

Decision amending the Law on Customs Policy

In the exercise of the powers vested in me by Article V of Annex 10 (Agreement on Civilian Implementation of the Peace Settlement) to the General Framework Agreement for Peace in Bosnia and Herzegovina, according to which the High Representative is the final authority in theatre regarding interpretation of the said agreement on the civilian implementation of the peace settlement; and considering in particular Article II.1 (d) of the *same* Agreement, *in terms of which* the High Representative shall *have the power to* “facilitate, as the High Representative judges necessary, the resolution of any difficulties arising in connection with civilian implementation;”

Recalling paragraph XI.2 of the Conclusions of the Peace Implementation Conference held in Bonn on 9 and 10 December 1997, in which the Peace Implementation Council welcomed the High Representative’s intention to use his final authority in theatre, regarding interpretation of the Agreement on the Civilian Implementation of the Peace Settlement, in order to facilitate the resolution of any difficulties as aforesaid “by making binding decisions, as he judges necessary” on certain issues including (under sub-paragraph (c) thereof) “measures to ensure the implementation of the Peace Agreement throughout Bosnia and Herzegovina and its Entities”;

Considering that Article III. 1.c of Annex 4 (Constitution of Bosnia and Herzegovina) establishes customs policy as a responsibility of the institutions of Bosnia and Herzegovina, and that the State of Bosnia and Herzegovina enacted the Customs Policy Law of Bosnia and Herzegovina which was published in the Official Gazette of Bosnia and Herzegovina on 31 October 1998 (BiH O.G. 21/98);

Bearing in mind that the Peace Implementation Council on 16 December 1998 in its Madrid Declaration (Paragraph 16 of Part IV of the Annex to the Peace Implementation Agenda) required the authorities of Bosnia and Herzegovina to strengthen the common institutions and make them more effective by, *inter alia*, ensuring proper implementation of Customs Laws, including the establishment of a mechanism to monitor implementation of the Law on Customs Policy of Bosnia and Herzegovina,

Further bearing in mind that the Peace Implementation Council on 24 May 2000 in its Brussels Declaration urged the High Representative to use his authority in accordance with his mandate to ensure full and accelerated implementation in all sectors of civilian implementation, including removing obstacles that stand in the way of economic reform, and found the need for authorities to proceed with broad-based reform of the customs systems to be critical;

Noting that the amendments to the Law on Customs Policy were prepared a year ago, and particularly considering the fact that these amendments are critically needed to fight corruption and to move forward with economic reforms in Bosnia and Herzegovina;

Having considered, borne in mind and noted all the matters aforesaid, I hereby make the following Decision. The Law which is hereinafter set out with the amended annexes thereto shall enter into force as provided for therein on an interim basis, until such time as the Parliamentary Assembly of Bosnia and Herzegovina adopts this Law in due form, without amendments and with no conditions attached.

This Decision, which has immediate effect, shall be published without delay in the Official Gazette of Bosnia and Herzegovina and also in the Official gazette of the Federation of Bosnia and Herzegovina and of the Republika Srpska.

DECISION

ON LAW ON AMENDING THE LAW ON CUSTOMS POLICY

The Law on Customs Policy of Bosnia and Herzegovina published in the Official Gazette of Bosnia and Herzegovina (number 21/98 of October 31, 1998) is hereby amended as follows:

Article 11. Article 4, paragraph 1, sub-paragraph (8) to delete wording “on the customs value”.

In sub-paragraph (17)(f) to delete wording “and temporary export”.

After paragraph (17)(f) to add new paragraph (17)(g) that shall read “outward” processing.

Previous sub-paragraph (17)(g) becomes new sub-paragraph (17)(h).

Article 2

Article 12, paragraph 3, shall be amended and read:

1. “3. Certificate of classification binds the Entities only”:

- in relation to the Holder of the certificates of classification; and
- in respect of goods submitted for customs formalities after the day when the certificate was sent.

Article 3 In Article 33, paragraph 1 (b) shall be amended and read:

1. “b) for goods carried by sea and then, without transshipment, by inland waterway, that

is the first port where unloading can take place either at the mouth of the river, in the canal or further inland, subject to proof being furnished to the customs office that the transport costs to the port of unloading are higher than the transport costs to the first port.”

Article 4

In Article 109 in the Law after paragraph 2 (c), to add new item (d), which shall read:

1. “ (d) under the transit procedure”.

Article 5 In Article 111 in the Law after paragraph 2 to add new paragraph 3, which shall read:

1. “Work of a duty free shop demands approval of the shop as a customs warehouse referred to in paragraph 2 of this Article. In such cases customs warehouses shall be located in that part of an international airport, which is designated for transfer or departure of passengers in international traffic.”

2. Previous paragraph 3 becomes paragraph 4.

Article 6

After Article 121, new Article 121a has to be inserted and read

“Article 121a”

1. Where a customs debt is incurred in respect of import goods and the customs value 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 goods concerned have undergone the usual forms of handling within the meaning of Article 119, the nature of the goods, the customs value and the quantity to be taken into account in determining the amount of import duties shall, at the request of the declarant, be those which would be taken into account for the goods, at the time referred to in Article 187, if they had not undergone such handling.

Article 7

1.

In Article 122 in paragraph 1 wording “for one or more processings” shall be replaced by “in one or more processing operations”.

2. In paragraph 1 (a) to add word “customs” at the beginning of the text.

Article 8In Article 126, paragraph 3 number “122” shall be replaced by “123”. **Article 91.** In Article 129, paragraph 1 to add wording at the beginning of the text: “Subject to Article 129a” after which comes a comma and wording “customs value appropriate” shall be replaced by “elements for establishing the appropriate duty”. **Article 10**After Article 129 to add new Article 129a to read:

1. By way of derogation from Article 129, compensating products shall be subject to the import duties appropriate to them in cases when they are released for free circulation and appear on the list adopted in accordance with the Commission procedure, to the extent that they are in proportion to the exported part of the compensating products not included in that list. However, the holder of the authorization may ask for the duty on those products to be assessed in the manner referred to in Article 129.

Article 11In the title after Article 140 to delete wording “and temporary exportation”.

Article 12

Article 141 shall be amended and read:

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

2. Authorization for temporary importation shall be granted at the request of the person who uses the goods or arranges for them to be used.

3. The Entities shall refuse to authorize use of the temporary importation procedure where it is impossible to ensure that the import goods can be identified.

4. However, the Entities may authorize 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.

5. The Entities shall determine the period within which import goods must have been re-exported or assigned customs-approved treatment or use. Such period must be long enough for the objective of authorized use to be achieved.

6. Without prejudice to the special periods laid down in paragraph 1, Article 142 of this Law, the maximum period during which goods may remain under the temporary importation procedure shall be 24 months. The Entities may, however, determine shorter periods with the agreement of the person concerned.

7. However, where exceptional circumstances so warrant, the Entities may, at the request of the person concerned and within reasonable limits, extend the periods referred to in paragraphs 4 and 5 in order to permit the authorized use.

