CONSOLIDATE VERSION OF THE CUSTOMS LAW
UNOFFICIAL VERSION[1]

TITLE 1
GENERAL PROVISIONS

CHAPTER 1
SCOPE AND BASIC DEFINITIONS

Article 1

(1) This Law regulates the rights and obligations of the persons and of the customs authorities in regard to the goods in passenger and goods circulation between the customs area of the Republic of Macedonia and foreign customs areas.

(2) The customs authority is the sole authorised authority competent for enforcement of the provisions of this Law and the rules arising from this Law.

(3) The provisions of this Law apply without prejudice to rules regulating other fields for trade with other countries.

Article 2

(1) The provisions of this Law and the rules arising from this Law apply uniformly throughout the entire customs area of the Republic of Macedonia, unless otherwise provided for under this Law, other law or an international agreement ratified by the Republic of Macedonia.

(2) Certain provisions of the customs rules may also apply outside the customs area of the Republic of Macedonia in accordance with international agreements ratified by the Republic of Macedonia.

Article 3

The customs area of the Republic of Macedonia (hereinafter referred to as the 'customs area') includes the territory, territorial waters and the air space over the territories of the Republic of Macedonia. The customs area is defined with a customs line identical to the frontier line. In accordance with international agreements the customs area may also stretch onto parts of the territories of other states.

Article 4

The terms used in this Law have the following meaning:

1. 'Person' means a natural person or a legal person;
2. 'A person registered in the Republic of Macedonia' means:

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[1] The official consolidated text of the Law is drafted based on the text of the Customs Law ("Official Gazette of the Republic of Macedonia" no..39/2005; 4/2008; 48/2010; 158/2010; 44/2011; 53/2011; 11/2012; 171/12 and 187/2013), a Decision by the Constitutional Court of the Republic of Macedonia U no. 251/2008 of 29 April 2009, published in the "Official Gazette of the Republic of Macedonia" no. 62/2009 and U no. 1/2009 of 16 September 2009, published in the "Official Gazette of the Republic of Macedonia" no.117/2009 and the Law Amending the Law on the Customs Tariff ("Official Gazette of the Republic of Macedonia" no. 35/2010).
The official consolidated text has no legal effect.
For legal purposes in a customs procedure, the only valid texts are those published in the aforementioned publication of the Official Gazette of the Republic of Macedonia.

- a citizen of the Republic of Macedonia with residence in the Republic of Macedonia or a foreign citizen who is granted approved stay in the Republic of Macedonia in accordance with Law and

- a legal person that has a registered office, in accordance with Law, in the Republic of Macedonia.

3. 'Customs authority' is an organisational unit of the Customs Administration determined by law, responsible for applying customs or other rules where all or part of the prescribed formalities may be completed.

4. "Customs office" means the organisational unit of the Customs Administration where all or part of the customs formalities laid down by the customs regulations can be conducted. (***shall be applied from 1st of January 2015***)

5. "Customs office of entry" means the customs office designated by the customs authority in accordance with the customs regulations, at which the goods brought into the customs territory of the Republic of Macedonia shall be conveyed without delay and at which they are subject to appropriate risk- based customs control. (***shall be applied from 1st of January 2015***)

6. "Customs office of import" means the customs office designated by the customs authority in accordance with the customs regulations where the formalities for assigning goods brought into the customs territory of the Republic of Macedonia to other customs-approved treatment or use, based on appropriate risk-based customs control, are to be completed. (***shall be applied from 1st of January 2015***)

7. "Customs office of export" means the customs office designated by the customs authority in accordance with the customs regulations where the formalities for assigning goods leaving the customs territory of the Republic of Macedonia to other customs-approved treatment or use, based on appropriate risk-based customs control, are to be completed. (***shall be applied from 1st of January 2015***)

8. "Customs office of exit" means the customs office designated by the customs authority in accordance with the customs regulations to which goods must be presented before they leave the customs territory of the Republic of Macedonia and which will be subject to customs control related to the completion of the exit formalities, and appropriate risk-based customs control. (***shall be applied from 1st of January 2015***)

9. 'Decision' means any official act adopted by the customs authority pertaining to customs rules regulating a particular case, such act having legal effect on one or more specific or identifiable persons. This term covers, inter alia, binding information within the meaning of Article 11 of this Law;

10. 'Customs status' means the status of goods as domestic or foreign.

11. 'Domestic goods' means goods:

- wholly obtained in the customs area of the Republic of Macedonia under the conditions referred to in Article 22 of this Law and not incorporating goods imported from other countries. Goods obtained from goods placed under a suspensive arrangement shall not be deemed to have status of domestic goods,

- imported from other countries and released for free circulation and

- obtained or produced in the customs area of the Republic of Macedonia, either from goods referred to in the second indent alone or from goods referred to in the first and second indent of this item;

12. ‘Foreign goods’ means goods other than those referred to in item 11 of this Article. Domestic goods shall also receive a status of foreign goods when they are removed from the customs area.

13. ‘Customs debt’ means the obligation on a person to pay the amount of the import duties (customs debt on importation) or export duties (customs debt on exportation) which apply to specific goods under the regulations of the Republic of Macedonia;

14. ‘Import duties’ means customs duty and other duties having an effect equivalent to customs duty payable on the importation of goods;

15. ‘Export duties’ means customs duty and other duties having an effect equivalent to customs duties payable on the exportation of goods;

16. ‘Debtor’ means any person liable for payment of a customs debt.

17. ‘Customs supervision’ means general measures taken by the customs authority with a view to ensuring that customs rules and, where appropriate, other regulations applicable to goods subject to customs supervision are observed;

18. ‘Customs control’ means the performance of specific acts such as: examining goods; verifying the existence, reliability and accuracy of documents; examining the accounts of undertakings and other records; examining and searching of means of transport; examining and searching of personal luggage and other goods carried by or on persons; carrying out official procedures and other similar actions with a view to ensuring that customs rules and, where appropriate, other regulations applicable to goods subject to customs supervision are observed;

19. ‘Customs-approved treatment or use of goods’ means:

a) the placing of goods under a customs procedure;

b) their entry into a free zone or free warehouse;

c) their re-exportation from the customs area;

d) the destruction of goods and

e) their abandonment to the state;

20. ‘Customs procedure’ means:

a) release of goods for free circulation;

b) transit;

c) customs warehousing;

d) inward processing;

e) processing under customs control;

f) temporary import;

g) outward processing and

h) exportation;

21. ‘Customs formalities’ are all actions that shall be performed by the parties and the customs authority with the purpose of observing the customs rules;

22. ‘Customs declaration’ means the act whereby a person indicates, in the prescribed form and manner, a wish to place goods under a given customs procedure;

23. ‘Declarant’ means the person lodging the customs declaration in his own name or the person in whose name the customs declaration is lodged;

24. ‘Presentation of goods to the customs authority’ means the notification to the customs authority, in the manner laid down, of the arrival of goods at the customs authority’s premises or at any other place designated or approved by the customs authority;

25. ‘Release of goods’ means the act whereby the customs authority makes goods available for the purposes stipulated by the customs procedure under which they are placed;

26. ‘Holder of the procedure’ means the person on whose behalf the customs declaration was made or the person to whom the rights and obligations of the abovementioned person in respect of a customs procedure have been transferred;

27. ‘Holder of the authorisation’ means the person to whom an authorisation has been granted;

28. ‘Taxation elements’ means the customs rate and amount of duties in accordance with the Customs Tariff and tariff classification of the goods, origin of goods, customs value of the goods, as well as the amount, nature and condition of the goods;

29. ‘Customs clearance’ means any official action of placing the goods under a customs procedure or of carrying out formalities for re-exportation of goods in a normal procedure in accordance with Article 72 to 85 of this Law or under a simplified procedure in accordance with Article 88 paragraph (1) item b) or c) of this Law;

30. ‘Lodging a customs declaration’ means the presenting of a customs declaration in the prescribed form and manner, on behalf of the declarant to the competent customs authority for the carrying out of the relevant customs procedure;

31. ‘Acceptance of a customs declaration’ means the establishing, on behalf of the customs authority, that the customs declaration is in accordance with Articles 72 and 73 of this Law and the entering of such declaration, on behalf of the customs authority, in the prescribed records;

32. ‘Holding of goods’ means using the goods or the simple holding of the goods;

33. ‘Risk’ means the possibility of an evasion of duties or endangering of the security and safety of the Republic of Macedonia, in respect to public heath, living environment and consumers, to occur, also including the provision of proper application of the measures concerning the entering and exiting of goods in and from the Republic of Macedonia and

34. ‘Risk Management’ means systematic identification and application of all measures necessary for limiting the exposure to risk. This also includes actions, such as gathering of data and information, risk analysis and risk assessment, providing for and taking of measures and regular supervision and reconsideration of the results of the measures taken, based on international and domestic sources and strategies.

CHAPTER 2
GENERAL PROVISIONS REGULATING THE RIGHTS AND OBLIGATIONS OF PERSONS WITH REGARD TO CUSTOMS RULES

Section 1
Right of representation

Article 5

(1) Under the conditions set out in Article 74 paragraph (2) and paragraph (3) of this Law, any person may appoint a representative to represent him in his dealings before the customs authority in order to perform the acts and formalities laid down by customs rules.

(2) Such representation may be:

a) direct, in which case the representative shall carry out acts in the name of and on behalf of another person or

b) indirect, in which case the representative shall act in his own name but on behalf of another person.

(3) The representative must state before the customs authority that he is acting on behalf of the person he is representing, specify whether the representation is direct or indirect, and be empowered to take actions as a representative. The person that fails to state before the customs authority that the actions taken are in the name of or on behalf of another person or which shall state that the actions taken are in the name of or on behalf of another person without being authorised for doing so shall be considered to be taking actions in his own name and on his own behalf.

(4) The customs authority may require the person stating that he is acting in the name of or on behalf of another person to produce evidence of his powers to act as representative.

Article 6

(1) This article shall lay down the conditions and the procedure for granting authorisation for conducting representation matters in customs procedures and licence for conducting representation.

(2) 1. Trade companies or sole-proprietors fulfilling the conditions prescribed by this Law and having an authorisation for conducting representation matters in customs procedures issued by the Customs Administration, may conduct representation matters in customs procedures (hereinafter authorised customs representative).

2. In case when the person referred to in point 1 of this paragraph lodges customs declaration in the name and on behalf of other person or in his own name and on behalf of other person, the customs declaration in the name of the authorised customs representative may be signed only by a person with a licence to conduct representation (hereinafter: licensed representative).

3. The authorisations and licences referred to in points 1 and 2 of this paragraph shall not be transferable.

(3) Trade company or sole-proprietor that fulfils the following criteria shall be granted an authorisation for conducting representation matters in customs procedures:

a) to be registered in the Republic of Macedonia;

b) to be registered for line of activity that includes representation in customs procedures;

c) to have at least one licensed representative employed for regular long term employment;

d) has not committed a more serious customs offence pursuant to article 264-d paragraph (3) of this Law and/or has not been sentenced with final effective court decision for crime of smuggling, customs fraud or concealment of goods subject to smuggling and customs fraud, in the last two years directly preceding the date of submission of the request for granting authorisation for conducting representation matters in customs procedures and

e) has no outstanding liabilities to the state in the last three years directly preceding the date of submission of the request for granting authorisation for conducting representation matters in customs procedures.

(4) 1. The Customs Administration shall be issuing authorisations for conducting representation matters in customs procedures, following a written request by the trade company or sole-proprietor.

2. The authorisation referred to in point 1 of this paragraph shall be granted within 30 days following the day of receipt of the duly submitted request.

(5) The authorised customs representative and licensed representative shall inform the Customs Administration in writing of all changes concerning the fulfilment of the conditions referred to in paragraph (3) and (7) of this article relevant to the granting or revoking of the authorisation for conducting representation matters in customs procedures or the licence for representation, within eight days.

(6) If, subsequent to the granting of the authorisation for conducting representation matters in customs procedures, circumstances appear due to which the authorised customs representative no longer fulfils the conditions referred to in paragraph (3) of this article, the Director General of the Customs Administration shall revoke the authorisation for conducting representation matters in customs procedures.

(7) 1. The Customs Administration issues licence for conducting representation.

2. The licence referred to in point 1 of this paragraph may be given to a person who:

a) has minimum secondary education, at least two years of working experience in the field of customs affairs and passed special professional exam for conducting representation in the customs procedures or

b) has university education at specialised university in the filed of customs affairs and at least two years of working experience in the field of customs affairs or

c) has at least secondary education and minimum three years working experience at positions in the Customs Administration in the field of customs affairs.

3. In addition to the conditions referred to in point 2 of this paragraph, the person should also fulfil the following conditions:

a) has not committed more serious customs offence pursuant to article 264-g paragraph (3) of this Law and/or has not been sentenced for crime of smuggling, customs fraud or concealment of goods subject to smuggling and customs fraud in the last two years directly preceding to the date of submission of the request for licence for conducting representation in customs procedures and

b) has a certificate from authorised education institution for knowledge of one of the world's languages.

4. The licence referred to in point 1 of this paragraph shall be issued within 30 days following the day of acceptance of the duly submitted request.

5. The record-keeping of the granted licences for conducting representation matters shall be made by the Customs Administration.

(8) The Customs Administration independently or in cooperation with the organisation of representatives or other institution, organises and participates in the implementation of the programme for licensed representatives training.

(9) 1. Alongside the licence referred to in point 1 paragraph (7) of this article, the licensed representative shall be issued with an identification card.

2. When conducting the matters in the official premises or premises of the Customs Administration or while participating in the carrying out of official matters out of the official space, the licensed representatives must carry the identification card on a visible place.

(10) The issuance of licence for representation and corresponding identification card is subject to payment of fee levied in amount not exceeding the real costs related to the issuance of the licence and the corresponding identification card.

(11) 1. The professional exam for licensed representative shall be taken at the Customs Administration.

2. The professional exam for licensed representative consists of the following areas:
- customs approved treatment or use of goods,
- Customs tariff,
- origin of goods,
- customs valuation of goods
- taxes and tax policy
- non-tariff measures and trade policy measures
- transport and transport insurance
- forwarding operation
- preparation and use of customs declaration.

3. The professional exam is carried out by a Committee for implementation of the professional exam for licensed representatives, that is subject to payment of fee levied in amount not exceeding the real costs related to the performed professional exam

(12) 1. Professional exam for licensed representative may be taken by a person who:

a) has at least secondary professional education;

b) has at least one year working experience in the field of customs affairs and

c) has a certificate from authorised education institution for knowledge of one of the world's languages.

2. For passed professional exam a certificate shall be issued signed by the president of the Committee for implementation of the professional exam for licensed representatives.

3. The Customs Administration shall keep records of the professional exam for licensed representatives and of the persons who have passed the exam.

(13) 1. The State Administrative Inspectorate shall be supervising the implementation of the regulations prescribing the operation and activities of the authorised customs representatives.

2. Notwithstanding, in the part of implementation of the customs regulations and provisions of this Law.

(14). The Minister of Finance shall prescribe more detailed criteria for implementation of the provisions of this article.

(15) The amounts of the fees collected and referred to in paragraphs (10) and (11) of this article are prescribed by the Minister of Finance

Part 1A
Authorised Economic Operators

Article 6-a

(1) Customs authorities, if necessary following consultations with other competent authorities in the domain of security and finances, shall grant, subject to the criteria provided for in paragraph (4) of this Article the status of "Authorised Economic Operator" to every economic operator registered in the customs territory of the Republic of Macedonia.

(2) An authorised Economic Operator shall benefit from facilitations with regard to customs controls relating to safety and security and/or from simplifications provided for under the customs regulations.

(3) The status of Authorised Economic Operator shall, subject to the rules and conditions laid down in paragraph (5) of this Article, be recognized by the customs authorities of the Republic of Macedonia, without prejudice to customs controls.

Customs authorities shall, on the basis of recognition of the status of Authorised Economic Operator and provided that the requirements relating to a specific type of simplification are fulfilled, grant approval to the Authorised Economic Operator to benefit from that simplification.

(4) The Authorised Economic Operator status shall be granted if the economic operator meets the following criteria:

- complies with the customs requirements for execution of customs formalities and appropriately acts, in accordance with the customs formalities,
- has an efficient system for managing commercial and, where appropriate transport records, which allows appropriate customs controls,
- is solvent for the type of authorization, where necessary, and
- applies appropriate safety and security standards for the type of authorization, where necessary.

(5) The manner and procedure for granting approval for Authorised Economic Operator status, the issuing of authorisations for simplifications, type and scope of facilitation that may be approved in respect of customs controls related to safety and security, by applying risk management rules, as well as the conditions under which the Authorised Economic Operator status can be temporary withdrawn or annulled and, having in mind international Agreements, the possibility for exemption of the condition for registering special categories of Authorized Economic Operators in the Republic of Macedonia, shall be done in accordance with the provisions of Article 257 of this Law.

(6) The customs authority shall temporary withdraw the status of Authorized Economic Operator when:

- it has been established that the requirements or criteria, on basis of which the status of Authorized Economic Operator was granted, are no longer fulfilled
- the customs authorities has reasons to believe that the Authorized Economic Operator has committed a criminal act in relation to violations of the customs regulations.

(7) The customs authority shall annul the status of Authorized Economic Operator when:

- the Authorised Economic Operator, whose status has been temporary withdrawn, has not undertaken the necessary measures for fulfilment of the requirements and criteria, on the bases of which the status of Authorised Economic Operator has been granted,
- the Authorised Economic Operator has committed customs offences pursuant this Law which resulted in executive and irrevocable rulings for which fines in the amount exceeding EUR 10,000, equivalent amount in denars have been imposed within the last twelve months
- the Authorized Economic Operator committed a customs criminal act for which executive and irrevocable rulings have been passed or
- upon the request by the Authorized Economic

Section 2
Acts relating to the application of customs rules

Article 7

(1) If not otherwise provided for in this Law, the customs authority conducting the customs procedure shall apply the Law on General Administrative Procedure.

(2) Provided the customs authority in the customs procedure accepts the request fully, it may approve it in the form of a note affixed on such a request.

(3) An appeal against a decision taken by the customs authority in administrative procedure may be expressed within eight days of the day of communication of the decision, through the customs authority to the Ministry of Finance, decided upon by the Minister of Finance or person authorised by him.

(4) The appeal shall not cause suspension of the implementation of the decision.

(5) By way of derogation from paragraph (4) of this Article, the customs authority shall suspend the implementation of the decision taken, completely or partially, until the decision concerned has gained legal force in case when there are justified reasons to believe that the disputed decision is not in accordance with the customs regulations or that irreparable damage could be caused to the person concerned. Where the decision has the effect of causing import or export duties to be charged, suspension of implementation of that decision may be approved only provided the duties are secured by provision of appropriate guarantee.

(6) Where the decision has the effect of causing import or export duties to be charged, the interest on arrears shall be charged on the amount of unpaid duties in accordance with article 244 paragraph (1) point (b) of this Law.

Article 7-a

(1) A decision taken by the customs authority shall be annulled if taken based on grounds of inaccurate or incomplete information and:

- the requesting party knew or must have known that the information were incorrect or incomplete, and
- such a decision could not have been taken on the based of correct or complete information.

(2) A decision for annulment shall be submitted to the person it refers to and shall come into force on the date the Decision for annulment was taken.

Article 7-б

(1) A Decision taken by the customs authority shall be revoked or amended in cases other than the cases referred to in Article 7(a) when it was additionally identified that one or more requirements prescribed for issuing of a Decision have not been complied with at the moment of issuing the authorization or ceased to be complied with after the Decision was taken.

(2) A Decision can be revoked if the person it refers to does not fulfil the obligation conferred on him by that Decision.

(3) The Decision for revocation or amendment shall be submitted to the person it refers to and shall come into force on the date the Decision was delivered.

Article 7-c

When a Decision has been annulled or revoked in accordance with Article 7(a) and Article 7(b) of this Law, the customs authority may take a new Decision of the same type for the same person after the expiry of one year from the date when annulment or revocation come into force.

Article 7-d

(1) Where the Customs Administration Director General fails to take a decision or other act to honour the request laid down in: article 34, 41, 42, 75, 76, 88, 90, 92, 112, 130, 132, 142, 145, 151, 153, 160, 162, 170, 181, 193, 195, 196, 197, 198, 206, 214, 238, 250, 251, 252, 253 of this Law, i.e. fails to take a decision or another act for rejection of the request within the deadlines prescribed by this Law or if the same has not been determined within sixty days from the day of submission of the request, the applicant has a right within three working days to submit a request to the Director General's Scribe for realisation of his right. The Director General of the Customs Administration should take a decision or other act within five working days.

(2) The form and content of the requests referred to in paragraph (1) of this article shall be prescribed by the Minister of Finance.

(3) The applicant shall submit a copy of the request submitted in accordance with the articles referred to in paragraph (1) of this article with the request for realisation of the right.

(4) If the Director General of the Customs Administration fails to act upon the request within the prescribed deadlines in accordance with paragraph (1) of this article, the applicant may notify the State Administrative Inspectorate within five working days.

(5) Within ten days of the day of receipt of the notification referred to in paragraph (4) of this article, the State Administrative Inspectorate shall conduct supervision/inspection in the Customs Administration whether the procedure has been followed in accordance with the Law or other regulations and shall inform the applicant of the measures undertaken within three working days from the day of the conducted inspection.

(6) Following the conducted inspection in accordance with law, the inspector makes a decision thereby charging the Director General of the Customs Administration authorised to decide upon the request, to make a decision on the submitted request within ten days, i.e. to approve it or reject the request and to notify the inspector of the taken decision or act. Copy of the decision or act wherewith the decision upon the submitted request was made, shall be delivered with the notification.

(7) If the Director General of the Customs Administration fails to make a decision within the deadline referred to in paragraph (6) of this article, the inspector shall submit a request for initiation of misdemeanour procedure for an offence determined in the Law on Administrative Inspection and will determine an additional period of five working days during which the Director General of the Customs Administration shall make a decision on the submitted request, within the same period notifying the inspector of the decision or other act taken. Copy of the decision or other act whereby the decision has been made on the submitted request shall be delivered with the notification. The inspector notifies the applicant of the undertaken measures within three working days.

(8) In so far as the Director General of the Customs Administration fails to make a decision also in the additional period referred to in paragraph (7) of this article as well, the inspector shall file a report to the authorised public prosecutor within three working days and within that deadline shall notify the applicant of the undertaken measures.

(9) If the inspector fails to act upon the notification referred to in paragraph (5) of this article, the applicant has the right to submit an objection to the State Administrative Inspectorate Director General's Scribe within five working days. If the Director General

does not have a Scribe, the request shall be submitted to the Scribe at the residence of the State Administrative Inspectorate.

(10) The State Administrative Inspectorate's Director General shall review the objection referred to in paragraph (9) of this article within three working days, and if he establishes that the inspector failed to act upon the applicant's notification referred to in paragraph (5) and (6) and/or failed to file a report in accordance with paragraph (7) and (8) of this article, the State Administrative Inspectorate's Director General shall file a request for initiation of a misdemeanour procedure against the inspector for an offence determined by the Law on Administrative Inspection and shall determine additional period of five working days during which the inspector shall conduct the inspection in the authorised body whether the procedure has been followed in accordance with the Law and within three working days following the conducted inspection shall inform the applicant of the undertaken measures.

(11) If the inspector fails to proceed also in the additional period referred to in paragraph (10) of this article, the State Administrative Inspectorate's Director General shall file a report against the inspector to the authorised public prosecutor and shall notify the applicant of the undertaken measures.

(12) Where there is a case referred to in paragraph (11) of this article, the State Administrative Inspectorate's Director General shall immediately and within one working day at the latest authorise another inspector to conduct the inspection at once.

(13) In the cases of paragraph (12) of this article, the State Administrative Inspectorate's Director General shall notify the applicant of the undertaken measures within three working days.

(14) If the State Administrative Inspectorate's Director General fails to proceed in accordance with paragraph (10) of this article, the applicant may submit a report against the State Administrative Inspectorate's Director General to the authorised public prosecutor within eight working days.

(15) If the Director General of the Customs Administration fails to make a decision within the deadline referred to in paragraph (8) of this article the applicant may initiate and administrative proceedings before the competent court.

(16) The procedure before the Administrative Court is urgent.

(17) The sub-legal act referred to in paragraph (2) of this article shall be adopted within 15 days from the day of entering into force of this Law.

(18) Following the adoption of the sub-legal act referred to in paragraph (2) of this article, the same immediately and at the latest within 24 hours shall be published on the web page of the Ministry of Finance.

Article 7-e

(1) The customs authority through which the appeal is delivered shall deliver the appeal referred to in article 7 paragraph (3) of this Law among with all case documents, to the Ministry of Finance within five working days from the day of the receipt of the appeal and the Minister of Finance or person authorised by him shall make a decision within 45 days of the day of receipt of the appeal with the case documents.

(2) Where the decision on the appeal referred to in article 7 paragraph (3) has not been taken within the deadline referred to in paragraph (1) of this article, the appellant making the appeal may inform the State Administrative Inspectorate within five working

days. The format and content of the requests referred to in paragraph (1) of this article shall be prescribed by the Minister of Finance.

(3) The State Administrative Inspectorate shall conduct inspection in the Ministry of Finance within ten days from the day of receipt of the notification referred to in paragraph (2) of this article, whether the procedure was followed in accordance with law and shall notify the appellant within three working days from the day of the conducted inspection.

(4) Following the conducted inspection, if the inspector establishes breach of rules and procedure he shall make a decision charging the Minister of Finance or person authorised by him to take a decision on the submitted appeal, i.e. to dismiss, honour or reject the appeal and notify the inspector of the act taken. Copy of the act wherewith the decision upon the submitted appeal was made, shall be delivered with the notification.

(5) If the Minister of Finance or person authorised by him, fails to make a decision within the deadline referred to in paragraph (4) of this article, the inspector shall submit a request for initiation of a misdemeanour procedure and shall determine an additional period of five working days, during which the Minister of Finance or person authorised by him shall make a decision upon the submitted appeal notifying the inspector thereof within the same deadline of the act taken. Copy of the act wherewith the decision upon the submitted appeal was made shall be delivered with the notification. Within three working days the inspector shall notify the appellant of the undertaken measures.

(6) If the Minster of Finance or person authorised by him fails to make a decision also in the additional period referred to in paragraph (5) of this article, the inspector shall file a report to the authorised public prosecutor within three working days and shall notify the appellant during that period of the undertaken measures.

