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Law of the Republic of Azerbaijan on approval of the Customs Code of the Republic of Azerbaijan

Customs Code of the Republic of Azerbaijan

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Customs Code of the Republic of Azerbaijan (hereinafter Code) shall define legal, economic and organizational principles of customs matters in the Republic of Azerbaijan including general rules and procedures applied to goods and means of transport imported to the customs territory of the Republic of Azerbaijan, exported from this territory, conveyed across this territory by transit, rights and obligations of persons in the field of customs.

General Part

Title 1. General Provisions

Chapter 1. Main provisions

Article 1. Main definitions used in this Code

1.0. For the purposes of this Code the following main definitions shall apply:

1.0.1. declaration means oral, written or electronic submission of information to the customs authorities on goods and means of transport conveyed across the customs border of the Republic of Azerbaijan (hereinafter customs border) placed under the customs control;

1.0.2. declarant means the person submitting the customs declaration or the person in whose name such a customs declaration is submitted;

1.0.3. inward processing means special customs procedure which allows certain goods to be imported into the customs territory of the Republic of Azerbaijan (hereinafter- the customs territory) for the purposes of being processed and exported without such goods being subject to customs duties and taxes;

1.0.4. internal goods mean goods wholly produced in the Republic of Azerbaijan, or goods undergone sufficient processing in accordance with the requirements of processing standards or goods released for free circulation;

1.0.5. carrier means the person factually conveying goods across the customs border and (or) implementing conveyance of the goods subject to the customs control, or the person responsible for the use of means of transport;

1.0.6. electronic document means document presented in the electronic form certified by the electronic signature and for use in electronic information systems;

1.0.7. processing operations mean the working of goods including assembling, erecting or fitting them to other goods; the processing and re-processing of goods; the repair of goods including restoring and putting them in order; entire or partial use of some goods which allow or facilitate the processing;

1.0.8. processed products mean goods which have undergone processing operations by placing them under the special customs processing procedure;

1.0.9. force-majeure means emergency situations, natural disasters, or socio- political events unpredictable in advance and impossible to prevent in the relevant situations, which result in creation of obstacles or delay for persons to fulfil their obligations;

1.0.10. customs audit means actions taken by the customs authorities with a view to ensuring credibility of information provided in the customs declaration following release of goods and means of transport as well as examination of fulfilment by persons of obligations with regard to restrictions, requirements and conditions concerning disposal of goods and means of transport;

1.0.11. customs declaration means document containing information required for placing of goods under the relevant customs procedure submitted to the customs authority by persons in the form prescribed by the relevant executive authority;

1.0.12. customs value means value of goods determined in accordance with Customs Tariff Act of the Republic of Azerbaijan;

1.0.13. customs service means a state authority liable to application of the customs legislation as well as collection of customs payments;

1.0.14. customs control means measures taken by the customs authorities in order to ensure that customs legislation is observed;

1.0.15. goods under the customs control mean goods in relation to which the customs control has not been completed in accordance with this Code;

1.0.16. customs authority means administrative unit of the customs service authorized to implement the customs clearance and customs control;

1.0.17. customs payments mean customs duties, taxes, customs fees, state duty and charges levied by the customs authorities in cases pursuant to this Code;

1.0.18. customs procedure means any of the special customs procedures of export, re-export, temporary export, release for free circulation, re-import, under which goods and means of transport that are under the customs control can be placed pursuant to provisions of this Code;

1.0.19. customs clearance means actions on placing of goods and means of transport under the relevant customs procedure and completion of that customs procedure in accordance with the requirements of this Code;

1.0.20. customs duties mean a type of customs payments levied by the customs authorities during importation and exportation of goods to the customs territory;

1.0.21. customs area means border customs checkpoint, customs terminal, customs laboratory, customs station defined pursuant to this Code;

1.0.22. conveyance across the customs border means actions on importation in and exportation from the customs territory of goods or means of transport by methods determined pursuant to legislation of the Republic of Azerbaijan (hereinafter- legislation) including by international postal dispatches, pipeline transport and electric power lines;

1.0.23. customs tariff means combination of customs duty rates applied to the goods conveyed across the customs border and systemized in accordance with nomenclature of goods of foreign economic activity;

1.0.24. customs guarantee means seals, stamps and other means of identification which shall be affixed to the goods and means of transport conveyed across the

customs territory by the customs authorities for presentation of results of customs control and clearance;

1.0.25. customs authority of dispatch means the customs authority where special customs procedure of transit starts;

1.0.26. production rate means certain amount or percentage of products as a result of processing of goods placed under the special customs procedure of processing;

1.0.27. outward processing means special customs procedure in accordance with which goods which are in free circulation in the customs territory shall be temporary exported in order to undergo processing beyond the customs territory and subsequently return with full or partial release from import customs duties and taxes;

1.0.28. foreign goods mean goods other than those referred to in Article 1.0.4 of this Code or those which lost status of internal goods;

1.0.29. importer means the person importing goods;

1.0.30. exporter means the person exporting goods;

1.0.31. non-residents mean the persons not indicated in Article 1.0.44 of this Code;

1.0.32. owner of goods means the person who has right of disposal over the goods on his own name;

1.0.33. country of origin of goods means the country where the product was completely produced or undergone sufficient processing in accordance with criteria prescribed for application of the customs tariff, quantitative restrictions, or other measures with regard to trade;

1.0.34. goods mean any movable property including conveyed across the customs border currency, currency assets, gas, petrol, electricity including means of transport except means of transport indicated in Article 1.0.42 of this Code;

1.0.35. release of goods means forwarding of goods by the customs authorities, taking into consideration customs procedure under which the goods are placed, to use or disposal of the person

1.0.36. submission of goods to the customs authority means delivery of the goods to the customs authority or any other place determined by the customs authority

and presentation of these goods to the customs authority for implementation of customs control over them;

1.0.37. customs status of goods means the status of goods as foreign or internal goods;

1.0.38. goods examination means actions of the customs authorities on physical examination of goods for the purposes of determination of compliance of nature, origin, condition, quantity and value of goods with information provided in the declaration on goods;

1.0.39. accompanied baggage means the goods conveyed across the customs border by the passengers themselves;

1.0.40. unaccompanied baggage means the passengers' goods conveyed across the customs border by transport or mail based on waybill;

1.0.41. transport documents mean international waybill, rail waybill, luggage waybill, baggage check, air bill, bill of lading, as well as other accompanying documents used at conveyance of goods through pipeline transport and by electric power lines, and international agreements participant of which shall be the Republic of Azerbaijan (hereinafter- international agreements) prescribed by legislation during conveyance of goods and means of transport;

1.0.42. means of transport mean aircraft, railway, sea, inner water, motor vehicles including containers and other transport used for implementation of international transportation of passengers and goods;

1.0.43. owner of the procedure means the person made the customs declaration or on whose behalf the declaration was made, or the person to whom rights and obligations of this person with regard to the customs procedure was transferred;

1.0.44. residents mean legal persons and other institutes, enterprises and organizations located in the Republic of Azerbaijan, established in accordance with legislation, persons engaged in entrepreneurship without establishment of the legal person registered in the Republic of Azerbaijan, citizens of the Republic of Azerbaijan and persons domiciled in the Republic of Azerbaijan;

1.0.45. risk means the probability of non-fulfilment of requirements of customs legislation;

1.0.46. authorized economic operator means the legal person who according to this Code shall be authorized to use simplified forms and methods of the customs control pursuant to norms and standards of the World Customs Organization;

1.0.47. release for free circulation means the customs procedure under which goods imported to the customs territory shall be released for free circulation on this territory following payment of all customs duties and taxes and fulfilment of the required customs clearance prescribed by legislation;

1.0.48. free zone means the part of the customs territory on which with regard to the imported goods customs duties and taxes, as well as trade policy measures shall not be applied.

1.0.49. personal things mean things required to natural persons for personal use;

1.0.50. persons mean the natural and legal persons;

1.0.51. conditional release means release of goods and means of transport with obligations of the person to follow determined restrictions, requirements or conditions on their use and disposal;

1.0.52. tariff quota means the method of temporary regulation of importation of certain types of goods stipulating application of lower rates of import customs duty within certain period of time, than that prescribed by legislation, during importation of certain amount (value) of goods determined by the relevant executive authority and higher rate of the customs import duty during importation of the goods above this amount (value);

1.0.53. customs authority of destination means the customs authority which completes special customs procedure of transit;

1.0.54. trade policy measures mean measures of non-tariff regulation of importation and exportation of goods in the form determined by legislation as a part of application of resolutions of the World Trade Organization;

1.0.55. transit means special customs procedure of conveyance of goods under the customs control from one customs authority to another customs authority;

1.0.56. taxes mean value added tax, road tax and excise duties, levy of which imposed on the customs authorities in relation to goods and means of transport conveyed across the customs border.

Article 2. Customs matters and customs regulation

2.1. Customs matters mean the aggregate of methods of ensuring compliance by the participants of foreign trade with measures of customs tariff regulations and prohibitions and restrictions established in accordance with customs legislation on conveyance of goods and means of transport across the customs border and other means of implementation of customs policy.

2.2. Customs regulation means establishment of norms and rules liable to compliance by the persons implementing rights on conveyance of goods and means of transport across the customs border.

2.3. Customs regulation shall be implemented in accordance with customs legislation,

legislation on state regulation of foreign trade and international agreements.

2.4. The relevant executive authority ensures realization of state policy and regulation in customs matters.

2.5. The Republic of Azerbaijan participates in the international cooperation in the field of customs regulation for the purposes of unification of legislation of the Republic of Azerbaijan and practice in this field with norms of international law and with commonly accepted international practice.

Article 3. Customs territory and customs border

3.1. The territory of the Republic of Azerbaijan shall be single customs territory.

3.2. The customs territory of the Republic of Azerbaijan shall be land territory of the Republic of Azerbaijan, internal waters, the sector of the Caspian Sea (lake) belonging to the Republic of Azerbaijan (including its islands, artificial islands, buildings and constructions) and air area above them.

3.3. Free zones can be created on the customs territory in an order determined by this Code.

3.4. Borders of the customs territory as well as perimeters of free zones shall be the customs border.

3.5. Customs border shall be the same as the state border of the Republic of Azerbaijan except perimeters of free zones.

Article 4. Customs legislation

4.1. Customs legislation consists of the Constitution of the Republic of Azerbaijan, this Code, Law of the Republic of Azerbaijan on Customs Tariff, *the Law of the Republic of Azerbaijan "On Anti-dumping, anti-subsidy and safeguard activities"* and other normative legal acts and international agreements adopted in accordance with them, of which the Republic of Azerbaijan is the participant.

4.2. Issues of the customs payments and customs control cannot be contained in other legislation acts besides customs legislation except the following:

4.2.1. provisions about administrative offences with regard to customs relations prescribed by Code of the Republic of Azerbaijan on administrative offences;

4.2.2. provisions on the relevant crimes referred to in the Criminal Code of the Republic of Azerbaijan;

4.2.3. provisions in the budget legislation related to the customs payments;

4.2.4. provisions prescribed by the agreements or laws on production sharing, main pipeline and other similar agreements and laws;

4.2.5. provisions referred to in laws on oil and gas activity with exportation purposes and on special economic zones.

4.2.6. Provisions set forth in the Law of the Republic of Azerbaijan “On the Free economic zone of Alat”.

4.3. If international agreements of which the Republic of Azerbaijan is a participant have not determined longer terms, in the normative legal act which governs foreign trade its coming into effect 30 (thirty) days from the date of its publication should be indicated. In exceptional cases provided prompt notification of international organizations, normative legal act governing foreign trade can come into effect in the prescribed period in it.

4.4. Where agreements and laws on product sharing, main pipeline and other similar agreements or laws endorsed before and after entering into effect of this Code as well as laws on petroleum exportation activity and on specific economic zones, on oil and gas establish provisions different from those prescribed by this Code and other normative legal acts on customs matters, provisions of the indicated agreements or laws shall apply.

4.4-1. Matters related to customs control, rule for payment of the customs payments (as well as customs payments exemptions and deductions related to the same payments) is regulated on the basis of demands of Law of the Republic of Azerbaijan “On the Free economic zone of Alat”.

4.5. Customs legislation shall also be published in the official website of the relevant executive authority.

Article 5. Normative legal acts of the relevant executive authority

5.1. In cases and limits prescribed by statutes of the President of the Republic of Azerbaijan the relevant executive authority adopts normative legal acts only on issues of their competence prescribed in statutes of the President of the Republic of Azerbaijan.

5.2. Normative legal acts of the relevant executive authority where these acts do not prescribe later deadline of enforcement, enter into force 30 (thirty) days after their publication in electronic form of the State Register of Legal Act.

5.3. Normative legal act of the relevant executive authority should also be published on its official website.

Article 6. Customs authorities and their activity

6.1. Customs matters in the Republic of Azerbaijan shall be implemented by the customs authorities.

6.2. Customs authorities which are the administrative units and make a unified system of the customs service shall be law enforcement authorities.

6.3. Basis of the activity of the customs authorities shall be supremacy of law, protection of human rights and freedom, legal equality of persons before the law, publicity, professionalism, official discipline.

6.4. Customs authorities shall be governed by customs legislation in their activity.

6.5. No state authority has rights to pass resolutions on issues of competence of the customs authorities or change them, fulfil their functions or otherwise interfere their activity, except cases prescribed by legislation.

Article 7. Unified system of the customs authorities

7.1. Unified system of the customs authorities includes:

7.1.1. the relevant executive authority office;

7.1.2. territorial customs offices;

7.1.3. specialized customs offices;

7.1.4. customs stations.

7.2. Regulation of the relevant executive authority and its structure shall be approved by the relevant executive authority.

7.3. Customs authorities of the relevant executive authority carry out their activity in accordance with the regulations determined by the relevant executive authority.

7.4. Establishment, re-organization and liquidation of the customs authorities of the relevant executive authority shall be implemented by the relevant executive authority.

Article 8. Responsibilities of the customs authorities

8.0. The customs authorities have the following responsibilities:

- 8.0.1. participation in formation of the customs policy of the Republic of Azerbaijan and ensuring the realization of this policy;
- 8.0.2. ensuring fulfilment of the legislative acts, control on implementation of which shall be imposed on the customs authorities;
- 8.0.3. prevention of infringement of this Code and other legislative acts on the customs matters and conduct of the relevant investigations;
- 8.0.4. provision of economic and national security of the Republic of Azerbaijan in the order prescribed by legislation;
- 8.0.5. implementation and improvement of customs control and clearance;
- 8.0.6. ensuring compliance with rules of customs control and customs clearance during conveyance of the goods and means of transport across the customs border;
- 8.0.7. collection of customs duties, relevant taxes and other customs payments;
- 8.0.8. creation of favourable conditions for the expediting conveyance of goods and means of transport across the customs border;
- 8.0.9. participation in development and realization of trade policy measures with regard to the goods conveyed across the customs border;
- 8.0.10. struggle against crimes related to the customs matters, as well as administrative violations of the customs rules and other infringements, suppression of illegal conveyance across the customs border of narcotic drugs, psychotropic substances and their precursors, weapons, ozone-depleting substances, cultural, historical and archaeological heritage of nations, objects of intellectual property rights, species of animal and plants under threat of extinction, other goods;
- 8.0.11. assistance to other law-enforcement authorities in the struggle against international terrorism and suppression of illegal interference into the activity of international means of transport on railway stations, sea and river ports and other places of the Republic of Azerbaijan;
- 8.0.12. assistance to the relevant state authorities in implementation of measures on protection of national security, social order, morals of population, life and health of people, protection of animal and plants, environment, protection of art, historical and archaeological heritage of nations.

8.0.13. participation in realization of the state policy on rational use and protection of biological resources in the sector of the Caspian Sea (lake) of the Republic of Azerbaijan, control on fulfilment of requirements of legislation during their conveyance across the customs border;

8.0.14. suppression of attempts of moving of human traffickers of the customs border as well as conveyance of victims of human trafficking across the customs border in the order prescribed by legislation;

8.0.15. keeping and improvement of customs statistics of foreign trade and special customs statistics of the Republic of Azerbaijan in accordance with international standards and practice;

8.0.16. assistance to the relevant state authorities in implementation of measures on consumer rights protection in relation to the goods imported to the customs territory;

8.0.17. undertaking measures on protection of rights and interests of the persons during implementation of the customs procedures;

8.0.18. implementation of currency control on trafficking of national and foreign currency, other currency means across the customs border in accordance with legislation as well as carrying out currency control in cases defined by this Code;

8.0.19. participation in development of draft international agreements with regard to customs matters, ensuring fulfilment of international obligations prescribed in them;

8.0.20. implementation of exportation control in an order prescribed by legislation;

8.0.21. implementation of veterinary, phytosanitary and sanitary control of the goods conveyed across the state border crossing points in accordance with legislation;

8.0.22. issue of permission slips to the means of transport carrying out international road transport on the crossing points of the state border in accordance with legislation;

8.0.23. assurance of development and introduction of projects of new information systems and technologies in the field of customs;

8.0.24. improvement of the customs control based on the system of customs risk management with application of modern technologies and equipment;

8.0.25. carrying out the relevant measures on maintenance of nomenclature of goods of foreign economic activity;

8.0.26. conduct of scientific research and consulting on customs matters;

8.0.27. provision of state bodies, legal and natural persons with information on customs matters in the order determined by the relevant executive authority;

8.0.28. implementation of data sharing in electronic form with state bodies, foreign trade participants and authorized economic operators;

8.0.29. electronic data exchange on importation and exportation with customs authorities of other countries in an order determined by the legislation, maximum reduction of the customs clearance and control time, creation of conditions for international trade facilitation through participation in the complex management of international trade supply chain;

8.0.30. establishment of partner relations with foreign trade participants and authorized economic operators in order to ensure security of international trade supply chain;

8.0.31. cooperation with other state authorities including coordination of their activities in cases prescribed by legislation, for achievement of the relevant purposes;

8.0.32. fulfilment of other obligations prescribed by legislation.

Article 9. Rights of the customs authorities

9.0. Customs authorities for implementation of functions vested in them, pursuant to this Code and other acts, have the following rights:

9.0.1. to take the relevant measures for abiding by customs legislation;

9.0.2. to require from the person's documents and information submission of which to the customs authorities shall be pursuant to this Code and other legislative acts in the field of customs matters;

9.0.3. to check reliability of the information, documents and declarations submitted to the customs authorities;

9.0.4. to conduct a customs audit of foreign trade operations of the persons;

9.0.5. in accordance with legislation to check documents of the goods and means of transport conveyed across the state border crossing points, including veterinary, phytosanitary, hygienic and other certificates (licenses) of the goods;

9.0.6. to organize mobile groups within the system of the customs authorities for checking of fulfilment by the persons of restrictions, requirements and terms on disposal of the goods and means of transport following their release, implementation of control on the customs procedures, operative prevention of law infringements, acceleration of investigative operations and other purposes;

9.0.7. to implement investigative operations in an order determined by legislation for the purposes of suppression and detecting crimes, investigation and interrogation which the customs authority shall be in charge of, identification of the persons responsible for preparing, committing or having committed such crimes;

9.0.8. to carry out interrogation and preliminary investigation in the order determined by criminal procedure law;

9.0.9. to investigate administrative infringements, to examine these cases and to prosecute the persons responsible for commitment of the administrative infringements pursuant to the relevant legislation on administrative infringements;

9.0.10. in emergency cases to use means of communication or means of transport belonging to the institutions, enterprises and organizations (except means of communication and means of transport of special purpose belonging to diplomatic, consular and other representations of foreign countries, international organizations) for preventing customs crimes, persecution and detention of the persons, perpetrated these crimes or suspected in their perpetration;

9.0.11. independently or with involvement of other law-enforcement authorities to implement control on observance of procedural rules in the customs control zones, to organize security system of the infrastructure facilities of the customs service, other measures on protection of the customs border;

9.0.12. to implement documentation, audio recording, video-taping and photo shoot of the facts and events related to conveyance of the goods and means of transport across the customs border and implementation of conveyance, storage of the goods subject to the customs control, performance of cargo-handling operations with them;

9.0.13. in cases and order prescribed by this Code to apply physical force, special means (including technical means) and firearms;

9.0.14. for fulfilment of their functions to make written warning to the persons with requirements to remedy breaches of customs legislation and to control fulfilment of indicated requirements.

9.0.15. to cooperate with the customs authorities of other countries as well as international organizations;

9.0.16. to establish official relations, to hold consultations with the foreign trade participants for the purposes of cooperation on the issues of introduction of modern methods of implementation of the customs clearance and the customs control;

9.0.17. to use other rights prescribed by this Code and any other legislation acts in the field of customs matters.

Article 10. Structures under the relevant executive authority

10.1. The relevant executive authority establishes the customs laboratories for carrying out customs expert examination of the goods.

10.2. The relevant executive authority for the purposes of conducting customs research, human resources training and their professional development can create research institutions and educational institutions, other structures activity of which fosters implementation of the customs activity.

10.3. The property of the customs authorities, customs laboratories, research institutions, educational institutions and other structures subordinate to the relevant executive authority shall be the state property.

Article 11. Symbols of the customs authorities

11.1. The customs authorities shall have a flag and an emblem.

11.2. The flag and emblem shall be placed on administrative buildings of the customs authorities, on their means of transport, sea, river and air crafts.

11.3. Description of the flag and the emblem of the customs authorities shall be approved by the relevant executive authority.

Article 12. Cooperation of the customs authorities with other state authorities, legal and natural persons

12.1. For the purposes of fulfilment of their responsibilities the customs authorities cooperate with other state authorities, including legal and natural persons, law-enforcement authorities.

12.2. Officials of state authorities should create appropriate conditions with regard to the fulfillment of their responsibilities for the customs authorities.

Article 13. Introduction of 'single window' principle by the customs authorities

13.1. For the purposes of international trade facilitation, the customs authorities carry out veterinary, phytosanitary and other forms of control determined by the relevant executive authority of the goods on the state border crossing points, in the shortest time possible on the basis of 'single window' principle.

13.2. The customs authorities and other state authorities for the purposes of reduction of risks, provision of security of activity of international trade supply chain, facilitation of conditions for foreign trade, implement information sharing among themselves and with the customs and other competent state authorities of other countries in the order determined by the relevant executive authority with regard to arrival, departure and transit of the goods and means of transport to customs territory conveyed across the customs border.

Article 13-1. Application of release systems for moving goods and vehicles across the customs border

13-1.1. In order to facilitate customs clearance of goods and means of transport across the customs border crossings, the "green", "blue", "yellow" and "red" corridors shall be applied with respect to goods and means of transport crossing to the customs territory on the basis of a summary import declaration.

13-1.2. Guidelines for use of the «Green corridor» and other release systems for transportation of goods and vehicles across the customs border, as well as Regulation for foreign trade participants to obtain the rights of permanent use of "Green Corridor" Gating System, termination, cancellation and restoration of that right" are determined by relevant executive authority.

Article 14. International cooperation of the customs authorities

14.1. In accordance with international agreements the customs authorities during fulfilment of their functions cooperate with the customs and other competent authorities of foreign countries, as well as international organizations.

14.2. The relevant executive authority shall be authorized to appoint its representatives (customs attaché) in states and international organizations which have substantial importance for provision of fulfilment of their functions in an order determined by the relevant executive authority.

Article 15. Creating conditions for the activity of the customs authorities

15.1. The persons interested in implementation of the customs control and the customs clearance directly on their territory or in their premises, not in the residencies of the customs authorities, present to these authorities for the free use the required service and amenity premises, equipment and means of communication within limits allowing the

customs authorities to carry out their activity.

15.2. Presentation to the use of the customs authorities of lands required for the placing of the customs premises shall be implemented in accordance with land legislation.

Article 16. Information submitted to the customs authorities for the customs purposes

16.1. Information provided to the customs authorities by the state authorities, legal and natural persons in accordance with this Code and other legislative acts with on customs matters shall be used exclusively for the customs purposes.

16.2. The officials of the customs authorities shall have no right to make public or use for personal purposes secrets, confidential information protected by law. Such secrets and confidential information may be passed to the third parties in cases and order prescribed by law.

Chapter 2. Law-enforcement activity of the customs authorities Article

17. Interrogation and investigation by the customs authorities

17.1. The customs authorities shall be the authorities of interrogation and investigation on cases of customs crimes.

17.2. Conduct of interrogation and investigation and implementation of procedural activity by the customs authorities shall be governed by the Criminal Procedure Code of the Republic of Azerbaijan.

Article 18. Investigation of cases of administrative violations of the customs rules and their examination

Investigation of cases of administrative violations of the customs rules, examination of such cases as well as implemented proceedings, forms of administrative punishment applied for the administrative violations shall be governed by Administrative Offences Code of the Republic of Azerbaijan.

Article 19. Operational investigations of the customs authorities

19.1. The customs authorities implement operational and investigation activities with a view to suppression and detecting crimes, investigative proceedings and interrogation identification of the persons responsible for preparing, committing and having committed such crimes which the customs authority shall be in charge of.

19.2. The customs authorities carry out operational and investigation activities in the order determined by Criminal Procedure Code of the Republic of Azerbaijan, Investigative Operations Act of the Republic of Azerbaijan and other legislative acts governing operational and investigation activities.

Article 20. Measures ensuring safety of the customs authorities

20.1. The customs authorities take measures ensuring safety of the customs authorities, their officials in the order prescribed by law.

20.2. To conduct these activities, the customs authorities cooperate with other law-enforcement authorities as well as with the customs services of other countries.

Title II. Relations of the customs authorities with other parties

Chapter 3. Customs representation

Article 21. Customs representative

21.1. Every person for carrying out activities prescribed by this Code and other legislative acts on customs matters may appoint a customs representative.

21.2. The customs representation may be either direct (where the representative acts in the name of and in interests of the represented person on that person's behalf) or indirect (when the representative acts in his own name but in interests of the represented person on that person's instruction).

21.3. The rules governing the activity of the customs representation shall be determined by the relevant executive authority.

21.4. The customs representative must notify the customs authority in whose interests he acts as well as indicate whether it shall be direct or indirect representation.

21.5. The persons who do not declare that they act as a customs representative or declared it but do not have the relevant authorities shall be considered as the persons acting in their own name and interests.

21.6. The customs authorities should require from the person directly or indirectly implementing customs representation to submit the document granting him the relevant authorities.

Article 22. Customs broker

22.1. The customs broker shall be the legal person implementing the indirect customs representation with regard to arrival at, departure from the customs territory or transit across this territory of goods and means of transport.

22.2. The customs broker implements his activity in accordance with this Code and normative legal acts determined by the relevant executive authority.

22.3. The customs broker fulfils all obligations of the person independently conveying the goods across the customs territory and takes responsibility as him when implementing the customs control and clearance.

22.4. Relations between the customs broker and the represented person shall be governed on a contractual basis.

22.5. The relevant executive authority keeps the state register of the customs brokers in accordance with the rules determined by the relevant executive authority and ensures its publication, placement on the official website and regular update of the relevant data.

22.6. The person may refuse services of the customs broker. In this case officials of the customs authority should assist the declarant, other persons competent with regard to the goods, in drawing up the customs declaration in accordance with Article 151 of this Code making the relevant corrections in this declaration and in carrying out other operations on the customs clearance of the goods.

Article 23. Certificate on carrying out activities of the customs broker

23.1. The relevant executive authority considers applications on carrying out activities of the customs broker and issues certificates to legal persons on carrying out activities of the customs broker in the order determined by the relevant executive authority.

23.2. For every customs border crossing point certificates on carrying out activity of the customs broker should be issued to not less than two legal persons.

Article 24. Suspension of validity and annulment of the certificate for carrying out activity of the customs broker

Suspension of validity and annulment of the certificate for carrying out activity of the customs broker shall be implemented in the order determined by the relevant executive authority.

Article 25. Specialists on customs clearance

25.1. Specialists obtained qualification certificate from the relevant executive authority have the right to perform operations on the customs clearance on behalf of the customs broker.

25.2. Specialists indicated in Article 25.1 of this Code, in the course of performing the customs clearance operations on behalf of the customs broker shall be considered representatives of the customs broker.

25.3. The customs broker cannot restrict obligations of the customs clearance specialists with regard to the customs authorities.

25.4. The order of issue of the qualification certificate and requirements to the customs clearance specialists shall be determined by the relevant executive authority.

Article 26. Suspension of validity and annulment of the qualification certificate

The qualification certificate may be annulled and its validity suspended in the order determined by the relevant executive authority.

Article 27. State duty and fee for issue of the license and qualification certificate

27.1. State duty in amount determined by legislation shall be levied for issuing the license to function as the customs broker.

27.2 Fee in amount determined by the relevant executive authority shall be levied for issuing the qualification certificate to the customs clearance specialist.

27.3. Fee and state duty for issuing the license, certificate or for their renewal shall not be reimbursed where validity of the license on functioning as the customs broker and validity of the qualification certificate of the customs clearance specialist are suspended or cancelled.

Chapter 4. Customs Carrier

Article 28. Customs carrier

28.1. The customs carrier may be the legal person established in accordance with legislation and granted a license on functioning as a customs carrier from the relevant executive authority.

28.2. The customs carrier functions in accordance with this Code and other legislative acts in the field of the customs matters.

28.3. The relations between a customs carrier with dispatcher of goods and their documents shall be established on contractual basis.

Article 29. Issue, suspension of validity and annulment of license on functioning of the customs carrier

The order of issue, suspension of validity and cancellation of license on functioning of the customs carrier shall be determined by the relevant executive authority.

Article 30. State duty on issue of the license on functioning of the customs carrier

30.1. The state duty in amount determined by legislation shall be levied for issuing the license on functioning of the customs carrier.

30.2. The state duty for issuing the license shall not be reimbursed where the license is annulled or its validity suspended.

Chapter 5. Authorized economic operator

Article 31. Status of authorized economic operator

31.1. In accordance with norms and standards of the World Customs Organization authorized economic operator shall be legal person who uses simplified forms and methods of customs control for the purposes of ensuring safety of supply of the goods to the point of destination and foreign trade facilitation.

31.2. A legal person established in the customs territory and meeting the conditions set out in this Code may request the status of authorized economic operator from the relevant executive authority.

31.3. Requirements governing the activity of the authorized economic operator shall be

determined by the relevant executive authority.

31.4. Rules of issue, temporary suspension and annulment of status of authorized economic operator shall be determined by the relevant executive authority.

31.5. The relevant executive authority grants the authorized economic operator with certain rights for use of simplified forms and methods of the customs procedures prescribed by this Code.

31.6. Status of authorized economic operator granted by the customs authorities of other countries may be recognized through international agreements providing it will not prevent the customs control.

31.7. The legal person granted status of the authorized economic operator should notify the customs authorities of all factors arising during his activity which may prevent fulfillment of requirements and negatively influence its functioning.