Article 13Article 142 shall be amended and read:

1. The procedure of temporary importation with total relief from payment of import duties shall be granted for professional equipment, passengers’ personal effects and goods imported for sports purposes. A list illustrating goods considered as professional equipment is specified in Annex 2 of this Law. A list illustrating those goods considered as passengers’ personal effects and goods imported for sports purposes is specified in Annex 3 of this Law. The temporary import of means of transportation with total relief from payment of import duties shall be subject to fulfilment of conditions specified in Annex 5 of this Law.

2. The procedure of temporary importation in the context of this paragraph shall be granted provided that the professional equipment is:

- a. owned by a person registered outside the BiH customs territory;
- b. imported by a person registered outside the BiH customs territory;
- c. used solely by or under the supervision of a person visiting the BiH customs territory.

1. Cases and special conditions under which the temporary importation procedure may be used with total relief from import duties shall be determined in accordance with the Commission procedure.

2. Use of the temporary importation procedure with a partial relief from import duties shall be granted in respect of goods which, while remaining the property of a person established outside the customs territory of BiH, are not covered by the provisions adopted in accordance with paragraph 1 of this Article or which are covered by such provisions but do not fulfill all the conditions provided for therein for the grant of temporary importation with total relief.

3. The list of goods in respect of which the temporary importation procedure with partial relief from import duties may not be used shall be drawn up in accordance with the Commission procedure.

Article 14 Article 143 shall be amended and read:

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.

Article 15 Article 144 shall be amended and read:

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 elements for establishing the duty appropriate to those goods at the time of acceptance of the declaration of their placing under the temporary importation procedure. However, where the provisions of paragraph 1 in Article 142 of this Law so provide, the amount of the debt shall be determined on the basis of the elements for establishing the duty appropriate to the goods in question at the time referred to in Article 187 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 143 of this Law.

Article 16 After Article 144 to add new Chapter, new subtitles and new Articles to read: **“G Outward Processing”**

General provisions

Article 144a

1. The outward processing procedure shall, without prejudice to the provisions governing specific fields relating to the standard exchange system laid down in Articles 144e to 144j in this Law, allow goods of BiH to be exported temporarily from the customs territory of BiH 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 import duties.

2. Temporary exportation of goods of BiH shall entail the application of export duties, commercial policy measures and other formalities for the exit of goods of BiH from the customs territory of BiH.

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 122 (2) (c), first, second and third indents;
- 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.

1. The outward processing procedure shall not be open to goods of BiH:

(a) whose export gives reason to repayment or remission of import duties,

(b) 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.

5. However, Derogation from Item b) paragraph 4 of this Article may be determined in accordance with the Commission procedure.

Grant of the authorization

Article 144b

1. Authorization 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.

2. Authorization shall be granted only:

- a. to persons established in BiH;
- 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.

Cases in which derogation from this subparagraph may apply and the conditions under which such derogation shall apply shall be determined in accordance with the Commission procedure;

- c. where authorization to use the outward processing procedure is not liable seriously to harm the essential interests of BiH processors (economic conditions).

Operation of the procedure

Article 144c

1. The Entities shall specify the period within which the compensating products must be reimported into the customs territory of BiH. They may extend that period on submission of a duly substantiated request by the holder of the authorization.

2. The Entities shall set either the rate of yield of the operation or, where necessary, the method of determining that rate.

3. Total or partial relief from import duties provided for in paragraph 5 of this Article 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 authorization, or
- b. any other person established in BiH provided that that person has obtained the consent of the holder of the authorization and the conditions of the authorization are fulfilled.

1. The total or partial relief from import duties provided for in paragraphs 5 to 8 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.

2. The total or partial relief from import duties provided for in Article 144a (1) 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 territory of BiH from the country in which they underwent the processing operation or last processing operation.

3. The amount to be deducted pursuant to paragraph 5 shall be calculated on the basis of the quantity and nature of the goods in question on the date of acceptance of the declaration placing them under the outward processing procedure and on the basis of the other paragraphs of charge applicable to them on the date of acceptance of the declaration relating to the release for free circulation of the compensating products.

4. The value of the temporary export goods shall be that taken into account for those goods in determining the customs value of the compensating products in accordance with Article 28 (1) (b) (i) of the Law on Customs Policy of BiH 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.

5. Where temporary export goods could qualify on their release for free circulation for a reduced or zero rate of duty by virtue of their end use, that rate 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.

6. Where compensating products may qualify for a preferential tariff measure within the meaning of Article 19 (4) (c) of the Law on Customs Policy of BiH and the measure exists for goods falling within the same tariff classification as the temporary export goods, the rate of import duty to be taken into account in establishing the amount to be deducted pursuant to paragraph 5 of this Article shall be that which would apply if the temporary export goods fulfilled the conditions under which that preferential measure may be applied.

Article 144d

1. 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 Entities 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.

2. Paragraph 1 of this Article shall not apply where account was taken of the defect at the time when the goods in question were first released for free circulation.

3. 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 144a (1) in this Law shall be granted by establishing the amount of the duties applicable on the basis of the elements for establishing the duty pertaining to the compensating products on the date of acceptance of the 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 authorization and are not influenced by any links between that holder and the operator.

Outward processing with use of the standard exchange system Article 144e

1. Under the conditions laid down in Article 144e to 144j of this Law which are applicable in addition to the preceding provisions, the standard exchange system shall permit an imported product, hereinafter referred to as a "replacement product", to replace a compensating product.

2. The Entities shall allow the standard exchange system to be used where the processing operation involves the repair of goods of BiH
3. Without prejudice to Article 144j in this Law, the provisions applicable to compensating products shall also apply to replacement products.
4. The Entities shall, under the conditions they lay down, permit replacement products to be imported before the temporary export goods are exported (prior importation).
5. In the event of prior importation of a replacement, security shall be provided to cover the amount of the import duties.

Article 144f

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.
3. The Entities may, however, grant derogation from this rule if the replacement product has been supplied free of charge either because of a contractual or statutory obligation arising from a guarantee or because of a manufacturing defect.

Article 144g

1. Standard exchange shall be authorized only where it is possible to verify that the conditions laid down in Article 144f of this Law are fulfilled.

Article 144h

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 Entities of the declaration relating to the release of the replacement products for free circulation.
2. However, where exceptional circumstances so warrant, the Entities may, at the request of the person concerned, extend within reasonable limits the period referred to in paragraph 1 of this Article.

Article 144i

1. In the case of prior importation and where paragraphs 5 to 8 Article 144c of this Law are applied, the amount to be deducted shall be determined on the basis of the paragraphs of charge applicable to the temporary export goods on the date of acceptance of the declaration placing them under the procedure.

Article 144j

“Article 144b (2) (b) in this Law shall not apply in the context of standard exchange.”

Article 171. In Article 149, paragraph 1 shall be amended and read:

“Council of Ministers in agreement with the Entities may designate parts of customs territory of BiH as free zones or approve establishing of free warehouses.”

2. In Article 149 Paragraph 2 shall be amended and read:

“Council of Ministers in the agreement with the Entities may specify territory that each of the free zones shall encompass. Spaces that shall be specified as free warehouses must be approved by the Council of Ministers and in agreement with the Entities.”

3. In Article 149 Paragraph 3 shall be amended and read:

“Free zones are enclosed. Entities are defining where the entrances or exits should be placed for each of the free zones or free warehouses.”