(7) If the inspector fails to proceed upon the notification referred to in paragraph (2) of this article, and in accordance with paragraph (3) and paragraph (4) of this article, the appellant has the right to submit an to the State Administrative Inspectorate Director General's Scribe within five working days. If the Director General does not have a Scribe, the objection shall be submitted to the Scribe at the residence of the State Administrative Inspectorate.

(8) The State Administrative Inspectorate's Director General shall review the objection referred to in paragraph (4) of this article, within three working days from the day of receipt, and if he establishes that the inspector failed to proceed upon the notification by the appellant referred to in paragraph (2) and has failed to submit a report in accordance with paragraph (6), the State Administrative Inspectorate's Director General shall submit a request for initiation of a misdemeanour procedure against the inspector and shall determine an additional period of five working days during which the inspector shall conduct inspection at the authorised body whether the procedure has been followed in accordance with law and within three working days following the conducted inspection shall inform the appellant of the undertaken measures.

(9) If the inspector fails to proceed also in the additional period referred to in paragraph (8) of this article, the State Administrative Inspectorate's Director General shall file a report against the inspector to the authorised public prosecutor and shall notify the appellant of the undertaken measures.

(10) Where there is a case referred to in paragraph (9) of this article, the State Administrative Inspectorate's Director General shall immediately and within one working day at the latest, authorise another inspector to conduct the inspection at once.

(11) In the case of paragraph (10) of this article, the State Administrative Inspectorate's Director General shall notify the appellant of the undertaken measures within three working days.

(12) If the State Administrative Inspectorate's Director General fails to proceed in accordance with paragraph (11) of this article, the appellant may submit a report against to the authorised public prosecutor within eight working days.

(13) If Minister of Finance or person authorised by him fails to make a decision within the deadline referred to in paragraph (6) of this article, the appellant may initiate administrative proceedings before the competent court.

(14) The procedure before the Administrative Court is urgent.

(15) The sub-legal act referred to in paragraph (2) of this article shall be adopted within 15 days from the day of entering into force of this Law.

(16) Following the adoption of the sub-legal act referred to in paragraph (2) of this article the same immediately and at the latest within 24 hours, shall be published on the web page of the Ministry of Finance.

Section 3

Application of other rules

Article 8

The provisions of this Law do not apply for payment of import duties or for implementation of customs procedures provided such payments or implementation of the procedures is regulated otherwise under international agreements entered into by, accepted or ratified by the Republic of Macedonia.

Article 9

(1) The custom authority collects import and export duties as well as other charges and taxes in accordance with the rules governing such charges and taxes.

(2) Provided the actions of the customs authority on payment and lodging of a security for these duties and taxes are not provided for with the rules referred to in paragraph (1) of this Article, the customs authority shall apply the provisions laid down in the customs rules

Section 4

Information

Article 10

(1) Any interested person may request information concerning the application of customs legislation from the customs authority. Such request may be refused where it does not relate to an actually envisaged import or export operation.

(2) The information of paragraph (1) of this Article shall be supplied free of charge to the applicant by the customs authority within 15 days from the day of making the application. As an exception, the costs incurred by the customs authority may be compensated, in particular the costs as a result of analyses or expertises on goods, or as a result of the return of the goods to the applicants.

Article 11

(1) The customs authority shall issue binding tariff information and binding origin information upon a written request.

(2) Binding tariff information or binding origin information shall be binding on the customs authority as against the holder of the information only in respect of the tariff classification or determination of the origin of goods. Binding tariff information or binding origin information shall be binding on the customs authority only in respect of goods on which customs formalities are completed after the date on which the information was supplied. In matters of origin, the formalities in question shall be those relating to the application of the provisions of Articles 24 and 26 paragraph (2) item b) of this Law.

(3) The holder of such information, upon request by the customs authority, must be able to prove that:

- for tariff purposes: the goods declared correspond in every respect to those described in the information and

- for origin purposes: the goods concerned and the circumstances determining the acquisition of origin correspond in every respect to the goods and the circumstances described in the information.

(4) The binding tariff information and the binding origin information shall be valid for a period of three years, starting from the date of issue. Binding information shall be annulled ex officio where it is based on inaccurate or incomplete information from the applicant. The holder of the information shall be notified of the annulment.

(5) Binding information shall cease to be valid:

a) in the case of tariff information:

1) where the regulations in force are adopted or amended and the information no longer conforms to them;

2) where the information it is no longer compatible with the interpretation of one of the nomenclatures referred to in Article 19 of this Law:

- at national level, by reason of amendments and supplements to the explanatory notes to the nomenclature of the Customs Tariff or by a judgment passed by a competent court and

- at international level, by reason of a classification opinion or an amendment or supplement of the explanatory notes to the Nomenclature of the Harmonized Commodity Description and Coding System, adopted by the World Customs Organisation established in 1952 under the name 'the Customs Cooperation Council' and

3) where the information is revoked or amended, provided that the revocation or amendment is notified to the holder of the information.

The date on which binding information ceases to be valid for the cases referred to in item a) under 1 and 2 of this paragraph shall be the date of official publication of the said measures and

b) in the case of origin information:

1) where regulations are adopted or amended or an agreement is concluded by the Republic of Macedonia and the information no longer conforms to the regulations in force;

2) where it is no longer compatible with:

- at national level, the explanatory notes or opinions adopted for the purposes of interpreting rules or with a judgment of a competent court and

- at international level, the Agreement on Rules of Origin established in the World

Trade Organisation (WTO) or with the explanatory notes or an origin opinion adopted for the interpretation of that Agreement and

3) where the information is revoked or amended provided the holder of the information is informed of such revocation or amendment.

The date on which binding information ceases to be valid for the cases referred to in item b) under 1 and 2 of this paragraph shall be the date when the abovementioned measures are officially published.

(6) The holder of binding information which ceases to be valid pursuant to paragraph (5) item a) under 2 and 3 or item b) under 2 and 3 of this Article may still use that information for a period of six months from the date of official publication or notification. This right may be used only provided that the holder of information concluded a binding contract for the purchase or sale of the goods in question, on the basis of the binding information, before the measure with which the binding information ceases to be valid was adopted.

In the case of paragraph (5) item a) under 1 and item b) under 1 of this Article, the regulations or agreement may lay down a period within which the first sentence of this paragraph shall apply.

(7) The classification or determination of origin in binding information may be applied under the conditions laid down in paragraph (6) of this Article, solely for the purpose of determining import or export duties.

Section 5
Other Provisions

Article 12

(1) For the services rendered in the customs procedure, the customs authority shall collect fees, the amount of which shall not exceed the actual costs and shall not be indirect protection of domestic goods or taxation of the import or export for fiscal purposes.

(2) The type and the amount of the customs fees referred to in paragraph (1) of this Article are laid down by the Minister of Finance.

Article 13

(1) The customs authority may carry out all measures of customs supervision and all controls it deems necessary to ensure appropriate application of the customs rules and other regulations.

(2) The customs authority may carry out controls in other counties on the basis of ratified international agreements.

(3) Customs supervision and customs control shall be carried out selectively, based on risk analysis, in order to identify the risk and to determine its size and to develop the necessary measures for risk assessment based on the criteria developed on national, and, where available international level.

(4) In exceptional circumstances such as to avoid the interference of traffic through the border crossings or interference of the carrying out of the customs procedures inside the customs area, the Minister of Finance may temporarily determine simplifications for the carrying out of the measures of customs supervision and control.

Article 14

For the purposes of applying customs rules and other regulations, any person directly or indirectly involved in the operations concerned for the purposes of trade in goods shall provide the customs authority with all the requisite documents and information, irrespective of the data medium used, and all the requisite assistance at its request and by any time limit prescribed in accordance with those rules and regulations.

Article 15

(1) Any person carrying on a business in the Republic of Macedonia who is obliged to keep accounts in accordance with law shall, in accordance with the requirements of that business, keep accounts of the assets and liabilities and of all matters relating to that business. The related books of account, documents and other data media shall be kept in such a manner that his rights and obligations and the information of relevance to the levying of import duties shall at all times be clear.

(2) The prescribed accounts of paragraph (1) of this Article shall be kept, filed, recorded and prepared in accordance with law.

(3) The information recorded on a data medium may be transferred to and stored on a different data medium provided the information is transferred accurately and completely and is available throughout the period it must be kept.

(4) The persons that shall in accordance with customs rules keep accounts must keep the accounts in a manner allowing a link with the tax account and other accounts referred to in paragraph (1) of this Article.

(5) All customs documents related to the accounts shall also be considered to be such accounts as those referred to in paragraph (4) of this Article.

(6) The accounts shall be organised and kept, i.e. the data media shall be kept in such a way that allows them to be examined by the customs authority. To that end, those obliged to keep accounts shall provide necessary assistance, including provision of the requisite insight into the design, organisation and operation of the accounting system.

Article 16

(1) All information which is by nature confidential or which is provided on a confidential basis shall be kept by the customs authority as a professional secret. The confidential information shall not be disclosed by the customs authority without the express permission of the person or authority providing it. The communication of confidential data shall be permitted where the customs authority is obliged or authorised to do so pursuant to the provisions in force in respect of data protection, or in connection with actual legal proceedings.

(2) The obligation concerning the keeping information confidential, according to paragraph (1) of this article is not considered as not fulfilled in case when the Customs Administration without prior consent of the customs debtor has submitted the data for publication on the Customs Revenue Office' web site, on List of debtors that did not pay due debts for which the period exceeding the deadline for payment of import, export and other duties and taxes in competence of the Customs Administration, is over 90 days.

(3) Within the 5 first days of the months, but not later, the Customs Administrations submits data on List of debtors referred to in paragraph (2) of this article, to the Public Revenue Office.

(4) Until expiration of the period that is for 15 following days separated from the term of the paragraph (3) of this article, the Customs Administration notifies the debtor that if the debt is not discharged by him, he will be published on the List of debtors that did not pay due debts, with contained data and in manner prescribed by the Tax Procedure Law".

Article 17

(1) The person involved in customs procedure shall keep the documents referred to in Article 14 of this Law for the purposes of control by the customs authority, for the period laid down in the provisions in force but for no less than five calendar years, irrespective of the data medium used. That period shall run:

a) in the case of goods released for free circulation in circumstances other than those referred to in item b) of this paragraph or goods declared for export, from the last day of the calendar year in which the customs declarations for release for free circulation or export are accepted;

b) in the case of goods released for free circulation at a reduced or zero rate of import duty on account of their end-use, from the last day of the calendar year in which they cease to be subject to customs supervision;

c) in the case of goods placed under another customs procedure, from the last day of the calendar year in which the customs procedure concerned is completed and

d) in the case of goods placed in a free zone or free warehouse, from the end of the calendar year on which they leave the undertaking concerned.

(2) Without prejudice to the provisions of Article 246 of this Law, where a check carried out by the customs authority in respect of a customs debt shows that the relevant entry in the accounts has to be corrected, the documents shall be kept beyond the time limit provided for in paragraph (1) of this Article for a period sufficient to permit the correction to be made and checked.

Article 18

Where a period is determined for the purpose of applying customs rules, such period shall not be extended unless specific provision is made in the customs rules concerned.

TITLE 2
BASES FOR DETERMINATION OF THE IMPORT NAMELY EXPORT DUTIES AND OF THE OTHER MEASURES PRESCRIBED IN RESPECT OF TRADE IN GOODS

CHAPTER 1
CUSTOMS TARIFF AND TARIFF CLASSIFICATION OF GOODS

Article 19

(1) Duties legally owed where a customs debt is incurred shall be determined on grounds of the Customs Tariff of the Republic of Macedonia.

(2) The other measures prescribed by regulations governing specific fields relating to trade in goods shall, where appropriate, be applied according to the classification of the goods in accordance with the Customs tariff.

(3) The Customs Tariff of the Republic of Macedonia shall comprise:

a) nomenclature of goods based on the International Convention on the Harmonised Commodity Description and Coding System (Harmonised System) and the Combined nomenclature of the European Union;

b) any other nomenclature which is wholly or partly based on the nomenclature referred to in this paragraph under a) which adds any subdivisions to it, and which is established by provisions governing specific fields with a view to the application of tariff measures relating to trade in goods;

c) the customs rate and the amount of the duties applicable to goods covered by the nomenclature referred to in under item a) of this paragraph;

d) the preferential tariff measures contained in agreements which the Republic of Macedonia has concluded with certain countries, groups of countries and which provide for approval of preferential tariff treatment;

e) preferential tariff measures adopted unilaterally by the Republic of Macedonia in respect of certain countries, group of countries or territories;

f) autonomous measures providing for reduction or suspension of import duties chargeable on certain goods and

g) other tariff measures provided for by other legislation.

(4) The measures referred to in paragraph (3) items d), e) and f) of this Article shall apply at the declarant's request instead of the customs rate and the amount of the duties provided for in paragraph (3) item c) of this Article where the goods concerned fulfil the conditions laid down.

(5) Where application of the measures referred to in paragraph (3) items d), e) and f) of this Article is restricted to a certain volume of imports, it shall cease:

a) in the case of tariff quotas, as soon as the stipulated limit on the volume of imports is reached and

b) in the case of tariff ceilings, in accordance with the rules in force.

(6) The tariff classification of goods shall be the determination, according to the rules in force, of tariff headings, tariff subheadings and tariff codes of the Customs Tariff of the Republic of Macedonia under which the aforesaid goods are to be classified.

(7) The Government of the Republic of Macedonia on proposal by the Minister of Economy, determined in agreement with the Minister of Finance and with prior consultation with the Minister of Agriculture, Forestry and Water Management or other Minister managing the state administration authority of the related field, having regard to the type of goods, shall prescribe autonomous measures providing for reduction or suspension of the import duties referred to in paragraph (3) item f) of this Article. The measures of this paragraph shall be provided for goods that are not produced in the Republic of Macedonia or are not produced in sufficient quantities or do not correspond to the special needs of the local industry. Autonomous measures for reduction or suspension of import duties may be determined for a defined or undefined period, as well as for a limited or unlimited quantity of goods.

(8) The Government of the Republic of Macedonia on proposal by the Minister of Economy, determined in agreement with the Minister of Finance and with prior consultation with the Minister of Agriculture, Forestry and Water Management or other Minister managing the state administration authority of the related field, having regard to the type of goods, prescribes in more detail the conditions which must be complied with for goods to be subject to autonomous measures for reduction or suspension of import

duties, the procedure for introduction of autonomous measures, as well as the manner of their distribution or use.

Article 20

(1) The favourable tariff treatment from which certain goods may benefit by reason of their nature or end-use shall be subject to the detailed conditions laid down in accordance with the regulation referred to in Article 257 of this Law. Where under this regulation the granting of an authorisation is required, Articles 99 and 100 of this Law shall apply.

(2) For the purposes of paragraph (1) of this Article, the expression 'favourable tariff treatment' means a reduction in or suspension of the import duties referred to in Article 4 item 9) of this Law, even within the framework of a tariff quota.

CHAPTER 2
ORIGIN OF GOODS

Section 1
Non-preferential origin of goods

Article 21

The provisions of Articles 22, 23, 24 and 25 of this Law define the non-preferential origin of goods for the purposes of:

a) applying the Customs Tariff of the Republic of Macedonia with the exception of the measures referred to in Article 19 paragraph (3) items d) and e) of this Law;

b) applying measures other than tariff measures established by provisions governing specific fields relating to trade in goods and

c) the preparation and granting of certificates of origin.

Article 22

(1) Goods originating in a country shall be those wholly obtained or produced in that country.

(2) The expression 'goods wholly obtained in a country' means:

(a) mineral products extracted within that country;

(b) vegetable products harvested therein;

(c) live animals born and raised therein;

(d) products derived from live animals raised therein;

(e) products of hunting or fishing carried on therein;

(f) products of sea-fishing and other products taken from the sea outside a country's territorial sea by vessels registered or recorded in the country concerned and flying the flag of that country;

(g) goods obtained or produced on board factory ships from the products referred to in item f) of this paragraph originating in that country, provided that such factory ships are registered or recorded in that country and fly its flag;

(h) products taken from the seabed or subsoil beneath the seabed outside the territorial sea provided that that country has exclusive rights to exploit that seabed or subsoil;

(i) waste and scrap products derived from manufacturing operations and used articles, if they were collected therein and are fit only for the recovery of raw materials and

(j) goods which are produced therein exclusively from goods referred to in items a) to i) of this paragraph or from their derivatives, at any stage of production.

(3) For the purposes of paragraph (2) the expression 'country' also covers that country's territorial sea.

Article 23

Goods whose production involved more than one country shall be deemed to originate in the country where they underwent their last, substantial, economically justified processing or working in an undertaking equipped for that purpose and resulting in the manufacture of a new product or representing an important stage of manufacture.

Article 24

Any processing or working in respect of which it is established, or in respect of which the facts as ascertained, justify the presumption, that its sole object was to circumvent the provisions applicable in the Republic of Macedonia to goods from specific countries, shall under no circumstances be deemed to confer on the goods thus produced the origin of the country where it is carried out within the meaning of Article 23 of this Law.

Article 25

(1) Customs legislation or other legislation of the Republic of Macedonia governing specific fields may provide that a document must be produced as proof of the origin of goods.

(2) Notwithstanding the production of such document as referred to in paragraph (1) of this Article the customs authority may, in the event of reasonable doubts, require presentation of any additional proof to ensure that the indication of origin does indeed comply with customs rules.

Section 2

Preferential origin of goods

Article 26

(1) The rules on preferential origin shall lay down the conditions governing acquisition of origin which goods must fulfil in order to benefit from the measures referred to in Article 19 paragraph (3) item d) or e) of this Law.

(2) The rules of paragraph (1) of this Article shall:

(a) in the case of goods covered by the agreements referred to in Article 19 paragraph (3) item d) of this Law, be determined in those agreements and

(b) in the case of goods benefiting from the preferential tariff measures referred to in Article 19 paragraph (3) item e) of this Law, be determined in accordance with the regulation referred to in Article 257 of this Law.

CHAPTER 3
VALUE OF GOODS FOR CUSTOMS PURPOSES

Article 27

The provisions of this Chapter shall determine the customs value of goods for the purposes of applying the Customs Tariff and non-tariff measures laid down by special provisions governing specific fields relating to trade in goods.

Article 28

(1) The customs value of imported goods shall be the transaction value, that is, the price actually paid or payable for the goods when sold for export to the customs area of the Republic of Macedonia, adjusted, where necessary, in accordance with Articles 35 and 36 of this Law, provided:

a) that there are no restrictions as to the disposal or use of the goods by the buyer, other than restrictions which:

- are provided for under the regulations of the Republic of Macedonia,
- limit the geographical area in which the goods may be resold or
- do not substantially affect the value of the goods;

b) that the sale or price is not subject to some condition or consideration for which a value cannot be determined with respect to the goods being valued;

c) that no part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment can be made in accordance with Article 35 of this Law and

d) that the buyer and seller are not related, or, where the buyer and seller are related, that the transaction value is acceptable for customs purposes in accordance with paragraph (2) of this Article.

(2) a) In determining whether the transaction value is acceptable for the purposes of paragraph (1) of this Article, the fact that the buyer and the seller are related shall not in itself be sufficient grounds for regarding the transaction value as unacceptable. In such case, the circumstances surrounding the sale shall be examined and the transaction value shall be accepted provided that the relationship did not influence the price. If, in the light of information provided by the declarant or otherwise, the customs authority has reasons for considering that the relationship influenced the price, it shall communicate its reasons to the declarant and he shall be given a reasonable opportunity to respond. If the declarant so requests, the communication of the reasons shall be in writing;

b) In a sale between related persons, the transaction value shall be accepted and the goods valued in accordance with the provisions of paragraph (1) of this Article wherever the declarant demonstrates that such value closely approximates to one of the following occurring at or about the same time:

1) the transaction value in sales, between buyers and sellers who are not related in any particular case, of identical or similar goods for export to the Republic of Macedonia;

2) the customs value of identical or similar goods, as determined under Article 32 of this Law and

3) the customs value of identical or similar goods, as determined under Article 33 of this Law.

In applying the foregoing tests, due account shall be taken of demonstrated differences in commercial levels, quantity levels, the elements enumerated in Article 35 of this Law

and costs incurred by the seller in sales in which he and the buyer are not related and where such costs are not shown in sales in which he and the buyer are related.

c) The criteria set forth in paragraph (2) item b) of this Article are to be used at the request of the declarant and only for comparison purposes and not for substitution of values.

(3) a) The price actually paid or payable is the total payment made or to be made by the buyer to or for the benefit of the seller for the imported goods and includes all payments made or to be made as a condition of sale of the imported goods by the buyer to the seller or by the buyer to a third party to satisfy an obligation of the seller. The payment need not necessarily take the form of a transfer of money. Payment may be made by way of letters of credit or negotiable instrument and may be made directly or indirectly and

b) Activities, including marketing activities, undertaken by the buyer on his own account, other than those for which an adjustment of the value is provided in accordance with Article 35 of this Law, are not considered to be an indirect payment to the seller, even though they might be regarded as of benefit to the seller or have been undertaken by agreement with the seller. Their cost shall not be added to the price actually paid or payable in determining the customs value of imported goods.

Article 29

(1) a) Where the customs value cannot be determined under Article 28 of this Law, the transaction value of identical goods sold for export to the Republic of Macedonia and exported at or about the same time as the goods being valued, shall be considered as customs value.

b) When this Article is applied, in the determining of the customs value, the transaction value of the identical goods sold at a same commercial level, and mainly in the same quantity as the goods being valued is used. When such sale is not found, the transaction value of identical goods sold at a different commercial level and/or in different quantities is used with the necessary adjustments in regard to the differences in the commercial level and/or the quantity, and under the condition that such adjustment may be made based on evidence making clear the justification and accuracy of the adjustment regardless of the fact whether the value is increased and/or decreased with the adjustment.

(2) When the costs and charges referred to in Article 35 paragraph (1) item d) of this Law are included in the transaction value, an adjustment is to be made in order to take into account the substantial differences of those costs and charges of the imported goods and the identical goods arising from the difference in distance and type of transport.

(3) If when this Article is applied, more than one transaction value of identical goods is established, the lowest such value is used to determine the customs value of the imported goods.

Article 30

(1) a) If the customs value of the imported goods cannot be determined in accordance with Articles 28 and 29 of this Law, the transaction value of similar goods shall be considered as customs value, sold for export to the Republic of Macedonia and exported at the same or about the same time as the goods being valued.

b) When this Article is applied, in the determining of the customs value, the transaction value of similar goods sold at the same commercial level and mainly in the same quantity as the goods being valued is used. When such sale is not found, the

transaction value of similar goods sold at a different commercial level and/or in different quantities shall be used with the necessary adjustments in regard to the differences in the commercial level and/or the quantity, and under the condition that such adjustment may be made based on evidence making clear the justification and accuracy of the adjustment regardless of the fact whether the value is increased and/or decreased with the adjustment.

(2) When the charges referred to in Article 35 paragraph (1) item e) of this Law are included in the transaction value, an adjustment is to be made in order to take into account the substantial differences of those costs and charges of the imported goods and the similar goods arising from the difference in distance and type of transport.

(3) If when this Article is applied more than one transaction value of similar goods is established, the lowest such value is used to determine the customs value of the imported goods.

Article 31

If the customs value of the imported goods cannot be determined in accordance with Articles 28, 29 and 30 of this Law, the customs value shall be determined in accordance with Article 32 of this Law. If the customs value cannot be determined in accordance with Article 32 of this Law, the customs value shall be determined in accordance with Article 33 of this Law, except in the case when the declarant requests the order of application of Article 32 and Article 33 of this Law to be changed.

Article 32

(1) a) If the imported goods or identical or similar imported goods are sold in the Republic of Macedonia in the same condition in which they were imported, the customs value of such imported goods, in accordance with the provisions of this Article, is to be established on the basis of the unit price to which the imported or identical or similar imported goods in such condition, in the greatest aggregate quantity, are sold to persons who are not related to the persons they purchase the goods from, at the same or about the same importation time as the valued goods, under the condition that the price is reduced of the amount of:

1) The usual commissions payable or agreed to be paid or the usual increases the purpose of which is a larger profit and general expenses (including direct and indirect expenses for marketing of the subject goods) related to the sale in the Republic of Macedonia of imported goods of the same class or type;

2) The usual transportation costs and insurance and other related costs incurred in the Republic of Macedonia;

3) The charges referred to in Article 35 paragraph (1) item e) of this Law, where applicable, and

4) The import duties and other charges payable in the Republic of Macedonia for the importation or sale of goods.

b) If neither the imported goods nor the identical or similar imported goods are sold at the same or about the same time of the importation of the goods being valued, the customs value of the goods subject to the provisions of paragraph (1) item a) of this Article, shall be determined by the unit price at which the imported or identical or similar imported goods were sold in the Republic of Macedonia in the same condition they were imported in, at the earliest date following the importation of the goods being valued, but prior to the expiration of 90 days of such import.

(2) If in the Republic of Macedonia, the imported goods or identical or similar imported goods are not sold in the same condition as on importation, in that case, if the importer so requires, the customs value shall be determined based on the unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to persons in the Republic of Macedonia who are not related to the persons they are buying the goods from, under the condition that in the valuating process, the value incurred with the processing and the reductions referred to in paragraph (1) item a) of this Article, are considered.

Article 33

(1) The customs value of the imported goods, in accordance with the provisions of this Article, is determined on the basis of the computed value. The computed value is a sum of:

a) the value of the material and the costs of production or other processing employed in the producing of the imported goods;

b) the amount of profit and general expenses equal to the amount usually reflected in the sale of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export in the Republic of Macedonia and

c) the cost or value of the items referred to in Article 35 paragraph (1) under e) of this Law.

(2) Any person who is not a resident of the Republic of Macedonia may not be requested or forced to provide inspection or allow access to any receipt or other document for the purpose of determining the computed value. The customs authority may check the data provided on behalf of the manufacturer of the goods for the purpose of determining the customs value in accordance with this Article in another country, with the previous authorisation of the manufacturer and under the condition that the authorities of the respective country are timely notified and do not withstand the inspection.

Article 34

(1) If the customs value of imported goods cannot be established based on Articles 28, 29, 30, 31, 32, and 33 of this Law, it shall be established on the basis of data accessible in the Republic of Macedonia with the use of justifiable means which are in accordance with the principles and provisions contained in:

- the Agreement for application of Article 7 of the General Customs Duty and Trade Agreement of 1994,
- Article 7 of the General Customs Duty and Trade Agreement and
- Article 27, including Article 45 of this Law.

