 - b) by any exporter for any consignment consisting of one or more packages containing originating products whose total value does not exceed EUR 6 000 in corresponding denar value, and on condition that the provisions of Article 50 paragraph (1) of this Regulation shall apply to this procedure as well.
- (2) An invoice declaration may be made out if the products concerned can be considered as originating in the Republic of Macedonia or in a beneficiary country and fulfil the other requirements of this Section.
- (3) The exporter making out an invoice declaration shall be prepared to submit at any time, at the request of the customs or competent authority of the exporting country, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Section.
- (4) An invoice declaration shall be made out by the exporter by typing, stamping or printing on the invoice, the delivery note or any other commercial document, the declaration, the text of which appears in Annex 12 of this Regulation, in Macedonian or in the language in accordance with the provisions of the domestic legislation of the exporting country. If the declaration is handwritten, it shall be written in ink, in printed characters.
- (5) Invoice declarations shall bear the original signature of the exporter in manuscript. However, an approved exporter within the meaning of Article 55 of this Regulation shall not be required to sign such declarations provided that he gives the customs authority a written undertaking that he accepts full responsibility for any invoice declaration which identifies him as if it had been signed in manuscript by him.
- (6) In the cases referred to in paragraph (1) item b) of this Article, the use of an invoice declaration shall be subject to the following special conditions:
- a) an invoice declaration shall be made out for each consignment;
 - b) if the goods contained in the consignment have already been subject to verification in the exporting country by reference to the definition of ‘originating products’, the exporter may refer to this check in the invoice declaration.

The provisions of item a) of this Article shall not exempt exporters from complying with any other formalities required under customs or postal regulations.

Article 55

- (1) The customs authority in the Republic of Macedonia may authorise any exporter, hereinafter referred to as an ‘approved exporter’, who makes frequent shipments of products originating in the Republic of Macedonia within the meaning of Article 37 paragraph (2) of this Regulation, and who offers, to the satisfaction of the customs authority, all guarantees necessary to verify the status of originating

products as well as the fulfilment of the other requirements of this Section, to make out invoice declarations, irrespective of the value of the products concerned.

(2) The customs authority may grant the status of approved exporter subject to any conditions which it considers appropriate.

(3) The customs authority shall assign the approved exporter a customs authorisation number which shall appear on the invoice declaration.

(4) The customs authority shall monitor the use of the authorisation by the approved exporter.

(5) The customs authority may withdraw the authorisation at any time. They shall do so where the approved exporter no longer offers the guarantees referred to in paragraph (1) of this Article, does not fulfil the conditions referred to in paragraph (2) of this Article, or otherwise makes improper use of the authorisation.

Article 56

(1) A proof of origin shall be valid for four months from the date of issue in the exporting country, and shall be submitted within the said period to the customs authorities of the importing country.

(2) Proofs of origin submitted to the customs authority of the importing country after the final date for presentation specified in paragraph (1) of this Article may be accepted for the purpose of applying the tariff preferences referred to in Article 37 of this Regulation, where the failure to submit these documents by the final date set is due to exceptional circumstances.

(3) In other cases of belated presentation, the customs authority of the importing country may accept the proofs of origin where the products have been submitted before the said final date.

(4) At the request of the importer and having regard to the conditions provided for in the customs regulations of the Republic of Macedonia, a single proof of origin may be submitted to the customs authority at the importation of the first consignment when the goods:

a) are imported within the framework of frequent and continuous trade flows of significant commercial value;

b) are the subject of the same contract of sale, the parties of this contract established in the exporting country or in the Republic of Macedonia;

c) are classified in the same code (eight digits) of the Combined Nomenclature;

d) come exclusively from the same exporter, are destined for the same importer, and is presented to the same customs office in the Republic of Macedonia.

This procedure shall be applicable for the quantities and a period determined by the competent customs authority. This period cannot, in any circumstances, exceed three months.

Article 57

(1) Products sent as small packages from private person to private persons i.e. forming part of the traveller's personal luggage shall be admitted as originating products benefiting from the tariff preferences

referred to in Article 37 of this Regulation without requiring the submission of a movement certificate EUR.1 or an invoice declaration, provided that such products are not imported by way of trade and have been declared as meeting the conditions required for the application of this section, and where there is no doubt as to the veracity of such a declaration.

(2) Imports which are occasional and consist solely of products for the personal use of the recipients or travellers or their families shall not be considered as imports by way of trade if it is evident from the nature and quantity of the products that no commercial purpose is in view.

Furthermore, the total value of the products shall not exceed EUR 500 in corresponding denar value in the case of small packages or EUR 1 200 in corresponding denar value in the case of products forming part of the traveller's personal luggage.

Article 58

(1) The discovery of slight discrepancies between the statements made in the proof of origin and those made in the documents submitted to the customs authority for the purpose of carrying out the formalities for importing the products shall not *ipso facto* render the proof of origin null and void if it is duly established that that proof does actually correspond to the products submitted.

(2) Obvious formal errors such as typing errors on a proof of origin should not cause this document to be rejected if these errors are not such as to create doubts concerning the correctness of the statements made in that document.

Subsection 3

Methods of administrative cooperation

Article 59

(1) The beneficiary country shall inform the Republic of Macedonia of the names and addresses of the authority situated in its territory which is empowered to issue movement certificates EUR.1, together with specimen impressions of the stamps used by those authorities, and the names and addresses of the relevant authorities responsible for the control of the movement certificates EUR.1 and the invoice declarations. This data shall then be forwarded to the Central Administration of the Customs Administration of the Republic of Macedonia. The Central Administration of the Customs Administration of the Republic of Macedonia shall indicate the date of entry into use of those new stamps according to the instructions given by the beneficiary country. This data is for official use, however, when goods are to be released for free circulation, the customs authority in question may allow the importer or his duly-authorized representative to consult the specimen impressions of stamps mentioned in this paragraph.

(2) The Central Administration of the Customs Administration of the Republic of Macedonia shall send to the beneficiary country the specimen impressions of the stamps used by the customs offices for the issue of movement certificates EUR.1 .

Article 60

(1) Subsequent verifications of movement certificates EUR.1 and of invoice declarations shall be carried out at random or whenever the customs authority on importation to the Republic of Macedonia or the competent authority of the beneficiary country have reasonable doubts as to the authenticity of such documents, the originating status of the products concerned or the fulfilment of the other requirements of this Chapter.

(2) For the purposes of implementing the provisions of paragraph (1) of this Article, the Central Administration of the Customs Administration shall on import in the Republic of Macedonia or the competent authority on importation in the beneficiary country return the EUR. 1 movement certificate and the invoice, if an invoice declaration has been submitted, or a copy of these documents, to the competent authority on export from the beneficiary country or to the Central Administration of the Customs Administration on export from the Republic of Macedonia, giving, where appropriate, the reasons for the enquiry. Any documents and data obtained suggesting that the information given on the proof of origin is incorrect shall be forwarded in support of the request for verification.

If the customs authority on importation to the Republic of Macedonia decides to suspend the granting of the tariff preferences referred to in Article 37 of this Regulation while awaiting the results of the verification, release of the products shall be offered to the importer subject to any precautionary measures judged necessary.

(3) When an application for subsequent verification has been made in accordance with paragraph (1) of this Article, such verification shall be carried out and its results communicated to the Customs Administration of the Republic of Macedonia or to the competent authority of the beneficiary country within a maximum of six months. The results shall be such as to establish whether the proof of origin in question applies to the products actually exported and whether these products can be considered as originating in the beneficiary country or in the Republic of Macedonia.

(4) If in cases of reasonable doubt there is no reply within the six months specified in paragraph (3) of this Article or if the reply does not contain sufficient information to determine the authenticity of the document in question or the real origin of the products, a second communication shall be sent to the competent authorities. If after the second communication, the results of the verification are not communicated to the requesting authorities within four months, or if these results do not allow the authenticity of the document in question or the real origin of the products to be determined, the requesting authority shall, except in exceptional circumstances, refuse entitlement to the tariff preferences.

(5) Where the verification procedure or any other available data indicates that the provisions of this Section are being contravened, the exporting beneficiary country shall, on its own initiative or at the request of the Republic of Macedonia, carry out appropriate inquiries or arrange for such inquiries to be carried out with due urgency to identify and prevent such contraventions.

(6) For the purposes of the subsequent verification of movement certificates EUR.1, copies of the certificates as well as any export documents referring to them shall be kept for at least three years by the

competent authority on exportation from the beneficiary country or by the customs authority on exportation from the Republic of Macedonia.

TITLE 4

CUSTOMS VALUE

CHAPTER 1

General provisions

Article 61

(1) In applying the provisions of Articles 27 to 45 of the Customs Law and those of this Title, the provisions set out in Annex 13 of this Regulation shall also apply.

The provisions as set out in the first column of Annex 13 of this Regulation shall be applied in the light of the interpretative note appearing in the second column.

(2) If it is necessary to make reference to generally accepted accounting principles in determining the customs value, the provisions of Annex 14 of this Regulation shall apply.

Article 62

(1) For the purposes of this Title:

a) *'the Agreement'* means the Agreement on implementation of Article VII of the General Agreement on Tariffs and Trade concluded in the framework of the multilateral trade negotiations of 1973 to 1979 and referred to in the first indent of Article 34 paragraph (1) indent 1 of the Customs Law;

b) *'produced goods'* includes goods grown, manufactured and mined;

c) *'identical goods'* means goods produced in the same country which are the same in all respects, including physical characteristics, quality and reputation. Minor differences in appearance shall not preclude goods otherwise conforming to the definition from being regarded as identical;

d) *'similar goods'* means goods produced in the same country which, although not alike in all respects, have like characteristics and like component materials which enable them to perform the same functions and to be commercially interchangeable. The quality of the goods, their reputation and the existence of a trademark are among the factors to be considered in determining whether goods are similar;

e) *'goods of the same class or kind'* means goods which fall within a group or range of goods produced by a particular industry or industry sector, and includes identical or similar goods.

(2) *'Identical goods'* and *'similar goods'*, as the case may be, do not include goods which incorporate or reflect engineering, development, artwork, design work, and plans and sketches for which no adjustment has been made under Article 35 paragraph (1) under b) item 4 of the Customs Law because such elements were undertaken in the Republic of Macedonia.

Article 63

(1) For the purposes of Title 2, Chapter 3 of the Customs Law and of this Title, persons shall be deemed to be related only if: .

- a) they are officers or directors of one another's businesses;
- b) they are legally recognized partners in business;
- c) they are employer and employee;
- d) any person directly or indirectly owns, controls or holds 5 % or more of the outstanding voting stock or shares of both of them;
- e) one of them directly or indirectly controls the other;
- f) both of them are directly or indirectly controlled by a third person;
- g) together they directly or indirectly control a third person; or
- h) they are members of the same family. Persons shall be deemed to be members of the same family only if they stand in any of the following relationships to one another:

- husband and wife,
- parent and child,
- brother and sister (whether by whole or half blood),
- grandparent and grandchild,
- uncle or aunt and nephew or niece,
- parent-in-law and son-in-law or daughter-in-law,
- brother-in-law and sister-in-law.

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

Article 64

For the purposes of determining customs value under Article 28 of the Customs Law of goods in regard to which the price has not actually been paid at the material time for valuation, the price payable for settlement at the said time shall as a general rule be taken as the basis for customs value.

Article 65

(1) Where goods declared for free circulation are part of a larger quantity of the same goods purchased in one transaction, the price actually paid or payable for the purposes of Article 28 paragraph (1) of the Customs Law shall be that price represented by the proportion of the total price which the quantity so declared bears to the total quantity purchased.

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

(2) After release of the goods for free circulation, an adjustment made by the seller, to the benefit of the buyer, of the price actually paid or payable for the goods may be taken into consideration for the

determination of the customs value in accordance with Article 28 of the Customs Law, if it is demonstrated to the satisfaction of the customs authority that:

- a) the goods were defective at the moment referred to in Article 77 of the Customs Law;
- b) the seller made the adjustment in performance of a warranty obligation provided for in the contract of sale, concluded before release for free circulation of the goods;
- c) the defective nature of the goods has not already been taken into account in the relevant sales contract.

(3) The price actually paid or payable for the goods, adjusted in accordance with paragraph (2) of this Article, may be taken into account only if that adjustment was made within a period of 12 months following the date of acceptance of the declaration for entry for free circulation of the goods.

Article 66

Where the price actually paid or payable for the purposes of Article 28 paragraph (1) of the Customs Law includes an amount in respect of any internal tax applicable within the country of origin or export in respect of the goods in question, the said amount shall not be incorporated in the customs value provided that it can be demonstrated to the satisfaction of the customs authority concerned that the goods in question have been or will be relieved from such taxes for the benefit of the buyer.

Article 67

(1) Notwithstanding the provisions of Articles 88 to 92 of this Regulation, for the purposes of Article 28 of the Customs Law, the fact that the goods which are the subject of a sale are declared for free circulation shall be regarded as adequate indication that they were sold for export to the customs area in the Republic of Macedonia. In the case of successive sales before valuation, only the last sale, which led to the introduction of the goods into the customs area of the Republic of Macedonia, or a sale taking place in the customs area of the Republic of Macedonia before entry for free circulation of the goods shall constitute such indication.

Where a price is declared which relates to a sale taking place before the last sale on the basis of which the goods were introduced into the customs area of the Republic of Macedonia, it shall be demonstrated to the satisfaction of the customs authority that this sale of goods took place for export to the customs area of the Republic of Macedonia.

- (2) Where goods are used in a third country between the time of sale and the time of entry into free circulation the customs value need not be the transaction value.
- (3) The buyer need satisfy no condition other than that of being a party to the contract of sale.

Article 68

Where, in applying Article 28 paragraph (1) item b) of the Customs Law, it is established that the sale or price of imported goods is subject to a condition or consideration the value of which can be determined with respect to the goods being valued, such value shall be regarded as an indirect payment by

the buyer to the seller and part of the price actually paid or payable provided that the condition or consideration does not relate to either:

- a) an activity referred to in Article 28 paragraph (3) item b) of the Customs Law; or
- b) a factor in respect of which an addition is to be made to the price actually paid or payable under the provisions of Article 35 of the Customs Law.

Article 69

- (1) For the purposes of Article 28 paragraph (3) item b) of the Customs Law, the term ‘marketing activities’ means all activities relating to advertising and promoting the sale of the goods in question and all activities relating to warranties or guarantees in respect of them.
- (2) Such activities undertaken by the buyer shall be regarded as having been undertaken on his own account even if they are performed in pursuance of an obligation on the buyer following an agreement with the seller.

Article 70

- (1) In applying Articles 29 and 30 of the Customs Law, a transaction value for goods produced by a different person shall be taken into account only when no transaction value can be found for identical or similar goods produced by the same person as the goods being valued.
- (2) For the purposes of Article 29 of the Customs Law, the transaction value of identical imported goods means a customs value previously determined under the provisions of Article 28 of the Customs Law, adjusted as provided for in the provisions of paragraph (1) under b) and paragraph (2) of Article 29 of the Customs Law.
- (3) For the purposes of Article 30 of the Customs Law, the transaction value of similar imported goods means a customs value previously determined under the provisions of Article 28 of the Customs Law, adjusted as provided for in paragraph (1) item b) and paragraph (2) of Article 30 of the Customs Law.

Article 71

- (1) For the purposes of Article 32 of the Customs Law (*method of deductive value*), the unit price at which imported goods are sold in the greatest aggregate quantity is the price at which the greatest number of units is sold in sales to persons who are not related to the persons from whom they buy such goods at the first commercial level after importation at which such sales take place.
- (2) Any sale in the Republic of Macedonia to a person who supplies directly or indirectly free of charge or at reduced cost, for use in connection with the production and sale for export of the imported goods, any of the elements specified in Article 35 paragraph (1) under b) of the Customs Law should not be taken into account in establishing the unit price for the purposes of Article 32 of the Customs Law.

(3) For the purposes of Article 32 paragraph (1) under b) of the Customs Law, the ‘earliest date’ shall be the date by which sales of the imported goods or of identical or similar imported goods are made in sufficient quantity to establish the unit price.

Article 72

(1) The customs value in accordance with Article 33 of the Customs Law (*method of computed value*) shall in general be determined on the basis of the data available in the Republic of Macedonia

(2) The value of materials and cost referred to in Article 33 paragraph (1) under a) of the Customs Law shall include the cost of elements specified in Article 35 paragraph (1) under a) item 2 and 3 of the Customs Law, as well as the value, duly apportioned, of any product or service specified in Article 35 paragraph (1) under b) of the Customs Law which has been supplied directly or indirectly by the buyer for use in connection with the production of the imported goods. The value of the elements specified in Article 35 paragraph (1) item b) under 4. of the Customs Law which are undertaken in the Republic of Macedonia shall be included only to the extent that such elements are charged to the producer.

(3) Where information other than that supplied by or on behalf of the producer is used for the purposes of determining the customs value in accordance with Article 33 of the Customs Law, the customs authority shall inform the declarant, if the latter so requests, of the data used, the source of such information, and the calculations based on such data, subject to Article 16 of the Customs Law.

(4) The ‘general expenses’ referred to in the second indent of Article 33 (1) under b) of the Customs Law, cover the direct and indirect costs of producing and selling the goods for export which are not included under Article 33 paragraph (1) under a) of the Customs Law.

Article 73

Where containers referred to in Article 35 paragraph (1) under a) item 2 of the Customs Law are to be the subject of repeated importations, their cost shall, at the request of the declarant, be apportioned, as appropriate, in accordance with generally accepted accounting principles.

Article 74

For the purposes of Article 35 paragraph (1) under b) item 4 of the Customs Law, the cost of research and preliminary design sketches is not to be included in the customs value.

Article 75

Article 36 paragraph (1) under c) of the Customs Law shall apply *mutatis mutandis* where the customs value is determined by applying a method other than the transaction value method.

Article 76

(1) The customs authority may, at the request of the person concerned, authorise:

— by way of derogation from Article 35 paragraph (2) of the Customs Law, certain elements which are to be added to the price actually paid or payable, although not quantifiable at the time of incurrence of the customs debt, to be determined on the basis of appropriate and specific criteria;

— by way of derogation from Article 36 of the Customs Law, certain charges which are not to be included in the customs value, in cases where the amounts relating to such elements are not shown separately at the time of incurrence of the customs debt, to be determined on the basis of appropriate and specific criteria.

In such cases, the declared customs value is not to be considered as provisional within the meaning of the second indent of Article 170 of this Regulation.

(2) The authorisation shall be granted under the following conditions:

- a) when the carrying out of the procedures provided for by Article 175 of this Regulation would, in the circumstances, represent disproportionate administrative costs;
- b) when recourse to an application of Articles 29 and 34 of the Customs Law appears to be inappropriate in the particular circumstances;
- c) when there are valid reasons for considering that the amount of import duties to be charged in the period covered by the authorisation will not be lower than that which would be levied in the absence of an authorisation;
- d) competitive conditions amongst operators are not distorted

Article 77

In reference to Article 35 paragraph (1) under a) item 1 of the Customs Law, the provisions of the seller are not added to the actually paid price or to the price to be paid if the buyer pays them separately from payments for the goods.

Article 78

(1) The buyer may distribute the goods referred to in Article 35 paragraph (1) under b) item 1,2 and 3 of the Customs Law, to the seller directly or indirectly. These goods, other than the goods referred to in Article 35 paragraph (1) under b) item 2, shall be used in the processing of the imported goods, and be incorporated or used.

(2) The goods referred to in Article 35 paragraph (1) under b) item 1 of the Customs Law, which is secured by the buyer, can be secured by any foreign country, including the country of the seller.

(3) The goods referred to in Article 35 paragraph (1) under b) item 3 of the Customs Law are considered as goods referred to in Article 35 paragraph (1) under b) item 1 of the Customs Law, if it has not been purchased in a foreign country, including consumables.

CHAPTER 2

Provisions concerning royalties and license fees

Article 79

(1) For the purposes of Article 35 paragraph (1) under c) of the Customs Law, royalties and license fees shall be taken to mean certain payments for the use of rights relating:

- to the manufacture of imported goods (in particular patents, designs, models and manufacturing know-how), or
- to the sale for exportation of imported goods (in particular trademarks and registered designs), or
- to the use or resale of imported goods (in particular copyright and manufacturing processes inseparably embodied in the imported goods).

(2) Without prejudice to Article 35 paragraph (1) under b) of the Customs Law, when the customs value of imported goods is determined in accordance with the provisions of Article 28 of the Customs Law, a royalty or licence fee shall be added to the price actually paid or payable only when this payment:

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

Article 80

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

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

(3) Where royalties or licence fees relate partly to the imported goods and partly to other ingredients or component parts added to the goods after their importation, or to post-importation activities or services, an appropriate apportionment of the royalties or licence fees shall be made only on the basis of objective and quantifiable data, in accordance with the interpretative notes to Article 35 paragraph (2) of the Customs Law referred to in Annex 13 of this Regulation.

Article 81

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

- the royalty or license fee refers to goods which are resold in the same state or which are subject only to minor processing after importation;
- the goods are marketed under the trade mark, affixed before or after importation, for which the royalty or license fee is paid;
- the buyer is not free to obtain such goods from other suppliers unrelated to the seller.

Article 82

When the buyer pays royalties or license fees to a third party, the conditions provided for in Article 79 paragraph (2) of this Regulation shall be considered as met only when the seller or a person related to him requires the buyer to make that payment.

Article 83

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

Where the amount of a royalty or license fee is calculated regardless of the price of the imported goods, the payment of that royalty or licence fee may nevertheless be related to the goods to be valued.

Article 84

In applying Article 35 paragraph (1) under c) of the Customs Law, the country of residence of the recipient of the payment of the royalty or license fee shall not be considered.

CHAPTER 3

Provisions concerning the place of introduction into Republic of Macedonia

Article 85

For the purposes of Article 35 paragraph (1) under e) and Article 36 paragraph (1) under a) of the Customs Law, the place of introduction into the customs area of the Republic of Macedonia shall be:

- a) for goods carried by road, inland waterway, or by rail - the place where the first customs authority is located;
- b) for goods carried by air transport – the place where the first airport of destination is located;
- c) for goods carried by other means - the place where the land frontier of the customs area of the Republic of Macedonia is crossed.

CHAPTER 4

Provisions concerning transport costs

Article 86

In applying Article 35 paragraph (1) under e) and Article 36 paragraph (1) under a) of the Customs Law:

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

b) where goods are invoiced at a uniform free domicile price ‘ex-works destination in the customs area’ which corresponds to the price to the place of introduction into the customs area, transport costs for transport within the customs area shall not be deducted from that price. However, such deduction shall be allowed if evidence is produced to the customs authority that the parity goods price ‘ex-works introduction point in the customs area’ would be lower than the parity goods uniform price ‘ex-works destination in the customs area’;

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

Article 87

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

(2) No adjustment to the declared value shall, however, be made in respect of the charges referred to in paragraph (1) of this Article in determining the value of consignments of a non-commercial nature.

(3) Paragraphs (1) and (2) of this Article are not applicable to goods carried by the express postal services known as ‘EMS’.

CHAPTER 5

Declarations of data and documents to be furnished

Article 88

(1) In establishing a customs value in accordance with Articles 27 to 45 of the Customs Law, a declaration of particulars relating to customs value of the imported goods (value declaration) shall accompany the customs declaration. The declaration of the customs value shall be drawn up on a form D.V.1 (value declaration) given in Annex 15 of this Regulation, and where necessary, it is accompanied with one or more D.V.1 *BIS* forms from Annex 16 of this Regulation.

(2) The value declaration provided for in paragraph (1) of this Article shall be made only by a person established in the Republic of Macedonia and in possession of the relevant facts.

The second indent of Article 74 paragraph (2) item b) of the Customs Law shall apply *mutatis mutandis*.

(3) The customs authority may waive the requirement of a declaration on the form referred to in paragraph (1) of this Article where the customs value of the goods in question cannot be determined under the provisions of Article 28 of the Customs Law. In such cases the person referred to in paragraph (2) of this Article shall furnish to the customs authority such other information as may be requested for the

purposes of determining the customs value under another Article of the said Customs Law. Such other information shall be supplied in the form and manner prescribed by the customs authority.

(4) The lodging of a declaration required by paragraph (1) of this Article shall, without prejudice to the possible application of penal provisions, be equivalent to the engagement of responsibility by the person referred to in paragraph (2) of this Article in respect of:

- the accuracy and completeness of the data given in the declaration,
 - the authenticity of the documents produced in support of such data given in the declaration,
- and
- the provision of any additional data or document necessary to establish the customs value of the goods.

Article 89

(1) Except where it is essential for the correct application of import duties, the customs authority shall waive the requirement for furnishing of all or part of the declaration provided for in Article 88 paragraph (1) of this Regulation in the following cases:

- a) where the customs value of the imported goods in a consignment does not exceed EUR 1.000 in corresponding denar value, provided that they do not constitute split or multiple consignments from the same consignor to the same consignee; or
- b) where the importations involved are of a non-commercial nature; or
- c) where the submission of the data in question is not necessary for the application of the Customs Tariff Law or where the customs duties provided for in the Customs Tariff are not chargeable pursuant to specific customs provisions.

(2) In the case of continuing import of goods supplied by the same seller to the same buyer under the same commercial conditions, the customs authority may waive the requirement that all particulars under Article 88 paragraph (1) of this Regulation be furnished in support of each customs declaration, but shall require them whenever the circumstances change and at least once every three years.

(3) A waiver granted under this Article may be withdrawn and the submission of a value declaration may be required where it is found that a condition necessary to qualify for that waiver was not or is no longer met.

Article 90

Where computerized systems are used, or where the goods concerned are the subject of a general, periodic or recapitulative declaration, the customs authority may authorise variations in the form of presentation of data required for the determination of customs value.

Article 91

(1) The person referred to in Article 88 paragraph (2) of this Regulation shall furnish the customs authority with a copy of the invoice on the basis of which the value of the imported goods is declared. When the customs value is declared in written form, the copy is retained by the customs authority.

(2) The person referred to in Article 88 paragraph (2) of this Regulation shall furnish the customs authority with all other evidence for remaining payments that are made or are to be made (for example: transport invoice, insurance policy etc.) and on request by the customs authority, other documents needed for the determination of the customs value.

Article 92

(1) In reference to Article 42 of the Customs Law, when the customs declaration is lodged, and the customs authority has reasonable doubts in the authenticity or accurateness of the lodged data or supporting documents to the customs declaration, the customs authority may request additional data, including documents or other proof which show that the declared value represents the total amount paid or payable for the imported goods in accordance with Article 28 of the Customs Law.

(2) Before reaching a final decision, the customs authority shall notify the importer, in writing as well, if so requested, of the grounds for those doubts in the authenticity or accuracy of the data or documents and shall determine an appropriate period in which he shall provide the additional data.

(3) If even after receiving additional data or in absence of a response, the customs authority still has reasonable doubts in regard to the authenticity or accurateness of the declared value, it may be deemed that the customs value of the imported goods cannot be determined in reference to the provisions of Article 28 of the Customs Law.

(4) A final decision and the grounds therefore shall be communicated by the customs authority in writing to the declarant.

Article 93

For all information and data needed to determine and to check the customs value of the goods which by their nature are considered confidential or which are provided for on confidential grounds, provisions of Article 16 of the Customs Law shall apply.

TITLE 5

INTRODUCTION OF GOODS INTO THE CUSTOMS AREA

CHAPTER 1

Examination of the goods and taking of samples from the party

Article 94

(1) In accordance with Article 50 paragraph (1) of the Customs Law, the goods are presented within the regular working hours and in the working space of the customs authority or in a different place determined by the customs authority.

(2) The working space of the customs authority for a certain type of means of transportation shall be determined under this Regulation or it shall be determined by the customs authority and put up on the announcement board.

(3) The regular working hours of the customs authority shall be determined by the Director of the Customs Administration. This is presented on the announcement board of the customs authority.

(4) By way of derogation from paragraph (3) of this Article subject to authorisation by the customs authority, the goods may be presented to the customs authority outside the regular working hours and outside the working space of the customs authority. The costs that may incur related to such presentation shall be borne by the declarant.

Article 95

(1) Permission to pre-examine the goods under Article 52 of the Customs Law shall be granted to the person empowered to assign the goods a customs-approved treatment or use at his oral request, unless the customs authority considers, having regard to the circumstances, that a written request is required.

The taking of samples may be authorised only at the written request of the party.

(2) A written request as referred to in paragraph (1) of this Article shall be signed by the party and lodged with the competent customs authority. The request shall include the following particulars:

- name and address of the applicant,
- the location of the goods,
- number of the summary declaration, where it has already been presented, save where the customs authority itself undertakes to enter such data, or data on the previous customs procedure, or the data for identifying the means of transport on which the goods are located,
- reasons why examination and taking of samples of the goods is requested,
- all other particulars necessary for identifying the goods.

The customs authority shall indicate its authorisation on the request presented by the party. Where the request is for the taking of samples the customs authority shall also indicate the quantity of goods to be taken.

(3) Prior examination of goods and the taking of samples shall be carried out in the manner prescribed by the customs authority and under its supervision, which shall, in regard to the nature of the goods, specify the procedures to be followed in each particular case.

The person concerned shall bear the risk and the cost of unpacking, weighing, repacking and any other operation involving the goods. He shall also pay any costs in connection with analysis of the goods.

(4) The samples taken shall be considered as part of the quantity of goods being assigned a customs-approved treatment or use. Where examination of the samples results in their destruction or irretrievable

loss, no customs debt shall be deemed to have been incurred. Article 191 paragraph (5) of the Customs Law shall apply to waste and scrap.

CHAPTER 2

Summary declaration

Article 96

- (1) The summary declaration shall be signed by the person making it.
- (2) The summary declaration shall be made on a form, the specimen of which is given in Annex 17 of this Regulation.
- (3) The customs authority shall enter the summary declaration into the prescribed accounts, endorsed and retained by the customs authority for the purpose of verifying that the goods to which it relates are assigned a customs-approved treatment or use within the period laid down in Article 59 of the Customs Law.
- (4) The summary declaration for goods which have been moved under a transit procedure before being presented to the customs authority shall take the form of the copy of the transit document intended for the customs authority of destination.
- (5) The customs authority may allow the summary declaration to be made in computerised form. In that case, the rules laid down in paragraphs (1) and (3) of this Article shall be adapted accordingly.
- (6) Save as provided for in paragraphs (4) and (5) of this Article, a summary declaration shall be made on the form prescribed in paragraph (2) of this Article if so required by the customs authority.

Article 97

- (1) Goods covered by a summary declaration which have not been unloaded from the means of transport carrying them shall be re-presented intact by the person referred to in Article 96 paragraph (1) of this Regulation whenever the customs authority so requires, until such time as the goods in question are assigned a customs-approved treatment or use.
- (2) Any person who holds goods after they have been unloaded in order to move or store them shall become responsible for compliance with the obligation to re-present all the goods intact at the request of the customs authority.

CHAPTER 3

Temporary storage

Article 98

- (1) Where the places referred to in Article 61 paragraph (1) of the Customs Law have been approved on a permanent basis for the placing of goods in temporary storage, such places shall be called 'temporary storage facilities'.

(2) In order to ensure the application of customs rules, the customs authority may, where it does not itself manage the temporary storage facility, require that:

- a) temporary storage facilities be double-locked, one key being held by the said customs authority;
- b) the person operating the temporary storage facility keeps stock accounts which enable the movements of goods to be traced.

Article 99

Goods shall be placed in a temporary storage facility on the basis of the summary declaration.

Article 100

Without prejudice to Article 66 of the Customs Law or to the regulation on sale of goods by the customs authority in accordance with Article 87 of the Customs Law, the person who has made the summary declaration or, where such a declaration has not yet been lodged, the persons referred to in Article 54 paragraph (2) of the Customs Law, shall be responsible for giving effect to the measures taken by the customs authority pursuant to Article 63 paragraph (1) of the Customs Law and for bearing the costs of such measures.

CHAPTER 4

Special provisions applicable to goods consigned by waterways or air

Section 1

General provisions

Article 101

Where goods are brought into the customs area of the Republic of Macedonia from a third country by waterways or air and are consigned under cover of a single transport document by the same mode of transport, without transshipment, to another port or airport in the Republic of Macedonia, such goods shall be presented to the customs authority, in accordance with Article 50 of the Customs Law, only at the port or airport where they are unloaded or transhipped.

Section 2

***Special provisions applicable to the cabin baggage and hold
baggage of travellers***

Article 102

For the purposes of this section:

- 1) ‘*Domestic airport*’ means any airport situated in the customs area of the Republic of Macedonia;
- 2) ‘*International airport*’ means any domestic airport which, having been so authorised by the competent authorities, is approved for air traffic with third countries;

- 3) *‘Domestic flight’* means the movement of an aircraft between two domestic airports, without any stopovers, which does not start from or end at a non-domestic airport;
- 4) *‘Domestic port’* means any port situated in the customs area of the Republic of Macedonia;
- 5) *‘Internal waterway crossing’* means the movement between two domestic ports without any intermediate calls, of a vessel plying regularly between two or more specified domestic ports;
- 6) *‘Pleasure craft’* means private boats intended for journeys whose itinerary depends on the wishes of the user;
- 7) *‘Tourist or business aircraft’* means private aircraft intended for journeys whose itinerary depends on the wishes of the user;
- 8) *‘Baggage’* means all objects carried, by whatever means, by the person in the course of his journey.

Article 103

For the purposes of Section 2 of this Regulation, in the case of air travel, *‘baggage’* shall be considered as:

- *‘hold baggage’*, if it has been checked in at the airport of departure and is not accessible to the person during the flight nor, where relevant, during the stopovers referred to in Articles 104 paragraph (1) and (2) and 106 paragraph (1) and (2) of this Chapter,
- *‘cabin baggage’* if the person takes it into the cabin of the aircraft.

Article 104

Any controls and any formalities applicable to:

- 1) the cabin and hold baggage of persons taking a flight in an aircraft which comes from a non-domestic airport and which, after a stopover at a domestic airport, continues to another domestic airport, shall be carried out at this last airport provided it is an international airport. In this case, baggage shall be subject to the rules applicable to the baggage of persons coming from a third country when the person carrying such baggage cannot prove the domestic status of the goods contained therein to the satisfaction of the competent customs authority;
- 2) the cabin and hold baggage of persons taking a flight in an aircraft which stops over at a domestic airport before continuing to a non-domestic airport, shall be carried out at the airport of departure provided it is an international airport. In this case, cabin baggage may also be subject to control at the domestic airport where the aircraft stops over, in order to ascertain that the goods it contains conform to the conditions for free circulation within the customs area of the Republic of Macedonia;
- 3) the baggage of persons using a maritime service provided by the same vessel and comprising successive legs departing from, calling at or terminating in a non-domestic port shall be carried out at the port at which the baggage in question is loaded or unloaded as the case may be.