Article 32. The criteria for the granting of the status of authorized economic operator

32.0. The criteria for the granting of the status of authorized economic operator shall be the following:

32.0.1. possibility to ensure the goods supply to the point of destination in accordance with norms and standards of safety determined by the World Customs Organization;

32.0.2. compliance with requirements of customs and tax legislations;

32.0.3. a satisfactory system of managing commercial and transport documents which shall be of importance for customs control;

32.0.4. solvency for customs payments and other payments;

32.0.5. at least 2 (two) years of relevant experience;

32.0.6. capability of introduction of the appropriate security and safety standards;

32.0.7. technical basis providing adequate information sharing.

Title III. Information systems and information technologies in the customs matters

Chapter 6. Application of Information systems and information technologies in the customs matters

Article 33. Application of Information systems, information technologies and supporting means in customs matters

33.1. Rules of use of information systems, information technologies and their supporting means in customs matters shall be determined by the relevant executive authority.

33.2. Information systems, information technologies and their supporting means developed and purchased by the customs authorities shall be regarded as state property.

33.3. The use of information systems, information technologies and their supporting means by the customs authorities which are not their property shall be implemented on a contractual basis.

Article 34. Creation and introduction of electronic models of customs procedures

34.0. During drafting the projects of normative legal acts on development and introduction of electronic models of customs procedures in the customs authorities the following should be taken into consideration:

34.0.1. submission of documents in electronic form in cases prescribed by this Code and the relevant legislation;

34.0.2. methods of accuracy check of data on the basis of electronic and written documents on paper;

34.0.3. rights on data storing in the course of use of electronic methods of information sharing for the customs purposes between the customs services as well as among them and other participants;

34.0.4. development and introduction of e-governance systems of the customs procedures and customs payments system.

Article 35. Certification of information systems, information technologies and their support facilities

Information systems, information technologies, their support facilities as well as software and hardware information protection facilities shall be subject to certification in the order prescribed by the relevant legislation.

Article 36. Customs Information Resources

36.1. Customs information resources comprise the documents and data, submitted by persons in course of customs operations prescribed by this Code and other legislative acts.

36.2. The rules of formation and use of information resources of the customs authorities, documentation of information shall be determined by the relevant executive authority.

36.3. Information resources under the jurisdiction of the customs authorities shall be open to public unless otherwise access is restricted in accordance with Law of the Republic of Azerbaijan on Right to Obtain Information.

36.4. The relevant executive authority determines the level of access of the customs officials to the information recourses intended for use in the customs authorities.

Chapter 7. Exchange and protection of information on customs matters

Article 37. Information sharing

37.1. Documents and information sharing among the customs authorities and state authorities, authorized economic operators, subjects of entrepreneurship as well as between the customs authorities themselves shall be implemented through methods of electronic data processing except cases determined by the relevant executive authority.

37.2. For the purposes of ensuring information sharing between authorities and persons indicated in Article 37.1 of this Code electronic information system shall be developed. This system should reflect details required for risk analysis and introduction of the customs control in the relevant order with application of international standards and trade practice.

Article 38. Additional information sharing between the customs authorities and authorized economic operators

38.1. For the purposes of establishing cooperation in drafting measures on identification and prevention of risks in foreign trade the customs authorities and authorized economic operators may also implement sharing of information submission of which shall not be required by the customs legislation directly. This information sharing shall be implemented on the relevant contractual basis and may envision access of the customs authorities to computer network of authorized economic operators.

38.2. Information submitted in the course of establishment of cooperation indicated in Article 38.1 of this Code remains confidential until consent of the parties on disclose.

Article 39. Data submission and consultation by the customs authorities

39.1. Every person may request the customs authorities for any information on application of customs legislation except data referred to in Article 16.2 of this Code;

39.2. The customs authorities must provide the persons with free access to the information on customs legislation, application forms and other documents related to foreign trade through their publication in Internet.

39.3. In cases where investigation of revealed violations by the customs authorities fall under competence of other law-enforcement authorities the relevant data and documents related to them shall be referred to these authorities.

39.4. The customs authorities on the basis of request of other law-enforcement authorities pass them information about the persons in relation to whom legal proceedings on administrative violations or criminal case have been started.

39.5. The customs officials take responsibility for reliability of information submitted by them.

39.6. The customs authorities consult on customs issues and other issues within competences of these authorities.

Article 40. Submission of documents and data to the customs authorities

40.1. The persons participating in the customs clearance shall be obliged to provide the customs authorities with all the necessary documents and data in accordance with this Code in the prescribed period of time and to assist the customs authorities if they requested so.

40.2. The person who submits a customs declaration, re-export notification, entry (exit) summary declaration, simplified declaration, ~~application on the customs clearance~~ and other documents *defined by the relevant authority of executive power* requested by the customs authorities pursuant to this Code shall be responsible for the accuracy and completeness of information provided, fulfilment of obligations on placing the goods under the chosen customs procedure and permitted operations.

40.3. During submission of a customs declaration, re-export notification, entry (exit) summary declaration, simplified declaration, ~~application on the customs clearance~~ and other documents *defined by the relevant authority of executive power* requested by the customs authorities pursuant to this Code by the representative of the person, this representative shall be responsible for the fulfilment of obligations determined in Article 40.2 of this Code.

40.4. The customs officials must assist the declarant, other persons who have authorities with regard to the goods in drawing up a customs declaration, re-export notification, entry (exit) summary declaration, simplified declaration, ~~and application on the customs clearance~~ and in implementation of other operations on the customs clearance of the goods.

40.5. The documents submission to the customs authorities of which prescribed by this Code and other legislative acts on customs matters as well as customs declarations can be submitted in an electronic form.

40.6. Rules of submission of documents in an electronic form shall be determined by Law of the Republic of Azerbaijan on Electronic Signature and Electronic Document.

Article 41. Protection of information

41.1. The customs authorities may use data obtained from the state authorities, legal and physical persons as well as the customs authorities of other countries only for the purposes of implementation of their official duties.

41.2. The customs authorities must ensure protection of secret and confidential information presented to or obtained by them. The customs authorities have no right to disclose this information without immediate consent of the persons or authorities which provided the information except cases determined by law.

41.3. Illegal use by the customs officials of information containing state or commercial secret as well as other confidential information, or its disclose lead to the responsibility prescribed by the relevant legislation.

41.4. The order of passing of information constituting the state secret to other persons and international organizations shall be governed by the Law of the Republic of Azerbaijan on State Secret.

41.5. Protection of information and rights of persons participating in the process of information sharing shall be provided by use of special programs and technical means.

41.6. The level of information protection should comply with information category. Protection of information according to category shall be ensured by the customs authorities in charge of the information resources.

41.7. Control for fulfilment of obligations to exploitation of technical means of information protection shall be carried out by the relevant executive authority.

41.8. The relevant executive authority holds broad consultations on introduction of information technologies with all the interested persons.

Chapter 8. Electronic information system of the customs authorities

Article 42. General provisions

42.1. The relevant executive authority provides development and use of the electronic information system of the customs authorities for the purposes of electronic registration, storage, protection of information, and information sharing, *as well as for risk assessment and classification of importers based on risk groups.*

42.2. The rules of use of electronic information system prescribing content, period of submission, and questions of protection of the registered information by the customs authorities shall be determined by the relevant executive authority.

Article 43. Use of electronic information system of the customs authorities

The persons who wish to send information to the electronic information system of the customs authorities or obtain information from this system, should be registered by the customs authorities as a user of electronic information system of the customs authorities (hereinafter- user) in the order established by the relevant executive authority.

Article 44. Users

44.1. To become a user the person applies in writing to the relevant executive authority on paper or in an electronic form along with other documents determined by the relevant executive authority.

44.2. The relevant executive authority considers the application within one month pursuant to the rules prescribed in Article 42.2 of this Code passes a resolution on either satisfaction or dissatisfaction of the application of the person and sends him the relevant notification.

44.3. Where the relevant executive authority passes a resolution on dissatisfaction of the application reasons of reject in satisfaction of the application should be indicated in the notification sent to the applicant.

44.4. The applicant in case of disagreement with the resolution of the relevant executive authority may appeal against this resolution in an administrative order pursuant to Chapter 10 of this Code and (or) file a lawsuit.

Article 45. Terms determined for the users

45.1. The relevant executive authority has a right to establish terms indicated in Article 42.2 of this Code for the user, group of users or for all users.

45.2. The relevant executive authority should send the user (users) a written *as well as electronic* notification on terms indicated in Article 45.1 of this Code. Where the user (users)

has not lodged an appeal in accordance with Article 45.3 of this Code the terms should be observed from the following date:

45.2.1. from the twentieth working day of the moment of delivering the notification on determined terms for the user (users);

45.2.2. from the following date determined by the relevant executive authority.

45.3. The user (users) who disagree with the established terms has a right to appeal the resolution of the relevant executive authority in an administrative order and (or) file a lawsuit in accordance with Article 10 of this Code.

Article 46. Cancellation of confirmation of the user

46.1. The relevant executive authority cancels by notification the confirmation of the person using electronic information system of the customs authorities as a user in the following cases:

46.1.1. non-fulfillment by the user of the obligations imposed on him by this Code;

46.1.2. non-compliance with the terms determined pursuant to Article 45.1 of this Code;

46.1.3. where the user has found guilty in illegal access to or intervention to the electronic information system of the customs authorities in the order prescribed by law.

46.2. The notification of the relevant executive authority on cancellation of confirmation of the person as a user should contain the reasons of cancellation.

46.3. The user (users) who disagree with the resolution of the relevant executive authority has a right to appeal against this resolution in the administrative order and (or) file a lawsuit in accordance with Article 10 of this Code.

Article 47. Registration of information

47.1. The customs authorities register information provided or obtained by the users.

47.2. The relevant materials on registration indicated in article 47.1 of this Code shall be subject to storage within 3 (years) of the date of passing or obtaining them.

Title IV. Resolutions of the customs authorities and appeal process against them

Chapter 9. Resolutions of the customs authorities

Article 48. General provisions

48.1. The resolutions of the customs authorities shall be passed on their own initiative or upon the written *as well as electronic* request of the interested persons. These persons should provide the customs authorities with information required for passing the relevant resolutions.

48.2. The resolutions of the customs authorities shall be passed with regard to one person or the group of persons.

48.3. Unless other period prescribed by this Code, the resolution should be passed within 30 (thirty) days of the date of entry of the written *as well as electronic* request of the person into the customs authority. Administrative procedure with regard to the passed resolutions shall be carried out pursuant to the Law of the Republic of Azerbaijan on Administrative Procedure.

48.4. The order of passing to the person (persons) or to their representatives the information on passing of resolutions by the customs authorities shall be governed by this Code and Administrative Procedure Act of the Republic of Azerbaijan. Where the resolution is unacceptable for the applicant, reasons of its passing should be indicated and the person should be informed that he has a right to appeal against the resolution to the higher customs authority or in court.

48.5. The resolution of the customs authority comes into effect from the date of its receipt by the person (persons).

48.6. The resolution of the customs authority shall be passed in writing and has effect on the whole customs territory.

48.7. The rules of making amendments and additions to the resolution by the customs authorities, holding it invalid and annulment shall be governed by this Code and the Law of the Republic of Azerbaijan on Administrative Procedure.

48.8. The person (persons) has a right to appeal the resolution of the customs authorities in the administrative order in accordance with Article 10 of this Code and (or) file a lawsuit.

Article 49. Annulment of passed legal resolution in favour of the person and making amendments to it

49.1. The resolution passed by the customs authority in favour of the person shall be annulled at the presence of the following circumstances:

49.1.1. the resolution is passed on the basis of inaccurate and incomplete information;

49.1.2. the person knew or should have known about inaccuracy and incompleteness of the provided information;

49.1.3. the resolution would be different where submitted information by the person was true and complete.

49.2. Unless otherwise provided by law, the resolution on annulment prescribed in Article 49.1 of this Code shall be considered valid from the date of entering into effect of the preliminary resolution.

49.3. The resolution passed in favour of the person shall be annulled or corrected also in case of non-fulfilment of one or several obligations prescribed in it for its implementation. The resolution passed in favour of several persons shall be annulled or amended only in that part which concerns the person who does not fulfil the obligations of this resolution.

49.4. The person with regard to whom the resolution passed shall be informed about annulment of this resolution or amendments to it in the order determined by Law of the Republic of Azerbaijan on Administrative Procedure.

Article 50. Advance Ruling

50.1. The person has a right to submit a request in writing *as well as in electronic form* to the customs authority with a view of preliminary identification of classification, customs value, country of origin and amount of customs payments with regard to precise goods and operations. The customs authorities on the basis of given request pass resolutions necessary for the identification of classification, customs value, country of origin of the goods, and amount of customs payments with regard to precise goods and operations.

50.2. Advance ruling comes into effect from the date of submission of the copy of the relevant notification and resolution to the person with regard to whom the resolution has been passed. From that date execution of this resolution shall be binding for the customs authorities.

50.3. The resolutions prescribed by Article 50.1 of this Code shall be binding for the customs authorities only with regard to the goods the customs clearance of which is completed after these resolutions come into effect.

50.4. Except resolutions annulled pursuant to Article 50.5 of this Code advance rulings with regard to classification, country of origin shall be valid within 3

(three) years from the date of coming into effect, and advance ruling with regard to customs value of the goods and customs payments within 1 (one) year from the date of coming into effect.

50.5. Advance ruling can be annulled in the following cases:

50.5.1. in the case prescribed by Article 49.1 of this Code;

50.5.2. by making amendments conflicting with the resolution in customs law governing issues related to the classification, customs value, country of origin of the goods and amount of the customs payments after passing the resolution.

Chapter 10. Appeal against resolutions, actions or failure to act of the customs authorities and customs officials

Article 51. Right of the person to appeal

Interested persons may appeal resolution, action and failure to act of the customs authority, customs official pursuant to this Code, Administrative Procedural Code of the Republic of Azerbaijan, Law of the Republic of Azerbaijan on Administrative Procedure and other laws where by these resolution, actions and failures to act, his rights, freedoms and legal interests have been violated, obstacles to their realization have been created or he has been illegally imposed any obligation.

Article 52. The order of filing an appeal and passing resolution

52.1. The resolutions of the customs authorities, actions and failures to act of the customs authorities or their officials can be appealed in the administrative order and (or) in court.

52.2. The order of filing an appeal in the administrative order shall be implemented pursuant to Law of the Republic of Azerbaijan on Administrative Procedure.

52.3. Where law does not prescribe shorter time limits administrative appeal should be considered within 15 (fifteen) days and resolution on the merits should be passed. Where examination of appeal requires additional documents and materials this period can be extended for more 15 (fifteen) days by the chief of this customs authority examining the appeal.

52.4. The resolution of the customs authority on appeal against the resolution shall be accepted in writing.

52.5. The applicant shall be informed about the resolution of the customs authorities in the order established by law. Where the resolution is unsatisfactory for the applicant reasons of passing such a resolution should be indicated in the

written form and the person should be informed about his right to appeal the resolution to the higher customs authority or to court.

52.6. Where the resolution is not passed in time limits prescribed by Article 52.3 of this Code or the person disagrees with the resolution passed, the person has a right to appeal to court.

52.7. Appeal (administrative lawsuit) of the resolutions of the customs authorities in a legal procedure shall be carried out in the order established by Law of the Republic of Azerbaijan on Administrative Procedure.

Title V. Customs officials

Chapter 11. Legal status, state and social safety of the customs officials

Article 53. Legal status of the customs officials

53.1. Citizens of the Republic of Azerbaijan capable through education, competence, health condition, professional and moral qualities and who can fulfil tasks imposed on the customs authorities, and fluent in the state language of the Republic of Azerbaijan can be customs officials.

53.2. The citizens of the Republic of Azerbaijan appointed for the first time to the customs authorities of the Republic of Azerbaijan take the following oath: "I swear strictly to abide by Constitution of the Republic of Azerbaijan and legislation of the Republic of Azerbaijan, to protect economic sovereignty and safety of the Republic of Azerbaijan, faithfully fulfil official duties and obey requirements of the discipline of the customs service during exercise of powers of the customs official".

53.3. Oath taking ceremony shall be carried out in the order established by the relevant executive authority.

53.4. The customs officials shall be awarded special ranks. Special ranks and the order of their award shall be determined by Act on Service in the Customs Authorities.

53.5. The special uniform for the customs officials shall be determined. The uniform, description of rank badges shall be determined by the relevant executive authority, norms of their supply by the relevant executive authority, and uniform regulations by the relevant executive authority. Uniform, rank badges shall be issued for free.

53.6. Provisions of Articles 53.4 and 53.5 of this Code shall be applicable as well as to the officials of other authorities of the relevant executive authority.

53.7. The customs officials in the course of performing their duties apply powers established by this Code and other legislative acts in the field of customs matters.

53.8. For illegal decisions, actions, failures to act the customs officials take responsibility pursuant to legislation.

53.9. Ethical principles and rules of ethical conduct of the customs officials shall be determined by Ethic Code and other normative legal acts approved by the relevant executive authority.

53.10. Recruitment to the customs authorities, service regulations and basis of legal status of the customs officials shall be governed by this Code, Act on Service in the Customs Authorities and other normative legal acts.

Article 54. State and social protection of the customs officials

54.1. The customs officials in the course of fulfilment their duties shall be the representatives of the government and shall be under the protection of the state.

54.2. Remuneration, living security, state and social protection of the customs officials shall be governed by the relevant legislation.

Article 55. Guarantees of proper performance of duty obligations by the customs officials

55.1. The customs officials in the course of performance of duties imposed on them shall be governed by this Code, other legislative acts and international agreements.

55.2. The customs officials in the course of performance of duties imposed on them obey the immediate chiefs.

55.3. Interference of anybody into the activity of the customs officials shall not be applicable except officials of the relevant state authorities conferred with relevant powers by legislation.

55.4. The customs officials have no right to be engaged in the entrepreneurial activity, as of to take direct or indirect part in the management of business units (through representative, mediator), to be an attorney for the third persons on the customs issues, implement any paid work on terms of secondary job (except academic and creative activity), implement work of civil nature on agreements

with regard to customs, misuse service authorities, organize strikes and participate in their realization, create political parties or to participate in their activity.

55.5. The threat to the customs official during performing his official duties, resistance, violence or infringement on life, health and property entail liability pursuant to legislation.

Chapter 12. Authorities of the customs officials

Article 56. Patrolling and surveillance

56.1. For the purposes of prevention violation of regulations of this Code and other legislative acts in the field of customs matters, the customs officials during performance of service duties have rights to take the following actions on the customs territory with appliance of form of the customs control prescribed in Article 92.2.7 of this Code:

56.1.1. to patrol and surveil in the sector of the Caspian Sea (lake) which belongs to Azerbaijan, including its islands, artificial islands, constructions, buildings and other territories under the customs control;

56.1.2. to enter railway stations, buildings located there, to patrol and surveil in that territory, as well as certain sections of the railroad, alternative routes;

56.1.3. enter and surveil in airports, airdromes, buildings located there, in runways for airplanes, stay there for these purposes.

56.2. Patrolling and surveillance may be carried out in other places considered necessary for the purposes indicated in Article 56.1 of this Code.

56.3. Except cases established by legislation rights of the customs officials on patrolling and surveillance cannot be restricted.

56.4. The rules of patrolling and surveillance by the customs officials shall be established by the relevant executive authority.

Article 57. Access to means of transport.

57.1. The customs officials have rights of access to the means of transport located on the customs territory in the following cases:

57.1.1. in case of arrival of the mean of transport at the customs territory from external territory;

57.1.2. departure of the mean of transport from the customs territory;

57.1.3. transit of the mean of transport across the customs territory for entering the external territory;

57.1.4. when the customs officials have speculations about conveyance in the mean of transport of the goods for which the customs payments have not been paid, or which prohibited to importation or exportation;

57.1.5. where there is latest information on violation of customs legislation.

57.2. The person responsible for the mean of transport should for his own expenses provide safe entry and exit of the customs officials into the mean of transport or into any of its part and if necessary provide the appropriate place to stay there.

Article 58. Stopping and search of the means of transport

58.1. Where there are grounds for one or several following cases the customs officials stop the mean of transport with the view of conduction of inspection providing stopping of the mean of transport will not exceed the time limits determined for staying under the customs control:

58.1.1. when there are goods in the mean of transport the customs payments of which have not been paid as well as goods prohibited to exportation or importation by legislation;

58.1.2. when there are goods in the mean of transport considered dangerous in accordance with rules determined by the relevant executive authority;

58.1.3. when there are goods in the mean of transport intended for illegal importation or exportation;

58.1.4. information about violation of this Code or other legislative acts in the customs matters;

58.1.5. other reasonable evidences related to attempt of importation or exportation of the goods in the order contradicting legislation.

58.2. Where the driver of the mean of transport upon request of the customs official does not stop the mean of transport voluntary, for its stopping in the order determined by this Code physical force, special means held by the customs authorities and in the cases stated in Article 80.2.5 of this Code, fire-arms may be applied.

58.3. The customs officials may conduct inspection in the means of transport also in the cases indicated in Article 57.1 of this Code.

58.4. Where the customs officials conducting inspections in the means of transport have reasonable suspicions in existence of cases indicated in Articles 58.1.1 –

58.1.5 of this Code they have right on access to any part of the mean of transport, to uncover all packages located there, closed boxes, to check goods.

58.5. Except cases determined by legislation powers of the customs officials on conduction of inspection in the means of transport cannot be limited.

58.6. Where during inspection the facts indicated in articles 58.1.1 – 58.1.5 of this Code were not revealed the customs officials should provide running of movement of the mean of transport en-route.

Article 59. Protection of the goods located in the means of transport

The customs officials entering the means of transport and searching them due to performance of powers established by this Code should provide protection of the goods located inside the means of transport.

Article 60. Interrogation

60.0. The customs officials pursuant to Article 92.2.5 of this Code have right to conduct interrogation of the persons arriving at the customs territory or departing from this territory, who are on the territory of the relevant procedures prescribed in this Code or on the territory of temporary storage of goods with regard to the following issues:

60.0.1. the person has goods for which the customs payments have not been paid, prohibited by legislation to importation and exportation or any other goods;

60.0.2. nature, properties, country of origin, value of the goods, right of ownership on them, place of destination;

60.0.3. the person or the institution, enterprise and organization representing him has the customs debt on payments established by this Code;

60.0.4. customs debt, its nature and amount;

Article 61. Interrogation of the person with regard to his personality, address, route, traffic documents and other issues

61.1. This Article refers to the persons left or allegedly going to leave the mean of transport arrived at the customs territory as well as concealed or allegedly concealed the fact of arriving at the customs territory.

61.2. The customs officials have rights to conduct interrogation of the persons indicated in Article 61.1 of this Code with regard to the following questions:

61.2.1. identification documents

61.2.2. residence address;

61.2.3. the purpose and route of the travel of the person;

61.2.4. traffic document of the person;

61.2.5. the mean of transport, which the person left or allegedly left, committed or allegedly committed attempt to exit the customs territory.

61.3. At the same time the customs officials have rights to conduct interrogation of the owners of transport enterprises and their employees.

Article 62. Presentation and examination of documents with regard to interrogation

62.1. To conduct interrogation the person should present to the customs officials the relevant documents required by the customs authorities pursuant to this Code.

62.2. The documents presented by the person shall immediately be examined by the customs officials and upon completion of examination they shall be returned.

Article 63. Preliminary inspection of persons with use of supporting means

63.1. The customs officials have rights to conduct preliminary inspection of the person who is inside the mean of transport.

63.2. Preliminary inspection shall be examination conducted with use of service dogs, X-ray apparatus, copying equipment, mechanic, electric, electron instruments and other means.

Article 64. Personal search

64.1. Personal search and detention of the natural person as an exclusive form of the customs control shall be conducted by the customs officials pursuant to Article 92.2.2 of this Code after preliminary inspection, when there shall be reasonable grounds to consider that he conceals and conveys the goods importation and exportation of which prohibited or restricted by legislation, as well as the goods customs payments of which have not been paid, objects which justify the fact of violation of regulations of this Code and other legislative acts in the field of customs matters.

64.2. Personal search conducted by customs officials are carried out in an isolated place meeting the requirements of sanitary-hygienic. If there is no video record during personal search presence of 2 (two) witnesses is obligatory. Video recording is not permitted if there occurs need for undressing the person during personal search.

64.3. Medical examination of the body of the natural person with a view to identifying of concealing in it narcotic drugs and psychotropic substances shall be conducted by the medical practitioner in the order established by the executive authority.

64.4. Body organs of the person shall be subject to search by the medical practitioner.

64.5. The customs officials conducting personal search, witnesses, medical practitioners engaged in this process should be the same sex with the examined natural person.

64.6. Where the natural person in the course of conduct of personal search refuse voluntary to reveal concealed by him goods (objects) the customs officials have rights to

apply physical force in the order prescribed in Articles 77 and 78 of this Code.

64.7. When there are sufficient grounds to consider that revealed goods (objects) of the natural person in the course of personal search refer to those indicated in Article 64.1 of this Code, customs officials carry out seizure of these goods and objects in the order established by legislation.

64.8. The protocol on conduct of personal search with requirements of Article 99 of this Code shall be drawn up; its form shall be established by the relevant executive authority.

64.9. The protocol shall be signed by the customs official conducted the personal search, by the natural person exposed to the personal search, witnesses, and at conducting medical examination or at examination of body organs of the natural person to reveal concealing of narcotic drugs and psychotropic substances, by the medical practitioner.

Article 65. Inspection of goods subject to customs control

65.1. The customs officials provide inspection, weighing, measuring, counting, probing and sampling of the goods subject to the customs control, conduct of customs expertise.

65.2. For the identification of the goods subject to the customs control the customs officials have rights to open or request to open any places, packages where goods are located or can be located.

65.3. The customs officials have also rights to determine the place of conduct of search and to request delivery of these goods, packages to that place.

65.4. The person carrying out importation or exportation of goods shall be responsible for the necessary reasonable expenses for the delivery of the goods to the appointed place.

65.5. Powers indicated in Article 65.1 of this Code expand on hand luggage, accompanying and non-accompanying luggage, postal items (providing non-violation of correspondence privacy of users of mail communication services, rights of protection of information, passed through mail) and on any means of transport.

65.6. The search may include conduct of analysis and tests through physical and chemical means, weighing, measurement of the goods. For the purposes of expediting the search, dogs, detectors, chemicals, X-Ray apparatus, copying equipment, mechanic, electric, electronic devices, other means applied for stabbing and dismantling of packages where goods are located may be used. The list of these means shall be established by the relevant executive authority.

65.7. Probing and sampling of goods subject to the customs control by the customs officials shall be carried out in the order determined by this Code.

65.8. Probes and samples shall be taken in minimal quantities (quantities, measures), required for the conduct of expertise.

65.9. For the purposes of implementation of powers conferred by this Code and other

legislative acts on the customs matters, customs officials have rights to free access to all the territories, to the buildings and other places where goods subject to the customs control shall be located or may be located and to conduct the search in that place.

65.10. The access of the customs officials into the residential buildings (areas) beyond or against will of residents shall not be acceptable.

65.11. In case of reveal in the course of search facts of violations, the relevant persons take the responsibility in the order determined by legislation.

Article 66. Additional inspection of the goods which are under the customs control

66.1. When the customs officials have sufficient grounds to consider that requirements of this Code and other legislative acts in the field of customs matters regarding goods under the customs control have been violated, the person shall be required to present these goods for conduct of the additional inspection.

66.2. The customs officials apply with regard to the goods under the customs control powers they are conferred pursuant to this Code and other legislative acts in the field of customs matters.

66.3. The inspection may be conducted at the place of the declarant or any other person who has direct or indirect relation to these operations, as well as who has documents required in accordance with this Code.

Article 67. Presentation of account about goods

67.0. The customs officials have the right to send the notification to the person carrying out licensed activity prescribed in this Code on the customs territory, with to request immediately submit on paper or in electronic form the following:

67.0.1. account on goods imported to the customs territory;

67.0.2. the document required pursuant to this Code for importation of the goods to the customs territory or for their exportation from this territory.

Article 68. Requirement of a provision on payment of customs payments

The customs officials have the right to require from the person the provision for the payment of the customs debt in the order referred to in Chapter 45 of this Code.

Article 69. Submission of the document regarding representation

69.1. In accordance with this Code and other acts of legislation regarding customs matters, the person who notified about implementation of activity in the name of represented person or in own name in that person's interests should submit the documents regarding representation to the customs authorities.

69.2. Where the documents regarding representation are not submitted the customs officials refuse in recognition of the representation.

Article 70. Requirements to the submission of documents

70.1. When there are sufficient grounds to consider that importation or exportation by the person or his representative of goods is carried out with violation of requirements of this Code and other acts of legislation in the field of customs matters including other procedures, the customs value is declared inaccurately, the customs relief is used inappropriately or inaccurately, the customs officials send him written notification with request to submit the relevant documents covering the period indicated in Article 70.2 of this Code.

70.2. The customs officials may require from the person or his representative submission of accounting *record* documents which contain or may contain information on customs value of the goods conveyed across the customs border within 3 (three) years preceding submission of notification indicated in Article 70.1 of this Code, customs payments and other operations with regard to the indicated goods.

70.3. The customs officials may request from the persons carrying out importation or exportation of goods and their representatives to create conditions for copying documents indicated in Article 70.2 of this Code and take abstracts from these documents, providing answers to questions about the relevant information and documents.

Article 71. Additional powers on submission of documents

The customs officials obtain documents (information) required for implementation of customs audit and investigation through delivering a request to the state and local authorities of self-government, natural and legal persons in the order established by legislation.

Article 72. Documents (information) in foreign languages

Documents (information) in foreign languages shall be translated into the official language of the Republic of Azerbaijan at the expense of the person presented these documents (information) to the customs authorities.

Article 73. Seizure and storage of documents and information by the customs authorities

73.1. Unless other period prescribed by law, the customs officials have right on seizure and storage of documents and information subject to presentation by the person pursuant to this Code and other acts of legislation in the field of customs matters for a period of *1 (one) day*.

73.2. The customs officials pursuant to the requirements of this Code in case of seizure and storage of documents upon the request of the person, who has right on indicated documents and information, present to this person their copies certified in the determined order.

73.3. The copy of documents and information certified in the determined order may be used as original document.

Article 74. Customs audit of documents

The customs officials carry out the customs audit of documents in the order determined in Article 98 of this Code.

Article 75. Copying documents obtained in the course of customs audit

75.1. In case when documents checked in the course of the customs audit imply that requirements of this Code and other acts of legislation in the field of customs matters have been violated the customs officials have the right seize documents for a period of 1 (one) day for copying.