(2) In accordance with the provisions of this Article, the customs value cannot be determined on the basis of:

a) the selling price in the Republic of Macedonia of goods produced in the Republic of Macedonia;

b) a system which provides for customs purposes acceptance of the higher of the two alternative values;

c) the price of goods on the local market of the exporting country;

d) the cost of production, other than computed values which have been determined for identical or similar goods in accordance with the provisions of Article 33 of this Law;

e) price of the goods for export to a country other than the Republic of Macedonia;

f) minimum customs values or

g) arbitrary or fictitious values.

Upon request, the importer shall be notified in writing of the customs value determined in accordance with the provisions of this Article and of the methods applied in the determination of such value.

Article 35

(1) In determining the customs value under Article 28 of this Law, there shall be added to the price actually paid or payable for the imported goods:

a) the following, to the extent that they are incurred by the buyer but are not included in the price actually paid or payable for the goods:

1) commissions and brokerage, except buying commissions;

2) the cost of containers which are treated as being one, for customs purposes, with the goods in question,

3) the cost of packing, whether for labour or materials;

b) the value, apportioned as appropriate, of the following goods and services where supplied directly or indirectly by the buyer free of charge or at reduced cost for use in connection with the production and sale for export of the imported goods, to the extent that such value has not been included in the price actually paid or payable:

1) materials, components, parts and similar items incorporated in the imported goods;

2) tools, dies, moulds and similar items used in the production of the imported goods;

3) materials consumed in the production of the imported goods and

4) engineering, development, artwork, design work, and plans and sketches undertaken elsewhere than in the Republic of Macedonia and necessary for the production of the imported goods;

c) royalties (fees or revenue percentage paid to the holder of the intellectual property right) and licence fees related to the goods being valued that the buyer must pay, either directly or indirectly, as a condition of sale of the goods being valued, to the extent that such royalties and fees are not included in the price actually paid or payable;

d) the value of any part of the proceeds of any subsequent resale, disposal or use of the imported goods that accrues directly or indirectly to the seller and

e)1) the cost of transport and insurance of the imported goods to the point of entrance in the customs area of the Republic of Macedonia and

2) loading, unloading and handling charges associated with the transport of the imported goods to the place of introduction into the customs area of the Republic of Macedonia.

(2) Additions to the price actually paid or payable shall be made under this Article only on the basis of objective and quantifiable data.

(3) No additions shall be made to the price actually paid or payable in determining the customs value except as provided in this Article.

(4) In this Chapter, the term ‘buying commissions’ means fees paid by an importer to his agent for the service of representing him abroad in the purchase of the goods being valued.

(5) Notwithstanding paragraph (1) item c) of this Article:

a) charges for the right to reproduce the imported goods in the Republic of Macedonia shall not be added to the price actually paid or payable for the imported goods in determining the customs value and

b) payments made by the buyer for the right to distribute or resell the imported goods shall not be added to the price actually paid or payable for the imported goods if such payments are not a condition of the sale for export to the Republic of Macedonia of the goods.

Article 36

Provided that they are shown separately from the price actually paid or payable, the following shall not be included in the customs value:

a) charges for the transport of goods after their arrival at the place of introduction into the customs area of the Republic of Macedonia;

b) charges for construction, erection, assembly, maintenance or technical assistance, undertaken after importation of industrial plants, machinery or equipment;

c) charges for interests under a financing arrangement entered into by the buyer and relating to the purchase of imported goods, irrespective of whether the finance is provided by the seller or another person, provided that the financing arrangement has been made in writing, and where required, the buyer can demonstrate that:

- such goods are actually sold at the price declared as the price actually paid or payable, and
- the claimed rate of interest does not exceed the level for such transactions prevailing in the country where, and at the time when, the finance was provided;

d) charges for the right to reproduce imported goods in the Republic of Macedonia;

e) buying commissions;

f) import duties or other charges payable in the Republic of Macedonia by reason of the importation or sale of the goods.

Article 37

All price reductions are not included in the customs value, in accordance with Article 28 of this Law if agreed before the completed importation and within the agreed period.

Article 38

The customs value of goods imported without paying the counter-value shall be determined in compliance with the provisions stipulated in Articles 29 through 34 of this Law.

Article 39

(1) Notwithstanding the provisions of Articles 27 to 45 of this Law, in determining the customs value of imported carrier media for use in automated data processing equipment and bearing data or instructions, only the costs or the value of the data carriers is considered. The customs value of the imported data or instructions carriers shall not include the costs or the value of the data or instructions, provided that the costs or values are separated from the costs or value of the data carriers.

(2) For the purpose of this Article:

a) the expression ‘data carriers’ does not apply to integrated circuits, semiconductors and similar devices or products in which such integrated circuits or devices are incorporated and

b) the expression ‘data or instructions’ does not apply to audio, cinematographic or video records.

Article 40

(1) When importing goods for which the obligation pertaining to Article 35 paragraph (1) items b), c), d) of this Law is contracted, the importer shall state so in the customs declaration.

(2) The importer shall declare to the customs authority the resale, disposal, or use of the imported goods from which the obligation of payment of a certain amount to the seller in accordance with Article 35 paragraph (1) item d) of this Law arises, within 30 days at latest, following the date of payment.

Article 41

(1) Where a delivery consists of several kinds of goods that are subject to customs clearance by different customs rates, the costs pertaining to the purchase of the goods expressed in total amount for the whole delivery, as well as the costs for transportation, insurance and delivery are calculated proportionally to the value of each type of goods.

(2) As exception to paragraph (1) of this Article, the customs authority may, upon request by the declarant, add the costs from paragraph (1) of this Article related to the several types of goods in one delivery to the value of the goods for which the import duties are the highest.

Article 42

(1) The customs authority may in the customs procedure request that the declarant provides all documents and data needed for the determining of the customs value in accordance with Articles 28 to 36 of this Law.

(2) The provisions from Articles 27 to 45 of this Law shall not limit nor put in question the right of the customs authority to determine the authenticity and the accuracy of any statement, document or declaration presented for the purpose of determining the customs value.

(3) If an invoice is not presented for justifiable reasons, i.e. the customs authority has grounds for reasonable doubt that the value of the goods listed in the invoice does not comply with the provisions for transaction value of this Law, the customs value shall be determined on the basis of the provisions of Articles 29 to 34 of this Law.

(4) Upon written request, the importer has the right to receive by the customs authority clarification in writing of the manner of determining the customs value of the imported goods.

Article 43

If in the procedure of determining the customs value it is necessary to convert the foreign into local currency, the foreign currency shall be calculated in accordance with the average exchange rate determined by the National Bank of the Republic of Macedonia. The manner of application of the average exchange rate in the procedure of determining the customs value is prescribed by the Minister of Finance.

Article 44

If in the procedure of determining the customs value of the imported goods it is necessary to postpone the final determination of the customs value, the declarant may receive the goods, under the condition that a guarantee for securing the payment of the customs debt is provided for in accordance with Article 204, 208, 210, 211, 213, 214 and 215 of this Law, in an amount covering the final payment of the customs debt that may be incurred.

Article 45

The provisions of this Chapter shall be without prejudice to the specific provisions of this Law or the regulation of Article 257 of this Law regarding the determination of the value, for customs purposes, of goods released for free circulation after being assigned a different customs-approved treatment or use of goods.

TITLE 3
PROVISIONS APPLICABLE TO GOODS BROUGHT INTO THE CUSTOMS AREA UNTIL THEY ARE ASSIGNED A CUSTOMS-APPROVED TREATMENT OR USE

CHAPTER 1
ENTRY OF GOODS INTO THE CUSTOMS AREA

Article 46

(1) Foreign goods may be entered into the customs area through customs border crossings at the time when they are open for circulation.

(2) The customs border crossings through which goods and passenger circulation is effected in accordance with customs or other rules and their categorization are determined by the Government of the Republic of Macedonia on proposal by the Minister of Finance. For the design, construction and reconstruction of premises at the customs border crossings, the consent of the Minister of Finance is required upon prior opinion given by the Director of the Customs Administration.

(3) Circulation of goods which are subject to phyto-sanitary, veterinary or other prescribed control is allowed only through border crossings which in accordance with appropriate rules are designated for entrance and exit of such goods.

(4) In case of exceptional circumstances, force majeure, greater disturbance of public order and the safety of the country, the Government of the Republic of Macedonia may prescribe that the entry and exit of goods or of certain goods is to be carried out only through certain border crossings

Article 46-a
(shall be applied from 1st of January 2015)

(1) Goods brought into the customs area of the Republic of Macedonia shall be covered by an entry summary declaration, with the exception of goods carried on means of transport only passing through the territorial waters or the airspace of the customs area of the Republic of Macedonia without a stop, as well as the goods subject to the exceptions referred to in paragraph (4) indent 3 of this article.

2. Entry summary declaration shall be lodged at the customs office of entry. The customs authority may allow the entry summary declaration to be lodged at another customs office different form the customs office at entry, provided that this office immediately communicates or delivers electronically all necessary particulars to the customs office of entry.

The customs authority may accept, instead of the lodging of the summary declaration, the lodging of a notification and access to the entry summary declaration data in the economic operator's computer system.

(3) The entry summary declaration shall be lodged before the goods are brought into the customs area of the Republic of Macedonia.

(4) The regulation referred to in article 257 of this Law shall establish:

- the time limit for lodgement of the entry summary declaration before the goods are brought into the customs area of the Republic of Macedonia,
- the exceptions from and variations to the time limit referred to in indent 1 of this paragraph and
- the conditions under which the obligation for lodgement of the entry summary declaration may be waived or adapted, in accordance with the specific circumstances for particular types of goods traffic, modes of transport and economic operators and where the international agreements provide for special security arrangements.

Article 46-b
(shall be applied from 1st of January 2015)

(1) The Minister of Finance, with the regulation referred to in article 72 paragraph (3) of this Law, shall prescribe the format and content of the data in the entry summary declaration necessary for risk analysis and proper application of the customs controls, above all, for safety and security purposes.

(2) The entry summary declaration shall be made using a data processing technique. Commercial or transport information may be used, provided that it contains the necessary particulars.

(3) The customs authority may accept also paper-based summary declarations in exceptional circumstances, provided that they contain the required data to apply the same level of risk management as that applied to entry summary declaration made using a data processing technique.

(4) The entry summary declaration shall be lodged by the person who brings the goods, or the person who assumed the responsibility for the carriage of the goods into the customs area of the Republic of Macedonia.

(5) Notwithstanding the obligation of the person referred to in paragraph 4, the summary declaration may be lodged instead by:

a) the person in whose name the person referred to in paragraph 4 of this Article acts or

b) any person who is able to present the goods referred to in the entry summary declaration or who has presented the goods referred to in the entry summary declaration to the customs authority or

c) a representative of the person referred to in paragraph 4 of this Article or points (a) and (b) of this paragraph.

(6) Following the request of the person referred to in paragraph 4 and 5 of this Article, amendment of one or more particulars of the entry summary declaration after it has been lodged, shall be approved, except in cases after the customs authority:

a) has informed the person who lodged the entry summary declaration that they intend to examine the goods or

b) has established that certain particulars are incorrect or

c) has approved removal of the goods.

Article 46-c

(shall be applied from 1st of January 2015)

(1) The customs office of entry may waive the lodging of entry summary declaration for goods for which customs declaration has been lodged prior to the expiry of the deadlines referred to in article 46-a paragraph (3) and (4) of this Law. In such case the customs declaration shall contain at least the particulars necessary for the entry summary declaration and shall have the status of entry summary declaration until the customs authority has accepted the former in accordance with article 73 of this Law. The customs authority may allow the customs declaration to be lodged at a customs office of import different from the customs office of entry, provided that this customs office immediately communicates or delivers electronically all the necessary particulars to the customs office of entry.

(2) Where the customs declaration is lodged in a manner other than by use of data processing technique, the customs authority shall apply the same level of risk management to the data as that applied to customs declaration made using data processing technique.

Article 47

(1) Goods brought into the customs area shall, from the time of their entry, be subject to customs supervision. They may be subject to control by the customs authority in accordance with the provisions in force.

(2) They shall remain under customs supervision for as long as necessary to determine their customs status. In the case of foreign goods and without prejudice to Article 95, paragraph (1) of this Law, the goods remain under customs supervision until their customs status is changed, they enter a free zone or free warehouse, they are re-exported or destroyed in accordance with Article 191 of this Law.

Article 48

(1) Goods brought into the customs area shall be conveyed by the person bringing them by the route and according to instructions specified by the customs authority to:

a) the customs authority at the border crossing or to any other place designated or approved by the customs authority or

b) a free zone, if the goods are to be brought into that free zone directly:

- by waterway or air or

- by land without passing through another part of the customs area where the free zone adjoins the land frontier between the Republic of Macedonia and a third country.

(2) Goods which are outside of the customs area of the Republic of Macedonia may be subject to customs control under the regulations in force and as a result of an agreement concluded between the Republic of Macedonia and other country. In such case, the goods

outside the customs area of the Republic of Macedonia shall be treated in the same way as goods brought into the customs area of the Republic of Macedonia.

(3) Any person who assumes responsibility for the carriage of goods after they have been brought into the customs area, *inter alia* as a result of transhipment, shall become responsible for compliance with the obligation laid down in paragraph (1) of this Article.

(4) The provisions of paragraph (1) item a) of this Article do not preclude the application of any of the regulations in force concerning tourist, border, postal traffic or traffic of insignificant economic importance, provided that this does not jeopardize the possibility of carrying out customs supervision and customs control.

(5) Paragraph (1) shall not apply to goods on board aircraft crossing the airspace of the Republic of Macedonia without having as their destination an airport situated in the Republic of Macedonia.

Article 49

(1) Where, by reason of unforeseeable circumstances or force majeure, the obligations laid down in Article 48 paragraph (1) of this Law cannot be complied with, the person bound by that obligation or any other person taking actions in his place shall inform the competent customs authority of the situation without delay. Where the unforeseeable circumstances or force majeure do not result in total loss of the goods, the customs authority shall also be informed of the precise location of the goods.

(2) Where, by reason of unforeseeable circumstances or force majeure, an aircraft referred to in Article 48 paragraph (4) of this Law is forced to land temporarily in the customs area, and the obligation laid down in Article 48 paragraph (1) of this Law cannot be complied with, the person bringing the aircraft into the customs area or any other person taking actions in his place shall inform the customs authority of the situation without delay.

(3) The customs authority shall determine the measures to be taken in order to permit customs supervision of the goods referred to in paragraph (1) of this Article as well as of those on board the aircraft in accordance with paragraph (2) of this Article and, where appropriate, to ensure that they are subsequently conveyed to the customs authority or other place designated or approved by the customs authority.

CHAPTER 2
PRESENTATION OF GOODS TO THE CUSTOMS AUTHORITY

Article 50

(1) Goods which, pursuant Article 48 paragraph (1) item a) of this Law, arrive at the customs authority at the border crossing or other place designated or approved by the customs authority shall be presented to the customs authority by the person who brought the goods into the customs area or, if appropriate, by the person who assumes responsibility for carriage of the goods following such entry. The person presenting the goods shall make a reference to the entry summary declaration or customs declaration previously lodged for those goods.

(Second sentence shall be applied from 1st of January 2015)

(2) The customs authority shall designate the places where the goods shall be presented and the prescribed formalities carried out.

Article 51

The provisions of Article 50 of this Law shall not preclude the application of the rules in force relating to goods:

a) carried by travellers;

b) placed under a customs procedure, but not presented to the customs authority.

Article 52

Once they have been presented, and in order that they may be assigned a customs approved treatment or use, the goods may be examined or samples may be taken with the permission of the customs authority. Such permission shall be granted, upon request, to the person authorised to assign the goods such treatment or use.

CHAPTER 3
SUMMARY DECLARATION AND UNLOADING OF GOODS PRESENTED TO THE CUSTOMS AUTHORITY
(shall be applied until 31st of December 2014)

CHAPTER 3
UNLOADING OF GOODS PRESENTED TO THE CUSTOMS AUTHORITY
(shall be applied from 1st of January 2015)

Article 53
(shall be applied until 31st of December 2014 and will be deleted from1st of January 2015)

(1) Goods presented to the customs authority, with the exception of goods subject to Article 55 of this Law, shall be covered by a summary declaration.

(2) The summary declaration shall be lodged once the goods have been presented to the customs authority. The customs authority may, however, allow a period for lodging the declaration which shall not extend beyond the first working day following the day on which the goods are presented to the customs authority.

Article 54
(shall be applied until 31st of December 2014 and will be deleted from1st of January 2015)

(1) The summary declaration shall be made on the form provided for in the provision of Article 257 of this Law. The customs authority may also permit the use of any commercial or official document which contains the particulars necessary for identification of the goods as a summary declaration.

(2) The summary declaration shall be lodged by:

a) the person who brings the goods into the customs area or by any person who assumes responsibility for carriage of the goods following such entry and

b) the person in whose name the person referred to in item a) of this paragraph acts.

Article 55
(shall be applied until 31st of December 2014 and will be deleted from1st of January 2015)

Without prejudice to the provisions of the customs and other regulations governing goods imported by travellers and consignments by letter and parcel post, the customs authority may waive the lodging of a summary declaration under the condition that this does not jeopardize the customs supervision of the goods and where, prior to the expiry of the period referred to in Article 53 of this Law, the formalities necessary for the goods to be assigned a customs approved treatment or use are carried out.

Article 56

(1) Goods may be unloaded or transhipped from the means of transport carrying them solely with the permission of the customs authority in places designated or approved by that customs authority. Such permission shall not be required in the event of imminent danger necessitating the immediate unloading of all or part of the goods. In that case, the customs authority shall be informed accordingly forthwith.

(2) For the purpose of inspecting goods and the means of transport carrying them, the customs authority may at any time require goods to be unloaded and unpacked.

Article 57

Goods shall not be removed from their original position without the permission of the customs authority.

CHAPTER 4
OBLIGATION TO ASSIGN GOODS PRESENTED TO THE CUSTOMS AUTHORITY A CUSTOMS-APPROVED TREATMENT OR USE

Article 58

Foreign goods presented to the customs authority shall be assigned a customs approved treatment or use approved for such foreign goods.

Article 59

(1) Where goods are covered by a summary declaration, the formalities necessary for them to be assigned a customs-approved treatment or use must be carried out within 20 days from the date on which the summary declaration is lodged. ***(Paragraph (1) that will be applied until 31st of December 2014)***

(1) Where goods are covered by a summary declaration for temporary storage of goods within the meaning of the provisions of articles 60, 61, 62 and 63-a of this Law, the formalities necessary for assigning customs-approved treatment or use of the goods must be carried out within 20 days from the day when the summary declaration for temporary storage of goods was lodged. ***(Paragraph (1) that will be applied from 1st of January 2015)***

(2) By way of derogation from paragraph (1) of this Article, where circumstances so warrant, the customs authority may set a shorter period or authorise an extension of the

period referred to in paragraph (1) of this Article. Such extension shall not, however, exceed the genuine requirements which are justified by the circumstances.

CHAPTER 5
TEMPORARY STORAGE OF GOODS

Article 60

Until such time as they are assigned a customs-approved treatment or use, goods presented to a customs authority shall, following such presentation, have the status of goods in temporary storage (hereinafter referred to as ‘goods in temporary storage’).

Article 61

(1) Goods in temporary storage shall be stored only in places approved by the customs authority in the manner determined by that authority.

(2) The customs authority may require the person holding the goods to provide a guarantee to secure payment of any customs debt which may arise under Articles 218 or 219 of this Law.

Article 62

Without prejudice to the provisions of Article 52 of this Law, goods in temporary storage shall be subject only to such forms of handling as are designed to ensure their preservation in an unaltered state without modifying their appearance or technical characteristics.

Article 63

(1) Where the formalities necessary for the assigning of a customs-approved treatment or use for the goods are not initiated within the period determined in accordance with Article 59 of this Law, the customs authority shall without delay take all measures necessary, including the sale of the goods, to regularize the occurred situation.

(2) The customs authority may, at the risk and expense of the person holding the goods, have them transferred to a special place, which is under customs supervision, until the situation is regularized.

Article 63-a

The manner and procedure for temporary storage of the goods and use of the summary declaration for temporary storage of goods shall be determined with the regulation referred to in article 257 of this Law.

CHAPTER 6
PROVISIONS APPLICABLE TO FOREIGN GOODS UNDER A TRANSIT PROCEDURE

Article 64

The provisions of Article 48 of this Law, with the exception of paragraph (1) item a) thereof, and Articles 49 to 63 of this Law shall not apply when goods already placed under a transit procedure are brought into the customs area.

Article 65

Once foreign goods which have moved under a transit procedure reach their destination in the customs area and have been presented to the customs authority in accordance with the rules governing transit, the provisions of Articles 52 to 63 of this Law shall apply.

CHAPTER 7
OTHER PROVISIONS

Article 66

Where the circumstances so require, the customs authority may have goods presented to customs destroyed. The customs authority shall inform the holder of the goods accordingly. The costs of destroying the goods shall be borne by the holder of the goods.

Article 67

Where the customs authority finds that goods have been unlawfully brought into the customs area or have been withheld from customs supervision, it shall take any measures necessary, including sale of the goods, in order to regularize the occurred situation.

TITLE 4
CUSTOMS-APPROVED TREATMENT OR USE OF GOODS
CHAPTER 1
GENERAL PROVISIONS

Article 68

(1) Save as otherwise provided with the customs and other regulations, goods may at any time and under the conditions laid down, be assigned any customs-approved treatment or use irrespective of their nature or quantity, or their country of origin, consignment or final destination.

(2) Notwithstanding paragraph (1) of this Article, customs approved treatment or use of goods shall not be assigned if it precludes the imposition of prohibitions or restrictions prescribed as special measures for the purpose of security and public morality, the preservation of the health and life of humans, animals and plants, the protection of the living environment, the protection of natural rarities, protection of cultural heritage with artistic, historic, archaeological, ethnological value, or technical values, the protection of copyright and other related rights and industrial property rights, as well as other measures of commercial policy prescribed by law.

CHAPTER 2
CUSTOMS PROCEDURES

Section 1

Placing of goods under a customs procedure

Article 69

(1) All goods intended to be placed under a customs procedure shall be covered by a customs declaration for that customs procedure.

(2) Domestic goods declared for an export, outward-processing, transit or customs warehousing procedure shall be subject to customs supervision from the time of acceptance of the customs declaration until such time as they leave the customs area or are destroyed or the customs declaration is invalidated.

Article 70

(1) The Government of the Republic of Macedonia on proposal by the Minister of Finance may determine certain types of goods and minimal quantities, due to their specific attributes to be suitable, in regard to customs actions, to be the subject of actions of only certain customs authorities.

(2) The Director of the Customs Administration shall determine the customs authorities for the release for free circulation of certain types of goods, account being taken of the nature of the goods.

Article 71

The customs declaration shall be made:

a) in writing;

b) using a data-processing technique where that is determined by the regulation referred to in article 257 of this Law or where it has been authorised by the customs authority or

c) orally or by means of any other act whereby the holder of the goods expresses his wish to place the goods under a customs procedure, where such a possibility is prescribed with the regulation referred to in Article 257 of this Law.

A. Customs Declaration in Writing
1. Normal procedure

Article 72

(1) A customs declaration in writing shall be made on a form prescribed under the provision of Article 257 of this Law. The customs declaration in writing shall be signed and must contain all the particulars necessary for implementation of the customs rules governing the customs procedure for which the goods are declared.

(2) The customs declaration shall be accompanied by all the documents required for implementation of the provisions governing the customs procedure for which the goods are declared.

(3) The Minister of Finance shall determine the manner of completing the customs declaration and the code of codes that shall be used for the purpose of completion of the customs declaration.

(4) Where the customs declaration is used as entry summary declaration, in accordance with article 46-c paragraph (1) of this Law, that declaration in addition to the prescribed data necessary for that particular procedure, must also contain the data for entry summary declaration determined with the regulation referred to in paragraph (3) of this Law. (***Paragraph (4) shall be applied from 1st of January 2015)***

Article 73

A customs declaration which complies with the conditions laid down in Article 72 of this Law shall be accepted by the customs authority without delay, provided that the goods to which the customs declaration refers are presented to the customs authority.

Article 74

(1) Subject to Article 5 of this Law, a customs declaration may be made by any person who is able to present the goods in question or to have them presented to the competent customs authority, together with all the documents required to be produced for the application of the rules governing the customs procedure in respect of which the goods were declared.

(2) Where acceptance of a customs declaration imposes particular obligations on a specific person, the customs declaration must be made exclusively by that person or on his behalf.

(3) The declarant must be established in the Republic of Macedonia, except in case of persons who:

a) make a declaration for transit or temporary importation and

b) declare goods on an occasional basis, provided that the customs authority considers this to be justified.

Article 75

At the request by the declarant the customs authority may authorise amendment of one or more of the particulars of the customs declaration after it has been accepted. The amendment shall not have the effect of rendering the customs declaration applicable to goods other than those it originally covered. No amendment shall be permitted where authorisation is requested after the customs authority:

a) has informed the declarant that it intends to examine the goods or
b) has established that the particulars in question are incorrect or
c) has released the goods.

Article 76

(1) The customs authority shall, at the request of the declarant, invalidate a customs declaration already accepted where the declarant furnishes proof that goods were declared in error for the customs procedure covered by that customs declaration or that, as a result of special circumstances, the placing of the goods under the customs procedure for which they were declared is no longer justified. Where the customs authority has informed the declarant of its intention to examine the goods, a request for invalidation of the customs declaration shall not be accepted until after the examination has taken place.

(2) The customs declaration shall not be invalidated after the goods have been released, except in cases defined in accordance with the regulation referred to in Article 257 of this Law.

(3) Invalidation of the customs declaration shall be without prejudice to the application of the penal provisions of this Law.

Article 77

Save as otherwise provided for with this Law and the provisions brought based on this Law, the date used for the application of all rules governing the customs procedure for

which the goods have been declared shall be the date of acceptance of the customs declaration by the customs authority.

Article 78

For the verification of a customs declaration which they have accepted, the customs authority may:

a) examine the documents covering the customs declaration and the documents accompanying it. The customs authority may require the declarant to present other documents for the purpose of verifying the accuracy of the particulars contained in the customs declaration and

b) examine the goods and take samples for analysis or for detailed examination.

Article 79

(1) Transport of the goods to the places where they are to be examined or samples are to be taken, and all the handling necessitated by such examination of the goods or taking of samples, shall be carried out by or under the responsibility of the declarant. The costs incurred shall be borne by the declarant.

(2) The declarant shall be entitled to be present when the goods are examined and when samples are taken. Where it deems appropriate, the customs authority shall require the declarant to be present or represented when the goods are examined or samples are taken in order to provide it with the assistance necessary to facilitate such examination or taking of samples.

