

Decree of the President on approval of “Regulation for foreign trade participants to obtain the rights of permanent use of “Green Corridor” Gating System, termination, cancellation and restoration of that right”

According to the orders of the President of the Republic of Azerbaijan dated March 4, 2016, No 1853 “About additional measures concerning continuation of reforms in customs system” and dated March 16, 2016 No 1897 “ About approval of the main directions of the strategic road map on national economy and the main sectors of economy and the issues arising out of it and other legal acts, in the view of simplification of customs clearance of goods and vehicles and enhancement of e-customs services, a number of important measures have been implemented concerning facilitation of establishment of “Green Corridor” as well as other gating systems existing in international practice and other directions.

Governed by Clause 32 of Article 109 of the Constitution of the Republic of Azerbaijan as being the continuation of the implemented reforms, in order to create more favorable conditions for foreign trade participants observing the legislation in the import-export operations, to strengthen the export potential of the country through acceleration of goods turnover from the customs border, in accordance with the recommendations of the World Customs Organization and advanced international experience, to form voluntary compliance culture among foreign trade participants, application of customs control based on risk assessment, more flexible and transparent implementation of customs clearance of goods and means of transport and also customs control, to facilitate international trade by establishing civil servants-entrepreneur relations in import-export operations on the basis of modern management principles, **I hereby resolve as follows:**

1. To approve the “Regulation for foreign trade participants to obtain the rights of permanent use of “Green Corridor” Gating System, termination, cancellation and restoration of that right” (herein attached)
2. The Cabinet of Ministers of the Republic of Azerbaijan shall
 - 2.1. Prepare within a period of two months and submit to the President of the Republic of Azerbaijan suggestions on aligning the laws of the Republic of Azerbaijan.

2.2. Ensure within a period of two months and inform the President of the Republic of Azerbaijan about the aligning of regulatory acts of the Cabinet of Ministers of the Republic of Azerbaijan with the above-mentioned law;

2.3. to keep control over adjustment of the normative legal acts of central executive power authorities to this Decree and inform the President of the Republic of Azerbaijan about it within three months;

2.4. to resolve issues arising from this Decree.

3. The Ministry of Justice of the Republic of Azerbaijan to ensure adjustment of the normative legal acts of central executive power authorities and acts of statutory nature to this Decree and inform the Cabinet of Ministers of the Republic of Azerbaijan.

4. State Customs Committee of the Republic of Azerbaijan:

4.1. to develop appropriate tools for the effective resolution of issues arising from this Decree and to apply from February 1, 2019;

4.2. to take other concerning measures for resolution of issues arising out of this Decree.

5. Part I of this Decree comes into force from February 1, 2019.

Ilham Aliyev

The President of the Republic of Azerbaijan

Baku, December 21, 2018.

Approved by the Decree of the President of the Republic of Azerbaijan
from December 21, 2018

**Regulation for foreign trade participants to obtain the rights of permanent use of
"Green Corridor" Gating System, termination, cancellation and restoration of that
right**

1. General provisions

1.1. The present Regulation is prepared according to the article 13-1.2 of the Customs Code of the Republic of Azerbaijan and point 1.7 of "**Rules of use of "Green corridor" and other gating systems for transportation of goods and vehicles through customs border**" approved by the Decree of the President of the Republic of Azerbaijan dated May 21, 2016, No 920 and regulates the issues of obtaining, termination, cancellation and restoration of permanent use right of Green Corridor by foreign trade participants.

1.2. The purpose of the present Regulation is to establish more favorable conditions for foreign trade participants who comply with the legislation, to improve the effectiveness of state regulation mechanisms of business, to form voluntary compliance culture, to minimise physical customs inspections by conducting of customs control and clearance more flexibly and transparently based on risk assessment and customs audit, to increase export potential of the country, develop official-entrepreneur relations in line with modern governance principles and provide more optimal utilization of existing resources.

1.3. The following definitions are used for the purposes of present Regulation:

1.3.1. **Permanent user of Green Corridor gating system**- is a legal entity which obtained certain rights according to the requirements and conditions of present Regulation or natural entity engaged in entrepreneurship activity without establishment of legal entity (hereinafter- entity);

1.3.2. "Trade Facilitation Centre"- is a customs control zone defined for the coordinated implementation of customs clearance, logistics and other services in a single space facilitating better service to foreign trade participants.