Article 105

Any controls and any formalities applicable to the baggage of persons on board:

- 1) pleasure craft, shall be carried out in any domestic port, whatever the origin or destination of these craft;
- 2) tourist or business aircraft, shall be carried out:
 - at the first airport of arrival which shall be an international airport, for flights coming from a non-domestic airport, where the aircraft, after a stopover, continues to another domestic airport,
 - at the last international domestic airport, for flights coming from a domestic airport where the aircraft, after a stopover, continues to a non-domestic airport.

Article 106

- (1) Where baggage arriving at a domestic airport on board an aircraft coming from a non-domestic airport is transferred at that domestic airport to another aircraft proceeding on a domestic flight:
 - any controls and any formalities applicable to hold baggage shall be carried out at the airport of arrival of the domestic flight, provided the latter airport is an international airport,
 - all controls on cabin baggage shall be carried out at the first international airport; additional controls may be carried out at the airport of arrival of a domestic flight only in exceptional cases where they prove necessary following controls on hold baggage,
 - controls on hold baggage may be carried out at the first domestic airport only in exceptional cases where they prove necessary following controls on cabin baggage.
- (2) Where baggage is loaded at a domestic airport onto an aircraft proceeding on a domestic flight for transfer at another domestic airport, to an aircraft whose destination is a non-domestic airport:
 - any controls and any formalities applicable to hold baggage shall be carried out at the airport of departure of the domestic flight, provided that that airport is an international airport,
 - all controls on cabin baggage shall be carried out at the last international airport; prior controls on such baggage may be carried out in the airport of departure of a domestic flight only in exceptional cases where they prove necessary following controls on hold baggage,
 - additional controls on hold baggage may be carried out in the last domestic airport only in exceptional cases where they prove necessary following controls on cabin baggage.
- (3) Any controls and any formalities applicable to baggage arriving at a domestic airport on board a scheduled or charter flight from a non-domestic airport and transferred, at that domestic airport, to a tourist or business aircraft proceeding on a domestic flight shall be carried out at the airport of arrival of the scheduled or charter flight.
- (4) Any controls and any formalities applicable to baggage loaded at a domestic airport onto a tourist or business aircraft proceeding on a domestic flight for transfer, at another domestic airport, to a scheduled or charter flight whose destination is a non-domestic airport, shall be carried out at the airport of departure of the scheduled or charter flight.
- (5) The customs authority may carry out controls at the international airport where the transfer of hold baggage takes place:

- on baggage coming from a non-domestic airport and transferred at an international airport to an aircraft bound for the next international airport,
- on baggage having been loaded on an aircraft at an international airport for transfer at another international airport at the same customs area to an aircraft bound for a non-domestic airport.

Article 107

Hold baggage registered at a domestic airport shall be identified by a tag or label affixed at the airport concerned. A specimen tag and the technical characteristics are shown in Annex 18 of this Regulation.

TITLE 6

CUSTOMS DECLARATIONS - NORMAL PROCEDURE

CHAPTER 1

Customs declarations in writing

Section 1

General provisions

Article 108

- (1) Where a customs declaration covers two or more articles classified under two or more tariff codes of the customs tariff, the data relating to each tariff code shall be regarded as constituting a separate declaration.
- (2) Component parts of a dismantled industrial plant coming under a single tariff code shall be regarded as constituting a single type of goods.

Article 109

(1) Without prejudice to the possible application of penal provisions on the declarant or his representative, the lodging with a customs authority of a customs declaration signed by the declarant or his representative shall render the declarant responsible, under the provisions in force, for:

- the accuracy of the information given in the customs declaration,
- the authenticity of the documents attached, and
- compliance with all the obligations relating to the entry of the goods in question under the procedure concerned.

(2) Where the declarant uses data-processing systems to produce his customs declarations, the customs authority may provide that the handwritten signature may be replaced by another identification technique which may be based on the use of codes. This facility shall be granted only if the technical and administrative conditions laid down by the customs authority are complied with. The Central Administration of the Customs Administration may also provide that declarations produced using customs

data-processing systems may be directly authenticated by those systems, in place of the manual or mechanical application of the customs authority stamp and the signature of the responsible customs official.

(3) Under the conditions and in the manner which it shall determine, the customs authority may allow some of the data of the written customs declaration referred to in Article 72 paragraph (3) of the Customs Law to be replaced by sending these particulars to the customs authority designated for that purpose by electronic means, where appropriate in coded form.

Article 110

Documents accompanying a customs declaration shall be kept by the customs authority unless the Central Administration of the Customs Administration provides otherwise or unless the declarant requires them for other operations. In the latter case, the customs authority shall take the necessary steps to ensure that the documents in question cannot subsequently be used except in respect of the determination of the quantity or value of goods for which they remain valid.

Article 111

(1) The customs declaration shall be lodged with the customs authority where the goods were presented. It may be lodged as soon as such presentation has taken place.

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

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

Article 112

(1) The declaration shall be lodged with the competent customs authority during the days and hours appointed as working hours.

However, the customs authority may, at the request of the declarant and at his expense, authorise the customs declaration to be lodged outside the appointed days or hours designated as working hours.

(2) Any customs declaration lodged with the officials of a customs authority in any other place duly designated for that purpose by agreement between the customs authority and the party shall be considered to have been lodged in the said customs authority.

Article 113

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

Article 114

The customs authority may allow or require the corrections referred to in Article 75 of the Customs Law to be made by the lodging of a new customs declaration intended to replace the original customs declaration. In that event, the relevant date for determination of any duties payable and for the application of any other provisions governing the customs procedure in question shall be the date of the acceptance of the original declaration.

Section 2

Form of the written customs declaration

Article 115

For the purposes of this Section the following terms shall have the following meaning:

- 1) '*Single Administrative Document full set*' means a full set of eight copies no. 1, 2, 3, 4, 5, 6, 7 and 8 or a full set of four copies no. 1/6, 2/7, 3/8 and 4/5 or 5/4;
- 2) '*Single Administrative Document sub-set*' means the copies of the Single Administrative Document required for the carrying out of the customs procedure concerned;
- 3) '*double-purpose use*' means the use of the required sub-sets of the full set of 5 copies, where it is necessary to strikeout on the Single Administrative Document copies the numeral markings which are not used;
- 4) '*box*' means part of the Single Administrative Document form marked with lines and with a number or a capital letter and written description;
- 5) '*sub-divisions*' means clearly marked parts of the box that are counted left to right;
- 6) '*supplementary Single Administrative Document form – BIS*' means a form, integral part of the Single Administrative Document form and is used when the declaration includes more than one item.

Article 116

- (1) The official form for a written customs declaration to be lodged to a customs authority by a normal procedure for the purposes of placing goods under a customs procedure or re-exporting them in accordance with Article 191 paragraph (3) of the Customs Law, shall be the Single Administrative Document (SAD).
- (2) Other forms may be used for this purpose where the provisions of the customs procedure in question permit.
- (3) The provisions of paragraphs (1) and (2) of this Article shall not preclude:
 - waiver of the written customs declaration prescribed in Articles 132 to 143 of this Regulation for release for free circulation, export or temporary importation,
 - waiver of the form referred to in paragraph (1) where the special provisions laid down in Articles 144 and 145 of this Regulation with regard to post consignments (letters or post parcels) apply,

- use of special forms to facilitate the declaration in specific cases where the Central Administration of the Customs Administration so permits,
- use of loading lists for the completion of transit formalities in the case of consignments composed of more than one kind of goods,
- printing of export, transit or import customs declarations and documents certifying the domestic status of goods by means of official or private-sector data-processing systems, if necessary on plain paper on conditions laid down by the Central Administration of the Customs Administration, and
- provision by the Central Administration of the Customs Administration, where a computerized declaration-processing system is used, the Single Administrative Document lodged in such system may present a customs declaration, within the meaning of paragraph (1) of this Article.

Article 117

(1) The Single Administrative Document shall be presented in subsets containing the number of copies required for the carrying out of formalities relating to the customs procedure under which the goods are to be placed.

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

(3) The subsets referred to in paragraphs (1) and (2) of this Article shall be taken from:

- either the full set of eight copies, in accordance with the form contained in Annex 19 of this Regulation,
- or, particularly in the event of production by means of a computerized system for processing declarations, two successive sets of five copies, in accordance with the form contained in Annex 20 of this Regulation.

(4) Without prejudice to Articles 116 paragraph (3), from 129 to 131 or from 170 to 204 of this Regulation, the customs declaration forms may be supplemented, where appropriate, by one or more continuation forms SAD-BIS presented in subsets containing the declaration copies needed to carry out the formalities relating to the customs procedure under which the goods are to be placed. Those copies needed in order to complete the formalities relating to preceding or subsequent customs procedures may be attached where appropriate.

The continuation subsets shall be taken from:

- either a set of eight copies, in accordance with the specimen contained in Annex 21 of this Regulation,
- or two sets of five copies, in accordance with the form contained in Annex 22 of this Regulation.

(5) The continuation forms SAD-BIS referred to in this Article paragraph (4) of this Article shall be an integral part of the Single Administrative Document to which they relate.

(6) By way of derogation from paragraph (4) of this Article, the Central Administration of the Customs Administration may provide that continuation forms SAD-BIS shall not be used where a computerized system is used to produce such customs declarations.

Article 118

- (1) Where Article 117 paragraph (2) of this Regulation is applied, each person involved shall be liable only as regards the data relating to the customs procedure for which he applied as declarant, principal or as the representative of one of these.
- (2) For the purposes of paragraph (1) of this Article, where the declarant uses a Single Administrative Document issued during the preceding customs procedure, he shall be required, prior to lodging his customs declaration, to verify the accuracy of the existing data for the boxes for which he is responsible and their applicability to the goods in question and the procedure applied for. As necessary the declarant shall supplement such data.
- (3) In the cases referred to in the paragraph (2) of this Article, the declarant shall immediately inform the customs authority where the declaration is lodged of any discrepancy found between the goods in question and the existing data. In this case the declarant shall then draw up his declaration on fresh copies of the Single Administrative Document.

Article 119

Where the Single Administrative Document is used to cover several successive customs procedures, the customs authority shall satisfy itself that the data given in the customs declarations relating to the various procedures in question all agree.

Article 120

In cases where the rules require supplementary copies of the Single Administrative Document or the continuation form SAD-BIS, the declarant may use additional sheets without a numeral marking or photocopies of the said form for this purpose.

Such additional sheets without numeral markings or photocopies shall be signed by the declarant, presented to the customs authority and endorsed by the latter under the same conditions as the Single Administrative Document. They shall be accepted by the customs authority as if they were original documents provided that their quality and legibility are considered satisfactory by the said authorities.

Article 121

The Single Administrative Document or the continuation form SAD-BIS shall be printed on selfcopying paper dressed for writing purposes and weighing at least 40 g/m². The paper should be sufficiently opaque for the information on one side not to affect the legibility of the information on the other side and its strength should be such that in normal use it does not easily tear or crease.

The paper shall be white for all copies. However, on the copies used for transit (copies no. 1, 4 and 5), boxes 1 (first and third subdivisions), 2, 3, 4, 5, 6, 8, 15, 17, 18, 19, 21, 25, 27, 31, 32, 33 (first subdivision on the left), 35, 38, 40, 44, 50, 51, 52, 53, 55 and 56 shall have a green background.

The forms shall be printed in green ink.

Article 122

(1) The boxes of the Single Administrative Document or the continuation form SAD-BIS are based on a unit of measurement of one tenth of an inch horizontally and one sixth of an inch vertically. The subdivisions are based on a unit of measurement of one-tenth of an inch horizontally.

(2) A colour marking of the different copies shall be effected in the following manner:

a) on forms conforming to the specimens shown in Annexes 19 and 21 of this Regulation:

— copies 1, 2, 3 and 5 shall have at the right hand edge a continuous margin, coloured respectively red, green, yellow and blue,

— copies 4, 6, 7 and 8 shall have at the right hand edge a broken margin coloured respectively blue, red, green, yellow and blue;

b) on forms shown in Annexes 20 and 22 of this Regulation, copies 1/6, 2/7, 3/8, 4/5 and 5/4 shall have at the right hand edge a continuous margin and to the right of this a broken margin coloured respectively red, green, yellow and blue.

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

Article 123

(1) The forms of the Single Administrative Document or the continuation form SAD-BIS shall measure 210 x 297 mm with a maximum tolerance as to length of 5 mm less and 8 mm more.

(2) The Central Administration of the Customs Administration may require that the forms show the name and address of the printer or a mark enabling the printer to be identified. The Central Administration of the Customs Administration may also make the printing of the forms conditional on prior technical approval.

Section 3

Particulars required according to the customs procedure concerned

Article 124

The data required when one of the forms referred to in Article 116 paragraph (2) of this Regulation is used depend on the form in question. They shall be supplemented, where appropriate, by the provisions relating to the customs procedure in question.

Section 4

Documents to accompany the customs declaration

Article 125

(1) The following documents shall accompany the declaration for release for free circulation:

a) the invoice on the basis of which the customs value of the goods is declared, as required under Article 91 of this Regulation;

b) where it is required under Article 88 of this Regulation, the declaration of customs value of the goods drawn up in accordance with the conditions laid down in the said Article;

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

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

(2) The customs authority may require transport documents or documents relating to the previous customs procedure, as appropriate, to be produced when the declaration is lodged.

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

(3) Where goods qualify for the unified import duty in accordance with Article 94 of the Customs Law or where goods qualify for relief from import duties, the documents referred to in paragraph (1) items a), b) and c) of this Article need not be required unless the customs authority considers it necessary for the purposes of applying the provisions governing the release of the goods in question for free circulation.

Article 126

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

(2) Without prejudice to any applicable simplification measures, the customs document of export or re-exportation of the goods from the customs area or any document of equivalent effect shall be presented to the customs authority of departure with the transit declaration to which it relates.

(3) The customs authority may, where appropriate, require production of the document relating to the preceding customs procedure.

Article 127

(1) Without prejudice to specific provisions, the documents to accompany the declaration of entry for a procedure with economic impact, shall be as follows:

a) for the customs warehousing procedure:

— type D, the documents laid down in Article 125 paragraph (1) items a) and b) of this Regulation,

— for the other warehouse types, no documents;

b) for the inward-processing procedure:

— drawback system, the documents laid down in Article 125 paragraph (1) of this Regulation,

— suspension system, the documents laid down in Article 125 paragraph (1) items a) and b) of this Regulation,

and, where appropriate, the written authorisation for the customs procedure in question or a copy of the application for authorisation where Article 319 paragraph (1) of this Regulation applies;

c) for processing under customs control: the documents laid down in Article 125 paragraph (1) item a) and b), and, where appropriate, the written authorisation for the customs procedure in question or a copy of the application for authorisation where Article 319 paragraph (1) of this Regulation applies;

d) for the temporary importation procedure:

— with partial relief from import duties, the documents laid down in Article 125 paragraph (1) of this Regulation,

— with total relief from import duties, the documents laid down in Article 125 paragraph (1) items a) and b) of this Regulation,

and, where appropriate, the written authorisation for the customs procedure in question;

e) for the outward-processing procedure: the documents laid down in Article 128 paragraph (1) of this Regulation and, where appropriate, the written authorisation of the customs procedure concerned or a copy of the application for authorisation where Article 319 paragraph (1) of this Regulation applies.

(2) Article 125 paragraph (2) of this Regulation shall apply to declarations of entry for any customs procedure with economic impact.

(3) The customs authority may allow the written authorisation for the procedure or a copy of the application for authorisation to be kept at its disposal instead of accompanying the customs declaration.

Article 128

(1) The export or re-export customs declaration shall be accompanied by all documents necessary for the correct calculation and application of export duties and of the other provisions governing the export of the goods in question.

(2) Article 125 paragraph (2) of this Regulation shall apply to export or re-export declarations.

CHAPTER 2

Customs declarations made using a data-processing technique

Article 129

(1) Where the customs declaration is made by a data-processing technique, the particulars of the written customs declaration referred to in the provision referred to in Article 72 paragraph (3) of the Customs Law shall be replaced by sending to the customs authority, with a view to their processing by computer, data in codified form or data made out in any other form specified by the Central Administration of the Customs Administration and corresponding to the data required for written declarations.

(2) A customs declaration made by EDI shall be considered to have been lodged when the EDI message is received by the customs authority by EDI.

Acceptance of a customs declaration made by EDI shall be communicated to the declarant by means of a response message containing at least the identification details of the message received and/or the registration number of the customs declaration and the date of acceptance.

(3) Where the customs declaration is made by EDI, the Central Administration of the Customs Administration shall lay down the rules for implementing the provisions laid down in Article 160 of this Regulation.

(4) Where the customs declaration is made by EDI, the release of the goods shall be notified to the declarant, indicating at least the identification details of the declaration and the date of release.

(5) Where the particulars of the customs declaration are introduced into customs data-processing systems, paragraphs (2), (3) and (4) of this Article shall apply accordingly.

Article 130

Where a paper copy of the customs declaration is required for the completion of other formalities, this shall, at the request of the declarant, be produced and authenticated, either by the customs authority concerned, or in accordance with the third sentence of paragraph (2) of Article 109 of this Regulation.

Article 131

Under the conditions and in the manner which it shall determine, the customs authority may authorise the documents required for the entry of goods for a customs procedure to be made out and transmitted by electronic means. The customs authority shall also determine the manner of keeping of the documents that are transmitted by electronic means.

CHAPTER 3

Customs declarations made orally or by any other act

Section 1

Oral customs declarations

Article 132

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

a) goods of a non-commercial nature:

— contained in travellers' personal luggage, or

— sent to natural persons, or

— in other cases of negligible importance, where this is authorised by the customs authority;

b) goods of a commercial nature provided:

— the total value per consignment and per declarant does not exceed the amount of 800 EUR in corresponding denar value and net weight of 1000 kg, and

— the consignment is not part of a regular series of similar consignments, and

- the goods are not being carried by an independent carrier as part of a larger freight movement;
- c) the goods referred to in Article 136 of this Regulation, where these qualify for relief as returned goods;
- d) the goods referred to in Article 137 item b) and c) of this Regulation.

Article 133

Customs declarations may be made orally for the export of:

- a) goods of a non-commercial nature:
 - contained in travellers' personal luggage, or
 - sent to natural persons;
- b) the goods referred to in Article 132 item b) of this Regulation;
- c) the goods referred to in Article 138 items b) and c) of this Regulation;
- d) other goods in cases of negligible economic importance, where this is authorised by the customs authority.

Article 134

- (1) The customs authorities may decide that Articles 132 and 133 of this Regulation shall not apply where the person clearing the goods is acting in the name and on behalf of another person or in his own name and on behalf of another person in his capacity as representative.
- (2) The customs authority may require the declarant in the cases referred to in Article 132 and 133 of this Regulation to present documents supporting the data declared in the oral customs declaration (invoice etc.).
- (3) Where the customs authority is not satisfied that the data declared are accurate or that they are complete, it may require a written customs declaration.

Article 135

Where goods declared to customs orally in accordance with Articles 132 and 133 of this Regulation are subject to payment of import or export duty, the customs authority shall issue a receipt to the party against payment of the duty owing.

The receipt shall include at least the following data:

- 1) a description of the goods which is sufficiently precise to enable them to be identified; it may include a tariff code;
- 2) the invoice value and quantity of the goods;
- 3) a breakdown of the charges collected;
- 4) the date on which it was made out;
- 5) the name of the authority which issued it.

The receipt shall be issued on a form shown in Annex 23 of this Regulation.

Article 136

(1) Customs declarations may be made orally for the temporary importation of the following goods, in accordance with the conditions laid down in Article 312 paragraph (3) second subparagraph of this Regulation:

- a) — live animals and equipment satisfying the conditions laid down in Article 378 paragraph (1) and paragraph (2) item a) of this Regulation,
 - packings referred to in Article 382 item a) of this Regulation, bearing the permanent, indelible markings of a person established outside the customs area;
 - radio and television production and broadcasting equipment and vehicles specially adapted for use for the above purpose and their equipment temporarily imported by public or private organizations established outside the customs area and approved by the customs authority;
 - instruments and apparatus necessary for doctors to provide assistance for patients awaiting an organ transplant pursuant to Article 380 of this Regulation;
- b) the goods referred to in Article 139 of this Regulation;
- c) other goods, where this is authorised by the customs authority.

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

Section 2

Customs declarations made by any other act

Article 137

The following, where not expressly declared to the customs authority, shall be considered to have been declared for release for free circulation by the act referred to in Article 140 of this Regulation:

- a) goods of a non-commercial nature contained in travellers' personal luggage entitled to relief from import duty payment in accordance with Article 194 items 1) and 2) of the Customs Law, or as returned goods;
- b) goods entitled to relief in accordance with Article 194 item 9) of the Customs Law;
- c) means of transport entitled to relief as returned goods;
- d) goods entered as goods in traffic of negligible importance and exempted from the requirement to be conveyed to a customs authority in accordance with Article 48 paragraph (4) of the Customs Law, provided they are not subject to import duty payment.

Article 138

The following, where not expressly declared to the customs authority, shall be considered to have been declared for export by the act referred to in Article 140 item b) of this Regulation:

- a) goods of a non-commercial nature not liable for payment of export duty contained in the traveller's personal luggage;
- b) means of transport registered in the customs area and intended to be re-imported;

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

Article 139

(1) The following, where not declared to the customs authority in writing or orally, shall be considered to have been declared for temporary importation by the act referred to in Article 140 of this Regulation, subject to Article 390 of this Regulation:

a) personal effects and goods for sports purposes imported by travellers in accordance with Article 375 of this Regulation;

b) the means of transport referred to in Articles 368 to 373 of this Regulation;

(2) Where they are not declared to the customs authority in writing or orally, the goods referred to in paragraph (1) of this Article shall be considered to have been declared for re-exportation discharging the temporary importation procedure by the act referred to in Article 140 of this Regulation.

Article 140

(1) For the purposes of Articles 137 to 139 of this Regulation, the act which is considered to be a customs declaration may take the following forms:

a) in the case of goods conveyed to a customs authority at a border crossing point or to any other place designated or approved in accordance with Article 48 paragraph (1) item a) of the Customs Law:

— going through the green or ‘nothing to declare’ channel, in customs authorities where the two-channel system is in operation,

— going through a customs authority which does not operate the two channel system without spontaneously making a customs declaration;

b) in the case of exemption from the obligation to convey goods to the customs authority in accordance with the provisions implementing Article 48 paragraph (4) of the Customs Law, in the case of export in accordance with Article 138 of this Regulation and in the case of re-exportation in accordance with Article 139 paragraph (2) of this Regulation:

— the sole act of crossing the frontier of the customs area.

(2) Where goods covered by Article 137 item a), Article 138 item a), Article 139 paragraph (1) item a) or Article 139 paragraph (2) of this Regulation contained in a traveller's baggage are carried by rail unaccompanied by the traveller and are declared to the customs authority without the traveller being present in person, the document referred to in Annex 24 of this Regulation may be used within the terms and limitations set out in it.

Article 141

(1) Where the conditions of Articles 137 to 139 of this Regulation are fulfilled, the goods shall be considered to have been presented to the customs authority within the meaning of Article 73 of the

Customs Law, the customs declaration to have been accepted and release to have been granted, at the time when the act referred to in Article 140 of this Regulation is carried out.

(2) Where a check reveals that the act referred to in Article 140 of this Regulation has been carried out but the goods imported or taken out do not fulfil the conditions in Articles 137 to 139 of this Regulation, the goods concerned shall be considered to have been imported or exported unlawfully.

Section 3

Provisions common to Sections 1 and 2 of this Chapter

Articles 142

The provisions of Articles 132 to 139 of this Regulation shall not apply to goods in respect of which repayment of duties is sought, or which are subject to a prohibition or restriction or to any other special formality.

Article 143

For the purposes of Sections 1 and 2 of this Chapter, ‘traveller’ means:

A. on import:

- 1) any person temporarily entering the customs area, not normally resident or without approved stay in the Republic of Macedonia, and
- 2) any person who is normally resident or has approved stay in the Republic of Macedonia returning to the customs area after having been temporarily in a third country;

B. on export:

- 1) any person normally resident or with approved stay in the Republic of Macedonia temporarily leaving the customs area, and
- 2) any person who is not normally resident or without approved stay in the Republic of Macedonia leaving the customs area after a temporary stay.

Section 4

Postal traffic

Article 144

(1) The following postal consignments shall be considered to have been declared to the customs authority:

A. for release for free circulation:

- a) at the time when they are introduced into the customs area:
 - postcards and letters containing personal messages only,
 - Braille letters,
 - printed matter not liable for import duties, and

— all other consignments sent by letter or parcel post which are exempt from the obligation to be conveyed to the customs authority in accordance with provisions pursuant to Article 48 paragraph (4) of the Customs Law,

b) at the time when they are presented to the customs authority:

— consignments sent by letter or parcel post that are not referred to under sub-item a) of item A of this paragraph provided they are accompanied by a CN22 (C1) and/or CN23 (C2/CP3) declaration;

B. for export:

a) at the time when they are accepted by the postal authorities, in the case of consignments by letter or parcel post which are not liable to export duties;

b) at the time of their presentation to the customs authority, in the case of consignments sent by letter or parcel post which are liable to export duties, provided they are accompanied by a CN22 (C1) and/or a CN23 (C2/CP3) declaration.

(2) The consignee, in the cases referred to in paragraph (1) item A of this Article, and the consignor, in the cases referred to in paragraph (1) item B of this Article, shall be considered to be the declarant and, where applicable, the debtor. The customs authority may decide that the postal administration shall be considered as the declarant and, where applicable, as the debtor.

(3) For the purposes of paragraph (1) of this Article, goods not liable to duties shall be considered to have been presented to the customs authority within the meaning of Article 73 of the Customs Law, the customs declaration to have been accepted and release granted:

a) in the case of imports, when the goods are delivered to the consignee;

b) in the case of exports, when the goods are accepted by the postal authorities.

(4) Where a consignment sent by letter or parcel post which is not exempt from the obligation to be conveyed to the customs authority is presented in accordance with the provisions of Article 48 paragraph (4) of the Customs Law without a CN22 (C1) and/or CN23 (C2/CP3) declaration or where such declaration is incomplete, the customs authority shall determine the manner in which the customs declaration is to be lodged i.e. completed.

Article 145

Article 144 of this Regulation shall not apply:

— to consignments containing goods for commercial purposes of an aggregate value exceeding the amount of 300 EUR in corresponding denar value;

— to consignments containing goods for commercial purposes which form part of a regular series of like operations;

— where a customs declaration is made in writing, orally or using a data-processing technique;

— to consignments containing the goods referred to in Article 142 of this Regulation.

TITLE 7

**EXAMINATION OF THE GOODS, FINDINGS OF THE
CUSTOMS AUTHORITY AND OTHER MEASURES TAKEN BY
THE CUSTOMS AUTHORITY**

Article 146

- (1) A customs declaration shall be accepted where:
- a) it is lodged at the customs authority competent for the acceptance of the customs declaration,
 - b) it is lodged within the regular working hours of the customs authority and its work space,
 - c) there are no restrictions and limitations for the acceptance of the customs declaration,
 - d) it is lodged by a representative,
 - e) it is lodged in the prescribed form and is duly completed,
 - f) it is accompanied by all necessary documents for the approval of the requested procedure or by all documents issued by the competent customs authority which contain all the necessary data for the requested procedure.
- (2) When the provisions referred to in paragraph (1) of this Article are not complied with, the customs authority, along with the annexes, shall return the declaration to the person lodging it, specifying the reasons for the return on the declaration itself or in any other appropriate manner. The person lodging the declaration may accept the given reasons or make a written statement that he does not agree with them. Where the person lodging the declaration makes a written statement that he does not agree with the mentioned reasons, the customs authority issues a Conclusion with which the lodged declaration is rejected.

Article 147

- (1) The goods shall be examined in the places designated and during the hours appointed for that purpose by the customs authorities.
- (2) However, the customs authority may, at the request of the declarant, authorise the examination of goods in places or during hours other than those referred to in paragraph (1) of this Article. Any costs involved shall be borne by the declarant.

Article 148

- (1) Where the customs authority elects to examine goods it shall so notify the declarant or his representative. Notification shall not be made in written form.
- (2) Where the customs authority decides to examine a part of the goods only, it shall inform the declarant or his representative which items they wish to examine. The declarant or his representative cannot oppose to the customs authority's choice of the goods.

Article 149

- (1) The declarant or the person designated by him to be present at the examination of the goods shall render the customs authority the assistance required to facilitate its work. Should the customs authority

consider the assistance rendered unsatisfactory, it may require the declarant to designate another person able to give the necessary assistance.

(2) Where the declarant refuses to be present at the examination of the goods or to designate a person able to give the assistance which the customs authority considers necessary, the said authority shall set a deadline for compliance, unless it considers that such an examination may be dispensed with.

If, on expiry of the deadline, the declarant has not complied with the requirements of the customs authority, the latter, for the purpose of applying Article 85 item (a) of the Customs Law, shall proceed with the examination of the goods, at the declarant's risk and expense, calling if necessary on the services of an expert or any other person designated in accordance with the provisions in force.

(3) The findings made by the customs authority during the examination carried out under the conditions referred to in paragraph (2) of this Article shall have the same validity as if the examination had been carried out in the presence of the declarant.

(4) Instead of the measures laid down in paragraphs (2) and (3) of this Article, the customs authority may deem a customs declaration invalid where it is clear that the declarant's refusal to be present at the examination of the goods or to designate a person able to give the necessary assistance neither prevents, nor seeks to prevent, that authority from finding that the rules governing the entry of the goods for the customs procedure concerned have been breached, and neither evades, nor seeks to evade, the provisions of Article 76 paragraph (1) or Article 92 paragraph (2) of the Customs Law.

Article 150

(1) Where the customs authority decides to take samples, it shall so inform the declarant or his representative.

(2) Samples shall be taken by the customs authority itself. However, it may ask that this be done by the declarant or a person designated by him under the customs authority's supervision. Samples shall be taken in accordance with the methods laid down in the provisions in force.

(3) The quantities taken as samples should not exceed what is needed for analysis or more detailed examination, including possible check analysis.

Article 151

(1) A report on the taking of samples shall be prepared on a form provided for in Annex 25 of this Regulation.

(2) The report for taking of samples is printed on self-copying paper A4, three sheets, one of which is given to the customs authority that took the sample, the other, to the customs laboratory and the third, to the declarant.

(3) The customs laboratory accepts all necessary documents accompanying the customs declaration that clarify the type of goods, its purpose, quantity and technical characteristics.

(4) For samples of goods considered perilous or that fall under that type of substances, the report for the taking of samples intended for the customs laboratory shall be given with a copy of the Handbook for Safe Handling.

(5) The report referred to in paragraph (1) of this Article may also be written in electronic form provided it complies with the conditions provided for under this Article and the boxes of the form set out in Annex 25 of this Regulation.

Article 152

For goods that may be damaged in the process of taking samples (sterile goods, light-sensitive goods, goods sensitive to humidity etc.) if the samples are taken at the place of the customs examination, the customs authority that the goods were initially presented to may approve the sample-taking to be carried out at the premises of the declarant or in any other appropriate place in the presence of the locally competent customs authority.

Article 153

(1) The declarant or the person designated by him to be present at the taking of samples shall render the customs authority all the assistance needed to facilitate the operation.

(2) Where the declarant refuses to be present at the taking of samples or to designate a person to attend, or where he fails to render the customs authority all the assistance needed to facilitate the operation, the provisions of the second sentence of Article 149 paragraph (1) and paragraphs (2), (3) and (4) of this Regulation shall apply.

Article 154

The customs authority shall appropriately mark each sample for the purpose of determining its equivalence, including the fixing of customs markings such as a stamp or customs seal.

Article 155

(1) The customs authority that took the samples, sends the two samples, together with the appropriate sheet of the report for sample-taking, to the customs laboratory that carries out the necessary analysis and other appropriate examinations.

(2) Where the necessary analyses and the other appropriate examinations cannot be carried out in the customs laboratory, the sample is sent to an expert organisation to carry out the necessary analyses and examinations.

Article 156

Where the customs authority takes samples for analysis or more detailed examination, it shall authorise the release of the goods in question without waiting for the results of the analysis or examination,

unless the release is in contradiction with the provisions in force, and provided that, where a customs debt has been or is likely to be incurred, the duties in question have already been entered in the accounts and paid or secured.

Article 157

- (1) The quantities taken by the customs authority as samples shall not be deducted from the quantity declared.
- (2) Where an export or outward processing declaration is concerned, the declarant shall be authorised, where circumstances permit, to replace the quantities of goods taken as samples by identical goods, in order to make up the consignment.

Article 158

- (1) Unless destroyed by the analysis or more detailed examination, the samples taken shall be returned to the declarant at his request and expense once they no longer need to be kept by the customs authority, in particular after all the declarant's means of appeal against the decision taken by the customs authority on the basis of the results of that analysis or more detailed examination have been exhausted.
- (2) Where the declarant does not ask for samples to be returned, they may either be destroyed or kept by the customs authority. In specific cases, however, the customs authority may require the declarant to remove any samples that remain.

Article 159

- (1) The customs authority shall issue the declarant a calculation of the costs for the completed analysis or other appropriate examination taking care of the results from the customs laboratory stated on the analysis result report.
- (2) The calculation of the costs referred to in paragraph (1) of this Article shall only be issued when:
 - a) it is established from the analysis or other appropriate examination of the samples that an incorrect tariff code has been stated in the customs declaration; or
 - b) the samples have been taken at the declarant's request.
- (3) The costs under this Article shall be paid by the declarant within 30 days following the receipt of the calculation.

Article 160

- (1) Where the customs authority verifies the customs declarations and accompanying documents or examines the goods, it shall indicate, in the copy of the declaration retained by the customs authority, in a document attached to the customs declaration or in the report referred to in Article 161 of this Regulation, at least the basis and results of any such verification or examination. In the case of partial examination of the goods, particulars of the consignment examined shall also be given.

Where appropriate, the customs authority shall also indicate in the declaration that the declarant or his representative was absent.

