

Decree of the President of the Republic of Azerbaijan

On approval of «Guidelines for use of «Green corridor» and other release systems for transportation of goods and vehicles across the customs border»

Guided by paragraph 32 of Article 109 of the Constitution of the Republic of Azerbaijan in accordance with the Order No. 1853, dated March 4, 2016 of the President of the Republic of Azerbaijan «On Additional Measures to Continue the Reforms in the Customs System», I hereby decide:

1. To approve «Guidelines for use of «Green corridor» and other release systems for transportation of goods and vehicles across the customs border» (attached).
2. The Cabinet of Ministers of the Republic of Azerbaijan:
 - 2.1. to draft their recommendations as to bringing the Customs Code of the Republic of Azerbaijan, other laws of the Republic of Azerbaijan and acts of the President of the Republic of Azerbaijan in conformance with the present Decree and submit them to the President of the Republic of Azerbaijan within two months;
 - 2.2. to ensure bringing the normative legal acts of the Cabinet of Ministers of the Republic of Azerbaijan in conformance with this Decree and inform the President of the Republic of Azerbaijan within two months;
 - 2.3. to keep control over bringing the normative legal acts of central executive bodies in conformance with this Decree and inform the President of the Republic of Azerbaijan within three months of execution of this task;
 - 2.4. to provide funding for the establishment of an appropriate infrastructure in connection with the application of the release systems stipulated in the Guidelines approved by this Decree;
 - 2.5. to resolve other issues arising from the present Decree.
3. The Ministry of Justice of the Republic of Azerbaijan to ensure bringing the normative legal acts and normative acts of central executive bodies in conformance with this Decree to and inform the Cabinet of Ministers of the Republic of Azerbaijan.
4. The State Customs Committee of the Republic of Azerbaijan to take measures for the establishment of an appropriate infrastructure within two months in connection with the application of the release systems stipulated in these Guidelines.
5. The Guidelines approved by this Decree shall take effect from August 1, 2016.

Ilham ALIYEV

The President of the Republic of Azerbaijan

Baku city, May 21, 2016

No. 920

*Approved
by the Decree of the President
of the Republic of Azerbaijan
No. 920, dated May 21, 2016*

Guidelines for use of the «Green corridor» and other release systems for transportation of goods and vehicles across the customs border

1. General Provisions

1.1. «Guidelines for use of «Green corridor» and other release systems for transportation of goods and vehicles across the customs border» (hereinafter referred to as the «Guidelines») were prepared in connection with implementation of paragraph 3.2 of Order No. 1853, dated March 4, 2016 of the President of Republic of Azerbaijan «On Additional Measures to Continue the Reforms in the Customs System and regulate relations related to simplification of customs clearance of goods and vehicles released through the customs border checkpoints».

1.2. The purpose of these Guidelines is to provide a more flexible and transparent implementation of customs clearance and development of official - entrepreneur relations based on modern governance principles, including predicting the level of danger that may arise, using the capabilities of automated electronic information system (hereinafter referred to as «electronic system») based on results of the risk assessment, further optimization of application of customs control forms for import-export procedures.

1.3. All the processes related to the risk assessment and division of the importer for the risk groups provided by these Guidelines, and the application of release systems and customs control measures are carried out via electronic system without the official - entrepreneur contact.

1.4. The State Customs Committee of the Republic of Azerbaijan (hereinafter referred to as «Committee») provides generalized information on its official website, at least once a month, regarding the use of release systems in risk groups, during foreign trade operations.

1.5. The main terms used in these Guidelines mean as follows:

1.5.1. «Green corridor»— means a release system intending the release of goods and vehicles to the customs territory in accordance with the customs procedure without physical inspection, in accordance with the customs control and risk

assessment results carried out on the basis of a summary import declaration submitted in electronic form in advance, through information sharing and implementation of registration operations established by customs legislation at customs border checkpoints;

1.5.2. «Blue corridor» — means a release system intending application of customs control forms after release of goods and vehicles to the customs territory in accordance with the customs procedure without physical inspection, in accordance with the customs control and risk assessment results carried out on the basis of a summary import declaration submitted in electronic form in advance, through information sharing and implementation of registration operations established by customs legislation at customs border checkpoints;