Article 18 Article 162 shall be amended and read:

1. Equipment released for free circulation representing an investment by a foreign person, except for passenger vehicles, entertainment and slot machines, shall be granted relief from payment of customs duty;
2. Goods released for free circulation for military and police forces in the entities and penitentiary institution in the entities and completely financed by donors shall be relieved from payment of customs duty;
3. Goods released for free circulation for projects of rebuilding and reconstruction of BiH shall be relieved from payment of customs duty if the project:
 - is adopted by the Council of Ministers or Entity Governments;
 - is completely financed by foreign donors or financed by international developments banks;
4. Products and goods specified in Annex 4 on this Law shall be relieved from payment of customs duty
5. Council of Ministers shall prescribe more specific provisions on the procedure for issuing a Decision on granting the relief from payment of customs duty from paragraphs 1, 2, 3 & 4 in this Article.

Article 19

1. In Article 163 new paragraph 2 shall be added and read:

“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 territory of BiH under the outward processing procedure unless those goods remain in the state in which they were exported.”

Article 20

1. On the day when this Law comes into force, all such laws and regulations of Bosnia and Herzegovina as may be inconsistent therewith shall be deemed forthwith to be revoked.

Article 21

This Law shall enter into force 8 days after the date of publication in the Official Gazette of Bosnia and Herzegovina.

Sarajevo, 20 December 2000

Wolfgang Petritsch
High Representative

Annex 4 of the Law on Customs Policy of Bosnia and Herzegovina (Official Gazette of BiH 21/98) shall be amended to read as follows:

GOODS RELIEVED FROM CUSTOMS DUTY

Scope and basic definitions

Article 1

(1) This Annex, in accordance with Article 162 of this Law, sets out those cases in which, under special circumstances, relief from customs duty shall be granted respectively when goods are released for free circulation in BiH.

(2) For the purpose of this Annex:

(a) “Quantity and value of goods the traveller may bring in“ shall mean the quantity of specified

goods and the overall value of goods a traveller can bring into the customs territory of BiH once a day arriving into the customs territory of BiH from a foreign country, provided that such goods are of a non-commercial nature.

(b) "Personal property" means any property intended for the personal use of the persons concerned or for meeting their households needs.

The following, in particular, shall constitute 'personal property':

- household effects,
- cycles and motor cycles, private motor vehicles and their trailers, camping caravans, pleasure crafts and private aeroplanes.

Household provisions appropriate to normal family requirements, household pets and saddle animals, as well as the portable instruments of the applied or liberal arts, required by the person concerned for the pursuit of his trade or profession, shall also constitute 'personal property'.

(a) "Household effects" means personal effects, household linen, furnishings and equipment intended for the personal use of the persons concerned or for meeting their household needs. However, 'household effects' must not be such as might indicate by their nature or quantity, that they are being imported for commercial reasons.

(b) "Personal luggage" means the whole of the luggage which a traveller is in a position to declare to the Customs Authorities of the Entities on his arrival in BiH, as well as any luggage presented to the same authorities at a later date, provided that evidence can be produced to prove that it was registered, at the time of the travellers' departure, as accompanied luggage with the company which transported it into BiH from the country of departure.

(c) "Goods of non-commercial nature" means imports which are of an occasional nature and consist exclusively of goods for the personal use of the travellers or their families, or of goods intended as presents; the nature and quantity of such goods should not be such as might indicate that they are being imported for commercial reasons.

(d) "Relief from duty" means that the rate as set out in the customs tariff schedule in the Customs Tariff Law of BiH does not apply.

(e) "Samples of goods" means any article representing a type of goods whose manner of presentation and quantity, for goods of the same type or quality, rule out their use for any purpose other than that of seeking orders

(f) "Alcoholic products" means products (beer, wine, aperitifs with a wine or alcoholic base, brandies, liqueurs or spirituous beverages, etc.) falling within tariff heading 22 03 to 22 09 in the Tariff schedule in the Customs Tariff Law of BiH.

Goods Contained in travellers' Personal Luggage

Article 2

1) Goods contained in the personal luggage of the traveller coming from abroad and not subject to any prohibitions or restrictions in force, shall be relieved from payment of customs duty, provided such imports are of a non-commercial nature.

2) The relief referred in paragraph 1 of this Article shall, in respect of the goods listed below, apply subject to following quantitative limits per traveller and per day:

- a. goods of a non-commercial nature, including gifts and souvenirs, contained in passengers

- personal luggage not exceeding a customs value of 200 DEM;
- b. tobacco products:
 - 200 cigarettes; or
 - 100 cigarillos; or
 - 250 grams of tobacco.
 - c. alcoholic beverages:
 - 2 litres of still table wine;
 - 1 litre of spirits or strong liqueurs over 22% volume; or 2 litres of fortified wine, sparkling wine or other liqueurs;
 - d. perfumes and toilet water
 - 60 cc/ml of perfume;
 - 250 cc/ml of toilet water.

1) Travellers under 17 years of age are not entitled to import goods referred to in paragraph 2(b) and (c).

Personal Property Belonging to Natural Persons Transferring Their Normal Place of Residence from a Foreign Country to BiH

Article 3

1) Personal property imported by natural persons transferring their normal place of residence from a foreign country to the customs territory of BiH shall be relieved from payment of customs duty.

2) The relief shall be limited to personal property which:

- a. have been in possession of and, in the case of non-consumable goods, including cycles, private motor vehicles and their trailers, camping caravans, pleasure crafts and private aeroplanes, used by the person concerned at his former normal place of residence for a minimum of 6 months before the date on which he ceases to have his normal place of residence in the foreign country of departure;
- b. is intended to be used for the same purpose at his place of residence within BiH.

1) At the request of customs authorities, a natural person shall be obliged to present evidence that the time period mentioned in Item 1, Para.2 has been fulfilled.

2) Relief may be granted only to persons whose normal place of residence has been outside BiH for a continuous period of at least 12 months or at least 12 months within the period of four years of residence.

3) Relief shall be granted only in respect of personal property declared for free circulation within 12 months from the date of establishment of the new residence within the customs territory of BiH.

4) Except for the specific provisions as set out in the previous Section, no relief shall be granted for:

- a. alcoholic products;
- b. tobacco or tobacco products;
- c. commercial means of transport;
- d. articles for use in the exercise of a trade or profession, other than portable instruments of the applied or liberal arts.

5) Until 12 months have elapsed from the date on which the declaration for free circulation was accepted, personal property which has been admitted duty-free may not be lent, given as security, hired out or transferred, whether for a consideration or free of charge, without getting prior consent from the competent Customs administration.

6) Any loan, giving as security, hiring out or transfer before the expiry of the period referred in paragraph 7

shall entail payment of the relevant customs duty on the property concerned, at the rate applying on the date of such loan, giving as security, hiring out or transfer, on the basis of the type of property and the customs value ascertained or accepted on that date by the competent Customs administration.

Personal Property Acquired by Inheritance Article 4

1) Personal property, which the citizens of BiH and foreign citizens permanently residing in BiH inherited from abroad, shall be relieved from payment of customs duty.

2) For the purpose of paragraph 1 of this *Article*, 'personal property' means also the household items constituting the estate of the deceased.