(2) Should the result of the verification of the customs declaration and accompanying documents or examination of the goods not be in accordance with the data given in the declaration, the customs authority shall specify, in the copy of the customs declaration retained by the customs authority or in the report referred to in Article 161 of this Regulation attached to the customs declaration, at least the data to be taken into account for the purposes of the calculation of charges on the goods in question and for applying the other provisions governing the customs procedure for which the goods are entered.

(3) The findings of the customs authority shall indicate, where appropriate, the measures and means of identification adopted that may include sampling. The findings shall be dated and bear the data needed to identify the customs officer issuing them.

(4) Where the customs authorities neither verify the customs declaration nor examine the goods, they need not endorse the customs declaration or attached document referred to in paragraph (1) of this Article.

Article 161

(1) In the case of paragraph (2) of Article 160 of this Regulation where the declarant agrees with the results of the verification of the customs authority, the customs authority shall on request by the declarant or his representative prepare a report on a separate form in which it enters its findings. In the cases when the declarant does not agree with the result of the examination, the preparation of a report by the customs authority shall be obligatory. A copy of the report shall be given to the declarant.

(2) In accordance with the result of the verification of the customs authority the declarant may lodge a new customs declaration. In such case the date for calculation of the duties shall be considered as the date of acceptance of the original customs declaration.

(3) If the declarant does not agree with the notes of the report referred to in paragraph (1) of this Article he may within 8 days from the date of receipt of the report submit a complaint against the report, except in the cases when the goods have been released on the basis of a new customs declaration.

(4) A three-member commission of the customs authority may complete another check of the customs declaration, the attached documents and the goods. A report shall be prepared on the results of the check (hereinafter referred to as 'commission report') and a copy of it shall be given to the declarant. No complaint shall be made against the commission report.

(5) Based on the commission report, provided the declarant does not act in compliance with paragraph (2) of this Article, the customs authority shall take a decision with which new data are determined for the purpose of calculation of import duties and export fees or other export charges and the duties shall be calculated.

Article 162

(1) The granting of release shall give rise to the entry in the accounts of the import duties determined according to the particulars in the customs declaration. Where the customs authority considers that the checks which it has undertaken may enable an amount of import duties higher than that resulting from the data made in the customs declaration to be assessed, it shall further require the lodging of a security sufficient to cover the difference between the amount according to the data in the declaration and the amount which may finally be payable on the goods. However, the declarant may request the immediate entry in the accounts of the amount of duties to which the goods may ultimately be liable instead of lodging this security.

(2) Where, on the basis of the checks which it has carried out, the customs authority assesses an amount of import duties different from the amount which results from the particulars in the customs declaration, the release of the goods shall give rise to the immediate entry in the accounts of the amount thus assessed.

(3) Where the customs authority has doubts about whether or not a prohibition or restriction applies and this cannot be resolved until the results of the checks the authority has carried out are available, the goods in question cannot be released.

(4) Notwithstanding paragraph (1) of this Article, the customs authority may refrain from taking security in respect of goods which are the subject of a drawing request on a tariff quota if it determines, at the time when the declaration for release for free circulation is accepted, that the tariff quota in question is non-critical within the meaning of Article 218 of this Regulation.

Article 163

(1) The customs authority shall determine the form of release of the goods, taking due account of the place in which the goods are located and of the special arrangements for their supervision.

(2) Where the customs declaration is made in writing, a reference to the release and its date shall be made on the declaration or, where applicable, a document attached, and a copy shall be returned to the declarant.

Article 164

(1) Where the customs authority has been unable to grant release for one of the reasons specified in Article 85 item a) the second or third indent of the Customs Law, it shall give the declarant a time limit to regularize the situation of the goods.

(2) Where, in the circumstances referred to in Article 85 item a) second indent of the Customs Law, the declarant has not produced the requisite documents within the time limit referred to in paragraph (1) of this Article, the customs declaration in question shall be deemed invalid and the customs authority shall cancel it. In this case, the provisions of Article 76 paragraph (3) of the Customs Law shall apply.

(3) In the circumstances referred to in Article 85 item a) third indent of the Customs Law, and without prejudice to any measures taken under Article 76 paragraph (1) or Article 191 of the Customs Law, where

the declarant has neither paid nor guaranteed the duties due within the time limit referred to in paragraph (1) of this Article, the customs authority may start the preliminary formalities for the sale of the goods. In this case the goods shall be sold unless the requisite conditions have been fulfilled in the interim. The customs authority shall inform the declarant thereof.

The customs authority may, at the risk and expense of the declarant, transfer the goods in question to special premises under its supervision.

Article 165

By way of derogation from Article 76 paragraph (2) of the Customs Law, a customs declaration may be invalidated after the goods have been released, as provided below:

1) where it is established that the goods have been declared in error for a customs procedure entailing the payment of import duties instead of being placed under another customs procedure, the customs authority shall invalidate the declaration if a request to that effect is made within three months of the date of acceptance of the declaration provided that:

- any use of the goods has not contravened the conditions of the customs procedure under which they should have been placed,
- when the goods were declared, they were intended to be placed under another customs procedure, all the requirements of which they fulfilled, and
- the goods are immediately entered for the customs procedure for which they were actually intended.

The customs declaration placing the goods under the latter customs procedure shall take effect from the date of acceptance of the invalidated declaration.

The customs authority may permit the three-month period to be exceeded in duly substantiated and exceptional cases.

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

— the goods originally declared:

- a) have not been used other than as authorised in their original status; and
- b) have been restored to their original status;

and that

— the goods which ought to have been declared for the customs procedure originally intended:

- a) could, when the original customs declaration was lodged, have been presented to the same customs office; and
- b) have been declared for the same customs procedure as that originally intended.

The customs authority may allow the time limit of three months to be exceeded in duly substantiated exceptional cases.

3) in the case of mail order goods (by catalogue sale or otherwise) which are returned, the customs authority shall invalidate the customs declaration of release for free circulation if a request to that effect is made within three months of the date of acceptance of the declaration, provided that the goods have been exported to the original supplier's address or to another address indicated by the said supplier.

4) Where a retroactive authorisation is granted in accordance with:

— Article 210 of this Regulation for release for free circulation with a favourable tariff treatment or at a reduced or zero rate of duty on account of the end-use of the goods, or

— Article 319 of this Regulation for a customs procedure with economic impact.

5) Where the goods have been declared for export or for the outward processing procedure, the customs declaration shall be invalidated provided that:

a) in the case of goods which are subject to export duties, to an application for the repayment of import duty, fees or other payments or to other special measures on export:

— the declarant provides the customs authority of export with evidence that the goods have not left the customs area,

— the declarant returns to the customs authority of export all copies of the customs declaration, together with any other documents issued to him on acceptance of the customs declaration,

— the declarant provides the customs authority of export with evidence that any amounts due on export and approved based on the export declaration of the goods in question, are repaid or that the competent authorities have taken the necessary measures to secure that the approved amounts shall not be paid, and

- the declarant, in accordance with the provisions in force, complies with any other obligations laid down by the customs authority of export to regularize the position of the goods.

Invalidation of the declaration shall entail invalidation of all notes, cancellations, confirmations and other adjustments made on an export licence or other such document presented in support of the customs declaration.

Where the goods declared for export are required to leave the customs area by a specified time limit, failure to comply with that time limit shall entail invalidation of the relevant customs declaration. The customs authority informs the declarant of the invalidation in writing.

b) in the case of other goods, the customs authority of export has been informed in accordance with Article 409 of this Regulation that the goods declared have not left the customs area.

6) In so far as the re-export of the goods entails the lodging of a customs declaration, item 5) of this Article shall apply *mutatis mutandis*.

7) Where domestic goods have been placed under the customs warehousing procedure within the meaning of Article 110 paragraph (1) item b) of the Customs Law, invalidation of the declaration of entry for that procedure may be requested and effected provided that the declarant proves that the conditions for a customs approved treatment or use are complied with. If, on expiry of the period laid down for the goods to remain under the customs warehousing procedure, no application has been made for their assignment to a

treatment or use provided for in the relevant legislation, the customs authority shall take the measures provided for in that legislation.

TITLE 8

POST-CLEARANCE OF THE DECLARATION

Article 166

- (1) The customs authority may decide to examine the declaration in accordance with Article 90 of the Customs Law in order to check whether the customs debt has been correctly determined, whether the measures of commercial policy have been applied correctly and whether the obligations arising from the approved customs procedure have been complied with. The post-clearance examination may also be carried out on request by a foreign customs authority that is given legal aid under international cooperation.
- (2) Where the customs authority determines, based on the results from the post-clearance examination, that a customs debt has been incurred and has not been calculated or that the customs debt was wrongly calculated, it shall take all the measures necessary for a subsequent entry, repayment or remission of the debt.
- (3) The provisions of Title 7 of Part 1 of this Regulation shall accordingly apply to the post-clearance examination.
- (4) Where samples are taken under the post-clearance examination, this shall be stated in the report on the post-clearance examination on the declaration itself.

TITLE 9

SIMPLIFIED PROCEDURE

CHAPTER 1

General Provisions

Article 167

- (1) The procedure for incomplete declarations shall allow the customs authority to accept, only in a duly justified case, a declaration which does not contain all the particulars required, or which is not accompanied by all documents necessary for the customs procedure in question.
- (2) The simplified declaration procedure shall enable goods to be entered for the customs procedure in question on presentation of a simplified declaration with subsequent presentation of a supplementary declaration which, depending on the case, may be of a general, periodic or recapitulative nature.
- (3) The local clearance procedure shall enable the entry of goods for the customs procedure in question to be carried out at the premises of the person concerned or at other places designated or approved by the customs authority.

Article 168

(1) A general application to be granted an authorisation for a simplified declaration procedure, i.e. a local clearance procedure, shall be lodged with the customs authority that is locally competent for the location or the place where the applicant's main bookkeeping takes place.

(2) The customs authority referred to in paragraph (1) of this Article shall lodge the general application with the Central Administration of the Customs Administration which takes its decision on the same.

Article 169

Where a simplified procedure is applied by using data-processing systems to produce customs declarations or using a data-processing technique, the provisions referred to in Articles 109 paragraph (2) and paragraph (3), Article 129, Article 130 and 131 of this Regulation shall apply *mutatis mutandis*.

CHAPTER 2

Declarations for release for free circulation

Section 1

Incomplete declarations

Article 170

Declarations for release for free circulation which the customs authority may accept, at the declarant's request, without their containing certain of the data required in the provision of Article 72 paragraph (3) of the Customs Law, shall contain at least the data referred to in box 1 (first and second subdivisions) 14, 21, 31, 37, 40 and 54 of the Single Administrative Document and:

- a description of the goods in terms that are sufficiently precise to enable the customs authority to determine immediately and unambiguously the tariff code from the Customs Tariff,
- where the goods are liable to ad valorem duties, their value for customs purposes, or, when the declarant is not in a position to declare this value for customs purposes, a provisional indication of value which is considered acceptable by the customs authority, due account being taken in particular of the information available to the declarant,
- any further data considered necessary by the customs authority in order to identify the goods, implement the provisions governing their release for free circulation and determine the amount of any security required before the goods may be released.

Article 171

(1) Declarations for release for free circulation which the customs authority may accept at the declarant's request, without their being accompanied by certain of the necessary supporting documents, shall be accompanied at least by those documents which must be produced before the declared goods can be released for free circulation.

(2) By way of derogation from paragraph (1), a declaration not accompanied by one or more of the documents required before the declared goods can be released for free circulation, may be accepted once the customs authority determines that:

- a) the document concerned exists and is valid;
- b) it could not be annexed to the declaration for reasons beyond the declarant's control;
- c) any delay in accepting the declaration would prevent the release of the goods for free circulation or make them liable to a higher rate of duty.

Data relating to missing documents shall compulsorily be indicated in the declaration.

Article 172

(1) The period approved by the customs authority to the declarant for communication of data or production of documents missing at the time when the declaration was accepted may not exceed 1 month from the date of such acceptance.

Where a document required for the application of a reduced or zero rate of import duty is missing, and the customs authority has good reason to presume that the goods covered by the incomplete declaration may qualify for such reduced or zero rate of duty, at the declarant's request, a period longer than that provided for in paragraph (1) may be granted for the submission of the document, if justified in the circumstances. That period may not exceed 4 months from the date of acceptance of the declaration. The period of 4 months cannot be extended.

Where the missing data to be communicated or documents to be supplied concern customs value, the customs authority may, where this proves absolutely necessary, set a longer time limit or extend the time limit of paragraph (1) of this Article. The total period allowed cannot be longer than 4 months from the date of acceptance of the declaration.

(2) Where a reduced or zero rate of import duty is applicable to goods released for free circulation within tariff quotas or, provided that the levying of normal import duties is not re-introduced, within tariff ceilings or other preferential tariff measures, the use of the tariff quota or preferential tariff measure shall only be approved after presentation to the customs authority of the document on which the approval of the reduced or zero rate is conditional. The document shall in any case be presented:

- before the tariff quota has been exhausted, or
- in other cases, before the date on which a provision in force reintroduces the levying of normal import duties.

(3) In accordance with the previous paragraphs of this Article, the document on whose presentation the approval of the reduced or zero rate of import duty is conditional may also be submitted after the expiry date of the period for which the reduced or zero rate was set, provided the declaration in respect of the goods in question was accepted before that date.

Article 173

(1) The customs authority's acceptance of an incomplete declaration shall not prevent or delay the release of the goods thus declared, unless other grounds exist for so doing. Release shall take place in accordance with the conditions laid down in paragraphs (2) to (5) of this Article. The provisions of this Article do not exclude the application of Article 162 of this Regulation.

(2) Where the late production of data or of a supporting document missing at the time when a declaration is accepted cannot affect the amount of duties to which the goods covered by the said declaration are liable, the customs authority shall immediately record the sum payable, calculated in the usual manner.

(3) Where, pursuant to Article 170 of this Regulation, a declaration contains a provisional indication of value, the customs authority shall:

- enter immediately in the accounts the amount of duties determined on the basis of this indication,
- require, if necessary, the submission of a security adequate to cover the difference between that amount and the amount to which the goods may ultimately be liable.

(4) Where, in circumstances other than those referred to in paragraph (3) of this Article, the late production of data or of a supporting document missing at the time when a declaration is accepted may affect the amount of duties to which the goods covered by the said declaration are liable:

a) if late production of any missing data or document may lead to the application of duty at a reduced rate, the customs authority shall:

- immediately enter in the accounts the import duties payable at the reduced import duty rate,
- require the lodging of a security covering the difference between that sum and the sum which would be payable were the import duties on the goods in question calculated at the normal customs rate;

b) if the late production of any missing data or document may lead to importation of the goods with total relief from duties, the customs authorities shall require the lodging of a security covering the amount which would be payable if the duties were to be charged at the normal import duty rate.

(5) The declarant shall have the option, instead of lodging a security, of requesting the immediate entry in the accounts of:

- the amount of duties to which the goods may ultimately be liable, where the second indent of paragraph (3) of this Article or the second indent of paragraph (4) item a) of this Article applies, or
- the amount of duties calculated at the normal rate, where paragraph (4) item b) of this Article applies.

Article 174

If, at the expiry of the period referred to in Article 172 of this Regulation, the declarant has not supplied the data necessary for the final determination of the customs value of the goods, or has failed to provide the missing particulars or documents, the customs authority shall immediately enter in the accounts the duties to which the goods in question are subject the amount of which corresponds with the amount of the security provided in accordance with the provisions of the second indent of Article 173 paragraph (3),

the second indent of Article 173 paragraph (4) item a) or Article 173 paragraph (4) item b) of this Regulation.

Article 175

An incomplete declaration accepted under the conditions set out in Articles 170 to 173 of this Regulation may be either completed by the declarant or, by agreement with the customs authority, replaced by another declaration which complies with the conditions prescribed in Article 72 of the Customs Law.

In both cases, the date for determining any duties and the application of other provisions governing the release of goods for free circulation shall be the date of acceptance of the incomplete declaration.

Section 2

Simplified Declaration Procedure

Article 176

(1) The declarant shall, upon written request containing all the necessary information, be authorised in accordance with the conditions and in the manner laid down in Articles 177 and 178 of this Regulation, to make the declaration for release for free circulation in a simplified form when goods are presented to the customs authority.

(2) Such simplified declaration may be in the form of:

— either an incomplete declaration on a Single Administrative Document, or

— an administrative or commercial document, accompanied by a request for release for free circulation.

It shall contain at least the particulars necessary for identification of the goods.

(3) Where circumstances permit, the written request for release for free circulation referred to in the second indent of paragraph (2) of this Article may be replaced by a general request in respect of the release operations to take place over a given period. A reference to the authorisation granted in response to such general request shall be entered on the administrative or commercial document presented pursuant to paragraph (1) of this Article.

(4) The simplified declaration shall be accompanied by all documents the production of which may be required to secure the release of the goods for free circulation. Article 171 paragraph (2) of this Regulation shall apply accordingly.

(5) This Article shall be without prejudice to Article 195 of this Regulation.

Article 177

(1) The authorisation referred to in Article 176 of this Regulation may be granted to the declarant on condition that it is possible to guarantee an effective check on compliance with import prohibitions or restrictions or other provisions governing release for free circulation.

- (2) Such authorisation shall in principle be refused where the person who has made the request:
- has committed a serious infringement or repeated infringements of customs rules,
 - declares goods for release for free circulation only occasionally.

It may be refused where the person in question is acting on behalf of another person who declares goods for release for free circulation only occasionally.

- (3) The authorisation may be revoked where the cases referred to in paragraph (2) of this Article arise.
- The provisions of this paragraph shall apply without prejudice to the application of Article 7 of the Customs Law.

Article 178

- (1) The authorisation referred to in Article 176 of this Regulation shall:
- designate the customs authority or customs authorities competent to accept simplified declarations,
 - specify the form and content of the simplified declarations,
 - specify the goods to which it applies and the data which shall appear on the simplified declaration for the purposes of identifying the goods,
 - make reference to the security to be provided by the person concerned to cover any customs debt which may arise.

It shall also specify the form and content of the supplementary declarations, and shall set the time limits within which they shall be lodged with the customs authority designated for this purpose.

- (2) The customs authority may decide not to submit the additional declaration when the simplified declaration concerns goods the value of which does not exceed 800 euros in corresponding denar value and the simplified declaration already contains all the data needed for release into free circulation.

Section 3

Local Clearance Procedure

Article 179

Authorisation to use the local clearance procedure shall be granted by the Central Administration of the Customs Administration in accordance with the conditions and in the manner laid down in Articles 180 to 182 of this Regulation to any person wishing to have goods released for free circulation at his premises or at other places who submits to the customs authority a written request to this end containing all the data necessary for the grant of the authorisation:

- in respect of goods subject either to the transit procedure and for which the submitter of the application is authorised to use the simplified procedures to be carried out at the customs authority of destination in accordance with Articles 272, 273 and 274 of this Regulation,
- in respect of goods previously placed under a customs procedure with economic impact, without prejudice to Article 195 of this Regulation,

- in respect of goods which, after having been presented to the customs authority pursuant to Article 50 of the Customs Law, are consigned to those premises or places in accordance with a transit procedure other than that referred to in the first indent of this paragraph,
- in respect of goods which are brought into the customs area with an exemption from the requirement that they be presented to the customs authority, pursuant to Article 51 item b) of the Customs Law.

Article 180

- (1) The authorisation referred to in Article 179 of this Regulation shall be granted provided that:
- the submitter of the application's records enable the customs authority to carry out effective checks, in particular retrospective checks,
 - it is possible to guarantee an effective check on compliance with import prohibitions or restrictions or any other provisions governing release for free circulation.
- (2) Such authorisation shall in principle be refused where the submitter of the application:
- has committed a serious infringement or repeated infringements of customs rules,
 - declares goods for release for free circulation only occasionally.

Article 181

- (1) Without prejudice to the application of Article 7 of the Customs Law, the Central Administration of the Customs Administration may refrain from revoking the authorisation when:
- the holder of the authorisation fulfils his obligations within any time limit set by the customs authority, or
 - the failure to fulfil an obligation is without any real consequence for the correct carrying out of the procedure.
- (2) An authorisation shall in principle be revoked where it is determined that the holder of the authorisation has committed a serious infringement or repeated infringements of customs rules.
- (3) An authorisation may be revoked where the holder of the authorisation declares goods for release for free circulation only occasionally.

Article 182

- (1) To enable the customs authority to satisfy itself as to the proper conduct of operations, the holder of the authorisation referred to in Article 179 of this Regulation shall:
- a) in the cases referred to in the first and third indent of Article 179 of this Regulation;
 - i) where the goods are released for free circulation upon their arrival at the place designated for that purpose:
 - duly notify the customs authority of such arrival in the form and the manner specified by them, for the purpose of obtaining release of the goods, and
 - enter the goods in his records;

ii) where release for free circulation is preceded by temporary storage of the goods within the meaning of Article 60 of the Customs Law at the same place, before expiry of the time-limit set under Article 59 of the Customs Law:

— duly notify the customs authority, in the form and the manner specified by it, of his desire to have the goods released for free circulation, for the purpose of obtaining release of the goods; and

— enter the goods in his records;

b) in the cases referred to in the second indent of Article 179 of this Regulation:

— duly notify the customs authority, in the form and the manner specified by it, of his desire to have the goods released for free circulation, for the purpose of obtaining release of the goods, and

— enter the goods in his records.

The notification referred to in the first indent of this item shall not be required where the goods to be released for free circulation have already been placed under the customs warehousing procedure in a type D warehouse;

c) in the cases referred to in the fourth indent of Article 179 of this Regulation, upon arrival of the goods at the place designated for that purpose:

— enter the goods in his records;

d) make available to the customs authority, from the time of the entry in the records referred to in items a), b) and c), all documents, the production of which is required for the application of the provisions governing release for free circulation.

(2) On condition that checks on the proper conduct of procedures are not thereby affected, the Central Administration of the Customs Administration may:

a) permit the notification referred to in items a) and b) of paragraph (1) of this Article to be effected as soon as the arrival of the goods becomes imminent;

b) in certain special circumstances, where the nature of the goods in question and due to the frequency of imports, exempt the holder of the authorisation from the requirement to notify the competent customs authority of each arrival of goods, provided that he supplies the said authority with all the information it considers necessary to enable it to exercise its right to examine the goods should the need arise.

In this case, entry of the goods in the records of the person concerned shall be equivalent to release.

(3) The entry in the records referred to in items a), b) and c) of paragraph (1) of this Article may be replaced by any other formality offering similar guarantees stipulated by the Central Administration of the Customs Administration. The entry shall indicate the date on which it is made and the particulars necessary for identification of the goods.

Article 183

The authorisation referred to in Article 179 of this Regulation shall lay down the specific rules for the carrying out of the procedure and in particular shall stipulate:

- data on the goods to which it applies,
- the form of the obligations referred to in Article 182 of this Regulation and the reference to the guarantee to be provided,
- the time of release of the goods,
- the time limit within which the supplementary declaration shall be lodged with the competent customs authority designated for that purpose,
- the conditions under which goods are to be covered by a general, periodic or recapitulative supplementary declaration, as appropriate.

CHAPTER 3

Declarations for a customs procedure with economic impact

Section 1

Entry of goods for a customs procedure with economic impact

Subsection 1

Entry of goods for a customs warehousing procedure

A. Incomplete declarations

Article 184

- (1) Declarations for the customs warehousing procedure which the competent customs authority may accept at the declarant's request without their containing some of the data referred to in the provision of Article 72 paragraph (3) of the Customs Law shall contain at least the data necessary for identification of the goods to which the declaration relates, including their quantity.
- (2) Articles 171, 172 and 175 of this Regulation shall apply *mutatis mutandis*.

B. Simplified declaration procedure

Article 185

- (1) The Central Administration of the Customs Administration shall upon request by the declarant and in accordance with the conditions and in the manner laid down in Article 186 of this Regulation, authorise him to make a simplified declaration of entry for the customs warehousing procedure provided the goods are presented to the customs authority.

Such simplified declaration may be in the form of:

- either an incomplete declaration of the type referred to in Article 184 of this Regulation, or
- an administrative or commercial document, accompanied by a request for entry of the goods for the procedure.

It shall contain the particulars referred to in Article 184 paragraph (1) of this Regulation.

(2) Where this procedure is applied in a type D customs warehouse the simplified declaration shall also include the nature of the goods concerned, in sufficient detail to permit their immediate and unambiguous classification, and their customs value.

(3) The procedure referred to in paragraph (1) of this Article shall not apply to Type F customs warehouses.

(4) The procedure referred to in the second indent of paragraph (1) of this Article shall not apply to Type B customs warehouses.

Article 186

(1) The application referred to in Article 185 paragraph (1) of this Regulation shall be made in writing and contain all the particulars necessary for the grant of the authorisation.

Where circumstances permit, the application referred to in Article 185 paragraph (1) of this Regulation may be replaced by a general request in respect of operations to take place over a given period. In this case the application shall be made under the conditions laid down in Articles 312, 313 and 314 of this Regulation and shall be submitted with the application to operate the customs warehouse. Where prior authorisation is given for operation of the customs warehouse the application shall be made in the form of a request for modification of that initial authorisation.

(2) The authorisation referred to in Article 185 paragraph (1) of this Regulation shall be granted provided that the proper conduct of operations is not thereby affected.

(3) Such authorisation shall in principle be refused where:

- the guarantees necessary for the proper conduct of operations are not given,
- the person concerned enters goods for the procedure only occasionally,
- the person concerned has committed a serious infringement or repeated infringements of customs rules.

(4) Without prejudice to the application of Article 7 of the Customs Law, the authorisation may be revoked where the cases referred to in paragraph (3) of this Article arise.

Article 187

The authorisation referred to in Article 185 paragraph (1) of this Regulation shall lay down the specific rules for the operation of the procedure, and it should especially include:

- the custom authority or customs authorities of entry for the procedure,
- the form and content of the simplified declarations.

A supplementary declaration need not be provided.

C. Local clearance procedure

Article 188

- (1) The Central Administration of the Customs Administration shall grant an authorisation to use the local clearance procedure according to the conditions and in the manner laid down in paragraph (2) Article 189 and Article 190 of this Regulation.
- (2) The local clearance procedure shall not apply to type B and F warehouses.
- (3) Article 186 of this Regulation shall apply *mutatis mutandis*.

Article 189

- (1) In order to allow the customs authority to ensure the proper conduct of operations, the holder of the authorisation shall, upon arrival of the goods at the place designated for that purpose:
 - a) duly notify such arrival to the supervising customs authority in the form and manner specified by it;
 - b) make entries in the stock records;
 - c) keep at the disposal of the supervising authority all documents concerning the entry of the goods for the procedure.

The entry in the stock records referred to in item b) of this paragraph shall contain at least the data used to identify the goods commercially, including their quantity.

- (2) Article 182 paragraph (2) of this Regulation shall apply *mutatis mutandis*.

Article 190

The authorisation referred to in Article 188 paragraph (1) of this Regulation shall lay down the specific rules for the carrying out of the procedure and shall specify in particular:

- the data on the goods to which it applies,
- the form of the obligations referred to in Article 189 of this Regulation,
- the time of release of the goods.

A supplementary declaration need not be required.

Subsection 2

Entry for the inward processing, processing under customs control or temporary importation procedures

A. Incomplete declarations

Article 191

- (1) The declaration of entry for a customs procedure with economic impact other than outward processing or customs warehousing which the competent customs authority may accept at the declarant's request without it containing some of the prescribed data referred to in the provision of Article 72 paragraph (3) of the Customs Law or without it being accompanied by some of the documents referred to in Article 127 of this Regulation, shall contain at least the data referred to in Boxes 14, 21, 31, 37, 40 and 54 of the Single Administrative Document and, in Box 44, a reference to the authorisation, or a reference to the application where Article 319 paragraph (1) of this Regulation applies.

- (2) Articles 171, 172 and 175 of this Regulation shall apply *mutatis mutandis*.
- (3) In cases of entry for the inward processing procedure, drawback system, Articles 173 and 174 of this Regulation shall also apply *mutatis mutandis*.

B. *Simplified declaration and local clearance procedure*

Article 192

The provisions of Articles 176 to 183 and of Article 186 of this Regulation shall apply *mutatis mutandis* to goods declared for the customs procedures with economic impact covered by this Subsection.

Subsection 3

Goods declared for the outward processing procedure

Article 193

The provisions of Articles 196 to 204 of this Regulation applying to goods declared for export shall also apply *mutatis mutandis* to goods declared for export under the outward processing procedure.

Subsection 4

Common provisions

Article 194

Where two or more authorisations concerning customs procedures with economic impact are granted to the same person, and one procedure is discharged by the entry of the goods for another procedure using the local clearance procedure, a supplementary declaration for the discharged procedure need not be required.

Section 2

Discharge of a customs procedure with economic impact

Article 195

- (1) In cases of discharge of a customs procedure with economic impact other than the outward processing and customs warehousing procedures, the simplified procedures for release for free circulation, export and re-exportation may be applied. In the case of re-exportation, the provisions of Articles 196 to 204 of this Regulation shall apply *mutatis mutandis*.
- (2) The simplified procedures referred to in Articles 170 to 183 of this Regulation may be applied to release of goods for free circulation under the outward processing procedure.
- (3) In cases of discharge of the customs warehousing procedure, the simplified procedures for release for free circulation, export or re-export may be applied.

For goods entered for the procedure in a type F warehouse no simplified procedure may be authorised.

For goods entered for the procedure in a type B warehouse only incomplete declarations and the simplified declaration procedure shall apply.

The granting of an authorisation for a type D warehouse shall entail the application of the local clearance procedure for release for free circulation. This procedure may not be applied, in cases where the party wishes to use taxation elements that cannot be checked without a physical examination of the goods before they are released. In this case, other procedures involving presentation of the goods to the customs authority may be used.

CHAPTER 4

Export declarations

Article 196

The formalities to be carried out at the customs authority of export as provided for in Article 407 of this Regulation may be simplified in accordance with the provisions of this Chapter.

The provisions of Articles 408 and 409 of this Regulation shall apply to this Chapter.

Section 1

Incomplete declarations

Article 197

(1) An export declaration which the customs authority may accept, at the declarant's request, without it containing some of the requisite data referred to in the provision of Article 72 paragraph (3) of the Customs Law shall contain at least the particulars referred to in boxes 1 (first subdivision), 2, 14, 17, 31, 33, 38, 44 and 54 of the Single Administrative Document and:

— all the information required for the proper application of export duties or measures, where the goods are subject to such duties or measures,

— any further information considered necessary for the identification of the goods, for the application of the provisions governing their export or for the determination of the amount of any security required before the goods may be exported.

(2) The customs authority may allow the declarant to not complete boxes 17 and 33 provided he declares that export of the goods in question is not subject to prohibitions or restrictions and the customs authority has no reason for doubt in this respect and that the description of the goods allows the Customs Tariff nomenclature classification to be determined immediately and unambiguously.

(3) Copy No 3 of the SAD shall include the following endorsement in box 44: '*Simplified exportation*'.

(4) Articles 171 to 175 of this Regulation shall apply *mutatis mutandis* to export declarations.

Section 2

Simplified declaration procedure

Article 198

(1) On written request containing all the data required for the authorisation to be granted, an authorisation shall be granted to the declarant, under the conditions and in the manner laid down in Articles 177 and 178 of this Regulation, applied *mutatis mutandis*, to make a simplified export declaration when goods are presented to the customs authority.

(2) Without prejudice to Article 204 of this Regulation, the simplified declaration shall take the form of the incomplete Single Administrative Document containing at least the data necessary for identification of the goods. The provisions of paragraphs (3) and (4) of Article 197 of this Regulation shall apply *mutatis mutandis*.

Section 3

Local clearance procedure

Article 199

On written request, the Central Administration of the Customs Administration shall grant authorisation to use the local clearance procedure under the conditions and in the manner laid down in Article 200 of this Regulation to any person, hereinafter referred to as an ‘approved exporter’, wishing to carry out export procedures at his premises or at other places designated or approved by the customs authorities.

Article 200

Articles 180 and 181 of this Regulation shall apply *mutatis mutandis*.

Article 201

(1) To enable the customs authority to satisfy itself as to the proper conduct of operations, the approved exporter shall, before removal of the goods from the places referred to in Article 199 of this Regulation:

- a) duly notify the customs authority of such removal in the form and manner specified by it for the purpose of obtaining release of the goods;
- b) enter the said goods in his records. Such entry may be replaced by any other formality offering similar guarantees stipulated by the customs authority. The entry shall indicate the date on which it is made and the data necessary for identification of the goods;
- c) make available to the customs authority any documents the presentation of which may be required for application of the provisions governing export of the goods.

(2) In certain particular circumstances justified by the nature of the goods in question or the rapid turnover of export operations, the customs authority may exempt the approved exporter from the requirement to notify the competent customs authority of each removal of goods, provided that he supplies

the competent customs authority with all the information it considers necessary to enable it to exercise its right to examine the goods should the need arise.

In this case, entry of the goods in the records of the approved exporter shall be equivalent to release.

Article 202

(1) To check that the goods have actually left the customs area, Copy No 3 of the Single Administrative Document shall be used as evidence of exit.

The authorisation shall stipulate that Copy No 3 of the Single Administrative Document shall be authenticated in advance.

(2) The authentication referred to in paragraph (1) of this Article may be effected in one of the following ways:

- a) box A may be stamped in advance with the stamp of the competent customs authority and signed by an authorised person from that authority;
- b) the approved exporter may stamp the declaration using a special stamp conforming to the model shown in Annex 26 of this Regulation as its integral part.

The imprint of this stamp may be pre-printed on the forms where the printing is entrusted to a printer approved for that purpose.

(3) Before the departure of the goods the approved exporter shall:

- carry out the procedures referred to in Article 201 of this Regulation;
- indicate on Copy No 3 of the Single Administrative Document the reference to entry in his records and the date on which this was done.

(4) Box 44 of Copy No 3, completed in accordance with paragraph (2) of this Article, shall include:

- the number of the authorisation and the name of the issuing customs authority;
- the endorsement: '*Simplified export*'.

Article 203

(1) The authorisation referred to in Article 199 of this Regulation shall lay down the specific rules for the carrying out of the procedure and shall in particular stipulate:

- data on the goods to which it applies,
- the form of the obligations referred to in Article 201 of this Regulation,
- the time of release of the goods,
- the content of Copy No 3 of the SAD and the means by which it is to be validated,
- the procedure for presenting the supplementary declaration and the time limit within which it shall be lodged.