1.5.3. «Yellow corridor» — means a release system intending verification of existence of data, documents in soft or hard copies, as well as veterinary, phytosanitary, hygienic and other certificates issued in advance by the exporting country in accordance with the principle of equivalence established by international treaties to which the Republic of Azerbaijan is a party, *food safety certificate with regard to food products, extract from state registry on food safety registration of their producers*, a special permit issued for the circulation of goods with a limited civil turnover in respect of goods and vehicles released from the customs border checkpoints in accordance with the customs control and risk assessment results carried out on the basis of a summary import declaration submitted in electronic form in advance, and those goods and vehicles being accompanied by legal documents, and application of customs control forms;

1.5.4. «Red corridor» — means a release system intending verification of information and documents required, as well as goods and vehicles, and a person in case of necessity for customs purposes, in accordance with the customs control and risk assessment results carried out on the basis of a summary import declaration submitted in electronic form in advance;

1.5.5. customs control — the measures taken by the customs authorities with a view to ensuring compliance with customs legislation;

1.5.6. risk — the probability of failure to comply with customs legislation requirements;

1.5.7. risk management — means identification of risks through data collection, database updating, risk analysis, regular monitoring of relevant processes and their outcomes, assessing the likelihood of their being dangerous and the extent of damage to the state's economic, social and other interests;

1.5.8. criteria for identifying risk groups — sets of quantitative and (or) qualitative indicators which are associated with the characteristics of the importer's activities and used to refer the importer to various risk groups;

1.5.9. automated electronic information system — software applied to analyze data and identify risk groups to determine release system for release of goods and vehicles through the customs border.

1.6. Other definitions used in these Guidelines bear the meanings defined by the Customs Code of the Republic of Azerbaijan (hereinafter referred to as «Customs Code»).

1.7. Issues related to “Foreign trade participants to obtain the rights of permanent use of “Green Corridor” Gating System, termination, cancellation and restoration of that right” will be regulated by the relevant rules defined by the President of the Republic of Azerbaijan.

2. Release systems and customs control for goods and vehicles for which summary import declaration is submitted

2.1. There are green, blue, yellow and red corridors release systems for release of goods and vehicles to the customs territory on the basis of a summary import declaration.

2.2. The summary import declaration shall contain the information necessary for the risk analysis, the proper conduct of customs control, and must be submitted at least 1 (one) hour before the goods released through the customs border.

2.3. Depending on the type of transport, for submission of a summary import declaration, the periods different from that provided for in paragraph 2.2 of these Guidelines, may be stipulated in the normative legal acts.

3. Terms of use of the «Green Corridor» release system

3.1. In order to use the «Green corridor» release system, a summary import declaration is sent to the customs authorities before the goods and vehicles are brought to the customs territory.

3.2. The summary import declaration may be sent by persons who bring goods to the customs territory or are responsible for their carriage, representatives of those persons, importer, buyer of goods or the person who submits the goods to the customs authority for customs clearance.

3.3. Upon receipt of a summary import declaration, it will be automatically registered in the electronic system and an electronic notification will be sent to the importer in real-time on the result of the registration.

3.4. Following the registration of a summary import declaration, the electronic system will check and analyze the following:

3.4.1. The information in the summary import declaration required for customs control;

3.4.2. The information on veterinary, phytosanitary, hygienic and other certificates issued in advance by the exporting country in accordance with the principle of equivalence established by international treaties to which the Republic of Azerbaijan is a party, *food safety certificate with regard to food products, extract from state registry on food safety registration of their producers, a special permit issued for the circulation of goods with a limited civil turnover,*

indicating the codes under the nomenclature of commodities in foreign-economic activity;

3.4.3. The information obtained as a result of electronic information exchange with customs and other competent state authorities of foreign countries;

3.4.4. The information on foreign countries in the territory of which special illnesses are registered, as well as on goods import of which is prohibited as a result of quarantine;

3.4.5. The information on resident and non-resident individuals and legal persons engaged in international cargo transportation activities;

3.4.6. other information required for customs purposes.