75.2. Following copying the documents shall be returned to the person who is the right-holder of the documents.

Article 76. Seizure and storage of information, documents and goods obtained in the course of the customs audit

76.1. Where information, documents and goods inspected in the course of the customs audit imply that requirements of this Code and other acts of legislation in the field of customs are violated, the customs officials carry out seizure and storage of indicated information, documents and goods.

76.2. The customs officials carrying out the customs audit, in case of seizure and storage of documents and information, upon the request of the person who is the right-holder of indicated documents and information issue to that person their copies certified in the determined order.

76.3. Seized documents, information and goods upon completion of the customs audit shall be returned to the holder except otherwise confiscation of these goods, impose of customs payments on these goods, or use of documents and goods as physical evidence are not prescribed.

Article 77. Conditions and limits of use of physical force, special means and firearms by the customs officials

77.1. In cases and order prescribed in this Code the customs officials have right to use physical force, specials means and fire-arms during performance of official duties.

77.2. The customs officials shall take special training as well as periodic check of fitness to such activities in cases related to use of physical force, specials means and fire-arms.

77.3. When using physical force, specials means and fire-arms the customs official must:

77.3.1. warn about intention of physical force, specials means and fire-arms use, giving the person sufficient time to fulfil the requirements (except cases when delay in use of physical force, specials means and fire-arms creates direct danger to life and health of the persons, may lead to other heavy consecutives, during sudden or armed attack, attack with use of military equipment and means of transport or in other circumstances when such warning, as matters stand, is inappropriate or impossible);

77.3.2. provide the injured persons with first aid;

77.3.3. try to do minimal harm while eliminating threat depending on the nature and level of social danger of violation as well as forces of counteraction.

77.4. Use of physical force, special means and firearms in cases prescribed in this Code should be proportional to the encountered danger. In each case of use by the customs officials of physical force, special means or firearms the relevant customs authority should conduct service inspection and give opinion on legitimacy of indicated actions.

77.5. The customs officials shall report immediately to the chief of the customs authority or to the person representing him, who shall inform about it the relevant attorney within 24 (twenty four) hours from the moment of accident about each case of use of physical force, special means and firearms.

77.6. Illegal use of physical force, special means and firearms by the customs officials leads to the responsibility established by legislation.

Article 78. Use of physical force

The customs officials have right to use physical force for suppression of the customs violations, detention of the persons, committed them, overcoming resistance, suppression of disobedience to legal enactments or requirements, preventing access to the premises, territory, to goods and means of transport under the customs control, other actions preventing fulfilment of obligations if non- violent methods do not provide fulfilment of these obligations imposed on these officials.

Article 79. Use of special means

79.1. The customs officials when performing official duties have right to use handcuffs, rubber truncheons, tear gas, equipment for opening premises, means for forced stopping of transport, other special means in the following cases:

79.1.1. for holding off an attack on the customs officials or other persons;

79.1.2. for holding off an attack on buildings, rooms, constructions and means of transport which belong to the customs authorities or utilized by them, on goods and means of transport which are under the customs control, as well as for the release of indicated objects in case of their seizure;

79.1.3. for detention of offenders, their delivery to the office of the customs authority, where these persons defy, resist, commit other illegal actions or may harm others or themselves;

79.1.4. for stopping of the mean of transport, the driver of which has not fulfilled request of the customs officials to stop;

79.1.5. for suppression of physical force against the customs officials.

79.2. To use special means against women with visible signs of pregnancy, juveniles and persons with visible signs of disability (except cases of armed resistance, group or other attack threatening life and health of the persons, safety of goods and means of transport which are under the customs control), as well as under circumstances when third persons can be hurt shall be prohibited.

79.3. In case of necessary defence or emergency the customs official in the absence of special means may use other means on hand.

79.4. The list of special means used in the customs authorities shall be determined by the relevant executive authority taking into consideration Article 79.1 of this Code.

Article 80. Carrying, storage and use of firearms

80.1. During fulfilment of official duties the customs officials indicated in the list established by the relevant executive authority have rights on carrying, storage and use as intended of firearms in the order and cases determined by this Code.

80.2. Only for necessary defence or as emergency the customs officials who have rights on appliance of firearms may use firearms for prevention of real danger in the following cases:

80.2.1. for holding off an attack on customs officials when their life or health is in danger

80.2.2. for suppression of an attempt of other persons to possess firearms of the customs officials (attempt of the person detained by the customs official to approach firearm through reduction of distance indicated by this customs official or touch this firearm shall be considered as attempt of acquisition of this arm);

80.2.3. for holding off of group or armed attack on buildings, rooms, constructions and means of transport belonging to the customs authorities or used by them, on goods and means of transport which are under the customs control;

80.2.4. for detention of the person making armed resistance as well as of the armed person who defies fulfilling legal requirement on surrender of fire-arms;

80.2.5. for stopping of means of transport through their damage if the driver creates real danger to life and health of staff of the customs authorities and does not obey their multiple requests to stop.

80.2.6. for neutralization of animals threatening life and health of staff of the customs authorities;

80.2.7. for warning on intention to use fire-arms, alarm-event or help alert.

80.3. Before use of fire-arms the person shall be warned orally or by warning shot. Without warning the fire-arms may be used only in the following cases:

80.3.1. sudden, unexpected attack;

80.3.2. attack with use of fire-arms, mechanic means of transport, rapacious, wild or other animals creating danger.

80.4. To use fire-arm against women and juveniles, persons with visible signs of disability as well as other persons in crowded areas where they may suffer shall be prohibited (except cases of armed resistance, armed group or other attack, threatening life and health of the customs officials).

80.5. List of types of fire-arms and armament used in the customs authorities shall be determined by the relevant executive authority.

Article 81. Obligation of fulfilment of legal enactments or requirements of the customs officials

81.1. Legal enactments or requirements of the customs officials in the field of customs matters shall be obliged to implementation by the persons.

81.2. Disobedience to legal enactments or requirements of the customs official as well as other actions preventing implementation of obligations imposed on those officials lead to responsibility prescribed by law.

Special Part

Title VI. Customs control

Chapter 13. Implementation of Customs Control

Article 82. Customs control of goods and means of transport

82.1. All persons on equal grounds have rights on importation into the customs territory and exportation from this territory of goods in the order prescribed by this Code.

82.2. Nobody may be deprived of rights or restricted in rights on importation into the customs territory and exportation from the customs territory of goods except cases prescribed by this Code.

82.3. All goods and means of transport imported into the customs territory and exported from this territory irrespective whether they are subject to customs duties and taxes shall be subject to customs control except cases prescribed by this Code.

82.4. In the course of customs control the customs authorities may use all forms of customs control stated in Article 92.2 of this Code except cases prescribed in Article 84 of this Code and other acts of legislation in customs matters.

82.5. In customs border checkpoints, on boards clearly visible for everybody Articles 214 and 215 of this Code, Laws of the Republic of Azerbaijan on “List of items civil circulation of which shall not be permitted (excluded from civil circulation)”, “List of items which may belong to certain participants of civil circulation and civil circulation of which is allowed on the basis of special permission (with limited civil circulation)”, “Confirmation of lists of narcotic drugs, psychotropic substances and precursors, circulation of which on the territory of the Republic of Azerbaijan is prohibited, restricted and under control, as well as precursors for importation, exportation, transit and production of which on the territory of the Republic of Azerbaijan the license (special permission) is required”, “On Aviation”, lists of goods, importation of which into the customs territory or exportation from this territory shall be prohibited or restricted by decision of the relevant executive authority must be displayed. In the stated lists, names, date of adoption and the relevant article (item) of law and other regulatory acts prohibiting or restricting importation or exportation of goods must be displayed.

82.6. The official imposed restrictions on importation into the customs territory or exportation from this territory of goods from lists stated in Article 82.5 of this Code should present to the person conveying stated goods across the customs border, the copy of protocol reflecting the name, article (item) and the date of adoption of normative legal act on this.

82.7. The officials imposed restrictions on importation into the customs territory or exportation from this territory of goods not prescribed in lists stated in Article 82.5 of this Code shall be hold criminally or administratively liable.

82.8. Non-application in respect of the person of certain forms of customs control or exemption from them shall not release that person from obligation to abide by provisions of this Code, other acts of legislation and international agreements.

Article 83. Period of stay of goods and means of transport under customs control

83.1. Goods and means of transport imported into the customs territory shall be under customs control from the moment of crossing of the customs border until they are:

83.1.1. released for free circulation;

83.1.2. destructed;

83.1.3. rejected in profit of State;

83.1.4. converted into the property of state or disposal in accordance with Article 330 of this Code;

83.1.5. actual exportation of goods and means of transport from the customs territory.

83.2. Internal goods and means of transport declared for the customs procedure of export, special customs procedures of internal transit or outward processing shall be under customs control from the moment of verification of the customs declaration by the customs authority till exportation from the customs territory, reject in profit of state or destruction, or annulment of the customs declaration in accordance with Article 154 of this Code.

83.3. Goods placed under the special customs procedure of end-use shall be under customs control within period stated in Article 195 of this Code.

83.4. Use and disposal of goods and means of transport which are under customs control shall be permitted in the order and on terms determined by this Code.

83.5. The customs authorities shall control fulfilment of obligations of persons on re-importation of exported earlier from the customs territory of goods and means of transport or on re-importation of processing products in accordance with terms of the customs procedures in the order prescribed by this Code where such goods, means of transport or processing products shall be subject to binding re-importation in accordance with customs legislation.

Article 84. Exemption from certain forms of customs control

84.1. Exemption from the certain forms of customs control shall be determined by this Code, other legislative acts in the field of customs matters and international agreements.

84.2. Personal baggage of the President of the Republic of Azerbaijan and his family members travelling with him shall not be subject to customs control.

84.3. Personal baggage of prime-minister of the Republic of Azerbaijan, his deputies, heads of the relevant executive authorities of the Republic of Azerbaijan, deputies of Milli Majlis of the Republic of Azerbaijan and Human Rights Commissioner (ombudsman) of the Republic of Azerbaijan shall be exempted from the customs control where these persons cross the customs border of the Republic of Azerbaijan in the course of execution of their service duties.

84.4. Exemption from the customs search of foreign military ships, military transport aircrafts, as well as military hardware travelling under their own power shall be governed by interstate agreements.

84.5. Exemption from the certain forms of customs control in accordance with interstate agreements shall be implemented after ratification of these agreements.

Article 85. Use of technical control means during customs control

85.1. For the purposes of reduction of period of customs control and improvement of its effectiveness the customs authorities use technical means, list and order of use of which shall be determined by the relevant executive authority.

85.2. Stated in the Article 84.1 of this Code technical means must be safe for the life and

health of human beings, animal and plants and should not harm human beings, goods and means of transport.

Article 86. Use of sea (river) and air crafts by the customs authorities during customs control

86.1. Customs control of goods and means of transport within internal waters of the Republic of Azerbaijan and sector of the Caspian Sea (lake) belonging to Azerbaijan, as well as on the territory boarding to the customs border of the Republic of Azerbaijan, shall be implemented with use of sea (river) and air crafts of the customs authorities, in accordance with this Code.

86.2. Rules of use of sea (river) and air crafts of the customs authorities for the purposes of customs control shall be determined by the relevant executive authority.

Article 87. Identification of goods, means of transport, premises and other places

87.1. Means of transport, premises and other places where goods and means of transport subject to customs control, placed or could be placed, as well as places where the activity is implemented, control on fulfilment of which is imposed on the customs authorities, goods and means of transport subject to customs control, may be identified by the customs authorities.

87.2. Identification shall be implemented through seal, digits, letters labelling, marking, identification marks, stamping and sealing, probing and sampling, description of goods and means of transport, drawings, production of scale images, photographs, illustrations, use of goods accompanying and other documentation as well as other means of identification.

Article 88. Inventory of goods and means of transport subject to customs control

The customs authorities have the right to take inventory of goods and means of transport subject to customs control as well as goods in respect of which customs payments are not paid or customs privileges in part of customs payments granted.

Article 89. Compliance with requirement on minimum period of time of customs control

The customs authorities, declarant and other persons authorized in respect of goods shall be obliged to comply with requirements on minimum period of time necessary for customs control.

Article 90. Inadmissibility of doing unlawful harm during customs control

90.1. Unlawful harm to the persons, their goods and means of transport shall be unacceptable in the course of customs control.

90.2. The customs authorities and their officials caused unlawful damage in the course of customs control bear responsibility in accordance with legislation.

Article 91. Presence of declarant, owner of goods, other persons, who hold

authorities in respect of goods and means of transport and their representatives during control of goods and means of transport

91.1. The declarant, owner of goods, other persons who hold authorities in respect of goods and means of transport as well as their representatives upon request of customs officials shall be present during control of goods and means of transport and provide necessary assistance.

91.2. Declarant, owner of goods, other persons who hold authorities in respect of goods and means of transport or their representatives also have the right on their own initiative to participate during customs inspection of goods and means of transport.

91.3. The customs authorities have the right to conduct inspection of goods and means of transport in the absence of declarant, owner of goods, other persons who hold authorities in respect of goods and means of transport and their representatives in the following cases:

91.3.1. non-attendance of the stated persons upon expiration of 10 (ten) days after presentation of goods and means of transport to the customs authorities;

91.3.2. threat to national security, public order, life and health of human beings, animal and plants, environment, art, historic and archaeological heritage of people;

91.3.3. transmission of goods by international postal dispatches;

91.3.4. keeping goods and means of transport in breach of the relevant customs procedure on the customs territory.

91.4. Inspection of goods and means of transport in stated in Article 91.3 of this Code cases shall be conducted in presence of persons not otherwise involved in results of the inspection.

Chapter 14. Organization of customs control

Article 92. Forms of customs control

92.1. Customs authorities implement the customs control for the purposes of ensuring fulfilment of customs legislation regulating arrival of goods and means of transport at the customs territory or their departure from this territory, transit across this territory and end-use, other legislation and international agreements, control on fulfilment of which shall be imposed on the customs authorities. Modern technologies and equipment shall be used during customs control.

92.2. The customs officials implement the customs control as the following:

92.2.1. control of goods and means of transport;

92.2.2. personal search;

92.2.3. checking of information required for the customs purposes, documents in writing on electronic or paper materials, including accompaniment of goods conveyed across the state border crossing points of the Republic of Azerbaijan, veterinary, phytosanitary, hygienic and other certificates;

92.2.4. customs audit;

92.2.5. interrogation of persons;

92.2.6. customs examination of goods and means of transport subject to the customs control, territories and premises, warehouses of temporary storage and customs warehouses, territories and premises located in free zones and other places where activity control on which is imposed on the customs authorities shall be implemented;
92.2.7. patrolling and customs surveillance.

92.3. Where prescribed by international agreements, customs surveillance may be implemented out of the customs territory as well.

92.4. Forms of customs control should be based on practice of risk management for the purposes of implementation of required measures on identification, valuation and prevention of risks according to criteria developed on national and international level.

92.5. During choice of customs control risk management system established in the order determined in Article 100.2 of this Code shall be applied.

92.6. For the purposes of organization customs control the relevant executive authority in accordance with this Code determines the following:

92.6.1. rules of implementation of customs control;

92.6.2. rules of general risks management;

92.6.3. rules on determination of general criteria and priority fields of customs control;

92.6.4. rules governing exchange of information about risks and information of customs intelligence jointly with authorities concerned.

Article 93. Customs control zones

93.1. Customs control zones shall be set up and the rules of regimes shall be determined by the relevant executive authority on the customs areas along the customs border, in places of customs clearance, free zones, customs warehouses, in places of loading and unloading of goods and their temporary storages, in stations of means of transport, conveying goods under customs control, places of location of the customs authorities and other places determined by the relevant executive authority.

93.2. Rules of establishment and designation of customs control zones shall be determined by the relevant executive authority.

93.3. Implementation of manufacturing and any other commercial activity, conveyance of goods, means of transport, persons, including state officials, across borders of such zones and their movement within these zones shall be allowed only with permission of the customs authorities and under their control except cases prescribed by law.

93.4. Relevant infrastructure shall be developed and special tracks defined related to the application of "Green corridor" and other release systems at the customs border checkpoints.

Article 94. Documents and information required for customs control

94.1. The persons conveying goods and means of transport across the customs border or implementing activity control on implementation of which is imposed on the customs authorities shall be obliged to submit documents and information required for customs control to these authorities.

94.2. List of documents and data as well as the order of their presentation shall be determined by the relevant executive authority, shall be published in official publications and posted on the official websites of the relevant executive authorities.

94.3. For conduct of customs control the customs authorities may receive from the relevant organizations information and data on operations, control on implementation of which is imposed on the customs authorities, of persons conveying goods and means of transport across the customs border, customs brokers or other persons concerned with such operations.

94.4. Law enforcement authorities, tax and other state controlling authorities on their own initiative or in accordance with legislation upon request of the customs authorities share data required for customs control.

Article 95. Storage of documents and data

95.1. Persons who hold documents and data on goods subject to customs control should provide their storage in the order prescribed by this Code and the relevant legislation.

95.2. Irrespective of storage method, documents and data on goods conveyed across the customs border shall be kept for 3 (three) years following the year when these goods relinquish the status of goods subject to customs control.

95.3. The person should create conditions for receiving documents and data by the customs officials, answer their questions related to this, if necessary to provide them with copies of documents.

95.4. Where information is kept in electronic form, the person shall be obliged to provide the customs officials with necessary equipment for familiarizing with documents and data subject to customs control.

95.5. In the course of release of goods for free circulation or their declaring for the purposes of exportation, term evaluation prescribed in Article 95.2 of this Code begins from the end of the year, in which declarations related to release of goods for free circulation or their exportation. When placing goods under the customs procedure period evaluation prescribed in Article 95.2 of this Code begins from the end of the year in which the relevant customs procedure shall be concluded.

Article 96. Ensuring familiarizing of the customs officials with information and documents

All persons involved in conveyance of goods imported into the customs territory and exported from this territory should provide control of information and documents subject to keeping in the determined form (including electronic form) by the customs officials

Article 97. Attraction of specialists and experts for providing assistance in the course of customs control

97.1. The customs authorities have the right to attract specialists and experts of other state authorities upon the request, as well as of specialists and experts of legal persons on contractual basis (providing rights and obligations imposed on the customs authorities will not be passed) for providing assistance in conduct of customs control.

97.2. Request of the customs authority on attraction of a specialist or an expert for providing assistance in conduct of customs control shall be subject to execution by the state authorities.

97.3. Expenses with regard to attraction of specialists and experts of other state authorities for providing assistance in customs control where this work is a part of their service duties shall not be reimbursed.

97.4. Specialists and experts attracted for providing assistance in customs control shall be obliged not to distribute information of state and commercial secret, and also other confidential information protected by law.

Article 98. Customs audit

98.1. The customs authorities conduct customs audit to be convinced in credibility of information stated in the customs declaration after release of goods and means of transport as well as after conditional release and for identification of fulfilment of obligations on abidance by restrictions, requirements and conditions in respect of disposal of goods and means of transport by the person. For these purposes the customs authorities control commercial documents and information on processes and trade deals regarding goods and means of transport of exporter, importer, owner of the goods, declarant, other persons responsible for the goods or their representatives.

98.2. The customs audit may be conducted within 3 (three) years from the date when goods stated in customs declaration relinquish status of goods subject to customs control and may be conducted only in respect of legal persons and natural persons engaged in entrepreneurial activities with no corporate status.

98.3. Customs audit can be conducted in the relevant buildings, territories, premises of the importer, exporter, owner of goods, declarant, other persons holding authorities in respect of goods or their representatives and in other places of their use.

98.4. Customs audit and the registration of its results shall be carried out based on the Law of the Republic of Azerbaijan "On regulation of inspections in the field of entrepreneurship and protection of interests of entrepreneurs.

98.5. Where during customs audit crime elements or administrative offence are detected, conduct of customs audit in respect of direct object of violation shall be concluded, the act on results of customs audit conduct shall immediately be drawn up, and the relevant measures shall be implemented by the customs authorities in accordance with administrative or criminal procedure legislation.

98.6. Customs and tax authorities may share obtained information in the order determined by legislation, to conduct joint customs audit.

98.7. Customs audit shall be conducted in general and special forms.

98.8. General customs audit shall be conducted on written decision of the chief of the customs authority or person representing him. Before customs audit, the copy of decision on conduct of customs audit, *extract about the registration of audit in the unified registry of inspections in the field of entrepreneurship and the service card of the person conducting the audit* shall be subject to passing to the person in respect of whom audit should be conducted.

98.9. ~~General customs audit must not continue more than 3 (three) working days.~~ Conduct of audit must not prevent implementation of manufacturing or commercial activity of the person. Subsequent conduct of general customs audit in respect of the same goods shall not be permitted.

98.10. Conduct of special customs audit shall be conducted on the basis of written decision of the chief of the customs authority or the person representing him. Before special customs audit copy of such decision, *extract about the registration of audit in the unified registry of inspections in the field of entrepreneurship and the service card of the person conducting the audit* shall be subject to passing to the person in respect of whom audit should be conducted.

98.11. Special customs audit may be conducted in the following cases:

98.11.1. in respect of foreign trade participants – in cases where based on results of general customs audit or by application of other forms of customs control prescribed by this Code, data which can testify unreliability of information presented during customs clearance or on use or disposal of goods with violations of established prohibitions and restrictions which lead to violation of order of payment of customs duties, taxes or non-abidance by prohibitions and restrictions is revealed, determined in accordance with legislation of the Republic of Azerbaijan on state regulation of foreign trade;

98.11.2. in respect of customs brokers, owners of warehouses of temporary storage, owners of customs warehouses and customs carriers – by revelation data which may testify violations of recording of goods conveyed across the customs border, and accounting on them or non-abidance by other requirements and terms of implementation of the relevant form of activity determined by this Code.

98.12. The customs authorities conducting special customs audit may implement the following actions in respect of the persons stated in Article 98.11 of this Code:

98.12.1. to familiarize with documentation and information (including in the form of electronic documents and information) related to conducting operations with goods imported into the customs territory;

98.12.2. to inspect premises and territories which are in disposal or in use of the person in relation of whom customs audit is conducted and to conduct inspection and control of goods in the presence of his authorized representatives;

98.12.3. to seize goods in cases prescribed by law.

~~98.13. Special customs audit should be conducted within minimum period of time required for its conduct, and may not continue more than 2 (two) months from the date when decision on conduct of inspection is made. The stated period shall not include period between issuing decision to the person on presentation of documents and data and presentation of stated documents and data.~~

98.14. Recurring conduct of the special customs audit of the same person in respect of the same goods shall not be permitted.

98.15. For the purposes of conduct of the special customs audit the customs authorities may use the results of inventory, conducted by the person holding authorities in respect of goods or implementing storage of such goods, or state controlling authorities, audit reports as well as acts and reports drawn up by the state authorities.

Article 99. General requirements submitted to protocol drawn up during taking measures on implementation of customs control

99.1. In cases prescribed by this Code the protocols shall be drawn up during execution of acts on implementing customs control. Protocols shall be drawn up in the official language of the Republic of Azerbaijan. The form of protocol shall be determined by the relevant executive authority in light of the requirements by Articles 82.6, 99.2 and 99.3 of this Code.

99.2. The following should be indicated in the protocol:

99.2.1. its name;

99.2.2. place, date and time of taking concrete measures;

99.2.3. time of beginning and finishing of action;

99.2.4. position, surname, name, patronymic of the person drew up the protocol;

99.2.5. surname, name, patronymic of the person in respect of whom the relevant action is taken, witnesses (*only in a case of presence of witnesses*) and other persons participating in the action, as well as year, month, date and place of their birth, citizenship, education, workplace, occupation or position, address of residence and registration, information on whether he speaks the official language of the Republic of Azerbaijan.

99.2.6. note on explanation to the person in respect of whom actions are taken, to witnesses (*only in a case of presence of witnesses*) and other persons participating in the action, of their rights, obligations and liability.

99.2.7. the relevant Article of this Code which is the basis for implementation of the action;

99.2.8. content of the action, sequence of its implementation;

99.2.9. substantial facts and circumstances for the case revealed during execution of the action

99.3. During seizure of goods or documents in accordance with this Code besides indicated in Article 99.2 of this Code the following should be stated in the protocol:

99.3.1. detailed description of seized goods, probes and samples with indication of

quantity, measure, weight, individual characteristics and other properties;

99.3.2. type and requisites of seized documents;

99.4. *In the course of personal search, as well as seizure of documents and goods with no video recording, participation of 2 (two) legal age witnesses who are not involved in this issue is obligatory. Video recording is not permitted if there occurs need for undressing the person during personal search and seizure. In this case personal search and seizure is conducted in the presence of persons who are of the same sex in respect of whom relevant action is executed. Witnesses verify by their signature the fact of implementation of actions at their presence, their content and results.*

99.5. In the course of execution of actions on implementation of customs control with use of photo-shoot, filming and video recording or other recording technical means in cases prescribed by this Code, the relevant recordings, photographs, lens or any other information carriers shall be attached to the protocol.

99.6. The protocol shall be signed by the person in respect of whom the relevant action is made, by witnesses (*only in a case of presence of witnesses*) and other persons participating in this action. Where the protocol is drawn up on several pages, each page of the protocol shall be signed by the indicated persons. In case of their refusal to sign the protocol, the relevant note on this shall be made.

99.7. The person in respect of whom the relevant action is executed, witnesses (*only in a case of presence of witnesses*) and other persons participating in the action may present their views on explanations and content of the protocol as well as state reasons of their refusal to sign the protocol. Indicated explanations and views shall be attached to the protocol.

99.8. A copy of the protocol shall be given to the person in respect of whom the relevant action is executed.

Chapter 15. Risk management

Article 100. General provisions

100.1. Risk management in customs matters shall be measures systematically developed and regularly implemented by the customs authorities for the purposes of collection of information, data base update, risk analysis, risk identification through regular monitoring of the relevant processes and their results and evaluation of their probable threat and level of damage, which can be made to economic, social and other interests of the state, as well as reduction and prevention of risk exposure.

100.2. The relevant executive authority creates and computerizes the risk management system in which risk analysis mechanisms, choice of control forms, as well as identification of more effective methods of work are concentrated.

100.3. The purposes of application of risk management system in customs matters shall be:

100.3.1. focusing on the areas of high risk during customs control and customs clearance and ensuring a more efficient use of available resources;

- 100.3.2. increasing opportunities on revelation of customs infringements;
- 100.3.3. creating favourable conditions for the persons abiding by customs legislation for conveyance of goods and means of transport belonging to them.

Article 101. Activity of customs authorities in risk management

101.1. The customs authorities conduct risk analysis for identification of goods, means of transport, documents and persons subject to customs inspection as well as level of conduct of customs inspection and based on the results of such analysis choose the form of customs control.

101.2. Rules and forms of application of risk management system in the system of customs authorities shall be determined by the relevant executive authority.

101.3. For the purposes of ensuring adequacy of risk analysis, the customs authorities including the customs services of foreign countries in accordance with the relevant international agreement present in the electronic form to the relevant executive authority preliminary information on shipment of goods and means of transport.

101.4. For the purposes of creation of favourable conditions for reliable and smooth conveyance of goods in international supply chain, precise and timely information sharing, coordination system on risk management between customs authorities shall be established. This coordination system allows the customs authorities manage risks more effectively, obtain more comprehensive and reliable information on international trade supply chain.

101.5. Criteria for defining risk groups of the foreign trade participants when moving goods and means of transport across customs border using "Green Corridor" and other release systems shall be defined by the relevant executive authority.

Title VII. Customs clearance

Chapter 16. Main provisions on the customs clearance

Article 102. Order of conducting of customs clearance

102.1. The customs clearance shall be conducted in the order defined by this Code and other legislative acts in customs matters.

102.2. In accordance with international agreements concluded for the purposes of facilitation of and expediting the customs clearance in a number of countries the customs documents intended for the customs clearance may be applied.

102.3. Where in accordance with this Code on implementation of certain customs operations or customs procedures permission of the customs authority is required such permission shall be issued immediately after fulfilment of determined terms required for obtaining of such permission.

102.4. Rules of issue of permission of the customs authority on implementation of certain customs operations or customs procedures in accordance with this Code shall be

determined by the relevant executive authority.

Article 103. Peculiarities of implementation of customs clearance

103.1. Peculiarities of implementation of customs clearance shall be differentiated according to:

103.1.1. category of goods conveyed across the customs border;

103.1.2. type of transport used for conveyance across the customs border;

103.1.3. persons conveying goods.

103.2. Customs clearance shall be applied regardless of country of origin, shipment and destination of goods.

Article 104. Start and conclusion of customs clearance

104.1. Customs clearance of goods and means of transport begins at the moment of presentation by the declarant to the customs authorities required for the customs clearance of declaration or the relevant documents with regard to certain goods and means of transport, or in cases prescribed by this Code, oral application indicating the intend to implement customs clearance.

104.2. The customs clearance shall be concluded after implementation of customs operations required for placing of goods under the relevant customs procedure as well as payment of customs payments prescribed by this Code.

Article 105. Use and disposal of goods and means of transport in respect of which customs clearance is not finished

105.1. Use and disposal of goods and means of transport in respect of which customs clearance is not finished shall not be permitted except cases prescribed by this Code and other legislative acts in the field of customs matters.

105.2. The relevant executive authority defines terms and imposes restrictions on use and disposal of goods and means of transport in respect of which the customs clearance is not finished.

Article 106. Place and time of implementation of customs clearance

106.1. Customs clearance shall be implemented in established places for it, in zone of function of the customs authority in the location place of sender or receiver of goods or their structural divisions.

106.2. The relevant executive authority determines time period of work of customs authorities on implementation of customs clearance.

106.3. With permission of the customs authority the clearance may be implemented in other places and out of working hours of the customs authority.

106.4. The relevant executive authority may impose customs clearance of certain categories of goods and means of transport on the certain customs authorities.

106.5. For the purposes of increasing efficiency and transparency of customs clearance the e-governance system (electronic queuing system) shall be applied to define consistency of admission of applicants.

Article 107. Presence of authorized persons and their representatives in the course of customs clearance

107.1. The persons holding authorities in respect of goods and means of transport and their representatives may on their own initiative to take part in the customs clearance.

107.2. Upon request of the customs authority persons and their representatives indicated in Article 107.1 of this Code shall be obliged to be present in the course of customs clearance and render assistance to the customs officials in implementation of customs clearance.

Article 108. Necessary operations with goods and means of transport required for the customs clearance

108.1. Upon request of the customs authority the person conveying goods across the customs border, conveyor, owner of warehouse and other person with authorities in respect of goods and means of transport or their representatives shall be obliged to implement transportation, weighting or any other identification of quantity of goods, loading, unloading, packaging or re-packaging of goods and means of transport subject to the customs clearance as well as disclosure of places where these goods and means of transport may be located.