(2) The authorisation shall include an undertaking by the approved exporter to take all necessary measures to ensure the safekeeping of the special stamp or of the forms bearing the imprint of the stamp of

the customs authority of export or the imprint of the special stamp.

Section 4

Provisions common to Sections 2 and 3 of this Chapter

Article 204

- (1) Instead of the Single Administrative Document, use of a commercial or administrative document or any other data carrier may be allowed.
- (2) The document or data carrier referred to in paragraph (1) of this Article shall contain at least the data necessary for identification of the goods plus the endorsement 'Simplified export' and it shall be accompanied by a request for export.

Where circumstances so permit, the Central Administration of the Customs Administration may allow this request to be replaced by a global request covering export operations to be carried out over a given period. A reference to the authorisation shall be made on the document or the data carrier in question.

- (3) The commercial or administrative document shall be evidence of exit from the customs area in the same way as Copy No 3 of the Single Administrative Document. Where other media are used, the arrangements for the exit endorsement shall be defined by the customs authority.

PART II

CUSTOMS-APPROVED TREATMENT OR USE

TITLE I

RELEASE FOR FREE CIRCULATION

CHAPTER 1

General provisions

Article 205

- (1) Where domestic goods are exported under an ATA carnet in accordance with Article 410 of this Regulation, those goods may be released for free circulation on the basis of the ATA carnet.
- (2) In the case referred to in paragraph (1) of this Article, the customs authority where the goods are released for free circulation shall carry out the following formalities:
 - a) verify the data given in boxes A to G of the re-importation voucher;
 - b) complete the counterfoil and box H of the re-importation sheet;
 - c) retain the re-importation voucher.
- (3) Where the formalities discharging a temporary export operation in respect of domestic goods are carried out in a customs authority other than the authority where the goods enter the customs area, conveyance of the goods from that authority to the customs authority where the discharge is carried out shall require no formality.

CHAPTER 2

Unified import duty

Article 206

- (1) The unified import duty in accordance with Article 94 of the Customs Law may be applied to goods that are not of commercial nature and the value of which does not exceed 800 EURO in corresponding denar value.
- (2) The unified import duty cannot be applied to tobacco, tobacco products, alcohol, alcoholic beverages and fuel.
- (3) Where the traveller or recipient of the consignment requires the goods to be levied by a customs tariff rate, the prescribed rates shall apply to all goods, i.e. to the entire consignment.

CHAPTER 3

End-use

Article 207

- (1) This Chapter applies where it is provided that goods released for free circulation with a favourable tariff treatment or at a reduced or zero rate of duty on account of their end-use are subject to end-use customs supervision.
- (2) For the purposes of this Chapter:
 - a) 'accounts' means: the authorisation holder's commercial, tax or other accounting material, or other such data held on his behalf;
 - b) 'records' means: the data containing all the necessary information and technical details on whatever data carrier, enabling the customs authority to supervise and control operations.

Article 208

- (1) The granting of a favourable tariff treatment in accordance with Article 20 of the Customs Law shall, where it is provided that goods are subject to end-use customs supervision, be subject to a written authorisation.

Where goods are released for free circulation at a reduced or zero rate of duty on account of their end-use and the provisions in force require that the goods remain under customs supervision in accordance with Article 95 of the Customs Law, a written authorisation for the purposes of end-use customs supervisions shall be necessary.

- (2) Applications shall be made in writing using the model set out in Annex 27 of this Regulation. The customs authority may permit renewal or modification to be applied for by simple written request.
- (3) In particular circumstances the customs authority may allow the declaration for free circulation in writing or by means of a data-processing technique using the normal procedure to constitute an application for authorisation, provided that:
 - the applicant wholly assigns the goods from the customs declaration to the prescribed end-use,
 - and

— the proper conduct of operations is safeguarded.

(4) Where the customs authority considers any of the information given in the application inadequate, it may require additional data from the applicant.

In cases where an application may be made by making a customs declaration, the customs authority shall require that the application be accompanied by a document made out by the declarant containing at least the following information, unless such data is deemed unnecessary or is entered on the customs declaration:

- a) name and address of the applicant, the declarant and the operator;
- b) nature of the end-use;
- c) technical description of the goods, products resulting from their end-use and means of identifying them;
- d) estimated rate of yield or method by which that rate is to be determined;
- e) estimated period for assigning the goods to their end-use;
- f) the place where the goods are put to the end-use.

Article 209

(1) An authorisation using the model set out in Annex 27 of this Regulation shall be granted to persons established in the customs area, provided that the following conditions are met:

- a) the activities envisaged are consistent with the prescribed end-use and with the provisions in accordance with Article 212 of this Regulation and the proper conduct of operations is ensured;
- b) the submitter of the application offers every guarantee necessary for the proper conduct of operations to be carried out and will undertake the following obligations:
 - to wholly or partly assign the goods to the prescribed end-use or to transfer them and to provide evidence of their assignment or transfer in accordance with the provisions in force,
 - not to take actions incompatible with the intended purpose of the prescribed end-use,
 - to notify all factors which may affect the authorisation to the competent customs authority;
- c) efficient customs supervision is ensured and the administrative arrangements to be taken by the customs authority are not disproportionate to the economic needs involved;
- d) adequate records are kept and retained;
- e) security is provided where the customs authority considers this necessary.

(2) For an application under Article 208 paragraph (3) of this Regulation, the authorisation shall be granted to persons established in the customs area by acceptance of the customs declaration, under the other conditions set out in paragraph (1) of this Article.

(3) The authorisation shall include the following data, unless such information is deemed unnecessary:

- a) identification of the authorisation holder;
- b) where necessary, tariff code, type and description of the goods and of the end-use operations and provisions concerning rates of yield;

- c) means and methods of identification and of customs supervision, including arrangements for:
- common storage, for which Article 343 paragraph (2) and (3) of this Regulation shall apply *mutatis mutandis*,
 - mixed storage of products subject to end-use supervision falling within Chapters 27 and 29 of the Customs Nomenclature;
- d) the period within which the goods should be assigned the prescribed end-use;
- e) the customs authorities where the goods are declared for free circulation and the customs authority to supervise the arrangements;
- f) the places where the goods should be assigned the prescribed end-use;
- g) the security to be provided, where appropriate;
- h) the period of validity of the authorisation;
- i) where applicable, the possibility of transfer of the goods in accordance with Article 212 paragraph (1) of this Regulation;
- k) where applicable, simplified procedures authorised in accordance with Article 88 of the Customs Law;
- l) methods of communication between the holder of the authorisation and the customs authorities.

Where the goods referred to in the second indent of item (c) of this paragraph do not share the same tariff code, the same commercial quality and the same technical and physical characteristics, mixed storage may be allowed only where the whole mixture is to undergo one of the treatments referred to in the Additional Note 4 to Chapter 27 of the Customs Nomenclature.

(4) Without prejudice to Article 210 of this Regulation, the authorisation shall take effect on the date of issue or at any later date given in the authorisation. The period of validity shall not exceed three years from the date on which the authorisation takes effect, except where there are duly substantiated good reasons.

Article 210

(1) The customs authority may issue a retroactive authorisation. Without prejudice to paragraphs (2) and (3) of this Article, a retroactive authorisation shall take effect on the date the application was submitted.

(2) If an application concerns renewal of an authorisation for the same kind of operation and goods, an authorisation may be granted with retroactive effect from the date the original authorisation expired.

(3) In exceptional circumstances, the retroactive effect of an authorisation may be extended further, but not more than one year before the date the application was submitted, provided a proven economic need exists and:

- a) the application is not related to attempted deception or to obvious negligence;
- b) the applicant's accounts confirm that all the requirements of the arrangements can be regarded as having been met and, where appropriate, in order to avoid substitution, the goods can be identified for the period involved, and such accounts allow the arrangements to be verified;

c) all the formalities necessary to regularise the situation of the goods can be carried out, including, where necessary, the invalidation of the declaration.

Article 211

The expiry of an authorisation shall not affect goods which were in free circulation by virtue of that authorisation before it expired.

Article 212

- (1) The transfer of goods between different places designated in the same authorisation or between two holders of authorisation may be undertaken without any customs formalities.
- (2) With the receipt of the goods, the transferee shall become the holder of obligations under this Chapter in respect of the transferred goods.
- (3) The transferor, first holder of the authorisation, shall be discharged from his obligations where the transferee has received the goods and was informed that the goods for which the obligations are transferred, are subject to end-use customs supervision.

Article 213

- (1) The customs authority may, subject to conditions they shall lay down, approve the exportation of the goods or destruction of the goods.
- (2) Where goods are exported, they shall be considered as foreign goods from the time of acceptance of the export declaration.
- (3) In the case of destruction of goods Article 191 paragraph (5) of the Customs Law shall apply.

Article 214

Where the customs authority agrees that the use of the goods otherwise than as provided for in the authorisation is justified, such use, other than export or destruction, shall entail the incurrence of a customs debt. Article 223 of the Customs Law shall apply *mutatis mutandis*.

Article 215

- (1) The goods referred to in Article 207 paragraph (1) of this Regulation shall remain under customs supervision and liable to import duties until they are:
 - a) first assigned to the prescribed end-use;
 - b) exported, destroyed or used otherwise in accordance with Articles 213 and 214 of this Regulation.

However, where the goods are suitable for repeated use and the customs authority considers it appropriate in order to avoid abuse, customs supervision shall continue for a period not exceeding two years after the date of first assignment of the end use.

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

(3) For waste and scrap which result from the destruction of goods, customs supervision shall end when they have been assigned a permitted customs-approved treatment or use.

CHAPTER 4

Management of tariff measures

Section 1

Article 216

(1) Save as otherwise provided, where tariff quotas are opened by provisions in force, those tariff quotas shall be managed in accordance with the chronological order of dates of acceptance of declarations for release for free circulation.

(2) Where a declaration for release for free circulation incorporating a valid request by the declarant to benefit from a tariff quota is accepted, a quantity corresponding to its needs shall be drawn from the tariff quota.

(3) A request for allocation shall be presented with the competent customs authorities determined by the Minister of Finance when the conditions laid down in Article 172 paragraphs (2) and (3) of this Regulation are satisfied.

(4) Allocations shall be granted by the Central Administration of the Customs Administration on the basis of the date of acceptance of the relevant customs declaration for release for free circulation, and to the extent that the balance of the relevant tariff quota so permits. Priority shall be established in accordance with the chronological order of these dates.

(5) The customs authorities shall communicate to the Central Administration of the Customs Administration all valid requests for allocation without delay. The request shall include the date referred to in paragraph (4) of this Article, and the exact amount applied for on the relevant customs declaration.

(6) If the quantities requested for allocation from a tariff quota are greater than the balance available, allocation shall be made on a pro rata basis with respect to the quantities requested on the same date.

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

(8) If the customs authority invalidates a customs declaration for release for free circulation in respect of goods which are the subject of a request for benefit of a tariff quota, the complete request shall be cancelled in respect of those goods. The customs authority shall without delay notify the Central Administration of the Customs Administration which immediately returns any quantity drawn, in respect of those goods, from the tariff quota.

Article 217

- (1) The Central Administration of the Customs Administration shall make an allocation each working day.
- (2) Any allocation shall take into account all unanswered requests which relate to customs declarations for release for free circulation accepted up to 2 pm the same day and which have been communicated to the Central Administration of the Customs Administration.

Article 218

- (1) A tariff quota shall be considered as critical as soon as 75 % of the initial volume has been used, or at the discretion of the Central Administration of the Customs Administration.
- (2) By way of derogation from paragraph (1) of this Article, a tariff quota shall be considered, from the date of its opening, as critical in any of the following cases:
 - (a) it is opened for less than three months;
 - (b) tariff quotas having the same product coverage and origin and an equivalent quota period as the tariff quota in question (equivalent tariff quotas) have not been opened in the previous two years;
 - (c) an equivalent tariff quota opened in the previous two years had been exhausted on or before the last day of the third month of its quota period or had a higher initial volume than the tariff quota in question.
- (3) A tariff quota whose sole purpose is the application, under the rules of the World Trade Organisation, of either a safeguard measure or a retaliatory measure shall be considered as critical as soon as 75 % of the initial volume has been used irrespective of whether or not equivalent tariff quotas were opened in the previous two years.

TITLE 2

TRANSIT

Chapter 2

Transit Procedure

Section 1

General provisions

Article 219

For the purposes of this Chapter, the following definitions shall apply:

- 1) '*customs authority of departure*' means the customs authority where declarations placing goods under a transit procedure are accepted;
- 2) '*customs authority of destination*' means the customs authority where goods placed under a transit procedure shall be presented in order to end the procedure;
- 3) '*customs authority of guarantee*' means the customs authority where the guarantees furnished by a guarantor shall be lodged.

Article 220

On export or re-export under a normal procedure, the customs authority may determine that the goods shall be transported under a transit procedure in accordance with Article 105 paragraph (1) item b) of the Customs Law.

Article 221

The goods involving higher risk of fraud are listed in Annex 28 of this Regulation. When in the present Regulation reference is made to that list, any measure related to goods in that list shall apply only when the quantity of those goods exceeds the corresponding minimum referred to in the Annex.

Article 222

The transit procedure shall be compulsory in respect of goods carried by air only if they are loaded or reloaded at an airport in the Republic of Macedonia.

Article 223

The provisions of Chapters 1 and 2 of Title 7 of the Customs Law and the provisions of this Title shall apply *mutatis mutandis* to other charges within the meaning of Article 105 paragraph (1) item a) of the Customs Law.

Article 224

The guarantee furnished by the principal shall be valid throughout the customs area.

Article 225

The characteristics of the forms other than the Single Administrative Document used in the transit procedure shall be set out in Annex 29 of this Regulation.

Section 2

Procedure

Subsection 1

Individual guarantee

Article 226

(1) The individual guarantee shall cover the full amount of customs debt liable to be incurred, calculated on the basis of the highest import duties applicable to goods of the same kind in the Republic of Macedonia, as well as other duties and taxes the customs authorities are authorised to collect in accordance with the provisions regulating such duties and taxes.

However, the amount to take into consideration for the calculation of the individual guarantee amount cannot be less than a minimal amount, when such an amount is mentioned in the fifth column of Annex 28 of this Regulation.

(2) Individual guarantees in the form of a cash deposit shall be lodged at the customs authority of departure. They shall be repaid when the procedure has been discharged.

(3) Where an individual guarantee in the form of a bank guarantee is used, the bank - guarantor may issue individual guarantee vouchers for an amount of EUR 7 000, in corresponding denar value. The bank – guarantor issues these vouchers to persons who intend to act as principal.

The bank - guarantor shall be liable for up to EUR 7 000, in corresponding denar value, per voucher.

Article 227

An individual guarantee shall be furnished on the form the specimen of which is given in Annex 30 of this Regulation. The customs authority of guarantee shall confirm with a note to this document that the individual bank guarantee is accepted.

Where the customs authority of departure is not the customs authority of guarantee, the latter shall keep a photocopy of the document by which the guarantor's undertaking is accepted. The principal shall present the original at the customs authority of departure, where it shall be retained.

However, where guarantee data is exchanged between the customs authority of guarantee and the customs authority of departure using information technology and computer networks, the original of the guarantee instrument shall be retained at the customs authority of departure.

Article 228

(1) In the case referred to in Article 226 paragraph (3) of this Regulation, the individual guarantee shall correspond to the specimen in Annex 31 of this Regulation as an integral part thereof. The customs authority of guarantee confirms with a note to the document that the individual bank guarantee is accepted.

(2) Once the individual bank guarantee has been accepted, individual guarantee vouchers may be drawn up on a form corresponding to the specimen in Annex 32 of this Regulation. The bank - guarantor shall indicate on the voucher the last date on which it may be used, which may not be later than one year from the date of issue.

(3) The bank - guarantor may issue individual guarantee vouchers which are not valid for a transit procedure involving goods listed in Annex 28 of this Regulation.

To do so, the bank - guarantor shall endorse each individual guarantee voucher diagonally with the following phrase: '*Limited validity*'

(4) Where the customs authority of guarantee exchanges guarantee data with the customs authority of departure using information technology and computer networks, the guarantor shall furnish this customs

authority with any required details about the individual guarantee vouchers that he has issued according to the modalities decided by the customs authority.

(5) The principal shall deliver to the customs authority of departure the number of individual guarantee vouchers corresponding to the multiple of EUR 7 000, in corresponding denar value, required to cover the total amount referred to in Article 226 paragraph (1) of this Regulation. The vouchers shall be retained by the customs authority of departure.

Article 229

(1) The customs authority of guarantee shall revoke its decision accepting the bank - guarantor's undertaking if the conditions laid down at the time of issue are no longer fulfilled.

Equally, the bank - guarantor may cancel its undertaking at any time. The revocation or cancellation shall become effective on the 16th day following the date on which the customs authority of guarantee is notified.

(2) From the date on which the revocation or cancellation becomes effective, no individual guarantee vouchers issued earlier may be used for placing goods under the transit procedure.

(3) The customs authority of guarantee shall notify all relevant customs authorities forthwith of any revocation or cancellation and the date on which it becomes effective.

Subsection 2

Means of transport and declarations

Article 230

(1) Each transit declaration shall include only the goods loaded or to be loaded on a single means of transport for carriage from one customs authority of departure to one customs authority of destination.

For the purposes of this Article, the following shall be regarded as constituting a single means of transport, on condition that the goods carried are to be dispatched together:

- a) a road vehicle accompanied by its trailer/trailers or semi-trailer/semi-trailers;
- b) a set of coupled railway carriages or wagons;
- c) containers loaded on a single means of transport within the meaning of this Article.

(2) A single means of transport may be used for loading goods at more than one customs authority of departure and for unloading at more than one customs authority of destination.

Article 231

Loading lists drawn up in accordance with Annex 33 of this Regulation and corresponding to the specimen in Annex 34 of this Regulation thereof may be used instead of the continuation sheets SAD-BIS as the descriptive part of the transit declaration, of which they shall form an integral part of.

Subsection 3

Formalities at the office of departure

Article 232

- (1) Goods placed under the transit procedure shall be carried to the customs authority of destination along an economically justified route.
- (2) Without prejudice to Article 264 of this Regulation, for goods on the list in Annex 28 of this Regulation, or when the customs authority or the principal consider it necessary, the customs authority of departure shall prescribe an itinerary and enter in box 44 of the transit declaration the necessary data, taking into account any data communicated by the principal.

Article 233

- (1) The customs authority of departure shall set a time limit within which the goods must be presented at the customs authority of destination, taking into account the itinerary, any current transport or other legislation and, where appropriate, the details communicated by the principal.
- (2) Where the goods are presented at the customs authority of destination after expiry of the time limit prescribed by the customs authority of departure and where this failure to comply with the time limit is due to circumstances which are explained to the satisfaction of the customs authority of destination and are not attributable to the carrier or the principal, the latter shall be deemed to have complied with the time limit prescribed.

Article 234

- (1) Without prejudice to Article 235 of this Regulation, goods to be placed under the transit procedure shall not be released unless they are sealed.
- (2) The following shall be sealed:
 - a) the space containing the goods, where the means of transport has been approved under other rules or recognised by the customs authority of departure as suitable for sealing;
 - b) each individual package, in other cases.

Seals shall have the characteristics set out in Annex 35 of this Regulation.

- (3) Means of transport may be recognised as suitable for sealing on condition that:
 - a) seals can be simply and effectively affixed to them;
 - b) they are so constructed that no goods can be removed or introduced without leaving visible traces or without breaking the seals;
 - c) they contain no concealed spaces where goods may be hidden;
 - d) the spaces reserved for the load are readily accessible for inspection by the customs authority.

Any road vehicle, trailer, semi-trailer or container approved for the carriage of goods under customs seal in accordance with an international agreement entered into and ratified by the Republic of Macedonia shall be regarded as suitable for sealing.

Article 235

The customs authority of departure may dispense with sealing if, having regard to other possible measures for identification, the description of the goods in the transit declaration or in the supplementary documents make them readily identifiable.

A goods description shall be deemed to permit identification of the goods where it is sufficiently precise to permit easy identification of the quantity and nature of the goods.

Where the customs authority of departure grants a waiver from sealing, it shall enter the following endorsement in the transit declaration, opposite the heading 'seals affixed' of box 'D. Control by customs authority of departure': '*Waiver*'.

Article 236

(1) Where a transit declaration is processed at a customs authority of departure by a computer system, copies No. 4 and No. 5 of the declaration may be replaced by a transit accompanying document.

(2) In the circumstances referred to in paragraph (1) of this Article the customs authority of departure shall retain the declaration and authorise release of the goods by issuing the transit accompanying document to the principal.

(3) The Central Administration of the Customs Administration may authorise the transit accompanying document to be printed out from the principal's computer system.

(4) Where the provisions of this Title refer to copies of the declaration accompanying a consignment, these provisions shall apply, *mutatis mutandis*, to the transit accompanying document.

Subsection 4

Formalities en route

Article 237

Goods placed under the transit procedure shall be carried under cover of copies No. 4 and No. 5 of the transit declaration returned to the principal by the customs authority of departure.

Article 238

The carrier shall be required to make the necessary entries in copies No. 4 and 5 of the transit declaration and present them with the consignment to the customs authority closest to where the means of transport is located:

- a) if the prescribed itinerary is changed and the provisions of Article 232 paragraph (2) of this Regulation apply;
- b) if seals are broken in the course of a transport operation for reasons beyond the carrier's control;
- c) if goods are transferred to another means of transport. Any such transfer shall be made under the supervision of the customs authority that may, however, authorise transfers to be made without its supervision;

d) in the event of imminent danger necessitating immediate partial or total unloading of the means of transport;

e) in the event of any incident or accident capable of affecting the ability of the principal or the carrier to comply with his obligations.

(2) Where the customs authority considers that the transit operation concerned may continue in the normal way it shall take any steps that may be necessary and then endorse copies No. 4 and 5 of the transit declaration.

Subsection 5

Formalities at the customs authority of destination

Article 239

(1) The goods and copies No. 4 and No. 5 of the transit declaration shall be presented at the customs authority of destination.

(2) The customs authority of destination shall register copies No. 4 and No. 5 of the transit declaration, record on them their date of arrival and enter the details of any controls carried out.

(3) At the request of the principal, and to provide evidence of the procedure having ended in accordance with Article 242 paragraph (2) of this Regulation, the customs authority of destination shall endorse an extra copy No. 5 or a photocopy of sheet no. 5 of the transit declaration with the following phrase: *'Alternative proof'*.

(4) A transit operation may also end at a customs authority other than the one entered in the transit declaration. That customs authority shall then become the customs authority of destination.

Where the new customs authority of destination is other than the one originally designated, the new customs authority of destination shall enter in box 'I. Control by customs authority of destination' of copy No. 5 of the transit declaration the following endorsement in addition to the usual observations it is required to make: *'Differences: customs authority where goods were presented (name and country)'*.

Article 240

(1) The customs authority of destination shall issue a receipt on request to the person presenting copies No. 4 and No. 5 of the transit declaration.

(2) The form for the receipt shall correspond to the specimen in Annex 36 of this Regulation as an integral part thereof. Alternatively, the receipt may be made out on the back of copy No 5 of the transit declaration.

(3) The receipt shall be completed in advance by the party.

It may contain other data relating to the consignment, except in the space reserved for the customs authority of destination. The receipt shall not be used as proof of the procedure having ended within the meaning of Article 242 paragraph (2) of this Regulation.

Article 241

The customs authority of destination shall return copy No. 5 of the transit declaration to the customs authority of departure without delay and at most within one month of the date when the procedure ended.

Subsection 6

Checking the end of the procedure

Article 242

- (1) If copy No. 5 of the transit declaration is not returned to the customs authority of departure within one month of the date of acceptance of the declaration, that authority shall inform the principal and ask him to furnish proof that the procedure has ended.
- (2) Where the provisions of Section 2 subsection 7 of this Title apply and the customs authority of departure has not received the '*Arrival Advice*' message by the time limit within which the goods should be presented at the customs authority of destination, that authority shall inform the principal and ask him to furnish proof that the procedure has ended.
- (3) The proof referred to in paragraph (1) of this Article may be furnished to the satisfaction of the customs authority of destination in the form of a document, certified by the customs authority of destination, identifying the goods and establishing that they have been presented at the customs authority of destination or, where Article 272 of this Regulation applies, to the authorised consignee.
- (4) The transit procedure may also be considered as having ended where the principal presents, to the satisfaction of the customs authority of departure, a customs document issued in a third country entering the goods for a customs-approved treatment or use, or a copy or photocopy thereof, identifying the goods.

Copies or photocopies shall be certified as being true copies by the body which certified the original documents or by another competent customs authority of the third country concerned.

Article 243

- (1) Where the customs authority of departure has not received proof within two months of the date of acceptance of the transit declaration that the procedure has ended, it shall initiate the enquiry procedure immediately in order to obtain the information needed to discharge the procedure or, where this is not possible, to establish whether a customs debt has been incurred, to identify the debtor.

If the customs authority receives information before the time limit referred to in paragraph (1) of this Article that the procedure has not ended, or suspects that to be the case, the enquiry procedure shall be initiated forthwith.

Where the provisions of Section 2 Subsection 7 of this Title apply, the customs authority shall also initiate the enquiry procedure forthwith each time they have not received the '*Arrival Advice*' message by the time limit within which the goods shall be presented at the customs authority of destination or the '*Control Results*' message within six days after having received the '*Arrival Advice*' message.

(2) The enquiry procedure shall also be initiated if it transpires subsequently that proof of the end of the procedure was falsified and the enquiry procedure is necessary to achieve the objectives of paragraph (1) of this Article.

(3) To initiate the enquiry procedure, the customs authority of departure shall send the customs authority of destination a request together with all the necessary information.

(4) The customs authority of destination shall respond without delay.

(5) Where an enquiry establishes that the transit procedure ended correctly, the customs authority of departure shall immediately inform the principal and, where appropriate, any customs authority that may have initiated a recovery procedure in accordance with Articles 232 to 245 of the Customs Law.

Subsection 7

Additional provisions applicable where transit data is exchanged between customs authorities using information technology and computer networks

Article 244

(1) Without prejudice to any special circumstances and to the provisions on the transit procedure which, where appropriate, shall apply, *mutatis mutandis*, the customs authority shall use information technology and computer networks for the type of information exchange described in this Subsection.

(2) The provisions of this subsection shall not apply to the simplified procedures specific to the modes of transport referred to in Article 249 paragraph (1) item e) of this Regulation.

Article 245

(1) In addition to the security requirements mentioned in Article 4 paragraph (2) of this Regulation, the customs authority shall establish and maintain adequate security arrangements for the effective, reliable and secure operation of the entire transit system.

(2) To ensure the abovementioned level of security, each input, modification and deletion of data shall be recorded together with information giving the reason for, and exact time of, such processing and identifying the person who carried it out. In addition, the original data or any data so processed shall be kept for at least five calendar years from the end of the year to which such data refer, or for longer if so required elsewhere.

(3) The customs authorities shall monitor security regularly.

(4) The customs authorities involved shall inform each other of all suspected breaches of security.

Article 246

On release of the goods, the customs authority of departure shall transmit details of the transit operation to the customs authority of destination using the '*Anticipated Arrival Record*' message. This message shall be based on data derived from the transit declaration which may be, where such case occurs,

amended and completed as appropriate. This message shall conform to the structure and data defined by the customs authorities.

Article 247

(1) The customs authority of destination shall keep the transit accompanying document and, using the 'Arrival advice' message, notify the customs authority of departure of the arrival of the goods on the day they are presented at the customs authority of destination. The message may not be used as proof of the procedure having ended for the purposes of Article 242 paragraph (2) of this Regulation.

(2) Except where justified, the customs authority of destination shall forward the 'Control results' message to the customs authority of departure at the latest on the working day following the day the goods are presented at the customs authority of destination. In justified circumstances the set time limit may be extended.

(3) The messages shall conform to the structure and data defined by the customs authorities in agreement with each other.

Article 248

The 'Anticipated arrival record' message received from the customs authority of departure shall be the basis for the examination of the goods.

Section 3

Simplifications

Subsection 1

General provisions concerning simplifications

Article 249

Following an application by the principal or the consignee, as appropriate, the Central Administration of the Customs Administration may authorise the following simplifications:

- a) use of a comprehensive guarantee or guarantee waiver;
- b) use of special loading lists;
- c) use of seals of a special type;
- d) exemption from the requirement to use a prescribed itinerary;
- e) authorised consignor status;
- f) authorised consignee status;
- g) application of simplified procedures specific to goods:
 - (i) carried by rail;
 - (ii) carried by air;
 - (iii) carried by waterway;
 - (iv) moved by pipeline or powerlines.

Article 250

(1) The authorisations referred to in Article 249 of this Regulation shall be granted only to persons who:

- a) are established in the Republic of Macedonia,
- b) regularly use the transit arrangements, or the customs authority knows that they can meet the obligations under the arrangements or, in connection with the simplification referred to in Article 249 item f) of this Regulation, regularly receive goods that have been entered for the transit procedure, and
- c) have not committed any serious or repeated offences against customs or tax legislation.

(2) To ensure the proper management of the simplifications, authorisations shall be granted only where:

- a) the customs authority is able to supervise the procedure and carry out controls without an administrative effort disproportionate to the requirements of the person concerned, and
- b) the party keeps records which enable the customs authority to carry out effective controls.

Article 251

(1) An application for authorisation to use simplifications, hereinafter referred to as ‘the application’, shall be made in writing with the Central Administration of the Customs Administration. It shall be dated and signed.

(2) The application shall include all the facts which will allow the customs authority to check that the conditions subject to which use of the simplifications may be granted have been met.

Article 252

The authorisation shall be issued or the application rejected by the Central Administration of the Customs Administration within three months at most of the date on which the application is lodged.

Article 253

(1) The original signed and dated copy of the authorisation or several copies of the authorisation shall be given to the holder.

(2) The authorisation shall specify the conditions for use of the simplifications and lay down the operating and control methods. It shall be valid from the date of issue.

(3) In the case of the simplifications referred to in Article 249 items c), d) and g) of this Regulation, authorisations shall be presented whenever the customs authority of departure so requires.

Article 254

(1) The holder of an authorisation shall inform the customs authority of any factor arising after the authorisation was granted which may influence its continuation or content.

(2) The date on which the decision takes effect shall be indicated in a decision revoking or amending authorisation.

Article 255

(1) The Central Administration of the Customs Administration shall keep applications and attached supporting documents, together with a copy of any authorisation issued.

(2) Where an application is rejected or an authorisation is annulled or revoked, the application and the decision rejecting or annulling or revoking the application, as the case may be, shall be kept for at least five years from the end of the calendar year in which the application was rejected or the authorisation was annulled or revoked.

Subsection 2

Comprehensive guarantee and guarantee waiver

Article 256

(1) The principal may use a comprehensive guarantee, or guarantee waiver, up to a reference amount. For that purpose a calculation is made of the amount of the customs debt which may be incurred for each transit operation, as well as of the debt that occurred for other duties and taxes for the collection of which the Customs Administration is authorised in accordance with the provisions governing such duties and taxes. When the necessary data is not available the amount is presumed to be EUR 7 000 in corresponding denar value unless other information known to the customs authority lead to a different figure.

(2) The reference amount shall be the same as the amount of customs debt and other debt which may be incurred in respect of goods the principal places under the transit procedure during a period of at least one week.

The customs authority of guarantee shall establish the amount on the basis of the information by the party on goods carried in the past and an estimate of the volume of intended transit operations, as shown, *inter alia*, by his commercial documentation and accounts.

In establishing the reference amount, account shall be taken of the highest rates of import duties and charges applicable to the goods.

(3) The customs authority of guarantee shall review the reference amount annually, particularly in the light of information obtained from the customs authorities of departure, and shall adjust it if necessary.

(4) The principal shall ensure that the amount at stake does not exceed the reference amount, taking into account any transit operations for which the procedure has not yet ended.

The principal shall inform the customs authority of guarantee when the reference amount falls below a level sufficient to cover his transit operations.

Article 257

(1) The amount to be covered by the comprehensive guarantee shall be the same as the reference amount referred to in Article 256 of this Regulation.

(2) The amount to be covered by the comprehensive guarantee referred to in paragraph (1) of this Article may be reduced:

a) to 50 % of the reference amount where the principal demonstrates that his finances are sound and that he has sufficient experience of the transit procedure;

b) to 30 % of the reference amount where the principal demonstrates that his finances are sound, that he has sufficient experience of the transit procedure and that he cooperates very closely with the customs authorities.

(3) A guarantee waiver may be granted where the principal demonstrates that he maintains the standards of reliability described in paragraph (2) item b) of this Article, is in command of transport operations and has sufficient financial resources to meet his obligations.

(4) For the purpose of paragraphs (2) and (3) of this Article, the customs authority shall take into account the criteria set out in Annex 37 of this Regulation.

Article 258

(1) To be authorised to furnish a comprehensive guarantee in respect of the types of goods referred to in Annex 28, a principal shall demonstrate, not only that he meets the conditions of Article 250 of this Regulation, but also that his finances are sound, that he has sufficient experience of the transit procedure and either that he cooperates very closely with the customs authorities or that he is in command of transport operations.

(2) The amount to be covered by the comprehensive guarantee referred to in paragraph (1) of this Article may be reduced:

a) to 50 % of the reference amount where the principal demonstrates that he cooperates closely with the customs authorities and is in command of transport operations;

b) to 30 % of the reference amount where the principal demonstrates that he cooperates very closely with the customs authorities, that he is in command of transport operations, and that he has sufficient financial resources to meet his obligations.

(3) For the purposes of applying paragraphs (1) and (2) of this Article, the customs authority shall take account of the criteria set out in Annex 37 of this Regulation.

(4) Paragraphs (1), (2) and (3) of this Article also apply where an application explicitly concerns the use of the comprehensive guarantee for both the types of goods referred to in Annex 28 of this Regulation and those not listed in that Annex under the same comprehensive guarantee certificate.

Article 259

The comprehensive guarantee shall be furnished by the bank - guarantor. It shall be issued on the form given in Annex 38 of this Regulation.

Article 260

(1) On the basis of the authorisation, the customs authority shall issue the principal one or more comprehensive guarantee certificates or guarantee waiver certificates, hereinafter referred to as certificates, drawn up as appropriate on a form set out in Annex 39 or Annex 40 of this Regulation and supplemented in accordance with Annex 41 of this Regulation, to enable the principal to provide proof of the comprehensive guarantee or guarantee waiver.

(2) The certificate shall be presented at the customs authority of departure. Data of the certificate shall be entered on the transit declaration.