2. Obtaining the right of permanent use of the Green Corridor

2.1. The entity belonging to a low risk group that meets all of the following requirements may obtain permanent access right to the Green Corridor gating system for realization of import-export operations:

2.1.1. Having the experience in the field of import operations within the last 1 (one) year;

2.1.2. Having an agreement with a competent person who has the capacity to use electronic services offered by the customs authorities or to ensure the use of these services;

2.1.3. Carrying out transportations using vehicles that meet international transportation standards;

2.1.4. Using the warehouses (hereinafter referred to as warehouse) intended for the storage of goods meeting the requirements established by the Cabinet of Ministers of the Republic of Azerbaijan;

2.1.5. Having no imprisonment for a crime related to smuggling or evasion from customs payment, including with covered or cancelled imprisonment.

2.2. The entity belonging to a low risk group meeting the requirements set out in 2.1.2, 2.1.3 and 2.1.5 sub-paragraphs of present Regulation may obtain the right of permanent use of Green Corridor gating system for realization of export operations.

2.3. The State Customs Committee of the Republic of Azerbaijan (hereinafter referred to as the Committee) checks whether the entity meets the requirements set out in paragraphs 2.1 and 2.2 of this Regulation, within one month on the basis of electronic application of entity. The entity meeting the requirements provided for in the paragraph 2.1 of present Regulation is granted the right of permanent use of "Green Corridor" gating system on import-export operations and the entity meeting the requirements provided for in the paragraph 2.2 of the present Regulation is granted the right of permanent use of "Green Corridor" gating system only on export operations and respective notification is provided to the entity in this regard.

2.4. The cases for refusal from granting the permanent use right of "Green Corridor" gating system are as follows:

2.4.1. When the entity does not meet the requirements defined by the paragraphs 2.1 and 2.2 of the present Regulation;

2.4.2. When there is wrong information in submitted documents.

2.5. When the Committee makes a decision about for refusal from granting the permanent use right of "Green Corridor" gating system, the applicant is sent electronic notification with specification of reasons for refusal within 1 (one) day.

2.6. After elimination of reasons for refusal to grant the right of permanent use of "Green Corridor" gating system, the entity may apply to the Committee again in accordance with this Procedure.

2.7. When there are changes in information and documents submitted for obtaining the right of permanent use of "Green Corridor" gating system, permanent user "Green Corridor" gating system shall immediately notify the customs authority about this.

2.8. The entity may file a complaint through administrative proceedings and to the court, as well as to the Appeal Board of the Committee from the decision of refusal from granting the right of permanent use of "Green Corridor" gating system, and to the Appeal Board under the President of the Republic of Azerbaijan from the decision of the Appeal Board of the Committee.

2.9. When the decision is made about granting, termination, cancellation or restoration of permanent use right of "Green Corridor" gating system, concerning agencies are notified about this.

3. Advantages to permanent users of "Green Corridor" gating system

3.1. In accordance with this Regulation, the person who acquires the right of permanent use of the "Green Corridor" gating system has the following advantages:

3.1.1. Ensuring faster crossing of goods and vehicles from customs border gating points;

3.1.2. Implementation of services rendered by customs authorities in priority order in customs border gating points, trade facilitation centres and other places defined for customs clearance procedures.

3.1.3. Minimizing physical customs inspections by applying custom audits;

3.1.4. Carrying out services of customs examination of goods in priority order;

3.1.5. Carrying out the customs clearance of goods imported/exported to/from the customs area on the consent of customs authorities by the customs officers outside the working place and official opening hours;

3.1.6. Participation in trainings on innovations, best practices in the field of customs, as well as associated with recommendations and standards of international organizations.

3.1.7. during import:

1. Direct import of imported goods to warehouses of entity;

2) Free removal of customs identification means (signs etc.) from the vehicles carrying the goods and unloading the goods on the consent of customs authorities, if the customs declaration is presented;

3.1.8. during export:

1. Sending the goods directly to customs border point having presented to the customs authorities the customs declaration reflecting information about the exported goods and vehicles in electronic format without going to customs authority covering the operation zone of permanent user of "Green Corridor" gating system;

2. Independent application by the permanent user of "Green Corridor" gating system of the means of identification (seals, stamps, etc.) recognized by the customs authorities.