~~108.2. In case where customs authority has sufficient grounds to believe that the conveyor or his means of transport do not meet requirements of this Code after bringing of this means of transport into the proper condition, conveyance of goods continues under the customs accompanying (accompaniment of goods, means of transport, and related to them documents by the customs official).~~

108.3. Required for the customs clearance operations with goods and means of transport prescribed in this Code should not incur for the customs authority any additional expenses.

Article 109. Language on which the customs clearance shall be implemented

The customs clearance shall be implemented in the official language of the Republic of Azerbaijan.

Article 110. Probing and Sampling of goods for the purposes of customs control

110.1. For the purposes of customs clearance the customs authorities may take probes and samples and conduct their customs expertize.

110.2. Questions related to taking of probes and samples of goods shall be regulated by Article 158 of this Code.

Article 111. Privileged and simplified order of customs clearance

111.1. The customs clearance of goods and means of transport required in case of natural disasters and other emergency situations as well as live animals, perishable goods, radioactive substances, materials for purposes of mass information, goods sent to the address of legislative, executive and judicial authorities of the Republic of Azerbaijan and other similar goods shall be implemented in privileged and simplified order.

111.2. Privileged and simplified order of customs clearance in cases indicated in Article 111.1 of this Code shall be defined by the relevant executive authority.

Article 112. Assistance supply

112.1. Subsistence items, goods and means of transport sent for providing assistance to the population affected in zones of natural disaster, as well as equipment, special transport means, spare parts, personal belongings and other goods intended for the personal staff of the relevant authorities involved in mitigation of consequences of the natural disaster shall be considered assistance supplies.

112.2. Customs clearance of assistance supplies shall be implemented with application of simplified declaration prescribed by this Code.

112.3. In respect of assistance supplies, measures of trade policy, prohibitions and restrictions as well as customs payments shall not apply.

Title VIII. Importation of goods into the customs territory and their exportation from this territory

Chapter 17. Importation of goods into the customs territory

Article 113. Obligation on submission of entry summary declaration

113.1. With the exception of cases conveyance of goods not intended for commercial purposes by natural persons, entry summary declaration is submitted to customs authorities electronically before bringing the goods to the customs territory. Failure to lodge entry summary declaration causes administrative responsibility for declarant, but doesn't impede the customs clearance and release of goods. The relevant executive authority defines the form of entry summary declaration taking into account international standards and trade practice.

113.2. The necessary information should be reflected in the summary declaration for proper conduct of risk analysis and customs control.

~~113.3. A summary declaration may also be submitted to the customs authorities in electronic form prior to arrival of goods to the customs territory. Rules of submission of summary declaration prior to arrival of goods to the customs territory shall be defined by the relevant executive authority taking into consideration requirements of this Code.~~

113.4. Provisions of this Article shall not be applied to the goods conveyed by the means of transport travelling through territorial waters and airspace of customs territory without stopping.

Article 114. Submission of summary declaration

114.1. A summary declaration shall be submitted in electronic form document with the use of electronic means of data processing.

~~114.2. A summary declaration may also be submitted to the customs authorities in writing on paper. The customs authorities may accept such declaration providing application of the same level of risk management and data sharing between customs authorities which are applied in respect of summary declaration as submitted in electronic form.~~

114.3. A summary declaration shall be submitted by persons importing goods into the customs territory or persons bearing responsibility for conveyance, their representatives, importer, recipient of goods or by the persons presenting goods to the customs authority for customs clearance.

Article 115. Making amendments to the summary declaration

115.1. Except cases stated in the Article 115.2, upon request of person submitted summary declaration it shall be permitted to make amendments to this declaration after its submission by the customs authorities.

115.2. Making amendments to the summary declaration shall not be acceptable in any of the following cases:

115.2.1. after notifying the person submitted the entry summary declaration by the customs authorities on intend to inspect goods;

115.2.2. after defining unreliability of information provided in the entry summary declaration by the customs authority;

115.2.3. after customs authorities permit moving of goods from the place where they were presented.

Article 116. Customs declaration replacing summary declaration

116.1. Summary declaration on goods in respect of which customs declaration replacing entry summary declaration is submitted before submission deadline of entry summary declaration determined by rules stated in Article 113.3 of this Code shall not be submitted to the customs authority. In this case customs declaration replacing entry summary declaration must submit necessary for it details.

116.2. Customs declaration prescribed in Article-116.1 of this Code substitutes the entry summary declaration until it is approved by customs authorities.

Article 117. Place of arrival of goods

117.1. Carrier importing goods into the customs territory, as well as importation of goods from the territory of free zones into the rest part of the customs territory shall be obliged to inform the relevant customs authority about crossing the customs border.

117.2. Arrival of goods to the customs territories may be implemented in places defined by the customs authorities during working hours of the customs authorities.

117.3. Goods may be conveyed to the customs territory out of working hours of the customs authorities with permission of customs authorities. Use of goods imported into

the customs territories during these hours shall not be allowed without permission of the customs authorities.

117.4. Goods may be imported into the customs territory from other places in cases specified in legislation and international agreements.

Article 118. Customs control on goods imported into the customs territory

118.1. Customs control on all goods imported into the customs territory shall be implemented in the order prescribed by Chapter 14 of this Code. Goods shall be under customs control till occurrence of any of cases prescribed in Article 83.1 of this Code.

118.2. At the same time customs control shall be applied to all means of transport, containers and packages with regard to goods stated in Article-118.1 of this Code.

118.3. Customs control in respect of the following items shall be implemented in the order determined by the relevant legislation:

118.3.1. naval warships;

118.3.2. military aircrafts used for transportation of military and civil servants serving in forces, military cargo and other military transport means;

118.3.3. means of transport used for service purposes by the relevant executive authorities;

118.3.4. means of transport belonging to diplomatic and consular missions of foreign countries in the Republic of Azerbaijan.

118.4. Persons or their representatives holding authority on the goods subject to customs control may with permission of the customs authorities any time take samples and probes from the goods for the purposes of identification of tariff classification, customs value or customs status of goods.

Article 119. Delivering of goods to the relevant place

119.1. In accordance with the rules set by the relevant executive authority, person importing the goods into the customs territory, must convey them by the route and for a period determined by the customs authority of dispatcher to the customs authority of destination or other place agreed with them,

119.2. After arrival of goods into the customs territory, the person liable for the conveyance of goods bears responsibility defined by law for non-fulfilment of obligations determined by Article 119.1 of this Code.

119.3. Goods left outside the customs territory may be subject to customs search by the customs authorities according to the terms of international agreements concluded with the appropriate states. Thereby those goods shall be considered as goods imported into the customs territory.

119.4. The Article-119.1 of this Code does not exclude the application of any other special requirements of legislation with respect to letters, post cards and printed materials or goods conveyed by passengers, providing possibility of conducting customs control and customs inspection is not limited.

119.5. The article-119.1 of this Code does not apply to the goods conveyed in means of transport which move through the territorial waters or the airspace of the customs territory without stopping on that territory.

Article 120. Delivering of goods on special conditions

120.1 Where obligations determined in accordance with Article 119.1 of this Code cannot be fulfilled as a result of force-majeure circumstances, the person on whom these obligations are imposed or other person acting in his interests immediately inform the customs authorities about it. Where as a result of these circumstances goods are not completely lost the customs authorities shall be informed on precise location of these goods.

120.2. Where as a result of force-majeure circumstances the means of transport stated in Article 119.5 of this Code has to stop on the customs territory across which it crosses and obligations determined by article 119.1 of this Code cannot be fulfilled, the person liable for this mean of transport immediately informs about it the customs authorities, at the territory of which he arrives and customs authorities of destination.

120.3. In the cases mentioned in the Articles 120.1 and 120.2, the customs authority shall specify the measures on ensuring of conveyance of goods in the means of transport to other customs authority or other agreed place.

Article 121. Submission of goods to the customs authorities

121.1. Immediately after arrival of goods to the customs territory, they shall be submitted for the customs control and their documents shall be submitted to the customs authorities.

121.2. Customs authorities must be informed not later than 1 (one) hour from the moment of arrival of goods to the customs territory and in the case of their arrival out of set working hours of the customs authority not later than 1 (one) hour from the moment of beginning of working hours.

121.3. After presentation of goods, with the permission of customs authorities, persons or their representatives holding authority on the goods may take samples and probes from the goods in order to place them under the relevant customs procedure.

121.4. Goods arrived to the place of destination out of working hours shall be stored in customs control zone.

121.5. Change of initial places of location, loading or reloading into the means of transport and unloading from the means of transport, un-packaging and re- packaging, changing, deletion or destruction of means (marks, signs) of identification of goods subject to customs control, and alighting of passengers shall be allowed only with the permission of the customs authority.

121.6. Carrier not abiding by the requirements stated in Article 121.1 of this Code should preliminarily notify the customs authority on reasons of non-fulfillment of stated requirements. Otherwise, this carrier bears responsibility in the order defined by legislation.

121.7. Additional expenses of the carrier as a result of actions prescribed in Article 121 of this Code shall not be reimbursed by the customs authorities.

121.8. Upon request of the person and with permission of the customs authorities goods may be presented for the customs inspection in other places which the person considers appropriate. In these cases all expenses occurred as a result of implementation of customs procedures shall be reimbursed by the person.

121.9. Goods imported into the customs territory shall be presented to the customs authority by any of these persons:

121.9.1. the person who imported goods into the customs territory;

121.9.2. the person on behalf of the person who imported goods into the customs territory;

121.9.3. the person who is responsible for the conveyance of goods after their arrival to the customs territory;

121.9.4. the person who immediately placed the goods under the relevant customs procedure;

121.9.5. license holder on establishment of places of storage or the person implementing activity in the free zone.

121.10. The person presenting goods to the customs authorities makes reference on entry summary declaration or customs declaration which has been submitted in respect of the goods.

Article 122. Unloading, inspection and reloading of goods

122.1. Goods shall be unloaded from the means of transport used for their importation into the customs territory and reloaded on the means of transport used for their exportation from the customs territory only with permission of the customs authorities and under their control in places defined by the customs authorities.

122.2. Permission of the customs authorities shall not be required in case of danger requiring immediate unloading of all or part of goods. In these cases the customs authorities shall immediately be informed.

~~122.3. The only document which is required by the customs authorities for reloading of goods shall be cargo declaration.~~

122.4. Any commercial or transport document where all necessary information required by the customs authorities is stated shall be accepted as descriptive part of the customs declaration on reloading of goods. In this case receipt of information for the appropriate purpose shall be stated in the document.

122.5. The customs authorities may require unloading and unpacking of reloading goods with the purpose of inspection, probing and sampling or checking of the mean of transport conveying them.

122.6. Goods presented to the customs authorities may not be removed from the place where they have been presented without permission of the customs authorities.

Article 123. Placing of goods under the relevant customs procedure

123.1. Goods imported into the customs territory and presented to the customs authorities must be placed under the relevant customs procedure.

123.2. Except cases prescribed in Articles 214 and 215 of this Code declarant has a right to choose the customs procedure under which he wishes to place goods regardless country of origin, nature and quantity of these goods.

Article 124. Goods considered as placed under the special customs procedure of storage

124.1. Except the cases when goods have been immediately placed under the other special customs procedure or in free zone, foreign goods shall be considered as placed under the special customs procedure of temporary storage in accordance with Article 178 of this Code.

124.2. Where revealed that presented to the customs authorities foreign goods are not stated in entry summary declaration, the holder of goods submits such declaration to the customs authorities immediately.

Chapter 18. Exit of goods from the customs territory

Article 125. Obligation on submission of declaration before exit of goods from the customs territory

125.1. Goods intended for the exit from the customs territory shall be subject to declaring before exportation of these goods from the customs territory.

125.2. Article 125.1. of this Code shall not apply in respect of goods conveyed on the means of transport which crosses territorial waters or air area of the customs territory without stop on it.

125.3. Declaration prescribed in Article 125.1 of this Code shall be submitted in any of these forms:

125.3.1. the relevant customs declaration where goods leaving customs territory shall be placed under the customs procedure for purposes of which customs declaration shall be required;

125.3.2. notification on re-export prescribed in Article 128 of this Code;
125.3.3. exit summary declaration prescribed in Article 129 of this Code where neither customs declaration nor notification on re-export shall be required.

125.4. Declaration submitted before exportation of goods from the customs territory should reflect at least information required for the purposes of exit summary declaration.

125.5. Customs declaration prescribed in Article 125.3 of this Code, notification on re-export or exit summary declaration may be presented to the customs authority in written form on paper or in electronic form and before arrival to the customs border of goods intended for exportation from the customs territory.

125.6. Order of declaration of goods before exportation from the customs territory shall be defined by the relevant executive authority.

Article 126. Customs control and customs clearance of goods which are exported from the customs territory

126.1. Goods leaving customs territory are under the customs control within period prescribed in Article 83 of this Code and forms of customs control defined by Article 92.2 of this Code shall be applied to them.

126.2. In cases prescribed by legislation customs clearance of goods intended for exportation from the customs territory includes:

126.2.1. collection of export customs duties;

126.2.2. prohibitions defined from the perspective of national security, public peace, spirituality of people, health and life of people, property rights protection, including protection of objects of intellectual property rights, animals and plants, environment protection, protection of art, historical and archaeological heritage of nations.

126.3. Exportation of goods shall be permitted provided that goods leave customs territory in the same state in which they were at the moment of acceptance by the customs authorities of declaration prescribed in Article 125.3 of this Code, notification on re-export or exit summary declaration.

Chapter 19. Export, re-export and temporary export

Article 127. Exportation of internal goods

127.1. Internal goods exported beyond the customs territory and intended for permanent stay beyond its borders shall be placed under the customs procedure of export.

127.2. Article 127.1 of this Code shall not apply in respect of the following goods:

127.2.1. goods placed under the special customs procedure of end-use or processing out of customs territory;

127.2.2. goods placed under the special customs procedure of internal transit or temporary exported from the customs territory in accordance with Article 130 of this Code.

Article 128. Re-export of foreign goods

128.1. When foreign goods are exported from the customs territory, person shall submit notification on re-export to competent customs authority to carry out export clearance.

128.2. Article 128.1 of this Code shall not apply to the following goods:

128.2.1. goods placed under the special customs procedure of international transit which cross customs territory;

128.2.2. goods reloaded from one means of transport to another within free zone or directly re-exported from free zone;

128.2.3. goods placed under the special customs procedure of temporary storage which directly have been re-exported from the place of temporary storage.

128.3. Amounts of import or export duties and taxes paid in respect of goods re-exported from the customs territory within 1 (one) year from the moment of release for free circulation shall be reimbursed where such goods meet requirements defined by the relevant executive authority.

128.4. Rules of placing of goods under the customs procedure of re-export shall be defined by the relevant executive authority.

Article 129. Exit summary declaration and making amendments to it

129.1. Where for exportation of goods from the customs territory submission of customs declaration or notification on re-export is not required, exit summary declaration shall be submitted to the customs authority.

129.2. Form and rules of submission of exit summary declaration which reflects risk analysis and information required for correct use of customs control shall be defined by the relevant executive authority.

129.3. Exit summary declaration shall be formed with the use of electronic processing means of information and presented in the form of electronic document.

129.4. Exit summary declaration may be submitted to the customs authorities in the written form on paper as well. Customs authorities may certify such declaration

provided that it ensures the same level of risk management, information sharing between customs authorities as exit summary declaration submitted in electronic form.

129.5. Exit summary declaration shall be submitted by any of the following persons:

129.5.1. person exporting goods from the customs territory or bearing responsibility for conveyance of goods;

129.5.2. exporter or sender of goods or by another person in the name of which person stated in article 129.5.1 of this Code acts;

129.5.3. any person who must present or has presented goods to the competent customs authority.

129.6. Except cases stated in Article 129.7 of this Code, upon request of the person submitted exit summary declaration, customs authorities permit him to make amendments to the exit summary declaration following its submission to the customs authority.

129.7. Making amendments to exit summary declaration shall not be permitted in case of any of these circumstances:

129.7.1. customs authorities notified the person submitted exit summary declaration about their intention to inspect goods;

129.7.2. customs authorities identified that presented information in the exit summary declaration was inaccurate;

129.7.3. customs authorities permitted export of goods.

Article 130. Temporary exportation

130.1. Internal goods intended for re-import shall be placed under the procedure of temporary exportation. In accordance with rules prescribed in Article 130.2 of this Code, such goods shall be used beyond the customs territory with whole or partial exemption from customs duties and taxes, as well as without appliance of trade policy measures.

130.2. Rules of placing of goods under the customs procedure of temporary exportation shall be determined by the relevant executive authority taking into consideration requirements of this Code. In the stated rules terms of placing of goods under the customs procedure of temporary exportation, period of their stay under this procedure should be determined.

Title IX. Arrival of means of transport and persons to the customs territory and their departure from that territory

Chapter 20. Arrival of means of transport in the customs territory

Article 131. Submission of information on arrival of means of transport in the customs territory to the customs authorities

131.1. The person who is responsible for the means of transport arrival of which to the customs territory is prescribed in the order and form (including electronic form) determined by the relevant executive authority, *have to submit* to the customs authorities the following information:

131.1.1. expected time of arrival of the means of transport to the customs territory;

- 131.1.2. directions and routes of the means of transport
- 131.1.3. crew and passengers of the mean of transport;
- 131.1.4. cargo subject to unloading on the customs territory regardless of appropriation and purposes of importation;
- 131.1.5. cargo unloading of which on the customs territory is not prescribed, if any;
- 131.1.6. customs area to which the means of transport arrives.

131.2. The person responsible for the means of transport arriving in the customs territory should:

- 131.2.1. upon arrival of the means of transport in the identified customs area of the customs territory notify the customs authorities on arrival;
- 131.2.2. not allow anybody to leave the means of transport or get into it before permission of the customs officials;
- 131.2.3. follow instructions of the customs officials on conveyance of the means of transport within the customs area, unloading of goods from the means of transport, dismount of crew and passengers and other persons from the means of transport.

131.3. Customs officials should be notified on arrival of the means of transport to the customs territory within 1 (one) hour after the arrival. In case of arrival of the means of transport to the customs territory out of working hours of the customs authorities, within 1 (one) hour after the beginning of work of these authorities.

131.4. Information indicated in Article 131.1 of this Code may be submitted to the customs authorities on behalf of persons responsible for the means of transport and their representative.

131.5. In case of arrival of means of transport to the customs territory without cargo and passengers, it is necessary to submit declaration to the relevant customs authority in the order defined by the relevant executive authority taking into consideration requirements of this Code.

Article 132. Requirements to holders, personnel and passengers of means of transport

Holders, personnel and passengers of means of transport arriving to the customs territory should answer the questions of the customs officials regarding the mean of transport, route, destination, conveyed passengers and goods, present documents required in accordance with this Code.

Article 133. Stoppage of vessel arriving in the customs territory

133.1. The person responsible for the vessel arriving to the customs territory upon the requirement of the customs officials must anchor the vessel and provide its stop before instruction on continuation by the vessel its route.

133.2. On the vessel conveying customs officials and other authorized persons appropriate marks verifying its use for the civil service must be inserted.

133.3. The person responsible for the vessel must by all means available create

circumstances for entering of the customs officials or other competent persons its board.

133.4. After instructions of the customs officials the person responsible for the vessel should provide immediate departure of this vessel from the customs territory.

Article 134. Arrival of goods to the customs area different from the identified customs area

134.1. Article 131.2.2 of this Code shall not be applied to the means of transport which due to crashes, emergency and other unavoidable circumstances have to drop anchor, make a land, stop and arrive by other way at the certain customs area.

134.2. The person responsible for the means of transport arrived to the area different from the identified customs area must:

134.2.1. immediately notify the customs officials;

134.2.2. not allow unloading of goods conveyed in the mean of transport, leave of crew members and other persons from the place of stop of the mean of transport without permission of the customs officials;

134.2.3. follow the instructions of the customs officials in respect of goods located in the mean of transport, its personnel and other persons.

Chapter 21. Departure of means of transport from the customs territory

Article 135. Clearance of the means of transport departing from the customs territory

135.1. The person responsible for the mean of transport subject to departure from the customs territory may preliminarily notify on this the customs authorities in the order and form determined by the relevant executive authority (including electronic form).

135.2. Customs authorities registering indicated data determine place and time of departure of the means of transport for conduction of following clearance.

135.3. On departure of means of transport from the customs territory without cargo and passengers should be declared to the customs authority in the order determined by the relevant executive authority taking into consideration requirements of this Code.

135.4. Customs authorities should not allow departure of the means of transport located in the customs territory from this territory without its clearance.

135.5. Regulations of this article shall not apply to sea, river and air crafts crossing the customs territory without stop in sea, river ports or airports, located on the territory of the Republic of Azerbaijan.

Article 136. Document on clearance of the mean of transport

136.0. Prior to delivery to the person responsible for the means of transport departing from the customs territory document on clearance of this means of transport, the indicated person should fulfill the following requirements:

136.0.1. present to the customs authorities data on departure along with certifying

documents;

136.0.2. answer the questions of the customs officials about the means of transport, its crew members, passengers, cargo, prescribed direction, route;

136.0.3. submit documents of the means of transport, its crew members, passengers, prescribed direction, route required by the customs officials;

136.0.4. abide by requirements of this Code and other legislative acts in the field of customs matters in respect of the means of transport, its crew members, passengers, cargo, prescribed direction, route.

Article 137. Access to the means of transport departing from the customs territory

The person responsible for the means of transport departing from the customs territory upon requirement of the customs officials must provide their access to the means of transport by all available means.

Article 138. Submission of document on clearance of the means of transport

The person responsible for the means of transport on which document on clearance has been issued, upon request of the customs officials must present to them this document for check, answer their questions in respect of the mean of transport, its crew members, passengers, cargo, prescribed directions, routes.

Article 139. Departure of the mean of transport from the customs area

139.1. Except cases of issue of permission by the customs authority, in all other cases the person responsible for the mean of transport departing from the customs territory, following obtaining document on clearance of the mean of transport must provide its immediate departure from the identified customs area.

139.2. Article 139.1 of this Code shall not apply to means of transport which have to return to the customs territory due to force majeure circumstances.

Article 140. Use of the mean of transport and supplies for exploitation

140.1. The relevant executive authority determines the following in respect of supplies for use and exploitation in the mean of transport:

140.1.1. nomenclature, range and quantity of goods considered supplies intended for the consumption by crew members of the mean of transport, serving personnel, passengers of the mean of transport, departing beyond the customs territory;

140.1.2. terms of exemption from the customs duties and taxes prescribed by legislation.

140.2. Rules of declaring supplies intended for consumption and exploitation in the mean of transport shall be determined by the relevant executive authority.

Chapter 22. Arrival of persons in the customs territory and their departure from this territory

Article 141. Arrival of persons in the customs territory

Unless this Code provides otherwise, in cases and order determined by the relevant executive authority, from the moment of arrival in the customs territory of the persons customs officials shall immediately be informed.

Article 142. Dismount from the means of transport arriving in the customs territory

142.1. The persons in the means of transport arriving in the customs territory should comply with all instructions of the customs officials in respect of dismount from this mean of transport.

142.2. Except cases prescribed by this Code and other legislative acts in the field of customs matters, the persons dismounted from the mean of transport where there are not any other instructions of the customs officials must pass to the control zone and stay there on a period of implementation of customs control.

Article 143. Departure of persons from the customs territory

Except cases prescribed by this Code and other legislative acts in the field of customs matters, person may not depart from the customs territory without permission of the customs authorities and without passing through the customs area.

Article 144. Entry into the mean of transport

Persons entering into the mean of transport to leave customs territory must fulfill instructions of the customs officials in respect of it.

Article 145. Submission of baggage to the customs authorities

145.0. Except cases prescribed by this Code and other legislative acts in the field of customs matters, the person dismounted from the mean of transport arriving to the customs control zone, or got in the mean of transport leaving this zone, must:

145.0.1. provide conditions for conduct by the customs officials of inspection of the accompanied baggage belonging to him;

145.0.2. follow instructions of the customs officials regarding movement within customs control zone of the baggage belonging to him, or taking it from the mean of transport and movement to the customs control zone.

Title X. General rules on customs procedures

Chapter 23. Declaring and customs declaration

Article 146. Declaring of goods and means of transport and place of declaring

146.1. All goods and means of transport conveyed across the customs border shall be declared to the customs authority carrying out their customs clearance.

146.2. Declaring shall be carried out by submitting application to the customs authority in defined form (oral, written, electronic) of information on customs procedure under which goods and means of transport are supposed to be placed and other information required for the customs purposes.

146.3. Form and rules of declaring as well as list of documents and data required for the customs purposes shall be defined by the relevant executive authority and published in official publications and placed on official websites of the relevant executive authorities.

146.4. Considering zone of operation and functions of customs authorities related to declaring, as well as peculiarities of customs procedures under which goods are placed, the relevant executive authority defines working days and hours.

Article 147. Declaring of internal goods

Except special customs procedure of free customs zone, internal goods intended for placing under other customs procedures, must be provided by the customs declaration in accordance with this customs procedure.

Article 148. Declarant

148.1. Declarant shall be the person who is the owner of goods and means of transport conveyed across the customs border, or the customs broker on the basis of agreement concluded with him.

148.2. In cases when certification of customs declaration imposes special obligations on the person, the customs declaration shall be submitted only by this person or the person acting on behalf of him.

148.3. In the course of declaring goods and means of transport the declarant must:

148.3.1. implement declaring of goods and means of transport in accordance with the order prescribed by this Code;

148.3.2. upon request of the customs authority submit goods and means of transport for the customs purposes;

148.3.3. present to the customs authority documents and data required for the customs purposes;

148.3.4. pay customs payments;

148.3.5. support the customs authorities in implementation of the customs clearance.

148.4. Alongside other rights prescribed by this Code, prior to the submission of customs declaration to the customs authorities the declarant has a right under the customs control to examine goods and means of transport and measure them as well as with permission of the customs authority to take probes and samples from them.

Article 149. Rules and deadline for submitting customs declaration

149.1. Customs declaration shall be submitted to the customs authorities with the use of electronic means of data processing. By the same order the relevant documents required for placing of goods under the declared customs procedure can be submitted.

149.2. Where it is provided by law declaring may be implemented in oral form, paper version of customs declaration or in another way permitting placing of the relevant goods under the customs procedure.

149.3. Customs declaration on goods, imported into the customs territory shall be submitted no later than 15 days of the day of declaring the goods to the customs authorities in place of their arrival to the customs territory, and in the course of special customs procedure of internal customs transit from the day of presentation to the customs authority of designation.

149.4. Where period indicated in the article 149.3 of this Code is not sufficient to the declarant for collection of appropriate documents and data, upon motivated request of this declarant the customs authority extends this period. Extension of period of submission of customs declaration shall be allowed within special customs procedure of temporary storage of goods.

149.5. Where deadline of submission of customs declaration falls at non-working day, the day of deadline shall be considered the following working day.

149.6. Customs declaration on goods, exported from the customs territory, shall be submitted prior to their departure from the customs territory.

149.7. Means of transport conveying goods shall be declared alongside with goods which are conveyed by them, except cases stated in article 149.8.

149.8. Sea, river and air crafts shall be declared in port or airport of arrival to the customs territory or in port or airport of departure from the customs territory.

149.9. Empty means of transport or means of transport without passengers shall be declared when crossing the customs border.

Article 150. Content of customs declaration and accompanying documents

150.1. The Customs declaration should contain data required for the application of customs procedure in which goods are declared.

150.2. Customs declarations submitted in electronic form shall contain electronic signature or other means enabling identification of the declarant. Customs declaration submitted on paper in written form shall be signed by the declarant and certified by the seal of the declarant where declarant shall be legal person.

150.3. Form of the customs declaration and list of accompanying documents, presented for the placing of goods under the customs procedure in which they are declared, shall be defined by the relevant executive authority, shall be published in official publications and placed on official websites of the relevant executive authority.

150.4. Electronic documents and documents on paper in written form required for application of the customs procedure, in which goods are declared, shall be presented to the customs authorities at the moment of submission of the customs declaration.

150.5. Where some documents cannot be presented together with customs declaration with good cause, upon the request of the declarant in the written *as well as electronic* form the customs authorities permit presentation of these documents after receiving the customs declaration. Where this Code shall not prescribe shorter time of presentation of documents, stated documents shall be subject to presentation to the customs authority not later than 45 (forty five) days after receiving the customs declaration. The declarant submits to the customs authority written *as well as electronic* obligation on presentation of documents at a set time.

Article 151. Check of the appropriateness of the customs declaration to set terms

151.1. By certifying submitted customs declaration the customs authorities check its appropriateness to the following terms:

151.1.1. conformity of the customs authority competency of placement of goods under the customs procedure and implementation of customs clearance;

151.1.2. conformity of period and place of submission of customs declaration with requirements defined by customs legislation;

151.1.3. data on goods, importation or exportation of which are prohibited or restricted in the customs declaration;

151.1.4. conformity of customs declaration with requirements defined by the relevant executive authority;

151.1.5. availability of documents presented alongside with customs declaration (except cases of later presentation of documents in the order defined in article 150.5 of this Code) and their conformity with requirements defined by legislation.

151.2. Where customs declaration fail to meet requirements defined by article 151.1 of this Code, and trouble shooting by the declarant through making amendments is not possible, the customs authority does not accept the declaration. In these cases relevant note with indication of reasons due to which acceptance denied shall be made in the customs declaration.

151.3. In case of refusal to accept customs declaration, the customs declaration and presented documents shall be returned not later than 1 (one) day from the date of submission.

Article 152. Acceptance of customs declaration

152.1. Customs declaration which meets requirements defined by Article 151.1 of this Code shall be accepted by the customs authorities on the day of its submission.

152.2. Customs declaration shall be submitted and accepted during working hours of the customs authority in the order and time defined by the relevant executive authority.

152.3. From the moment of acceptance the customs declaration shall be recognized as

the document of legal significance certifying facts.

152.4. Customs authorities may not refuse to accept customs declaration unreasonably. Damage caused to the person who holds authority in respect of goods regarding unreasonable reject to accept customs declaration shall be reimbursed from the official unreasonably rejected to accept declaration, and the indicated official shall be subject to disciplinary responsibility.

152.5. Where the customs declaration is submitted to the different customs authority than the customs authority where goods were presented, the declaration is accepted when the customs authority where goods were presented to, acknowledges possibility of implementation of the customs control on these goods.

152.6. The date of acceptance of customs declaration by the customs authorities shall be considered the date used for application of the customs procedure under which goods are declared.

Article 153. Making adjustments into the customs declaration or its recall

153.1. Except circumstances stated in article 153.2 of this Code, upon request of the declarant, the customs authorities permit to make adjustments into the declaration following its acceptance or to recall it.