However, where guarantee data is exchanged between the customs authority of guarantee and the customs authority of departure using information technology and computer networks, no certificate is presented to the customs authority of departure.

(3) The period of validity of a certificate shall not exceed two years. That period may be extended by the customs authority of guarantee for one further period which shall not exceed two years.

Article 261

(1) Article 229 paragraphs (1) and (2) of this Regulation shall apply *mutatis mutandis* to the revocation and cancellation of the comprehensive guarantee.

(2) Certificates issued earlier may not be used to place goods under the transit procedure from the effective date of:

- revocation of an authorisation to use a comprehensive guarantee or guarantee waiver by the customs authority,
- revocation by the customs authority of guarantee of its acceptance of a guarantor's undertaking, or
- cancellation of an undertaking by a guarantor.

Such certificates shall be returned by the principal to the customs authority of guarantee without delay.

(3) The customs authority of guarantee shall notify the customs authorities which certificates may not be used for the placing of the goods in a transit procedure and which have not yet been returned and that remain valid.

(4) Paragraph (3) of this Article shall also apply to certificates that have been declared as stolen, lost or falsified.

Subsection 3

Loading lists

Article 262

(1) The Central Administration of the Customs Administration may authorise principals to as loading lists use lists which do not comply with all the requirements of Annexes 33 and 34 of this Regulation.

Use of such lists shall be authorised only where:

- a) they are produced by firms which use an integrated electronic or automatic data-processing system to keep their records;
- b) they are designed and completed in such a way that they can be used without difficulty by the customs authority;
- c) they include, for each item, the information required under Annex 33 of this Regulation.

(2) Descriptive lists drawn up for the purposes of carrying out dispatch/export formalities may also be authorised for use as loading lists referred to in paragraph (1) of this Article even where such lists are produced by firms not using an integrated electronic or automatic data-processing system to keep their records.

(3) Firms which use an integrated electronic or automatic data processing system to keep their records and are already authorised under paragraphs (1) and (2) of this Article to use loading lists of a special type may also be authorised to use such lists for transit operations involving only one type of goods if this facility is made necessary by the computer programmes of the firms concerned.

Subsection 4

Use of seals of a special type

Article 263

(1) The Central Administration of the Customs Administration may authorise principals to use special types of seals on means of transport or packages provided the customs authority approves the seals as complying with the characteristics set out in Annex 35 of this Regulation.

(2) Principals shall enter, opposite the heading 'seals affixed' in box 'D. Control by customs authority of departure' of the transit declaration, the type, number and make of the seals used.

Principals shall affix seals no later than when goods are released.

Subsection 5

Exemption regarding prescribed itinerary

Article 264

(1) The customs authority may grant an exemption from the requirement to follow a prescribed itinerary to principals who ensure that the customs authority is able to ascertain the location of the consignments concerned at all times.

(2) Holders of such exemptions shall enter one of the following endorsements in box 44 of the transit declaration: 'Prescribed itinerary waived'.

Subsection 6

Authorised consignor status

Article 265

Persons wishing to carry out transit operations without presenting the goods and the corresponding transit declaration at the customs authority of departure may be granted the status of authorised consignor.

This simplification shall be granted solely to persons authorised to use a comprehensive guarantee or granted a guarantee waiver.

Article 266

The authorisation shall specify in particular:

- a) the customs authority of departure responsible for forthcoming transit operations;
- b) how, and by when, the authorised consignor is to inform the customs authority of departure of forthcoming transit operations, in order that the authority may carry out any necessary controls before the departure of the goods;
- c) the identification measures to be taken, in which case the customs authority may prescribe that the means of transport or the package or packages shall bear special seals, approved by the customs authority as complying with the characteristics set out in Annex 35 of this Regulation and affixed by the authorised consignor;
- d) the excluded categories or movements of goods.

Article 267

(1) The authorisation shall stipulate that box ‘C. *Customs authority of departure*’ of the transit declaration forms shall:

- a) be stamped in advance with the stamp of the customs authority of departure and signed by a customs officer of that customs authority; or
- b) be stamped by the authorised consignor with a special metal stamp approved by the Central Administration of the Customs Administration and corresponding to the specimen in Annex 26 of this Regulation. The stamp may be pre-printed on the forms where the printing is entrusted to a printer authorised for that purpose.

The authorised consignor shall complete the box by entering the date on which the goods are consigned and shall allocate a number to the transit declaration in accordance with the rules laid down in the authorisation.

(2) The Central Administration of the Customs Administration may authorise the use of forms bearing a distinctive mark as a means of identification.

Article 268

(1) The authorised consignor shall take all necessary measures to ensure the safekeeping of the special stamps or forms bearing the stamp of the customs authority of departure or a special stamp.

He shall inform the customs authority of the security measures taken pursuant to this paragraph.

(2) In the event of the misuse by any person of forms stamped in advance with the stamp of the customs authority of departure or with the special stamp, the authorised consignor shall be liable, without prejudice to any criminal proceedings, for the payment of import or export duties and other charges payable in respect of goods carried under cover of such forms unless he can satisfy the Central Administration of the Customs Administration by whom he was authorised that he took the measures required of him under paragraph (1) of this Article.

Article 269

(1) Not later than on consignment of the goods, authorised consignors shall complete the transit declaration and, where necessary, enter in box 44 the itinerary prescribed in accordance with Article 232 paragraph (2) of this Regulation and, in box ‘D. Control by customs authority of departure’, the period prescribed in accordance with Article 233 of this Regulation within which the goods shall be presented at the customs authority of destination, the identification measures applied and the following endorsement: ‘*Authorised consignor*’.

(2) Where the customs authority of departure checks a consignment before its departure, it shall record the fact in box ‘D. Control by customs authority of departure’ of the transit declaration.

(3) Following consignment, copy No. 1 of the transit declaration shall be sent without delay to the customs authority of departure. The Central Administration of the Customs Administration may provide in the authorisation that copy No. 1 be sent to the customs authority of departure as soon as the transit declaration is completed and before the departure of the goods. The other copies shall accompany the goods.

Article 270

(1) The authorised consignor may be authorised by the Central Administration of the Customs Administration not to sign transit declarations bearing the special stamp referred to in Annex 26 of this Regulation which are made out by an integrated electronic or automatic data-processing system. This waiver shall be subject to the condition that the authorised consignor has previously given the Central Administration of the Customs Administration a written undertaking acknowledging that he is the principal for all transit operations carried out under cover of transit declarations bearing the special stamp.

(2) Transit declarations made out in accordance with paragraph (1) of this Article shall contain, in the box reserved for the principal's signature, one of the following endorsements: ‘*Signature waived*’.

Article 271

(1) Where transit declarations are lodged at the customs authority of departure which applies the provisions of Section 2, subsection 7 of this Regulation, persons may be granted the status of authorised consignor by that customs authority if, as well as complying with the conditions set out in Articles 250 and

265 of this Regulation, they lodge their transit declarations and communicate with the customs authority using a data-processing technique.

(2) An authorised consignor shall lodge a transit declaration at the customs authority of departure before the release of the goods.

(3) The authorisation shall indicate, inter alia, the time limit within which an authorised consignor shall lodge the transit declaration so that the customs authority may, if necessary, carry out checks before the release of the goods.

Subsection 7

Authorised consignee status

Article 272

(1) Persons who wish to receive at their premises or at any other specified place goods entered for the transit procedure without presenting them and copies No. 4 and No. 5 of the transit declaration at the customs authority of destination may be granted the status of authorised consignee by the Central Administration of the Customs Administration.

(2) The principal shall have fulfilled his obligations under Article 109 paragraph (1) item a) of the Customs Law, and the transit procedure shall be deemed to have ended, when copies No. 4 and No 5. of the transit declaration which accompanied the consignment, together with the intact goods, have been delivered within the prescribed period to the authorised consignee at his premises or at the place specified in the authorisation, the identification measures having been duly observed.

(3) At the carrier's request the authorised consignee shall issue the receipt provided for in Article 240 of this Regulation, which shall apply *mutatis mutandis*, in respect of each consignment delivered in accordance with paragraph (2) of this Article.

Article 273

(1) The authorisation shall specify in particular:

a) the customs authority of destination responsible for the goods received by the authorised consignee;

b) how and by when, the authorised consignee is to inform the customs authority of destination of the arrival of the goods in order that the customs authority may carry out any necessary controls upon arrival of the goods;

c) the excluded categories or movements of goods.

(2) The Central Administration of the Customs Administration shall specify in the authorisation whether any action by the customs authority of destination is required before the authorised consignee may dispose of goods received.

Article 274

(1) When the goods arrive at his premises or at the places specified in the authorisation, the authorised consignee shall:

- a) immediately inform the customs authority of destination, in accordance with the procedure laid down in the authorisation, of any excess quantities, deficits, substitutions or other irregularities such as broken seals;
- (b) without delay, send, except where communicated using a data processing technique, to the customs authority of destination Copies No 4. and No 5. of the transit declaration which accompanied the goods indicating the date of arrival and the condition of any seals affixed,

(2) The customs authority of destination shall make the entries provided for in Article 239 of this Regulation on copies No 4. and No 5. of the transit declaration.

Article 275

(1) Where the customs authority of destination applies the provisions of Section 2, Subsection 7 of this Regulation, persons may be granted the status of authorised consignee if, as well as complying with the conditions set out in Article 250 of this Regulation, they use a data processing technique to communicate with the customs authority.

(2) The authorised consignee shall inform the customs authority of destination of the arrival of the goods before the unloading.

(3) The authorisation shall indicate, in particular, how and by when the authorised consignee receives the ‘*Anticipate Arrival Record*’ data from the customs authority of destination for the purpose of applying, *mutatis mutandis*, Article 248 of this Regulation.

Subsection 8

Simplified procedures for goods carried by rail or in large containers

A. General provisions relating to carriage by rail

Article 276

Article 237 of this Regulation shall not apply to the carriage of goods by rail.

Article 277

Where the transit procedure is applicable, formalities under that procedure shall be simplified in accordance with Articles 278 to 288, 302 and 303 of this Regulation for the transport of goods by railway carrier under cover of a CIM consignment note and express deliveries (hereinafter referred to as ‘consignment note CIM’).

Article 278

The CIM consignment note shall be equivalent to a transit declaration.

Article 279

The executor of the railway transport operations shall make the records held at their accounting offices available to the customs authority for purposes of control.

Article 280

- (1) The executor of the railway transport operations which accepts goods for carriage under cover of a CIM consignment note serving as a transit declaration shall be the principal for that transit operation.
- (2) The executor of the railway transport operations shall be the principal for transit operations in respect of goods accepted for transport by the railways of a third country.

Article 281

- (1) The executor of the railway transport operations shall ensure that consignments transported under the transit procedure are identified by labels a specimen of which is shown in Annex 42 of this Regulation.
- (2) The labels shall be affixed to the CIM consignment note and to the relevant railway wagon in the case of a full load or, in other cases, to the package or packages.
- (3) The label referred to in the first paragraph of this Article may be replaced by a stamp reproducing the specimen shown in Annex 42 of this Regulation in green ink.

Article 282

Where the contract of carriage is modified so that:

- a transport operation which was to end outside the customs area ends within it,
- a transport operation which was to end within the customs area ends outside it,

the executor of the railway transport operations shall not perform the modified contract without the prior agreement of the customs authority of departure.

In all other cases, the executor of the railway transport operations may perform the modified Contract and they shall forthwith inform the customs authority of departure of the modification made.

Article 283

- (1) Where the identification measures applied by the executor of the railway transport operations are sufficient to provide customs supervision, the customs authority of departure may decide not to seal the means of transport or the packages.
- (2) For the purposes of the control referred to in Article 279 of this Regulation, the executor of the railway transport operations shall make available all the consignment notes CIM.

Article 284

- (1) The CIM consignment note shall be produced at the customs authority of departure in the case of a transport operation to which the transit procedure that is initiated and completed outside the customs area applies.

(2) The authorisation referred to in Article 252 of this Regulation may provide for an obligation to the executor of the railway transport operations to lodge two photocopies of sheet No. 1 of the CIM consignment note.

(3) All photocopies of the CIM consignment note shall be returned to the submitter of the application. If paragraph (2) of this Article applies, the customs authority of departure shall retain a photocopy of sheet No. 1 and return one stamped photocopy of sheet No. 1 of the consignment note CIM to the submitter of the application.

Article 285

(1) In the case referred to in the Article 284 of this Regulation, the executor of the railway transport operations shall forward to the customs authority of destination sheets No. 2 and 3. of the CIM consignment note.

(2) The customs authority of destination shall forthwith stamp and return sheet no. 2 of the CIM consignment note to the executor of the railway transport operations, it retains sheet no. 3 of the CIM consignment note.

(3) Where paragraph (2) of Article 284 of this Regulation applies, the customs authority of destination shall send a stamped photocopy of sheet No. 1 to the customs authority of departure.

Article 286

(1) Articles 283 and 284 of this Regulation shall apply to a transport operation which starts within the customs area and is to end outside it.

(2) In principle, no formalities need be carried out at the customs authority of destination.

(3) By way of derogation from paragraph (2) of this Article, the authorisation referred to in Article 252 of this Regulation may provide for an obligation to the executor of the railway transport operations to lodge three copies of sheet No. 1 of the CIM consignment note.

(4) All copies of the CIM consignment note shall be returned to the submitter of the application. If paragraph (3) of this Article applies, the customs authority of departure shall retain a photocopy of sheet No. 1 and return two stamped photocopies of sheet No. 1 to the submitter of the application.

(5) The customs authority for the frontier station through which the goods in transit leave the customs area shall act as customs authority of destination.

(6) Where paragraph (3) of this Article applies, the customs authority of destination shall retain a photocopy of sheet No. 1 and send a stamped photocopy of sheet No. 1 to the customs authority of departure.

Article 287

(1) Where a transport operation starts outside the customs area and is to end within it, the customs authority for the frontier station through which the goods enter the customs area shall act as customs authority of departure.

No additional formalities need be carried out at the customs authority of departure.

(2) By way of derogation from the second subparagraph of paragraph (1) of this Article, the authorisation referred to in Article 252 of this Regulation may provide for an obligation to the executor of the railway transport operations to lodge three photocopies of sheet No. 1 of the CIM consignment note.

(3) All copies of the CIM consignment note shall be returned to the submitter of the application. If paragraph (2) of this Article applies, the customs authority of departure shall retain a photocopy of sheet No. 1 and return two stamped photocopies of sheet No. 1 to the submitter of the application.

(4) The customs authority for the station of destination shall act as the customs authority of destination. Where paragraph (2) of this Article applies, the customs authority of destination shall retain one photocopy of sheet no. 1 and shall return a subsequently stamped copy of sheet no. 1 to the customs authority of departure.

(5) Where the goods are released for free circulation or placed under another customs procedure at an intermediate station, the customs authority for this station shall act as the customs authority of destination. This customs authority shall stamp sheets 2 and 3 and the supplementary copies of sheet 1 forwarded by the executor of the railway transport operations and endorse them with the following indication: '*Cleared*'.

This authority shall return sheets 2 and 3, without delay, to the railway carrier – transporter of the goods after having stamped them, retaining a supplementary photocopy of sheet No. 1, and forwarding another one to the customs authority of destination.

(6) The procedure referred to in paragraph (5) of this Article shall not apply to products subject to excise duty.

(7) In the case referred to in paragraph (5) of this Article, the competent customs authority for the customs authority of destination may request *a posteriori* verification of the endorsements made by the competent customs authority for the intermediate station on sheets 2 and 3.

Article 288

(1) Where a transport operation starts and is to end outside the customs area, the customs authority which is to act as customs authority of departure and customs authority of destination shall be the one referred to in Articles 287 paragraph (1) and 286 paragraph (5) of this Regulation.

(2) No formalities need to be carried out at the customs authority of departure and destination.

(3) By way of derogation from paragraph (2) of this Article, the authorisation referred to in Article 252 of this Regulation may provide for an obligation for the executor of the railway transport operations to submit three photocopies of sheet no.1 of the CIM consignment note.

(4) All copies of the CIM consignment note shall be returned to the submitter. Where paragraph (3) of this Article applies, the customs authority of departure retains a photocopy of sheet no. 1 and returns two stamped photocopies of sheet no. 1 to the submitter.

(5) Where paragraph (3) of this Article applies, the customs authority of destination shall retain one photocopy of sheet no.1 and shall return one subsequently stamped photocopy of sheet no. 1 to the customs authority of departure.

Article 289

In the cases referred to in Articles 287 and 288 of this Regulation, the subject goods shall be considered to be foreign goods.

B. Provisions relating to goods carried in large containers

Article 290

Where the transit procedure is applicable, formalities under that procedure may be simplified in accordance with Articles 291 to 303 of this Regulation for goods carried by executors of railway transport operations in large containers using transport undertakings as intermediaries, under cover of transfer notes referred to as ‘TR transfer notes’. Such operations may include the dispatch of consignments by transport undertakings using modes of transport other than rail, to the nearest suitable railway station to the point of loading and from the nearest suitable railway station to the point of unloading.

Article 291

For the purpose of Articles 290 to 303:

(1) ‘*transport undertaking*’ means an undertaking constituted by executors of railway transport operations, as its members, such undertaking being set up for the purpose of carrying goods by means of large containers under cover of TR transfer notes.

(2) ‘*large container*’ means a container that is:
— designed in such a way that it can be properly sealed where the application of Article 298 of this Regulation requires this,
— of a size such that the area bounded by the four lower external angles is not less than 7 m².

(3) ‘*TR transfer note*’ means the document which comprises the contract of carriage by which the transport undertaking arranges for one or more large containers to be carried from a consignor to a consignee in international transport. The TR transfer note shall bear a serial number in the top right-hand corner by which it can be identified. This number shall be made up of eight digits preceded by the letters TR.

The TR transfer note shall consist of the following sheets, in numerical order:

- 1: sheet for the head office of the transport undertaking,
- 2: sheet for the representative of the transport undertaking at the station of destination,

- 3A: sheet for the customs authority,
- 3B: sheet for the consignee,
- 4: sheet for the head office of the transport undertaking,
- 5: sheet for the national representative of the transport undertaking at the station of departure,
- 6: sheet for the consignor.

Each sheet of the TR transfer note, with the exception of sheet 3A, shall have a green band approximately 4 cm wide along its right-hand edge.

(4) ‘*List of large containers*’, hereinafter referred to as ‘*list*’, means the document attached to a TR transfer note, of which it forms an integral part, which is intended to cover the consignment of several large containers from a single station of departure to a single station of destination, at which stations the customs formalities are carried out.

The list shall be produced in the same number of copies as the TR transfer note to which it relates.

The number of lists shall be shown in the box at the top right-hand corner of the TR transfer note reserved for that purpose.

In addition, the serial number of the appropriate TR transfer note shall be entered in the top right-hand corner of each list.

(5) ‘*Nearest suitable railway station*’ means a railway station or terminal nearest to the point of loading or unloading, which is equipped to handle the large containers defined in paragraph (2) of this Article.

Article 292

TR transfer notes used by transport undertakings shall have the same legal force as transit declarations.

Article 293

(1) The transport undertaking shall make available to the customs authority for control purposes, through the medium of its national representative or representatives, the records held at its central accounting office or at those held by its representatives at their accounting offices.

(2) At the request of the customs authority, the transport undertaking or its representatives shall communicate to them forthwith any documents, accounting records or information relating to carriage operations completed or underway which that authority considers it should see.

(3) Where, in accordance with Article 292 of this Regulation, TR transfer notes are treated as equivalent to transit declarations, the transport undertaking or its representatives shall:

- a) inform the customs authority of destination of any TR transfer note, sheet 1 of which has been sent to it without a customs endorsement;
- b) inform the customs authority of departure of any TR transfer note, sheet 1 of which has not been returned to it and in respect of which it has been unable to determine whether the consignment has been

correctly presented to the customs authority of destination or has been exported from the customs area to a third country under Article 299 of this Regulation.

Article 294

(1) In the case of transport operations referred to in Article 290 of this Regulation, the railway carrier – transporter of the goods shall be the principal for all such transport operations it accepted.

(2) In the case of transport operations referred to in Article 290 of this Regulation accepted by the transport undertaking in a third country, the railway carrier – transporter of the goods shall be the principal from the moment the goods enter the customs area.

Article 295

If customs formalities have to be carried out during carriage by means other than rail to the station of departure or from the station of destination, only one large container may be covered by each TR transfer note.

Article 296

The transport undertaking shall ensure that transport operations carried out under the transit procedure are identified by labels, a specimen of which is shown in Annex 42 of this Regulation. The labels shall be affixed to the TR transfer note and to the large container or containers concerned.

The label referred to in the first paragraph of this Article may be replaced by a stamp in green ink reproducing the specimen shown in Annex 42 of this Regulation.

Article 297

Where a contract of carriage is modified so that:

— a transport operation which was to end outside the customs area, ends within it,

— a transport operation which was to end within the customs area, ends outside it,

the transport undertaking shall not perform the modified contract without the prior agreement of the customs authority of departure.

In all other cases, the transport undertaking may perform the modified contract. The transport undertaking shall forthwith inform the customs authority of departure of the modification made.

Article 298

Identification of goods shall be ensured in accordance with Article 234 and 235 of this Regulation. However, the customs authority of departure shall not normally seal large containers where identification measures are taken by the railway carrier - transporter of the goods. If seals are affixed this shall be indicated in the space reserved for the customs authority on sheets 3A and 3B of the TR transfer note.

Article 299

- (1) Where a transport operation starts within the customs area and is to end outside it, the TR transfer note shall be presented to the customs authority of departure. Article 298 of this Regulation shall apply *mutatis mutandis*.
- (2) The customs authority responsible for the frontier station through which the goods leave the customs area shall act as the customs authority of destination.
- (3) No formalities need be carried out at the customs authority of destination.

Article 300

- (1) Where a transport operation starts outside the customs area and is to end within it, the customs authority responsible for the frontier station through which the goods enter the customs area shall act as the customs authority of departure. No formalities need be carried out at the customs authority of departure.
- (2) The customs authority to which the goods are presented shall act as the customs authority of destination.

In the cases referred to in paragraph (1) of this Article, the railway carrier – transporter of the goods shall forward sheets 1, 2 and 3A of the TR transfer note to the customs authority of destination. The customs authority of destination shall without delay endorse sheet 1 and 2, return them to the transportation undertaking and retain sheet 3A.

Article 301

- (1) Where a transport operation starts and is to end outside the customs area, the customs authority which is to act as the customs authority of departure and the customs authority of destination shall be those referred to in Article 300 paragraph (1) and Article 299 paragraph (2) of this Regulation respectively.
- (2) No formalities need be carried out at the customs authority of departure or destination.

C. Other provisions

Article 302

- (1) Articles 231 and 262 of this Regulation shall apply to any loading lists which accompany the consignment note CIM or the TR transfer note. The number of such lists shall be shown in the box reserved for particulars of accompanying documents on the consignment note CIM or TR transfer note as the case may be.

In addition, the loading list shall include the wagon number to which the consignment note CIM refers or, where appropriate, the container number of the container containing the goods.

- (2) In the cases referred to in paragraph (1) of this Article and for the purposes of the procedures provided for in Articles 277 to 303 of this Regulation, the loading lists accompanying the consignment note CIM or the TR transfer note shall form an integral part thereof and shall have the same legal effects.

The original of such loading lists shall be stamped by the station of dispatch.

D. Scope of the normal procedures and the simplified procedures

Article 303

(1) Where the transit procedure is applicable, the provisions of Articles 276 to 302 shall not preclude the use of the procedures laid down in Articles 225 to 240, 244 to 248 and 262 of this Regulation, and the provisions of Articles 279 and 281 or 293 and 296 of this Regulation shall nevertheless apply.

(2) In the cases referred to in paragraph (1) of this Article, a reference to the transit documents used shall be clearly entered in the box reserved for data on accompanying documents at the time when the consignment note CIM or TR transfer note is made out. The reference shall include the type of document, authority of issue, date and registration number of each document used.

In addition, sheet 2 of the consignment note CIM or sheets 1 and 2 of the TR transfer note shall be authenticated by the railway carrier – transporter of the goods responsible for the last railway station involved in the transit operation. The railway carrier – transporter of the goods shall authenticate the document after ascertaining that transport of the goods is covered by the transit document or documents referred to.

(3) Where a transit operation is carried out under cover of a TR transfer note in accordance with Articles 290 and 301 of this Regulation, the consignment note CIM used for the operation shall exclude the application of the provisions of paragraphs (1) and (2) of this Article and of Articles 277 to 288 of this Regulation. The consignment note CIM shall bear a clear reference to the TR transfer note in the box reserved for data on accompanying documents. That reference shall include the words ‘TR transfer note’ followed by the serial number.

Article 304

(1) Where production of the transit declaration at the customs authority of departure is not required in respect of goods which are to be dispatched under cover of a CIM consignment note or a TR transfer note in accordance with Articles 277 to 303 of this Regulation, the customs authority shall take the necessary measures to ensure that copies No. 1, No. 2 and No. 3 of the CIM consignment note, or copies No. 1, No. 2, No. 3A and No. 3B of the TR transfer note bear the ‘*TMK*’ symbol, as the case may be.

(2) Where goods carried in accordance with Articles 277 to 303 of this Regulation are intended for an authorised consignee, the customs authority may provide that, by way of derogation from Article 272 paragraph (2) and Article 274 paragraph (1) item b), copies No 2 and No 3 of the CIM consignment note, or copies No. 1, No. 2 and No. 3A of the TR transfer note are to be delivered direct by the railway carrier – transporter of the goods or by the transport undertaking to the customs authority of destination.

Subsection 9

Simplified procedures for goods transported by air

Article 305

(1) An airline may be authorised to use the goods manifest as a transit declaration where it corresponds in substance to the specimen in Appendix 3 of Annex 9 to the Convention on International Civil Aviation (simplified procedure — level 1).

For transit operations, the authorisation shall indicate the form of the manifest and the airport of departure and destination. The airline shall send the customs authority an authenticated copy of the authorisation.

(2) Each manifest shall bear an endorsement dated and signed by the airline.

(3) The manifest shall also include the following information:

- a) the name of the airline transporting the goods;
- b) the flight number;
- c) the date of the flight;
- d) the name of the airport of loading (airport of departure) and unloading (airport of destination).

It shall also indicate, for each consignment:

- a) the number of the air waybill;
- b) the number of packages;
- c) the normal trade description of the goods including all the details necessary for their identification;
- d) the gross mass.

Where goods are grouped, their description shall be replaced, where appropriate, by the entry ‘*Consolidation*’, which may be abbreviated. In such cases the air waybills for consignments on the manifest shall include the normal trade description of the goods, including all the details necessary for their identification.

(4) At least two copies of the manifest shall be presented to the customs authority at the airport of departure, which shall retain one copy.

(5) A copy of the manifest shall be presented to the customs authority at the airport of destination.

(6) Once a month, after authenticating the list, the customs authority at each airport of destination shall transmit to the customs authority at each airport of departure a list drawn up by the airlines of the manifests which were presented to them during the previous month.

The description of each manifest in that list shall include the following data:

- a) the reference number of the manifest;
- b) the endorsement identifying the manifest as a transit declaration in accordance with paragraph (2) of this Article;
- c) the name (which may be abbreviated) of the airline which carried the goods;
- d) the flight number; and
- (e) the date of the flight.

The authorisation may also provide for the airlines themselves to transmit the information referred to in this paragraph.

In the event of irregularities being found in connection with the data on the manifests appearing on the said list, the customs authority of the airport of destination shall inform the customs authority of the airport of departure and the authority which granted the authorisation. This refers in particular to the air waybills for the goods in question.

Subsection 10

Simplified procedure for transport by pipeline or power lines

Article 306

- (1) Where the transit procedure applies, the formalities relating to the procedure shall be adapted in accordance with paragraphs (2) to (6) of this Article for goods transported by either pipeline or power lines.
- (2) Goods transported by pipeline shall be deemed to be placed under the transit procedure:
 - on entry into the customs area, for those goods which enter that area by pipeline,
 - on placing into the pipeline system, for those goods which are already within the customs area.
- (3) For the goods referred to in paragraph (2) of this Article, the person operating the pipeline shall be the principal.
- (4) For the purposes of Article 109 paragraph (2) of the Customs Law, the person operating the pipeline, established in the Republic of Macedonia, shall be regarded as the carrier.
- (5) The transit operation shall be deemed to have ended when the goods transported by pipeline arrive at the consignee's plant or are accepted into the distribution network of a consignee, and are entered in his records.
- (6) The persons involved in carriage of the goods shall keep records and make them available to the customs authority for the purpose of any controls considered necessary in connection with the transit operations referred to in paragraphs (2) to (4) of this Article.

Section 4

Customs debt and the calculation and collection procedure

Article 307

- (1) Where the procedure has not been discharged, the customs authority shall within 12 months of the date of acceptance of the transit declaration notify the bank - guarantor that the procedure has not been discharged.
- (2) Where the procedure has not been discharged, the customs authority shall, within five years of the date of acceptance of the transit declaration, notify the bank - guarantor that it is or might be required to pay the debt for which it is liable in respect of the transit operation in question. The notification shall state the number and date of the declaration, the name of the customs authority of departure, the name of the principal and the amount involved.
- (3) The bank - guarantor shall be released from its obligations if either of the notifications provided for in paragraphs (1) and (2) of this Article have not been issued to it before the expiry of the time limit.

(4) Where either of the notifications has been issued, the bank - guarantor shall be informed of the recovery of the debt or the discharge of the procedure.

CHAPTER 2

Transport under the TIR or ATA carnet procedure

Article 308

(1) The TIR carnet and the ATA carnet may be used as transit declaration for transportation of foreign goods through the customs area or from one to another point within the customs area in accordance with the International Conventions in force.

(2) For goods transported under TIR carnet and ATA carnet the securities referred to in Title 2 of this Regulation shall not apply.

CHAPTER 3

Transport under the form 302 procedure

Article 309

(1) In accordance with Articles 105 paragraph (2) item e) of the Customs Law, goods may be transported from one point in the customs area to another under cover of form 302 established under the Convention between the Parties to the North Atlantic Treaty on the Status of their Forces, signed in London on 19 June 1951.

(2) Where, in the course of a transport operation referred to in paragraph (1) of this Article, goods pass through the customs area of a third country, the controls and formalities associated with form 302 shall be carried out at the points where the goods temporarily leave and re-enter the customs area.

(3) Where it is found that, in the course of or in connection with a transport operation carried out under cover of form 302, an offence has been committed or an irregularity has occurred, the calculation and collection of import duties and other charges which may be payable shall be effected in accordance with the provisions in force, without prejudice to the institution of criminal proceedings.

Chapter 7

Procedure for postal consignments

Article 310

Where under Article 105 paragraph (2) item f) of the Customs Law, foreign goods are carried from one point to another in the customs area by post (including parcel post), the customs authority of departure shall be required to affix on the packaging and accompanying documents the label referred to in Annex 43 of this Regulation, or have it so affixed.

TITLE 3

CUSTOMS PROCEDURES WITH ECONOMIC IMPACT

CHAPTER 1

Basic provisions common to more than one arrangement

Section 1

Definitions

Article 311

For the purposes of this Title:

- a) '*arrangements*' means a customs procedure with economic impact;
- b) '*authorisation*' means permission by the customs authority to use arrangements;
- c) '*holder*' means the holder of an authorisation;
- d) '*supervising customs authority*' means the customs authority indicated in the authorisation as empowered to supervise the arrangements;
- e) '*customs authority of entry*' means the customs authority or authorities indicated in the authorisation as empowered to accept declarations entering goods for the arrangements;
- f) '*customs authority of discharge*' means the customs authority or authorities indicated in the authorisation as empowered to accept declarations assigning goods, following entry for the arrangements, to a new permitted customs-approved treatment or use, or, in the case of outward processing, the declaration for free circulation;
- g) '*accounts*' means the holder's commercial, tax or other accounting material, or such data held on his behalf;
- h) '*records*' means the data containing all the necessary information and technical data on whatever medium, enabling the customs authority to supervise and control the arrangements, in particular as regards the flow and changing status of the goods; in the customs warehousing arrangements records are called stock records;
- i) '*main compensating products*' means compensating products for the production of which the arrangements were authorised;
- j) '*secondary compensating products*' means compensating products which are a necessary by-product of the processing operation other than the main compensating products specified in the authorisation;
- k) '*period for discharge*' means the time by which the goods or products should have been assigned a new permitted customs approved treatment or use with the purpose, as the case may be, of lodging a claim repayment of import duties after inward processing (drawback system), or for being granted total or partial relief from import duties upon release for free circulation after outward processing.

Section 2

Application for authorisation

Article 312

- (1) Application for authorisation shall be made in writing using the model set out in Annex 27 of this Regulation.

(2) The customs authority may permit renewal or modification of an authorisation to be applied for by simple written request.

(3) In the following cases, the application for authorisation may be made by means of a customs declaration in writing or by means of a data processing technique using the normal procedure:

a) for inward processing, where in accordance with Article 348 of this Regulation the economic conditions are deemed to be fulfilled, with the exception of applications involving equivalent goods;

b) for processing under customs control, where in accordance with Article 364 paragraph (1) first subparagraph of this Regulation, the economic conditions are deemed to be fulfilled;

c) for temporary importation, including use of an ATA or CPD carnet;

d) — for outward processing: where the processing operations concern repairs, including the standard exchange system without prior importation,

— for release for free circulation after outward processing using the standard exchange system with prior importation,

— for release for free circulation after outward processing using the standard exchange system without prior importation, where the existing authorisation does not cover such a system and the customs authority permits its modification,

— for release for free circulation after outward processing if the processing operation concerns goods of non-commercial nature.

The application for authorisation may be made by means of an oral customs declaration for temporary importation in accordance with Article 136 of this Regulation, subject to the presentation of a document made out in accordance with Article 314, third subparagraph of this Regulation.

The application for authorisation may be made by means of a customs declaration for temporary importation by any other act in accordance with Article 139 paragraph (1) of this Regulation.

(4) The customs authority may require applications for temporary importation with total relief from the import duties in accordance with Article 389 of this Regulation to be made in accordance with paragraph (1) of this Article.

Article 313

(1) The application for an authorisation under Article 312 of this Regulation shall be submitted:

a) for customs warehousing: to the customs authority competent for the place to be approved as a customs warehouse or where the applicant's main accounts are held;

b) for inward processing and processing under customs control: to the customs authority competent for the place where the processing operation is to be carried out;

c) for temporary importation: to the customs authority competent for the place where the goods are to be used, without prejudice to Article 391 paragraph (2) second subparagraph of this Regulation;

d) for outward processing: to the customs authority competent for the place where the goods to be declared for temporary exportation are located.