3.5. If as a result analysis of the data mentioned in the paragraph 3.4 of these Guidelines through electronic system it is determined that the information provided in the summary import declaration comply with the requirements and conditions set out in the customs legislation, the electronic system will automatically determine the release system that the importer will use on the risk group importer belongs.

3.6. The results determined by the electronic system in accordance with paragraph 3.5 of these Guidelines on the use of the release system by the importer are considered confidential and they shall not be disclosed by the Software until the procedures set out in Section 8 of these Guidelines applied.

4. Requirements for use of the «Green Corridor» release system

4.1. In order to use the Green Corridor system, the following should be observed:

4.1.1. before the goods and vehicles brought to the customs territory a summary import declaration shall be submitted to the customs authorities in electronic form within the period specified in paragraph 2.2 of these Guidelines;

4.1.2. the summary import declaration should contain the information required by the customs legislation;

4.1.3. the technical design of the vehicles must be within the limits established by its technical documentation;

4.1.4. the customs authorities shall be allowed to visually inspect the goods and vehicles;

4.1.5. the importer must have the appropriate opportunities to carry out the exchange of information and to ensure the protection of that information.

4.2. Importers using the «Green corridor» release system after implementation of registration procedures specified in the customs legislation, will convey their goods and vehicles from the customs border checkpoint to the customs territory informing the officers of customs authorities at customs border checkpoints;

4.3. Except the cases provided for in paragraph 4.4 of these Guidelines, goods and vehicles brought to the customs territory using «Green corridor» release system are free from physical inspection during and after release to the customs territory.

4.4. When the appeals (information) associated with specific facts on threats to the economic interests and security of the state and (or) damage to them, concerning goods and vehicles brought to the customs territory by importers and (or) persons engaged in international carriages using «Green corridor» release system, are received to the customs body from the legal entities and natural persons, state and local self-government bodies, customs and other competent authorities of foreign countries, as well as from international organizations, or if there are substantial doubts in the customs authorities concerning the existence of such facts, inspection of those goods and vehicles are not excluded.

4.5. Importers using the «Green corridor» release system shall, since the moment the goods and vehicles crossed the customs border, submit a customs declaration and carry out customs payments in a manner and within the period specified by the Customs Code.

5. Use of other release systems

5.1. The importers using the «Blue corridor» release system shall, except complying with the requirements of subparagraphs 4.1.1 through 4.1.5 and paragraph 4.5 of the Guidelines, comply with the following:

5.1.1. to allow the officials of the customs authorities to apply customs control forms at the destination points;

5.1.2. the importer who wants to take the goods to the place in its use should have an infrastructure to carry out handling and storage operations with goods;

5.1.3. the integrity of the customs guarantee on goods and vehicles should not be violated without the participation of customs officials.

5.2. Importers using the «Blue corridor» release system after implementation of registration procedures specified in the customs legislation, will convey their goods and vehicles from the customs border checkpoint to the customs territory informing the officers of customs authorities at customs border checkpoints.

5.3. The customs inspection of the goods and vehicles released to the customs territory using the «Blue corridor» release system shall be carried out after their release to the customs territory, at the place determined by the importer in accordance with subparagraph 5.1.2 of these Guidelines, but within the working hours of customs authorities and taking into account the deadlines for submission of the customs declaration and for customs clearance defined by the Customs Code.

5.4. When using the «Blue corridor» release system, taking into account the circumstances specified in paragraph 5.3 of these Guidelines, after customs clearance with the submission of customs declaration in the manner and time specified by the Customs Code, the goods are given to usage and disposal of the person, taking into account the customs procedure under which the goods are placed.

5.5. The importers using the «Yellow corridor» release system shall, except complying with the requirements of subparagraphs 4.1.1 through 4.1.5 and paragraph 4.5 and subparagraphs 5.1.1 through 5.1.3 of the Guidelines, comply with the following:

5.5.1. goods and vehicles should be safely delivered to the designated destinations within the period and on the route determined by the customs authorities;

5.5.2. the packaging of the goods should not exclude their safely delivered to the designated destinations;

5.5.3. the customs authorities should be notified not later than 1 (one) hour from the moment of delivery of goods to destination, or if delivered at non-working hours no later than 1 (one) hour after the start of working hours;

5.5.4. replacement, unloading or reloading from the vehicles, opening packaging and re-packaging, changing, removal or destruction identification means (signs, marks) of goods that are under customs control without the permission of the customs authorities should not be allowed;

5.5.5. conditions should be created for goods to be inspected in the manner established by the customs legislation;

5.5.6. if for the placement of goods under the customs procedure for which they are declared, submission of the information and documents mentioned in subparagraphs 3.4.1 and 3.4.2 of these Guidelines is required, those information and documents shall be submitted to the customs officials.