153.2. Permission to make adjustments or recall the customs declaration after its submission is not given in case of any of the following circumstances:

153.2.1. customs authorities notified the declarant on their intention to inspect goods;

153.2.2. the customs authorities identified that data contained in the declaration is inaccurate;

153.2.3. following release of goods by the customs authorities, except cases defined by the relevant executive authority.

153.3. Making adjustments into the customs declaration cannot extend or narrow scope of its effect.

153.4. Customs officials may not fill in customs declaration, change or add information indicated in the customs declaration except cases of filling in those data which are of the competence of the customs authorities.

153.5. Article 153.4 of this Code does not exclude prescribed in Article 22.6 of this Code obligation of the customs officials on providing assistance to the declarant, other persons, holding authority in respect of goods, in drafting the customs declaration and making the relevant amendments to it.

Article 154. Annulment of the customs declaration

154.1. Upon request of the declarant the customs authority annuls approved customs declaration in the following cases:

154.1.1. where goods shall be subject to immediate placing under the other customs procedure;

154.1.2. where due to force-majeure circumstances placing of these goods under earlier

declared customs procedure is impossible.

154.2. Where customs authorities notified the declarant on their intention to inspect goods, request on annulment of the declaration shall be considered only after implementation of the relevant inspection.

154.3. Customs declaration cannot be annulled after the release of goods.

154.4. Exceptions related to article 154.3 of this Code shall be determined by the relevant executive authority.

154.5. Annulment of the customs declaration shall not exclude application of measures on holding the declarant administratively or criminally liable prescribed by law.

Article 155. Simplified declaration

155.1. For the purposes of advancing of the customs clearance the relevant executive authority may establish simplified order of declaring goods and means of transport.

155.2. Simplified declarations shall be submitted to the customs authority in the following cases:

155.2.1. placing of goods under the relevant customs procedure by authorized economic operators;

155.2.2. customs clearance of assistance supply prescribed in article 112.1 of this Code;

155.2.3. conveyance by the natural persons across the customs border of goods not intended for manufacturing or commercial purposes but subject to declaring in written form;

155.3. Simplified declarations may have form of report by the declarant about goods and means of transport giving obtaining by the customs authorities of data from electronic system of information of declarant and compliance with requirements necessary for their exchange with other customs authorities.

155.4. Certain forms of simplified declarations in respect of authorized economic operators, natural persons conveying goods not intended for manufacturing or commercial purposes and simplified declarations on assistance supply shall be defined by the relevant executive authority.

Article 156. Additional, periodic and incomplete declarations

156.1. In case of submission of simplified declaration under circumstances prescribed in articles 155.2.1 and 155.2.2 of this Code, the declarant fills in additional declaration containing other data required for filling of customs declaration for the declared customs procedure.

156.2. Where the same goods and means of transport are conveyed by the same person regularly, customs authorities may permit issue of one periodic declaration on goods and means of transport conveyed across the customs border within certain period.

156.3. Where declarant in virtue of reasonable excuse cannot submit complete customs declaration, customs authorities may permit submission of incomplete customs

declaration in the order determined by the relevant executive authority.

156.4. Incomplete declaration should contain main information required for the customs purposes. Missing information should be presented by the declarant in terms and order defined by the relevant executive authority.

156.5. Form, rules of submission of additional, periodic and incomplete customs declarations shall be determined by the relevant executive authority.

Chapter 24. Verification of information indicated in the customs declaration, documents with it and goods submitted with it

Article 157. Check of information indicated in the customs declaration

157.1. The customs authorities have the right to check accuracy of information indicated in accepted by them customs declarations, documents presented with the customs declaration, implement inspection of the relevant goods, in accordance with article 150.3. of this Code require presentation of other missing documents for application of the customs procedure under which goods are declared, take samples and probes for carrying out customs expertise of goods.

157.2. Results of check by the customs authorities of information indicated in the customs declaration have equal legal effect on all the customs territory.

157.3. Results of check shall be used for the purposes of application of customs procedure under which goods are declared.

Article 158. Inspection of goods, taking of probes and samples

158.1. Delivery of goods to the place of implementation of inspection, taking probes and samples, conduct of expertise, implementation of necessary for it handling operations and other cargo operations shall be implemented by the declarant or under his responsibility. The declarant shall be liable for all the expenses occurred in respect of it.

158.2. The declarant, another person holding authority in respect of goods, or their representatives have right to participate in during inspection of goods, taking of probes and samples of goods by the customs officials. The declarant shall be liable to assist the customs officials in the course of taking probes and samples of goods.

158.3. Probes and samples of goods may be taken by the customs authorities in the absence of the declarant, other persons holding authority in respect of goods, or their representatives in cases indicated in Article 91.3 of this Code.

158.4. Other state authorities, as well as declarant, other persons holding authority in respect of goods, or their representatives have rights to take probes and samples from goods only with permission of the customs officials.

158.5. Probes and samples are taken in minimum quantity (amount) which provides conduct of their customs expertise. The act on form determined by the relevant executive authority shall be drawn up on taking probes and samples of goods subject to

the customs control.

158.6. The declarant, other persons holding authority in respect of goods, or their representatives have right to familiarize with result of expertize of taken probes and samples. The customs authorities should be informed about results of conducted expertize of probes and samples taken by other authorities of state control.

158.7. Expenses on customs expertize of probes and samples occurred for the customs authorities and customs laboratories shall not be reimbursed by declarant, other persons holding authority in respect of goods, or their representatives.

158.8. For conduct of expertize of taken probes and samples from goods on initiative of the declarant, other persons holding authority in respect of goods, or their representatives, customs laboratories shall be paid customs duties in an amount determined by the relevant executive authority.

158.9. The order of taking probes and samples from goods, period of conduct of expertize, as well as order of their disposal shall be determined by the relevant executive authority.

Article 159. Partial inspection (part) of goods, taking probes and samples from goods

159.1. Where only part of the claimed in the customs declaration of goods were inspected, or probes and samples were taken in respect of only certain part of declared in the customs declaration of goods, the results of partial inspection or check of probes and samples shall be applied to all declared goods.

159.2. The declarant may apply to the customs authority for follow-up inspection or taking of probes and samples from goods, where he considers that the results of partial inspection or check of taken probes and samples are not acceptable in respect of the rest part of declared goods. This application shall be satisfied provided that goods are not released. Application made only after release of goods shall be satisfied where the declarant proves that they were not underwent any changes.

159.3. For the purposes of Article 159.1 of this Code where customs declaration contains two or more names of goods then information regarding each name of goods shall be considered as constituting separate declaration.

Article 160. Period of checking information indicated in the customs declaration, relevant documents and inspection of goods

160.1. In the course of customs clearance inspection of goods for the purposes of identification of information compliance with stated in the customs declaration, other documents, name, origin, quantity and value of goods should be completed no later than 2 (*two*) days from the date of acceptance by the customs authority of the customs declaration, submission of documents and presentation of goods.

160.2. Shorter terms of period of checking documents and goods may be determined by customs legislation.

160.3. The customs authority by its own decision extends period prescribed in Article 160.1 of this Code where goods presented for the customs clearance are not packaged by different types and names of goods, which does not allow the customs authorities to identify credibility of information on goods stated in the customs declaration, term shall be extended for the period necessary for the persons holding authority with regard to goods or for their representatives for division of goods on different types and names. This period should not exceed 7 (seven) days.

160.4. Results of check shall be used for application of the relevant customs procedure under which the goods will be placed.

Article 161. Measures of identification

161.1. The customs authorities or economic operators authorized on this by the customs authorities in cases when identification is required, take necessary measures on identification of goods in accordance with Article 87 of this Code, for the purposes of ensuring abidance by the terms governing customs procedure under which goods are declared.

161.2. Such measures of identification have equal legal effect on the all customs territory.

161.3. Means of identification of goods and means of transport may be deleted or destroyed only by the customs authorities or authorized economic operators authorized on this by the customs authorities except purposes of ensuring safety of goods and means of transport in virtue of force-majeure circumstances.

161.4. In case of deleting or destroying means of identification in virtue of force- majeure circumstances, the customs authorities should be immediately informed about it and arguments proving these circumstances should be presented.

Chapter 25. Release

Article 162. Release of goods

162.1. Where the conditions determined in Article 163 of this Code are fulfilled by declarant, persons holding authorities with regard to goods or their representatives, absence of legal restrictions and prohibitions are defined with regard to declared goods, information stated in the customs declaration is checked, the customs authorities shall immediately release goods.

162.2. Where inaccurate information in the customs declaration is revealed, customs authorities require the declarant to make relevant corrections. Release shall be implemented immediately after the fulfilment of stated requirement and payment of the relevant customs payments.

162.3. All the goods covered by the same customs declaration shall be released by the customs authorities at the same time.

162.4. Where goods are presented at a customs authority other than the authority where customs declaration was submitted, the customs authorities involved shall exchange the

information necessary for the release of goods.

Article 163. Release of goods dependent on payment of customs debt or provision of a guarantee

163.1. Where acceptance of the customs declaration gives rise to customs debt, then goods may be released providing payment of customs payments corresponding to the customs debt or provision of a guarantee to cover that debt.

163.2. Article 163.1 of this Code shall not apply to temporarily imported goods with full or partial exemption from import customs duties and taxes.

163.3. Where in accordance with the customs procedure under which goods are declared and Chapter 45 of this Code, the customs authorities require payment guarantee, then such goods will not be released for placing under the relevant customs procedure while this requirement is not fulfilled.

163.4. Conditionally released goods to which privileges on customs payments granted can be used for the purposes of complying with the terms of granting privileges. Use of the stated goods in other purposes shall be permitted only with the permission of the customs authority providing full payment of customs payments and fulfilment of requirements prescribed by this Code and other legislative acts.

163.5. Disposal of goods to which privileges on customs payments are granted, shall be implemented with the permission of the customs authorities in the order determined by the relevant executive authority.

Chapter 26. Release for free circulation

Article 164. Sphere of application of customs procedure of release for free circulation

164.1. Foreign goods intended to be put on internal market for sell, consumption and use shall be placed under the customs procedure of release for free circulation.

164.2. Customs procedure of release for free circulation leads to the following:

164.2.1. collection of customs payments determined by legislation;

164.2.2. application of trade policy measures;

164.2.3. completion of the other procedures determined in respect of importation of goods.

164.3. Foreign goods placed under the customs procedure of release for free circulation obtain status of internal goods.

164.4. Rules of placing of goods under the customs procedure of release for free circulation shall be determined by the relevant executive authority.

Chapter 27. Re-importation

Article 165. Scope of application of re-importation customs procedure

165.1. Re-importation shall be exported goods fully or partially returned into the customs territory within 3 (three) years from the moment of exportation in the same condition, i.e. without any processing in the foreign country, and shall be released for free circulation with full exemption from import customs duties and taxes, as well as without application of economic policy measures to these goods.

165.2. Goods under free circulation or goods of inward processing can be placed under the customs procedure of re-importation.

165.3. Where reverse importation of goods into the customs territory is implemented by person other than that who exported them, re-importation of goods shall be permitted by the customs authorities in cases determined by rules prescribed in Article 165.6 of this Code.

165.4. Placement of goods under the customs procedure of re-importation shall be permitted regardless whether goods were exported without notification about their probable re-importation.

165.5. For the purposes of ensuring control on placement of goods under the customs procedure of re-importation, the customs authorities may require presentation of re-imported goods at the same customs authority across which they were exported.

165.6. Rules of placing of goods under the customs procedure of re-importation shall be determined by the relevant executive authority.

Title XI. Special customs procedures

Chapter 28. General provisions

Article 166. Scope of application of special customs procedures

166.0. Goods may be placed under the following special customs procedures:

166.0.1. transit (international or internal transit);

166.0.2. warehouse (temporary storage or storage on customs warehouses);

166.0.3. free zone;

166.0.4. specific use (temporary importation and end-use)

166.0.5. processing (inward or outward processing)

Article 167. Issue of permissions and licenses

167.1. Placement of goods under the special customs procedure of processing or special use shall be implemented with permission of the customs authority issued in the order determined by the relevant executive authority.

167.2. Placement of goods under the special customs procedure of warehouse shall be implemented on warehouses of temporary storage and customs warehouses established by the persons obtained license from the relevant executive authority.

167.3. Unless otherwise prescribed by legislation, permission and license stated in

Articles 167.1 and 167.2 of this Code shall be granted to the following persons:

167.3.1. residents;

167.3.2. the persons provided guarantee of conducting customs operations in accordance with requirements of legislation and provided guarantee to pay customs debt when occurred and in the circumstances when it may occur;

167.3.3. the person using or conducting processing operations on goods placed under the special customs procedures of temporary importation or inward processing respectively.

167.4. Permission stated in Article 167.1 of this Code shall be granted to the person on the following conditions:

167.4.1. where there is a possibility for customs authorities to implement control on special customs procedures;

167.4.2. issue of permission shall not have negative impact on vital interests of local manufacturers.

167.5. Level of influence on vital interests of local manufacturers of permission issue stated in Article 167.1 of this Code shall be determined as a result of analysis of economic conditions. Rules of conduct of such analysis shall be determined by the relevant executive authority.

167.6. Holder of permission on special customs procedure shall be obliged to notify the customs authorities on all factors raised after the issue of permission which may influence on its duration or content.

Article 168. Keeping records

168.1. Except special customs procedure of transit holder of permission, holder of procedure, as well as persons implementing activities on storage, production, processing of goods or sale of goods in free zone, should keep records of their operations in the order determined by the relevant executive authority.

168.2. Records should allow customs authorities to implement control on the relevant customs procedure including in part of identification of goods placed under that customs procedure, defining their customs status and conveyance.

Article 169. Completion of special customs procedure

169.1. Except special customs procedure of transit and cases prescribed in Article 195 of this Code, special customs procedure shall be completed when goods placed under the special customs procedure or products of processing are placed under the following customs procedure, exported beyond the customs territory, destroyed without waste, or passed to profit of state.

169.2. Special customs procedure of transit shall be completed by the customs authorities where they can define on the basis of comparison of information available at the customs authority of departure and customs authority of destination that the procedure was implemented accurately.

169.3. The customs authorities take measures required for regulation of situation with

goods in case of non-completion of special customs procedure.

Article 170. Transfer of rights and obligations related to special customs procedures

Rights and obligations of holder of procedure in respect of goods placed under the special customs procedure except transit special customs procedure can be transferred to other persons meeting requirements determined in respect of the relevant customs procedure in the order set by the relevant executive.

Article 171. Conveyance of goods

Goods placed under the special customs procedure except special customs procedures of transit and free zone may be conveyed between different points on the customs territory providing abidance by requirements of the customs legislation.

Article 172. Ordinary forms of goods processing

Goods placed under the special customs procedure of customs warehouse, processing or free zone, may undergo ordinary forms of processing with the purpose of their protection, improvement of their quality and marketable condition, preparation for selling and shipping.

Article 173. Equivalent goods

173.1. Equivalent goods shall be internal goods which are stored, used or processed instead of goods placed under the special customs procedure.

173.2. In accordance with procedure of outward processing, equivalent goods consist of foreign goods which are processed instead of internal goods placed under this procedure.

173.3. Equivalent goods should have the same numeric code of goods nomenclature of foreign economic activity, the same quality and the same technical peculiarities as the goods which they replace.

173.4. Customs authorities permit, use of equivalent goods during special procedures provided ensuring application of customs procedure in respect of customs control in accordance with requirements of legislation except special customs procedures of transit, temporary importation and temporary storage.

173.5. Rules of use of equivalent goods shall be determined by the relevant executive authority.

Chapter 29. Transit

Article 174. International transit

174.1. Special customs procedure of international customs transit shall be customs procedure where foreign goods are conveyed across the customs territory under the

customs control between two points without payment of customs duties, value added tax and excises, as well as without appliance to the goods of trade policy measures.

174.2. Conveyance of goods under the special customs procedure of international transit shall be implemented in the following order:

174.2.1. conveyance of goods began or is to end outside the customs territory;

174.2.2. conveyance of goods shall be implemented between two points of the customs territory through the territory outside the customs territory;

174.3. Conveyance, stated in Article 174.1 of this Code shall be implemented on the basis of any of the following indicators:

174.3.1. special customs procedure of international transit;

174.3.2. international agreements on international transit, the Republic of Azerbaijan of which is a partner;

174.3.3. system on exchange of international postal dispatches in accordance with Universal Postal Union acts, where in accordance with these acts goods are conveyed by holders of rights and obligations (postal service operators) or for them by persons implementing intermediary during conveyance of international postal dispatches.

174.4. Cases and conditions of placing of internal goods under the special customs procedure of international transit shall be determined by the relevant executive authority.

174.5. As response to discrimination and other economic policy measures, which damage interests of foreign states and residents of international organizations, the relevant executive authority may apply prohibitions and restrictions in respect of international transit across the customs territory of goods of stated countries and member countries of the relevant international organizations.

174.6 Conveyance of goods with placing under the special customs procedure of international transit shall be determined with permission of customs authorities.

Article 175. Internal transit

175.1. Internal transit shall be the customs procedure during which internal goods can be conveyed from one point of the customs territory to another (*including by passing through the territory of a foreign country*) without any change in their status.

175.2. Conveyance stated in Article 175.1 of this code also shall be related to goods conveyed within postal system.

175.3. Conveyance of goods with placing under the special customs procedure of internal transit shall be implemented with permission of the customs authorities.

175.4. Rules of conveyance of goods with placing under the special customs procedures of international and internal transit shall be determined by the relevant executive authority.

Chapter 30. Storage

Article 176. Scope of application of special customs procedure of storage

176.1. Special customs procedure of storage consists of procedures of temporary storage and customs warehouse. Rules of placing of goods under special customs procedure of storage shall be determined by the relevant executive authority.

176.2. Under the special customs procedure of storage foreign goods shall be placed under the customs warehousing and warehouses of temporary storage without being subject to import duties, import value added tax, excises and trade policy measures.

176.3. Internal goods may also be placed under customs warehousing procedure or special customs free zone procedure in accordance with the customs legislation.

176.4. Cases and conditions of placing of goods under the special customs procedure of storage shall be determined by the relevant executive authority.

Article 177. Responsibility of the holder of the special customs procedure of storage

177.1. The holder of special customs procedure of storage takes responsibility of:

177.1.1. concealment of goods placed under the special customs procedures of temporary storage or temporary warehousing from the customs control;

177.1.2. fulfilment of obligations with regard to storage of goods;

177.1.3. complying with conditions defined in the license on establishment of the customs warehouse or warehouse for temporary storage.

177.2. Holder of the procedure takes responsibility determined by legislation for fulfilment of obligations resulting from placing of goods under the special customs procedures of temporary storage or customs warehousing.

Article 178. Special customs procedure of temporary storage

178.1. Except cases when goods declared for another customs procedure, the following foreign goods declared to the customs authority by the holder of goods

shall be considered to be declared for special customs procedure of temporary storage:

- 178.1.1. goods imported into the customs territory except goods imported directly into a free zone;
- 178.1.2. goods imported from the free zone into the another part of the customs territory;
- 178.1.3. goods in respect of which special customs international transit procedure is completed.

178.2. Entry summary declaration or transit document replacing it shall be accepted by the customs authorities as customs declaration for placing of goods under the special customs procedure of temporary storage.

178.3. Customs authorities may require from the holder of procedure to provide guarantee with a view to ensuring payment of the customs debt which may be incurred.

178.4. Where goods cannot be placed or can no longer be maintained under the special customs procedure of temporary storage, the customs authorities immediately take all necessary measures for regulation of this situation.

Article 179. Duration of maintenance of goods under the customs procedure of temporary storage

179.1. Duration of maintenance of goods under the customs procedure of temporary storage shall be determined by the customs authorities on the basis of time period necessary for submission of the customs declaration, nature of good and used means of transport. Determined duration may be extended by the customs authority within time period stated in Article 179.2 of this Code upon motivated request of the holder of procedure.

179.2. Period of stay of goods under the customs procedure of temporary storage cannot exceed 4 (four) months except cases of determination of shorter terms of period by the relevant executive authority shorter terms of period depending on properties and characteristics of certain goods.

179.3. For placement of goods under the other customs procedure before completion of period of stay of goods under the special customs procedure of temporary storage goods should be declared or placed into the customs warehouse. Goods shall be subject to declaring or placing into the customs warehouse for placing under other customs procedure before completion of period of stay of goods under the special customs procedure of temporary storage.

Article 180. Operations with goods under temporary storage

180.1. Goods placed under special customs procedure of temporary storage may undergo general procedures required for ensuring their preservation in an unaltered state. In such cases change of their appearance and technical characteristics shall not be allowed.

180.2. Temporary storage shall be implemented on warehouses of temporary storage which meet requirements determined by the relevant executive authority in accordance with Article 180.3 of this Code.

180.3. Requirements to the type, arrangement, facilities of the warehouse, operations with goods placed in it, record keeping and accounting, implementation of customs control, requirements to the owner of the warehouse shall be determined by the relevant executive authority.

Article 181. Storage in customs warehouses

181.1. Under the special customs warehousing procedure foreign goods may be placed and stored in the customs warehouses belonging to the persons holding licenses issued by the relevant executive authority and under the customs control.

181.2. Customs warehouses shall be warehouses of open type where they are available for use by any person or warehouses of closed type where they are intended for storage of certain goods.

181.3. Goods which can damage other goods or require special storage conditions should be stored in parts of warehouse fitted with special equipment.

181.4. Goods placed under special customs warehousing procedure can be temporarily removed from the customs warehouse. For temporary removal of these goods from the customs warehouse, except in case of force majeure, it is necessary to be authorized by the customs authority.

181.5. Requirements by the type, arrangement, facilities of the warehouse, and operations with goods placed in it, record keeping and accounting, implementation of customs control, requirements to the owner of the warehouse shall be determined by the relevant executive authority.

Article 182. Storage and processing of internal goods in customs warehouses

182.0. The customs authorities may, in the order determined by the relevant executive authority, permit the following in the customs warehouse:

182.0. 1. storage of internal goods;

182.0.2. processing of goods under the special customs procedure of inward processing or end-use providing fulfilment of requirements of these procedures.

Article 183. Duration of goods storage in the customs warehouse

183.1. Goods may be stored in the customs warehouse within 3 (three) years with placing under the special customs warehousing. Indicated period for certain types of goods may be limited by the relevant executive authority.

183.2. Upon expiration of determined in Article 183.1 of this Code period goods should be declared for placing under another customs procedure. In case of non-fulfilment of this requirement upon expiry of this period, order in respect of indicated goods shall be made according to Chapter 57 of this Code.

183.3. Amount obtained from the realization in accordance with this Code of goods and means of transport, period of storage of which in the customs warehouse expire, in the order determined by the relevant executive authority shall be passed to the owner of goods excluding expenditure on their conveyance, storage and realization and customs payments subject to payment.

Chapter 31. Free Zone

Article 184. Designation of free zone

184.1. The relevant executive authority may establish and liquidate free zone on the customs territory.

184.2. For each free zone the relevant executive authority shall define the area and points of entry and exit.

184.3. Free zones must be enclosed. The perimeter as well as entry and exit points of the area of free zone shall be under control of the customs authorities.

184.4. Persons, goods and means of transport entering and leaving free zones may be subject to customs control in the order prescribed by this Code and other legislative acts in the field of customs matters.

184.5. On the basis of permission of customs authorities, goods imported into the free zone may undergo general operations including their protection, package, grouping of packaging parts for the purpose of improving quality, assortment, marking and repacking.

Article 185. Buildings and implemented activities in free zones

185.1. Construction works in a free zone shall be carried out with approval of the customs authorities.

185.2. Commercial or any other activities shall be permitted in a free zone with authorisation of the customs authorities. The implementation of such activities shall be subject to notification, in advance, to the customs authorities.

185.3. The relevant executive authority may impose prohibitions and restrictions on types of activity indicated in Article 185.2 of this Code having regard to properties and nature of goods, requirements on implementation of customs control, abiding by measures of security and safety.

Article 186. Presentation of goods and their placement under the special customs procedure of free zone

186.1. Goods brought into a free zone shall be presented to the customs authority and undergo the relevant customs formalities in the following cases:

186.1.1. where they are brought into the free zone directly from outside the customs territory;

186.1.2. where goods were placed under another special customs procedure which is completed when goods are placed under the special customs procedure of free zone;

186.1.3. where they are placed under the special customs procedure of free zone with a view of application of decision granting repayment of or exemption from import duties.

186.2. Except cases prescribed in Article 187 of this Code, goods imported into the free zone shall be considered to be placed under the special customs procedure of free zone:

186.2.1. at the moment of entry of goods into the free zone except cases when they have already been placed under different customs procedure;

186.2.2. at the moment of completion of transit procedure except cases when goods are immediately placed under a subsequent customs procedure.

186.3. Period of stay of goods under the special customs procedure of free zone shall be unlimited.

Article 187. Internal goods in free zone

187.1. Internal goods may be brought, stored, conveyed, used, processed or consumed in a free zone. In these cases goods shall not be considered to be placed under the special customs procedure of free zone.

187.2. Upon request of persons, the customs authorities in the order determined by the relevant executive authority shall certify customs status of internal goods of the following goods:

187.2.1. internal goods brought into a free zone;

187.2.2. internal goods which have undergone processing operations in a free zone;

187.2.3. goods released for free circulation within a free zone.

Article 188. Foreign goods in free zone

188.1. Foreign goods may, while they stay in free zone, be placed under customs procedure of release for free circulation, special customs procedure of inward processing, temporary importation or end-use. In these cases goods shall not be considered as placed under the special customs procedure of free zone.

188.2. In accordance with the relevant customs procedures, Article 188.1 of this Code shall not preclude use or consumption of goods of which release for free circulation or for temporary importation will not lead to application of import customs duties and taxes. In case of such use or consumption, submission of no customs declaration for the customs procedures of release into the free circulation or temporary importation shall be required.

Article 189. Exit of goods from a free zone

189.1. Goods in free zone may be exported or re-exported from the customs territory or imported into another part of the customs territory.

189.2. Articles 117-124 of this Code shall apply in respect of goods imported into the other parts of the customs territory.

Article 190. Customs status of goods brought into the other part of the customs territory from free zone

190.1. Where goods are brought from a free zone into the other part of the customs territory or placed under different customs procedure they shall be considered as foreign goods unless their status of internal goods has been proven in accordance with Article 187.2 of this Code or any other certificate prescribed by legislation.

190.2. In cases prescribed by legislative acts for the purposes of application of export customs duties or trade policy measures related to export of goods, such goods shall be considered as internal goods unless it is determined that they do not have customs status of internal goods.

Article 191. Liquidation of free zone

In the course of liquidation of free zone persons should be provided sufficient time for conveyance of goods into another free zone located on the customs territory under different customs procedure.

Chapter 32. Specific use

Article 192. Special customs procedure of temporary importation and scope of its application

192.1. Foreign goods intended for re-export shall be placed under the procedure of temporary importation. In accordance with rules prescribed in Article 193 of this Code, these goods can be used on the customs territory with full or partial exemption from customs duties and taxes as well as without being subject to trade policy measures.

192.2. In case of full exemption of goods from customs duties in accordance with rules prescribed in Article 194.1 of this Code they shall also be exempted from value added tax and excises.

192.3. Special customs procedure of temporary importation can be applied only providing fulfilment of the following requirements:

192.3.1. goods placed under the special customs procedure of temporary exportation are not intended to undergo any change except changes as a result of their normal use;

192.3.2. it is possible to ensure identification of goods placed under the special customs procedure of temporary importation during their re-export;

192.3.3. holder of procedure is established outside the customs territory unless otherwise prescribed by customs legislation.

192.4. Rules of placement of goods under the special customs procedure of temporary importation shall be determined by the relevant executive authority. Regulations of international agreements, properties and nature of goods, terms of their use should be considered in the stated rules.

Article 193. Period of stay of goods under the special customs procedure of temporary importation

193.1. Customs authorities shall determine the period within which goods placed under the special customs procedure of temporary importation must be re-exported or placed under a subsequent customs procedure. Such period must be long enough for the objective of special customs procedure of temporary to be achieved.

193.2. Maximum period during which goods can stay under the special customs procedure of temporary importation for the same purposes and under the liability of the same person shall be 24 (twenty four) months. For certain categories of goods the relevant executive authority can determine shorter and more extended period of temporary importation.

193.3. Where purposes of the customs procedure could not be achieved by the person within the periods stated in Article 193.2 of this Code, the customs authorities may, upon his motivated request, extend these periods up to 12 (twelve) months in the order determined by the relevant executive authority.

193.4. Until expiration of the period prescribed in Articles 193.1-193.3 of this Code, goods placed under the special customs procedure of temporary importation shall be subject to re-export or placement under the other customs procedure.

Article 194. Exemption from the customs duties and taxes in case of temporary importation

194.1 The amount of monthly payments on customs duties and taxes in respect of goods placed under the special customs procedure of temporary importation with partial exemption from customs duties and taxes shall be determined at 3 percent of the amount of customs duties and taxes which would have been subject to payment in respect of these goods had they been released for free circulation on the date on which they were placed under the customs procedure of temporary importation.

194.2. Total amount of customs duties and taxes in respect of goods placed under the special customs procedure of temporary importation with partial exemption from customs duties and taxes should not exceed amount of customs duties, taxes which would have been subject to payment on the day of placement of goods under the special customs procedure of temporary importation where these goods had been released for free circulation.

194.3. The order of full or partial exemption of temporarily imported goods from the customs duties and taxes shall be determined by the relevant executive authority.

Article 195. Special customs procedure of end-use

195.1. Under the special customs procedure of end-use goods may be released for free circulation with exemption from customs duties and taxes in accordance with purposes of this procedure. They shall remain under the customs control.

195.2. Customs control on goods placed under the special customs procedure of end-use shall end in the following cases:

195.2.1. where goods were used for the purposes determined by legislation for application of exemption from customs duties and taxes;

195.2.2. where goods shall be exported, destroyed or passed in profit of state;

195.2.3. where revealed that goods were used for purposes other than those determined for exemption from customs duties and full payment of taxes and customs duties in this respect prescribed by legislation;

195.2.4. realization of goods under the customs control in duty-free shops established and functioning on the customs territories in places (international airports and sea ports or in other places) and in the order determined by the relevant executive authority without application of import customs duties, taxes and trade policy measures.

195.3. Rules of placing of goods under the special customs procedure of end-use shall be determined by the relevant executive authority.

Chapter 33. Processing Article

196. Performance rate

196.1. In the order determined by the relevant executive authority the customs authorities determine either performance rate or average performance for operations on

the special customs procedure of processing.

196.2. The performance rate or average performance rate shall be determined on the basis of actual circumstances in which processing operations are conducted or are to be conducted.