3) Except for the specific provisions relating to the goods contained in the passenger's personal baggage, no relief shall be granted for:

- a. alcoholic products;
- b. tobacco or tobacco products;
- c. commercial means of transport;
- d. articles for use in the exercise of a trade or profession, other than portable instruments of the applied or liberal arts, which were required for the exercise of the trade or profession of the deceased;
- e. stock of raw materials and finished or semi-finished products;
- f. livestock and stocks of agricultural products exceeding the quantities to normal family requirements.

1) Relief shall be granted only for personal property entered for free circulation not later than one year from the date on which the person concerned becomes entitled to the property. However, this period may be extended by the Customs administration on special grounds.

2) Paragraphs 1 to 4 of this Article shall apply also to personal property acquired by inheritance by the persons referred to in Article 4, paragraph 1, third indent of this Law who are engaged in a non-profit making activity and who are registered in the customs territory of BiH.

Household Effects for Furnishing a Secondary Residence

Article 5

1) Household effects imported by a natural person having his normal place of residence outside BiH for the purpose of furnishing a secondary residence in the customs territory of BiH shall be relieved from payment of Customs duty.

2) The relief shall be limited to household effects which:

- a. Except in special cases justified by the circumstances, have been owned and used by the person concerned for a minimum of six months before the date on which these household effects were exported;
- b. Are appropriate both by nature and by quantity to the normal furnishings of that secondary residence.

1) The relief shall be granted only to following persons who:

- a. Have had their normal place of residence outside BiH for a continuous period of at least 12 months;
- b. Are the owners of the secondary residence in question or have rented it for not less than two years; and
- c. Undertake not to let this secondary residence to third parties while they or their families are absent.

- 1) The relief may be limited to a single use of one and the same secondary residence.
- 2) The grant of relief may be made subject to the lodging of a guarantee to ensure payment of any customs debt, which may arise.
- 3) Hiring or transfer of the secondary residence to a third person before the expiry of a period of two years from the date of acceptance of import of the household effects shall entail payment of the relevant duties on them, at the rate applying on the date of such hire or transfer, on the basis of the type of goods and the customs value ascertained or accepted on that date by the competent authorities. The relief shall continue to apply if the household effects concerned are used to furnish a new secondary residence, provided that the provisions of paragraph 3, points 2 and 3 of this Article are respected.
- 4) Any loan, giving as security, hiring out or transfer, whether for a consideration or free of charge, of these household effects to a third person before the expiry of a period of two years from the date of granting authorization shall entail payment of the relevant duties under the same conditions as those referred to in paragraph 6. This period may be extended up to 10 years for valuable household effects.

Capital goods and other equipment imported on the transfer of activities from a third country into BiH

Article 6

- 1) The capital goods and other equipment belonging to undertakings which definitively cease their activity in a third country and move to the customs territory of BiH in order to carry on a similar activity there, shall be relieved from payment of Customs duty.

Where the undertaking transferred is an agricultural holding, its livestock shall also be admitted free of import duties.

- 2) For the purposes of paragraph 1, "undertaking" means an independent economic unit of production or of the service industry.

- 3) The relief shall be limited to capital goods and equipment which:

- a. have been used in the undertaking for a minimum of 12 months before the date on which the undertaking ceased to operate in the third country from which it has transferred its activities;
- b. are intended to be used for the same purposes after the transfer;
- c. are appropriate to the nature and size of the undertaking in question.

- 1) No relief shall be granted to undertakings the transfer of which into the customs territory of BiH is consequent upon or is for the purpose of merging with, or being absorbed by, an undertaking established in the customs territory of BiH, except for setting up an activity in the undertaking concerned.

- 2) No relief shall be granted for:

- a. means of transport which are not of the nature of instruments of production or of the service industry;
- b. supplies of all kinds intended for human consumption or for animal feed;
- c. fuel and stocks of raw materials or finished or semi-finished products;
- d. livestock in the possession of dealers.

- 1) The relief granted as per the provisions of this Article shall be granted only for capital goods and other equipment entered for free circulation before the expiry of a period of 12 months from the date when the undertaking ceased its activities in the third country of departure.

- 2) Until 12 months have elapsed from the date on which the declaration for free circulation was accepted, capital goods and equipment which have been admitted duty-free may not be lent, given as security, hired

out or transferred, whether for a consideration or free of charge, without prior consent of the competent Customs administration.

3) Any loan, giving as security, hiring out or transfer before the expiry of the period referred to in paragraph 7 of this Article shall entail payment of the relevant import duties on the goods concerned, at the rate applying on the date of such loan, giving as security, hiring out or transfer, on the basis of the type of goods and the customs value ascertained or accepted on that date by the competent Customs Administration.

9) Paragraphs 1 to 8 of this Article shall also apply to capital goods and equipment belonging to persons engaged in a liberal profession and to the persons referred to in Article 4, paragraph 1, indent 3 of the Law on Customs Policy of BiH engaged in a non-profit making activity who transfer this activity from a foreign country into the customs territory of BiH.

Products obtained by BiH farmers on Properties Located in a Foreign Country

Article 7

1) Agricultural, stock-farming, bee-keeping, horticultural and forestry products from properties located in a country adjoining the customs territory of BiH, which are operated by agricultural producers having their enterprise in the said customs territory, shall be relieved from payment of Customs duty.

2) To benefit from the provisions of paragraph 1 of this Article, stock-farming products must be derived from animals, which originate in BiH i.e. which is released for free circulation.

3) The relief shall be limited to products which have not undergone any treatment other than that which normally follows harvest or production.

4) The relief shall be granted only for those products agricultural producers brought into the customs territory of BiH by the agricultural producer or on his behalf.

5) Paragraphs 1 to 4 of this Article shall also apply to the products of fishing or fish-farming activities carried out in the lakes or waterways at the frontier of BiH and some other country by BiH fishermen and to the products of hunting activities carried out on such lakes or waterways by BiH sportsmen.

Seeds, Fertilizers and Products for the Treatment of Soil, Imported by Agricultural Producers in Foreign Country for Use in Properties Adjoining those Countries

Article 8

1) Seeds, fertilizers and products for the treatment of soil and crops intended for use on property located in the customs territory of BiH adjoining a foreign country and operated by agricultural producers having their principle undertaking within the said foreign country and adjacent to the customs territory of BiH shall be relieved from payment of Customs duty.

2) The relief shall be limited to the quantities of seeds, fertilizers or other products required for the treatment of property.

3) The relief shall be granted only for the seeds, fertilizers or other products which the agricultural producer or his representative imports directly into the customs territory of BiH.

4) BiH may make relief conditional upon the application of the principle of proportionality.

For the benefit of disaster victims

Article 9

1) Goods imported by the Entities or charitable or philanthropic organisations approved by the

Entities shall be admitted free of customs duty where they are intended:

- a. for distribution free of charge to victims of disaster affecting the BiH territory; or
- b. to be made available free of charge to the victims of such disasters while remaining the property of the organisations in questions

1) Goods imported for free circulation by disaster relief agencies in order to meet their needs during the period of their activity shall also be granted the relief under the same conditions as referred to in paragraph 1 of this Article.