(3) Provided that samples are taken in accordance with the regulation prescribed with the provision of Article 257 of this Law, the customs authority shall not be liable for payment of any compensation in respect thereof but shall bear the coast of their analysis or examination.

Article 80

(1) Where only part of the goods covered by a customs declaration is examined, the results of the partial examination shall be taken to apply to all the goods covered by that customs declaration. The declarant may request further examination of the goods if he considers that the results of the partial examination are not valid as regards the remainder of the goods declared.

(2) For the purposes of paragraph (1) of this Article, where a customs declaration form covers two or more items, the particulars relating to each item shall be deemed to constitute a separate customs declaration.

Article 81

(1) The results of verifying the customs declaration shall be used for the purposes of applying the customs and other regulations governing the customs procedure under which the goods are placed.

(2) Where the customs declaration is not verified, the provisions referred to in paragraph (1) of this Article shall be applied on the basis of the particulars contained in the customs declaration.

Article 82

(1) The customs authority shall take the measures necessary to identify the goods where identification is required in order to ensure compliance with the conditions governing the customs procedure for which the said goods have been declared.

(2) Customs markings affixed to the goods or means of transport shall be removed or destroyed only by the customs authority or with its permission unless, as a result of unforeseeable circumstances or force majeure, their removal or destruction is essential to ensure the protection of the goods or means of transport.

Article 83

(1) Without prejudice to Article 84 of this Law, where the conditions for placing the goods under the procedure in question are fulfilled and provided the goods are not subject to any prohibitive or restrictive measures, the customs authority shall release the goods as soon as the particulars in the customs declaration have been verified or accepted without verification. The same shall apply where such verification cannot be completed within a reasonable period of time and the goods are no longer required to be present for verification purposes.

(2) All the goods covered by the same customs declaration shall be released at the same time.

For the purposes of this paragraph, where a customs declaration form covers two or more items, the particulars relating to each item shall be deemed to constitute a separate customs declaration.

Article 84

(1) Where acceptance of a customs declaration gives rise to a customs debt, the goods covered by the customs declaration shall not be released unless the customs debt has been paid or guarantee is furnished.

(2) In the temporary import procedure with partial relief from import duties, the goods covered by the customs declaration shall not be released until a security in accordance with customs rules that govern this procedure is provided.

(3) Where, pursuant to the customs provisions governing the customs procedure for which the goods are declared, the customs authority requires the provision of a security, the said goods shall not be released for the customs procedure in question until such security is provided.

Article 85

Any necessary measures, including confiscation and sale, shall be taken by the customs authority to deal with goods which:

a) cannot be released because:

- it has not been possible to undertake or continue examination of the goods within the period prescribed by the customs authority for reasons attributable to the declarant or
- the documents which must be produced before the goods can be placed under the customs procedure requested have not been produced or
- payment or a security which should have been made or provided in respect of import duties or export duties, as the case may be, have not been made or provided within the period prescribed or
- the goods are subject to bans or restrictions and

b) are not removed within a twenty-day period after their release.

Article 86

(1) Where a state authority decides to, after the procedure is carried out, return the temporarily confiscated foreign goods, the return may be realised only if the customs authority has approved one of the customs approved treatments or uses of the goods and if the customs debt that may be incurred has been settled.

(2) The customs debt incurred in such an event, referred to in paragraph (1) of this Article, shall be settled by the customs debtor.

Article 87

(1) Goods confiscated or abandoned to the state in conformity with the provisions of this Law shall normally be sold, except for the goods confiscated in offence proceedings which are treated in accordance to a law regulating the management of confiscated goods, property benefits and objects confiscated in criminal and offence proceedings. As an exception, the Government of the Republic of Macedonia, on proposal by the Minister of Finance may donate the confiscated goods to state authorities and humanitarian organisations, if such goods are necessary for their operation, i.e. activity, whereas goods of historical, archaeological, ethnographical, cultural, artistic or scientific value - to the competent authority for protection of cultural monuments.

Tobacco products and alcohol beverages which are confiscated or abandoned at the disposal of the state in accordance with the provisions of this Law shall be destroyed under customs supervision in accordance to the customs rules.

(2) Goods that cannot be sold i.e. used for health, veterinarian, phytosanitary, security or other reasons prescribed by law, shall be destroyed under customs supervision, in accordance with the customs rules.

(3) The cost of the destruction referred to in paragraph (2) of this Article shall be borne by the owner or declarant of the goods. Provided they are not known or unavailable, the cost of the destruction shall be borne by the customs authority.

(4) The manner of selling and treatment of the goods referred to in paragraph (1) of this Article, as well as the distribution of the assets obtained from the sale shall be prescribed by the Government of the Republic of Macedonia.

2. Simplified procedures

Article 88

(1) In order to simplify completion of formalities and procedures as far as possible while ensuring that operations are conducted in a proper manner, the customs authority shall, under conditions laid down in accordance with the regulation referred to in Article 257 of this Law, grant permission for:

a) the customs declaration referred to in Article 72 of this Law to omit certain of the particulars referred to in Article 72 paragraph (1) of this Law or for some of the documents referred to in paragraph (2) of that Article not to be attached thereto;

b) a commercial or administrative document, accompanied by request for the goods to be placed under the customs procedure in question, to be lodged in place of the customs declaration referred to in Article 72 of this Law and

c) the goods to be entered for the customs procedure in question by means of an entry in the records of the holder of the authorisation. In this case, the customs authority may waive the requirement that the declarant presents the goods.

The simplified customs declaration, commercial or administrative document or entry in the records must contain at least the particulars necessary for identification of the goods. Where the goods are entered in the records of the holder of the authorisation, the date of such entry must be included.

(2) Except in cases to be determined in accordance with the provision referred to in Article 257 of this Law, the declarant shall furnish a supplementary declaration which may be of a general, periodic or recapitulative nature.

(3) Supplementary declaration and simplified customs declarations referred to in paragraph (1), items a), b) and c) of this Article, shall be deemed to constitute a single, indivisible document taking effect on the date of acceptance of the simplified customs declarations. In the cases referred to in paragraph (1) item c) of this Article, entry in the records shall have the same legal force as acceptance of the customs declaration referred to in Article 72 of this Law.

(4) Special simplified procedures for the transit procedure shall be laid down in accordance with the regulation referred to in Article 257 of this Law.

(5) A request for authorisation for a simplified procedure referred to in paragraph (1) item b) and c) of this Article shall be made at the customs authority that is locally competent by the residence or the place where the detailed accounts of the person making the request are kept.

B. Other declarations

Article 89

(1) Where the customs declaration is made by means of a data-processing technique within the meaning of Article 71 item b) of this Law, or by an oral declaration or any other act within the meaning of Article 71 item c) of this Law, the provisions of Articles 72 to 88 of this Law shall apply accordingly.

(2) When a customs declaration is made by using electronic data processing technique, the customs authority may approve the documents usually enclosed to the customs declaration referred to in Article 72 paragraph (2) of this Law, not to be enclosed to the customs declaration. In such a case, the documents shall be kept in a way which allows control by the customs authorities.

(3) Where an oral customs declaration is made in passenger traffic, a special form for calculation of the import duties and other duties shall be used for the purpose of calculation of the duties. The design and the contents of such form shall be prescribed for under the regulation referred to in Article 257 of this Law.

C. Post-clearance examination of declarations

Article 90

(1) The customs authority may, acting *ex officio* or at the request of the declarant, amend the customs declaration after release of the goods within the periods referred to in Article 234-a and 250 of this Law.

(2) The customs authority may, after releasing the goods and in order to satisfy itself as to the accuracy of the particulars contained in the customs declaration, inspect the accounting and commercial documents and data relating to the import or export operations in respect of the goods concerned or to subsequent commercial operations involving those goods. Such inspections may be carried out at the premises of the declarant, of any other person directly or indirectly involved in the said operations in a business capacity or at the premises of any other person in possession of the said document and data for business purposes. The customs authority may also examine the goods where it is still possible for them to be produced.

(3) Where the post-clearance examination of the customs declaration indicates that the provisions governing the customs procedure concerned have been applied on the basis of incorrect or incomplete information, the customs authority shall, in accordance with customs and other provisions laid down, take the measures necessary to regularize the occurred situation, taking account of the new information available.

Section 2
Release of goods for free circulation

Article 91

Release for free circulation shall confer on foreign goods the status of domestic goods.

In order to release the goods for free circulation, commercial policy measures shall apply, the other formalities laid down in respect of the importation of goods shall be completed and any duties legally due under customs or other regulations shall be charged.

Article 92

(1) By way of derogation from Article 77 of this Law, provided that the import duty is reduced after the date of acceptance of the customs declaration, but before the goods are released for free circulation, the declarant may request application of the more favourable import duty.

(2) The provisions of paragraph (1) of this Article shall not apply where it has not been possible to release the goods for free circulation for reasons attributable to the declarant alone.

Article 93

Where a consignment is made up of goods falling within different tariff classifications, and dealing with each of those goods in accordance with its tariff classification for the purpose of drawing up the customs declaration would entail a burden of work and expense disproportionate to the import duties chargeable, the customs authority may, at the request of the declarant, agree that import duties be charged on the whole consignment on the basis of the tariff classification of the goods which are subject to the highest rate of import duty.

Article 94

(Deleted – Provisions of this article are transferred to article 3-a of Customs Tariff Law)

Article 95

(1) Where goods are released for free circulation at a reduced or zero rate of import duties on account of their end-use, they shall remain under customs supervision. Customs supervision shall end when the conditions laid down for granting such a reduced or zero rate of import duties cease to apply, where the goods are exported or destroyed or where the use of the goods for purposes other than those laid down for the application of the reduced or zero rate of import duties is permitted subject to payment of the import duties incurred for the goods.

(2) The provisions of Articles 102 and 104 of this Law shall apply accordingly to goods referred to in paragraph (1) of this Article.

Article 96

Goods released for free circulation shall lose their status as domestic goods where:

a) the customs declaration for release for free circulation is invalidated after release or

b) the imported duties payable on those goods are repaid or remitted:

- under the inward-processing procedure in the form of the drawback system or
- in respect of defective goods or goods which fail to comply with the terms of the contract, pursuant to the provisions of Article 252 of this Law or
- in situations of the type referred to in Article 253 of this Law where repayment or remission is conditional upon the goods being exported or re-exported or being assigned an equivalent customs-approved treatment or use of goods.

Section 3

Suspensive arrangements and customs procedures with economic impact

A. Common provisions

Article 97

(1) In Articles 98 to 104 of this Law:

a) where the term ‘procedure’ is used, it is understood as applying, in the case of foreign goods, to the following suspensive procedures:

- transit,
- customs warehousing,
- inward-processing in the form of a system of suspension,
- processing under customs control and
- temporary importation and

b) where the term ‘customs procedure with economic impact’ is used, it is understood as applying to the following:

- customs warehousing,
- inward-processing,
- processing under customs control,
- temporary importation and

- outward-processing.

(2) ‘Import goods’ means goods placed under a suspensive procedure and goods which, under the inward-processing procedure in the form of the drawback system, have undergone the formalities for release for free circulation and the formalities provided for in Article 139 of this Law.

(3) ‘Goods in the unaltered state’ means import goods which, under the inward-processing procedure or the procedures for processing under customs control, have undergone no form of processing.

Article 98

The use of any customs procedure with economic impact shall be conditional upon authorisation being issued by the customs authority.

Article 99

Notwithstanding the application of the additional special conditions determining the procedure concerned, the authorisations referred to in Article 98 and that referred to in Article 112 paragraph (1) of this Law shall be granted only:

- to persons who offer every security necessary for the proper conduct of the operations and
- where the customs authority can supervise and monitor the procedure without having to introduce administrative arrangements disproportionate to the economic needs involved in the approved procedure.

Article 100

(1) The conditions under which the procedure in question is used shall be set out in the authorisation.

(2) The holder of the authorisation shall notify the customs authority of all factors arising after the authorisation was granted which may influence its continuation or content.

Article 101

In the cases referred to in the second sentence of the first indent of Article 4 item 6 of this Law, any products or goods obtained from goods placed under a suspensive arrangement shall be considered as being placed under the same arrangement.

Article 102

(1) The customs authority may make the placing of goods under a suspensive arrangement conditional upon the provision of a guarantee to secure payment of any customs debt which may be incurred in respect of those goods will be paid.

(2) Special provisions concerning the provision of a guarantee to secure the payment in accordance with the regulation referred to in Article 257 of this Law may be laid down in the context of a specific suspensive arrangement.

Article 103

(1) A suspensive arrangement with economic impact shall be discharged when a new customs-approved treatment or use of goods is assigned by the customs authority:

- to the goods placed under a procedure with economic impact or
- to compensating goods or

- processed products obtained in one phase of the procedure with economic impact.

(2) The customs authority shall take all the measures necessary to regularise the position of goods in respect of which a procedure has not been discharged under the conditions prescribed.

Article 104

The rights and obligations of the holder of a customs procedure with economic impact may, on the conditions laid down by the customs authority, be transferred successively to other persons who fulfil any conditions laid down in order to benefit from the procedure in question.

B. Transit procedure
I. General provisions

Article 105

(1) With the transit procedure the customs authority shall allow the movement from one point to another within the customs area, of:

a) foreign goods, without such goods being subject to payment of import duties and other charges or to commercial policy measures when placed under this procedure and

b) domestic goods, in cases and under conditions determined with the regulation referred to in article 257 of this Law, in order to prevent goods covered by the export measures or which benefits from the export measures, to evade or unjustifiably use those measures.

(2) Movement as referred to in paragraph (1) of this Article shall take place:

a) under the transit procedure laid down in this Law or

b) under cover of a TIR carnet laid down in the TIR Convention provided that such movement:

1) began or is to end outside the customs area or

2) relates to consignments of goods which must be unloaded in the customs area and which are conveyed with goods to be unloaded in a third country or

3) is effected between two points in the customs area through the territory of a third country;

c) under cover of an ATA carnet used as a transit document; or

d) under cover of the form 302 provided for in the Convention between the Parties to the North Atlantic Treaty regarding the Status of their Forces, signed in London on 19 June 1951 or

e) by post (including parcel post).

(3) The transit procedure shall apply without prejudice to the provisions of customs rules applicable to the movement of goods placed under a customs procedure with economic impact.

Article 106

(1) The transit procedure shall end and the obligations of the holder shall be met when the goods placed under the procedure and the required documents are produced at the customs office of destination in accordance with the provisions of the procedure in question.

(2) The customs authority shall discharge the procedure when it is in a position to establish, on the basis of a comparison of the data available to the customs office of departure and those available to the customs office of destination, that the procedure has ended correctly.

2. Specific provisions relating to the transit procedure

Article 107

(1) The principal shall provide a guarantee to secure payment of any customs debt or other charges which may be incurred in respect of the goods.

(2) The guarantee shall be either:

a) an individual guarantee covering a single transit operation or

b) a comprehensive guarantee covering a number of transit operations where the principal has been authorised to use such a guarantee by the customs authority.

(3) The authorisation referred to in paragraph (2) under item b) of this Article shall be granted only to persons who:

a) are established in the Republic of Macedonia;

b) are regular users of transit procedures or who are known to the customs authority to have the capacity to fulfil their obligations in relation to these procedures and

c) have not committed serious or repeated offences against customs or tax regulations.

(4) A person who satisfies the customs authority that it meets higher standards of reliability may be authorised to use comprehensive guarantee for a reduced amount or to have a comprehensive guarantee waiver. The additional criteria for this authorisation shall include:

a) the correct use of the transit procedures during a given period;

b) cooperation with the customs authority and

c) in respect of the comprehensive guarantee waiver, a good financial standing which is sufficient to fulfil the commitments of the said person.

The detailed conditions and the manner of issuing authorisations granted under this paragraph shall be determined in accordance with the regulation referred to in Article 257 of this Law.

(5) The comprehensive guarantee waiver authorised in accordance with paragraph (4) of this Article shall not apply to transit operations involving goods which, as determined in accordance with the regulation referred to in Article 257 of this Law, are considered to involve increased risks.

(6) The government of the Republic of Macedonia, on the proposal of the Ministry of finance may temporarily prohibit the use of the comprehensive guarantee with a reduced amount referred to the paragraph 4 of this article, as an exceptional measure in special circumstances.

(7) The government of the Republic of Macedonia, on the proposal of the Ministry of finance may, temporarily prohibit the use of the comprehensive guarantee referred to the paragraph (2) point b) of this article, in respect of goods, for which during the use of the comprehensive guarantee, have been identified as being subject to large-scale fraud.

Article 108

No guarantee for securing payment of any customs debt need to be furnished for:

a) journeys by air;

b) carriage by pipeline or power lines;

c) operations carried out by railway and

d) in other cases determined under the regulation referred to in Article 257 of this Law.

Article 109

(1) The principal shall be the holder of the transit procedure. He shall be responsible for:

a) production of the goods intact at the customs office of destination by the prescribed time limit and with due observance of the measures adopted by the customs authority to ensure identification and

b) observance of the provisions relating to the transit procedure.

(2) Notwithstanding the principal's obligations under paragraph (1) of this Article, a carrier or recipient of goods who accepts goods knowing that they are moving under transit shall also be responsible for production of the goods intact at the customs office of destination by the prescribed time limit and with due observance of the measures adopted by the customs authority to ensure identification.

Article 109-a

The more detailed rules for implementation of the transit procedure, as well as the exceptions from those rules shall be determined with the regulation referred to in article 257 of this Law.

C. Customs warehouses

Article 110

(1) With the customs warehousing procedure, the customs authority shall allow the storage in a customs warehouse of:

a) foreign goods, without such goods being subject to payment of import duties or commercial policy measures when placed under this procedure;

b) domestic goods, for which it is prescribed by a separate provision that their placing in a customs warehouse entails application of measures that are ordinarily used to the export of such goods.

(2) Customs warehouse means any place approved by and under the supervision of a customs authority where goods may be stored under the conditions laid down in the customs rules and the authorisation.

(3) Cases in which the goods referred to in paragraph (1) of this Article may be placed under the customs warehousing procedure without being stored in a determined place of an approved customs warehouse shall be determined in accordance with the regulation referred to in Article 257 of this Law.

Article 111

(1) A customs warehouse may be either a public warehouse or a private warehouse.

(2) 'Public warehouse' means a customs warehouse available for use by any person for the warehousing of goods.

(3) ‘Private warehouse’ means a customs warehouse reserved for the warehousing of goods by the warehousekeeper.

(4) The warehousekeeper is the person authorised to operate the customs warehouse.

(5) The depositor (warehouse user) shall be the person bound by the customs declaration to place the goods under the customs warehousing procedure or to whom the rights and obligations of such a person have been transferred.

Article 112

(1) Operation of a customs warehouse shall be subject to the issue of an authorisation by the customs authority, unless the said authority operates the customs warehouse itself.

(2) Any person wishing to operate a customs warehouse must lodge a request in writing containing the data required for granting the authorisation, in particular demonstrating that an economic need for warehousing exists. The authorisation shall lay down the conditions for operating the customs warehouse provided for under customs rules.

(3) The authorisation shall be granted only to legal persons established in the Republic of Macedonia.

Article 113

The warehousekeeper shall be responsible for:

a) ensuring that while the goods are in the customs warehouse they are not removed from customs supervision;

b) fulfilling the obligations that arise from the storage of goods covered by the customs warehousing procedure and

c) complying with the particular conditions specified in the authorisation for operating a customs warehouse.

Article 114

(1) By way of derogation from Article 113 of this Law, where the authorisation concerns a public warehouse, it may provide that the responsibilities referred to in Article 113 a) and/or b) of this Law devolve exclusively upon the depositor.

(2) The depositor shall at all times be responsible for fulfilling the obligations arising from the placing of goods under the customs warehousing procedure.

Article 115

The rights and obligations of a warehousekeeper may, with the agreement of the customs authority, be transferred to another person.

Article 116

Without prejudice to Article 102 of this Law, the customs authority may demand that the warehouse-keeper provides a security in connection with fulfilment of the responsibilities and obligations specified in Article 113 of this Law.

Article 117

The warehouse-keeper shall keep stock records of all the goods placed under the customs warehousing procedure in a form approved by the customs authority, with the exception where a public warehouse is operated by the customs authority.

In accordance with Article 99 of this Law, the customs authority may dispense with stock records where the responsibilities referred to in Article 113 item a) and/or (b) of this Law lie exclusively with the depositor and the goods are placed in the customs warehouse on the basis of a written declaration forming part of the normal procedure or an administrative document in accordance with Article 88 paragraph (1) item b) of this Law.

Article 118

(1) Where an economic need exists and customs supervision is not adversely affected thereby, the customs authority may allow:

a) domestic goods other than those referred to in Article 110 paragraph (1) item b) of this Law to be stored on the premises of a customs warehouse;

b) foreign goods to be processed on the premises of a customs warehouse under the inward-processing procedure, subject to the conditions provided for by that procedure. The formalities which may be dispensed with in a customs warehouse shall be determined in accordance with the regulation referred to in Article 257 of this Law and

c) foreign goods to be processed on the premises of a customs warehouse under the procedure for processing under customs control, subject to the conditions provided for by that procedure. The formalities for processing under customs control which may be dispensed with in a customs warehouse shall be determined in accordance with the regulation referred to in Article 257 of this Law.

(2) In the cases referred to in paragraph (1) of this Article, the goods shall not be subject to the customs warehousing procedure.

(3) The customs authority may require the goods referred to in paragraph (1) of this Article to be entered in the stock records provided for in Article 117 of this Law.

Article 119

Goods placed under the customs warehousing procedure shall be entered in the stock records provided for in Article 117 of this Law as soon as they are brought into the customs warehouse.

Article 120

(1) There shall be no limit to the length of time goods may remain under the customs warehousing procedure.

(2) In exceptional cases, depending on the kind of goods and storage conditions, the customs authority may set a time limit by which the depositor must assign the goods a new customs-approved treatment or use.

Article 121

(1) Import goods may undergo the usual forms of handling intended to preserve them, improve their appearance or marketable quality or prepare them for distribution or resale.

(2) The forms of handling provided for in paragraph (1) of this Article must be authorised in advance by the customs authority, which shall lay down the conditions under which they may take place.

(3) The lists of the forms of handling may be established in accordance with the regulation referred to in Article 257 of this Law.

Article 122

(1) Where circumstances so warrant, goods placed under the customs warehousing procedure may be temporarily removed from the customs warehouse. Such removal must be authorised in advance by the customs authority, who shall stipulate the manner in which it may take place.

(2) While they are outside the customs warehouse the goods may undergo the forms of handling referred to in Article 121 of this Law.

Article 123

The customs authority may allow goods placed under the customs warehousing procedure to be transferred from one customs warehouse to another.

Article 124

(1) Where a customs debt is incurred in respect of import goods and the customs value of such goods is based on a price actually paid or payable which includes the cost of warehousing and of preserving goods while they remain in the warehouse, such costs need not be included in the customs value if they are shown separately from the price actually paid or payable for the goods.

(2) Where the import goods have undergone the usual forms of handling within the meaning of Article 121 of this Law, in determining the amount of import duties, at the request of the declarant, the nature of the goods, the customs value and the quantity to be taken into account shall, be those which would be taken into account for the goods, at the time referred to in Article 230 of this Law, if they had not undergone such handling.

(3) Where import goods are released for free circulation in accordance with Article 88 paragraph (1) item c) of this Law, the nature of the goods, the customs value and the quantity to be taken into account for the purposes of Article 230 of this Law shall be those applicable to the goods at the time when they were placed under the customs warehousing procedure.

(4) The provisions of paragraph (3) shall apply provided that the taxation elements relating to those goods were ascertained or accepted at the time when the goods were placed under the customs-warehousing procedure, unless the declarant requests determination of those taxation elements at the time when the customs debt is incurred.

(5) The application of paragraph (3) of this Article shall apply without prejudice to a post-clearance examination within the meaning of Article 90 of this Law.

Article 125

Domestic goods referred to in Article 110 paragraph (1) item b) of this Law must be exported or be assigned another treatment or use.

Article 126

(1) Aircrafts that depart for an ultimate foreign destination may, under customs supervision, get supplies of the following goods exempted from payment of import duties:

- food or other necessary products proportionate to the number of passengers, crew and duration of the flight and
- products necessary for the functioning and maintenance of the aircraft in quantities appropriate to the functioning or maintenance of the aircraft during the flight.

(2) The goods from paragraph (1) indent 1 of this Article may be sold to the passengers on board the aircraft.

(3) Aircraft that enter the country may enter goods referred to in paragraph (1) of this Article duty free, provided that they remain on the aircraft. If such goods are unloaded, they must be presented to the customs authority and be assigned a customs-approved treatment or use of goods.

(4) Goods referred to in this Article are supplied from a separate warehouse to which the provisions on customs warehouses apply.

Article 127

(1) Duty free shops are facilities located at international airports after the customs control points which sell duty free and tax free goods to passengers leaving the territory of the Republic of Macedonia.

(2) Supply of the duty free shops with goods is carried out from a separate warehouse where the provisions on customs warehouses apply.

(3) The authorisation for the establishing of duty free shops is granted only provided the following special conditions are met:

- the future duty free shop is at an international airport at a location allowing appropriate customs supervision and preventing access of unauthorised persons in the duty free shop,

- the duty free shop keeper submits all necessary guarantees for proper compliance with the requirements for operation of the duty free shop will be followed and

- the duty free shop keeper keeps the prescribed stock-records of the goods he stores and sells in the duty free shop in a manner that allows the customs authority to carry out customs supervision and control.

(4) The customs authority has access to the duty free shops at any time in order to verify the goods and the documents.

(5) The duty free shop keeper shall pay the importation duties for the goods he sold contrary to paragraph (1) of this Article, or for the goods for which it cannot be established whether they were actually sold in accordance with the regulations pertaining to the sale of goods in duty free shops.

(6) Further provisions for application of this Article shall be adopted by the Government of the Republic of Macedonia.

D. Inward-processing
1. General provisions

Article 128

(1) Without prejudice to Article 129 of this Law, the inward-processing procedure shall allow the following goods to be used in the customs area in one or more processing operations:

a) foreign goods intended for re-export from the customs area in the form of compensating products, without such goods being subject to import duties or commercial policy measures and

b) goods released for free circulation with repayment or remission of the import duties chargeable on such goods if they are exported from the customs area in the form of compensating products.