Article 197. Special customs procedure of inward processing and scope of its application

197.1. Foreign goods placed under the procedure of inward processing may be used on the customs territory in one or more processing operations without such goods subject to the following measures:

197.1.1. importation customs duties;

197.1.2. prescribed by legislation value added tax and excises during importation of goods;

197.1.3. trade policy measures.

197.2. Customs procedure of inward processing may be used in cases other than repair or destruction only where despite use of production materials, goods placed under the customs procedure of inward processing can be identified in the processed products.

197.3. Special customs procedure of inward processing can be used where terms determined by Article 173 of this Code in respect of equivalent goods are observed.

197.4. Special customs procedure of inward processing may be also used for the following goods:

197.4.1. goods subject to processing operations to ensure their compliance with technical requirements of the customs procedure of release for free circulation;

197.4.2. goods which are subject to usual forms of processing stated in Article 172 of this Code.

197.5. Rules of placing of goods under the special customs procedure of inward processing shall be determined by the relevant executive authority.

Article 198. Period of completion of the special customs procedure of inward processing

198.1. Customs authorities determine period within which special customs procedure of inward processing must be completed in accordance with Article 197 of this Code. Stated period should not exceed 2 (two) years.

198.2. The period prescribed in Article 198.1 of this Code shall begin from the date on which foreign goods are placed under the special customs procedure of inward processing and cover period required for implementation of processing operations and completion of this procedure.

198.3. Upon justified request of the person the customs authorities may extend period stated in Article 198.1 of this Code in the order determined by the relevant executive authority.

198.4. In permission issued by the customs authorities on placement of goods under the special customs procedure of inward processing period of its start and completion must be stated.

Article 199. Temporary re-export for further processing

In accordance with permission of the customs authorities, some or all goods placed under the special customs procedure of inward processing as well as processed goods may be temporarily re-exported for the purposes of their further processing outside the customs territory in accordance with conditions of special customs procedure of outward processing.

Article 200. Special customs procedure of outward processing and scope of its application

200.1. Internal goods placed under the special customs procedure of outward processing may be temporarily exported from the customs territory for processing. The processed products resulting from these goods in cases and order which are determined by the relevant executive authority may be released for free circulation with full or partial exemption from customs duties and taxes.

200.2. Outward processing shall not be allowed for the following internal goods:

200.2.1. goods, exportation of which may result in repayment of importation customs duties and taxes or in cases prescribed by legislation, exemption from their payment;

200.2.2. goods which prior to exportation were released for free circulation with full or partial exemption from customs duties and taxes by virtue of their end-use except cases when such goods must undergo repair operations.

200.2.3. goods exportation of which gave rise to customs export refunds.

200.3. In cases not mentioned by Articles 201 and 202 of this Code and by use of ad valorem customs duties, amount of importation customs duties and taxes shall be calculated on the basis of the cost of processing operation implemented outside the customs territory. The order of conduct of this calculation shall be determined by the relevant executive authority.

200.4. The customs authorities shall determine period during which temporarily exported goods must be re-imported into the customs territory after the processing and released for free circulation. This period must not exceed 2 (two) years. In the course of re-importation of goods during this period goods wholly or partially shall be exempted from the customs duties and taxes in the order determined by the relevant executive authority. This period may be extended to the following 1 (one) year upon justified request of the holder of the procedure.

200.5. Rules of placing of goods under the special customs procedure of outward processing shall be determined by the relevant executive authority.

Article 201. Goods repaired free of charge

Where by the relevant documents it is confirmed that goods processed outside the customs territory and returned to this territory were repaired free of charge outside the

customs territory in accordance with guarantee obligations either because of guarantee obligations arising from agreement or as a result of manufacturing or material defect, they shall be granted full exemption from import customs duties and taxes.

Article 202. Standard exchange system

202.1. Under the standard exchange system imported production (replacement products) may in accordance with Articles 202.2-202.5 of this Code replace a processed product.

202.2. The customs authorities permit application of standard exchange system where processing operations involve repair of defective internal goods.

202.3. Replacement products have the same numeric code of goods nomenclature of foreign economic activity, the same quality and the same technical characteristics as defective goods underwent repair.

202.4. Where defective goods prior to their exportation have been in use then replacement goods shall also have been in use.

202.5. The customs authorities may waive the requirement stated in Article 202.4 of this Code, where replacement products were *presented* free of charge, either due to legal obligations, guarantee obligations arising from the agreement or as a result of manufacturing or material defect.

202.6. Provisions which would apply in respect of processed products shall apply to the replacement products as well.

Article 203. Preliminary importation of replacement products

203.1. In the order determined by the relevant executive authority and upon request of the person importation of the replacement products shall be authorised prior to exportation of defective goods. In this case the person shall be required to provide guarantee in an amount stated in Article 203.2 of this Code.

203.3 Amount of guarantee prescribed in Article 203.1 of this Code should cover amount of import customs duties and taxes which would have been subject to payment where defective goods were not exported in accordance with Article of this Code.

203.2. Defective goods shall be subject to exportation within 2 (two) months from the date of acceptance by the customs authorities of declaration for the release for free circulation of the replacement products.

203.4 Where, in exceptional circumstances, defective goods cannot be exported within the period stated in Article 203.3 of this Code, the customs authorities may, upon justified request of the person, extend these terms up to 2 (two) months.

Title XII. Cabotage transportation of goods, prohibitions and restrictions

Chapter 34. Cabotage transportation of goods

Article 204. Cabotage transportation of imported goods

204.1. Transportation between two customs points and unloading of goods placed under the customs procedure of release for free circulation in an order defined by the relevant executive authority and also goods imported into the customs territory but not declared, transported on shipboard other than the shipboard on which they were imported into the customs territory, may be implemented through cabotage transportation under the customs control.

204.2. Upon request of appeal of the person, customs authorities determine places enabled for loading and unloading of goods placed under the procedure of cabotage transportation of goods as well as time limits within which loading and unloading can be carried out.

204.3. When the customs authorities are certain in goods identification and fulfilment of other requirements, they permit cabotage transportation of these simultaneously with other goods on shipboard.

204.4. When ship transporting goods under the cabotage procedure of transportation of goods, simultaneously transports goods which were declared yet, or goods placed under any other customs procedure, the customs authorities permit loading and unloading of goods under the cabotage procedure of goods transportation in the shortest terms upon arrival of this ship to the destination of loading and unloading.

204.5. The customs authorities require from the captain of the ship or other persons concerned documents containing information about the ship, list of goods subject to the transportation under cabotage procedure of goods transportation and the name of a place, port or ports on the customs territory, where these goods must be unloaded.

Chapter 35. Customs Guarantee

Article 205. Customs guarantee for goods intended for import, export, or transit across the customs territory

205.1. Customs services implement customs guarantee for goods intended for import, export or transit across customs area under customs control in an order defined by the relevant executive authority.

205.2. In regulations envisioned in the article 205.1 of this Code customs authorities must point out terms and conditions of label, replacement, removal of customs guarantee on packages, which contain goods and also circumstances in which interference is possible.

Article 206. Notification on customs guarantee

206.0. Customs authorities labelling guarantee on packages containing goods export of which is implemented not by adopted plan of secure export in the customs authorities, have to enclose to the packages notification explaining:

206.0.1. Location of goods in the package since labelling this package with initial customs guarantee till its removal by the customs authority;

206.0.2. Authority of the customs officials in charge on suspension and control of means of transport shall apply to means of transport realizing transportation of goods, located in the packages, which are labelled with customs guarantee and subject to customs control.

206.0.3. Authority of customs officials on survey of the following persons concerning all goods, intended for export from the customs territory:

206.0.3.1. A person, who is responsible for means of transportation, with respect to whom customs authorities have reasonable doubt in availability of goods in packages, which are labelled with customs guarantee and subject to customs control.

206.0.3.2. An owner or utilizer of construction, with respect to whom customs authorities have reasonable doubt in availability of goods in packages, which are labelled with customs guarantee and subject to customs control.

206.0.3.3. A person, recruited by persons, referred to in Articles 206.0.3.1-206.0.3.2 of this Code.

Chapter 36. Safe export plan

Article 207. Object of safe export plan

The purpose of safe export plan is a guarantee of loading, transportation and unloading at the point of destination with the package in a safe manner, separately from other goods, without any outside interference.

Article 208. Requirements according safe export plan

208.1. For packaging of goods, exported according to the safe export plan, it is necessary to use safe packages, customs guarantees, allowing to prevent outside interference to them and identification of similar cases.

208.2. Relevant executive authority defines methods of packing, loading, transportation and unloading within safe export plan framework. Safety requirements on methods of transportation of goods, safe places of loading, unloading and storage of goods, persons, implementing transportation of goods should be considered in the before mentioned instructions.

Article 209. Issues approved within safe export plan framework.

209.0. The person implementing exportation of the goods within the safe export plan framework shall approve:

209.0.1. Availability under the customs control of the goods, intended for exportation

within the safe export plan framework from the date of placing into safe package, admitted by the customs authorities till their exportation.

209.0.2. Dissemination of powers of the customs authorities on suspension and control of means of transport and on means of transport, implementing conveyance of the goods, placed in safe packages and subject to the customs control.

209.0.3. Authority of the customs officials in charge on interrogation of the following persons with regard to the goods intended for export:

209.0.3.1. A person, who is responsible for means of transport, with respect to whom customs authorities have reasonable doubt in availability of goods in safe packages and subject to the customs control.

209.0.3.2. Owner or utilizer of construction, with respect to whom customs authorities have reasonable doubt in availability of goods placed in safe packages and subject to the customs control.

209.0.3.3. A person, recruited by persons, set out in Articles 206.0.3.1-206.0.3.2 of this Code.

Article 210. Adoption of the safe export plan

210.1. Customs services adopt safe export plan on the basis of written *as well as electronic* appeal of a person, involved in transportation process of goods, intended for export, implementation of operations related to them or to their export.

210.2. Customs services send notification about taken written decision to a person of accepting or disclaimer of the safe export plan in a case and in an order, determined by the relevant executive body.

210.3. Safe export plan enters into force from the date of adoption.

210.4. Decision about adoption of safe export plan is annulled by the customs authorities in cases identified by the relevant executive body, and a person implementing export of goods is sent a written *as well as electronic* notification outlining reason and date of enforcement.

210.5. Decision of the customs authorities on adoption of safe export plan is annulled in a case of reasoned written *as well as electronic* statement of a person implementing export of goods.

210.6. Persons, who disagree with the decision of customs services about annulment of the safe export plan may appeal against decision in an administrative order and (or) before a judicial authority.

Article 211. Labeling customs guarantee on goods exported within the safe export plan framework.

211.1. Labeling the package with guarantees set out in the Article 208.1 of this Code in accordance with adopted safe export plan by the customs authorities do not prevent provision of recurrent guarantees by the customs authorities on this safe package.

211.2. Goods, exported within the safe export plan framework, are considered goods

exported through this plan even after labelling of safe package with one or more customs guarantees adopted by the customs authorities.

Article 212. Implementation of operations with goods out of the safe export plan

212.1. This Chapter of this Code is applied to persons involved in the transportation of goods within the framework of one or several safe export plans, adopted by the customs authorities, implementation of operations related to them or to their export.

212.2. Regulations of this Chapter of the Code do not prevent transportation of goods by persons out of safe export plan adopted by the customs authorities, and implementation of relevant operations with goods or their export.

Article 213. Review of the safe export plan.

In cases identified by the relevant executive body, the customs authorities review question on validity of safe export plan.

Chapter 37. Prohibitions and restrictions on importation into the customs territory and exportation out of the customs territory of goods

Article 214. Ban on import into the customs territory and export out of the customs territory of goods

214.1. Import into the customs territory and export from the customs territory of the following goods shall be banned on the grounds of national security, security of public order, public morals, life and health of people, protection of property rights and also of objects of intellectual property, animal and plant protection, environment protection, art, historical and archeological property of the people, and other interests of the Republic of Azerbaijan on the basis of legislation acts and international agreements:

214.1.1. Counterfeit paper and metallic money;

214.1.2. Narcotic drugs, psychotropic substances and their precursors, import and export of which is banned into and from the customs territory by legislation.

214.1.3. pornographic materials and articles;

214.1.4. goods, import or export of which are banned into and from the customs territory by the relevant executive body.

214.2. In case of import or export of banned goods they are subject to immediate export outside the customs territory or return to the customs territory, except as otherwise confiscation of these goods permitted by the law. Export or return to the customs area is implemented by the person, moving goods across the customs border on his own expense.

214.3. In case of impossibility immediately to export goods from the customs territory or to return them to the customs territory they are transferred for temporary storage to the customs authorities. Storage deadline for these goods is 3 (three) days.

214.4. Administration of goods storage deadline of which expired is regulated by the Article 330 of this Code.

Article 215. Restrictions on import into the customs territory or export from the customs territory of goods.

215.1. Import into the customs territory or export from the customs territory of the goods may be restricted on the grounds of implementation of international treaty obligations, protection of economic interests of the country, protection of domestic market, also as retaliations on discriminating and other economic measures infringing interests of residents by foreign countries and their alliances according to the legislation and international agreements.

215.2. If restrictions set out in the Article 215.1 of this Code are revealed release of goods falling under their enforcement is realized by the customs authorities only if requirements specified by legislation and international agreements are observed.

215.3. For moving of goods across the customs border specified in the Legislation of the Republic of Azerbaijan 'List of objects, which may belong to the certain participants of the civil turnover and inclusion in the civil turnover of which is allowed on special permission (with restricted civil turnover)' special permission is required.

Chapter 38. Controlled delivery of goods conveyed across the customs border

Article 216. Peculiarities of controlled delivery of goods moved across customs border

216.1. Controlled delivery is a special investigation activity wherein in accordance with agreements concluded with customs and other authorized bodies of foreign countries, or in accordance with international agreements, import into the customs territory, export from the customs territory or transit across customs territory is implemented under control of subjects of special investigation activity of different goods, included in illegal turnover.

216.2. Controlled delivery of goods moved across customs border is allowed with a view of prevention, and detection of crimes committed or planned to commit related to the illegal international turnover and detection of participants of this turnover.

216.3. Decision on controlled delivery of goods conveyed across the customs border shall be taken by the relevant executive authority or other subjects of the special investigation activity by agreement with the relevant executive authority.

216.4. In case of decision to practice a method of controlled delivery of goods moved across the customs border, if destination country of goods is a foreign country, operational-registration case is opened, Prosecutor- General of the Republic of Azerbaijan is notified immediately, and depending on the results of the special investigation activity the question of starting criminal case is considered as required by legislation.

Article 217. Seizure of goods moved across the customs border with application of controlled delivery method.

During transportation with application of controlled delivery method across the customs border of goods seized from civil circulation or of goods civil circulation of which is restricted these goods may be seized in an order and cases specified by the relevant executive authority.

Title XIII. Factors on the basis of which customs duties and other measures in respect of trade in goods are applied.

Chapter 39. Customs tariff and tariff classification of goods.

Article 218. Customs tariff

218.1. Import and export customs duties on goods shall be based on the customs tariff. Other measures relating to the import and export of goods, prescribed by legislation shall be applied in accordance with the tariff classification of these goods.

218.2. Customs tariff shall comprise the following:

218.2.1. Nomenclature of goods of foreign economic activity;

218.2.2. Any other nomenclature, wholly or partially based on the nomenclature of goods of foreign economic activity established by legislative acts, regulating specific fields for application of tariff measures relating to trade in goods;

218.2.3. the autonomous or conventional import customs duties, implied for application in relation to goods comprised by the nomenclature of goods of foreign economic activity;

218.2.4. preferential tariff measures prescribed by agreements concluded with certain countries or international organizations;

218.2.5. preferential tariff measures, adopted unilaterally regarding certain countries or countries which are members of international organizations;

218.2.6. measures providing for reductions in or exemptions from customs duties on some types of goods;

218.2.7. beneficial tariff regime in relation to certain goods by reason of the nature of such goods or their end-use prescribed by this Code and relevant legislation;

218.2.8. other tariff measures prescribed by the legislation regulating agriculture, trade or other fields;

218.3. Where application of measures prescribed by Articles 218.2.4–218.2.7 of this Code or the exemption from these measures prescribed by the Article 218.2.8 of this Code is restricted to certain volumes of import or export, such an application or exemption (in the case of tariff quota) shall be terminated immediately upon reaching the specified volume of import or export.

218.4. “Conventional import duty rates” in Article 218.2.3 of this Code imply duty rates established by the concluded international agreements, and ‘autonomous duty rates’ imply duty rates established by the country unilaterally without concluding international agreements.

Article 219. Tariff classification of goods

219.1. Tariff classification of goods consists of collection of data about customs duties, taxes, bans and restrictions on import and export of goods.

219.2. The customs authorities use tariff classification of goods on application of customs duties and taxes prescribed by the legislation.

Chapter 40. Customs value of goods

Article 220. Valuation of goods for customs purposes

220.1. Valuation of goods is implemented by the declarant in an order specified by this Code and Law of the Republic of Azerbaijan on Customs Tariff.

220.2. The person valuating goods for customs purposes:

220.2.1. keeps documents and data related to their declaration within required time limits laid down in the Article 95.2 of this Code.

220.2.2. presents documents and data related to the declaration requested by the customs authority for checking the accuracy of the customs value.

Article 221. Correction of the customs value

221.1. If as a result of check, customs audit or investigation the customs official in charge concluded about non-compliance of valuation with Law of the Republic of Azerbaijan on Customs Tariff or about its unreliability due to other reasons, the customs official send the person notification in writing about appropriate corrections in the customs value with due regard to requirements of the mentioned Act and their reasoning.

221.2. Article 221.1 of this Code is applied regardless of availability of goods under the control of the customs authorities, payment of the calculated customs payments.

221.3. In the event of disagreement with corrections in the customs value indicated in the notification presented to the person in accordance with Article 221.1 of this Code, the person has a right to turn to the higher customs authority and (or) court. The higher customs authority or court investigates this appeal within 10 (ten) days. During investigation period of the appeal penalty is not charged.

221.4. If higher customs authority or court considers the customs value established by the person correct, all expenses related to the storage of the goods are deducted from the official who made corrections into the customs value on the basis of Article 221.1 of this Code and the official in charge is brought to disciplinary responsibility.

Chapter 41. Origin of goods

Article 222. Non-preferential origin of goods.

222.1. The purpose of determination of non-preferential origin of goods is the application in relation to them of customs tariff, measures governing specific fields of trade in goods, other measures relating to the non-preferential origin of goods established by the legislation.

222.2. Goods wholly produced in a single country or territory shall be considered as originated from this country or territory.

222.3. Goods in production of which participated more than one country shall be regarded as originated from the country where they underwent their last substantial transformation.

222.4. Customs authorities have a right to require from the declarant documents proving origin of goods indicated in the customs declaration.

222.5. Rules of identifying non-preferential origin of goods shall be established by the relevant executive authority.

Article 223. Preferential origin of goods.

223.1. In order to make use of preferential tariff measures or non-preferential tariff measures, prescribed in the articles 218.2.4 and 218.2.5 of this Code, goods shall comply with the rules on preferential origin prescribed in the Articles 223.2 — 223.4 of this Code.

223.2. If any benefits from preferential measures, referred to in the agreements concluded by the Republic of Azerbaijan with certain countries or international organizations, are applied to the goods, rules on preferential origin shall be laid down in those agreements;

223.3. In the case of goods which benefit from the preferential measures adopted unilaterally by the Republic of Azerbaijan regarding foreign countries or member countries of international organizations, the customs authorities shall apply rules prescribed in the Article 223.4 of this Code.

223.4. Rules of identification of preferential origin of goods are established by the relevant executive body.

Title XIV. Customs payments, customs debt and customs guarantee

Chapter 42. General provisions

Article 224. Customs payments

224.1. According to this Code, Taxes Code of the Republic of Azerbaijan, Customs Tariff Act, “*On Anti-dumping, anti-subsidy and safeguard activities*” and State Duty Act of the Republic of Azerbaijan and regulatory legal acts of the relevant executive bodies, customs authorities impose following customs payments:

- 224.1.1. customs duties
- 224.1.2. value added tax
- 224.1.3. excise duties
- 224.1.4. road tax
- 224.1.5. customs fees
- 224.1.6. charge
- 224.1.7. state duty

224.2. Payers of customs payments, calculation, levy and inclusion in invoice of customs payments, deadline extension of payment, rules of reimbursement of customs payments, customs debt, annulment of customs debt, customs valuation of goods, methods of guarantee of payment of customs debt and their use, as well as concessions and other issues with regard to customs payments are established by this Code and other regulatory acts specified in the Article 224.1 of this Code.

224.3. *With the purpose of operational regulation of import and export of goods there may be imposed temporary ~~special taxes~~ and seasonal taxes some goods according to the Law of the Republic of Azerbaijan on Customs Tariff and by regulatory legal acts of the relevant executive body.*

224.3-1. With the purpose of protection of economic interests of the Republic of Azerbaijan special, anti-dumping and compensation duties are imposed on imported goods by relevant executive authority in cases of set forth in the Law of Republic of Azerbaijan "On Anti-dumping, anti-subsidy and safeguard activities".

224.4. Regarding goods moved by natural persons across customs border not for the commercial purposes customs payments are collected in a simplified order set by the relevant executive body.

224.5. Application of customs payments in relation to the declared goods is implemented on the basis of code corresponding to their nomenclature of foreign economic activity.

224.6. At customs border check points in a prominent place there should be placed simple in usage electronic device, designed for utilization by persons moving goods across customs border, with an indication of customs duty rates allowing to search these rates as by name of goods as by their codes, also to examine amount of other customs payments, prescribed by the law.

Article 225. Customs duties

225.1. Customs duties are applied on the basis of regulatory acts and also requirements of customs procedure under which goods are declared.

225.2. Customs duty rates in relation to the specific goods are established by the relevant executive body. Customs duty rates are published in official editions and placed on official websites of the relevant executive authorities.

225.3. Cases of granting tariff benefits in relation to goods, exemption from customs duties, tariff preferences and benefits are regulated in accordance with Law of the

Republic of Azerbaijan on Customs Tariff and regulatory legal acts of the relevant executive authority.

Article 226. Types of customs duties

226.0. In compliance with Customs Tariff Act of the Republic of Azerbaijan following customs duties are imposed:

226.0.1. ad valorem- levied according to the customs value of goods and are expressed as percentage of the value.

226.0.2. Specific- levied based on the units of goods;

226.0.3. Mixed- containing both above mentioned types of customs duties.

Article 227. Customs taxes

227.1. In accordance with the Tax Code of the Republic of Azerbaijan (hereafter – Tax Code) the customs authorities impose taxes indicated in Articles 228-230 of this Code.

227.2. Payers, procedure of calculation and payment, imposed by the customs authorities, exemption from taxes, and deferral of payments, and also cases and rules of their reimbursement are defined by this Code and Tax Code.

Article 228. Value added tax

Application of value added tax to the goods imported into the customs territory and exported from this territory is implemented in accordance with this Code and Tax Code.

Article 229. Excise duties

Application of excise duties to goods, imported into the customs territory and exported from this territory is implemented in accordance with this Code and Tax Code.

Article 230. Road Tax

230.1. Road tax collection from foreign means of transport shall be implemented in accordance with this Code and Tax Code upon entry into the customs territory.

230.2. Road tax for foreign means of transport shall be deducted by the customs authorities upon entry of the indicated means of transport into the customs territory and shall be transferred to the state budget within a bank day.

Article 231. Customs fee

231.1. Customs fee comprehend:

231.1.1. customs fee related to the implementation of customs control;

231.1.2. customs fee for customs convoy;

231.1.3. customs fee for storage of goods;

231.1.4. fees for issue of qualification certificate of customs clearance specialist;
231.1.5. Fees for listing of banks and credit organizations which are not banks in the register of the relevant executive authority.

231.2. Amount of customs fee is determined by the relevant executive authority.

Article 232. Customs fee related to the customs control

232.1. Except cases where this Code and other regulatory acts refer to, in the course of customs control during working hours the customs authorities impose customs fee in amount established by the relevant executive authority for:

232.1.1. customs clearance of goods;

232.1.2. carrying out customs expertize of goods on the initiative of declarant, holder of the goods, other persons exercising authorities regarding goods, and also their representatives due to the implementation of the customs control and customs clearance;

232.1.3. destruction of goods under the customs control.

232.2. For customs control of goods and vehicles off the working site and outside of working hours of the customs authorities double customs fee is imposed.

Article 233. Payment for participation in customs auction

For participation in customs auctions participants are charged with payment in amount determined by the relevant executive authority.

Article 234. State duty for issue by the relevant executive authority of licenses on some types of activity and issue of permission blanks on border to the means of transport implementing international road transport

234.1. For issue of licenses on some types of activity, the relevant executive authority imposes state duty in amount determined by the legislation.

234.2. For issue of permission blanks at the border to means of transport implementing international road transport, state duty in amount set by the State Duty Law of the Republic of Azerbaijan is imposed.

Article 235. Application of customs payments in relation to ratified international agreements.

Customs payments regarding goods imported into the customs territory and exported from this territory due to the implementation of Production Sharing Agreement, Main Pipeline Agreement and other similar international agreements are applied in accordance with the regulations of these agreements.

Article 236. Currency in which customs debt is paid

Customs debt is paid in national currency of the Republic of Azerbaijan.

Chapter 43. General provisions about customs debt incurred as a result of import and export of goods.

Article 237. Place of incurrence of customs debt

237.1. Customs debt incurs at the place of presenting customs declaration to the customs authorities for placing of goods under the customs procedure prescribed by Articles 238 and 240 of this Code. In all other cases place of incurrence of customs debt is the place where a case resulted in such debt took place.

237.2. If it does not seem possible to determine such a place, customs debt shall be incurred in a place where the existence of this debt has been revealed.

237.3. If goods are placed under the relevant customs procedure and it does not seem possible to determine a place indicated in the second sentence of the Article 237.1 and Article 237.2 of this Code within time limits established by the relevant executive authority, customs debt shall be incurred in a place where goods were either placed under the indicated customs procedure or imported to the customs territory under such procedure.

237.4. If available information in the customs authorities allow them to determine that customs debt could be incurred in several places, then customs debt would be considered incurred in a place of its first incurrence.

Article 238. Customs debt on importation of goods

238.1. A customs debt on importation incurs as a result of placing of foreign goods under customs procedure of release for free circulation, or under special customs procedure of temporary admission with whole or partial relief from customs duties and taxes.

238.2. A customs debt shall be incurred at the time of acceptance of the customs declaration.

238.3. The declarant shall be the debtor. In case of indirect customs representation the person on whose behalf the customs declaration is made shall be also a debtor.

238.4. If customs declaration in respect of customs procedures prescribed in the Article 238.1 of this Code is drawn up on the basis of information which cause whole or partial relief from import customs duties and taxes, the person who provided and who knew, or who ought to have known about falseness of such information shall be also a debtor.

Article 239. Customs debt incurred through non-compliance with requirements on import of goods

239.1. Customs debt on goods liable to import customs duties shall be incurred through non-compliance of the person with one of the following requirements:

239.1.1. in a case of non-fulfilment of requirements determined by the legislation on import of foreign goods into the customs territory, their exit from the customs control, move on the customs territory, processing, storage, temporary import or disposal;

239.1.2. in a case of non-fulfilment of requirements determined by the legislation related to the end-use of goods in the customs territory;

239.1.3. in a case of non-fulfilment of requirements governing placing of foreign goods under the relevant customs procedure or whole or partial relief from customs duties and taxes for the end-use;

239.2. The time at which customs debt shall be incurred due to non-compliance with the requirements shall be the following:

239.2.1. when the obligation the non-fulfilment of which results in incurrence of the customs debt is not met or ceases to be met;

239.2.2. the day of acceptance of customs declaration for the placing of goods under the relevant customs procedure where it is determined that virtually

condition governing whole or partial relief from customs duties and taxes for end- use has not been fulfilled.

239.3. In cases referred to in Articles 239.1.1 and 239.1.2 of this Code, debtors shall be the following:

239.3.1. The person who is required to fulfil obligations concerned;

239.3.2. the person who acted on behalf of the person who was obliged to fulfil the obligation or the person who participated in the actions which led to the non- fulfilment of these obligations (in the event if he was or should have been aware that these obligations were not fulfilled).

239.3.3. the person who was aware or should have been aware that during acquisition of goods or their acceptance on lodge obligations concerned had not been fulfilled.

239.4. Where whole or partial exemption from import customs duties and taxes has been consequence of information use required to draw up a customs declaration with a view of application of any of the indicated in Article 239.1 of this Code or for placing of goods under the relevant customs procedure, debtor shall be a person who provided with the required information for customs declaration and knew or should have known about unreliability of this information.

Article 240. Customs debt on exportation

240.1. Customs debt on exportation shall be incurred through placing of internal goods under the export customs procedure or the special outward-processing procedure.

240.2. Customs debt shall be incurred at the day of acceptance of the customs declaration by the customs authorities.

240.3. The declarant shall be the debtor. In the case of indirect representation the person on whose behalf the customs declaration was made is also a debtor.

240.4. If a customs declaration submitted in relation to the customs procedures indicated in the Article 240.1 of this Code is drawn up on the basis of information which leads to all or part of the export duties not being collected the person who provided the information required for the declaration and who knew or should have known that such information was false shall be also a debtor.

Article 241. Customs debt incurred as a result of non-compliance with export terms

241.1. Regarding goods liable to export customs duties a customs debt shall be incurred in the case of violation by the person of one of the following requirements:

241.1.1. one of the obligations referred to in this Code and other legislation acts in the field of customs regarding export of the goods;

241.1.2. the conditions on export of goods from the customs territory with whole or partial relief from export customs duties and taxes.

241.2. The time at which customs debt incurred as a result of non-fulfilment of the established conditions is one of the following:

241.2.1. the moment at which goods virtually exit the customs territory without a customs

declaration;

241.2.2. the moment at which goods leave from a place other than that for which they were allowed to leave the customs territory with whole or partial relief from export customs duties and taxes;

241.2.3. If the customs authorities cannot determine the moment prescribed in Article 241.2.2 of this Code, the expiry of the time limit set for submission of documents verifying that conditions allowing whole or partial relief from export customs duties and taxes were fulfilled.

241.3. In cases indicated in the Article 241.1.1 of this Code the debtors shall be the following:

241.3.1. any person who was required to fulfil obligations concerned;

241.3.2. a person, who acted on behalf of the person who should have fulfilled obligation (who knew or should have known about non-fulfilment of obligation);

241.3.3. A person, who participated in the actions that led to non-fulfilment of obligations and who knew or should have known about the non-fulfilment of the obligation;

241.4. In cases prescribed in the Article 241.1.2 of this Code the debtor shall be a person who is required to comply with conditions of exit of goods from the customs territory with whole or partial relief from export customs duties and taxes.