2) No relief shall be granted for materials and equipment intended for rebuilding disaster areas.

3) Relief shall be granted only to organisations the accounting procedures of which enable the competent authorities to supervise their operations and which offer all the guarantees considered necessary.

4) The organisations benefiting from the relief may not lend, hire out or transfer, whether for consideration or free of charge, the goods referred to in paragraph 1 of this Article under conditions other than those laid down in this Article without getting prior approval thereof from the competent Entities. Should goods be lent, hired out or transferred to an organisation itself entitled to benefit from relief, the relief shall continue to be granted, provided the latter uses the goods for purposes which confer the right to such relief. In other cases, loan hiring out or transfer shall be subject to prior payment of import duties at the rate applying on the date of the loan, hiring out or transfer, on the basis of the type of goods and the customs value ascertained or accepted on that date by the competent customs authorities.

5) The goods referred to in paragraph 1 (b) of this Article, after they cease to be used by disaster victims, may not be lent, hired out or transferred, whether for a consideration or free of charge, unless the competent Entities approves it.

6) Should goods be lent, hired out or transferred to an organisation itself entitled to benefit from relief pursuant to paragraph 1 or if appropriate, the relief shall continue to be granted provided such organisations use them for purposes which confer the right to such relief. In other cases, loan hiring out or transfer shall be subject to prior payment of customs duty at the rate applying on the date of the loan, hiring out or transfer, on the basis of the type of goods and the customs value ascertained or accepted on that date by the competent customs authorities.

Goods for charitable or humanitarian organisation

Article 10

1) The following shall be admitted free of customs duty, in so far as this does not give rise to abuses or major distortions of competition:

- a. basic necessities imported by state organisations or charitable organisations approved by the competent authorities for distribution for humanitarian purposes;
- b. goods sent free of charge, by a persons or an organisation registered in a foreign country, and without any commercial intent on the part of the sender, to state organisations or other charitable or humanitarian organisations approved by the competent authorities, to be used for fund raising at occasional charity events for the benefit of needy persons;
- c. equipment and office materials sent free of charge by a person or an organisation established outside the customs territory of BiH without any commercial intent on the part of the sender, to state organisations or other charitable or humanitarian organisations approved by the competent authorities and solely for the purpose of meeting their operating needs or carrying out their charitable or humanitarian aims

1) For the purposes of paragraph 1, item 1 of this Article 'basic necessities' means those goods required to meet the immediate needs of human beings, e.g. food, medicine, clothing and bed -clothes.

2) No relief shall be granted for:

- a. alcoholic products;
- b. tobacco or tobacco products;
- c. coffee;
- d. motor vehicles, other than ambulances and specialised vehicles for the transportation of disabled persons.

4) Relief shall be granted only to organisations the accounting procedures of which enable the competent authorities to supervise their operations and which offer all the guarantees considered necessary

5) The organisation benefiting from the relief may not lend, hire out or transfer, whether for a consideration or free of charge, the goods and equipment referred to in paragraph 1 of this Article for purposes other than those laid down in paragraph 1 (a) and (b) of this Article without obtaining prior consent of the customs authorities.

6) Should goods and equipment be lent, hired out or transferred to an organisation entitled to benefit from relief pursuant to paragraph 1 of this Article, the relief shall continue to be granted provided the latter uses the goods and equipment for purposes which confer the right to such relief.

7) In other cases, loan, hiring out or transfer shall be subject to prior payment of customs duty, at the rate applying on the date of the loan, hiring out or transfer, on the basis of the type of the goods or equipment and customs value ascertained or accepted on that day by the customs authorities.

8) Organisations referred to in paragraph 1 of this Article which cease to fulfil the conditions giving entitlement to relief, or which are proposing to use goods and equipment admitted duty-free for purposes other than those provided for by that paragraph, shall so inform the competent authorities.

9) Goods and equipment remaining in the possession of organisations which cease to fulfil the conditions giving entitlement to relief shall be liable to the relevant customs duty at the rate applying on the date on which those conditions cease to be fulfilled, on the basis of the type of goods and equipment and the customs value ascertained or accepted on that date by the customs authorities.

10) Goods and equipment used by the organisations benefiting from the relief for purposes other than those provided for in paragraph 1 of this Article shall be liable to the relevant customs duty at the rate applying on the date on which they are put to another use, on the basis of the type of goods and equipment and the customs value as ascertained or accepted on that date by the customs authorities.

Goods Intended for the Use of the Blind Persons

Article 11

1) Articles specially designed for the educational, scientific or cultural advancement of blind persons, which are specified in the list to be adopted by the Council of Ministers, shall be relieved from payment of customs duty.

2) Articles specially designed for the educational, scientific or cultural advancement of blind persons, which are specified in the list to be completed in accordance with the Commission procedure, shall be relieved from payment of customs duty, provided that they are imported by:

- blind persons for their own use;
- institutions or organisations concerned with the education of or the provision of assistance to the blind, approved by the competent authorities in the Entities for the purpose of duty-free entry of these articles.

1) The relief referred to in paragraph 2 shall apply to spare parts, components or accessories specifically intended for the articles in question, and to the tools to be used for the maintenance, checking, calibration or repair of the said articles, provided that such spare parts, components, accessories or tools are imported at the same time as the said articles or, if imported subsequently, that they can be identified as being intended for articles previously admitted duty-free, or which would be entitled to relief at the time when such relief is

requested for the specific spare parts, components or accessories and tools in question.

Articles Intended for the Use of other Handicapped Persons

Article 12

1) Articles specially designed for the educational, employment or social advancement of physically or mentally handicapped persons shall be relieved from payment of customs duty provided that they are imported by:

- handicapped persons for their own use;
- institutions or organisations that are principally engaged in the education of or the provision of assistance to the handicapped persons, approved by the competent authorities to import such article duty-free.

2) The Articles referred to in paragraph 1 of this Article shall be relieved from payment of customs duty provided that they are not manufactured in BiH.

3) The relief referred to in paragraph 1 shall apply to spare parts, components or accessories specifically intended for the articles in question, and to the tools to be used for the maintenance, checking, calibration or repair of the said articles, provided that such spare parts, components, accessories or tools are imported at the same time as the said articles or, if imported subsequently, that they can be identified as being intended for articles previously admitted duty-free, or which would be entitled to relief at the time when such relief is requested for the specific spare parts, components or accessories and tools in question.

Passenger Cars Imported by Disabled Persons

Article 13

1) Disabled persons, who once within the period of 5 years import from abroad a passenger car, which they will use as orthopaedic or other accessory, shall be relieved from payment of customs duty.

2) For the purpose of paragraph 1 of this Article the following persons shall be considered as disabled persons eligible to exercise the right of relief from payment of customs duty on import of passenger's car as an orthopaedic or other accessories:

- disabled war-veterans, if a bodily damage of at least 70 % has been established by a decision of the responsible Commission for Determining Disability Degree in compliance with the disability insurance regulations, as well as for an established disability degree of 50 % and larger – in cases of amputation and more severe damages of extremities that require usage of a vehicle adjusted to disabled persons;
- Other disabled persons, if a bodily damage of at least 80 % has been established by a decision of the responsible Commission for Determining Disability Degree in compliance with the disability insurance regulations, in particular of motor parts (lower extremities, pelvis, spine) as well as other parts that cause distortion in the function of lower extremities; complete loss or damage of sight; severe form of retardation or paralysis.