(2) The customs authority referred to in paragraph (1) of this Article, except in the cases referred to in paragraph (1) item c) of this Article lodges the application to the Central Administration of the Customs Administration, which decides on that matter.

Article 314

Where the customs authority considers any of the information given in the application incomplete or inadequate, it may require additional details from the applicant.

In particular, where an application may be made by making a customs declaration, the customs authority may require, without prejudice to Article 127 of this Regulation, that the application be accompanied by a document made out by the declarant containing at least the following data, unless such data is deemed unnecessary or can be entered on the form used for the written declaration:

- a) name and address of the applicant, the declarant and the operator;
- b) nature of the processing or use of the goods;
- c) technical description of the goods and compensating or processed products and means of identifying them;
- d) codes of economic conditions in accordance with Annex 44 of this Regulation;
- e) estimated rate of yield or method by which that rate is to be determined;
- f) estimated period for discharge of the procedure;
- g) proposed customs authority of discharge of the procedure;
- h) place of processing or use;
- i) proposed transfer formalities;
- j) in the case of oral customs declaration, the value and quantity of the goods.

Where the document referred to in the second subparagraph of this Article is presented with an oral customs declaration for temporary importation, it shall be made out in duplicate and one copy shall be endorsed by the customs authority and given to the declarant.

Section 3

Economic conditions

Article 315

(1) The authorisation shall be granted following examination of the economic conditions by the customs authority, except where the economic conditions are deemed to be fulfilled pursuant to Chapters 3, 4 or 6 of this Title.

(2) For the inward processing arrangements (Chapter 3 of this Title), the examination shall establish the economic unavailability of using domestic sources taking account, in particular, of the following criteria, the data of which are laid down in Part B of Annex 44 of this Regulation:

- a) unavailability of goods produced in the Republic of Macedonia sharing the same quality and technical characteristics as the goods intended to be imported for the processing operations envisaged;

b) differences in price between the goods produced in the Republic of Macedonia and those intended to be imported;

c) contractual obligations.

(3) For the processing under customs control arrangements (Chapter 4 of this Title), the examination shall establish whether the use of sources outside of the Republic of Macedonia enables processing activities to be created or maintained in the Republic of Macedonia.

(4) For the outward processing arrangements (Chapter 6 of this Title), the examination shall establish whether:

a) carrying out processing outside of the Republic of Macedonia is likely to cause serious disadvantages for processors in the Republic of Macedonia; or

b) carrying out processing in the Republic of Macedonia is economically unviable or is not feasible for technical reasons or due to contractual obligations.

Section 4

The decision on authorisation

Article 316

The customs authority competent to decide shall grant the authorisation as follows:

a) using the model set out in Annex 27 of this Regulation, for an application under Article 312 paragraph (1) of this Regulation;

b) by acceptance of the customs declaration, for an application under Article 312 paragraph (3) of this Regulation;

c) by any appropriate act, for an application for renewal or modification.

Article 317

The submitter of the application shall be informed of the decision to issue an authorisation, or the reasons why the application was rejected, within 30 days or 60 days in the case of the customs warehousing arrangements, of the date the application was lodged or the date any requested outstanding or additional data is received by the customs authority.

Article 318

(1) Without prejudice to Article 319 of this Regulation, an authorisation shall take effect on the date of issue or at any later date given in the authorisation. In the case of a private warehouse, the customs authority may exceptionally communicate its agreement to use the arrangements prior to the actual issuing of the authorisation.

(2) No limit on the period of validity shall be fixed for authorisations for the customs warehousing arrangements.

(3) For inward processing, processing under customs control and outward processing, the period of validity shall not exceed three years from the date the authorisation takes effect, except where there are duly justified good reasons.

(4) In the case of milk and milk products under tariff no. 0401 to 0406 of the Customs Tariff, the period of validity shall not exceed three months.

Article 319

(1) Except for the customs warehousing arrangements, the customs authority may issue a retroactive authorisation. Without prejudice to paragraphs (2) and (3) of this Article, a retroactive authorisation shall take effect at the earliest on the date on which the application was submitted.

(2) If an application concerns renewal of an authorisation for the same kind of operation and goods, an authorisation may be granted with retroactive effect from the date the original authorisation expired.

(3) In exceptional circumstances, the retroactive effect of an authorisation may be extended further, but not more than one year before the date the application was submitted, provided a proven economic need exists and:

a) the application is not related to attempted deception or to obvious negligence;

b) the period of validity which would have been granted under Article 318 of this Regulation is not exceeded;

c) the applicant's accounts confirm that all the requirements of the arrangements can be deemed to be met and, where appropriate, the goods can be identified for the period involved, and such accounts allow the arrangements to be supervised and controlled; and

d) all the formalities necessary to regularise the situation of the goods can be carried out, including, where necessary, the invalidation of the customs declaration.

Section 5

Other provisions concerning the carrying out of the arrangements

Subsection 1

General provisions

Article 320

(1) Commercial policy measures provided for under the provisions in force applicable on entry for the arrangements of foreign goods only to the extent that they refer to the entry of goods into the customs area.

(2) Where compensating products other than those mentioned in Annex 45 of this Regulation, obtained under the inward processing arrangements are released for free circulation, the commercial policy measures to be applied shall be those applicable to the release for free circulation of the import goods.

(3) Where processed products, obtained under the arrangements for processing under customs control, are released for free circulation, the commercial policy measures applicable to those products shall be applied only where the import goods are subject to such measures.

(4) Where provisions in force provide for commercial policy measures on release for free circulation, such measures shall not apply to compensating products released for free circulation following outward processing:

- that have retained Macedonian origin within the meaning of Articles 22 and 23 of the Customs Law;
- involving repair, including the standard exchange system;
- following successive processing operations in accordance with Article 137 of the Customs Law.

Article 321

Without prejudice to Article 174 paragraph (4) of the Customs Law, the supervising customs authority may allow the customs declaration to be presented at a customs authority other than the one specified in the authorisation. The supervising customs authority shall determine how it shall be informed.

Subsection 2

Transfers

Article 322

The authorisation shall specify whether and under which conditions the movement of goods or products placed under suspensive arrangements between different places or to the premises of another holder may take place without discharge of the arrangements (transfer), subject, in cases other than temporary importation, to the keeping of records.

Transfer shall not be possible where the place of departure or arrival of the goods is a type B warehouse.

Article 323

- (1) Transfer between different places designated in the same authorisation may be undertaken without any customs formalities.
- (2) Transfer from the customs authority of entry to the holder's or operator's facilities or place of use may be carried out under cover of the same declaration the goods were entered for the arrangements.
- (3) Transfer to the customs authority of exit with a view to re-exportation may take place under cover of the arrangements. In this case, the arrangements shall not be discharged until the goods or products declared for re-exportation have actually left the customs area.

Article 324

Transfer from one holder to another can only take place where the latter enters the transferred goods or products for the arrangements under an authorisation to use the local clearance procedure. Notification to the customs authority and entry in the records of the goods or products referred to in Article 182 of this Regulation shall take place upon their arrival at the premises of the second holder. A supplementary declaration need not be required.

In the case of temporary importation, the transfer from one holder to another may also take place where the latter enters the goods under the arrangements by means of a customs declaration in writing using the normal procedure.

The formalities to be carried out are laid down in Annex 46 of this Regulation. Upon receipt of the goods or products, the second holder shall be obliged to enter them for the arrangements.

Article 325

The transfer involving goods with increased risk for fraud as set out in Annex 28 of this Regulation shall be covered by a guarantee under conditions equivalent to those provided for in the transit procedure.

Subsection 3

Records

Article 326

- (1) The customs authority shall require the holder of the authorisation, the operator or the designated warehousekeeper to keep records, except for temporary importation or where the customs authority does not deem it necessary.
- (2) The customs authority may approve existing accounts containing the relevant data as records.
- (3) The supervising customs authority may require an inventory to be made of all or some of the goods placed under the arrangements. In case of inward processing under the suspension system, the authorisation may provide for the inventory to be provided on the form set out in Annex 47 of this Regulation and shall be submitted together with the calculation note referred to in paragraph (4) of this Article.
- (4) In the case of inward processing it may be provided in the application that a calculation to be provided for the period of one or three months on the form set out in Annex 48 of this Regulation.
- (5) The customs authority may allow the inventory referred to in paragraph (3) of this Article and/or the calculation note referred to in paragraph (4) of this Article to be provided on a form different from the one set out in Annexes 47 and 48 of this Regulation, provided it contains the requisite data.

Article 327

The records referred to in Article 326 of this Regulation and, where they are required, under Article 392 paragraph (2) of this Regulation for temporary imports shall contain the following information:

- a) the data contained in the boxes of the minimum list laid down by the provision under Article 72 paragraph (3) of the Customs Law for the declaration of entry for the arrangements;
- b) data of the declarations by means of which the goods are assigned a customs-approved treatment or use discharging the arrangements;

- c) the date and reference data of other customs documents and any other documents relating to entry and discharge;
- d) the nature of the processing operations, types of handling or temporary use;
- e) the rate of yield or its method of calculation where appropriate;
- f) data enabling the goods to be monitored, including their location and data of any transfer;
- g) commercial or technical descriptions necessary to identify the goods;
- h) data enabling monitoring of the movements under the inward processing arrangements operating with equivalent goods.

However, the customs authority may waive the requirement for some of this information where this does not adversely affect the control or supervision of the arrangements for the goods to be stored, processed or used.

Subsection 4

Rate of yield and calculation formula

Article 328

- (1) Where relevant for the arrangements falling under Chapters 3, 4 and 6 of this Regulation, a rate of yield or the method for determining a rate of yield, including average rates of yield, shall be established in the authorisation or at the time the goods are entered for the arrangement. Such rate is to be determined, as far as possible, on the basis of production or technical data or, where these are not available, data relating to operations of the same type.
- (2) In particular circumstances the customs authority may establish the rate of yield after the goods have been entered for the arrangement, but not later than when they are assigned a new customs approved treatment or use.

Article 329

- (1) The portion of import goods, in cases of inward processing and processing under customs control, or temporary export goods, in cases of outward processing, incorporated in the compensating products shall be calculated in order:
 - to determine the import duties to be charged;
 - to determine the amount to be deducted when a customs debt is incurred; or
 - to apply commercial policy measures.

These calculations shall be made in accordance with the quantitative scale method, or the value scale method as appropriate, or any other method giving similar results.

For the purposes of the calculations, compensating products shall include processed products or intermediate products.

- (2) The quantitative scale method shall be applicable where:

a) only one kind of compensating product is derived from the processing operations; In this case the quantity of import goods, in the case of inward-processing and processing under customs control, or the quantity of temporary export goods, in the case of outward-processing, deemed to be present in the quantity of compensating products for which a customs debt is incurred shall be proportional to the latter category of products as a percentage of the total quantity of compensating products;

b) several kinds of compensating products are derived from the processing operations and all elements of the import goods, in the case of inward-processing and processing under customs control, or all elements of the temporary export goods, in the case of outward-processing, are found in each of those compensating products; In this case the quantity of import goods in the case of inward-processing and processing under customs control, or the quantity of temporary export goods, in the case of outward-processing, deemed to be present in the quantity of a given compensating product for which a customs debt is incurred shall be proportional to:

- i) the ratio between this specific kind of compensating product, irrespective of whether a customs debt is incurred, and the total quantity of all compensating products, and
- ii) the ratio between the quantity of compensating products for which a customs debt is incurred and the total quantity of compensating products of the same kind.

In deciding whether the conditions for applying the methods described in a) or b) of this paragraph are fulfilled, losses shall not be taken into account. Without prejudice to the application of the provisions referred to in Article 458 of this Regulation, losses means the portion of import goods, in the case of inward-processing and processing under customs control, or of temporary export goods destroyed and lost during the processing operation, in particular by evaporation, desiccation, venting as gas or leaching. In outward-processing secondary compensating products that constitute waste, scrap, residues, offcuts and remainders shall be treated as losses.

(3) The value scale method shall be applied where the quantitative scale method is not applicable.

The quantity of import goods, in cases of inward processing and processing under customs control, or temporary export goods, in cases of outward processing deemed to be present in the quantity of a given compensating product incurring a customs debt shall be proportional to:

- a) the value of this specific kind of compensating product, irrespective of whether a customs debt is incurred, as a percentage of the total value of all the compensating products; and
- b) the value of the compensating products for which a customs debt is incurred, as a percentage of the total value of compensating products of that kind.

The value of each of the different compensating products to be used for applying the value scale shall be the recent ex-works price in the Republic of Macedonia, or the recent selling price in the Republic of Macedonia of identical or similar products, provided that these have not been influenced by the relationship between buyer and seller.

(4) Where the value cannot be ascertained pursuant to paragraph (3) of this Article, it shall be determined by any acceptable method.

Subsection 5

Compensatory interest

Article 330

(1) Where a customs debt is incurred in respect of compensating products or import goods under inward processing or temporary importation, compensatory interest shall be due on the amount of import duties for the period involved.

(2) The compensatory interest shall be calculated in the amount of the average ponderate interest rate on the money market issued in the monthly bulletin of the National Bank of the Republic of Macedonia or the Ministry of Finance.

The rate applied is the one used two months previous to the month in which the customs debt occurred.

(3) Interest shall be applied on a monthly basis, starting on the first day of the month following the month in which the import goods for which a customs debt is incurred were first entered for the arrangement. The period shall finish on the last day of the month in which the customs debt is incurred.

Where inward processing (drawback system) is concerned and release for free circulation is requested under Article 142 paragraph (4) of the Customs Law, the period starts from the first day of the month following the month in which the import duties were repaid or remitted.

(4) Paragraphs (1), (2) and (3) of this Article shall not apply to the following cases:

- a) where the period to be taken into account is less than one month;
- b) where the amount of compensatory interest applicable does not exceed EUR 20 in denar equivalent value per customs debt incurred;
- c) where a customs debt is incurred in order to allow the application of preferential tariff treatment under an agreement between the Republic of Macedonia and a third country on imports into that country;
- d) where waste and scrap resulting from destruction is released for free circulation;
- e) where the secondary compensating products are released for free circulation, provided they are in proportion to exported quantities of main compensating products;
- f) where a customs debt is incurred as a result of an application for release for free circulation under Article 142 paragraph (4) of the Customs Law, as long as the import duties payable on the products in question have not yet actually been repaid or remitted;
- g) where the holder requests release for free circulation and submits proof that particular circumstances not arising from any negligence or deception on his part make it impossible or uneconomic to carry out the re-export operation under the conditions he had anticipated and duly substantiated when applying for the authorisation;
- h) where a customs debt is incurred and to the extent a security is provided by a cash deposit in relation to this debt;

i) where a customs debt is incurred in accordance with Article 216 paragraph (1) item b) of the Customs Law or is due to the release for free circulation of goods which were entered for the temporary importation arrangements under Articles 368 to 373, 375, 376, 379, 384 item (b) and 387 of this Regulation.

Subsection 6

Discharge

Article 331

(1) Where import or temporary export goods have been entered under two or more declarations for the arrangement by virtue of one authorisation:

— in the case of a suspensive arrangement, the assignment of goods or products to a new customs-approved treatment or use shall be considered to discharge the arrangement for the import goods in question, successively, entered under the earliest of the declarations;

— in the case of inward processing (drawback system) or outward processing, the compensating products shall be considered to have been obtained from the import or temporary export goods in question respectively, entered under the arrangement, successively, under the earliest of the declarations.

Application of the first subparagraph shall not lead to unjustified decrease of the customs debt.

The holder may request the discharge to be made in relation to the specific import or the specific temporary export goods.

(2) Where the goods under the arrangements are placed together with other goods and there is total destruction or irretrievable loss, the customs authority may accept evidence produced by the holder indicating the actual quantity of goods under the arrangements which was destroyed or irretrievably lost. Where it is not possible for the holder to produce such evidence, the amount of goods which has been destroyed or lost shall be established by reference to the proportion of goods of that type under the arrangements at the time when the destruction or loss occurred.

Article 332

(1) At the latest upon expiry of the period for discharge, irrespective of whether aggregation in accordance with Article 132 paragraph (2) of the Customs Law is used or not:

— in the case of inward processing (suspension system) or processing under customs control, the bill of discharge shall be supplied to the supervising customs authority within 30 days;

— in the case of inward processing (drawback system), the claim for repayment or remission of import duties shall be lodged with the supervising customs authority within six months.

Where special circumstances so warrant, the customs authority may extend the period even if it has expired.

(2) The bill of discharge or the claim shall contain the following particulars, unless otherwise determined by the supervising customs authority:

a) reference data of the authorisation;

b) the quantity of each type of import goods in respect of which discharge, repayment or remission is claimed;

c) the tariff code of the import goods;

d) the rate of import duties to which the import goods are liable and, where applicable, their customs value;

e) the particulars of the declarations entering the import goods under the arrangement;

f) the type and quantity of the compensating or processed products or the goods in unaltered state and the customs-approved treatment or use to which they have been assigned, including data on the corresponding declarations, other customs documents or any other document relating to discharge and periods for discharge;

g) the value of the compensating or processed products if the value scale method is used for the purpose of discharge;

h) the rate of yield;

i) the amount of import duties to be paid or to be repaid or remitted, and where applicable, any compensatory interest to be paid. Where this amount refers to the application of Article 357 of this Regulation, it shall be specified;

j) in the case of processing under customs control, the tariff code of the processed products and elements necessary to determine the customs value.

(3) The bill of discharge is provided for in Annex 49 of this Regulation and the application for repayment of import duties in Annex 50 of this Regulation.

(4) The customs authority may approve a bill of discharge or an application for repayment to be lodged in a form other than the one given in Annexes 49 and 50 of this Regulation, provided they contain the necessary data.

Section 6

Administrative cooperation

Article 333

In order to make pertinent information available to other customs authorities involved in the application of the arrangements, the following information sheets provided for in Annex 51 of this Regulation may be issued at the request of the party or on the initiative of the customs authority, unless the customs authority agrees other means of exchange of information:

a) for customs warehousing, the information sheet INF8, in order to communicate the elements for assessment of the customs debt applicable to the goods before usual forms of handling have taken place;

b) for inward processing:

i. the information sheet INF1, for the communication of information on duty amounts, compensatory interest, security and commercial policy measures,

- ii. the information sheet INF7, for the communication of information permitting repayment or remission of duties under the drawback system;
- c) for temporary importation, the information sheet INF6 in order to communicate the elements for assessment of the customs debt or of amounts of duties already levied for goods moved.

CHAPTER 2

Customs warehousing

Section 1

General provisions

Article 334

- (1) Where a customs warehouse is public, the following classification shall apply:
 - a) type A, if the responsibility lies with the warehousekeeper;
 - b) type B, if the responsibility lies with the depositor;
 - c) type F, if the warehouse is operated by the customs authority.
- (2) Where a customs warehouse is private and responsibility lies with the warehousekeeper, who is the same person as the depositor but not necessarily the owner of the goods, the following classification shall apply:
 - a) type D, where release for free circulation is made by way of the local clearance procedure and may be granted on the basis of the nature, the customs value and the quantity of the goods to be taken into account at the time of their placing under the arrangement;
 - b) type E, where the arrangements apply although the goods need not be stored in a place approved as a customs warehouse;
 - c) type C, where neither of the specific situations under items a) and b) of this paragraph applies.
- (3) An authorisation for a type E warehouse may provide for the procedures laid down for type D to be applied.

Section 2

Additional conditions concerning the granting of the authorisation

Article 335

- (1) When granting the authorisation the customs authority shall define the premises or any other location approved as a customs warehouse of type A, B, C or D. The customs authority may also approve temporary storage facilities as customs warehouses of type A, B, C or D or operate them as a type F warehouse.
- (2) One same location may not be approved as more than one customs warehouse at the same time.

(3) Where goods present a danger or are likely to spoil other goods or require special facilities for other reasons, the authorisation may specify that they may only be stored in premises specially equipped to receive them.

Article 336

(1) An authorisation may be granted only if any usual forms of handling, inward processing or processing under customs control of the goods do not predominate over the storage of the goods.

(2) An authorisation shall not be granted if the premises of customs warehouses or the storage facilities are used for the purpose of retail sale.

An authorisation may, however, be granted, where goods are retailed with relief from import duties:

- a) to travellers in traffic to third countries;
 - b) under diplomatic or consular arrangements;
 - c) to members of international organisations or to NATO forces.
- (3) For the purposes of the second indent of Article 99 of the Customs Law, when examining whether the administrative costs of customs warehousing arrangements are disproportionate to the economic needs involved, the customs authority shall take account, *inter alia*, of the type of warehouse and the procedure which may be applied therein.
- (4) An authorisation for a public customs warehouse may be granted only if the collection of the fees by the warehousekeeper does not give rise to misuse or significant disruption of competition.

Section 3

Stock records

Article 337

(1) In warehouses of type A, C, D and E, the person designated to keep the stock records shall be the warehousekeeper.

(2) In warehouses of type F, the operating customs authority shall keep customs records in place of stock records.

(3) In type B warehouses, in place of stock records, the supervising customs authority shall keep the declarations of entry for the arrangement.

Article 338

(1) The stock records shall at all times show the current stock of goods which are still under the customs warehousing arrangements. At the times laid down by the customs authority, the warehousekeeper shall lodge a list of the said stock at the supervising customs authority.

(2) Where Article 124 paragraph (2) of the Customs Law applies, the customs value of the goods before carrying out usual forms of handling shall appear in the stock records.

(3) Data on the temporary removal of goods and on goods in common storage in accordance with Article 343 paragraph (2) of this Regulation shall appear in the stock records.

Article 339

(1) Where goods are entered for the type E warehouse arrangements, the entry in the stock records shall take place when they arrive at the holder's storage facilities.

(2) Where the customs warehouse also serves as a temporary storage facility, the entry in the stock records shall take place at the time the declaration for the arrangement is accepted.

(3) Entry in the stock records relating to discharge of the arrangements shall take place at the latest when the goods leave the customs warehouse or the holder's storage facilities.

Section 4

Other provisions concerning the operation of the arrangements

Article 340

Foreign goods may undergo the usual forms of handling listed in Annex 52 of this Regulation.

Article 341

Goods may be temporarily removed for a period not exceeding three months. Where circumstances so warrant, this period may be extended for another nine months at most.

Article 342

Applications for permission to carry out usual forms of handling or to remove goods temporarily from the customs warehouse shall be made in writing on a case by case basis to the supervising customs authority. They shall contain all particulars necessary to apply the arrangements.

Such permission may be granted as part of an authorisation to operate the customs warehousing arrangement. In this case the supervising customs authority shall determine the manner in which it shall be notified in advance that such handling is to be carried out or the goods are to be temporarily removed, on a case by case basis.

Article 343

(1) Where domestic goods are stored on the premises of a customs warehouse or the facilities used for storage of goods under the warehousing arrangement, specific methods of identifying such goods may be laid down with a view, in particular, to distinguishing them from goods entered for the customs warehousing arrangements.

(2) The customs authority may permit common storage where it is impossible to identify at all times the customs status of each type of goods.

Goods in common storage shall share the same ten-digit tariff code, the same commercial quality and the same technical characteristics.

(3) Domestic goods in common storage as well as, in particular circumstances, identifiable domestic goods which fulfil the conditions of the second subparagraph of paragraph (2) of this Article, may be deemed to be either domestic goods or foreign goods for the purpose of being declared for a customs-approved treatment or use.

Where the first subparagraph of this paragraph is applied, the appropriate quantity of foreign goods shall be deemed as domestic goods.

When the goods declared for a customs-approved treatment or use are removed, application of the first subparagraph of this paragraph shall, however, not result in a given customs status being assigned to a quantity of goods greater than the quantity actually having that status and which is stored at the customs warehouse or the facilities used for storage of goods.

Article 344

(1) Where operations of inward processing or processing under customs control are carried out on the premises of customs warehouses or in storage facilities, the provisions of Article 343 of this Regulation shall apply, *mutatis mutandis*, to the goods under these arrangements.

Where, however, these operations concern inward processing without equivalence or processing under customs control, the provisions of Article 343 of this Regulation on common storage shall not apply with regard to domestic goods.

(2) Entries in the records shall allow the customs authority to monitor the precise situation of all goods or products under the arrangements at any time.

CHAPTER 3

Inward processing

Section 1

General provision

Article 345

For the purposes of this Chapter:

- a) '*Prior exportation*' means the system whereby compensating products obtained from equivalent goods are to be exported before the import goods are entered for an arrangement using the suspension system;
- b) '*Job processing*' means any processing of import goods directly or indirectly placed at the disposal of the holder of an authorisation which is carried out according to specifications by and on behalf of a principal established in a third country, generally against payment of processing costs alone.

Section 2

Additional conditions concerning the granting of the authorisation

Article 346

An authorisation shall be granted only where the applicant has the intention of re-exporting or exporting.

Article 347

An authorisation may also be granted for the goods referred to in Article 128 paragraph 2 item c) indent 5 of the Customs Law, with the exception of:

- a) fuels and other energy sources;
- b) lubricants;
- c) equipment and tools.

Article 348

The economic conditions shall be deemed to be fulfilled provided that:

- a) the application concerns:
 - operations involving goods of a non-commercial nature,
 - a job processing contract,
 - the processing of compensating products already obtained by processing under a previous authorisation the granting of which was subject to an examination of the economic conditions,
 - usual forms of handling referred to in Article 340 of this Regulation,
 - repair, or
- b) the aggregate value of the import goods per applicant and per calendar year for each ten-digit Customs Tariff code does not exceed 10 000 EUR in corresponding denar value.

Article 349

- (1) The person submitting the application may also prove that economic conditions other than those referred to in Article 348 of this Regulation are satisfied. In that case the application shall specify and elaborate the reasons why the economic conditions are deemed to be satisfied.
- (2) When in the case of paragraph (1) of this Article the Central Administration considers the economic conditions to be satisfied it can grant an authorisation for inward processing valid for a period not exceeding nine (9) months.
- (3) For the purpose of granting an authorisation referred to in paragraph (2) of this Article, the Central Administration shall in writing notify the Ministry of Economy or the Ministry of Agriculture, Forestry and Water Management, when importation of agricultural products and goods is involved.
- (4) Based on the notification referred to in paragraph (3) of this Article, the Ministry of Economy or the Ministry of Agriculture, Forestry and Water Management assesses whether the economic conditions set out in the authorisation may as well be considered as satisfied after the expiration of the period referred to in paragraph (2) of this Article. Where the conditions are considered complied with, the Central

Administration of the Customs Administration may extend the validity of the authorisation referred to in paragraph (2) of this Article.

(5) When the Central Administration of the Customs Administration considers that the economic conditions for approval of inward processing are not satisfied, it shall inform the person submitting the application of this and the Ministry of Economy or the Ministry of Agriculture, Forestry and Water Management, if importation of agricultural products and goods are concerned.

Article 350

(1) When the circumstances indicate that the application for inward processing could have negative impact on the interests of the domestic producers although one of the conditions referred to in Article 348 of this Regulation is satisfied, action shall be taken pursuant to this Article.

(2) The threatened domestic producer may in the case referred to in paragraph (1) of this Article submit an application to the Central Administration of the Customs Administration to have the carrying out of the inward processing procedure stopped.

The application shall specify all the particulars that allow a decision to be taken whether the general interests of the domestic producers are threatened on the basis of the questioned economic condition.

(3) The Central Administration of the Customs Administration shall decide on the application referred to in paragraph (2) of this Article after it is communicated the opinion of the Ministry of Economy or the Ministry of Agriculture, Forestry and Water Management where cases of importation of agricultural products or goods are involved. In case of acceptance of the application, the Central Administration of the Customs Administration shall specify therein the circumstances due to which a certain economic condition is not satisfied.

(4) The customs authority shall not allow the inward processing procedure to be initiated based on questioned economic conditions, starting from the day the decision for acceptance of the application referred to in paragraph (2) of this Article is adopted.

(5) The authorisations for the inward processing procedure taken based on the questioned economic conditions before the decision referred to in paragraph (4) of this Article was taken shall be cancelled in accordance with Article 7 of the Customs Law.

Article 351

The authorisation shall specify the means and methods of identifying the import goods in the compensating products and lay down the conditions for the proper conduct of operations using equivalent goods.

Such methods of identification or conditions may include examination of the records.

Section 3

Provisions concerning the carrying out of arrangements

Article 352

- (1) The authorisation shall specify whether and under which conditions equivalent goods referred to in Article 128 paragraph (2) item e) of the Customs Law and sharing the same ten-digit Customs Tariff code, the same commercial quality and the same technical characteristics as the import goods may be used for the processing operations.
- (2) Equivalent goods may be allowed to be of a more advanced stage of manufacture than the import goods provided the essential part of the processing with regard to these equivalent goods is carried out in the undertaking of the holder or in the undertaking where the operation is being carried out on his behalf.

Article 353

- (1) The authorisation shall specify the period for discharge. Where the circumstances so warrant, this period may be extended even when that originally set has expired.
- (2) Where the period for discharge expires on a specific date for all the goods placed under the arrangements in a given period, the authorisation may provide that the period for discharge shall be automatically extended for all goods still under the arrangements on this date. However, the customs authority may require that such goods be assigned a new permitted customs-approved treatment or use within the period which it shall set.
- (3) Irrespective of whether or not aggregation is used or paragraph (2) of this Article is applied, the period for discharge for the following compensating products or goods in the unaltered state shall not exceed:
 - a) four months in the case of milk and milk products which fall under tariff codes 0401 to 0406 of the Customs Tariff;
 - b) two months in the case of slaughter without fattening of animals referred to in Chapter 1 of the Customs Tariff;
 - c) three months in the case of fattening (including slaughter where relevant) of animals which fall under tariff codes 0104 and 0105 of the Customs Tariff;
 - d) six months in the case of fattening (including slaughter where relevant) of other animals referred to in Chapter 1 of the Customs Tariff; and
 - e) six months in the case of processing of meat.

Where successive processing operations are carried out or where exceptional circumstances so warrant, the periods may be extended on request, the total period not exceeding twelve months.

Article 354

- (1) In the case of prior exportation the authorisation shall specify the period within which the foreign goods shall be declared for the arrangement, taking account of the time required for procurement and transport to the Republic of Macedonia.

- (2) The period referred to in paragraph (1) shall not exceed:
- a) three months for goods subject to commercial policy measures;
 - b) six months for all other goods.

The period of six months may, however, be extended where the holder submits a reasoned request, provided that the total period does not exceed twelve months. Where the circumstances so warrant the extension may be allowed even after the original period has expired.

Article 355

For the purposes of discharging an arrangement or the claim for repayment of import duties, the following shall be regarded as re-exportation or exportation:

- a) the delivery of compensating products to persons who are eligible for relief from import duties pursuant to the Vienna Convention of 18 April 1961 on Diplomatic Relations, or to the Vienna Convention of 24 April 1963 on Consular Relations or other consular conventions, or the New York Convention of 16 December 1969 on Special Missions;
- b) the delivery of compensating products to the armed forces of other countries stationed in the territory of the Republic of Macedonia, where the Republic of Macedonia grants special relief from import duties in accordance with provisions in force;
- c) the delivery of civil aircraft; the supervising customs authority shall allow the arrangement to be discharged once import goods have been used for the first time for the manufacture, repair, modification or conversion of civil aircraft or parts thereof, on condition that the records of the holder are such as to make it possible to verify that the arrangement is being correctly applied and operated;
- d) disposal in accordance with the relevant provisions of secondary compensating products whose destruction under customs supervision is prohibited on environmental grounds; for these purposes, the holder of the authorisation shall prove that discharge of the arrangements in accordance with the provisions in force is either impossible or uneconomic.

Section 4

Provisions concerning the operation of the suspension system

Article 356

- (1) Use of equivalent goods for processing operations in accordance with Article 129 of the Customs Law shall not be subject to the formalities for entry of goods for the arrangements.
- (2) At the time of acceptance of the declaration discharging the arrangement, the equivalent goods and compensating products made there from shall become foreign goods and the import goods domestic goods.

However, where import goods are put on the market before the arrangement is discharged, they shall change their status at the time they are put on the market. In exceptional cases, where the equivalent goods are expected not to be present at that time, the customs authority may allow, at the request of the

holder, the equivalent goods to be present at a later moment, which is to be determined within a reasonable time by the customs authority itself.

(3) In case of prior exportation:

— compensating products shall become foreign goods on acceptance of the export declaration on condition that the goods to be imported are entered for an arrangement;

— import goods shall become domestic goods at the time of their entry for an arrangement.

Article 357

The authorisation shall specify whether compensating products or goods in the unaltered state may be released for free circulation without customs declaration, without prejudice to prohibitive or restrictive measures. In this case they shall be considered to have been released for free circulation, if they have not been assigned a customs-approved treatment or use on expiry of the period for discharge.

For the purposes of Article 233 paragraph (1) of the Customs Law, the declaration for release for free circulation shall be considered to have been lodged and accepted and release granted at the time of presentation of the bill of discharge.

The products or goods shall become domestic goods when they are put on the market.

Article 358

In case of release for free circulation of compensating products, boxes 15, 16, 34, 41 and 42 of the SAD shall refer to the import goods. Alternatively, relevant data may also be supplied by information sheet INF1 or any other document accompanying the declaration.

Article 359

The import duties to be charged under Article 135 paragraph (1) of the Customs Law on import goods eligible, at the time when the declaration of entry for the arrangements was accepted, for favourable tariff treatment by reason of their end-use shall be calculated at the customs rate and amount of duties in accordance with the Customs Tariff corresponding to such end-use. This shall be allowed only if an authorisation for such end-use could have been granted and if the conditions attaching to the granting of favourable tariff treatment would have been fulfilled.

Article 360

(1) The list of compensating products subject to the import duties appropriate to them in accordance with Article 136 item a) of the Customs Law is in Annex 45 of this Regulation.

(2) Where the compensating products, other than those referred to in Annex 45 of this Regulation are destroyed, they shall be considered as being re-exported.

Article 361

(1) Where the compensating products or goods in the unaltered state are entered for one of the suspensive arrangements or introduced in a free zone of control type I within the meaning of Article 412 of this Regulation or in a free warehouse or placed in a free zone of control type II within the meaning of Article 412 enabling the arrangement to be discharged, the documents or records used for the said customs-approved treatment or use or any documents replacing them, shall contain the following indication: '*IP/S goods*'.