(2) The following expressions shall have the following meanings:

a) ‘suspension system’ means the inward-processing relief arrangements as provided for in paragraph (1) item a) of this Article;

b) ‘drawback system’ means the inward-processing relief arrangements as provided for in paragraph (1) item b) of this Article;

c) ‘processing operations’ means:

- the working of goods, including erecting or assembling them or fitting them to other goods,
- the processing of goods,
- completion of goods,
- the repair of goods, including restoring them and putting them in order or
- the use of certain goods defined in accordance with the provision referred to in Article 257 of this Law which are not to be found in the compensating products, but which allow or facilitate the production of those products, even if they are entirely or partially used up in the production process;

d) ‘compensating products’ means all products resulting from processing operations;

e) ‘equivalent goods’ means domestic goods which are used instead of the import goods for the manufacture of compensating products and

f) ‘rate of yield’ means the quantity or percentage of compensating products obtained from the processing of a given quantity of import goods.

Article 129

(1) Where the conditions laid down in paragraph (2) of this Article are fulfilled, and subject to paragraph 4 of this article, the customs authority shall allow:

a) compensating products to be obtained from equivalent goods and

b) compensating products obtained from equivalent goods to be exported from the Republic of Macedonia before importation of the import goods.

(2) Equivalent goods must be of the same quality and have the same characteristics as the import goods. In specific cases determined in accordance with the regulation referred to in Article 257 of this Law, equivalent goods may be allowed, by the customs authority, to be at a more advanced stage of manufacture than the import goods.

(3) Where paragraph (1) of this Article applies, the import goods shall for customs purposes be regarded as equivalent goods and the latter as import goods.

(4) Measures aimed at prohibiting, imposing certain conditions for or facilitating recourse to paragraph (1) of this Article may be adopted in accordance with the regulation referred to in Article 257 of this Law.

(5) Where paragraph (1) item b) of this Article is applied and the compensating products would be liable to export duties if they were not being exported or re-exported under an inward-processing operation, the holder of the authorisation shall provide a guarantee to secure payment of the export duties should the import goods not be imported within the period prescribed.

II. Grant of the authorisation

Article 130

The customs authority shall issue an authorisation at the request of the person who carries out processing operations or who arranges for them to be carried out.

Article 131

The authorisation referred to in Article 130 of this Law shall be granted only:

a) to persons established in the Republic of Macedonia. The authorisation may be granted to persons established outside the Republic of Macedonia in respect of imports of a non-commercial nature;

b) where, without prejudice to the use of the goods referred to in Article 128 paragraph (2) item c) indent 5 of this Law, the import goods can be identified in the compensating products or, in the case referred to in Article 129 of this Law, where compliance with the conditions laid down in respect of equivalent goods can be verified and

c) where the inward-processing procedure can help create the most favourable conditions for the export or re-export of compensating products, provided that the essential interests of local producers are not adversely affected (economic conditions).The cases in which the economic conditions are deemed to have been fulfilled shall be determined in accordance with the regulation referred to in Article 257 of this Law.

III. Operation of the procedure

Article 132

(1) The customs authority shall specify the period within which the compensating products must be exported or re-exported or assigned another customs approved treatment or use of goods. That period shall take account of the time required to carry out the processing operations and dispose of the compensating products.

(2) The period referred to in paragraph (1) of this Article shall run from the date on which the foreign goods are placed under the inward-processing procedure. The customs authority may grant an extension of the period upon submission of a duly substantiated and timely written request by the holder of the authorisation.
For reasons of simplification, the customs authority may decide that a period which commences in the course of a calendar month or quarter shall end on the last day of a subsequent calendar month or quarter.

(3) Where Article 129 paragraph (1) item b) of this Law applies, the customs authority shall specify the period within which the foreign goods must be declared for the inward-processing procedure. That period shall run from the date of acceptance of the export customs declaration, relating to the compensating products obtained from the corresponding equivalent goods.

(4) Specific time limits may be laid down in accordance with the regulation referred to in Article 257 of this Law for certain processing operations or for certain import goods.

Article 133

(1) The customs authority shall set either the rate of yield of the operation or, where appropriate, the method of determining such rate. The rate of yield shall be determined on the basis of the actual circumstances in which the processing operation is, or is to be, carried out.

(2) Where circumstances so warrant and, in particular, in the case of processing operation customarily carried out under clearly defined technical conditions involving goods of substantially uniform characteristics and resulting in the production of

compensating products of uniform quality, standard rates of yield may be set in accordance with the regulation referred to in Article 257 of this Law on the basis of actual data previously ascertained.

Article 134

The cases in which and the conditions under which goods in the unaltered state or compensating products shall be considered to have been released for free circulation are determined in accordance with the regulation referred to in Article 257 of this Law.

Article 135

(1) Where a customs debt is incurred, the amount of such debt shall be determined on the basis of the taxation elements appropriate to the import goods at the time of acceptance of the customs declaration of placing of these goods under the inward processing procedure.

(2) If at the time referred to in paragraph (1) of this Article the import goods fulfilled the conditions to qualify for preferential tariff treatment within tariff quotas or ceilings, they shall be eligible for any preferential tariff treatment existing in respect of identical goods at the time of acceptance of the customs declaration of release for free circulation.

Article 136

By way of derogation from Article 135 of this Law, compensating products:

a) shall be subject to the import duties appropriate to them where they are released for free circulation and appear on the list adopted in accordance with the regulation referred to in Article 257 of this Law, to the extent that they are in proportion to the exported part of the compensating products not included in that list. The holder of the authorisation may ask for the import duties on those products to be assessed in the manner referred to in Article 135 of this Law;

b) shall be subject to import duties calculated in accordance with the customs and other rules applicable to the customs procedure in question or to free zones or free warehouses where they have been placed under a suspensive arrangement or in a free zone or free warehouse.

However:

- the person concerned may request the duties for these goods to be assessed in accordance with Article 135 of this Law and

- in cases where the compensating products have been assigned a customs-approved treatment or use of goods referred to above, other than processing under customs control, the amount of the import duties levied shall be at least equal to the amount calculated in accordance with Article 135 of this Law;

c) may be made subject to the rules governing assessment of import duties laid down under the procedure for processing under customs control where the import goods could have been placed under that procedure;

d) shall enjoy favourable tariff treatment owing to the special use for which they are intended, where provision is made for such treatment in the case of identical imported goods and

e) shall be admitted free of import duties where such duty-free provision is made in the case of identical goods imported in accordance with Articles 195, 196 and 198 of this Law.

4. Processing operations outside the customs area

Article 137

(1) Some or all of the compensating products or goods in the unaltered state may be temporarily exported for the purpose of further processing outside the customs area if the customs authority so authorises, in accordance with the conditions laid down under customs rules governing outward-processing.

(2) Where a customs debt is incurred in respect of re-imported products, the following shall be charged:

a) import duties on the compensating products or goods in the unaltered state referred to in paragraph (1) of this Article, that have not undergone further processing, calculated in accordance with Articles 135 and 136 of this Law and

b) import duties on products re-imported after processing outside the customs area, the amount of which shall be calculated in accordance with the provisions relating to the outward-processing procedure, on the same conditions as would have applied had the products exported under the latter procedure been released for free circulation before such export took place.

5. Special provisions relating to the drawback system

Article 138

The drawback system may be used for all goods within the inward-processing procedure. It shall not be usable where, at the time the declaration of release for free circulation is accepted:

-the import goods are subject to quantitative import restrictions and

- a tariff measure within quotas is applied to the import goods.

Article 139

(1) The customs declaration of release for free circulation shall indicate that the drawback system is being used and shall provide particulars of the authorisation referred to in Article 130 of this Law.

(2) At the request of the customs authority, the authorisation referred to in paragraph (1) of this Article shall be attached to the customs declaration of release for free circulation.

Article 140

Under the drawback system, Article 129 paragraph (1) item b), paragraph (3) and paragraph (5), Article 132 paragraph (3), Articles 134 and 135 and Article 136 paragraph (1) item c) of this Law shall not apply.

Article 141

Temporary exportation of compensating products carried out as provided for in Article 137 paragraph (1) of this Law shall not be considered to be exportation within the meaning of Article 142 of this Law except where such products are not re-imported into the Republic of Macedonia within the period prescribed.

Article 142

(1) The holder of the authorisation may ask for the import duties to be repaid or remitted where he can establish to the satisfaction of the customs authority that import goods released for free circulation under the drawback system in the form of compensating products or goods in the unaltered state have been either:

- exported or

- placed, with a view to being subsequently re-exported, under the transit procedure, the customs-warehousing procedure, the temporary importation procedure or the inward-processing procedure (suspension system), or in a free zone or free warehouse, provided that all conditions for use of the procedure have also been fulfilled.

(2) The goods referred to in paragraph (1) indent 2 of this Article shall be considered to be foreign goods.

(3) The period within which the application for repayment must be made shall be determined in accordance with the regulation referred to in Article 257 of this Law.

(4) Without prejudice to Article 136 item b) of this Law, where compensating products or goods in the unaltered state placed under a customs procedure or in a free zone or free warehouse in accordance with paragraph (1) of this Article are released for free circulation, the amount of import duties repaid or remitted shall be considered to constitute the amount of the customs debt.

(5) For the purpose of determining the amount of import duties to be repaid or remitted, Article 136 item a) of this Law shall apply accordingly.

VI. Other provisions

Article 142-a

The inward processing procedure, applying the suspension system shall also apply in order that the compensating products may qualify for exemption from the export duties to which identical products obtained from domestic goods instead of import goods would be liable.

E. Processing under customs control

Article 143

The procedure for processing under customs control shall allow foreign goods to be used in the customs area in operations which alter their nature or state, without their being subject to payment of import duties or to commercial policy measures, and shall allow the products resulting from such operations to be released for free circulation with the import duties appropriate to them. Such products shall be termed processed products.

Article 144

The cases in and specific conditions under which the procedure for processing under customs control may be used shall be determined in accordance with the regulation referred to in Article 257 of this Law.

Article 145

Authorisation for processing under customs control shall be granted at the request of the person who carries out the processing or arranges for it to be carried out.

Article 146

Authorisation shall be granted only:

a) to persons established in the Republic of Macedonia;

b) where the import goods can be identified in the processed products;

c) where the goods cannot be economically restored after processing to their description or state as it was when they were placed under the procedure;

d) where use of the procedure cannot result in circumvention of the effect of the rules concerning origin and quantitative restrictions applicable to the imported goods and

e) where the necessary conditions for the procedure to help create or maintain a processing activity in the Republic of Macedonia without adversely affecting the essential interests of local producers of similar goods (economic conditions) are fulfilled. The cases in which the economic conditions are deemed to have been fulfilled may be determined in accordance with the regulation referred to in Article 257 of this Law.

Article 147

For the processing under customs control procedure, Article 132 paragraphs (1), (2) and (4) and Article 133 of this Law shall apply accordingly.

Article 148

Where a customs debt is incurred in respect of goods in the unaltered state or of products that are at an intermediate stage of processing as compared with that provided for in the authorisation, the amount of that debt shall be determined on the basis of the taxation elements appropriate to the import goods at the time of acceptance of the customs declaration relating to the placing of the goods under the procedure for processing under customs control.

Article 149

(1) Where the import goods qualified for preferential tariff treatment when they were placed under the procedure for processing under customs control, and such preferential tariff treatment is applicable to products identical to the processed products released for free circulation, the import duties to which the processed products are subject shall be calculated by applying the amount of import duties applicable under that treatment.

(2) If the preferential tariff treatment referred to in paragraph (1) of this Article in respect of the import goods is subject to tariff quotas or tariff ceilings, the application of the import duties referred to in paragraph (1) of this Article in respect of the processed products shall also be subject to the condition that the said preferential tariff treatment is applicable to the import goods at the time of acceptance of the customs declaration of release for free circulation. In this case, the quantity of import goods actually used in the manufacture of the processed products released for free circulation shall be written off from the tariff quotas or ceilings in force at the time of acceptance of the customs declaration of release for free circulation and the writing off of the quantities shall be done from the tariff quotas in respect of the import goods, not the processed products.

F. Temporary importation

Article 150

The temporary importation procedure shall allow the use in the customs area, with total or partial relief from import duties and without their being subject to commercial policy measures, of foreign goods intended for re-export without having undergone any change except normal depreciation due to the use made of them.

Article 151

Authorisation for temporary importation shall be granted at the request of the person using the goods or arranges for them to be used.

Article 152

The customs authority shall refuse to grant authorisation for use of the temporary importation procedure where it is impossible to ensure that the import goods can be identified. The customs authority may grant authorisation for use of the temporary importation procedure without ensuring that the goods can be identified where, in view of the nature of the goods or of the operations to be carried out, the absence of identification measures is not liable to give rise to any abuse of the procedure.

Article 153

(1) The customs authority shall determine the period within which import goods must be re-exported or assigned a new customs-approved treatment or use of goods. Such period must be long enough for the objective of temporary importation to be achieved.

(2) Without prejudice to the special periods laid down in accordance with Article 154 of this Law, the maximum period during which goods may remain under the temporary importation procedure shall be 24 months. The customs authority may however, depending on the cases, determine a shorter period.

(3) Where exceptional circumstances so warrant, the customs authority may, at a detailed and duly justified request of the person concerned, extend the periods referred to in paragraphs (1) and (2) of this Article in order to permit the objective of temporary importation to be achieved.

Article 154

Total relief from import duties under the temporary importation procedure in accordance with the special conditions and periods determined in the regulation referred to in Article 257 of this Law may be granted for:

1) means of transportation;
2) personal effects and goods imported by travellers for sports purposes;
3) disaster relief material;
4) medical, surgical and laboratory equipment;
5) live animals;
6) goods for use in frontier zones;
7) media carrying sound, image or data;
8) advertising material;
9) professional equipment;
10) pedagogic aids and scientific equipment;
11) packing;

12) moulds, dies, blocks, drawings, sketches, measuring, checking and testing instruments and other similar articles;

13) tools and instruments for specific purposes;

14) goods used to carry out tests or goods subjected to tests;

15) samples of goods;

16) replacement means of production;

17) goods to be exhibited or used at exhibitions, fairs, meetings and similar events or for sale;

18) spare parts, kits and equipment and

19) other goods imported occasionally or imported in particular situations having no economic effect.

Article 155

(1) Use of the temporary importation procedure with partial relief from payment of import duties shall be granted in respect of goods which are not covered by the provisions adopted in accordance with Article 154 of this Law or which are covered by such provisions but do not fulfil all the conditions laid down therein for the grant of temporary importation with total relief.

(2) The list of goods in respect of which the temporary importation procedure with partial relief from import duties may not be used and the conditions subject to which the procedure may be used shall be determined in accordance with the regulation referred to in Article 257 of this Law.

Article 156

(1) The amount of import duties payable in respect of goods placed under the temporary importation procedure with partial relief from import duties shall be set at 3 %, for every month or fraction of a month during which the goods have been placed under the temporary importation procedure with partial relief, of the amount of duties which would have been payable on the said goods had they been released for free circulation on the date on which they were placed under the temporary importation procedure.

(2) The amount of import duties to be charged shall not exceed that which would have been charged if the goods concerned had been released for free circulation on the date on which they were placed under the temporary importation procedure, leaving out of account any interest which may be applicable.

(3) Transfer of the rights and obligations deriving from the temporary importation procedure pursuant to Article 140 of this Law shall not mean that the same relief arrangements, total or partial, must be applied to each of the periods of use to be taken into consideration.

(4) Where the transfer referred to in paragraph (3) of this Article is made with partial relief for both persons authorised to use the procedure during the same month, the holder of the initial authorisation shall be liable to pay the amount of import duties due for the whole of that month.

Article 157

(1) Where a customs debt is incurred in respect of import goods, the amount of such debt shall be determined on the basis of the taxation elements appropriate to those goods at the time of acceptance of the customs declaration of their placing under the temporary

importation procedure. Where the provisions of Article 154 of this Law so provide, the amount of the debt shall be determined on the basis of the taxation elements appropriate to the goods in question at the time referred to in Article 230 of this Law.

(2) Where, for a reason other than the placing of goods under the temporary importation procedure with partial relief from import duties, a customs debt is incurred in respect of goods placed under the said procedure, the amount of that debt shall be equal to the difference between the amount of duties calculated pursuant to paragraph (1) of this Article and that payable pursuant to Article 156 of this Law.

G. Outward-processing
I. General

Article 158

(1) With the outward-processing procedure, the customs authority shall authorise domestic goods to be exported temporarily from the customs area in order to undergo processing operations and the products resulting from those operations to be released for free circulation with total or partial relief from payment of import duties.

(2) Temporary exportation of domestic goods shall entail the application of export duties, commercial policy measures and other formalities for the export and exit of domestic goods from the customs area.

(3) The following definitions shall apply:

a) ‘temporary export goods’ means goods placed under the outward processing procedure;

b) ‘processing operations’ means the operations referred to in Article 128 paragraph (2) item c), indents 1, 2, 3 and 4 of this Law;

c) ‘compensating products’ means all products resulting from processing operations;

d) ‘rate of yield’ means the quantity or percentage of compensating products obtained from the processing of a given quantity of temporary export goods.

Article 159

(1) The outward-processing procedure shall not be open to domestic goods:

- whose export gives rise to repayment or remission of import duties and
- which, prior to export, were released for free circulation with total relief from import duties by virtue of end use, for as long as the conditions for granting such relief continue to apply.

(2) Derogations from the cases referred to in paragraph (1) indent 2 of this Article shall be determined in accordance with the regulation referred to in Article 257 of this Law.

2. Grant of the authorisation

Article 160

Authorisation to use the outward-processing procedure shall be issued at the request of the person who arranges for the processing operations to be carried out.

Article 161

The authorisation referred to in Article 160 of this Law shall be granted only:

a) to persons established in the Republic of Macedonia;

b) where it is considered that it will be possible to establish that the compensating products have resulted from processing of the temporary export goods.

The cases in which and the conditions under which such derogations from the application of item b) shall apply shall be determined in accordance with the provision referred to in Article 257 of this Law and

c) where authorisation to use the outward-processing procedure is not liable to seriously harm the essential interests of producers of the Republic of Macedonia (economic conditions).

3. Operation of the procedure

Article 162

(1) The customs authority shall specify the period within which the compensating products must be re-imported into the customs area. It may extend that period on submission of a duly substantiated and timely request by the holder of the authorisation.

(2) The customs authority shall set either the rate of yield of the operation or, where necessary, the method of determining that rate.

Article 163

(1) The total or partial relief from import duties provided for in Article 164 paragraph (1) of this Law shall be granted only where the compensating products are declared for release for free circulation in the name of or on behalf of:

a) the holder of the authorisation or

b) any other person established in the Republic of Macedonia provided that that person has obtained the consent of the holder of the authorisation and the conditions of Article 164 paragraph (2) subparagraph 3 of this Law are fulfilled.

(2) The total or partial relief from import duties provided for in Article 164 of this Law shall not be granted where one of the conditions or obligations relating to the outward-processing procedure is not fulfilled, unless it is established that the failures have no significant effect on the correct operation of the said procedure.

Article 164

(1) The total or partial relief from import duties provided for in Article 158 of this Law shall be effected by deducting from the amount of the import duties applicable to the compensating products released for free circulation the amount of the import duties that would be applicable on the same date to the temporary export goods if they were imported into the customs area from the country in which they underwent the processing operation or last processing operation.

(2) The amount to be deducted pursuant to paragraph (1) of this Article shall be calculated on the basis of the quantity and nature of the goods in question on the date of acceptance of the customs declaration placing them under the outward-processing procedure and on the basis of the other taxation elements applicable to them on the date of acceptance of the customs declaration relating to the release for free circulation of the compensating products.

The value of the temporary export goods shall be the value that shall be taken into account for those goods in determining the customs value of the compensating products in

accordance with Article 35 paragraph (1) item b) under 1 of this Law or, if the value cannot be determined in that way, the difference between the customs value of the compensating products and the processing costs determined by reasonable means.

Certain charges determined in accordance with the regulation referred to in Article 257 of this Law shall not be taken into account in calculating the amount to be deducted;

Where, prior to being placed under the outward-processing procedure, the temporary export goods were released for free circulation at reduced import duties by virtue of their end use, and for as long as the conditions for granting the reduced import duties continue to apply, the amount to be deducted shall be the amount of import duties actually levied when the goods were released for free circulation.

(3) Where temporary export goods could qualify on their release for free circulation for a reduced or zero import duties by virtue of their end use, those import duties rates shall be taken into account provided that the goods underwent operations consistent with such an end-use in the country where the processing operation or last such operation took place.

(4) Where compensating products qualify for a preferential tariff measure within the meaning of Article 19 paragraph (3) item d) or e) of this Law and the measure exists for goods falling within the same tariff classification as the temporary export goods, the import duties to be taken into account in establishing the amount to be deducted pursuant to paragraph (1) of this Article shall be those which would apply if the temporary export goods fulfilled the conditions under which that preferential measure may be applied.

Article 165

Where the purpose of the processing operation is the repair of the temporary export goods, they shall be released for free circulation with total relief from import duties where it is established to the satisfaction of the customs authority that the goods were repaired free of charge, either because of a contractual or statutory obligation arising from a guarantee or because of a manufacturing defect established after the release of the goods into free circulation.

Article 166

(1) Where the purpose of the processing operation is the repair of temporary export goods and such repair is carried out in return for payment, the partial relief from import duties provided for in Article 158 of this Law shall be granted by establishing the amount of the duties applicable on the basis of the taxation elements pertaining to the compensating products on the date of acceptance of the customs declaration of release for free circulation of those products and taking into account as the customs value an amount equal to the repair costs, provided that those costs represent the only consideration provided by the holder of the authorisation and are not influenced by any links between that holder and the operator.

(2) By way of derogation from Article 164 of this Law, the regulation referred to in Article 257 of this Law may be used to determine the cases in and specific conditions under which goods may be released for free circulation following an outward processing operation, with the cost of the processing operation being taken as the basis for assessment for the purpose of applying the Customs Tariff.

4. Outward-processing with use of the standard exchange system

Article 167

(1) Under the conditions laid down in this Article and Article 168 to 172 of this Law which are applicable in addition to the provisions of Article 158 to 166, the standard exchange system shall permit an imported product, (hereinafter referred to as a 'replacement product'), to replace a compensating product.

(2) The customs authority shall allow the standard exchange system to be used where the processing operation involves the repair of domestic goods.

(3) Without prejudice to Article 172 of this Law, the provisions applicable to compensating products shall also apply to replacement products.

(4) The customs authority may, in the manner it determines, permit replacement products to be imported before the temporary export goods are exported (prior importation). In the event of prior importation of a replacement product, a security shall be provided to cover the amount of the import duties.

Article 168

(1) Replacement products shall have the same tariff classification, be of the same commercial quality and possess the same technical characteristics as the temporary export goods had the latter undergone the repair in question.

(2) Where the temporary export goods have been used before export, the replacement products must also have been used and may not be new products. The customs authority may, however, grant derogations from this rule if the replacement products have been supplied free of charge either because of a contractual or statutory obligation arising from a guarantee or because of a manufacturing defect.

Article 169

Standard exchange system shall be authorised only where it is possible to verify that the conditions laid down in Article 168 of this Law are fulfilled.

Article 170

(1) In the case of prior importation, the export goods shall be temporarily exported within a period of two months from the date of acceptance by the customs authority of the customs declaration relating to the release of the replacement products for free circulation.

(2) Where exceptional circumstances so warrant, the customs authority may, at the request of the person concerned, extend within reasonable limits the period referred to in paragraph (1) of this Article.

Article 171

In the case of prior importation and where Article 164 of this Law is applied, the amount to be deducted shall be determined on the basis of the taxation elements applicable to the temporary export goods on the date of acceptance of the customs declaration placing them under the procedure.

Article 172

Article 161 item b) of this Law shall not apply in the context of standard exchange system.

5. Other provisions

Article 173

Non-tariff commercial policy measures shall be applicable in the outward processing procedures.

Section 4
Export

Article 174

(1) With the export procedure, the customs authority shall allow domestic goods to leave the customs area.

Exportation shall entail the application of export and exit formalities including commercial policy measures and, where appropriate, export duties payment.

(2) With the exception of goods placed under the outward-processing procedure, all domestic goods intended for export shall be placed under the export procedure.

(3) The case in which and the conditions under which goods leaving the customs area are not subject to an export customs declaration shall be determined in accordance with the regulation referred to in Article 257 of this Law.

(4) The export customs declaration must be lodged at the customs authority responsible for supervising the place where the exporter is established or where the goods are packed or loaded for export shipment. Derogations shall be determined in accordance with the regulation referred to in Article 257of this Law.

Article 175

Release for export of the goods shall be granted on condition that the goods in question leave the customs area in the same condition as when the export declaration was accepted.

CHAPTER 3
OTHER TYPES OF CUSTOMS-APPROVED TREATMENT OR USE OF GOODS

Section 1
Free zones and free warehouses
A. General

Article 176

Free zones and free warehouses shall be parts of the customs area or premises situated in that customs area and separated from the rest of it in which:

a) foreign goods are considered, for the purpose of import duties and commercial policy import measures, as not being on the customs area, provided they are not released for free circulation or placed under another customs procedure or used or consumed in the free zone or the free warehouse under conditions other than those provided for in customs regulations and

b) domestic goods for which such provision is made under specific provisions qualify, by virtue of being placed in a free zone or free warehouse, for measures normally attaching to the export of goods.

Article 177

(1) The Government of the Republic of Macedonia may in accordance with Law designate parts of the customs area as free zones or authorise the establishment of free warehouses.

(2) The Government of the Republic of Macedonia shall in accordance with law determine the area covered by each free zone and approve the premises which are to be designated as free warehouses.

(3) Free zones, with the exception of those designated in accordance with Article 179 of this Law, shall be enclosed. The customs authority shall define the entry and exit points of each free zone or free warehouse.

(4) The construction of any building in a free zone shall require the prior authorisation of the customs authority.

Article 178

(1) The perimeter and the entry and exit points of free zones, except the free zones designated in accordance with Article 179 of this Law, and of free warehouses shall be subject to supervision by the customs authority.

(2) Persons and means of transport entering or leaving a free zone or free warehouse may be subjected to a customs check.

(3) Access to a free zone or free warehouse may be denied to persons who do not provide every guarantee necessary for compliance with the rules provided for in this Law and other rules in force.

(4) The customs authority may check goods entering, leaving or remaining in a free zone or free warehouse. To enable such checks to be carried out, a copy of the transport document, which shall accompany goods entering or leaving, shall be handed to, or kept at the disposal of, the customs authority by any person designated for this purpose by such authority. Where such checks are required, the goods shall be made available to the customs authority.