1) A disabled person may import a passenger car up to the value of 30.00 DM i.e. a passenger car specially adjusted for transportation of disabled persons, without limiting the value.

Objects of Negligible Value Received Occasionally in Mail and Postal Parcels

Article 14

1) BiH and foreign citizens, who receive from abroad in mail and postal parcels objects of

negligible value in the value of up to 50 DM, shall be relieved from payment of customs duty.

2) The exemption shall not be applied to:

- a. alcoholic products;
- b. perfumes and toilet waters;
- c. tobacco and tobacco products.

3) Normal receiving of postal parcels within the meaning of this paragraph means receiving of postal parcels from abroad once a week.

Various Documents and Items

Article 15

The following documents and items shall be relieved from payment of customs duty:

- a. Documents sent free of charge to the public services of BiH and Entities;
- b. Publications of foreign governments and publications of official international bodies intended for distribution without charge;
- c. Ballot papers for elections organised by bodies set up in third countries;
- d. Items to be submitted as evidence or for like purposes to the Courts or other official agencies of BiH and Entities;
- e. Specimens of signatures and circular letters sent as a part of normal exchange of information between public services or bank institutions;
- f. Official printed materials to be received by the Central Bank of BiH and Entity Banking Agencies;
- g. 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;
- h. Recorded media (punched cards, sound recordings, microfilms, etc.) used for the transmission of information sent free of charge to the addressee, in so far as duty-free admission does not give rise to abuses or to major distortions of competition;
- i. Files, archives, printed forms and other documents to be used in international meetings, conferences or congresses, and reports on such gatherings;
- j. Plans, technical drawings, traced designs, descriptions and other similar documents imported with a view to obtaining or fulfilling the orders in third countries or to participating in a competition held in the customs territory of the BiH;
- k. Documents to be used in examinations held in the customs territory of BiH by institutions set up in third countries;
- l. Printed forms to be used as official documents in the international movement of vehicles or goods within the framework of international conventions ;
- m. 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 territory of BiH.
- n. Printed forms and tickets, bills of lading, way-bills and other commercial or office documents which have been used;
- o. Official printed forms from third country or international authorities and printed matter conforming to international standards sent for distribution by third country associations to corresponding associations located in the customs territory of BiH;
- p. Photographs, slides and stereotype mats for photographs, whether or not captioned, sent to press agencies or newspaper or magazine publishers.

Goods Imported for Trade Promotion Purposes

Article 16

Samples of goods of negligible value

- 1) Samples of goods which are of negligible value and can be used only to solicit orders for goods of the type they represent with a view to their being imported into the customs territory of BiH shall be relieved from payment of customs duty.
- 2) The competent Customs House may require that certain articles, in order to use the relief referred to in paragraph 1 of this Article, must be rendered permanently unusable by being torn, perforated, or clearly and indelibly marked, or by any other process, provided such operation does not destroy their character as samples.

Printed matter and advertising material

- 3) Printed advertising matter such as catalogues, price lists, directions for use or brochures shall be admitted free of customs duty, provided that they relate to:
 - a. goods for sale or hire, or
 - b. transport, commercial insurance or banking services offered by a person registered outside the customs territory of BiH.
- 1) The relief referred to in paragraph 3 of this Article shall be limited to printed advertisements which fulfill the following conditions:
 - a. printed matter must clearly display the name of the undertaking which produces, sells or hires out the goods, or which offers the services to which it refers;
 - b. each consignment must contain no more than one document or a single copy of each document if it is made up of several documents. Consignments comprising several copies of the same document may nevertheless be granted relief, provided their total gross weight does not exceed one kilo;
 - c. printed matter may not be the subject of grouped consignments from the same consignor to the same consignee.
 - d. articles for advertising purposes of no intrinsic commercial value sent free of charge by suppliers to their customers, which, apart from their advertising function, are not capable of being used otherwise.

Products used or consumed at a trade fair or similar event

- 1) The following items shall be relieved from Customs duty:
 - a. small representative samples of goods manufactured outside of BiH intended for a trade fair or similar event;
 - b. goods imported solely in order to demonstrate machines and apparatuses, manufactured outside the customs territory of BiH and displayed at a trade fair or similar event;
 - c. various materials of small value such as paints, varnishes, wallpaper, etc., used in the building, fitting-out and decoration of temporary stands occupied by representatives of foreign countries at a trade fair or similar events, which are destroyed by being used.
 - d. printed matter, catalogues, prospectuses, price lists, advertising posters, calendars, whether or not illustrated, unframed photographs and other articles supplied free of charge in order to advertise goods manufactured outside the customs territory of BiH and displayed at a trade fair or similar event.
- 1) For the purpose of paragraph 5 of this Article, 'trade fair or similar event' means:
 - a. exhibitions, fairs, shows and similar events connected with trade, industry, agriculture or

handicrafts;

- b. exhibitions and events held mainly for charitable reasons;
- c. exhibitions and events held mainly for scientific, technical, handicraft, artistic, educational or cultural, or sporting reasons, for religious reasons or for reasons of worship, trade union activity or tourism, or in order to promote international understanding;
- d. meetings of representatives of international organisations or collective bodies;
- e. official or commemorative ceremonies and gatherings;

but not exhibitions staged for private purposes in commercial stores or premises to sell goods of foreign countries.

1) The relief referred to in paragraph 5 of this Article shall be limited to samples which:

- a. are imported free of charge as such from third countries or are obtained at the exhibitions from goods imported in bulk from those countries;
- b. are exclusively distributed free of charge to the public at the exhibition for use or consumption by the persons to whom they have been offered;
- c. are identifiable as advertising samples of low unitary value;
- d. are easily marketable, and where appropriate, are packed in such a way that the quantity of the item involved is lower than the smallest quantity of the same item actually sold on the market;
- e. in the case of foodstuffs and beverages not packaged as mention under d) of this paragraph, are consumed on the spot during the exhibition;
- f. in their total value and quantity, are appropriate to the nature of the exhibition, the number of visitors and the extent of the exhibitor's participation.

1) The relief referred to in paragraph 7, point 2 of this Article shall be limited to goods which are:

- a. consumed or destroyed at the exhibitions; and
- b. are appropriate, in their total value and quantity, type the nature of the exhibition, the number of visitors and the extent of the exhibitor's participation.

1) The relief referred to in paragraph 8, points 1 and 2 of this Article shall not be granted for:

- a. alcoholic products;
- b. tobacco or tobacco products;
- c. fuels, whether solid, liquid or gaseous.

Consignments Sent to Organisations Protecting Copyrights or Industrial and Commercial Patent Rights

Article 17

1) Trademarks, models or designs and supporting documents as well as applications for recognition of patents, innovations or similar, to be forwarded to authorities dealing in protection of copyrights or the protection of industrial or commercial patent rights shall be relieved from payment of customs duty.