(2) Where import goods entered for the arrangements are subject to specific commercial policy measures and such measures continue to be applicable at the time when the goods, either in the unaltered state or in the form of compensating products, are entered for one of the suspensive arrangements or introduced in a free zone of control type I within the meaning of Article 412 of this Regulation or in a free warehouse or placed in a free zone of control type II within the meaning of Article 412, the indication referred to in paragraph (1) of this Article shall be supplemented by the following: '*Commercial policy*'.

Section 5

Provision concerning the operation of the drawback system

Article 362

Where goods under the drawback system are assigned a customs-approved treatment or use referred to in Article 361 paragraph (1) of this Regulation, the indication required for that provision shall be the following: '*IP/D goods*'.

CHAPTER 4

Processing under customs control

Article 363

(1) The arrangement for processing under customs control shall apply for goods the processing of which leads to products which are subject to a lower amount of import duties than that applicable to the import goods.

The arrangement shall also apply for goods which have to undergo operations to ensure their compliance with technical requirements for their release for free circulation.

(2) Article 353 paragraph (1) and paragraph (2) of this Regulation shall apply *mutatis mutandis*.

(3) For the purposes of determining the customs value of processed products declared for free circulation, the declarant may choose any of the methods referred to in Article 29 paragraph (2) items a) and b) of the Customs Law or the customs value of the import goods plus the processing costs. Processing costs means all costs incurred in making the processed products, including overheads and the value of any domestic goods used.

Article 364

(1) For the types of goods and operations mentioned in Annex 53 of this Regulation, the economic conditions shall be deemed to be fulfilled.

For other types of goods and operations examination of the economic conditions shall take place.

CHAPTER 5

Temporary importation

Section 1

General provisions

Article 365

(1) Animals, unless of negligible commercial value, born of animals placed under the temporary importation arrangement are considered to be foreign goods and placed themselves under those arrangements.

(2) The customs authority shall ensure that the total period for which the goods remain under the arrangements for the same purpose and under the responsibility of the same holder does not exceed 24 months, even where the arrangements were discharged by entry for another suspensive arrangement and subsequently entered again for temporary importation.

However, at the holder's request, the customs authority may extend this period for the time during which the goods are not used, in accordance with the conditions laid down.

(3) For the purposes of Article 153 paragraph (3) of the Customs Law, exceptional circumstances means any event as a result of which the goods shall be used for a further period in order to fulfil the purpose of the temporary importation operation.

(4) Goods placed under the arrangement shall remain in the same state.

Repairs and maintenance, including overhaul and adjustments or measures to preserve the goods or to ensure their compliance with the technical requirements for their use under the arrangement are admissible.

Article 366

(1) Temporary importation with total relief from import duties (hereinafter: 'total relief from import duties') shall only be granted in accordance with Articles 367 to 389 of this Regulation.

(2) Temporary importation with partial relief from import duties shall not be granted for:

- consumable goods, and
- goods for consumption, including food stuffs,

(3) Temporary importation shall not be authorised for goods the use of which has negative effects on the living and working environment.

Section 2

Conditions for total relief from import duties

Subsection 1

Means of transport

Article 367

(1) For the purposes of this subsection:

- a) '*commercial use*' means the use of means of transport for the transport of persons or of goods for remuneration or in the framework of the economic activity of the person;
- b) '*private use*' means the use other than commercial of a means of transport;
- c) '*internal traffic*' means the carriage of persons or goods picked up or loaded in the customs area for setting down or unloading at a place within that area.

(2) The normal spare parts, accessories and equipment accompanying the means of transport are considered an integral part of them.

Article 368

Total relief from import duties shall be granted for pallets.

The arrangements shall also be discharged when pallets of the same type and substantially the same value are exported or re-exported.

Article 369

(1) Total relief from import duties shall be granted for containers where they have been durably marked in an appropriate and clearly visible place with the following information:

- a) the identity of the owner or operator shown by either his full name or an established identification, symbols such as emblems or flags being excluded;
- b) with the exception of swap bodies used for combined rail-road transport, the identification marks and numbers of the container, given by the owner or operator; its tare weight, including all its permanently fixed equipment;
- c) with the exception of containers used for transport by air, the country to which the container belongs, shown either in full or by means of the ISO alpha-2 country code provided for in International Standards ISO 3166 or 6346 or by the distinguishing initials used to indicate the country of registration of motor vehicles in international road traffic, or in numbers, in the case of swap bodies used for combined rail-road transport.

Where the application for authorisation is made in accordance with the first subparagraph item c) paragraph (3) of Article 312 of this Regulation, the containers shall be monitored by a representative in the customs area being able to communicate at all times their location and particulars of entry or discharge.

(2) Containers may be used in internal traffic before being re-exported. However, they may be used only once during each stay in the customs area for transporting goods loaded and intended to be unloaded within the customs area where the containers would otherwise have to make a journey unloaded within that same area.

(3) Under the conditions of the Convention of Geneva of 21 January 1994 on Customs Treatment of Pool Containers used in International Transport, the customs authority shall permit the arrangement to be discharged where containers of the same type or the same value are exported or re-exported.

Article 370

(1) Total relief from import duties shall be granted for means of road, rail, air, sea and inland waterway transport where they:

a) are registered outside the customs area in the name of a person established outside that customs area; however, if the means of transport are not registered, the above condition may be deemed to be met where they are owned by a person established outside the customs area;

b) are used by a person established outside that customs area, without prejudice to Articles 371, 372 and 373 of this Regulation; and

c) in the case of commercial use and with the exception of means of rail transport, are used exclusively for transport which begins or ends outside the customs area; however, they may be used in internal traffic where the provisions in force in the field of transport, in particular those concerning right to transportation and carrying out transport operations, so provide.

(2) Where the means of transport referred to in paragraph (1) of this Article are rehired by a professional hire service established in the customs area to a person established outside that area, they shall be re-exported within eight days of entry into force of the contract.

Article 371

Persons established in the customs area shall benefit from total relief from import duties where:

a) means of rail transport are put at the disposal of such persons under an agreement whereby each network may use the rolling stock of the other networks as its own;

b) means of transport are used in connection with an emergency situation and their use does not exceed five days; or

c) means of transport are used by a professional hire firm for the purpose of re-exportation within a period not exceeding five days.

Article 372

(1) Natural persons established in the customs area shall benefit from total relief from import duties where they privately use means of transport occasionally, on the instructions of the registration holder, this holder being in the customs area at the time of use.

Such persons shall also benefit from total relief for the private use of means of transport hired under a written contract, occasionally:

a) to return to their place of residence in the Republic of Macedonia; and

b) to leave the territory of the Republic of Macedonia.

(2) The means of transport shall be re-exported or returned to the hire service established in the customs area within 5 days of the entry into force of the contract in the case mentioned in paragraph (1) item a) of this Article.

The means of transport shall be re-exported within two days of the entry into force of the contract in the case mentioned under paragraph (1) item b) of this Article.

Article 373

(1) Total relief from import duties shall be granted where means of transport are to be registered under a temporary series in the customs area with a view to re-exportation in the name of one of the following persons:

- a) in the name of a person established outside that customs area;
- b) in the name of a natural person established inside that customs area or with a stay permit where the person concerned is preparing to transfer normal residence to a place outside that customs area.

In the case referred to in item b) of this paragraph, the means of transport shall be exported within three months of the date of registration.

(2) Total relief from import duties shall be granted where means of transport are used commercially or privately by a natural person established in the customs area and employed by the owner of the means of transport established outside that area or otherwise authorised by the owner.

Private use shall have been provided for in the contract of employment.

The customs authority may restrict the temporary importation of means of transport under this provision in the case of systematic use.

(3) Total relief from import duties may in exceptional cases be granted where means of transport are commercially used for a limited period by persons established in the customs area.

Article 374

Without prejudice to other special provisions, the periods for discharge are the following:

- a) for means of rail transport: 12 months;
- b) for commercially used means of transport other than rail transport: the time required for carrying out the transport operations;
- c) for means of road transport privately used:
 - by students: the period the student stays in the customs area for the sole purpose of pursuing the studies;
 - by persons fulfilling assignments of a specified duration: the period this person stays in the customs area for the sole purpose of fulfilling their assignment;
 - in other cases, including saddle or draught animals and the vehicles drawn by them: six months;
- d) for privately used means of air transport: six months;
- e) for privately used means of sea and inland waterway transport: 18 months.

Subsection 2

Personal effects and goods for sports purposes imported by travellers

Article 375

Total relief from import duties shall be granted where personal effects reasonably required for the journey and goods for sports purposes are imported by a traveller as defined in Article 143 under A. item 1) of this Regulation.

Subsection 3

**Disaster relief material; medical, surgical and laboratory equipment;
animals; goods for use in frontier zones**

Article 376

Total relief from import duties shall be granted for disaster relief material where it is used in connection with measures taken to counter the effects of disasters or similar situations affecting the customs area and intended for state bodies or other persons authorised by the state authorities.

Article 377

Total relief from import duties shall be granted where medical, surgical and laboratory equipment is dispatched on loan at the request of a hospital or other medical institution which has urgent need of such equipment to make up for the inadequacy of its own facilities and where it is intended for diagnostic and therapeutic purposes.

Article 378

Total relief from import duties shall be granted for animals owned by a person established outside the customs area.

It shall be granted for the following goods intended for activities in keeping with the particularities of the frontier zone as defined by the provisions in force:

- a) equipment owned by a person established in the frontier zone adjacent to the frontier zone of temporary importation and used by a person established in that adjacent frontier zone;
- b) goods used for the building, repair or maintenance of infrastructure in such a frontier zone under the responsibility of public authorities.

Subsection 4

**Sound, image or data carrying media, publicity material; professional
equipment; pedagogic material and scientific equipment**

Article 379

Total relief from import duties shall be granted for goods:

- a) carrying sound, image or data processing information for the purpose of presentation prior to commercialisation, or free of charge, or for provision with a sound track, dubbing or copying; or
- b) exclusively used for publicity purposes.

Article 380

- (1) Total relief from import duties shall be granted where professional equipment is:
- a) owned by a person established outside the customs area,
 - b) imported either by a person established outside the customs area or by an employee of the owner, the employee may be established in the customs area or with a stay permit, and
 - c) used by the importer or under his supervision, except in cases of audiovisual co-productions.
- (2) Total relief shall not be granted where equipment is to be used for the industrial manufacture or packaging of goods or, except in the case of hand tools, for the exploitation of natural resources, for the construction, repair or maintenance of buildings or for earth moving or like projects.

Article 381

Total relief from import duties shall be granted where pedagogic material and scientific equipment are:

- a) owned by a person established outside the customs area,
- b) imported by public or private scientific, teaching or vocational training establishments which are essentially non-profit making and exclusively used in teaching, vocational training or scientific research under their responsibility,
- c) imported in reasonable numbers, having regard to the purpose of the importation; and
- d) not used for purely commercial purposes.

Subsection 5

Packings: moulds, dies, blocks, drawings, sketches, measuring, checking and testing instruments and other similar articles; special tools and instruments; goods to carry out tests or subject to tests; samples; replacement products

Article 382

- Total relief from import duties shall be granted where packings:
- a) if imported filled, are intended for re-exportation whether empty or filled;
 - b) if imported empty, are intended for re-exportation filled.

Packings are not to be used in internal traffic, except with a view to the export of goods. In the case of packings imported filled, this shall apply only from the time that they are emptied of their contents.

Article 383

(1) Total relief from import duties shall be granted where moulds, dies, blocks, drawings, sketches, measuring, checking and testing instruments and other similar articles are:

- a) owned by a person established outside the customs area, and
- b) used in manufacturing by a person established in the customs area and at least 75 % of the production resulting from their use is exported.

(2) Total relief from import duties shall be granted for special tools and instruments where the goods are:

- a) owned by a person established outside the customs area, and
- b) made available free of charge to a person established in the customs area for the manufacture of goods which are to be exported in their entirety.

Article 384

Total relief from import duties shall be granted for the following goods:

- a) goods subjected to tests, experiments or demonstrations;
- b) goods imported, subject to satisfactory acceptance tests in connection with a sales contract containing the provisions of the satisfactory acceptance tests and subjected to those tests;
- c) goods used to carry out tests, experiments or demonstrations without financial gain.

For the goods referred to in item b) of this Article, the period for discharge is six months.

Article 385

Total relief from import duties shall be granted where samples are imported in reasonable quantities and solely used for being shown or demonstrated in the customs area.

Article 386

Total relief from import duties shall be granted where replacement means of production are temporarily made available to a customer by a supplier or repairer, pending the delivery or repair of similar goods.

The period for discharge is six months.

Subsection 6

Goods for exhibitions, fairs, assemblies or similar events or for sale

Article 387

(1) Total relief from import duties shall be granted for goods to be exhibited or used at public exhibitions, fairs, assemblies or similar events not purely organised for the commercial sale of the goods, or for goods obtained at such events from goods placed under the arrangements.

In exceptional cases, the competent customs authority may authorise such arrangement for other events.

(2) Total relief from import duties shall be granted for goods for approval by the consignee where they cannot be imported as samples and the consignor for his part wishes to sell the goods and the consignee may decide to purchase them after inspection.

The period for discharge is two months.

(3) Total relief from import duties shall be granted for the following:

- a) works of art, collectors' items and antiques as defined in Annex 54 of this Regulation, imported for the purposes of exhibition, with a view to possible sale;
- b) goods other than newly manufactured ones imported with a view to their sale by auction.

Subsection 7

Spare parts, accessories and equipment; other goods

Article 388

Total relief from import duties shall be granted where spare parts, accessories and equipment are used for repair and maintenance, including overhaul, adjustments and preservation of goods entered for the arrangements.

Article 389

Total relief from import duties may be granted where goods other than those listed in Articles 368 to 388 of this Regulation or goods not complying with the conditions of these Articles, are imported:

- a) occasionally and for a period not exceeding three months; or
- b) in particular situations having no economic effect.

Section 3

Provisions concerning the carrying out of the arrangement

Article 390

Where personal effects, goods imported for sports purposes or means of transport are declared orally or by any other act for entry of the arrangement, the customs authority may require a written customs declaration when a high amount of import duties is at stake or a serious risk of non-compliance with obligations of the arrangement exists.

Article 391

(1) Declarations for entry for the arrangements using ATA/CPD carnets shall be accepted if they are issued in a participating country and endorsed and guaranteed by an association forming part of an international guarantee chain.

Unless otherwise provided for by bilateral or multilateral agreements, 'participating country' means a contracting party to the ATA Convention, or to the Istanbul Convention having accepted the

Customs Cooperation Council recommendations of 25 June 1992 concerning acceptance of the ATA Carnet and the CPD Carnet for the temporary admission procedure.

(2) Paragraph (1) of this Article shall apply only if the ATA/CPD carnets:

- a) relate to goods and uses covered by those Conventions or agreements;
- b) are certified by the customs authority in the appropriate section of the cover page; and
- c) are valid throughout the customs area.

The ATA/CPD carnet shall be presented at the customs authority of entry into the customs area, except where this authority is unable to check the fulfilment of the conditions for the procedure.

Article 392

(1) Without prejudice to the special guarantee systems for ATA/CPD carnets, entry for the arrangement by written customs declaration shall be subject to the provision of security, except in the cases referred to in Annex 55 of this Regulation.

(2) In order to facilitate control of the arrangements, the customs authority may require records to be kept.

Article 393

(1) Where goods placed under an arrangement in accordance with Article 387 of this Regulation are entered for free circulation, the amount of the debt shall be determined on the basis of the taxation elements appropriate to these goods at the moment of acceptance of the declaration for free circulation.

Where goods placed under the arrangements in accordance with Article 387 of this Regulation are put on the market, they shall be considered as presented to the customs authority when they are declared for release for free circulation before the end of the period for discharge.

(2) For the purposes of discharging the arrangements in respect of goods referred to in Article 387 paragraph (1) of this Regulation, their consumption, destruction or distribution free of charge to the public at exhibitions, fairs, assemblies and similar events shall be considered as re-exportation, provided their quantity corresponds to the nature of the event, the number of visitors and the extent of the holder's participation therein.

The first subparagraph of this paragraph shall not apply to alcoholic beverages, tobacco goods or fuels.

Article 394

Where the goods placed under the arrangements are entered for one of the suspensive arrangements or introduced in a free zone of control type I within the meaning of Article 412 of this Regulation or in a free warehouse or placed in a free zone of control type II within the meaning of Article 412 of this Regulation, enabling temporary importation to be discharged, the documents other than

ATA/CPD carnets or records used for the said customs approved treatment or use or any document replacing them shall contain the following indication: ‘TI goods’.

Article 395

For means of rail transport used jointly under an agreement, the arrangement shall also be discharged when means of rail transport of the same type or the same value as those which were put at the disposal of a person established in the customs area are exported or re-exported.

CHAPTER 6

Outward processing

Section 1

Additional conditions concerning the granting of the authorisation

Article 396

Except where indications to the contrary exist, the essential interests of processors of the Republic of Macedonia shall be deemed not to be seriously harmed.

Article 397

(1) The authorisation shall specify the means and methods to establish that the compensating products have resulted from processing of the temporary export goods or to verify that the conditions for using the standard exchange system are met.

Such means and methods may include the use of the information document set out in Annex 56 of this Regulation and the examination of the records.

(2) Where the nature of the processing operations does not allow it to be established that the compensating products have resulted from the temporary export goods, the authorisation may nevertheless be granted in duly justified cases, provided the applicant can offer sufficient guarantees that the goods used in the processing operations share the same ten-digit tariff code, the same commercial quality and the same technical characteristics as the temporary export goods. The authorisation shall lay down the conditions for using the arrangement.

Article 398

Where the arrangements are requested for repair, the temporary export goods shall be capable of being repaired and the arrangements shall not be used to improve the technical performance of the goods.

Section 2

Provisions concerning the operation of the arrangements

Article 399

(1) The authorisation shall specify the period for discharge. Where the circumstances so warrant, this period may be extended even when that originally set has expired.

(2) Article 170 paragraph (2) of the Customs Law applies, even after the original period has expired.

Article 400

(1) The declaration entering the temporary export goods for the temporary exportation arrangement shall be made in accordance with the provisions laid down for exportation.

(2) In the case of prior importation, the documents accompanying the declaration for free circulation shall include a copy of the authorisation unless such authorisation is applied for in accordance with Article 312 paragraph (3) item e) of this Regulation. Article 127 paragraph (3) of this Regulation applies *mutatis mutandis*.

Section 3

Provisions concerning the calculation of the duty relief

Article 401

(1) For the calculation of the amount to be deducted, no account shall be taken of anti-dumping duties and countervailing duties.

Secondary compensating products that constitute waste, scrap, residues, offcuts and remainders shall be deemed to be included.

(2) In determining the value of the temporary export goods in accordance with one of the methods referred to in the second subparagraph of Article 164 paragraph (2) of the Customs Law, the loading, transport, and insurance costs for the temporary export goods to the place where the processing operation or the last such operation took place shall not be included in:

a) the value of the temporary export goods which is taken into account when determining the customs value of the compensating products in accordance with Article 35 paragraph (1) item b) under 1. of the Customs Law; or

b) the processing costs, where the value of the temporary export goods cannot be determined in accordance with Article 35 paragraph (1) item b) under 1. of the Customs Law.

The loading, transport and insurance costs for the compensating products from the place where the processing operation or the last processing operation took place to the place of their entry into the customs area shall be included in the processing costs.

Loading, transport and insurance costs shall include:

a) commissions and brokerage, except buying commissions;

b) the cost of containers not integral to the temporary export goods;

c) the cost of packing, including labour and materials;

d) handling costs incurred in connection with transport of the goods.

Article 402

Partial relief from import duties by taking the cost of the processing operations as the base for calculation of the customs value shall be granted on request.

With the exception of goods of a non-commercial nature, the first subparagraph of this Article shall not apply where the temporary export goods which are not of domestic origin within the meaning of Title 2, Chapter 2, Part 1 of the Customs Law have been released for free circulation at a zero duty rate.

Articles 27 to 45 of the Customs Law shall apply *mutatis mutandis* to the processing costs which shall not take into account the value of the temporary export goods.

Article 403

In the case of an undertaking frequently carrying out processing operations under an authorisation not covering repair, the customs authority may, on request of the holder, set an average rate of duty applicable to all those operations (aggregated discharge).

This rate shall be determined for each period not exceeding twelve months and shall apply provisionally for compensating products released for free circulation during that period. At the end of each period, the customs authority shall make a final calculation and, where appropriate, apply the provisions of Article 250 of the Customs Law.

TITLE 4

IMPLEMENTING PROVISIONS RELATING TO EXPORT

CHAPTER 1

Normal exportation

Article 404

- (1) The exporter, within the meaning of Article 174 paragraph (4) of the Customs Law, shall be considered to be the person on whose behalf the export declaration is made and who is the owner of the goods or has a similar right of disposal over them at the time when the declaration is accepted.
- (2) Where ownership or a similar right of disposal over the goods belongs to a person established outside the Republic of Macedonia pursuant to the contract on which the export is based, the exporter shall be considered to be the contracting party established in the Republic of Macedonia.

Article 405

Where, for administrative reasons, the first sentence of Article 174 paragraph (4) of the Customs Law cannot be applied, the declaration may be lodged with any customs authority competent for the operation in question.

Article 406

- (1) Where there are duly justified good reasons, an export declaration may be accepted:

— at a customs authority other than that referred to in the first sentence of Article 174 paragraph (4) of the Customs Law, or

— at a customs authority other than that referred to in Article 405 of this Regulation.

In this case, controls relating to the application of prohibitions and restrictions shall be carried out with taking account of the special nature of the situation.

(2) For carrying out customs supervision for export goods, Articles 230, 234 and 235 and 240 of this Regulation shall apply accordingly.

Article 407

Where the export declaration is made on the basis of the Single Administrative Document, copies 1, 2 and 3 shall be used. The customs authority where the export declaration has been lodged (customs authority of export) shall stamp Box A and, where appropriate, complete box D. On release of the goods, it shall retain copy 1 and 2 and return copy 3 to the party.

Article 408

(1) Copy 3 of the Single Administrative Document and the goods released for export shall be presented at the customs authority of exit.

(2) Customs authority of exit means:

a) in the case of goods exported by rail, post, air or sea, the customs authority competent for the place where the goods are taken over under a single transport contract for transport to a third country by a railway company, the postal services, the airlines or the shipping companies;

b) in the case of goods exported by pipeline or for electrical energy, the customs authority where the exporter is established;

c) in the case of goods exported by other means or in circumstances not covered by a) and b) of this paragraph, the last customs authority before the goods leave the customs area.

(3) The customs authority of exit shall satisfy itself that the goods presented correspond to those declared for a customs export procedure and supervises the actual exit of the goods. The customs authority of exit certifies the actual exit of the goods from the customs area on the reverse of sheet no. 3 of the Single Administrative Document with a reference exit number, date and stamp of the exit customs authority. The customs authority of exit returns the certified copy of sheet no. 3 of the SAD to the person that lodged the document or to the representative referred to in box 50 with the purpose of forwarding it to the declarant. Where the declarant has inserted the note 'RET-EXP' in box 44 or has in any other way expressed his wish to be returned copy no. 3, the customs authority may return the document to the declarant by mail or in any other appropriate manner.

(4) Exit in accordance with paragraph (3) of this Article shall not be certified for goods exported by pipeline and powerline.

(5) Where the customs authority of exit establishes that part of the goods or all of the goods are missing, it shall note this on the copy of the declaration and inform the customs authority of export.

Where the customs authority of exit establishes that there are goods in excess, it shall refuse exit to these goods until the export formalities have been completed for all goods.

When the customs authority of exit establishes a discrepancy in the nature of the declared goods, it shall refuse exit for such goods until the export formalities have been completed for the real nature of the goods, and shall also inform the customs authority of export.

(6) Where goods sent to a third country or to a customs authority of exit under a transit procedure are concerned, the customs authority of departure shall endorse sheet no. 3 in accordance with paragraph (3) of this Article and return it to the declarant after making the endorsement 'Export' on all copies of the transit document or any other document replacing it. The customs authority of exit shall control the physical exit of the goods.

(7) The customs authority of export may ask the exporter to provide evidence that the goods have left the customs area.

Article 409

(1) Where goods released for export do not leave the customs area, the exporter shall immediately inform the customs authority of export. Copy 3 of the declaration in question shall be returned to that customs authority.

(2) Where, in the cases referred to in Article 408 paragraph (6) of this Regulation, a change in the transport contract has the effect of terminating inside the Republic of Macedonia a transport operation which should have finished outside it, the companies or authorities in question may carry out the amended contract only with the agreement of the customs authority referred to in Article 408 paragraph (2) item a) of this Regulation or, in the case of a transit operation, the customs authority of departure. In this case copy 3 of the SAD should be returned.

CHAPTER 2

Temporary exportation using an ATA carnet

Article 410

(1) An ATA carnet may be used for export where the following conditions are fulfilled:

a) the ATA carnet shall be issued in the Republic of Macedonia and endorsed and guaranteed by an association established in the Republic of Macedonia forming part of an international guarantee chain;

b) the ATA carnet shall be applicable only to domestic goods which have not been subject on export from the customs area to customs export formalities with a view to the payment of refunds,

c) the documents referred to in Article 128 of this Regulation shall be presented. The customs authority may require production of transport documents;

d) the goods shall be intended for re-importation.

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

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

(3) If the customs authority of export is not the authority of exit, the customs authority of export shall carry out the formalities referred to in paragraph (2) of the Article, but it shall not complete box 7 of the exportation counterfoil, which shall be completed by the customs authority of exit.

(4) The time limit for re-importation of the goods laid down by the customs authority in box H item b) of the exportation voucher may not exceed the validity of the carnet.

Article 411

Where goods which left the customs area under cover of an ATA carnet are no longer intended to be reimported, an export declaration shall be presented to the customs authority of export.

On presentation of the carnet in question, the customs authority of export shall endorse copy 3 of the export declaration and shall invalidate the re-importation voucher and counterfoil.

TITLE 5

OTHER CUSTOMS-APPROVED TREATMENTS OR USES

CHAPTER 1

Free zones and free warehouses

Section 1

Provisions common to Sections 2 and 3

Subsection 1

Definitions and general provisions

Article 412

For the purposes of this Chapter:

- a) '*control type I*' means controls principally based on the existence of a fence;
- b) '*control type II*' means controls principally based on the formalities carried out in accordance with the requirements of the customs warehousing procedure;
- c) '*operator*' means any person carrying on an activity involving the storage, working, processing, sale or purchase of goods in a free zone or a free warehouse.

Article 413

Any person may apply to the designated customs authority for a part of the customs area to be designated a free zone or for a free warehouse.

Article 414

- (1) The application for an authorisation to build in a free zone shall be made in writing to the Central Administration of the Customs Administration.
- (2) The application referred to in paragraph (1) of this Article shall specify the activities for which the building will be used and give any other data that will enable the Central Administration of the Customs Administration to evaluate the grounds for granting the authorisation.
- (3) The Central Administration of the Customs Administration shall grant authorisation in cases where the application of customs rules would not be impeded.
- (4) Paragraphs (1), (2) and (3) of this Article shall also apply where adaptation in regard of the structure, activity or non-impediment of the application of customs rules of a building in a free zone or of a building constituting a free warehouse is concerned.

Subsection 2

Approval of the stock records

Article 415

- (1) The carrying on of activities by an operator shall be subject to the approval by the Central Administration of the Customs Administration of the stock records referred to:
 - in Article 186 of the Customs Law in the case of a free zone of control type I or a free warehouse;
 - in Article 117 of the Customs Law in the case of a free zone of control type II.
- (2) The approval shall be issued in writing. It shall be accorded only to persons offering all the necessary guarantees concerning the application of the provisions on free zones or free warehouses.

Article 416

- (1) The application for approval of the stock records shall be submitted in writing to the Central Administration of the Customs Administration.
- (2) The application referred to in paragraph (1) of this Article shall specify which activities are envisaged, this information being considered as the notification referred to in Article 183 paragraph (1) of the Customs Law. It shall include the following:
 - a) a detailed description of the stock records kept or to be kept;
 - b) the nature and customs status of the goods to which these activities relate;
 - c) where applicable, the customs procedure under which the activities are to be carried out;
 - d) any other information needed by the customs authority in order to ensure the proper application of the provisions.

Section 2

**Provisions applicable to free zones of control type I and to free
warehouses**

Subsection 1

Controls

Article 417

The fence enclosing free zones shall be such as to facilitate supervision by the customs authorities outside the free zone and prevent any goods being removed irregularly from the free zone.

The first subparagraph of this Article shall also apply *mutatis mutandis* to free warehouses.

The area immediately outside the fence shall be such as to permit adequate supervision by the customs authority. Access to the said area shall require the consent of the said authority.

Article 418

The stock records to be kept for the free zone or free warehouse shall include in particular:

- a) particulars of marks, identifying numbers, number and kind of packages, the quantity and usual commercial description of the goods and, where relevant, the identification marks of the container;
- b) information enabling the goods to be monitored at any time, in particular their location, the customs-approved treatment or use assigned to them after storage in the free zone or free warehouse or their re-entry into another part of the customs area;
- c) reference data of the transport document used on entry and removal of the goods;
- d) indication of customs status and, where relevant, reference data of the certificate certifying this status referred to in Article 423 of this Regulation;
- e) data of usual forms of handling;
- f) as the case may be, one of the indications referred to in Articles 361, 362 or 394 of this Regulation;
- g) data concerning goods which would not be subject upon release for free circulation or temporary importation to import duties or commercial policy measures, the use or destination of which shall be checked.

The customs authority may waive the requirement for some of this information where supervision or control of the free zone or the free warehouse is not affected.

Where records shall be kept for the purposes of a customs procedure, the data contained in those records need not appear in the stock records.

Article 419

The inward processing or processing under customs control procedures shall be discharged in respect of the compensating products, processed products or goods in the unaltered state situated in a free zone or free warehouse by entry in the stock records of the free zone or free warehouse. Reference

particulars of such entry shall be recorded in the records for inward processing or processing under customs control, as the case may be.

Subsection 2

Other provisions concerning the operation of free zone of control type I and free warehouses

Article 420

Commercial policy measures provided for in the provisions in force shall be applicable to foreign goods placed in a free zone or free warehouse only to the extent that they refer to the entry of goods into the customs area.

Article 421

Where the elements for assessment of the customs debt to be taken into consideration are those applicable before the goods have undergone usual forms of handling referred to in Annex 52 of this Regulation, an Information Sheet INF8 may be issued in accordance with Article 333 of this Regulation.

Article 422

In the case of the re-exportation of foreign goods which are not unloaded or which are transhipped, the notification referred to in Article 191 paragraph (3) of the Customs Law shall not be required.

Article 423

Where the customs authority certifies the domestic or foreign status of the goods, in accordance with Article 181 paragraph (4) of the Customs Law, they shall use a form conforming to the model and provisions in Annex 57 of this Regulation.

The operator shall certify the domestic status of the goods by means of that form where foreign goods are declared for release for free circulation in accordance with Article 184 item a) of the Customs Law, including where discharging the inward processing or processing under customs control procedures occurs.

Section 3

Provisions applicable to free zones of control type II

Article 424

Without prejudice to the provisions in Section 1 and in Article 425 of this Regulation, the provisions laid down for the customs warehouse arrangements shall be applicable to the free zone of control type II.

Article 425

Where foreign goods which are not unloaded or which are only transhipped are placed under the free zone using the local clearance procedure and re-exported later using the same procedure, the customs authority may relieve the operator from the obligation to inform the competent customs authority of each arrival or departure of such goods. In this case, the control measures shall take account of the special nature of the situation.

The short-term storage of goods in connection with such transhipment shall be considered to be an integral part of the transhipment.

CHAPTER 2

Re-exportation, destruction and abandonment

Article 426

Where re-exportation is subject to a customs declaration, the provisions of Articles 404 to 409 of this Regulation shall apply *mutatis mutandis*, without prejudice to particular provisions which may apply when the previous customs procedure with economic impact is discharged.

Where an ATA carnet is used for re-exportation of goods under temporary importation, the customs declaration may be lodged at a customs authority other than that referred to in the first sentence of Article 174 paragraph (4) of the Customs Law.

Article 427

(1) For the purposes of Article 191 paragraph (3) of the Customs Law, notification of destruction of goods shall be made in writing and signed by the party. The notification shall be made in sufficient time to allow the customs authority to supervise the destruction.

(2) Where the goods in question are already the subject of a customs declaration accepted by the customs authority, it shall make a note of the destruction on the declaration and invalidate the declaration in accordance with Article 76 of the Customs Law.

The customs authority present when the goods are destroyed shall specify on the form or declaration the type and quantity of any waste or scrap resulting from the destruction in order to determine the items of charge applicable to them and to be used when they are assigned another customs-approved treatment or use.

(3) The provisions of the first subparagraph of paragraph (2) of this Article shall apply *mutatis mutandis* to goods abandoned to the state.

PART 3

Privileged operations

TITLE I

RETURNED GOODS

Article 428

Returned goods shall be exempt from import duties even where they represent only a portion of the goods previously exported from the customs area.

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

Article 429

(1) By way of derogation from Article 202 of the Customs Law, returned goods shall be exempt from import duties in one of the following situations:

a) goods which, after having been exported from the customs area, have received no treatment other than that necessary to maintain them in good condition or handling which alters their appearance only;

b) goods which, after having been exported from the customs area, received treatment other than that necessary to maintain them in good condition or handling other than that altering their appearance, but which proved to be defective or unsuitable for their intended use, provided that one of the following conditions is fulfilled:

— such treatment or handling was applied to the goods solely with a view to repairing them or restoring them to good condition,

— their unsuitability for their intended use became apparent only after such treatment or handling had commenced.

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

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

(3) For the purposes of the second subparagraph of paragraph (2) of this Article:

a) *‘repair or restoration to good condition which became necessary’* means any operation to remedy operating defects or material damage suffered by goods while they were outside the customs area, without which the goods could no longer be used in the normal way for the purposes for which they were intended;

b) the value of returned goods shall be considered not to be higher, as a result of the operation which they have undergone, than their value at the time of export from the customs area, when the operation does not exceed that which is strictly necessary to enable them to continue to be used in the same way as at that time.

When the repair or restoration to good condition of goods necessitates the incorporation of spare parts, such incorporation shall be limited to those parts strictly necessary to enable the goods to be used in the same way as at the time of export.