5.6. After verification of existence of the documents received in soft or hard copies at the customs border checkpoints, as well as veterinary, phyto-sanitary, hygienic and other certificates issued in advance by the exporting country in accordance with the principle of equivalence established by international treaties to which the Republic of Azerbaijan is a party, *food safety certificate with regard to food products, extract from state registry on food safety registration of their producers*, a special permit issued for the circulation of goods with a limited civil turnover and other legal documents associated with the importers using the «Yellow corridor» release system and after application of customs control forms required by customs legislation, the goods and vehicles released to the customs territory.

5.7. Verification of the documents referred to in paragraph 5.6 of these Guidelines on the goods and vehicles released to the customs territory using the «Yellow corridor» release system shall be carried out at customs border checkpoints and other forms of customs control after their release to customs territory, at the time and place determined by the customs bodies.

5.8. After application of all required customs control forms at customs border checkpoints or in other places determined by the customs authorities, by importers using the «Red corridor» release system, goods and vehicles released to the customs territory.

5.9. Importers using the «Red corridor» release system shall, along with the requirements set out in these Guidelines for importers using the «Blue corridor» and «Yellow corridor» release systems, comply with the requirements necessary for inspection of goods,

vehicles, as well as person specified in the Customs Code, and for the implementation of other forms of customs control stipulated in that Code.

5.10. In the cases provided for by these Guidelines, when using the «Yellow corridor» and «Red corridor» release systems, after customs clearance on the basis of customs declaration on the destination customs authority or other places determined by the customs authorities the goods are given to usage and disposal of the person, taking into account the customs procedure under which the goods are placed.

5.11. When using the «Blue corridor», «Yellow corridor», and the «Red corridor» release systems, the goods and vehicles are provided to the customs authorities by one of the following persons:

5.11.1. the person who brought the goods to the customs territory;

5.11.2. a person acting on behalf of the person the person who brought the goods to the customs territory;

5.11.3. the person who is responsible for the carriage of goods after they are brought to the customs territory;

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

5.11.5. the owner of temporary storage site.

6. Risk management

6.1. In order to use of the release systems provided for in these Guidelines, to implement customs control and to determine the necessity of conducting the customs inspections, importers are divided into high, medium and low risk groups.

6.2. The division of importers into risk groups is carried out on the basis of the criteria for determining the risk groups and remains unchanged when there are no grounds for transferring the importers attributed to the low risk group to medium or high risk groups. The issue of changing of risk group of importers attributed to medium and high risk groups should be reviewed every 6 (six) months.

6.3. Criteria for determining risk groups are determined in accordance with the Customs Code, the law of the Republic of Azerbaijan on «Regulation of inspections conducted in the field of entrepreneurship and protection of the interests of entrepreneurs» and these Guidelines, based on the quantitative and (or) qualitative indicators (features) of foreign trade activities of importers and the following factors are taken into account:

6.3.1. the scale of the importer's activities in the field of the foreign trade operations;

6.3.2. the period in which the importer operates in foreign trade operations;

6.3.3. the characteristics (assortments) of goods imported by the importer;

6.3.4. the results of previous foreign trade operations carried out by the importer;

6.3.5. financial discipline of the importer;

6.3.6. absence of debts of the importer to the state budget, associated with customs payments and the taxes established by the Tax Code of the Republic of Azerbaijan (Except the cases of deferment of debt repayment and (or) changing the terms of the tax liability, as provided for in the Customs Code and the Tax Code of the Republic of Azerbaijan);

6.3.7. non-involvement of the importer in criminal liability for previous offenses in the economic sphere, as well as for administrative or criminal liability for violation of tax or customs regulations;

6.3.8. Absence of inconsistencies and contradictions in the records of goods crossed by the importer from the customs border and in reports on them;

6.3.9. The results of inspections carried out by state authorities authorized to carry out inspections in the field of entrepreneurship;

6.3.10. information from customs and other agencies of foreign countries.