Goods Imported for Examination, Analysis or Testing Purposes

Article 18

1) Goods which are to undergo examination, analyses or tests to determine their composition, quality and other technical characteristics for the purpose of information or industrial or commercial research, shall be relieved from payment of Customs duty.

2) Relief shall only be granted on condition that the goods to be examined, analyzed or tested are completely used up or destroyed in the course of the examination, analyses or testing.

3) Goods used in examinations, analyses or tests which in themselves constitute sales promotion operations by themselves, shall not enjoy relief from customs duty.

4) Relief shall be granted only in respect of the quantity of goods which are strictly necessary for the purpose for which they are imported and these quantities shall in each case be determined by the competent authorities.

5) The relief referred to in para.1 of this Article shall cover goods which are not completely used up or destroyed during examination, analyses or testing, provided that the products remaining are, with the agreement and under the supervision of the competent authorities:

- a. completely destroyed or rendered commercially valueless on completion of examination, analyses or testing ;
- b. surrendered to the Entities without causing it any expense, where this is possible under national laws;
- c. in duly justified circumstances, exported outside the customs territory of BiH.

1) For the purpose of paragraph 5 of this Article, "products remaining" means products resulting from the examinations, analyses or tests, or products not actually used.

2) Where paragraph. 5 of this Article is applied, products remaining at the end of the examinations, analyses or tests referred to in paragraph 1 of this Article, shall be subject to the relevant import duties at the customs rate applicable on the date of completion of examinations, analyses or tests, on the basis of the type of goods and customs value ascertained or accepted on that date by the competent customs authorities. However, the interested party may, with the agreement and under the supervision of the competent customs authorities, convert products remaining to waste, in which case, the import duties shall be those applying to such waste or scrap at the time of conversion.

3) The period within which examinations, analyses or tests must be carried out and the administrative formalities to be completed in order to ensure the use of the goods for the purposes intended, shall be determined by the customs authorities.

Honorary Decorations, Awards and Goodwill Gifts

Article 19

1) Honorary decorations, awards, gifts, cups, medals and similar items awarded within international events and international relations shall be relieved from payment of customs duty, as follows:

- a. any honorary decoration which has been conferred on the person concerned by a government in a third country; or
- b. any cup, medal or similar article of an essentially symbolic nature which has been awarded to the person concerned in a third country as a tribute to his activities in the arts, sciences, sport or the public service, or in recognition of merit at a particular event.

Educational, Scientific and Cultural Material, Scientific Instruments and Apparatus

Article 20

1) Educational, scientific and cultural materials specified in the List to be adopted by the Council of Ministers whoever the consignee and whatever the intended use of such materials may be, shall be relieved from payment of customs duty.

2) Educational, scientific and cultural materials specified in the List to be adopted in accordance with the

procedure in the Commission provided they are intended for:

- public educational, scientific or cultural establishments or organisations;
- establishment or organisations specified in the above mentioned list on condition that the competent authorities in the Entities have approved to receive such articles duty-free.

1) Scientific instruments and apparatus, which are not included in paragraph 2 of this Article shall be admitted free of import duties when they are imported exclusively for non-commercial purposes.

2) The relief referred to in paragraph 3 of this Article shall be limited to scientific instruments and apparatus:

a. which are intended for:

- public establishments principally engaged in education or scientific research and those departments of public establishments, which principally engaged in education or scientific research;
- private establishments principally engaged in education or scientific research and approved by the competent authorities in the Entities to receive such articles duty-free; and

b. to the extent that instruments or apparatus of equivalent scientific value are not being manufactured in BiH.

1) The relief shall also apply to:

a. spare parts, components or accessories specifically suitable for scientific instruments or apparatus, provided that these spare parts, components or accessories are imported at the same time as such instruments and apparatus or, if imported subsequently that they can be identified as being intended for instruments or apparatus:

- which have previously been admitted duty-free, provided that such instruments and apparatus are still of scientific nature at the time when relief is requested for the specific spare parts, components or accessories
- which would be entitled to relief at the time when such relief is requested for the specific spare parts, components or accessories.
- tools to be used for the maintenance, checking, calibration or repair of scientific instruments or apparatus, provided that

b. these tools are imported at the same time as such instruments and apparatus or, if imported subsequently that they can be identified as being intended for specific instruments or apparatus

- which have previously been admitted duty-free, provided that such instruments and apparatus are still of scientific nature at the time when relief is requested for the tools; or
- which would be entitled to relief at the time when such relief is requested for the tools; and
- that equivalent tools are not being manufactured in BiH.

1) The granting of relief for scientific instruments or apparatus and tools sent by a person established outside BiH as gifts to the establishments referred to in paragraph 4 (a) of this Article shall not be subject to the conditions laid down in paragraphs 4 (b) and 5 (b) of this Article. However, it must be established that the gift of the scientific instruments or apparatus in question has not be prompted by any commercial considerations on the part of the donor.

2) The articles referred to in paragraph 2 of this Article and scientific instruments or apparatus which have been admitted duty-free in accordance with the conditions laid down in paragraphs 2 to 6 of this Article must not be lent, hired out or transferred, whether for a consideration or free of charge, without prior notification to the competent

customs authorities.

Should any article be lent, hired out or transferred to an establishment or organisation entitled to benefit from relief pursuant to paragraph 1 or 4 (a) of this Article, the relief shall continue to be granted provided the establishment or organisation uses the article, instrument or apparatus for purposes which confer the right to such relief.

In other cases, loan, hiring out or transfer shall be subject to prior payment of import duties at the rate applying on the date of the loan, hiring out or transfer, on the basis of the type of goods and the customs value ascertained or accepted on that date by the competent customs authorities.

3) Establishments or organisations referred to in paragraphs 1 & 2 of this Article, which cease to fulfil the conditions giving entitlement to relief i.e. which are proposing to use articles admitted duty-free for purposes other than those provided for by those paragraphs shall so inform the competent customs authorities.

Articles remaining in the possession of establishment or organisations which cease to fulfil the conditions giving entitlement to relief shall be liable to the relevant import duties at the rate applying on that date on which those conditions cease to be fulfilled on the basis of the type of articles and the customs value ascertained or accepted on that date by the competent customs authorities.

Articles used by the establishment or organisation benefiting from the relief for purposes other than those provided for in paragraphs 1 & 2 of this Article shall be liable to the relevant import duties calculated as applicable on the date on which they are put to another use on the basis of the type of articles and the customs value ascertained or accepted on that date by the competent customs authorities.

4) Paragraphs 6,7 & 8 of this Article shall apply mutatis mutandis to the products referred to in paragraph 5 of this Article.

Laboratory Animals and Biological or Chemical Substances Intended for Research

Article 21

1) Animals specially prepared for laboratory use and biological or chemical substances for which there is no equivalent production in the customs territory of BiH and which are imported exclusively for non-commercial purpose, shall be relieved from payment of customs duty.

2) Relief referred to in paragraph 1 shall be limited to animals and biological or chemical substances, which are intended for:

- public establishments principally engaged in education or scientific research as well as those departments of public establishments, which are principally engaged in education or scientific research; or
- private establishments principally engaged in education or scientific research and authorized by the competent authorities to receive such goods duty-free.