Article 179

(1) The customs authority may designate free zones in which customs checks and formalities shall be carried out and the provisions concerning customs debt applied in accordance with the requirements of the customs warehousing procedure. Articles 181, 186 and 189 of this Law shall not apply to the free zones thus designated.

(2) References to free zones in Articles 47, 48 and 220 of this Law shall not apply to free zones referred to in paragraph (1) of this Article.

B. Placing of goods in free zones or free warehouses

Article 180

Both domestic and foreign goods may be placed in a free zone or free warehouse. The customs authority may require that goods which present a danger or are likely to spoil other goods or which, for other reasons, require special facilities be placed in premises specially equipped to receive them.

Article 181

(1) Without prejudice to Article 178 paragraph (4) of this Law, goods entering a free zone or free warehouse need not be presented to the customs authority, nor need a customs declaration be lodged.

(2) Goods shall be presented to the customs authority and undergo the prescribed customs formalities where:

a) they have been placed under a customs procedure which is discharged when they enter a free zone or free warehouse. Where the customs procedure in question permits exemption from the obligation to present goods, such presentation shall not be required;

b) they have been placed in a free zone or free warehouse on the authority of a decision to grant repayment or remission of import duties;

c) they qualify for the measures referred to in Article 176 item b) of this Law and

d) they enter a free zone or free warehouse directly from the foreign customs territory.

(3) The customs authority may require to be notified of goods subject to export duties or to other export provisions.

(4) At the request of the party concerned, the customs authority shall certify the domestic or foreign status of goods placed in a free zone or free warehouse.

C. Operation of free zones and free warehouses

Article 182

(1) There shall be no limit to the length of time goods may remain in free zones or free warehouses.

(2) For certain goods referred to in Article 176 item b) of this Law, specific time limits may be imposed in accordance with the provision referred to in Article 257 of this Law.

Article 183

(1) Any commercial or service activity may, under the conditions laid down in this Law or any other law, be carried out in a free zone and free warehouse. The carrying on of such activities shall be notified in advance to the customs authority.

(2) The customs authority may impose certain prohibitions or restrictions on the activities referred to in paragraph (1) of this Article, having regard to the nature of the goods concerned or the requirements of customs supervision.

(3) The customs authority may prohibit persons who do not provide the necessary guarantees of compliance with the provisions laid down in this Law from carrying on an activity referred to in paragraph (1) of this Article in a free zone or free warehouse.

Article 184

Foreign goods placed in a free zone or free warehouse may, while they remain in a free zone or free warehouse:

a) be released for free circulation under the conditions laid down by that procedure and by Article 188 of this Law;

b) undergo the usual forms of handling referred to in Article 121 paragraph (1) of this Law without authorisation;

c) be placed under the inward-processing procedure under the conditions laid down by that procedure;

d) be placed under the procedure for processing under customs control under the conditions laid down by that procedure;

e) be placed under the temporary importation procedure under the conditions laid down by that procedure;

f) be abandoned to the state in accordance with Article 191 of this Law and

g) be destroyed, provided that the person concerned supplies the customs authority with all the information they judge necessary.

Article 185

(1) Foreign and domestic goods referred to in Article 176 item b) of this Law shall not be consumed or used in free zones or in free warehouses only when Article 184 of this Law is applied.

(2) Paragraph (1) of this Article shall not preclude the use or consumption of goods the release for free circulation or temporary importation of which would not entail application of import duties or measures under commercial policy. In that event, no customs declaration of release for free circulation or temporary importation shall be required. Such customs declaration shall, however, be required if such goods are to be charged against a quota or a ceiling.

Article 186

(1) All persons carrying on an activity involving the storage, working or processing, or sale or purchase, of goods in a free zone or free warehouse shall keep stock records in a form approved by the customs authority. Goods shall be entered in the stock records as soon as they are brought into the premises of such person. The stock records must enable the customs authority to identify the goods, and must record their movements.

2. Where goods are transhipped within a free zone, the records relating to the operation shall be kept at the disposal of the customs authorities. The short-term storage of goods in connection with such transhipment shall be considered to be an integral part of the operation. For goods brought into a free zone directly from the foreign customs territory or from the a free zone directly leaves the customs territory of the Community, a summary declaration shall be lodged in accordance with Articles 46a to 46c or 192a to 192d, of this Law appropriate.

D. Removal of goods from free zones or free warehouses

Article 187

(1) Goods leaving a free zone or free warehouse may be:

- exported or re-exported from the customs area or
- brought into another part of the customs area.

(2) The provisions of paragraph (1) of this Article are without prejudice to special provisions governing specific fields.

(3) The provisions of Title 3 of this Law, with the exception of Articles 58 to 63 of this Law where domestic goods are concerned, shall apply to goods brought into other parts of that area except in the case of goods which leave that zone by air without being placed under a transit or other customs procedure.

Article 188

(1) Where a customs debt is incurred in respect of foreign goods and the customs value of such goods is based on a price actually paid or payable which includes the cost of warehousing or of preserving goods while they remain in the free zone or free warehouse, such costs shall not be included in the customs value if they are shown separately from the price actually paid or payable for the goods.

(2) Where the said goods have undergone, in a free zone or free warehouse, one of the usual forms of handling within the meaning of Article 121 paragraph (1) of this Law, the nature of the goods, the customs value and the quantity to be taken into consideration in determining the amount of import duties shall, at the request of the declarant and provided that such handling was covered by an authorisation granted in accordance with Article 121 paragraph (3), be those which would be taken into account in respect of those goods, at the time referred to in Article 230 of this Law, had they not undergone such handling. Derogations from this provision may, however, be determined in accordance with the regulation referred to in Article 257 of this Law.

Article 189

(1) Where goods are brought into or returned to another part of the customs area or placed under a customs procedure while remaining in the free zone or free warehouse, the certificate referred to in Article 181 paragraph (4) of this Law may be used as proof of the domestic or foreign status of such goods.

(2) Where it is not proved by the certificate or other means that the goods have domestic or foreign status, the goods shall be considered to be:

- domestic goods, for the purposes of applying export duties or export licences or regulated export measures and
- foreign goods in all other cases.

Article 190

The customs authority shall satisfy itself that the rules governing exportation, outward processing, re-exportation, suspensive procedures, as well as the provisions of Title V concerning the exit of goods, are respected where goods are to leave the customs territory of Republic of Macedonia from a free zone or free warehouse.

Section 2

Re-exportation, destruction and abandonment

Article 191

(1) Foreign goods may be:

- re-exported from the customs area,
- destroyed and
- abandoned to the state.

(2) Re-exportation shall, where appropriate, involve application of the formalities laid down for goods being exported or exited, including application of commercial policy measures. Cases in which no measures of commercial policy are applied on exportation of foreign goods placed in a suspensive arrangement may be determined in accordance with the regulation referred to in Article 257 of this Law.

(3) Save in cases determined in accordance with the regulation referred to in Article 257 of this Law, re-exportation or destruction of goods shall be the subject of prior notification of the customs authority. The customs authority shall prohibit re-exportation should the formalities or measures referred to in the first sentence of paragraph (2) of this Article so provide. Where goods, placed under a customs procedure with economic impact when on the customs area, are intended for re-exportation, a customs declaration within the meaning of Articles 69 to 90 of this Law shall be lodged. In such cases, Article 174 paragraphs (3) and (4) of this Law shall apply. Abandonment of goods shall be put into effect in accordance with the regulation referred to in Article 257 of this Law.

(4) Destruction or abandonment of goods to the state shall not entail any expense for the state.

(5) Any waste or scrap resulting from destruction shall be assigned a customs approved treatment or use prescribed for foreign goods. The waste or scrap shall remain under customs supervision until the time laid down in Article 47 paragraph (2) of this Law.

TITLE 5
GOODS LEAVING THE CUSTOMS AREA

Article 192

Goods leaving the customs area shall be subject to customs supervision. They may be the subject of checks by the customs authority in accordance with the customs provisions in force. They shall leave the said area through the customs border crossings referred to in Article 46 of this Law using, where appropriate, the route and instructions determined by the customs authority.

Article 192-a
(shall be applied from 1st of January 2015)

(1) Goods leaving the customs area of the Republic of Macedonia with the exception of goods carried on means of transport only passing through the territorial waters or the airspace of the customs area of the Republic of Macedonia without a stop within this territory, shall be covered by a customs declaration or where a customs declaration is not required, a exit summary declaration.

(2) The regulation referred to in Article 257 of this Law shall be used to establish:

- the time limit by which the customs declaration or a summary declaration is to be lodged at the customs office of export before the goods are brought out of the customs territory of the Republic of Macedonia,
- the rules for exceptions from and variations to the time limit referred to alinea 1 of this paragraph,
- the conditions under which the requirement for a summary declaration may be waived or adapted, and
- the cases in which and the conditions under which goods leaving the customs territory of Republic of Macedonia are not subject to either a customs declaration or a summary declaration, in accordance with the specific circumstances and for particular types of goods traffic, modes of transport and economic operators and where international agreements provide for special security arrangements.

Article 192-b

(shall be applied from 1st of January 2015)

(1) Where goods leaving the customs area of the Republic of Macedonia are assigned to a customs approved treatment or use for the purpose of which a customs declaration is required under the customs rules, that customs declaration shall be lodged at the customs office of export before the goods are to be brought out of the customs area of the Republic of Macedonia.

(2) Where the customs office of export is different from the customs office of exit, the customs office of export shall immediately communicate or deliver electronically the necessary particulars to the customs office of exit.

(3) The customs declaration shall contain at least the particulars necessary for the exit summary declaration referred to in paragraph (1) of Article 192-d of this Law.

(4) Where the customs declaration is lodged in a manner other than by use of data processing technique, the customs authority shall apply the same level of risk management to the data as that applied to customs declaration lodged by use of data processing technique.

Article 192-c

(shall be applied from 1st of January 2015)

(1) Where goods leaving the customs area of the Republic of Macedonia are not assigned to a customs approved treatment or use for the purpose of which a customs declaration is required, exit summary declaration shall be lodged at the customs office of exit before the goods are to be brought out of the customs area of the Republic of Macedonia.

(2) The customs authority may allow the exit summary declaration to be lodged at a customs office different from the customs office of exit, provided that this office immediately communicates or delivers electronically all the necessary particulars to the customs office of exit.

(3) The customs authority may accept, instead of the lodging of an exit summary declaration, the lodging of a notification with access to the summary declaration data in the economic operator's computer system.

Article 192-d

(shall be applied from 1st of January 2015)

(1) The Minister of Finance, with the regulation referred to in Article 72 paragraph (3) of this Law, shall prescribe the data set and format of the exit summary declaration necessary for risk analysis and application of the customs controls, above all, for safety and security purposes.

(2) The exit summary declaration shall be made using data processing technique. Commercial or transport information may be used, provided that it contains the necessary particulars.

(3) The customs authority may accept paper-based exit summary declarations in case of exceptional circumstances, provided that they apply the same level of risk management as that applied to exit summary declarations made using a data processing technique

(4) The summary declaration shall be lodged by:

a) the person who takes the goods or any person who has assumed responsibility for the carriage of the goods, out of the customs area of the Republic of Macedonia; or

b) any person who is able to present the goods referred to in the exit summary declaration or to have presented the goods referred to in the exit summary declaration to the competent customs authorities; or

c) representative of the persons referred to in points (a) or (b) of this paragraph.

(5) Upon his request, the person referred to in paragraph (4) of this Article shall be authorised to amend of one or more particulars of the exit summary declaration after it has been lodged except in the cases where the customs authority:

a) has informed the person who lodged the summary declaration that they intend to examine the goods; or

b) has established certain particulars are incorrect; or

c) has allowed removal of the goods.

TITLE 6
PRIVILEGED OPERATIONS
CHAPTER 1
RELIEFS FROM IMPORT DUTY PAYMENT

Article 193

(1) The following are granted relief from import duty payment:

1) heads of foreign states and chief representatives of heads of foreign states on special missions, as well as members of their company, on items intended for official or personal use;

2) international and interstate organisations with registered office in the Republic of Macedonia i.e. with representative offices in the Republic of Macedonia, for the period of their appointment in the Republic of Macedonia, on items for official use;

3) diplomatic and consular representative offices of foreign states in the Republic of Macedonia, on items for official use and

4) heads of foreign diplomatic representative offices in the Republic of Macedonia and members of their immediate families, on items intended for personal use.

(2) Relief from payment of import duty in accordance with international agreements is granted to:

1) diplomatic staff of foreign diplomatic representative offices in the Republic of Macedonia and members of their immediate family, on items intended for their personal use;

2) consular staff of foreign consular representative offices in the Republic of Macedonia and members of their immediate family, on items intended for their personal use and

3) the staff of foreign diplomatic and consular representative offices in the Republic of Macedonia for household items imported within a period of 12 months from their arrival in the Republic of Macedonia.

(3) The relief under paragraph (2) of this Article may not be enjoyed by citizens of the Republic of Macedonia, nor by foreign citizens with approved permanent stay in the Republic of Macedonia.

Article 194

The following are granted relief from import duty payment:

1) travellers from abroad, on items for personal use during their travel abroad (personal baggage) that are not subject to any limitations and restrictions in force, regardless of whether they carry them with them or have handed them over to a transporter;

2) travellers from the country, aside for items from the personal baggage, on other items of minor value of non-commercial nature. The relief from this item does not apply to travellers from the country, that enter the customs area more than once in the same day, i.e. in 24 hours. The staff and the persons operating the public means of transport shall not be considered as travellers from the country;

3) citizens of the Republic of Macedonia and foreign citizens, on items of non-commercial nature and of minor value sent from abroad by natural persons;

4) citizens of the Republic of Macedonia and foreign citizens, on medication for personal use that they carry with them or receive as consignments from abroad;

5) disabled persons, on special equipment and technical aids that they use for living or work purposes, as well as on spare parts for the use of such equipment and aids, except for automobiles, provided they enter or receive them from abroad for personal use;

6) disabled persons with first and second level of disability who after undergoing professional rehabilitation are trained for a certain activity, on equipment which is not manufactured in the Republic of Macedonia necessary for the carrying out of that activity;

7) drivers of motor vehicles and motorbikes, on fuel and lubricants in the factory installed tanks in the motor vehicles and motorbikes;

8) citizens of the Republic of Macedonia and foreign citizens with approved permanent residence in the Republic of Macedonia, on personal items inherited abroad;

9) citizens of the Republic of Macedonia living in the border belt, on herbal and cattle products (items) produced on their properties in the border area of the neighbouring country, as well as on offspring and other products acquired from livestock that they keep on those properties for agricultural activities, grazing or wintering;

10) citizens of the Republic of Macedonia, students and pupils who receive education abroad, as well as foreign students and pupils who receive their education in the Republic of Macedonia, on educational aids brought from abroad intended for personal use;

11) citizens of the Republic of Macedonia and foreign citizens, on decorations, medals, sports and other trophies or symbolic objects that they receive abroad at competitions, exhibitions and events of international significance and

12) scholars, authors and artists for their own works entered from abroad.

Article 195

Import duty payment relief is granted to:

1) state administration authorities or registered humanitarian, or registered welfare organisations, on goods for free distribution to the victims of natural or other disasters or goods remaining the ownership of such organisations for the purpose of being at free disposal of the victims of such disasters;

2) registered humanitarian or welfare organisations, on goods imported from abroad for the purpose of carrying out their humanitarian activities;

3) fire fighting organisations and other rescue services, on technical fire fighting equipment and rescue equipment, fire fighting vehicles and other rescue vehicles and spare parts specifically intended for fire fighting and rescue activities;

4) public museums and public art galleries, on collections and art items;

5) public libraries, on library material;

6) public archives - on reproduced archive material;

7) disabled persons' organisations, on specific equipment, apparatus, instruments and technical aids, except road vehicles, as well as spare parts and consumables for such equipment, apparatus, instruments and technical aids.

8) sport federations of Republic of Macedonia for sporting equipment and props they receive as gifts from foreign donors, as well as imported sporting equipment and props purchased with funds obtained as a gift.

Article 196

Import duty payment relief is granted for:

1) unused equipment and spare parts (except cars and office stationary) based on a deposit by a foreign person, for the purposes of the association's main activity. The deposit made by the foreign person shall be longer than three years and be 20% of the total deposited fixed capital provided that the obligor using the relief works at least three additional years after the expiry of the last year he used the relief from customs duty payment. The purchase of shares by foreign persons is also considered a deposit;

2) imported items of educational, scientific and cultural character, determined in accordance with the regulation referred to in Article 199 of this Law, as well as instruments and apparatus, as well as their spare parts that are imported for non-commercial purposes and are not manufactured in the Republic of Macedonia;

3) therapeutic substances of human origin and blood-grouping and tissue-typing reagents;

4) laboratory animals and biological or chemical substances intended for research;

5) samples of goods of minor value;

6) printed advertising material;

7) products for use at fairs, trade exhibitions or similar events;

8) imported goods which are to undergo examination, research, analysis or tests;

9) trademarks, patterns or designs and their supporting documents, as well as applications for patents for invention or the like, to be submitted to the bodies competent to deal with the protection of copyrights or the protection of industrial property rights;

10) tourist promotional material;

11) pharmaceutical products for health or veterinarian use at international sport events organised in the Republic of Macedonia;

12) ancillary materials for the stowage and protection of goods during their transport;

13) litter, fodder and feeding stuffs for animals during their transport;

14) materials for the construction , upkeep or ornamentation of memorials to, or cemeteries for, war victims;

15) coffins with bodies, funerary urns with ashes and ornamental funerary Articles;

16) parcels of minor value delivered from abroad for consignees in the country and

17) equipment used for purpose of scientific research and innovation activity.

Article 197

Import duty payment relief is granted for:

1) documents sent free of charge to the state administration authorities;

2) publications of foreign governments and publications of official international bodies intended for distribution free of charge;

3) items to be submitted as evidence or for like purposes to the courts or other state administration authorities;

4) specimen signatures and printed circulars concerning signatures sent as part of customary exchanges of information between public services or banking establishments;

5) official printed materials sent to the National Bank of the Republic of Macedonia;

6) reports, statements, notes, prospectuses, application forms and other documents drawn up by companies registered in a third country and sent to the bearers or subscribers of securities issued by such companies;

7) recorded media – data carriers (punched cards, sound recordings, microfilms, etc.) used for the transmission of information sent free of charge to the addressee, in so far as importation of those media – data carriers does not give rise to abuses or to major distortions of competition;

8) files, archives, printed forms and other documents to be used at international meetings, conferences or congresses, as well as reports on such gatherings;

9) plans, technical drawings, traced designs, descriptions and other similar documents imported with a view to obtaining or fulfilling orders in third countries or to participating in a competition held in the customs area;

10) documents to be used in examinations held in the customs area by institutions set up in third countries;

11) printed forms to be used as official documents in the international movement of vehicles or goods, within the framework of international conventions;

12) printed forms, labels, tickets and similar documents sent by transport undertakings or by undertakings of the hotel industry in a third country to travel agencies set up in the customs area;

13) printed forms and tickets, bills of lading, way-bills and other commercial or office documents which have been used;

14) official printed forms from third countries or international authorities, and printed materials conforming to international standards sent for distribution by third country associations to corresponding associations with registered offices in the customs area and

15) photographs, slides and stereotype mats for photographs, whether or not captioned, sent to press agencies or newspaper or magazine publishers.

16) parcels of minor value delivered from abroad for consignees in the country and

17) equipment used for purpose of scientific research and innovation activity.

Article 198

(1) The relief from import duties is granted in the case of:

1) goods received as gift given by foreign donors and imported goods purchased with funds received as gift from the public authorities, the municipalities and the Municipality of Skopje and public legal entities;

2) goods intended for implementation of project financed by funds provided on the basis of donation agreement concluded between the Republic of Macedonia and foreign donors, provided that the agreement enacts that the received funds won't be used for payment of import duties and

3) goods destined for implementation of the projects founded by the Instrument for Pre-Accession Assistance (IPA) that is realized in conditions of decentralized management, and for the part of the funds of national co-financing provided from the budget of the Republic of Macedonia or debit.

(2) The relief from import duties referred to in paragraph (1) items 2 and 3 of this article is granted upon request that the project implementing entity submits to the Ministry of Finance.

(3) The formalities to be accomplished for relief from import duties referred to in paragraph (1) items 2 and 3 of this article and the form and contents of the request of the paragraph (2) of this article are prescribed by the Minister of Finance.

Article 199

The detailed criteria and manner of carrying out of the relief from import duty payment, as well as the value, quantity and nature or purpose of the goods that may be granted relief from import duty payment in accordance with Articles 193 to 198 of this Law shall be prescribed by the Government of the Republic of Macedonia on proposal by the Minister of Finance.

Article 200

(1) Goods which have been granted relief from import duty payment pursuant to Article 193 and Article 194, items 3, 5, 6, 8, 9 and 10, Article 195, 196 items 2 and 17 and Article 198 of this Law, in a three year period from the day of importation, shall not be transferred to a third person, given for use to a third person or used otherwise for purposes different from the ones it was relieved from import duty payment for, prior to the payment of such import duties. Such items shall not be pledged, lent or used as security for other obligations.

(2) The goods that were granted relief from payment of import duties pursuant to Article 196 item 1 of this Law, within a six year period starting with the day of importation, shall not be alienated, given at the disposal of a third person or used otherwise for other purposes other than those for which they were granted relief from payment of import duties, before payment of the import duties is settled. Such articles shall not be given as collateral, given under lease or as security for other obligations.

(3) Where the customs authority, upon the request by the holder of the right, before the expiration of the period referred to in paragraph (1) and paragraph (2) of this Article approves a different use, the amount of the customs debt is calculated on the basis of the taxation elements applicable at the moment of lodging of the request for payment of the customs debt.

(4) In case of incompliance with the provisions of paragraph (1) and paragraph (2) of this Article, the amount of the customs debt is calculated based on the taxation elements applicable at the moment of acceptance of the customs declaration, on the basis of which the goods were granted relief from payment of import duties.

CHAPTER 2
RETURN OF EXPORTED GOODS

Article 201

(1) Domestic goods which, having been exported from the customs area, are returned to that area and released for free circulation within a period of three years shall, at the request of the person concerned, be granted relief from import duties.

The three-year period may be exceeded in case of justified circumstances. Where, prior to their exportation from the customs area, the returned goods have been released for free circulation at reduced or zero import duty because of their use for a particular purpose, relief from payment of import duties shall be granted only if they are to be re-imported for the same purpose. Where the purpose for which the goods in question are to be imported is no longer the same, the amount of import duties chargeable upon them shall be reduced by any amount levied on the goods when they were first released for free circulation. Should the latter amount exceed that levied on the entry for free circulation of returned goods, no refund shall be granted.

(2) The relief from import duties provided for in paragraph (1) of this Article shall not be granted in the case of goods exported from the customs area under the outward-processing procedure unless those goods remain in the state in which they were exported;

Article 202

The relief from import duties provided for in Article 201 of this Law shall be granted only if goods are re-imported in the same state in which they were exported. The circumstances in which and the conditions under which this requirement may be waived shall be determined in accordance with the regulation referred to in Article 257 of this Law.

Article 203

(1) The provisions of Articles 201 and 202 of this Law shall apply accordingly to compensating products originally exported or re-exported subsequent to an inward-processing procedure.

(2) The amount of import duties legally owed shall be determined on the basis of the rules applicable under the inward-processing procedure, the date of re-export being regarded as the date of release of the goods for free circulation.

TITLE 7
CUSTOMS DEBT

CHAPTER 1
SECURITY TO COVER CUSTOMS DEBT

Article 204

(1) Where, in accordance with customs rules, the customs authority requires guarantee to secure payment of a customs debt, such security shall be provided by the person who is liable or who may become liable for that debt.

(2) The customs authority shall require only one security to be provided in respect of one customs debt.

(3) The customs authority may authorise the security to be provided by a person other than the person from whom it is required.

(4) Where the person who has incurred or who may incur a customs debt is a state authority, municipality, the City of Skopje or public legal entity, no security shall be required.

(5) The customs authority may waive the requirement for provision of security where the amount to be secured does not exceed 150 EUR in equivalent denar value.

Article 205

(1) Where customs legislation provides that the provision of security is optional, such security may be required at the discretion of the customs authority in so far as it considers that a customs debt which has been or may be incurred is not certain to be paid within the prescribed period.

(2) Where the security referred to in the preceding subparagraph is not required, the customs authority may nevertheless require from the person referred to in Article 204 paragraph (1) of this Law, an undertaking to comply with the obligations which that person is legally obliged to fulfil.

(3) The security referred to in paragraph (1) of this Article shall be required:

- at the time of application of the rules requiring such security to be provided or
- at any subsequent time when the customs authority finds that the customs debt which has been or may be incurred is not certain to be paid within the prescribed period.

Article 206

(1) At the request of the person referred to in Article 204 paragraph (1) or (3) of this Law, the customs authority shall allow comprehensive guarantee to be submitted to cover two or more operations, in respect of which a customs debt has been or may be incurred.

(2) The authorisation referred to in paragraph (1) of this Article shall be granted only to persons who satisfy the following conditions:

(a) they are established in the customs area of the Republic of Macedonia;

(b) they have a record of compliance with customs and tax requirements and

(c) they are regular users of the customs procedures involved or are known to the customs authorities to have the capacity to fulfil their obligation in relation to those procedures.

(3) Where a comprehensive guarantee is to be provided for customs debts and other charges and levies which may be incurred or where a comprehensive guarantee is to be provided for other charges and levies which have been incurred, the person may be authorised to use a comprehensive guarantee with a reduced amount or to have a guarantee waiver provided that he fulfils the following criteria:

(a) a satisfactory system of managing commercial and, where appropriate, transport records, which allows appropriate customs controls;

(b) proven solvency.

(4) The manner of establishing the fulfilment of the criteria referred to in paragraph (3) of this article, as well as the manner and procedure for granting the authorisations referred to in paragraphs (2) and (3) of this article shall be determined with the regulation referred to in Article 257 of this Law.

Article 207

(1) Where customs legislation makes it compulsory for security to be provided, and subject to the specific provisions laid down for transit in accordance with the regulation

referred to in Article 257 of this Law, the customs authority shall fix the amount of such security at a level equal to:

- the precise amount of the customs debt or debts in question where that amount can be established with certainty at the time when the security is required and
- in other cases the maximum amount, as estimated by the customs authority, of the customs debt or debts which have been or may be incurred.

(2) Where comprehensive security is provided for a customs debt which varies in amount over time, the amount of such security shall be set at a level enabling the customs debt in question to be covered at all times.