3.2. Privileges provided for by this Regulation to permanent users of "Green Corridor" gating system do not release the entities from any responsibilities or liabilities set forth by customs legislation.

4. Requirements regarding the use of the advantages by the permanent user of "Green Corridor" gating system

4.0. The permanent user of "Green Corridor" gating system shall fulfil the following requirements to use the advantages set forth in Section 3 of present Regulation:

4.0.1. to send to the customs authorities at least 1 (one) hour before the entry of the vehicle into the customs border gating point the import summary declaration in electronic format containing information on goods and vehicles to be imported;

4.0.2. Immediately send the electronic notice to the customs authorities reflecting the information about arrival of imported goods to the warehouses of entity;

4.0.3. To send to the customs authorities at least 1 (one) hour before the loading of exported goods to the vehicle the customs declaration in electronic format containing information about goods and vehicles to be exported;

4.0.4. To declare the correct information on imported or exported goods and vehicles to the customs authorities (kind, number, technical indications, designation, code and value of foreign economic activity on commodity list);

4.0.5. To provide the guarantee provided for in Article 258.1 of the Customs Code of the Republic of Azerbaijan in order to ensure the payment of customs duties in import transactions or that may arise in future;

4.0.6. Carrying out the transportation of goods by means of safe transport, where external interference is not possible.

5. Termination, cancellation and restoration of the right of permanent use of "Green Corridor" gating system

5.1. The Committee shall terminate the right of permanent use of "Green Corridor" gating system in the following cases:

5.1.1. When the permanent user of "Green Corridor" gating system gives an application about this;

5.1.2. When the permanent user of "Green Corridor" gating system does not comply with requirements provided for by sub-paragraph 2.1.2 – 2.1.4 of present Regulation on import-export operations and when the permanent user of "Green Corridor" gating system does not comply with requirements provided for by sub-paragraph 2.1.2 and 2.1.3 of present Regulation on export operations.

5.2. The right of permanent use of "Green Corridor" gating system is suspended for 3 (three) months in case provided for in sub-paragraph 5.1.2 of present Regulation and

for the period specified in the application (but no more than 12 (twelve) months) in the case provided for in sub-paragraph 5.1.1.

5.3. The Committee within one (1) working day from the date of the decision to terminate temporarily the right of permanent use of the "Green Corridor" gating system sends that decision to the entity and the related authorities. Committee shall notify the entity 30 (thirty) days prior to the decision to terminate the right of permanent use of "Green Corridor" gating system except the cases when the right is terminated according to the application of the entity.

5.4. When the cases causing the termination of the right of permanent use of "Green Corridor" gating system are eliminated during the period specified in paragraph 5.2 of present Regulation, the right of use is restored according to the request of entity and the entity and other concerned authorities are notified during 1 (one) working day from the date of decision.

5.5. The Committee shall cancel the right of permanent use of "Green Corridor" gating system in the following cases:

5.5.1. When the permanent user of "Green Corridor" gating system gives an application about this;

5.5.2. When the wrong information is revealed in the documents presented for obtaining the right of permanent use of "Green Corridor" gating system.

5.5.3. When the legal entity is liquidated or the natural entity is considered to be incompetent by the court or died;

5.5.4. When the permanent user of "Green Corridor" gating system on import-export operations does not carry out import-export operation during 12 (twelve) months;

5.5.5. When the permanent user of "Green Corridor" gating system committed a crime under sub-paragraph 2.1.5 of this Regulation;

5.5.6. When the cases causing the termination of the right of permanent use of "Green Corridor" gating system are not eliminated during the period specified in paragraph 5.2 of present Regulation.

5.6. The Committee within one (1) working day from the date of the decision to cancel the right of permanent use of the "Green Corridor" gating system sends that decision to the entity and the related authorities. Committee shall notify the entity 30 (thirty) days prior to making decision to cancel the right of permanent use of "Green Corridor" gating system except the cases when the right is cancelled according to the application of the entity.

5.7. The entity whose right of permanent use of "Green Corridor" gating system was cancelled may apply for getting the right again at least 6 (six) months later from the decision (in case specified under sub-paragraph 5.5.5 of present Regulation after covering or cancellation of imprisonment).

5.8. The Committee maintains electronic registration of entities who were granted the right of permanent use of "Green Corridor" gating system and whose right was terminated, restored or cancelled and this information is posted on the Committee's website.