Therapeutic Substances of Human Origin and Blood-Grouping and Tissue-Typing Reagents

Article 22

1) Therapeutic substances of human origin, blood-grouping reagents and tissue-typing reagents shall be relieved from payment of customs duty.

2) For the purposes of paragraph 1:

- “therapeutic substances of human origin” means human blood and its derivatives (whole human blood, dried human plasma, human albumin and fixed solutions of human plasmic protein, human immunoglobulin and human fibrinogen);
- “blood-grouping reagents means all reagents, whether of human, animal, plant or other

origin used for blood-type grouping and for the detection of blood incompatibilities,”

- “tissue-typing reagents” means all reagents whether of human, animal, plant or other origin used for the determination of human tissue-types.

1) The relief shall be limited to products which:

- are intended for institutions or laboratories approved by the competent authorities, for use exclusively for non-commercial medical or scientific purposes;
- are accompanied by a certificate of conformity issued by a duly authorized body in the third country of departure;
- are in containers bearing a special label identifying them.

1) The relief shall include the special packaging essential for the transport of therapeutic substances of human origin or blood-grouping or tissue-typing reagents and also any solvents and accessories needed for their use which may be included in the consignment.

Pharmaceutical products used at international sports events

Article 23

1) Pharmaceutical products for human or veterinary medical use from persons or animals coming from third countries to participate in international sports events organised in BiH, shall, within the limits necessary to meet their requirements throughout their stay, be relieved from payment of customs duty.

Medicaments for Personal Use

Article 24

1) BiH and foreign citizens, who bring with them medicaments for personal use or receive them in postal parcels from abroad, shall be relieved from payment of customs duty.

2) In order to exercise the relief it is necessary to present doctor's prescription.

Goods Imported on the Occasion of a Marriage

Article 25

1) Maiden's garments and household equipment (new or used) belonging to a person moving from abroad to BiH on occasion of marriage as well as presents given on that occasion by persons from abroad, provided that the value of each present does not exceed 2.000 KM shall be relieved from payment of customs duty..

2) Only the following persons shall be granted the exemption:

1. those whose normal place of residence was outside of the customs territory of BiH in an uninterrupted period of at least 12 months.
2. those who submit the evidence on their wedding.

1) The exemption shall not be granted for alcoholic products, tobacco and tobacco products.

2) Relief shall be granted only in respect of goods entered for free circulation:

- not earlier than two months before the date fixed for the wedding (in this case the relief shall be subject to the lodging of appropriate security, the form and amount of which shall be determined by the customs authorities) and
- not later than four months after the date of the wedding.

- 1) The goods may be released for free circulation in several separate consignments.
- 2) Until 12 months have elapsed from the date on which their entry for free circulation was accepted, goods which have been admitted duty-free on the occasion of marriage may not be lent, given as security, hired out or transferred whether for a consideration or free of charge without prior consent from the competent customs authority.
- 3) Any loan, giving as security, hiring out or transfer before the expiry of the period referred to in paragraph 6 of this Article shall entail payment of the relevant customs duty on the goods concerned at the rate applying on the basis of the type of goods and the customs value ascertained or accepted on that date by the competent customs authority.

Scholastic Materials

Article 26

- 1) Outfits, scholastic materials and other household effects representing the usual furnishings for a student's room and belonging to pupils or students coming to stay in the customs territory of BiH for the purpose of studying there and intended for their personal use during the period of their studies shall be relieved from payment of customs duty.
- 2) For the purpose of paragraph 1 of this Article:
 - a. "pupil or student" means any person enrolled in an educational establishment in the territory of BiH in order to attend full-time the courses offered therein;
 - b. "outfit" means underwear or household linen as well as clothing whether or not new;
 - c. "scholastic materials" means objects and instruments (including calculators and typewriters), normally used by pupils or students for the purposes of their studies.

- 1) Relief shall be granted at least once per school year.

Coffins Containing Bodies, Urns Containing Ashes of Diseased Persons and Ornamental Objects Accompanying Them

Article 27

- 1) Coffins containing bodies and urns containing the ashes of deceased persons, as well as the flowers, funeral wreaths and other ornamental objects normally accompanying them, as well as flowers, wreaths and other ornamental objects brought by persons from abroad for a funeral in BiH, provided it is not a commercial entry, shall be exempted from payment of Customs duty.

International Conventions and Agreements

Article 28

Nothing specified in this Law shall prevent from granting:

- 1.) Customs relieves pursuant to the Vienna convention on diplomatic relations of 18 April 1961; the Vienna convention on consular relations of 24 April 1963 or other consular conventions, or the New York convention of 16 December 1969 on special missions;
- 2.) Customs relieves under the customary privileges accorded by virtue of international agreements or headquarters agreements to which either a foreign country or an international organisation is a contracting party, including the relief granted on the occasion of international meetings;
- 3.) Customs relieves under the customary privileges and immunities accorded in the context of international agreements concluded by BiH and setting up cultural or scientific institutes or organisations under international law;

- 4.) Customs relieves under the customary privileges and immunities accorded in the context of cultural, scientific or technical co-operation agreements concluded with foreign countries;
- 5.) Special customs relieves introduced under agreements BiH concluded with third countries, which provide for common measures for the protection of persons or of the environment;
- 6.) Special customs relieves introduced under agreements concluded with neighbouring third countries, justified by the nature of the frontier-zone trade with the countries in question;
- 7.) Customs relieves in the context of agreements entered into on the basis of reciprocity with foreign countries that are contracting parties to the Convention of International Civil Aviation (Chicago 1944) for the purpose of implementing Recommended Practices 4.42 and 4.44 in Annex 9 to this Convention (eighth edition, July 1980).

Article 29

- 1) Goods released into free circulation with the relief from payment of customs duty on the basis of Article 5 and 13 of this Annex may not be sold, loaned, given to somebody else for use, given as security, hired out or transferred as a security for other liabilities without prior notification to the competent Customs Administration – and payment of customs duty until 12 months have elapsed for goods referred to in paragraph 5 from the date when it was released for free circulation, and for the goods referred to in Article 13 – 36 months from the date when it was released for free circulation.
- 2) Goods released into free circulation with the relief from payment of customs duty, referred to in Articles 11 and 12 must not be lent, hired out or transferred, whether for a consideration or free of charge, without prior notification to the customs authorities on that.
- 3) Should the goods be released for free circulation with the relief from payment of customs duty referred to in Articles 11 and 12 be lent, hired out or transferred to an organisation, which itself is entitled to the relief from payment of customs duty referred to in Articles 11 and 12, the relief shall continue to be granted provided the organisation uses the goods for purposes which confer the right to the relief.
- 4) Any handling with goods contrary to paragraph 1, 2 and 3 of this Article shall entail payment of the customs duty, at the rate applying on the date of such an action, on the basis of the type of goods and the customs value ascertained or accepted on that date by the customs house.

Annex 5 of the Law on Customs Policy of Bosnia and Herzegovina (Official Gazette of BiH 21/98) shall be amended to read as follows:

Article 1

In Annex 5 the words “article 141, paragraph A5” or “article 141 paragraph 5” shall be replaced with “Article 142, paragraph 1”.

Sarajevo, 20 December 2000

Wolfgang Petritsch
High Representative

Office of the High Representative