Chapter 44. Calculation and extinguishment of customs debt

Article 242. Basics for calculation of customs debt

242.1. Basis for the calculation of customs debt on value-added tax is customs value of goods, determined in accordance with this Code and Law of the Republic of Azerbaijan on Customs Tariff.

242.2. Unit of measure and customs value, reflected in the nomenclature of goods of foreign economic activity of the Republic of Azerbaijan During shall be taken as a basis for calculation of customs debt on customs duties.

242.3. Calculation of customs duties and taxes, collection of which are imposed on the customs authorities starts from the moment when imported goods cross the customs border and from the moment of declaration of exported goods, herein customs duties and tax rates valid on the day of acceptance of customs declaration shall be taken as a basis.

242.4. Amount of customs debt shall be calculated shortly after the submission of customs declaration.

242.5. Amount of customs debt on value-added tax shall be calculated in order established by the relevant executive authority.

Article 243. Time limits of payment of customs debt

243.1. Customs debt shall be paid prior to acceptance or simultaneously with the acceptance of customs declaration by the customs authorities.

243.2. Where the goods not intended for any commercial purposes are conveyed across

the customs border, customs debt in respect to these goods shall be paid simultaneously with the acceptance of simplified declaration.

243.3. If customs declaration was not made in due date, payment date of customs debt shall be calculated from the deadline of submission of customs declaration.

243.4. In the case of submission of periodic customs declaration referred to in Article 156.2 of this Code customs debt must be paid no later than within 15 (fifteen) days after the declaration of goods to the relevant customs authority.

Article 244. Rules of payment of customs debt.

244.1. Payment shall be made to the customs authority (only via bank transfer, post-office or plastic card), regarding goods, sent via international postal dispatches – to operators of postal service (through means of payment prescribed by the legislation).

244.2. In view of implementation of payments on customs debt bank or post divisions should be established in border customs crossingpoints.

244.3. Customs debt may be paid by any interested person.

244.4. Operators of postal service settle the payment to the account of the customs authorities in the order jointly set by the relevant executive bodies.

244.5. Road tax and state duty for the permission blank shall be deducted by the customs authorities at the entry of means of transport of foreign countries into the customs territory and during one bank day shall be transferred into the state budget.

Article 245. Person responsible for payment of customs debt

245.1. The person responsible for payment of customs debt shall be a declarant.

245.2. In case of non-fulfilment of regulations of this Code on usage and administration of goods as well as in case of improper use of goods fully or partially exempted from customs payments in accordance with the relevant customs procedure, the person liable for the payment of customs debt on these goods shall be a person who is imposed responsibility on fulfilment of requirements of the relevant customs procedure.

Article 246. Deferral of payment of customs debt

246.1. Under the condition of application of guarantee with use of methods referred to in the Article 258.1 of this Code, in cases defined by the relevant executive authority, customs authorities permit deferral of payment of customs debt during period of 14 (fourteen) till 60 (sixty) days.

246.2. The deferral shall be liable for an interest chargeable on the sum of the arrears defined by Central Bank, which are transferred into the state budget.

Article 247. Penalty

247.1. Penalty fees shall be imposed on the debtor for failing in payment of customs debt within the prescribed time established by this Code.

247.2. Time limits for computation of the penalty:

247.2.1. beginning from the day following customs debt payment until the day of virtual extinguishment of debt or passing resolution on deferment of payment for the payment of debt pursuant to Article 246.1 of this Code;

247.2.2. beginning from the day following the day of expiry of deferment of payment of customs debt until the day of virtual extinguishment of debt pursuant to Article 246.1 of this Code.

247.3. Penalty shall be imposed in the amount equivalent to 0,1percent of amount of customs debt per day of the delay for period of time prescribed by Article 247.2 of this Code. Penalty shall be calculated for whole time limit of delay provided this time limit will not exceed one year.

247.4. Penalty shall be paid simultaneously with the customs debt.

247.5. Payment, recovery and reimbursement of penalty shall be regulated by provisions established in this Code in respect to payment, recovery and reimbursement of customs payments.

Section 248. Calculation of customs debt in relation to goods illegally moved across the customs border or conditionally released

248.1. Customs authorities calculate the amount of customs debt based on the rate of customs duties and taxes effective on the day of revealing the goods as well as based on the customs value established on the basis of Law of the Republic of Azerbaijan on Customs Tariff if the date of illegal conveyance of these goods crossing across the customs border cannot be established.

248.2. In case of loss or non-delivery of goods conveyed or stored under the special customs procedures of transit or storage, the amount of customs shall be calculated based on the rates of customs duties ad taxes valid on the date of when these goods were placed under relevant customs procedure by the customs authority, as well as based on the customs value established on the basis of Law of the Republic of Azerbaijan on Customs Tariff.

248.3. In case of use of conditionally released goods in other purposes than those as served as the reason for their whole or partial exemption from customs payments, the goods shall be liable to customs payments on the day of conditional release.

248.4. Except cases referred to in Article 271 of this Code importation or exportation of goods liable to customs payments accompanied with the violation of legislation, does not relieve the holder of the goods from the payment of customs payments for these goods.

Article 249. Collection of customs debt and measures of responsibility

249.1. The unpaid customs debt shall be collected compulsorily by the customs authorities in an order pursuant to this Article within 3 years from the moment of

incurrance of obligation on the payment of customs payments.

249.2. If within the time limits prescribed by Article 249.1 of this Code customs authorities reveal that mistakes in the customs declaration has led to the lower calculation of amount of customs debt than that prescribed by the legislation or to its non-payment the customs authorities shall collect unpaid amounts from the payer.

249.3. Unpaid customs debts timely shall be collected from bank accounts of the payer on the basis of enforcement (billing) document of the customs authorities according to provisions of legislation of collecting tax debts into the state budget.

249.4. In cases determined by the legislation the relevant executive authority lodges a lawsuit for blocking payment, currency and other accounts of the payer in banks.

249.5. The person, illegally conveyed goods and means of transport across the customs border, and the person who knew or should have known about illegal conveyance of such goods and means of transport, the person, who participated in such operations, the person, who acquired these goods and means of transport into property or administration, shall be responsible for the payment of customs debts together with declarant.

Chapter 45. Guarantee for an existing or potential customs debt

Article 250. General Provisions

250.1. This Article applies to guarantees both for customs debt which have been incurred and for those which may be incurred.

250.2. Customs authorities may require a guarantee referred to the Article 258.1 of this Code to be provided in order to ensure payment of customs debt which have been incurred or that which may be incurred from the debtor or the person who may become the debtor.

250.3. Guarantee for the payment of customs debt may be provided by a person other than the debtor or the person who may become the debtor.

250.4. Customs authorities define the amount of a guarantee.

250.5. Except cases referred to in the Article 256 of this Code, customs authorities have a right to require only one guarantee to be provided in relation to the relevant goods or a relevant declaration.

250.6. The guarantee provided in relation to the relevant customs declaration, is applied to the amount of import or export duties and taxes corresponding to the customs debt, and other payments in relation to the goods indicated in the declaration.

250.7. At the request of the debtor or the person who may become the debtor, customs authorities may permit in cases and in an order defined by the relevant executive body, the provision of a comprehensive guarantee referred to in the Article 225 of this Code to cover the amount of customs debt which have been incurred or may be incurred in respect of two or more operations, customs declarations or customs procedures.

250.8. Unless otherwise referred to by this Code, a guarantee accepted by the customs authorities is valid throughout the customs territory.

250.9. Cases when the provision of a guarantee is compulsory and optional (non-compulsory) are defined by the relevant executive authority.

Article 251. Compulsory guarantee

251.1. If it is possible to establish the precise amount of customs debt at the time when guarantee is required customs authorities shall fix the amount of such guarantee at a level equal to the amount of customs debt.

251.2. If it is not possible to establish the precise amount of customs debt, the guarantee should be fixed at the maximum amount, as estimated by the customs authorities, of a level of the customs debt which have been incurred or may be incurred.

251.3. If a comprehensive guarantee is provided for the amount of import and export customs duties and taxes corresponding to customs debt amount of which vary over time, the amount of such guarantee should be defined at a level providing the amount of customs duties and taxes corresponding to the customs debt to be covered at all times.

Article 252. Optional (non-compulsory) guarantee

If the provision of a guarantee is optional (non-compulsory) customs authorities require such a guarantee if they consider that the customs debt is not certain to be paid within the prescribed period of time. The amount of required guarantee should not exceed the amount referred to in Article 251 of this Code.

Article 253. Choice of guarantee

253.1. The person obliged to provide a guarantee for the customs debt may choose between the types of guarantees referred to in Article 258.1 of this Code.

253.2. The customs authorities may refuse to accept chosen guarantee form if it is incompatible with the proper implementation of the customs procedure concerned.

253.3 The customs authorities may require that the chosen type of guarantee to be remained for a certain period.

Article 254. Guarantor

254.1. The guarantor mentioned in Article 258.1.6 of this Code must be a third person established in the customs territory.

254.2. The guarantor should undertake in writing to pay customs debt.

254.3. The customs authorities may refuse to approve the guarantor if they are not certain that the payment of the customs debt can be made within the prescribed period.

Article 255. Comprehensive guarantee

255.1. At the *as well as electronic* written request of the person meeting the requirements referred to in Article 255.2 of this Code the customs authorities may authorize the provision of a comprehensive guarantee to cover the amount of customs payments in respect to two or more customs operations, declarations or customs procedures.

255.2. Comprehensive guarantee shall be accepted from the residents, who comply with customs and tax legislation, regularly use the customs procedures and have the capacity to fulfil obligations in relation to those procedures on time and on a full scale.

Article 256. Additional or replacement guarantee

If the customs authorities define that the guarantee provided does not ensure the payment of customs debt within the prescribed period or is not convincing or sufficient to ensure its payment, they require a person mentioned in Article 250.2 of this Code either to provide additional guarantee or to replace the initial guarantee with a new guarantee at his own choice.

Article 257. Release of a guarantee

When the customs authorities are certain in whole payment of customs debt and its total extinguishment guarantee shall be considered released.

Section 258. Methods of provision of a guarantee for customs debt.

258.1. Payment of the customs debt is provided by the following guarantees:

258.1.1. deposit;

258.1.2. aval

258.1.3. bank guarantee;

258.1.4. transfer of the amount subject to payment to the deposit account of the customs service;

258.1.5. contracts of insurance;

258.1.6. guarantee by the third person;

258.1.7. advance payment.

258.2. The person may choose any form of a guarantee referred to in Article 258.1 of this Code except cases prescribed by this Code.

258.3. Rules of provision of a guarantee for the payment of customs debt with application of guarantee shall be established by the relevant executive authority.

Article 259. Deposit

259.1. As a guarantee for the payment of customs debt goods shall be accepted by the

customs authorities as deposit.

259.2. Collateralization of deposit, storage of the goods in deposit, enforcement of pledge and related to it issues shall be governed by the Civil Code of the Republic of Azerbaijan.

Article 260. Guarantee of a bill (aval)

Bills shall be accepted as a guarantee for customs debt payment only in a case if banks which have license on implementation of bank activity act as guarantors, or lending institutions which are not banks.

Article 261. Bank guarantee

261.1. Customs debt may be secured by guarantee of banks, which have license on implementation of bank activity and credit organizations which are not banks listed on the relevant register of the relevant executive body.

261.2. For listing on the register, mentioned in the Article 261.1 of this Code, banks and credit organizations which are not banks appeal to the relevant executive authority. Such appeals are reviewed in an order defined by the relevant executive authority.

261.3. For listing of banks and credit organizations which are not banks on the register mentioned in Article 261.1 of this Code charge defined by the relevant executive authority is collected.

261.4. Banks and credit organizations which are not banks are unfiled by decision of the relevant executive authority in case of cancellation or reorganization, revocation of license or non-fulfilment of obligation regarding bank guarantee.

261.5. At expulsion of a bank or credit organization which is not bank from the register collected charge for inclusion into the register shall be non-refundable.

Article 262. Depositing of funds into the customs service

262.1. Securing payment of customs debt may be implemented through lodgement of funds subject to payment on deposit account of the customs service. During storage period of this amount on the deposit interest shall not be computed.

262.2. Order of lodgement of funds on the deposit account of the customs service for provision of payment of customs debt and refund of funds which are on the deposit account to the owner is defined by the relevant executive authority.

Article 263. Application of agreement of insurance as security of payment of customs debt.

Application of agreement of insurance as security of payment of customs debt is implemented in accordance with the Civil Code of the Republic of Azerbaijan and

Insurance activity act.

Article 264. Guarantee of the third person for security of payment of customs debt.

Order of application of guarantee of third person for security of payment of customs debt shall be implemented in accordance with the Civil Code of the Republic of Azerbaijan.

Article 265. Advance payment

As security of customs debt, which may incur during future operations, payer may pass funds to the account of customs services by way of advance. Such payments are considered advance payments. Payer may use these funds for the payment of customs payments on any future operations.

Chapter 46. Refund of customs payments paid on the account of customs debt and cancellation of customs debt.

Article 266. General provisions

266.1. In cases referred to in Article 267.1 of this Code, customs payments corresponding to the customs debt are refunded in an order established by the relevant executive authority.

266.2. Refund of collected taxes and state duty by the customs authorities shall be implemented respectively in an order established by Tax Code of the Republic of Azerbaijan and Law of the Republic of Azerbaijan on State Duty.

266.3. At the request of the person, customs authorities accept customs payments liable to refund on the account of his future foreign economic activity.

Article 267. Cases of repayment of customs payments corresponding to customs debt

267.1. In accordance with the regulations of this Chapter of this Code amounts of customs payments shall be repaid in the following cases:

267.1.1. defective goods;

267.1.2. error at calculation of amount of the customs payments

267.1.3. *In cases of set forth in the Law of the Republic of Azerbaijan "On Anti-dumping, anti-subsidy and safeguard activities".*

267.2. If customs authorities discover within the time limits indicated in Article 270.1 of this Code that amount of customs payments is repayable they repay the amount in the order established by the relevant executive authority.

267.3. Except the case referred to in Article 267.4 of this Code repayment cannot give rise to the payment of interest by the customs authorities.

267.4. The rate of interest shall be paid in accordance with the State Bank and repaid to the person by customs authorities if decision on repayment of customs payments is not implemented within 3 (three) months of the date on which that decision was taken and violation of deadline occurred as a result of activity (inactivity) of the customs authorities

(its officials). The interest shall be paid from the date of expiry of three-month period till the date of realization of repayment.

Article 268. Repayment of customs payments paid for defective goods

268.1. Defect goods are considered to include goods which were damaged before their release for free circulation.

268.2. Repayment of customs payments paid for the defective goods shall be granted provided the goods have not been used (except for such use that might have been necessary to define that they were defective) even after their export from the customs territory.

268.3. Instead of being exported from the customs territory, at the request of the person, customs authorities permit placing of goods under the special customs procedures of inward processing (including destruction) or the international transit, the customs warehousing or the free zone.

Article 269. Repayment of customs payments paid for customs debt on account of error in their calculation

Overcharged amount shall be repaid to the debtor as a result of error which was proved by the person or discovered by the customs authorities.

Article 270. Request to repay customs payments

270.1. The debtor, considering that customs payments are repayable on the grounds of circumstances referred to in Article 267.1 of this Code, or his representative may submit the application with the appropriate claim to the customs authorities within 1 (one) year of the date of the payment of customs payments.

270.2. The period indicated in Article 270.1 of this Code is extended by the customs authorities for 1 (one) more year, if the applicant or his representative provides evidence that he could not submit his application within the prescribed period as a result of force-majeure circumstances.

270.3. The resolution to repay customs payments or to refuse it should be passed in writing and immediately implemented within 15 (fifteen) days of the date of acceptance of application by the customs authorities. This resolution may be disputed in accordance with Chapter 10 of this Code.

Article 271. Extinguishment of customs debt

271.1. Alongside cases of inability to make payment by the debtor based on judicially established insolvency of the debtor a customs debt may be extinguished in any of the following ways:

271.1.1. by the payment of the whole amount of the customs debt;

271.1.2. by remission of the amount of customs debt of the person in accordance with law;

271.1.3. where goods liable to import or export customs duties and taxes are confiscated

in accordance with law;

271.1.4. destruction under customs control or abandonment to the State of goods liable to import or export customs duties and taxes;

271.1.5. as a result of destruction or irrecoverable loss of goods due to force majeure circumstances.

271.2. If several persons are liable for payment of customs debt, customs debt shall be extinguished only in respect of the person (persons), to whom remission is granted.

Title XV. Additional regulations related to the customs control

Chapter 47. Implementation of currency control by the customs authorities

Article 272. Customs authorities as a body of currency control

272.1. Customs authorities are one of the state authorities carrying out currency control in the Republic of Azerbaijan.

272.2. Customs authorities carry out currency control related to the customs in accordance with Currency Regulation Act of the Republic of Azerbaijan and this Code.

Article 273. Powers of the customs authorities of the Republic of Azerbaijan in the area of currency control

Customs authorities carry out currency control for conveyance by persons across the customs border except perimeters of free zones, of national currency of the Republic of Azerbaijan, funds in national currency and other currency valuables and also for currency operations related to the movement across customs border of goods and means of transport.

Article 274. Responsibility for violations revealed during implementation of currency control by the customs authorities.

For violations revealed during currency control by the customs authorities offenders take responsibility in accordance with the legislation.

Chapter 48. Implementation of export control by the customs authorities

Article 275. Customs authorities as an export control body

Customs authorities carry out export control in accordance with this Code and Export Control Act of the Republic of Azerbaijan.

Article 276. Competency of customs authorities in export control

276.1 Customs services suppress illegal movement across customs border of goods liable to the export control and also export of goods into the countries and end- users to which export of these goods is prohibited or limited.

276.2. Rules of movement across customs border of goods liable to the export control are established in accordance with Export Control Act of the Republic of Azerbaijan.

Article 277. Information confidentiality compliance

Officials of the customs authorities authorized to carry out export control are required to comply with the information confidentiality received by them from other state bodies and persons concerned.

Chapter 49. Customs control of goods containing objects of intellectual property rights

Article 278. Protection of intellectual property rights by customs authorities

278.1. Customs authorities implement protection of rights of holders on goods containing objects of intellectual property conveyed across the customs border in accordance with this Code and other Acts in the field of customs.

278.2. Protection of rights on goods containing objects of intellectual property conveyed across the customs border, implemented by the customs authorities, shall not impede taking measures on protection of such rights in accordance with other Acts.

Article 279. Customs register of goods containing objects of intellectual property

279.1. The relevant executive authority in view of provision of customs control keeps register of goods containing objects of intellectual property on paper and electronic materials.

279.2. Rules of maintenance of register are established by the relevant executive authority. In the mentioned rules procedure of disclose of information contained in the register to the customs authorities and applicants should also be envisioned.

Article 280. Inclusion into the register and exclusion from the register of goods containing objects of intellectual property

280.1. Where the rights-holder or the person representing his interests (applicant) has sufficient grounds to deem that his rights on the objects of intellectual property have been infringed or may be infringed during conveyance across the border of goods, he has the right to apply to the relevant executive authority with a request to protect intellectual property rights and inclusion of such goods into the register, with a view to suspend release of piratic and counterfeit goods.

280.2. The statement containing a request to protect intellectual property rights and to include goods containing objects of intellectual property to the registry should contain the following:

280.2.1. information on the right-holder;

280.2.2. information on right on the object of intellectual property;

280.2.3. description of the goods containing objects of intellectual property;

280.2.4. information enabling to reveal that goods are piratic or counterfeit;

280.2.5. Obligation of the applicant to compensate any damage made to the declarant, owner of the goods or any other interested person due to the suspension of release of goods and also compensation of expenditure of customs authorities in case if it is defined

that goods are not piratic or counterfactual.

280.3. The statement shall be supplemented by the documents confirming the rights of the applicant on the goods containing object of intellectual property (registration certificate of the piece of work, item of neighbouring rights, certificate on information set and topology of integral scheme, trade mark and geographic location certificate, patent, license agreement, other documents in respect to the Intellectual Property Act).

280.4. Applicant for ensuring fulfilment of the obligation referred to in Article 280.2.5 of this Code shall present to the customs authorities one of the forms of guarantee pursuant to Article 258.1 of this Code. The amount of such guarantee shall be established by the customs authorities within minimal and maximal amounts defined by the relevant executive body.

280.5. The applicant may also attach to the statement the goods specimen containing the object of intellectual property and also piratic or counterfeit goods.

280.6. The relevant executive authority considers the application within 1 (one) month of the day of its submission and makes decision on the inclusion of goods containing objects of intellectual property into the register or on refuse from it in cases referred to in Article 280.7 of this Code.

280.7. Where the applicant fails to fulfill the requirements of Article 280 of this Code the relevant executive authority makes decision on non-inclusion of goods into the register and notifies the applicant in writing. After removing shortcomings declarant has a right to appeal with a request to include the goods containing object of intellectual property into the register.

280.8. In the case of any changes in the statement or in the documents attached to it the applicant shall be obliged to advise the relevant executive authority without a delay.

280.9. Where the goods containing objects of intellectual property were included in the register on the grounds of false information presented by the applicant, these goods on decision of the relevant executive authority may be excluded from the register. The applicant shall be notified about it in writing by the relevant executive authority.

Article 281. Period of protection of rights by the customs authorities

281.1. The time periods of protection of rights of the right-holder shall be determined for 5 (five) years by taking into consideration the time period indicated by the applicant from the date of taking decision by the relevant executive authority on entry of the object of intellectual property into the register. This period may be extended on the basis of the application of the applicant by the decision of the relevant executive authority.

281.2 Total time period of protection by the customs authorities of rights on the object of intellectual property may not exceed the time period of a right of the right-holder on the object of intellectual property.

Article 282. Customs clearance and customs control of goods containing objects of intellectual property

282.1. Customs clearance and customs control of goods containing objects of intellectual property are carried out in the order defined by this Code and other legislation acts in the field of customs.

282.2. Rules of conveyance of goods containing objects of intellectual property across customs border are governed by this Code, other legislation acts in the field of customs and intellectual property act.

Article 283. Suspension of release of goods containing objects of intellectual property

283.1. In case the customs clearance and the customs control procedures have revealed that the goods which contain objects of intellectual property are piratic or counterfeit, the release of such goods is suspended for 10 (ten) working days by decision of the head of the customs authority carrying out the customs clearance, or by the person representing him. Upon motivated request of the applicant indicated suspension period may be extended for more 10 (ten) working days.

283.2. The customs authority immediately notifies both the declarant and the applicant in writing about the imposed suspension on release of goods containing objects of intellectual property and the reasons of suspension. In addition, name, surname, patronymic, residential address and registration address details of the declarant and the applicant respectively must be indicated in the notification.

283.3. Rules of the suspension of release of goods containing object of intellectual property, delivery of information to the applicant and the declarant on the resolution and the extension of the suspension period of release shall be established by the relevant executive authority.

Article 284. Compensation of caused damage and expenses

284.1. The applicant shall compensate damage inflicted on the declarant, holder of the goods or any other persons concerned as a result of suspension of the release of goods containing object of intellectual property listed in the register if it is revealed that goods are not piratic and counterfeit.

284.2. Expenses of the customs authorities as a result of suspension of the release of goods containing object of intellectual property shall be compensated by the declarant where the goods are piratic and counterfeit, otherwise by the applicant.

Article 285. Provision of information. Goods probes and samples

285.1. The customs authorities provide the applicant and the declarant with the information required for defining whether goods in relation of which resolution on suspension of the release is passed are piratic or counterfeit.

285.2. The information presented to the applicant and the declarant is confidential and should not be revealed, transferred to any third parties except prescribed by law.

285.3. Upon permission of the customs authorities the applicant and the declarant or

their representatives have the right to take probes and samples of goods release of which has been suspended under the customs control and to examine them.

Article 286. Cancellation of resolution on suspension of release of goods

286.1. If after submission by the customs authority to the applicant notification about suspension of the release in time limits prescribed by Article 283.1 of this Code, there was no information in the customs authorities about the beginning of the trial on lawsuit of applicant, customs clearance and release of goods containing object of intellectual property shall be carried out in the order prescribed by this Code.

286.2. Trial procedure referred to in Article 286.1 of this Code should begin no later than 20 (twenty) working days of the date of submission of application to the court with notification about it the customs authority.

286.3. Where it is determined that goods are piratic and counterfactual, measures prescribed by legislation are taken in respect to them.

286.4. Resolution on suspension of release of goods shall be cancelled by the customs authorities prior to the expiry of time limits indicated in Article 283.1 of this Code in the following cases:

286.4.1. by request of the applicant to cancel decision on suspension of release;

286.4.2. exclusion from the register of goods containing object of intellectual property.

286.5. Resolution on suspension of release shall be cancelled by the chief of the customs authority passed this resolution or by the person representing him.

286.6. Cancellation of resolution on suspension of release of goods and release of goods do not impede application of the right-holder to other competent state bodies about protection of his rights in respect to protection of rights for object of intellectual property.

Article 287. Additional powers by the customs authorities on control on goods containing objects of intellectual property

287.1. Custom authorities have right to suspend release of goods, which are not listed in the register and contain object of intellectual property, and also goods not indicated in the application of the applicant, where the customs authorities discover that they are piratic or counterfeit, for time limit prescribed by Article 283.1 of this Code.

287.2. In cases prescribed by Article 287.1 of this Code, the customs authorities immediately notify the right-holder and the declarant, require from them provision of information necessary for the exact identification whether goods are piratic or counterfeit.

Article 288. Goods exempted from measures on protection of rights of intellectual property

The customs authorities shall not apply the measures prescribed by this Code to the goods conveyed across the customs border by natural persons or posted by international postal dispatches provided such goods are not intended for manufacturing

or any commercial activity.

Title XVI Conveyance of goods across the customs border by international postal dispatches, pipeline transport and power lines

Chapter 50. Conveyance of goods across the customs border by international postal dispatches

Article 289. International postal dispatches

289.1. International postal dispatches include the following:

- 289.1.1. postcards;
- 289.1.2. letters;
- 289.1.3. parcels;
- 289.1.4. special "M" bags
- 289.1.5. small packets;
- 289.1.6. packages;
- 289.1.7. cecograms.

289.2. International postal dispatches should be accompanied with the documents referred to in acts of the Universal Postal Union.

289.3. International postal exchange centres and offices shall be jointly determined by the relevant executive authorities.

289.4. Operators of postal service provide customs authorities on mutual agreement with office premises and necessary equipment for carrying out customs control and customs clearance at their own international postal exchange centres and offices.

289.5. Goods conveyed by international postal dispatches shall be under control of the customs authorities till completion of customs control and customs clearance and issue of official permission for their release.

Article 290. Peculiarities of conveyance of goods across the customs border by international postal dispatches

290.1. Prohibited for dispatch by international post are the following goods:

290.1.1. the goods prohibited for importation to and exportation from the customs territory in accordance with Article 214 of this Code.

290.1.2. the goods dispatch of which by post is prohibited in accordance with regulations of the Universal Postal Union.

290.2. In relation to the goods importation to and exportation from the customs territory of which is restricted by this Code or any other legislation or international treaties, the

senders or the recipients of the indicated goods (or the persons acting on behalf of the indicated persons) shall be obliged to submit the requisite permit during the customs clearance.

290.3. The goods, dispatched by international post in compliance with requirements established by law to the address of natural person and not intended for use in manufacturing or commercial purposes, are released from the customs duties and taxes and appliance to them measures of trade policy.

290.4. Operators of postal service carrying out shipment of international postal dispatches, the persons who shall be intermediaries in this process should present to the customs authorities international postal items for the customs control and the customs clearance.

290.5. Withdrawal of goods prohibited or restricted to the importation to or exportation from the customs territory by international postal dispatches (in case of absence of the requisite permission document), shall be carried out by the customs authorities pursuant to regulations of the Universal Postal Union and this Code.

290.6. Operators of postal service carrying out international postal dispatches, intermediaries in this process, shall be responsible pursuant to legislation for disposal of international postal dispatches to the recipient without permission of the customs authorities.

Article 291. Customs clearance of goods posted by international postal dispatches

291.1. The customs clearance of goods posted by international postal dispatches accompanied with the documents prescribed by acts of the Universal Postal Union shall be carried out in accordance with this Code in the order jointly established by the relevant executive authorities.

291.2. Customs clearance of the goods dispatched by international post, in relation to which customs declaration is presented, shall be carried out at international exchange postal centres and offices.

291.3. Customs clearance of audio, video recording and information on magnetic and other carriers shall be carried out following the customs control with appliance of special technical means of control.

Article 292. Declaration of goods sent by international postal dispatches

292.1. At dispatch by international postal dispatches of goods intended for commercial and manufacturing purposes such goods shall be liable to declaration through submission of customs declaration pursuant to regulations regarding declaration of goods of this Code.

292.2. With regard to goods dispatched by international post accompanied with the documents prescribed by regulations of the Universal Postal Union containing information essential for the customs authorities, submission of the customs declaration shall not be required.

Chapter 51. Conveyance of goods across the customs border by pipeline and electric power lines

Article 293. Conveyance of goods across the customs border by pipeline

293.1. Goods importation to and exportation from the customs territory of which is carried out by pipeline shall be conveyed across the customs border following acceptance of the customs declaration and release of goods in compliance with the requirements of the declared customs procedure.

293.2. The incomplete declaration shall be submitted when declarant is not able to submit the customs declaration because of the following reasons:

293.2.1. absence of the consignment on the date of submission of the customs declaration which should virtually be presented to the customs services;

293.2.2. impossibility of defining the quantity, quality of goods and their price on the date of submission of customs declaration.

293.3. At placing under chosen customs procedure, virtual declaration of the goods, conveyed by pipeline, to the customs authorities is not required.

293.4. Prior to the placing under the chosen customs procedure of goods conveyed by pipeline, they may be stored in reception points provided that they are not placed under special customs procedure of temporary storage. Administration of these goods including their disposal and use is not allowed.

293.5. Depending on technological peculiarities of transportation, properties and characteristics of goods conveyed through pipeline, their mixing as well as change of quantity shall be permissible provided that they comply with the requirements of regulatory legal acts.

293.6. Rules of carrying out the customs control of goods conveyed across the customs border through pipeline shall be established by the relevant executive authority.

Article 294. Appliance of measures of trade policy prescribed by the legislation in respect to the goods conveyed across the customs border through pipeline.

On the date of acceptance of the incomplete declaration in relation to the goods conveyed across the customs border through pipeline, measures of trade policy prescribed by the current legislation shall be applied.

Article 295. Conveyance of goods across the customs border via electric power lines.