Article 430

(1) When completing the customs export formalities, the customs authorities shall, at the request of the party, issue a document containing the information necessary for identification of the goods in the event of their being returned to the customs area (certificate of equivalence).

(2) The certificate of equivalence shall be issued on the form of the information sheet INF 3 set out in Annex 58 of this Regulation. In traveller traffic, the Central Administration of the Customs Administration may also approve the use of another simplified form for the certificate set out in Annex 59 of this Regulation.

Article 431

(1) The following shall be accepted as returned goods:

— goods for which the following documents are produced in support of the declaration for release for free circulation:

- a) the copy of the export declaration returned to the exporter by the customs authority, or a copy of such document certified true by the said authority; or
- b) the certificate of equivalence or any other document certifying that the conditions for relief of import duties on return of exported goods, mainly as evidence of the equivalence of the exported and returned goods;
- c) the information sheet provided for in Article 434 of this Regulation.

Where evidence available to the customs authority of re-importation, or ascertainable by it from the party, indicates that the goods declared for free circulation were originally exported from the customs area, and at that time satisfied the conditions for acceptance as returned goods, the documents referred to in a) and b) and c) of this indent shall not be required.

— goods covered by an ATA carnet issued in the Republic of Macedonia.

These goods may be accepted as returned goods, within the limits laid down by Article 201 of the Customs Law, even when the validity of the ATA carnet has expired.

In all cases, the formalities laid down in Article 205 paragraph (2) of this Regulation shall be carried out.

(2) The first indent of paragraph (1) of this Article shall not apply to the international movement of packing materials, means of transport or certain goods admitted under specific customs procedures where autonomous provisions or international conventions lay down that customs documents are not required in these circumstances.

The first indent of paragraph (1) of this Article shall also not apply in cases where goods may be declared for release for free circulation orally or by any other act.

(3) Where it considers it necessary, the customs authority of re-importation may ask the party to submit additional evidence, in particular for the purposes of identification of the returned goods.

Article 432

The period for return of the goods starts from the day of acceptance of the export customs declaration by the customs authority.

Article 433

(1) The customs declaration for the returned goods shall in principle be submitted to the same customs authority where the customs declaration for export of the goods from the customs area was submitted.

(2) Paragraph (1) of this Article shall not be used when an oral customs declaration was approved or when the goods are returned in the Republic of Macedonia on the basis of an issued ATA carnet.

Article 434

Information sheet INF 3 shall be drawn up in an original and two copies.

Article 435

(1) Information sheet INF 3 shall be issued at the exporter's request by the customs authority of exportation at the time of completion of the export formalities for the goods concerned, if the exporter declares that it is probable that these goods will be returned via a customs authority other than the customs authority of exportation.

(2) Information sheet INF 3 may also be issued, at the exporter's request, by the customs authority at the customs authority of exportation after completion of the export formalities for the goods concerned, provided that the authority can establish, on the basis of the information at their disposal, that the data in the exporter's request relate to the goods exported.

Article 436

(1) Information sheet INF 3 shall contain all the data required by the customs authority for the purpose of identifying the exported goods.

(2) Where it is expected that the exported goods will be returned to the customs area through several customs authorities other than the customs authority of exportation, the exporter may ask for several information sheets INF 3 to be issued to cover the total quantity of the goods exported.

Similarly, the exporter may ask the customs authority which issued an information sheet INF 3 to replace it by several information sheets INF 3 covering the total quantity of goods included in the information sheet INF 3 initially issued.

The exporter may also ask for an information sheet INF 3 to be issued in respect of only a portion of the exported goods.

Article 437

The original and one photocopy of information sheet INF 3 shall be returned to the exporter for presentation at the customs authority of re-importation. The second photocopy shall be kept in the official files of the customs authority that issued it.

Article 438

The customs authority of re-importation shall record on the original and on the photocopy of information sheet INF 3 the quantity of returned goods exempted from import duties, retaining the original and sending the photocopy, bearing the reference number and the date of declaration for free circulation, to the customs authority that issued it.

The said customs authority that issued information sheet INF 3 shall compare this photocopy with the one in its possession and retain it in its archive.

Article 439

In the event of theft, loss or destruction of the original information sheet INF 3, the party may ask the customs authority which issued it for a duplicate. The customs authority shall comply with this request if the circumstances warrant it. A duplicate so issued shall bear the following indication: ‘DUPLICATE’.

The customs authority shall record on the copy of information sheet INF 3 in its possession and archive that a duplicate has been issued.

Article 440

(1) At the request of the customs authority of re-importation, the customs authority of exportation shall communicate to the former all the data at its disposal to enable them to determine whether the goods meet the conditions necessary to benefit from the provisions of Part 3 of this Regulation.

(2) Information sheet INF 3 may be used for the request and the transmission of the information referred to in paragraph (1) of this Article.

PART 4

CUSTOMS DEBT

TITLE 1

SECURITY

CHAPTER 1

General Provisions

Article 441

The provisions of this Title shall not apply to the transit procedure.

Article 442

The security secures the collection of the customs debt that was incurred or that could be incurred, as well as other charges and levies that the customs authority is authorised to collect under regulations on such charges and levies, as well as interests that have incurred or could be incurred in relation to the such charges for which security is provided and accepted (hereinafter referred to as 'debt').

CHAPTER 2

Cases where security needs not be provided

Article 443

The customs authority may relieve the customs debtor from the obligation to provide security when this is prescribed under the provisions of the Customs Law or the provisions of this Regulation.

Article 444

For temporary storage of goods, the customs authority may not relieve the customs debtor from the obligation to provide security when goods such as tobacco products, alcohol and alcoholic beverages and oil derivatives are subject to temporary storage.

CHAPTER 3

Individual and comprehensive guarantee

Article 445

- (1) The customs debtor may provide security for payment of an individual customs debt (hereinafter referred to as: individual guarantee) or for the payment of all customs debts incurred over a certain period, or of those that may have incurred in that period, i.e. under a certain customs procedure (hereinafter referred to as: comprehensive guarantee.)
- (2) On request by the provider of the guarantee, it is possible to change the provided guarantee.

Article 446

The types of guarantees referred to in Article 208 of the Customs Law may be used as comprehensive and individual guarantees.

Article 447

- (1) The customs debtor shall provide the individual guarantee on request of the competent customs authority.
- (2) The customs debtor provides the comprehensive guarantee at the Central Administration of the Customs Administration which decides on the amount of the security.

Article 448

- (1) The Central Administration of the Customs Administration decides on the acceptance of the guarantee by entering a reference no. on the form for acceptance of the provided guarantee. The reference no. of the accepted guarantee shall be entered in the customs documents.
- (2) The Central Administration of the Customs Administration informs the customs authorities of the accepted comprehensive guarantee without any delay.
- (3) The customs debtor in the customs procedure shall refer to the comprehensive guarantee of the working day following the day the guarantee was accepted as appropriate.

Article 449

- (1) The Central Administration of the Customs Administration, when deciding on the amount of the comprehensive guarantee, takes in consideration the scope and the manner of carrying out the customs procedures until then by, as well as the credibility of the customs debtor.
- (2) When determining the scope of the carrying out of the customs procedures happening up to that point for the customs debtor, the monthly average of the calculated customs debt in the previous six months before the provision of the guarantee, i.e. the amount of the customs debt that incurred for goods under temporary importation procedure, inward-processing procedure or processing under customs control, i.e. warehousing, in regard to stockpiles.
- (3) The amount of the comprehensive guarantee of the debt determined in accordance with paragraph (2) of this Article may be reduced where the Central Administration of the Customs Administration assesses that the customs debtor complies with the following criteria:
 - is credible and financially stable;
 - duly complies to his responsibilities;
 - keeps all the prescribed records that allow free control and
 - has not violated any customs or tax provisions over the last three years.

The amount of the decreased comprehensive guarantee shall not be less than 30% of the amount determined in accordance with paragraph (2) of this Article.

- (4) The amount of the comprehensive guarantee shall not be less than 10.000 EUR in corresponding denar value.

Article 450

- (1) By issuing the bank guarantee, the bank, as a guarantor, takes upon itself the responsibility to settle the secured amount of the debt, including interest and the costs incurred with the payment procedure, that the customs debtor fails to pay.
- (2) The period of validity of the bank guarantee securing the payment of the eventual customs debt may not be less than 3 months in regard to the period in which such debt may incur, extended for another

60 days, and where security for customs procedures with economic effect is used, extended for another 90 days.

(3) Where the period of validity of the bank guarantee has expired, the customs debts that were secured with the previous guarantee and are not settled in their entirety or the customs debts that may incur, shall be secured with the new bank guarantee that is submitted by the customs debtor. The new bank guarantee shall contain a clause stating that the debts that were secured under the previous guarantee can also be charged from it.

(4) Once its period of validity has expired, the customs debtor may provide an Annex to the bank guarantee for its renewal. The Annex for renewal of the bank guarantee shall contain a clause in it stating that the debts that were secured with the original bank guarantee may also be charged from it.

Article 451

(1) The bank guarantee for securing the customs debt shall hold the following data:

- a) number of the bank guarantee determined by the bank - guarantor;
- b) period of ruse of the bank guarantee in the customs procedure in which the debt may incur;
- c) period of validity of the bank guarantee;
- d) the amount guaranteed by the bank - guarantor;
- e) provisions for its application 'on first call' and 'with no objection';
- f) data on the bank - guarantor (title of the bank, tax no. address, no. of bank account and name of the competent institution where the bank – guarantor's account is opened);
- g) data on the customs debtor (company, address and tax no.);
- h) date and place of issuance of the bank guarantee;
- i) indication of the customs procedure for which the guarantee applies and whether it is possible to use the provided bank guarantee as security for the customs debt of other customs debtors (for example in cases of direct and indirect representation);
- j) provision for taking over guarantee obligations from the previous guarantee;
- k) signature of the authorised person and stamp of the bank - guarantor.

(2) The bank - guarantor issues the bank guarantee referred to in paragraph (1) of this Article on the form provided for in Annex 60 of this Regulation. The bank guarantee shall be issued in two copies.

Article 452

(1) The customs debtor may make the cash deposit on provision of security for payment of a customs debt by putting assets on a deposit account determined by the Central Administration of the Customs Administration.

(2) The customs debtor shall receive a confirmation note for the paid assets to the deposit account referred to in paragraph (1) of this Article that shall contain the following data:

- a) number of the confirmation note;

b) the period for which the assets are paid to the deposit account or if there is no time limitation, this shall be noted;

c) amount of the cash deposit;

d) data on the customs debtor (title, address and tax no.);

e) the date payment of the assets is made to the deposit account;

f) customs procedure to which the cash deposit applies and a note whether it is possible to use the cash deposit as security for other customs debtors as well (example: direct and indirect representation);

g) designation of the customs authorities where the cash deposit may be used to secure payment of a customs debt;

h) signature of the authorised person and stamp of the customs authority.

(3) The confirmation note referred to in paragraph (2) of this Article shall be issued by the Central Administration of the Customs Administration on a form provided for in Annex 61 of this Regulation.

(4) The customs debtor pays the cash deposit in local currency.

(5) Where the guarantee is given by cash deposit, the customs authority does not pay interest.

Article 453

The customs debtor cannot use the cash deposit as an instrument for payment of the customs debt where he has submitted the application for repayment of the laid assets. Where the customs debtor has submitted a request for partial repayment of the laid assets, he can continue to use the cash deposit only within the amount of the remaining amount.

Article 454

The customs debtor that laid a cash deposit as security for payment of the customs debt in the customs procedure of temporary import of goods, i.e. of the inward processing procedure or any other suspensive arrangement may request repayment of the deposit after the end of the mentioned customs procedures, provided those procedures were discharged in accordance with customs rules or the possible debt is settled.

TITLE 2

INCURRENCE OF CUSTOMS DEBT

CHAPTER 1

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

Article 455

The following failures shall be considered to have no significant effect on the correct carrying out of the temporary storage or customs procedure in question within the meaning of Article 219 paragraph (2) of the Customs Law, provided:

— they do not constitute an attempt to remove the goods unlawfully from customs supervision,

- they do not imply obvious negligence on the part of the party, and
- all the formalities necessary to regularize the situation of the goods are subsequently carried out.

Examples of failures of the first subparagraph of this Article are the following:

- 1) exceeding the time limit allowed for assignment of the goods to one of the customs-approved treatments or uses provided for under the temporary storage or customs procedure in question, where the time limit would have been extended had an extension been applied for in time;
- 2) in the case of goods placed under a transit procedure, failure to fulfil one of the obligations entailed by the use of that procedure, where the following conditions are fulfilled:
 - a. the goods entered for the procedure were actually presented intact at the customs authority of destination;
 - b. the customs authority of destination has been able to ensure that the goods were assigned a customs-approved treatment or use or were placed in temporary storage at the end of the transit operation;
 - c. where the time limit set under Article 233 of this Regulation has not been complied with and paragraph (3) of that Article does not apply, the goods have nevertheless been presented at the customs authority of destination within a reasonable time;
- 3) in the case of goods placed in temporary storage or under the customs warehousing procedure, handling not authorised in advance by the customs authority, provided such handling would have been authorised if applied for;
- 4) in the case of goods placed under the temporary importation procedure, use of the goods otherwise than as provided for in the authorisation, provided such use would have been authorised under that procedure if applied for;
- 5) in the case of goods in temporary storage or placed under a customs procedure, unauthorised movement of the goods, provided the goods can be presented to the customs authority at its request;
- 6) in the case of goods in temporary storage or entered for a customs procedure, removal of the goods from the customs area or their introduction into a free zone of control type I within the meaning of Article 412 of this Regulation or into a free warehouse without completion of the necessary formalities;
- 7) in the case of goods or products physically transferred within the meaning of Articles 212 or 322 of this Regulation, failure to fulfil one of the conditions under which the transfer takes place, where the following conditions are fulfilled:
 - a. the party can demonstrate, to the satisfaction of the customs authority, that the goods or products arrived at the specified premises or destination and, in cases of transfer based on Articles 212, 323 paragraph (2) or 324 of this Regulation, that the goods or products have been duly entered in the records of the specified premises or destination, where those Articles require such entry in the records;
 - b. where a time limit set in the authorisation was not observed, the goods or products nevertheless arrived at the specified premises or destination within a reasonable time;
- 8) in the case of goods eligible on release for free circulation for the total or partial relief from import duties referred to in Article 158 of the Customs Law, the existence of one of the situations referred to in

Article 219 paragraph (1) item a) or b) of the Customs Law while the goods concerned are in temporary storage or under another customs procedure before being released for free circulation;

9) in the framework of inward processing and processing under customs control, exceeding the time-limit allowed for submission of the bill of discharge, provided the limit would have been extended had an extension been applied for in time;

10) exceeding the time-limit allowed for temporary removal from a customs warehouse, provided the limit would have been extended had an extension been applied for in time.

Article 456

The customs authority shall consider a customs debt to have been incurred under Article 219 paragraph (1) of the Customs Law unless the person who would be the debtor establishes that the conditions set out in Article 455 of this Regulation are fulfilled.

Article 457

The fact that the failures referred to in Article 455 of this Regulation do not give rise to a customs debt shall not preclude the application of provisions allowing cancellation and withdrawal of authorisations issued under the customs procedure in question.

CHAPTER 2

Natural wastage

Article 458

(1) For the purposes of Article 221 of the Customs Law, the customs authority shall, at the request of the party, take account of the quantities missing wherever it can be shown that the losses observed result solely from the nature of the goods and not from any negligence or manipulation on the part of that party.

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

Article 459

The customs authority may waive the obligation for the party to show that the goods were irretrievably lost for reasons inherent in their nature where it is satisfied that there is no other explanation for the loss.

Article 460

When the quantity of the loss exceeds the loss that is normally incurred during practice for the goods in question and where the party fails to show that the real loss exceeds the normal, expected loss due

to special circumstances, the normal loss shall be applied by the customs authority for determination of the customs debt.

CHAPTER 3

Goods in special situations

Article 461

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

However, in the case of airline companies authorised to use a simplified transit procedure with the use of an electronic manifest, the goods shall not be considered to have been removed from customs supervision if, at the initiative or on behalf of the person concerned, they are treated in accordance with their status as foreign goods before the customs authorities find the existence of an irregular situation and if the behaviour of the party does not suggest any fraudulent dealing.

Article 462

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

Article 463

The confiscation of goods pursuant to Article 247 paragraph (1) item c) and d) of the Customs Law shall not affect the customs status of the goods in question.

Article 464

- (1) Foreign goods which have been abandoned to the state or seized or confiscated shall be considered to have been entered for the customs warehousing procedure.
- (2) The goods referred to in paragraph (1) of this Article may be sold by the customs authority only under the condition that the seller immediately completes the formalities for assigning the goods a customs approved treatment or use.

Where the sale price includes import duties, it is considered that the sale is equal to the release for free circulation and the customs authority itself shall calculate and record the duties.

- (3) Where the customs authority decides not to sell the goods referred to in paragraph (1) of this Article but to deal with them in another way, the formalities for assigning a customs approved treatment or

use referred to in Article 4 item 14 sub-item a), b), c) and d) of the Customs Law must be completed without any delay.

TITLE 3

CALCULATION AND COLLECTION OF THE AMOUNT OF THE CUSTOMS DEBT

Article 465

- (1) The customs authority shall, in an appropriate manner and as soon as possible, notify the customs debtor of the amount of the customs debt that he is liable to pay (calculation of the customs debt).
- (2) Where the customs debt is calculated in the customs declaration, the customs authority shall notify the customs debtor in accordance with paragraph (1) of this Article only where the amount of the customs debt calculated by the declarant in the customs declaration differs from the amount of the customs debt calculated by the customs authority.

Article 466

The day when the bank or other financial organisation authorised to carry out payment operations confirms the payment shall be considered as the day of payment of the customs debt.

Article 467

- (1) If the customs debtor fails to pay the calculated customs debt within the prescribed period, the customs authority shall send to the customs debtor a statement of the due unpaid obligations together with a note that in case the customs debtor fails to settle his debt within two working days, it shall be charged from the bank guarantee.
- (2) The costs incurred in regard to the note shall be borne by the customs debtor.

TITLE 4

Payment of the customs debt by activating the guarantee

Article 468

- (1) The bank guarantee shall be charged in accordance with the regulations for collection of the bank guarantee 'on first call' and 'with no objection'.
- (2) The customs debt shall be charged from the cash deposit by recording the calculated amount of the customs debt in the accounts of the customs authority.

Article 469

- (1) The customs authority needs not enter in the accounts amounts of duty of less than 10 EURO in corresponding denar value.

(2) There shall be no post-clearance calculation and collection of import duties or export duties where the amount per calculation action is less than 10 EURO in corresponding denar value.

(3) No forceful collection shall be conducted for the unpaid import or export duties where the amount, with included interest, is less than 10 EURO in corresponding denar value on the day of deciding on the forceful collection.

TITLE 5

REPAYMENT OR REMISSION OF IMPORT OR EXPORT

DUTIES

CHAPTER 1

General provisions

Article 470

(1) For the purposes of this Title:

a) '*customs office of entry in the accounts*' means the customs authority where the import or export duties whose repayment or remission is requested were entered in the accounts;

b) '*decision-making customs authority*' means the customs authority competent to decide on an application for repayment or remission of import or export duties;

c) '*supervising customs office*' means the customs authority having jurisdiction over the goods which gave rise to entry in the accounts of the import or export duties whose repayment or remission is requested. The said office carrying out certain checks required for appraisal of the application;

d) '*implementing customs office*' means the customs authority which adopts the measures necessary to ensure that the decision to repay or remit the import or export duties is correctly implemented.

(2) The functions of the customs authority of entry in the accounts, the decision-making customs authority, the supervising customs authority and the implementing customs authority may be carried out wholly or in part by the same customs authority.

CHAPTER 2

Implementing provisions relating to Articles 250 to 253 of the Customs Law

Section 1

Application

Article 471

(1) Application for repayment or remission of import or export duties, hereinafter referred to as '*application for repayment or remission*', shall be made by the person who paid or is liable to pay those duties, or the person who has taken over his rights and obligations. Application for repayment or remission may also be made by the representative of the persons referred to in this paragraph.

(2) Application for repayment or remission shall be made, in one original and one copy, on a form conforming to the specimen and notes in Annex 62 of this Regulation.

However, application for repayment or remission may also be made, at the request of the person or persons referred to in paragraph (1) of this Article, in free written form, provided it contains the information appearing in the said Annex.

Article 472

(1) Applications for repayment or remission, accompanied by the documents necessary for taking a decision must be lodged with the customs authority of entry in the accounts, unless another authority is designated for this purpose. The said authority shall transmit it immediately after acceptance to the decision-making customs authority unless it itself is not designated as such.

(2) The customs authority referred to in paragraph (1) of this Article shall enter the date of receipt of the original and on the photocopy of the application. It shall return the photocopy to the applicant.

Article 473

(1) The customs authority referred to in Article 472 of this Regulation may accept an application not containing all the information provided for on the form referred to in Article 471 paragraph (2) of this Regulation. However, the application shall contain at least the information to be entered in boxes 1 to 3 and 7 of the form.

(2) Where paragraph (1) of this Article is applied, the said customs authority shall set a time limit for the supply of any missing particulars and/or documents.

(3) Where the time limit set by the customs authority pursuant to paragraph (2) of this Article is not observed, the application shall be considered to have been withdrawn.

The applicant shall be informed of this immediately.

Section 2

Procedure for granting repayment or remission

Article 474

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

Article 475

Without prejudice to Article 474 of this Regulation and until a decision has been taken on the application for repayment or remission, the goods in respect of which repayment or remission of duties has been requested may not be transferred to a location other than that specified in the said application unless

the applicant notifies in advance the customs authority referred to in Article 472 of this Regulation, which shall in turn inform the decision-making customs authority.

Article 476

(1) Where an application for repayment or remission relates to a case where supplementary information shall be obtained or where the goods shall be examined in order to ensure that the conditions for repayment or remission laid down in the Customs Law and in this Title are satisfied, the decision-making customs authority shall adopt the measures necessary to that end, if necessary by requesting the assistance of the supervising customs authority, specifying the nature of the information to be obtained or of the checks to be carried out.

(2) The supervising customs authority shall comply promptly with this request and shall forward the information obtained and the results of the checks carried out to the decision-making customs authority.

Article 477

(1) When the decision-making customs authority possesses all the necessary particulars, it shall give its decision in writing on the application for repayment or remission.

(2) Where the application is approved, the decision shall include all the data necessary for its implementation.

Depending on the circumstances, some or all of the following data shall appear in the decision:

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

Article 478

(1) The implementing customs authority shall take steps to ensure:

— where appropriate, that the requirements referred to in Article 477 paragraph (2) item f) of this Regulation are met,

— that in all cases the goods are actually used in the manner or sent to the destination specified in the decision to repay or remit import or export duties.

(2) Where the decision specifies that the goods may be placed in a customs warehouse, a free zone or a free warehouse, and the recipient avails himself of this opportunity, the necessary formalities shall be carried out with the implementing customs authority.

(3) When the implementing customs authority has satisfied itself that the conditions set out in paragraph (1) of this Article are fulfilled; it shall send a certificate to that effect to the decision-making customs authority.

Article 479

Where an application for repayment or remission of duties is approved, and after receiving the certificate referred to in Article 478 paragraph (3) of this Regulation, the deciding customs authority shall immediately set a clause for acting on the decision and the repayment or remission of the duties in question is executed.

The repayment of the duties in question may not be executed if the person to whose name the decision reads has any unsettled, due obligations concerning import or export duties. The approved amount for repayment and the due obligations in this case shall be settled *ex officio*.

Article 480

Where the request for repayment or remission is based on the existence, at the time when the declaration of release for free circulation was accepted, of a reduced or zero rate of import duty on the goods under a tariff quota, a tariff ceiling or other preferential tariff treatment, repayment or remission shall be granted only on condition that, at the time of lodging the application for repayment or remission accompanied by the necessary documents:

— in the case of a tariff quota, its volume has not been exhausted,

— in other cases, the rate of customs duty legally due has not been re-established.

If the conditions laid down in this Article are not fulfilled, repayment or remission shall nevertheless be granted where the failure to apply the reduced or zero rate of duty to the goods was the result of an error on the part of the customs authority itself and the declaration for free circulation contained all the data and was accompanied by all the documents necessary for application of the reduced or zero rate of import duty.

Article 481

The decision-making customs authority shall grant repayment or remission when:

- a) the request is accompanied with a certificate of origin, a movement certificate, a certificate of authenticity or with any other appropriate document, indicating that the imported goods were eligible, at the time of acceptance of the declaration for free circulation, for domestic treatment, preferential tariff treatment or favourable tariff treatment by reason of the nature of goods;
- b) the document referred to in item a) of this Article refers specifically to the goods in question;
- c) all the conditions relating to acceptance of the document referred to in item a) of this Article are fulfilled;
- d) all the other conditions for the granting of the domestic treatment, a preferential tariff treatment or of a favourable tariff treatment by reason of the nature of goods are fulfilled.

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

Article 482

- Import duties shall not be repaid or remitted under Article 252 of the Customs Law where:
- the defective nature of the goods was taken into consideration in drawing up the terms of the contract, in particular the price, under which the goods were entered for a customs procedure involving the obligation to pay import duties,
 - the goods are sold by the importer after it has been ascertained that they are defective or do not comply with the terms of the contract.

Article 483

- (1) Without prejudice to Article 489 paragraph (1) item c) of this Regulation, the decision-making customs authority shall set a deadline, no later than two months from the date of notification of the decision to repay or remit import duties or export duties, for completion of the customs formalities to which the repayment or remission of duties is subject.
- (2) Failure to observe the deadline referred to in paragraph (1) of this Article shall result in loss of entitlement to repayment or remission except where the party concerned by the decision proves that it was prevented from meeting this deadline by unforeseeable circumstances or *force majeure*.

Article 484

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

Article 485

Where the authorisation referred to in 252 paragraph (2) item b) of the Customs Law is granted, the customs authority shall take all necessary steps to ensure that goods placed in a customs warehouse, free zone or free warehouse may subsequently be recognized as foreign goods.

Article 486

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

Article 487

Import or export duties shall be repaid or remitted in accordance with Article 254 of the Customs Law only if the amount to be repaid or remitted exceeds the amount of 10 EURO in corresponding denar value.

CHAPTER 3

*Specific provisions relating to the application of Article 253 of the
Customs Law*

Article 488

(1) Where the decision-making customs authority establishes that the application for repayment or remission submitted to it under Article 253 paragraph (2) of the Customs Law:

— is based on grounds corresponding to one of the circumstances referred to in Articles 489 to 491 of this Regulation, and that these do not result from deception or obvious negligence on the part of the person concerned, it shall repay or remit the amount of import or export duties concerned,

— is based on grounds corresponding to one of the circumstances referred to in Article 492 of this Regulation, it shall not repay or remit the amount of import or export duties concerned.

(2) For the purposes of Article 253 paragraph (1) of the Customs Law and of this Article, *'the party'* shall mean the person or persons referred to in Article 471 paragraph (1) of this Regulation or their representatives, and any other person who was involved with the completion of the customs formalities relating to the goods concerned or gave the instructions necessary for the completion of these formalities.

Article 489

(1) Import duties shall be repaid or remitted where:

a) foreign goods placed under a customs procedure involving total or partial relief from import duties or goods released for free circulation with favourable tariff treatment by reason of their end-use are stolen,

provided that the goods are recovered promptly and placed again, in the state they were in when they were stolen, in their original customs state;

b) foreign goods are inadvertently withdrawn from the customs procedure involving total or partial relief from import duties under which they had been placed, provided that, as soon as the error is found, they are placed again in the state they were in when they were withdrawn, in their original customs state;

c) there are technical difficulties, it is impossible to operate the mechanism for opening the means of transport on which goods previously released for free circulation are located and accordingly to unload them on arrival at their destination, provided that they are immediately re-exported;

d) goods originally released for free circulation are subsequently returned to their international supplier, under the outward processing procedure, to enable him — free of charge — to eliminate defects existing prior to the release of the goods (even if found after release of the goods) or to bring them into line with the conditions and provisions of the contract under which they were released for free circulation, and the said supplier decides to keep the goods permanently because he is unable to remedy the defects or because it would not be economic to do so;

e) it is found, when the customs authority decides on post-clearance entry in the accounts of import duties actually due on goods released for free circulation with full relief from such duties, that the goods in question have been re-exported from the customs area without customs supervision, provided it is established that the substantive conditions laid down in the Customs Law for the repayment or remission of such import duties would actually have been met at the time of re-exportation if the amount had been levied when the goods were released for free circulation;

f) a competent court has forbidden the marketing of an item previously entered for a customs procedure obliging the party to pay import duties under normal conditions, and the said item is re-exported from the customs area or destroyed under the supervision of the customs authority, provided it is established that the item in question has not actually been used in the Republic of Macedonia;

g) the goods have been entered for a customs procedure involving the obligation to pay import duties, paid on his own initiative, by a declarant empowered to do so, and, through no fault of the declarant, it has not been possible to deliver them to the consignee;

h) the goods have been addressed to the consignee in error by the consignor;

i) the goods are found to be unsuitable for the use for which the consignee intended them because of an obvious factual error in his order;

j) after having been released for a customs procedure involving the obligation to pay import duties, the goods are found not to have complied, at the time of their release, with the rules in force concerning their use or marketing and therefore cannot be used for the purpose intended by the consignee;

k) the use of the goods by the consignee for the purpose intended is prevented or substantially restricted as a result of measures of general scope taken by a competent authority, after the date of release for a customs procedure involving the obligation to pay import duties, by a competent authority;

l) total or partial import duty relief applied for by the party in accordance with existing provisions cannot, through no fault of the party, be granted by the customs authority, who shall accordingly enter in the accounts the import duties which have become due;

m) the goods reached the consignee after the binding delivery dates stipulated in the contract under which they were entered for a customs procedure involving the obligation to pay import duties;

n) it has not been possible to sell the goods in the customs area and they are delivered free of charge to humanitarian or charity organisations:

- carrying out their activities in a third country, provided that they are represented in the Republic of Macedonia, or
- carrying out their activities in the customs area, provided that they are eligible for relief in the case of importation for free circulation of similar goods from third countries;

o) the customs debt has been incurred otherwise than under Article 216 of the Customs Law and the party is able to produce a certificate of origin, a movement certificate or other appropriate document showing that if the imported goods had been entered for free circulation they would have been eligible for domestic treatment or preferential tariff treatment, provided the other conditions referred to in Article 481 of this Regulation were satisfied.

(2) Repayment or remission of import duties in the cases referred to in paragraph (1) item c) and items f) to n) of this Regulation shall, except where the goods are destroyed by order of a competent authority, be conditional upon their re-export from the customs area under the supervision of the customs authority.

If requested, the decision-making customs authority shall permit re-export of the goods to be replaced by their destruction or by placing them under a transit procedure, in a customs warehouse or in a free zone or free warehouse.

Goods to be assigned one of these treatments shall be considered to be foreign goods.

In this case, the customs authority shall take all requisite measures to ensure that the goods placed in a customs warehouse, in a free zone or in a free warehouse may later be recognised as foreign goods.

(3) In addition, the supervising customs authority shall be satisfied that the goods have been neither used nor sold before their re-exportation.

Article 490

(1) Import duties shall be repaid or remitted where:

- a) goods entered in error for a customs procedure involving the obligation to pay import duties have been re-exported from the customs area without having been previously entered for the customs procedure under which they should have been placed, provided the other conditions laid down in Article 251 of the Customs Law have been met;
- b) the goods have been re-exported or destroyed in accordance with Article 252 paragraph (2) item b) of the Customs Law without customs supervision, provided the other conditions laid down in the said Article have been met;

c) the goods have been re-exported or destroyed without customs supervision in accordance with Article 489 paragraph (1) item c) and items f) to n) of this Regulation, provided the other conditions laid down in Article 489 paragraph (2) and paragraph (3) of this Regulation have been met.

(2) Repayment or remission of import duties in the circumstances referred to in paragraph (1) of this Article shall be conditional on:

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

- have actually been re-exported from the customs area, or
- have been destroyed under the supervision of authorities or persons empowered to certify such destruction officially;

b) the return to the decision-making customs authority of any document certifying the domestic status of the goods in question under cover of which the said goods may have left the customs area, or the presentation of whatever evidence the said authority considers necessary to satisfy itself that the document in question cannot be used subsequently in connection with any importation of goods into the Republic of Macedonia.

Article 491

(1) For the purposes of Article 490 paragraph (2) of this Regulation:

a) the evidence needed to enable the decision-making customs authority to satisfy itself that the goods in respect of which repayment or remission is requested have actually been re-exported from the customs area shall consist of the presentation by the applicant of:

- the original and a certified copy of the declaration for export of the goods from the customs area and
- certification by the customs authority through which the goods actually left the customs area.

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

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

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

- the original or a certified copy of the declaration for the said procedure and
- where this is considered necessary by the decision-making customs authority, administrative or commercial documents (such as invoices, dispatch details, transit documents or health certificates) containing a full description of the goods (trade description, quantities, marks and other identifying data)

which were presented with the declaration for the said procedure or with the declaration for export from the customs area or the customs declaration made for the goods in the third country of destination, as the case may be;

b) the evidence needed to enable the decision-making customs authority to satisfy itself that the goods in respect of which repayment or remission is requested have actually been destroyed under the supervision of authorities or persons authorised to certify officially such destruction shall consist of the presentation by the submitter of the application of:

— an original report or declaration of destruction drawn up by the authorities under whose supervision the goods were destroyed, or a certified copy thereof, or

— a certificate drawn up by the person authorised to certify destruction, accompanied by evidence of his authority.

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

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

Article 492

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

a) re-export from the customs area of goods previously entered for a customs procedure involving the obligation to pay import duties, for reasons other than those referred to in Article 251 or 252 of the Customs Law or in Article 489 or 490 of this Regulation, notably failure to sell;

b) destruction, for any reason whatsoever, save in the cases expressly provided for by regulations in force, of goods entered for a customs procedure involving the obligation to pay import duties after their release by the customs authority;

c) presentation, for the purpose of obtaining preferential tariff treatment of goods declared for free circulation, of documents subsequently found to be forged, falsified or not valid for that purpose, even where such documents were presented in good faith.

PART 5

Final provisions

Article 493

The annexes of this Regulation constitute an integral part thereof.

Article 494

This Regulation enters into force on the eighth day after it is published in the 'Official Journal of the Republic of Macedonia' and shall be applied from 01 January 2006.