(3) Where customs legislation provides that the provision of security is optional and the customs authority requires security to be provided, the amount of the security shall be fixed by that authority so as not to exceed the level provided for in paragraph (1) and (2) of this Article.

(4) The circumstances in which and the conditions under which a flat-rate security may be provided shall be determined in accordance with the regulation referred to in Article 257 of this Law.

Article 208

(1) A guarantee may be provided in one of the following types:

(a) by a cash deposit or by any other instrument equivalent to a cash deposit, made in denars;

(b) by an undertaking given by a guarantor or

(c) by another type of guarantee which equally ensures that the amount of import or export duties corresponding to the customs debt or any other charges will be paid.

(2) The Minister of Finance shall prescribe in more details the types of guarantees referred to in paragraph (1) of this article and shall determine the manner of their utilization.

Article 209

Deleted

Article 210

(1) The guarantor shall issue the security in writing, undertaking to pay the customs debt, including the interest and caused expenses relating to the collection procedure of the unpaid customs debt. The guarantor shall, together with the customs debtor, jointly and severally be responsible for the amount which falls to be paid.

(2) The guarantor must be a third person and must be approved by the customs authority.

(3) The customs authority may refuse to approve the guarantor or form of guarantee proposed where they consider that the guarantor or form of guarantee proposed do not secure the payment of the customs debt within the prescribed period.

Article 211

The person required to provide guarantee shall be free to choose between the types of guarantee laid down in Article 208 of this Law.
The customs authority may refuse to accept the type of guarantee proposed where it does not ensure the proper implementation of the customs procedure concerned. The same shall

apply as regards the guarantee proposed. The customs authority may require that the type of guarantee chosen be maintained for a specific period.

Article 211
Deleted

Article 213

Where the customs authority establishes that the guarantee provided does not secure, or is no longer certain that it secures or no longer sufficient to secure payment of the customs debt within the prescribed period, it shall require the person referred to in Article 204 paragraph (1) of this Law, at his option, to provide additional security or to replace the original security with a new security.

Article 214

(1) The guarantee shall not be released until such time as the customs debt in respect of which it was given is extinguished or can no longer arise. Once the customs debt is extinguished or can no longer arise, the security shall be released forthwith.

(2) Once the customs debt has been extinguished in part or may arise only in respect of part of the amount which has been secured, the part of the guarantee shall be accordingly released at the request of the person concerned, unless the amount in question does not justify such action.

Article 215

Provisions derogating from those contained in this Chapter shall, where necessary, be adopted in accordance with the regulation referred to in Article 257 of this Law in order to take into consideration the international conventions.

CHAPTER 2
INCURRENCE OF A CUSTOMS DEBT

Article 216

(1) A customs debt on importation shall be incurred through:

a) the release for free circulation of goods liable to import duties or

b) the placing of such goods under the temporary importation procedure with partial relief from import duties.

(2) A customs debt shall be incurred at the time of acceptance of the customs declaration in question.

(3) The debtor shall be the declarant. In the event of indirect representation, the person on whose behalf the customs declaration is made shall also be a debtor.

(4) Where a customs declaration in respect of one of the procedures referred to in paragraph (1) of this Article is drawn up on the basis of incorrect data which leads to all or part of the import duties not being collected, the persons who provided the data required to draw up the customs declaration and who knew, or who ought reasonably to have known that such data was false, shall also be considered debtors.

Article 217

(1) A customs debt on importation shall be incurred through:

a) the unlawful introduction into the customs area of goods liable to import duties or

b) the unlawful introduction into another part of that area of such goods located in a free zone or free warehouse.

For the purpose of this Article, unlawful introduction means any introduction in violation of the provisions of Articles 48 to 51 of this Law and Article 187 paragraph (1) indent 2 of this Law.

(2) The customs debt shall be incurred at the moment when the goods are unlawfully introduced.

(3) The debtors shall be:

- the person who introduced such goods unlawfully,

- any persons who participated in the unlawful introduction of the goods and who knew or should reasonably have known that such introduction was unlawful and

- any persons who acquired or held the goods in question and who knew or should reasonably have known at the time of acquiring or receiving the goods that they had been introduced unlawfully.

Article 218

(1) A customs debt on importation shall be incurred through the unlawful removal from customs supervision of goods liable to import duties.

(2) The customs debt shall be incurred at the moment when the goods are removed from customs supervision.

(3) The debtors shall be:

- the person who removed the goods from customs supervision,

- any persons who participated in such removal and who knew or should reasonably have known that the goods were being removed from customs supervision,

- any persons who acquired or held the goods in question and who were aware or should reasonably have been aware at the time of acquiring or receiving the goods that they had been removed from customs supervision and

- where appropriate, the person required to fulfil the obligations arising from temporary storage of the goods or from the use of the customs procedure under which those goods are placed.

Article 219

(1) A customs debt on importation shall be incurred through:

a) non-fulfilment of one of the obligations arising, in respect of goods liable to import duties, from their temporary storage or from the use of the customs procedure under which they are placed or

b) non-compliance with a condition governing the placing of the goods under that procedure or the granting of a reduced or zero rate of import duty by virtue of the end-use of the goods, in cases other than those referred to in Article 218 of this Law, unless it is established that those failures have no significant effect on the correct operation of the temporary storage or customs procedure in question.

(2) The customs debt shall be incurred either at the moment when the obligation whose non-fulfilment gives rise to the customs debt ceases to be met or at the moment when the goods are placed under the customs procedure concerned where it is established subsequently that a condition governing the placing of the goods under the said procedure

or the granting of a reduced or zero rate of import duty by virtue of the end-use of the goods was not in fact fulfilled.

(3) The debtor shall be the person who is required, according to the circumstances, either to fulfil the obligations arising, in respect of goods liable to import duties, from their temporary storage or from the use of the customs procedure under which they have been placed, or to comply with the conditions governing the placing of the goods under that procedure.

Article 220

(1) A customs debt on importation shall be incurred through the consumption or use, in a free zone or a free warehouse, of goods liable to import duties, under conditions other than those laid down in the regulations in force.
Where goods disappear and where their disappearance cannot be explained to the satisfaction of the customs authority, that authority may regard the goods as having been consumed or used in the free zone or the free warehouse.

(2) The debt shall be incurred at the moment when the goods are consumed or are first used under conditions other than those laid down by customs and other regulations.

(3) The debtor shall be the person who consumed or used the goods and any persons who participated in such consumption or use and who knew or should reasonably have known that the goods were being consumed or used under conditions other than those laid down by customs rules and other regulations.

(4) Where the customs authority regards goods which have disappeared as having been consumed or used in the free zone or the free warehouse and it is not possible to apply paragraph (3) of this Article, the person liable for payment of the customs debt shall be the last person known to this authority to have been in possession of the goods.

Article 221

(1) By way of derogation from Articles 217 and 219 paragraph (1) item a) of this Law, no customs debt on importation shall be deemed to be incurred in respect of specific goods where the person concerned proves that the non-fulfilment of the obligations which arise from:

- the provisions of Articles 48 to 51 and Article 187 paragraph (1) indent 2 of this Law or
- keeping the goods in question in temporary storage or
- the use of the customs procedure under which the goods have been placed, results from the total destruction or irretrievable loss of the said goods as a result of the actual nature of the goods or unforeseeable circumstances or force majeure, or as a consequence of authorisation granted by the customs authority.

Goods shall be irretrievably lost when they are rendered unusable by any person.

(2) Nor shall a customs debt on importation be deemed to be incurred in respect of goods released for free circulation at a reduced or zero rate of import duty by virtue of their end-use, where such goods are exported or re-exported with the permission of the customs authority.

Article 222

Where, in accordance with Article 221 paragraph (1) of this Law, no customs debt is deemed to be incurred in respect of goods released for free circulation at a reduced or zero

rate of import duties on account of their end-use, any scrap or waste resulting from such destruction shall be deemed to be foreign goods.

Article 223

Where in accordance with Article 218 or 219 of this Law a customs debt is incurred in respect of goods released for free circulation at a reduced rate of import duties on account of their end-use, the amount paid when the goods were released for free circulation shall be deducted from the amount of the customs debt.
This provision shall apply accordingly where a customs debt is incurred in respect of scrap and waste resulting from the destruction of such goods.

Article 224

(1) A customs debt on exportation shall be incurred through the exportation from the customs area, under cover of a customs declaration, of goods liable to export duties.

(2) The customs debt shall be incurred at the time when such customs declaration is accepted.

(3) The debtor shall be the declarant. In the event of indirect representation, the person on whose behalf the customs declaration is made shall also be a debtor.

Article 225

(1) A customs debt on exportation shall be incurred through the removal from the customs area of goods liable to export duties without a customs declaration.

(2) The customs debt shall be incurred at the time when the said goods actually leave the customs area.

(3) The debtor shall be:

- the person who removed the goods and
- any persons who participated in such removal and who were aware or should reasonably have been aware that a customs declaration had not been, but should have been lodged.

Article 226

(1) A customs debt on exportation shall be incurred through failure to comply with the conditions under which the goods were allowed to leave the customs area with total or partial relief from export duties.

(2) The debt shall be incurred at the time when the goods reach a destination other than that for which they were allowed to leave the customs area with total or partial relief from export duties or, should the customs authority be unable to determine that time, the expiry of the time limit set for the production of evidence that the conditions entitling the goods to such relief have been fulfilled.

(3) The debtor shall be the declarant. In the event of indirect representation, the person on whose behalf the declaration is made shall also be a debtor.

Article 227

The customs debt referred to in Articles 216 to 220 and 224 to 226 of this Law shall be incurred even if it relates to goods subject to measures of prohibition or restriction on importation or exportation of any kind whatsoever.
However, no customs debt shall be incurred on the unlawful introduction into the customs

area of counterfeit currency or of narcotic drugs and psychotropic substances which do not enter into the economic circuit strictly supervised by the competent authorities with a view to their use for medical and scientific purposes. For the purposes of criminal provisions as applicable to violation of customs regulations, the customs debt shall nevertheless be deemed to have been incurred where, under the criminal provisions, customs duties provide the basis for determining penalties, or the existence of a customs debt is grounds for taking criminal proceedings.

Article 228

Where customs regulations provide for favourable tariff treatment of goods by reason of their nature or end-use or for relief or total or partial exemption from import or export duties pursuant to Articles 20, 95, 158 or 193 to 203 of this Law, such favourable tariff treatment, exemption or partial or total relief from import or export customs duty payment shall also apply in cases where a customs debt is incurred pursuant to Articles 217 to 220, 225 or 226 of this Law, on condition that the behaviour of the person concerned involves neither fraudulent dealing nor obvious negligence and under condition that he proves that the other conditions for the application of favourable tariff treatment, exemption or partial or total relief have been satisfied.

Article 229

Where several persons are liable for payment of one customs debt, they shall be jointly and severally liable for the payment of such debt.

Article 230

(1) Save as otherwise prescribed by this Law, the amount of the import duty or export duty applicable to goods shall be determined on the basis of the taxation elements valid for those goods at the time when the customs debt in respect of them is incurred. The provisions of this paragraph do not preclude the application of the provisions of paragraph (2) and paragraph (3) of this Article.

(2) Where it is not possible to determine precisely when the customs debt is incurred, the time to be taken into account in determining the taxation elements valid for the goods concerned shall be the time when the customs authority establishes that the goods are in a situation in which a customs debt is incurred for the goods.

(3) Where the information available to the customs authority enables it to establish that the customs debt was incurred prior to the time referred to in the paragraph (2) of this Article, the amount of the import duties and export duties payable on the goods in question shall be determined on the basis of the taxation elements valid for the goods at the earliest time when existence of the customs debt may be established from the information available.

(4) Compensatory interest shall apply in the circumstances and under the conditions to be defined in the regulation referred to in Article 257 of this Law, in order to prevent the wrongful acquisition of a financial advantage through deferment of the date on which the customs debt was incurred or entered into the accounts of the customs authority.

Article 231

(1) A customs debt shall be incurred:

- at the place where the events from which the customs debt arises occur,

- if it is not possible to determine the place from indent 1 of this paragraph, at the place where the customs authority establishes that the goods are in a situation in which a customs debt is incurred and

- if the goods have been entered for a customs procedure which has not been discharged, and the place cannot be determined pursuant to the first or second indent of this paragraph within the period of time determined with the regulation referred to in article 257 of this Law, the place where the goods were either placed under the customs procedure concerned or were introduced into the customs area under that procedure.

(2) Where the information available to the customs authority enables them to establish that the customs debt was already incurred when the goods were in another place at an earlier date, the customs debt shall be deemed to have been incurred at the place which may be established as the location of the goods at the earliest time when existence of the customs debt may be established.

Article 232

(1) In so far as the Agreements concluded between the Republic of Macedonia and third countries provide for the granting on importation into those countries of preferential tariff treatment for goods originating in the Republic of Macedonia within the meaning of such agreements, and where the goods have been obtained under the inward-processing procedure, foreign goods incorporated in the said originating goods are subject to payment of the import duties payable thereon. The validation of the documents necessary to enable such preferential tariff treatment to be obtained in third countries shall cause a customs debt on importation to be incurred.

(2) The moment when such customs debt is incurred shall be deemed to be the moment when the customs authority accepts the export customs declaration relating to the goods in question.

(3) The debtor shall be the declarant. In the event of indirect representation, the person on whose behalf the declaration is made shall also be a debtor.

(4) The amount of the import duties corresponding to this customs debt shall be determined under the same taxation elements as in the case of a customs debt resulting from the acceptance, on the same date, of the declaration for release for free circulation of the foreign goods concerned for the purpose of terminating the inward-processing procedure.

CHAPTER 3
COLLECTION OF THE AMOUNT OF THE CUSTOMS DEBT
Section 1
Entry in the accounts and communication of the amount of duty to the debtor

Article 233

(1) Each and every amount of import duty or export duty resulting from a customs debt, hereinafter called “amount of duty”, shall be calculated by the customs authority as soon as they have the necessary particulars, and entered by that authority in the accounting records (entry in the accounts).

(2) Paragraph (1) provisions shall not apply:

a) where a provisional anti-dumping or countervailing duty has been introduced;

b) where the amount of duty legally due exceeds that determined on the basis of binding information or

c) where the amount of duty is lower than that determined in the regulation referred to in Article 257 of this Law.

(3) The customs authority shall not enter in the accounts the amounts of duty which could not be communicated to the debtor within the time limit referred to in Article 235(4).

Article 234

(1) Where a customs debt is incurred as a result of the acceptance of the declaration of goods for a customs procedure other than temporary importation with partial relief from import duties or any other act having the same legal effect as such acceptance the amount corresponding to such customs debt shall be entered in the accounts as soon as it has been calculated and, at the latest, on the second day following the day on which the goods were released.

(2) Provided that payment has been secured, the total amount of duty relating to all the goods released to one and the same person during a period fixed by the customs authorities, which may not exceed 31 days, may be covered by a single entry in the accounts at the end of the period. Such entry in the accounts shall take place within five days of the expiry of the period in question.

(3) Where it is provided that goods may be released subject to meeting certain conditions laid down by the Republic of Macedonia legislation which govern either determination of the amount of the debt or its collection, entry in the accounts shall take place no later than two days following the day on which the amount of the debt or the obligation to pay the duties resulting from that debt is determined or fixed.

(4) Where the customs debt relates to a provisional anti-dumping or countervailing duty, that duty shall be entered in the accounts no later than two months following publication in the "Official Gazette of the Republic of Macedonia" of the legislation introducing a definitive antidumping or countervailing duty.

(5) Where a customs debt is incurred under conditions other than those referred to in paragraphs (1) and (2) of this Article, the relevant amount of duty shall be entered in the accounts within two days of the date on which the customs authority is in a position to:

(a) calculate the amount of duty in question, and

(b) determine the debtor.

Article 234-a

(1) Where the amount of duty resulting from a customs debt has not been entered in the accounts in accordance with Articles 234 and 234a or has been entered in the accounts at a level lower than the amount legally owed, the amount of duty to be recovered or which remains to be recovered shall be entered in the accounts within two days of the date on which the customs authority becomes aware of the situation and is in a position to calculate the amount legally owed and to determine the debtor (subsequent entry in the accounts).

(2) Except in the cases referred to in paragraphs (2) and (3) of Article 233 of this Law, subsequent entry in the accounts shall not be executed where:

(a) the original decision not to enter the duty in the accounts or to enter it in the accounts at a figure less than the amount legally owed was taken on the basis of general provisions invalidated at a later date;

(b) the amount of duty legally owed was not entered in the accounts due to an error on the part of the customs authority which error could not reasonably have been detected by the person liable for payment, the latter for his part having acted in good faith and complied with all the provisions laid down by the legislation in force as regards the customs declaration. With regard to the error and good faith, also the following shall be applied:

- Where the preferential status of the goods is established on the basis of a system of administrative cooperation involving the authorities of another country, the issue of a certificate by those authorities, should it prove to be incorrect, shall constitute an error which could not reasonably have been detected;

- The issue of an incorrect certificate shall not, however, constitute an error where the certificate is based on an incorrect account of the facts provided by the exporter, except where, in particular, it is evident that the issuing authorities were aware or should have been aware that the goods did not satisfy the conditions laid down for entitlement to the preferential treatment;

- The person liable may plead good faith when he can demonstrate that, during the period of the trading operations concerned, he has taken due care to ensure that all the conditions for the preferential treatment have been fulfilled;

- The person liable may not, however, plead good faith if a notice is published in the Official Gazette of the Republic of Macedonia, stating that there are grounds for doubt concerning the proper application of the measures for preferential treatment by the beneficiary country or

(c) the amount of duty is lower than that determined in the regulation referred to in Article 257 of this Law.

(3) In order to prevent the customs debtor's unlawful acquisition of financial gain, a compensatory duty shall be charged, in addition to the amount of the duties subject to subsequent entry in the accounts. This duty shall be calculated for the amount of duty to be recovered, from the date when the customs debt was incurred, on the basis of articles 216 to 220 or 224 to 226 of this Law, to the date of payment. Compensatory duty from this paragraph shall be calculated with application of the reference interest rate of article 240-b paragraph (2) item b) and article 244 paragraph (1) item b) of this Law, increased by seven percentage points. Compensatory duty from this paragraph shall be collected for all duties and taxes collected by the customs authority under this or other Law.

Article 235

(1) As soon as it has been entered in the accounts, the amount of duty shall be communicated to the debtor in accordance with appropriate procedures.

(2) Where the amount of duty payable has been entered in the customs declaration, it shall not be communicated in accordance with paragraph (1) unless the amount of duty indicated does not correspond to the amount determined by the authorities.

(3) Where use is made of paragraph (2) of this Article, release of the goods by the customs authority shall be equivalent to communication to the debtor of the amount of duty entered in the accounts. However, when Article 234(2) is applied, release of the goods shall not be equivalent to communication to the debtor.

(4) Communication to the debtor shall not take place after the expiry of a period of three years from the date on which the customs debt was incurred. This period shall be

suspended from the time of an appeal is lodged for the duration of the appeal proceedings conducted in accordance with paragraph 3 of Article 7 of this Law.

(5) Where the customs debt is the consequence of an act which, at the time it was committed, could have resulted in criminal court proceedings, the amount may, under the conditions set out in the provisions in force, be communicated to the debtor after the expiry of the three-year period referred to in paragraph 4 of this Article.

Section 2
Time limit and procedures for payment of the amount of duty

Article 236

(1) Amounts of duty communicated in accordance with Article 235 of this Law shall be paid by debtors within the following periods:

(a) Without prejudice to the provisions of Article 7(5) of this Law and if the person is not entitled to any of the payment facilities laid down in Articles 238 to 240b of this Law, payment shall be made within 10 days following communication to the debtor of the amount of duty owed.

In the case of aggregation of entries in the accounts under the conditions laid down in Article 234 paragraph (2) of this Law, the period for payment shall be so fixed so as not to enable the debtor to obtain a longer period for payment than if he had been granted deferred payment.

Extension of the period may also be granted by the customs authorities at the request of the debtor where the amount of duty to be paid results from a procedure for post-clearance recovery. Without prejudice to Article 240-b of this Law, such extensions shall not exceed the time necessary for the debtor to take the appropriate steps to discharge his obligation or

(b) if the person is entitled to any of the payment facilities laid down in Articles 238, 239, 240-a and 240-b, payment shall be made no later than the expiry of the period or periods specified in relation to those facilities.

(2) The cases and conditions in which the debtor's obligation to pay duty shall be suspended may also be provided for in the regulation referred to in Article 257 of this Law:

- where an application for remission of duty is made in accordance with Article 250, 252 or 253 of this Law,
- where goods are seized with a view to subsequent confiscation in accordance with the second indent of point (c) or with point (d) of Article 247(1), or
- where the customs debt was incurred under Article 218 and there is more than one debtor established.

Article 237

Payment shall be made in cash and in denars or in any other manner in accordance with the provisions governing manners of payment. Payment may also be made by balancing of the dues when the customs authority is to repay import duties while at the same time the customs debtor has an unsettled customs debt toward the customs authority.

Article 238

When the amount of duties payable by the person concerned relates to goods declared for a customs procedure which entails the obligation to pay such duties, the

customs authority shall, at that person's request, grant deferment of payment of that amount under the conditions laid down in Articles 239 and 240 of this Law.

Article 239

(1) The granting of deferment of payment shall be conditional on the provision of guarantee by the applicant in accordance with Article 208 of this Law.

2) If unexpected costs related to opening file or services offered by the customs authorities occur during the procedure of approving deferred payment, such costs will be borne by the applicant

Article 240

1) The customs authority shall decide which of the following systems of deferment of payment is applied to all deferments of payments:

a) deferment of payment is granted for each amount of duty individually entered in the accounts;

b) deferment of payment is granted for the amounts of duty which shall be charged on all the goods released to one and same person during a calendar week or

c) deferment of payment is granted for the amounts of duty which shall be charged on all the goods released to one and same person during a calendar month. However, the customs authority may decide the system referred to in point a) of this paragraph and any of the systems referred to in point b) and c) of this paragraph, to be simultaneously applied.

2) The periods for deferred payment of the amounts of duties are as follows:

a) in the system referred to in paragraph (1) point a) of this article, each amount of duties entered in the accounts must be paid within 30 days from the day following the date when the amount of duties were entered in the accounts;

b) in the system referred to in paragraph (1) point b) of this article, the amounts of duties must be paid on the Friday of the fourth week following that calendar week and

c) the system referred to in paragraph (1) point c) of this article, the amounts of duties shall be paid up to the sixteenth day of the month following that calendar month.

Article 240-a

(1) Deferment of payment shall not be granted for amounts of duty which, although relating to goods entered for a procedure which includes the obligation to pay such duty, are entered in the accounts in accordance with the provisions in force concerning acceptance of incomplete declarations, if the declarant has not, by the time of expiry of the period set, provided the data necessary for the definitive valuation of the goods for customs purposes or has not supplied the particulars or the documents missing when the incomplete declaration was accepted.

(2) Deferment of payment may be granted in the cases referred to in paragraph 1 where the amount of duty to be recovered is entered in the accounts before the expiry of a period of 30 days from the date on which the amount originally charged was entered in the accounts or, if it was not entered in the accounts, from the date on which the declaration relating to the goods in question was accepted. The duration of the deferment of payment granted in such circumstances shall not extend beyond the date of expiry of the period which, pursuant to Article 240 of this Law, was granted in respect of the amount of duty

originally fixed, or which would have been granted had the amount of duty legally due been entered in the accounts when the goods in question were declared.

Article 240-b

(1) The customs authority may grant the debtor payment facilities other than deferred payment.

(2) The granting of such payment facilities referred to in paragraph (1) of this article shall:

a) be conditional on the provision of guarantee and

b) result in interest being charged on the amount of duty which interest amounts to the reference interest rate for calculation of penalty interest rate determined by the National Bank of the Republic of Macedonia for the period concerned, increased for five percentage points.

(3) The types of payment facilities referred to in paragraph (1) of this article shall be determined with the regulation referred to in article 257 of this Law.

(4) The interest rate referred to in paragraph (2) point b) of this article shall apply for all duties and taxes collected by the customs authority in accordance with this Law or other law.

Article 241

Whatever the payment facilities granted to the debtor, the debtor may in any case pay all or part of the amount of duty without awaiting expiry of the period he has been granted for payment.

Article 242

An amount of duties owed may be paid by a third person instead of the debtor in accordance with law.

Article 244

(1) Where the amount of duty due has not been paid within the prescribed period:

a) the customs authority shall avail themselves of all options open to them under the legislation in force, including enforcement, to secure payment of that amount in accordance with the Law on Tax Procedure.

In the regulation referred to in Article 257 of this Law, special provisions may be adopted in respect of guarantors within the framework of the transit procedure and

b) penalty interest shall be charged on the amount of duties owed from the day of expiry of the period prescribed until the date of payment, which interest amounts to the reference interest rate for calculation of penalty interest rate determined by the National Bank of the Republic of Macedonia for the period concerned, increased for five percentage points.

(2) Executive title in the execution, i.e. forced collection shall be:

a) an executive decision of the customs authority;

b) a customs declaration and

c) a calculation of import or other duties in the passenger traffic containing the clause of execution.

(3) The customs authority may waive collection of penalty interest where:

a) the amount of the penalty interest does not exceed a level fixed in the regulation referred to in Article 257 of this Law, or

b) if the duty is paid within five days of the expiry of the period prescribed for payment.

(4) The penalty interest rate referred to in paragraph (1) point b) of this article shall be applied for all duties and taxes collected by the customs authority in accordance with this Law or other law.

Article 245

The interest rate referred to in article 240-b paragraph (2) point b), the penalty interest rate referred to in article 244 paragraph (1) point b and the compensatory duty referred to in article 234-a paragraph (3) of this Law, must be paid within ten days following the day of communication of the amount of interest or the amount of the compensatory duty to the debtor.

Article 246

(1) The right to collect the amount of duties becomes time-barren five years following the day of incurrence of the customs debt.

(2) The time-barring ends with each action of the competent authority to collect the amount of duties.

(3) However, the right to collect becomes time-barren after the expiration of 10 years following the date of incurrence of the customs debt.

Article 246-a

(1) The Customs Administration keeps accounting records of the import and export duties and other duties and taxes it collects.

(2) The Minister of Finance shall prescribe the manner and procedure for keeping accounting records of the collection of duties.

Article 246-b

(1) The Customs Administration may write off the amount of duties registered in the accounting records if it has been established that the successful collection is impossible or the costs related to collection are not in proportion to the debt.