6.4. The confidentiality of the information to be checked in accordance with the criteria set out in paragraph 6.3 of these Guidelines is provided by the Committee.

6.5. Criteria for determining risk groups of foreign trade participants are approved by the Committee.

6.6. For the purpose of carrying out customs inspection, the following requirements must be observed when dividing importers belonging to risk groups:

6.6.1. a customs inspection may be carried out on a part not exceeding 10 per cent of importers belonging to a low risk group;

6.6.2. a customs inspection may be carried out on the part not exceeding 50 per cent of importers belonging to a medium risk group.

6.7. Customs inspection carried out on all importers belonging to a high risk group.

6.8. Information on the attributing the importers to a particular risk group or changing their risk group is posted on the official website of the Committee. The importer by registering on the official website of the Committee may only be familiar with information on risk group to which it attributed.

6.9. Determination or changing of the risk group of the importer is made by the Committee's decision. Those decisions should be justified. If there are grounds specified in these Guidelines for the change of the risk group of the importer, the relevant Customs authority shall apply to the Committee.

6.10. The importer may file a complaint to the Board of Appeal of the Committee and the court from the decision referred to in paragraph 6.9 of these Guidelines.

7. Determination of release systems according to risk groups

7.0. Goods and vehicles released from customs border checkpoints to the customs territory, meeting the requirements specified in paragraph 6.6 of these Guidelines:

7.0.1. goods and vehicles which are attributed to the low and medium risk group and determined to be released to the customs territory without customs inspection by selective method in accordance with subparagraphs 6.6.1 and 6.6.2 of these Guidelines - through the «Green corridor» release system;

7.0.2 goods and vehicles which are attributed to the low risk group and determined to be released to the customs territory with customs inspection by selective method in accordance with subparagraph 6.6.1 of these Guidelines - through the «Blue corridor» release system;

7.0.3. goods and vehicles which are attributed to the medium risk group and determined to be released to the customs territory with customs inspection by selective method in accordance with subparagraph 6.6.2 of these Guidelines - through the «Yellow corridor» release system;

7.0.4. goods and vehicles which are attributed to the high risk group — through the «Red corridor» release system.

8. Actual arrival of goods and vehicles to customs border checkpoint

8.0. When goods and vehicles arrive in the customs border checkpoint, one of the following measures shall be taken:

8.0.1. when goods are transported in the vehicles, the state registration number of the vehicles registered on the system based on summary import declaration, is read via the automatic reading device and after the identification with the notification number, the carrier is addressed for use from the appropriate release system;

8.0.2. when the goods are transported in the accompanied baggage, after the number of the notification is entered in the terminal mounted at the customs border checkpoint or entered by the customs officer on the carrier's request to the electronic system, the carrier is addressed for use from the appropriate release system.

9. Infrastructure related to the application of release systems at the customs border checkpoint

9.1. An appropriate infrastructure is established in connection with the application of the release systems stipulated in these Guidelines in the customs border checkpoint and specially allocated traffic strips are defined.

9.2. Specially allocated traffic strips are marked and the information boards that everyone can see reflect the movement directions.

9.3. After arrival of the goods and vehicles in the customs border checkpoints and implementation of the registration procedures specified in the customs legislation, they are directed to special movement strip.

10. Transitional provisions

10.1. On the day these Guidelines come into force, during division of the importers into risk groups for the first time, the following conditions must be observed:

10.1.1. Importers who have conducted an import transaction at least once within the last 3 (three) years prior to the entry into force of this Guidelines are attributed to the low risk group;

10.1.2. Importers who have not conducted any import transaction within the last 3 (three) years prior to the entry into force of this Guidelines are attributed to the high risk group

10.2. Changing the risk group of the importer attributed to the relevant risk group in accordance with paragraph 10.1 of these Guidelines shall be carried out in a manner specified in Section 6 of these Guidelines.