295.1. Importation to and exportation from the customs territory of goods through electric power lines shall be carried out following a preliminary permission by the customs authorities.

295.2. Customs clearance of goods conveyed across the customs border through

electric power lines shall be carried out by way of submission of a customs declaration.

295.3. The incomplete declaration shall be submitted where customs declaration cannot be submitted due to the following reasons:

295.3.1. absence of the consignment on the date of submission of the customs declaration which should virtually be presented to the customs services;

295.3.2. impossibility of defining the quantity, quality of goods and their price on the date of submission of customs declaration

295.4. ~~An entry (exit) summary declaration~~ *Incomplete declaration* in relation to the goods, conveyed across the customs border through electric power lines, shall be submitted to the customs authority within a month preceding the quarter of supply.

295.5. Rules of carrying out customs control on goods conveyed across the customs border through electric power lines are established by the relevant executive authority. Customs clearance of goods, conveyed across the customs border through electric power lines, shall be concluded by the submission of customs declaration in terms indicated in the mentioned rules.

Article 296. Identification of goods conveyed across the customs border by pipeline and via electric power lines

296.1. Means of identification in respect to the goods conveyed across the customs border through pipeline and electric power lines shall not be applied.

296.2. Article 296.1 of this Code shall not impede customs authorities from determining quantity, quality and other characteristics of goods, using information, contained in the relevant documents and meter readings for customs purposes.

Article 297. Conveyance of internal goods through pipeline and electric power lines between two customs authorities situated on the customs territory across the territory of foreign countries

Conveyance of internal goods through pipeline and electric power lines between two customs authorities situated on the customs territory across the territory of foreign countries shall be regulated in accordance with requirements of Article 175 of this Code.

Article 298. Customs clearance of goods mutually conveyed by pipeline transport and electric power lines

Customs clearance of goods mutually conveyed through pipeline transport and electric power lines shall be regulated in accordance with requirements and terms prescribed by international treaties.

Title XVII. Conveyance of goods and means of transport across the customs border by natural persons

Chapter 52. Peculiarities of conveyance of goods and means of transport across the customs border by natural persons

Article 299. Rules of conveyance of goods across the customs border by natural persons

299.1. Goods, except prohibited to the importation to and exportation from the customs territory pursuant to Article 214 of this Code, Act of the Republic of Azerbaijan 'List of commodity, civil circulation of which is not permissive (goods withdrawn from the civil circulation)', not intended for manufacturing or commercial purposes, shall be conveyed by natural persons across the customs border in concessional and simplified order, established by the relevant executive authority.

299.2. The purpose of goods shall be determined proceeding from their nature, quantity, as well as frequency of conveyance of goods with consideration of all circumstances of travel of the natural person and if it is certain that goods are conveyed across the customs border with purpose of personal use and consumption by the natural person and family members.

299.3. During conveyance by natural persons of the goods intended for manufacturing and commercial purposes across the customs border general rules of customs clearance established by this Code shall be applied.

299.4. Natural person has a right to appeal to the customs authority in writing *as well as in electronic* with purpose of preliminary determination of classification, customs value, country of origin and amount of customs payments in respect to the goods which he intends to convey across the customs border. On the grounds of indicated appeal in accordance with Article 50 of this Code resolution regarding determination of classification of goods, their customs value and country of origin, amount of customs payments, the implementation of which required for by the customs authorities shall be passed.

Article 300. Declaration of the goods conveyed by natural persons across the customs border

300.1. For use of simplified declaration of goods conveyed across the customs border by natural persons, customs checkpoints apply dual-channel system- "Green channel" and "Red channel".

300.2. "Green channel" entry system shall be intended for the verbal declaration of goods by natural persons (except for goods conveyed in unaccompanied baggage and sent by post).

300.3. "Red Channel" system shall be intended for simplified declaration of the goods to be submitted in writing.

300.4. Natural persons shall convey the merchandise, to be declared in writing, across the customs border through the application of the Red Channel mechanism stated in Article 300.3 of this Code for the submission of the simplified declaration.

300.5. The list, and procedures for declaration and customs clearance of the goods, to be declared in writing for their conveyance by natural persons across the customs border, shall be determined by the relevant executive authority.

300.6. Where goods subject to declaration in writing are conveyed by minor natural person across the customs border, stated goods shall be declared by his attendant.

300.7. While conveying the goods, not intended for manufacturing or commercial purposes, in hand luggage and (or) accompanied baggage across the customs border, natural persons shall submit the simplified declaration in parallel with the presentation of the goods thereof to the customs authorities.

300.8. Simplified declaration for the goods imported into the customs territory in unaccompanied baggage shall be submitted within the period of time defined by in Article 149.3. of this Code, while the simplified declaration for the goods exported from the customs territory in unaccompanied baggage shall be submitted in parallel with the presentation of the goods to the customs authority.

300.9. Goods contained in the unaccompanied baggage may be declared by the person conveying the goods or by his representative. The declarant shall bear responsibility for the accuracy of the information about the goods which he has declared to the customs authorities.

300.10. The goods contained in the unaccompanied baggage and belonging to a minor shall be subject to declaration by his parents, adoptive parents, tutors, trustees or other persons acting by attorney of the stated persons.

Article 301. Payment of customs duties and taxes by natural persons

301.1. Natural persons shall pay customs duties and taxes by bank, post transfer or credit (debit) card upon submitting a written declaration from for the goods conveyed across the customs border.

301.2. Whenever the clearance of the goods, conveyed across the customs border by natural person, is not finalized due to the failure to pay the customs duties and taxes or the failure to submit the relevant authorization for the conveyance, across the customs border, of the goods on which restrictions were imposed pursuant to Article 215 of this Code, the law of the Azerbaijan Republic "On the list of items (with limited civil circulation) that could belong to certain civil circulation participants and be permitted for circulation on the basis of a special permit" and decisions by the relevant executive authorities, the natural person thereof shall choose to either send the corresponding goods back from the customs area or place them in a customs warehouse.

Article 302. Customs value of goods conveyed by natural persons across the customs border

302.1. Customs value of goods shall be stated in the course of their declaration by natural persons who convey the goods across the customs border. For verification of the declared customs value of goods, natural person shall submit relevant documents (receipt, invoice, etc.) certifying the acquisition of the goods to the customs authority.

302.2. To verify accuracy of declared customs value of goods, the customs authorities may use price information of catalogues of foreign organizations implementing disposal of goods or other sources available to the customs authorities.

Article 303. Country of origin of goods conveyed by natural persons across the customs border

Country of origin of goods conveyed by natural persons across the customs border shall be defined by label (tag), passport of goods and other documents containing information pertaining to the origin of goods.

Article 304. Privileged and simplified order of conveyance of goods by natural persons across the customs border

304.1. The conveyance of the goods through the Green Channel shall have the preferential status, implying the exemption from the customs procedures and customs payments, as well as from the application of trade policy measures provided for in this Code for the purpose of customs clearance. The use of the Green Channel by a natural person for the conveyance of his goods across the customs border shall be regarded as the non-availability of the goods, subject to written declaration, in his luggage or accompanied baggage and as a verbal declaration of the goods thereof to the customs authorities.

304.2. Random customs inspection shall be carried out with regard to the goods conveyed by natural persons across the customs border. Where the customs inspection reveals goods subject to written declaration, natural person should present declaration and pay the relevant customs payments thereof goods.

304.3. Conveyance of the goods through Red Channel system shall be in simplified order, implying exemption of goods from customs procedures pursuant to this Code in the course of customs clearance, except imposing customs duties and taxes and application of trade policy measures.

304.4. Goods restricted to importation into the customs territory and exportation from this territory pursuant to Article 215 of this Code, the Law of the Republic of Azerbaijan "On the list of items (with limited civil circulation) that could belong to certain civil circulation participants and be permitted for circulation on the basis of a special permit" and decision by the relevant executive authority, shall be conveyed across the customs border on the basis of appropriate permission documents.

304.5. Natural persons may reject to apply simplified order of conveyance of goods across the customs border. In this case general rules of conveyance of goods across the customs border pursuant to this Code shall be applied.

Article 305. Temporary importation into the customs territory and exportation from this territory of goods by natural persons

305.1. Resident natural persons may temporarily export goods from the customs territory for their personal use for terms of their temporary stay at the territory of foreign country and import them back with full exemption from customs duties, taxes, and non-application of trade policy measures.

305.2. The goods required for the personal use of non-resident natural persons and citizens of the Republic of Azerbaijan with permanent residence outside its customs territory during their sojourn in the customs territory may be imported into the customs

territory thereof on condition of full exemption from customs duties and taxes and non-application of trade policy measures.

305.3. Period of temporary stay at the customs territory or out of this territory of goods temporarily imported into the customs territory and exported from this territory in privileged order by natural persons shall be defined on the basis of duration stay of the natural person at the customs territory in question. The relevant executive authority shall define time limit for stay in the customs territory in question of certain category of goods temporarily imported into the customs territory by a natural person under privileged terms.

305.4. Temporary exportation and importation of the goods, to be declared in writing, into and out of the customs territory by a natural person under simplified procedures shall fall under the simplified declaration.

305.5. Temporarily imported and temporarily exported goods must be sent back in an unchanged state except cases of natural wear or natural loss.

305.6. Customs clearance of reverse export and reverse import of temporarily imported and temporarily exported goods may be realized at any customs body.

Article 306. Temporary importation and temporary exportation of means of transport by natural persons

Pursuant to provisions of this Code natural persons may temporarily export from the customs territory or temporarily import into this territory means of transport belonging to them or passed for their temporary use in privileged and simplified order defined by the relevant executive authority.

Title XVIII. Customs privileges for certain categories of non-residents

Chapter 53. Customs privileges for representative offices of foreign countries and their staff as well as other non-residents

Article 307. Customs privileges for diplomatic missions of foreign countries

307.1. Diplomatic missions of foreign countries in the Republic of Azerbaijan abiding by rules of conveyance of goods and means of transport across the customs border may import into the customs territory and export from this territory goods and means of transport intended for the official use of missions with exemption from customs duties, taxes and other customs payments.

307.2. Article 307.1. of this Code shall not apply to payments for storage, and the customs payments for the customs control, to be exercised of the merchandise and means of transportation beyond normal working hours and workplace in accordance with Article 232.2 of this Code.

Article 308. Customs privileges for the heads and members of staff of diplomatic missions of foreign countries

308.1. Heads and members of staff of diplomatic missions of foreign countries as well as members of their families with whom they live may import into the customs territory and

export from this territory goods and means of transport intended for their personal use abiding by defined order of conveyance of goods and means of transport across the customs border with exemption from customs duties, taxes and other customs payments.

308.2. Personal luggage belonging to the heads and members of staff of diplomatic missions of foreign countries and members of their families residing with them shall be exempted from the customs inspection.

308.3. In case of sufficient grounds to suppose that personal luggage of heads and members of staff of diplomatic missions of foreign countries, as well as members of their families residing with them contain goods not intended for their personal use, importation or exportation of which is prohibited, restricted pursuant to this Code, relevant legislation and international agreements, the customs authorities shall conduct the customs inspection in the presence of persons thereof or their authorized representatives.

Article 309. Customs privileges for the administrative and operating personnel of diplomatic missions of foreign countries

309.1. The administrative and operating personnel of diplomatic missions of foreign countries and members of their families residing with them (where the personnel and members of their families do not have the status of citizens of the Republic of Azerbaijan and do not reside permanently in the Republic of Azerbaijan) may import goods intended for their personal use into the customs territory with exemption from customs payments.

309.2. Article 309.1. of this Code shall not apply to payments for storage and the customs payments for the customs control of the goods and means of transportation to be exercised beyond normal working hours and workplace in accordance with Article 232.2 of this Article.

Article 310. Application of customs privileges granted to diplomatic staff of missions of foreign countries to the administrative and operating personnel and support staff

Pursuant to international agreements concluded with foreign countries, privileges granted by this Code to members of diplomatic staff of missions of foreign countries may also apply, to their administrative and operating personnel and support staff, as well as members of their families who do not have the status of citizens of the Republic of Azerbaijan or do not reside permanently in the Republic of Azerbaijan, provided reciprocity is observed in respect of each country.

Article 311. Customs privileges to consular missions of foreign countries and their staff

311.1. Consular missions of foreign countries, their heads, other officials and employees, as well as members of their families (where the staff and their family members do not have the status of citizens of the Republic of Azerbaijan and do not reside permanently in the Republic of Azerbaijan) shall be granted customs privileges in respect of customs payments in the order pursuant to this Code as granted to diplomatic missions of foreign countries or the relevant staff of diplomatic mission.

311.2. On the basis of international agreements concluded with foreign countries, the

privileges established in this Code for the diplomatic staff of missions of foreign countries may also apply, on condition of mutuality with every state, to the operating personnel of consular missions and members of their families without the status of citizens of or permanent residence in the Republic of Azerbaijan.

Article 312. Conveyance of diplomatic mail and consular valise (bag) of foreign countries across the customs border

312.1. Diplomatic mail and consular valise of foreign countries conveyed across the customs border shall be subject neither to disclosure nor to delay.

312.2. In case of sufficient grounds to suppose that consular valise contains the items not stated in Article 312.4 of this Code, customs officials demand authorized officials of foreign country to disclose the consular valise. In case of rejection of fulfilling this demand the consular valise shall be sent back unopened.

312.3. The diplomatic mail and consular bag shall have characteristic and visible external signs everywhere where such mail or bag is present.

312.4. Diplomatic mail may include only diplomatic documents and goods intended only for official use, while consular valise may contain only official correspondence and documents or goods intended exclusively for official use.

Article 313. Customs privileges for foreign diplomatic and consular couriers of foreign countries

313.1. Diplomatic and consular couriers of foreign countries may import into the customs territory and export from this territory goods intended for personal use with exemption from customs control and customs payments on the basis of reciprocity.

313.2. Article 313.1 of this Code shall not apply to payments for storage, and the customs payments for the customs control, to be exercised of the merchandise and means of transportation beyond normal working hours and workplace in accordance with Article 232.2 of this Code.

Article 314. Customs privileges for representatives and members of delegations of foreign countries

The customs privileges provided in this Code for the staff of diplomatic missions of foreign countries shall apply to representatives, members of parliamentary and governmental delegations of foreign countries visiting the Republic of Azerbaijan with the purpose of participation in intergovernmental negotiations, international conferences, seminars, consultations, or on another official mission, and, on condition of mutuality, to the staff of the delegations of foreign countries. These privileges shall also apply to the accompanying members of families of the above- mentioned persons.

Article 315. Customs privileges for diplomatic missions of foreign countries, officials of consulates and their family members crossing the customs territory by transit

Diplomatic staff of foreign countries, consular service officials, members of their families as well as persons stated in Article 314 of this Code crossing the customs territory by

transit shall be granted with customs privileges prescribed by this Code for staff of diplomatic missions of foreign countries.

Article 316. Customs privileges for international, interstate and intergovernmental organizations, missions of foreign countries, as well as for employees of these organizations and missions

Customs privileges for international interstate and intergovernmental organizations, their subordinate representations of foreign countries, the staff of the organizations and representations thereof and members of their families shall be determined pursuant to the corresponding international agreements.

Title XIX. Maintenance of customs statistics and goods nomenclature of foreign trade

Chapter 54. Maintenance of customs statistics

Article 317. Customs statistics of foreign trade

317.1. The customs authorities shall keep the customs statistics of foreign trade through the collection, analysis and electronic processing of the information on the conveyance of goods across the customs border, to analyse the current status and dynamics of, as well as development trends in and perspectives for foreign trade of the Republic of Azerbaijan, and to exercise control over the remittance of customs payments to the state budget, and to carry out currency and export control.

317.2. Information on customs statistics of foreign trade in the Republic of Azerbaijan shall be submitted to the Milli Majlis (Parliament), Central Bank and relevant executive authorities of the Republic of Azerbaijan.

317.3. Pursuant to this Code and legislation on official statistics, the customs statistics of foreign trade shall be kept to the methodology that ensures comparability of data on foreign trade relations.

317.4. A relevant executive authority may submit the information on customs statistics to international organizations, in the order determined by international treaties and law.

317.5. The customs statistics of foreign trade shall be published by a relevant executive authority in the order and time frame established by a relevant executive authority.

Article 318. Specific customs statistics

318.1. For the purposes of implementation of their authorities customs authorities shall keep specific customs statistics.

318.2. Rules for keeping specific customs statistics shall be defined by the relevant executive authority.

318.3. Customs authorities may use specific customs statistical data for customs purposes only.

Chapter 55. Maintenance of goods nomenclature of foreign economic activity

Article 319. Goods nomenclature of foreign economic activity

319.1. Good nomenclature of **foreign economic activity** is a classification that involves the code- or code group-based breakdown of the commodities by chapter, heading, subheading and tariff item.

319.2. The rules of explanation for and comments (notes) concerning the positions at any level of goods nomenclature for foreign economic activities shall be integral part of the goods nomenclature for foreign economic activities.

319.3. Goods nomenclature for foreign economic activities shall be employed to apply tariff and non-tariff measures and to keep the customs statistics of foreign trade.

319.4. The goods nomenclature for foreign economic activities employed in the Republic of Azerbaijan shall correspond to the Harmonized Commodity Description and Coding System (HS) of the World Customs Organization, the Combined Nomenclature (CN) of the European Union, and the Unified Commodity Nomenclature of foreign economic activities of the Commonwealth of Independent States.

319.5. Goods nomenclature for foreign economic activities shall be adopted by the relevant executive authority.

Article 320. Maintenance of goods nomenclature for foreign economic activities

320.0. For the purposes of maintenance of goods nomenclature for foreign economic activities, the relevant executive authority:

320.0.1. ensures observance of *and prompt application in customs administration of the* amendments and additions to international principles of goods nomenclature for foreign economic activities, as well as the observance of international comments (notes) and decisions concerning the interpretation of these principles;

320.0.2. develops proposals on adjustment of goods nomenclature for foreign economic activities to its international principles;

320.0.3. provides preparation of proposals in collaboration with the relevant executive authorities on developing, amending and altering the goods nomenclature for foreign economic activities;

320.0.4. represents the Republic of Azerbaijan in international organizations working on the development of, introduction of amendments to and alterations in international principles of goods nomenclature for foreign economic activities, and interpretation and practical application of the goods nomenclature thereof;

320.0.5. ensures publication of goods nomenclature for foreign economic activities;

320.0.6. ensures publication of goods nomenclature for foreign economic activities, international comments (notes) and decisions on interpretation of the international principles of goods nomenclature thereof;

320.0.7. provides the relevant executive authorities with goods nomenclature for foreign economic activities, as well as with international explanation and decisions concerning its interpretation;

320.0.7.1 ensures comprehensive description of the type of goods based on goods

nomenclature for foreign economic activities

320.0.8. ensures implementation of other functions required for maintenance of goods nomenclature for foreign economic activities.

Article 321. Classification of goods

321.1. The goods shall be classified for declaration, i.e. their goods classification code(s) for foreign economic activities shall be identified.

321.2. Upon request of interested persons customs authorities make binding preliminary decisions on classification of goods in accordance with Article 50 of this Code.

321.3. If the declarant fails to correctly indicate the commodity classification code of foreign economic activity of the goods declared, the customs authorities shall have the right to arbitrary classification of the goods thereof.

321.4. While classifying the goods, the customs authorities shall employ the code(s) that are compliant with the goods nomenclature for foreign economic activities. Information indicated in the shipping documents, as well as certificates, statements, expert reports issued by the authorities implementing expert activity shall be regarded as supplementary information and considered during the classification of goods.

321.5. Decisions of the customs authorities on classification of goods shall be binding. Declarant, other persons, authorized in respect to goods may appeal against these decisions in the order determined by Chapter 19 of this Code.

Title XX. Customs expertize

Chapter 56. Customs expertize

Article 322. Purpose and rules of conducting customs expertize

322.1. Purpose of conduction of customs expertize shall be:

322.1.1. identification of composition and technical specifications of goods;

322.1.2. identification of the designation and classification code of the goods, in accordance with the goods classification for foreign economic activities;

322.1.3. identification of country of origin, production rate during processing, production date and quality of goods;

322.1.4. control of dual purpose goods subject to export control;

322.1.5. identification of chemical and mineral composition of goods;

322.1.6. identification of ecologically dangerous goods, goods and waste products containing ozone depleting substances;

322.1.7. identification of goods constituting radiation threat;

322.1.8. identification of customs value of goods;

322.1.9. identification of value of goods from point of view of history and art.

322.2. Customs expertise shall be carried out in case of need for special knowledge and skills to bring clarity to what has been stated in Article 322.1 of this Code, while exercising customs control and clearance of the goods, as well as making binding decisions on

classification of goods.

322.3. Customs expertize shall be carried out as well as upon request of a person.

322.4. Customs expertize shall be conducted by experts of customs laboratories or other experts to be involved on a contractual basis.

322.5. Customs expertize shall start on the basis of the document (dispatch note) by customs authorities concerning the goods to be sent to customs expertize, or at the request of the persons concerned, at the stage of customs control or clearance, or the issuance of binding decision.

322.6. Whenever required to carry out a complex expert investigation, a commission expertize, to be assigned to several experts with the same level of qualification, shall be conducted on the basis of a decision by the chief of the customs laboratory.

322.7. An integrated expertize shall be carried out on condition that what has been stated in Article 322.1 of this Code can be identified through the conduct of several investigations, in accordance with various methods, in different areas of knowledge and science or within one particular field of knowledge only.

322.8. A document (dispatch note) by customs authorities concerning the goods, to be sent to customs expertize shall contain the following:

322.8.1. purposes of customs expertize;

322.8.2. name of the customs laboratory where customs expertize is to be conducted;

322.8.3. questions to be put forward to the expert;

322.8.4. list of materials and documents submitted for expert's consideration;

322.8.5. warning to the expert on responsibility for delivering deliberately false opinion

322.9. Customs official shall send a written notification about the referral of the goods to customs expertize to the declarant, other persons-in-charge of the goods or their representatives. The notification shall contain the rights and obligations of the persons thereof. Customs official shall take relevant notes in the decision on providing the declarant, other persons-in-charge of the goods or their representatives with the explanation of their respective rights and obligations.

322.10. Customs fees shall be collected, in the amount fixed by the relevant executive authority, from the declarant, other persons-in-charge of the goods or their representatives for their initiative to conduct customs expertize related to customs control and clearance.

322.11. The costs associated with the customs expertize, to be conducted at the initiative of customs authorities, shall be covered at the expense of the state budget funds.

322.12. Customs expertize shall be conducted in the premises of customs laboratory except cases on impossibility to deliver the object of research to the customs laboratory. Expert may start customs expertize only by written instruction of the chief of customs laboratory.

322.13. An expert provides an opinion concerning the findings of the customs expertize.

322.14. While conducting the customs expertize, the probes and samples concerning the goods shall be collected in accordance with Article 158 of this Code.

322.15. Rules of conduct of customs expertize shall be defined by the relevant executive authority.

Article 323. Rights and obligations of an expert

323.1. The expert shall have the following rights:

323.1.1. to become familiar with materials and documents relating to the object of research;

323.1.2. to request additional materials and documents necessary to conduct customs expertize;

323.1.3. to put questions to the customs officials, the declarant, other persons-in-charge of the goods or their representatives to clarify data pertaining to the object of research;

323.1.4. to indicate in his opinion other cases pertaining to the object of inquiry and which he deems important for the expertize, in addition to the questions raised;

323.1.5. ~~to decline the questions that do not relate to his terms of reference;~~

323.1.6. ~~to decline to conduct customs expertize where corresponding opinion cannot be formed on the basis of the materials and documents submitted;~~

323.1.7. to participate, with permission of the customs authorities, in implementation of customs control.

323.2. The expert shall have the following responsibilities:

323.2.1. to advise persons on customs expertize;

323.2.2. to study probes and samples of goods submitted to the customs expertize and give conclusion on the basis of full, comprehensive and impartial estimation of results of investigations;

323.2.3. where the expert's opinion cannot be formed on the basis of the materials and documents submitted, to send a written notice, with arguments relevant to the case, to the customs authority who has assigned the customs expertize or the person who has requested the expertize thereof;

323.2.4. to not disclose the information about received or obtained outcomes from customs authorities or other persons to conduct the customs expertize.

323.2-1. If the questions put forward are not related to expert's specific knowledge or materials and documents are unfit or not sufficient for giving opinion the expert refuses to give opinion.

323.3. The expert shall bear legal responsibility for the failure to perform his respective duties in accordance with the established procedure, and for the provision of deliberately false opinion.

Article 324. Rights of declarant, other persons-in-charge of the goods or their representatives in the course of customs expertize

324.1. The declarant, other persons-in-charge of the goods or their representatives in

the course of customs expertize have the following rights:

- 324.1.1. to raise a grounded objection to the expert;
- 324.1.2. to make a request for the assignment of a particular expert;
- 324.1.3. to make a request for additional questions to be put to or the feedback to be provided on them by the expert;
- 324.1.4. to take part in the expertize and give explanations to the expert;
- 324.1.5. to take probes and samples of the goods;
- 324.1.6. to become familiar with the expert's opinion or information on the expert's failure to submit the opinion, and to obtain a copy of the opinion thereof;
- 324.1.7. to make a request for additional expertize or re-expertize.

324.2. In case of provision of the request of the declarant, other persons-in-charge of the merchandise or their representatives, the customs official who has assigned the customs expertize shall make an appropriate decision. Where the request is withheld, the customs official shall provide a written notification about the reasoned refusal decision for the requestor.

Article 325. Statement of the expert

325.1. The expert shall produce his written statement on the basis of the examinations conducted and taking their findings into consideration.

325.2. The expert's statement shall contain the information about the content and findings of the examination and its estimation, as well as substantiated answers to the questions raised, by indicating the purpose, date, place, subject of the examination in question, who conducted it and on what grounds, the questions put forward to the expert, the list of materials and documents submitted for expert's consideration, and the methods applied.

325.3. In case of divergence of opinions among the experts in the course of the commission expertize specified in Article 322.6 of this Code, every expert shall retain the right to produce their separate statements.

325.4. In the course of integrated expertize specified in Article 322.7 of this Code, every expert shall sign the part of the statement that pertains to his terms of reference.

Article 326. Additional customs expertize and re-expertize

326.1. Where expert fails to provide the full answer to the questions raised or new questions arise about the subject of inquiry, an additional expertize shall be assigned to the expert thereof or another expert.

326.2. Re-expertize shall be assigned to another expert in case of failure to substantiate or doubt of customs authorities about the accuracy of the expert's opinion, or pursuant to the complaint lodged by the declarant and other persons authorized to deal with the goods.

Title XXI. Disposal of goods and means of transport and use of the received proceeds.

Chapter 57. Disposal of goods and means of transport

Article 327. Conversion of goods and means of transport into the state property

327.1. Pursuant to the effective court decision on criminal cases and other offences in the field of customs, the goods and means of transportation that have been seized or those renounced by a person in favour of the State shall be transferred to public ownership.

327.2. Rules of transfer of goods and means of transport indicated in Article 327.1 of this Code to public ownership shall be defined by the relevant executive authority.

Article 328. Rules of disposal of goods and means of transport transferred to public ownership

328.1. The goods and means of transport transferred to public ownership shall be sold by public auction.

328.2. A fee established by the relevant executive authority, shall be fixed for participation in customs auction. An initial (starting) price of the goods and means of transport slated for sale by customs auction shall be determined on the basis of free (market) price.

328.3. The costs associated with the conveyance, storage and sale of the goods and means of transport transferred to public ownership shall be covered through the proceeds from the sale of the goods and means of transport thereof.

328.4. The staff of customs authorities and institutions accountable to the relevant executive authority, as well as members of their families may not purchase, directly or indirectly (through other persons), the goods and means of transport transferred to public ownership.

328.5. The rules for sale by customs auction of the goods and means of transport transferred to public ownership shall be established by the relevant executive authority.

Article 329. Deductions for the deficient amount

Where the proceeds from the sale by customs auction of the goods and means of transport transferred to the public ownership are not enough to cover the costs of customs authorities, the amount of deficiency shall be deducted from persons responsible for the payment of customs payments referred to as in Article 245 of this Code.

Article 330. Disposal of the goods not allowed for civil circulation or allowed with

limited civil circulation, unsold, perishable or expired goods

330.1. The list of goods not allowed for civil circulation or allowed with limited civil circulation shall be prescribed by a relevant law, while the list of perishable goods shall be determined by the relevant executive authority.

330.2. The relevant executive authority shall establish the procedures for the disposal of goods transferred to public ownership and unrealized following the customs sale by auction or not subject to or allowed for limited civil circulation or perishable or expired goods.

Article 331. Destruction of goods

331.1. The goods submitted to the customs authorities may be destroyed in cases and order defined by the relevant executive authority.

331.2. Destruction of the goods and elimination of the corresponding waste shall be carried out under customs control and at the expense of the owner (possessor) of the goods thereof.

331.3. Customs duties and taxes and trade policy measures shall not apply to foreign goods that are destroyed.

331.4. Customs duties and taxes shall apply to the waste or residue accumulation as a result of destruction of the goods provided that the waste and residue thereof is used in the domestic market or re-exported afterwards.

Article 332. Refusal from goods in profit of state

332.1. The foreign goods and the goods under the end-use special customs procedure may be rejected in profit of state by the executor of the procedure or the owner (possessor) of the goods in question.

332.2. Rejection in profit of state shall be carried out in accordance with the procedure established by the relevant executive authority and with the permission of customs authority.

332.3. Rejection in profit of state shall not incur any costs to be covered by the State.

332.4. The goods rejected in profit of state shall not be subject to customs duties and taxes and trade policy measures.

Chapter 58. Use of the proceeds obtained in accordance with this Code

Article 333. Remittance of customs duties, state dues, value-added tax, road tax and excises collected by the customs authorities to the state budget

Customs duties, state dues, value-added tax, road tax and excises collected by the customs authorities shall be remitted to the state budget in accordance with the procedures stipulated in this Code and relevant legislative acts.

Article 334. Other funds

334.1. Proceeds from the sale of, penalties imposed on, and customs payments, stipulated by 224.1.5. and 224.1.6 of this Code, for the goods and means of transport transferred to public ownership, pursuant to court decisions on the crimes in the field of customs that were exposed by customs authorities and the cases involving administrative offences against customs procedures, shall be remitted to the accounts of the relevant executive authorities and shall be spent on strengthening of social defense of workers of the relevant executive bodies, as well as enhancing material and technical resources and social facilities of the establishments under the customs authorities and relevant executive authority, as well as on further building the technological capacity and upgrading research activities in the field of customs, including the investigation into the introduction of customs regulation tools and the study of internationally accepted new methods and practices. Distribution and rules for use of these funds are defined by relevant executive authority.