(2) The procedure of debt write-off is performed in compliance with the provisions of the Law on Tax Procedure.

CHAPTER 4
EXTINCTION OF A CUSTOMS DEBT

Article 247

(1) Without prejudice to the provisions in force relating to the time-barring of a customs debt and non-recovery of such a debt in the event of the legally established insolvency of the debtor, the customs debt shall be extinguished:

a) by payment of the amount of duty;

b) by remission of the amount of duty;

c) where, in respect of goods declared for a customs procedure entailing the obligation to pay duties:

- the customs declaration is invalidated in accordance with article 76 of this Law and

- the goods, before their release are: either seized and simultaneously or subsequently confiscated; destroyed on the instructions of the customs authority; destroyed or abandoned in accordance with Article 191 of this Law, or destroyed or irretrievably lost as a result of their actual nature and characteristics or of unforeseeable circumstances or force majeure and

d) where goods in respect of which a customs debt is incurred in accordance with Article 217 of this Law are seized and simultaneously or subsequently confiscated.

(2) In the event of seizure and confiscation of goods, the customs debt shall, nonetheless for the purposes of the criminal provisions applicable to the violation of the customs regulations, be deemed not to have been extinguished where, under criminal provisions, customs duties provide the grounds for determining penalties or the existence of a customs debt is grounds for taking criminal proceedings.

Article 248

A customs debt, as referred to in Article 232 of this Law, shall also be extinguished where the formalities carried out in order to enable the preferential tariff treatment referred to in Article 232 to be granted are cancelled.

CHAPTER 5
REPAYMENT AND REMISSION OF DUTIES

Article 249

The terms used in Chapters 4 and 5 of this Title shall have the following meaning:

a) ‘repayment’ means the total or partial refund of import duties or export duties which have been paid and

b) ‘remission’ means either a decision to waive all or part of the amount of a customs debt or a decision to render void the entering in the accounts of all or part of an amount of import or export duty which has not been paid.

Article 250

(1) Import duties or export duties shall be repaid in so far as it is established that when they were paid the amount of such duties was not legally owed or that the amount has been additionally entered in the accounts contrary to Article 243-a paragraph (2) of this Law.

(2) Import duties or export duties shall be remitted in so far as it is established that when they were entered in the accounts the amount of such duties was not legally owed or that the amount has been entered in the accounts contrary to Article 243-a paragraph (2) of this Law.

(3) No repayment or remission shall be granted when the facts which led to the payment or the entry in the accounts of an amount which was not legally owed are the result of deliberate action by the person concerned.

(4) Import duties or export duties shall be repaid or remitted upon submission of an application to the appropriate customs authority within a period of three years from the date on which the amount of those duties was communicated to the debtor.

(5) The period referred to in paragraph (4) of this Article shall be extended if the person concerned provides evidence that it was prevented from submitting the application within the said period as a result of unforeseeable circumstances or force majeure.

(6) Where the customs authority itself discovers within this period that one or other of the situations described in paragraphs (1) and (2) of this Article exists, it shall repay or remit the duties, acting ex officio.

Article 251

Import duties or export duties shall be repaid where a customs declaration is invalidated and the duties have been paid. Repayment shall he granted upon submission of an application by the person concerned within the periods laid down for submission of the application for invalidation of the customs declaration.

Article 252

(1) Import duties shall be repaid or remitted in so far as it is established that the amount of such duties entered in the accounts relates to goods placed under the customs procedure in question and rejected by the importer because at the point in time referred to in Article 77 of this Law they are defective or do not comply with the terms of the contract on the basis of which they were imported.
Defective goods, within the meaning of the first subparagraph, shall be deemed to include goods damaged before their release.

(2) Repayment or remission of import duties shall be granted on condition that:

a) the goods have not been used, except for such initial use as may have been necessary to establish that they were defective or did not comply with the terms of the contract and

b) the goods are exported from the customs area.

(3) At the request of the person concerned, the customs authority shall permit the goods to be destroyed or to be placed, with a view to re-export, under the external transit procedure or the customs warehousing procedure or in a free zone or free warehouse, instead of being exported. For the purposes of being assigned one of the previously listed customs approved treatments or uses, the goods shall be deemed to be foreign goods.

(4) Import duties shall not be repaid or remitted in respect of goods which, before being declared in the customs declaration, were imported temporarily for testing, unless it is established that the fact that the goods were defective or did not comply with the terms of the contract could not normally have been detected in the course of such tests.

(5) Import duties shall be repaid or remitted for the reasons set out in paragraph (1) of this Article upon submission of an application to the appropriate customs authority within twelve months from the date on which the amount of those duties was communicated to the debtor. The customs authorities may approve extension of this period in duly exceptional justifiable cases.

Article 253

(1) Import duties or export duties may be repaid or remitted in situations other than those referred to in Articles 250, 251 and 252 of this Law:

- to be determined in accordance with the regulation referred to in Article 257 of this Law and

- resulting from circumstances in which no deception or obvious negligence may be attributed to the person concerned. The situations in which this provision may be applied and the procedures to be followed to that end shall be defined in accordance with the regulation referred to in Article 257 of this Law. Further conditions on repayment or remission may also be defined in this regulation.

(2) Duties shall be repaid or remitted in the cases set out in paragraph (1) of this Article upon submission of an application to the competent customs authority within 12 months from the date on which the amount of the duties was communicated to the debtor. However, the customs authorities may approve extension of this period in duly exceptional justifiable cases.

Article 254

Import or export duties shall be repaid or remitted under the conditions laid down in this Chapter only if the amount to be repaid or remitted exceeds an amount fixed in accordance with the regulation referred to in Article 257 of this Law.

Article 255

Repayment by the competent customs authorities of amounts of import duties or export duties or of interest or penalty interest collected on payment of such duties shall not give rise to the payment of interest by the customs authority. However, interest shall be paid where a decision to grant a request for repayment is not implemented within three months of the date of adoption of that decision.
The amount of interest shall be determined in accordance with article 240-b paragraph (2) point b) of this Law.

Article 256

Where a customs debt has been remitted or the corresponding amount of duty repaid in error, the original debt shall again become payable. Any interest paid under Article 255 of this Law must be reimbursed to the customs authority.

TITLE 8
IMPLEMENTATION OF THE PROVISIONS OF THIS LAW

Article 257

The Government of the Republic of Macedonia shall adopt further implementing regulations for this Law.

TITLE 9
VIOLATION TO THE CUSTOMS RULES

CHAPTER 1
General Provisions

Article 258

Failure to perform activities provided for under the provisions of customs rules or performance contrary to the provisions of customs rules is deemed to be a customs violation. Violations of customs rules may be criminal acts or customs offences.

Article 258-a

For conducting misdemeanour procedures and imposition of misdemeanour sanctions and special misdemeanour measures for conducted customs offence, the sole authority is with the misdemeanours authority determined with the Law on Customs Administration.

Article 259

(1) The customs authority is obliged to propose settlement and mediation procedure to the perpetrator of the customs offence before submitting a request for misdemeanour procedure.

(2) The purpose of the settlement and mediation procedure is reaching an agreement between the customs authority and the perpetrator of the custom offence for the purposes of eliminating the negative consequences of the offence and preventing perpetration of further offences, as well as avoiding conducting offence procedure before the misdemeanours authority

Article 259-a

(1) When a customs official identifies that an customs offence has been perpetrated, he shall deliver to the perpetrator an invitation for payment of a fine, and a payment order to the perpetrator who confesses the commission of the customs offence of which the perpetrator is accused of, except in cases of customs offences for which special misdemeanour measure - seizure of goods is proscribed by this Law.

(2) If the perpetrator fails to pay the fine referred to in paragraph 1 of this Article within eight days of the receipt of the invitation for payment of a fine or payment order, the customs official is obliged to immediately submit a request for initiation of an offence procedure before the misdemeanours authority.

Article 260

(1) The confession of the perpetrator of a perpetrated customs offence constitutes part of the evidence in a proceeding before the misdemeanours authority.

(2) Proving the contrary than the material evidence before the misdemeanours authority and courts and other state authorities and pursuant to official acts of the customs authority shall be borne by the perpetrator of the offence himself.

Article 261

(1) During the misdemeanours authority proceedings, the goods subject to a customs offence shall be under customs supervision.

(2) Where the offence proceeding is stopped or terminated and the goods are not confiscated, such goods shall be returned through the customs authority for the purpose of carrying out of the appropriate customs procedure.

Article 262

(1) An offence proceeding on customs offences may not be initiated after five years from the date of perpetration of the offence.

(2) Prescription shall terminate by any action of the competent authority undertaken for prosecution of the perpetrator of the offence. Following a suspension of the time limit,

the prescription period continues to run, but an offence proceeding may not be initiated nor continued after expiration of a ten-year period following the date of perpetration of the offence.

CHAPTER 2
Offence Provisions

Article 263

(1) A fine of EUR 5,000 to 100.000, equivalent amount in denars shall be levied against a legal person for an offence if such person:

1) enters or exits, or attempts to enter or exit goods in/from the customs area outside the customs border crossing points or at a time when the customs border crossing is not open for circulation (Article 46 and Article 192);

2) enters or exits, or attempts to enter or exit hidden goods through the customs border crossing point (Article 46 and Article 192);

3) removes or attempts to remove the goods from under customs supervision avoiding customs control (Article 47);

4) fails to without delay convey the goods by the route and instructions of the customs authority to the customs authority at the border crossing or to another place designated by such authority, or conveys the goods contrary to the designated route and instructions determined by the customs authority (Article 48);

5) fails to present the goods to the customs authority (Article 50);

6) fails to cover all goods to be placed under a customs procedure with a customs declaration (Article 69);

7) by avoiding customs control enters or exits, i.e. attempts to import in/from the customs area or places or attempts to place under a customs procedure a motor vehicle with chassis and/or engine markings different from the factory or which have been specially made, adapted, modified or in any way adjusted to conceal goods imprinted ones or a vehicle bearing falsified registration markings or registration markings that actually belong to another vehicle, or presents a falsified registration licence for the vehicle (Article 47, 69, 71 and 72);

8) acts as if the goods were released for free circulation before completion of the formalities for release of the goods for free circulation and for payment of all duties prescribed with this Law or other laws or the measures of commercial policy or other rules related to import of goods were not complied with (Article 91);

9) contrary to Article 187 paragraph (3) enters goods from the free zone or free warehouse into the remaining part of the customs area (Article 187);

10) contrary to the provisions, transfers the goods to a third person, gives the goods to be used by a third person, lends or otherwise uses the goods for other purposes than those for which such goods were granted relief from payment of import duties and other duties, i.e. pledges, lends or gives as security the goods which were granted relief from payment of duties before the import duties have been settled (Article 200) and

11) achieves or attempts to achieve, by false presentation of the facts or by misleading the customs authority in any other way, application of autonomous measures for reduction or suspension of import duties or preferential tariff treatment or exemption from payment of import duties or relief from payment of import and other charges or payment in a reduced amount or repayment or remission import duties or any other relief

(Articles 14, 19, 20, 69, 72, 99, 100, 118, 136, 138, 154, 155, 163 to 166 and 185 to 203 and 250 to 254).

(2) A fine in the amount of EUR 1,000 to 30,000, equivalent amount in denars shall be levied against the responsible person in a legal person for the offence referred to in paragraph (1) of this Article.

(3) A fine in the amount of EUR 500 to 15,000, equivalent amount in denars shall be levied against a natural person for the offence referred to in paragraph (1) of this Article.

Article 264

(1) A fine in the amount of EUR 1,000 to 30,000, equivalent amount in denars shall be levied against a legal person for an offence if, such person:

1) fails to submit documents or fails to give information necessary to the customs authority, i.e. fails to give other necessary assistance for the carrying out of the customs procedure (Article 14, Article 72 paragraph (2), Article 78 and Article 186);

2) fails to keep the documents within the prescribed periods (Article 17);

3) prepares or induces the preparation of false evidence on the origin of goods (Article 21 and 26);

4) prepares or induces the preparation of a document containing incorrect data in order to unrightfully entail granting of preferential origin for the goods the document covers (Article 21 and 26);

5) fails to lodge a summary declaration in accordance to article 53 of this Law or lodges a summary declaration after the prescribed period (Article 53); (***shall be applied until 31st of December2015***)

5) fails to lodge an entry summary declaration or lodges an entry summary declaration after the prescribed period (Article 46-a); (***shall be applied from 1st of January 2015***)

6) for the purpose of examination of the goods and the means of transportation it is transported in, at the request of the customs authority fails to unload and unpack the goods (Article 56 paragraph (2));

7) carries out unloading or transhipment of presented goods without authorisation by the customs authority, or carries out the approved unloading or transhipment at places that are not designated or approved for that purpose, or fails to inform the customs authority without delay in the case of immediate danger imposing the necessity of immediate unloading or transhipment of the goods, or without authorisation by the customs authority, moves the goods from its original storage (Article 56 and Article 57);

8) fails to carry out the formalities for assignment of one of the customs approved treatments or uses for goods or fails to carry out such formalities within the prescribed time limit (Article 58 and Article 59);

9) keeps the goods in temporary storage in places and under conditions contrary to those approved by the customs authority, or carries out operations on the goods that alter their appearance or technical characteristics (Article 61 and Article 62);

10) fails to enter in the import customs declaration all particulars for the goods when such particulars are decisive for the correct tariff classification by nomenclature and this entails or may entail payment of import duties or other charges in a reduced amount (Article 72 paragraph (1));

11) enters in the import customs declaration a tariff indicator contrary to the particulars on the nature of the goods in box 31 in the SAD which gives rise to the payment of import duties or other charges in a reduced amount (Article 72 paragraph (1));

12) submits to the customs authority an import customs declaration in which incorrect particulars on the nature, quality, value or origin of the goods are entered and this entails or may entail the payment of import duties in a reduced amount (Article 72 paragraph (1));

13) submits to the customs authority, in regard to the export procedure, an export customs declaration in which it enters a greater quantity or greater value or a different origin of the goods (Article 72 paragraph (1));

14) submits to the customs authority, directly or indirectly, and in regard to the implementation of the import customs procedure, documents in which the entered particulars are incorrect and provided this entails or may entail non-payment of the import duties or payment in a reduced amount or the granting of a customs privilege, benefit or right that it is rightfully not entitled (Article 72 paragraph (2));

15) submits to the customs authority, directly or indirectly and in regard to the export customs procedure, documents containing incorrect particulars and this entails or may entail the granting of a customs benefit or right that it is rightfully not entitled (Article 72 paragraph (2));

16) presents means of transportation to the customs authority for the purpose of application of a customs marking, although the said means of transportation is not properly equipped i.e. constructed (Article 82 paragraph (2));

17) fails to properly protect the customs markings of the goods from destruction or damage or removes them from the means of transportation without the authorisation of the customs authority except if due to unforeseeable circumstances or force majeure the removal or destruction of such marking is necessary in order to ensure the protection of the goods or means of transportation (Article 82 paragraph (2));

18) prior to the release of the goods for free circulation starts to use the goods (Article 83, paragraph (1) and Article 84);

19) acts contrary to Article 88 or fails to comply with the obligations imposed on him with the granted authorisation for simplified procedure (Article 88);

20) fails to submit a supplementary customs declaration or fails to submit it within the prescribed period (Article 88 paragraph (2));

21) fails to comply with the obligations in accordance with the granted authorisation for customs procedure with economic impact (Article 100, paragraph (1), Article 129, paragraph (1) and Article 145);

22) fails to notify the customs authority of the activities which followed the granting of the authorisation for the customs procedure with economic impact and which are of significance for the contents or validity of the authorisation (Article 100 paragraph (2));

23) fails to complete the transit procedure and to present the goods to the customs authority of destination in unaltered state or to present the goods within the prescribed period or fails to comply with the other measures undertaken by the customs authority in order to ensure the equivalency of the goods (Article 106 and Article 109);

24) fails to comply with the obligations and conditions imposed on it as a Warehouse-keeper (Article 113, Article 122 and Article 123);

25) fails to comply with the obligations and conditions imposed on it as a warehouse user (Article 114);

26) fails to keep stock-records of the goods placed in a customs warehousing procedure in the manner prescribed by the customs authority or fails to keep them regularly (Article 117 and Article 119);

27) carries on in the customs warehouse activities referred to in Article 118 paragraph (1) and Article 121 of this Law contrary to the authorisation of the customs authority or without authorisation of the customs authority (Article 118 paragraph (1) and Article 121);

28) acts contrary to Article 127 of this Law (Article 127);

29) fails to export, i.e. re-export compensated goods within the determined period within the framework of the inward-processing procedure or fails to, within such period, request the assignment of a different customs-approved treatment or use of goods (Article 132 paragraph (1));

30) fails to carry out the processing under customs control procedure in accordance with the authorisation of the customs authority (Article 147);

31) fails to export the temporary imported goods within the prescribed period or fails to within such period request authorisation for a different customs approved treatment or use of goods to be assigned (Article 153);

32) uses goods in the outward processing procedure contrary to this Law (Article 158 paragraph (1));

33) fails to in case of prior importation exit the goods within the determined period (Article 167);

34) fails to provide upon request by the customs authority a copy of the transportation document accompanying the goods or fails to present the goods (Article 178 paragraph (4));

35) fails to present the goods referred to in Article 181 paragraph (2) of this Law on entry into a free zone or free warehouse (Article 181 paragraph (2));

36) fails to aforehand inform the customs authority of the carrying out of an industrial, commercial or service activity in a free zone or free warehouse or carries on such activity regardless of the prohibition or limitation set by the customs authority (Article 183 paragraph (1));

37) fails to keep stock-records of the goods in the carrying out warehousing, working, processing, sale or supply of goods in the free zone or free warehouse or fails to keep stock-records in the prescribed form (Article 186);

38) fails to aforehand notify the customs authority of re-exportation or destruction of the goods (Article 191 paragraph (3)) and

39) notifies the customs authority that certain goods are leaving the customs area, but does not hold the goods or such goods are not in the means of transportation (Article 192);

40) fails to lodge exit summary declaration or lodges exit summary declaration after the prescribed period (Article 192-a); (***shall be applied from 1st of January 2015***)

(2) A fine in the amount of EUR 200 to 5,000, equivalent amount in denars shall be levied against the responsible person in a legal person for the offence referred to in paragraph (1) of this Article.

(3) A fine in the amount of EUR 200 to 5,000, equivalent amount in denars, shall be levied against a natural person for the offence referred to in paragraph (1) of this Article.

Article 264-a

(1) A fine in the amount of EUR 5.000 to 10.500 in equivalent denar value shall be levied against a trade company or sole-proprietor for conducting representation in customs procedures without authorisation (Article 6 paragraph (3)).

(2) A fine in the amount of EUR 500 to 2.000 in equivalent denar value shall be levied also to the responsible person in the trade company for the actions referred to in paragraph (1) of this Article.

Article 264-b

(1) A fine in the amount of EUR 500 to 2.000 in equivalent denar value shall be levied to a trade company or sole-proprietor in so far as:

a) appoints a person who does not fulfil the prescribed conditions for representation, to conduct representation or

b) fails to inform the Customs Administration of each change relating to the fulfilment of the conditions referred to in article 6 paragraphs (3) and (7) of this Law relevant for granting and withdrawal of the authorisation for representation and the licence for representation.

(2) A fine in the amount of EUR 150 to 250 in equivalent denar value shall be levied against the responsible person in the trade company for the acts referred to in paragraph (1) of this article.

Article 264-c

A fine in the amount of EUR 500 to 1.500 in equivalent denar value shall be levied against the person who:

a) works as a licensed representative without a licence from the Customs Administration and

b) while working as a licensed representative, he fails upon request by a customs officer, to present documents necessary for establishing his status or prevents or renders more difficult the proper or efficient operation of the customs officers.

Article 264-d

(1) If the authorised customs representative referred to in article 6 paragraph (2) point 1 of this Law perpetrating a more serious customs offence, during the previous two years directly preceding the perpetration of the offence concerned, has been penalised with effective decision for perpetrating a more serious customs offence or offence under article 264-b of this Law two or more times, he may be penalised with a suspension of the authorisation for conducting representation matters in customs procedures for a period of six months to two years.

(2) If the responsible person of the authorised customs representative or other trade company referred to in article 6 paragraph (2) of this Law, during the previous two years directly preceding the perpetration of the offence concerned, has been penalised with effective decision for perpetrating a more serious customs offence or offence under article 264-c of this Law two or more times, he may be penalised with a suspension of conducting matters as licensed representative for a period of six months to two years.

(3) As a more serious customs offence referred to in paragraphs (1) and (2) of this article shall be considered the customs offence established with an effective decision made

by a competent court where the value of the goods subject of the offence, exceeds EUR 30,000 in so far as:

a) has failed to present the goods and documents in a transit procedure to the customs authority of destination or has presented the goods in altered condition,

b) has wrongfully indicated the quantity, type, quality, value and origin of the goods in the customs declaration or has failed to indicate the entire goods, including aiding and instigating such offences and

c) has enabled acquisition or attempt for an acquisition of import duties payment relief or reduced duties by aiding and instigating the perpetrator of such offences by false presentation of facts.

Article 265

(1) A legal person that buys, sells, sells out, receives as gift, conceals, takes in for storage or transportation, keeps, uses or acquires on any basis goods for which it knows, or considering the circumstances, must have known, were used for perpetrating an offence under Articles 263 and 264 of this Law, if the perpetrator committed any of the actions under Articles 263 and 264 of this Law, shall be fined in the amount of EUR 5,000 to 10,000, equivalent amount in denars, i.e. a fine in the amount of EUR 1,000 to 30,000 in equivalent amount in denars in case of an offence referred to in Article 264 of this Law.

(2) A fine ranging from EUR 1,000 to 5,000, equivalent amount in denars shall be levied for an offence referred to in paragraph (1) of this Article against a responsible person in a legal person.

(3) A fine ranging from EUR 500 to 15,000, the equivalent amount in denars shall also be levied for an offence referred to in paragraph (1) of this Article against a natural person for an offence referred to in Article 263 of this Law, i.e. a fine in the amount of EUR 200 to 5,000, equivalent amount in denars for an offence referred to in Article 264 of this Law.

Article 266

Following the identification of a customs offence referred to in Article 263 paragraph (1) item 10 and 11, Article 264 or Article 265, in reference to Article 263 paragraph 1 item 10 and 11 and Article 264 of this Law, the customs official shall deliver to the perpetrator of the offence an invitation for payment of a fine or payment order in the amount of EUR 500 for a legal person, i.e. EUR 100 for a natural person.

Article 267

(1) Goods subject of the offence referred to in Article 263 items 1 to 9 and Article 265 in regard to Article 263 items 1 to 9 of this Law shall be confiscated.

(2) Goods referred to in paragraph (1) of this Article shall also be confiscated where they are not ownership of the perpetrator of the offence, provided the owner of the goods was familiar or considering the consequences, should have reasonably been familiar, with the fact that the goods are subject to the offences from Article 263 or 265 of this Law.

(3) Goods referred to in paragraph (1) and paragraph (2) of this Article shall also be confiscated where after the offence is perpetrated such goods are processed, worked or completed and the incremental value does not exceed 30% of the customs value of the goods subject of the offence.

(4) If the goods, subject of the offence are not recovered, the perpetrator of the offence shall pay an amount proportionate to their value, which, according to the provisions of this Law, means the customs value and a procedure for collection of import duties and charges payable on import shall be initiated.

(5) It is deemed that the goods are not recovered if for any reason it is not possible for them to be confiscated from the owner. It is also deemed that the goods are not recovered if the goods subject of the offence are processed, or completed or worked after perpetration of the offence so that the incremental value exceeds 30 % of the customs value of the goods subject of the offence.

(6) Where there is more than one perpetrator, they shall all be jointly and severely liable for the value of the goods.

(7) The goods, subject to a customs offence for which special offense measure – confiscation of the goods is prescribed, remain under customs supervision until conclusion of the offence proceedings.

Article 268

The goods or the means of transportation with which a perpetration has been committed shall be confiscated, i.e. their value shall be collected even when an offence proceeding cannot be initiated against the perpetrator due to the fact that he is either unknown or unavailable, or due to the existence of other legal obstacles, except in case of occurrence of absolute prescription.

Article 269

(1) The means of transportation used for transport i.e. carriage of the goods across the customs line i.e. into the customs area, of the goods subject of the offences referred to in Article 263 of this Law shall be confiscated provided the value of the said goods exceeds 20% of the value of the means of transportation and the owner of the means of transportation, knew or reasonably should have known that it was to be used for such transportation, i.e. carriage.

(2) Notwithstanding paragraph (1) of this Article, the means of transportation shall also be confiscated when it has been specially constructed, adapted, altered or adjusted in whatsoever way for the purpose of concealment of the goods.

(3) Paragraphs (1) and (2) of this Article do not affect the rights of the other persons to require compensation of the damage from the perpetrator of the offence.

TITLE 10
Transitory and Final Provisions

Article 270

The rights granted with the authorisations and other administrative acts in regard to the relief from payment of customs duty, in accordance with the Customs Law (“Official Journal of the Republic of Macedonia” no. 21/98, 26/98, 63/98, 86/99, 25/2000, 109/2001, 31/2001, 4/2002, 55/2002, 42/2003) that were not utilised until the date of application of this Law, may be used until the expiry of the time limits prescribed with those acts, but not later than 90 days following the date of application of this Law.

Article 271

Administrative procedures initiated before the date of application of this Law shall be completed in accordance with the provisions applicable up to the time of start of its application.

Article 272

Customs warehouses established before the date of application of this Law shall continue to operate as customs warehouses provided they make their operation compliant with the conditions laid down under this Law within a period of six months from the day of application of this Law.

Article 273

The free economic zones shall make their operation compliant with the conditions prescribed under this Law at latest by 31st May 2006.

Article 274

Persons performing representation activities in the customs declarations lodging procedure before the entering into force of this Law may continue performing such affairs of representation without having to comply with the conditions set out in Article 6 of this Law at latest by 30th April 2006.

Article 275

With the day of application of this Law, the Customs Law ('Official Journal of the Republic of Macedonia' no. 21/98, 26/98, 63/98, 86/99, 25/2000, 109/2001, 31/2001, 4/2002, 55/2002, 42/2003), as well as the provisions of the Law on Free Economic Zones ('Official Journal of the Republic of Macedonia' no. 56/99, 41/2000, 6/2002) regarding customs procedures for goods entering or exiting a free economic zone, shall cease to apply.

Article 276

This Law shall enter into force on the eighth day following its publishing in the "Official Journal of the Republic of Macedonia" and shall apply as from 01st January 2006.