

GCC Unified Customs Law (Regulation)

[Effective 1 January 2003]

Chapter I General Definitions and Provisions

Article 1

This Law shall be named "**The Unified Customs Law (Regulation) for the Arab States of the Gulf Cooperation Council.**"

Article 2

The following words and expressions wherever they occur in this law(regulation), its aide-memoire or rules for implementation shall have the meaning assigned against each, unless the context requires a different meaning.

GCC	: Arab States of the Gulf Cooperation Council
Minister	: The Minister to whom the Directorate General of Customs reports
Competent	: The agency to which the Directorate General of Customs is Authority attached
Director general	: Director general of Customs
Director	: Director of the Customs Department
Department	: The Directorate General of Customs
Customs Circuit	: The scope designated by the Minister in each sea, air or land port or any other place where the administrative centre is authorized to complete all or part of the Customs formalities.
Law(regulation)	: The rules and provisions that regulate the Customs work or any other supplemental, complimentary or amending rules or provisions.
Customs Scope	: The portion of the lands or seas that are subject to specific Customs controls or procedures designated in this law(regulation), including: A: Marine Customs zone, covering the offshore area located between the coast and the end of the regional water boundaries.

	B: Land Customs zone includes the lands between the coasts or land boundaries on one hand and an internal line on the other to be determined by a decision of the Minister or competent agency.
Customs Line	: A line that corresponds to political borders separating the state from neighboring states and the sea coasts surrounding the state.
Customs Tariff:	: Schedule embodying the names of goods and Customs fees categories that such goods are subject to and the rules and notes on the types and varieties of goods.
Customs Tax	: The amounts collected on goods in accordance with the "duties" provisions of this law(regulation).
Fees	: The amounts collected by Customs against a service rendered.
Goods	: Any natural substance or animal, agricultural, industrial or Intellectual product.
Type of goods	: The nomenclature listed in the Customs tariff schedule
Actually paid or Payable price	: The total payment of amount directly or indirectly payable to the seller for the goods imported by the buyer.
Imported goods Under-valuation	: The goods whose price is being identified for Customs purposes.
Goods in conformity	: Goods which conform in every respect, including material properties, type and commercial name. Minor differences in appearance shall not preclude conforming goods.
Identical goods	: Goods which have, though not in every respect, similar characteristics and material components that would enable them to perform their functions and commercially replace each other. Things to be taken into consideration to determine if the goods are identical are the type and name of goods and the presence of the trade mark.
Sales Commission	: The commission payable to the seller's agent who is associated with or subject to the factory or seller or acts in his favor or in his behalf.
Packing costs	: Cost of all vessels, excluding containers, cover, irrespective of their type, packaging, labor and materials used to put the goods in packages worthy for shipment to the GCC states.
Unit rate at greatest wholesale quantity	: The unit rate at which specific goods are sold to persons not involved at first commercial level after importation in the

condition the goods are imported in or following further processing and treatment if requested by the importer.

Involved parties Means	: ♦Legal work partners ♦ Employees or directors of one with the other ♦ Employer and his staff ♦ Any persons who directly or indirectly owns, controls or retains 5% of the voting shares ♦ If one party supervises or controls the other ♦ If both are directly or indirectly under the supervision of a third party ♦ If they both directly or indirectly supervise a third party ♦ If they are members of the same family.
Value Agreement	: Agreement to enforce Article 7 of the General Agreement on Tariff and Trade for the year 1994.
Country of origin	: Country where the goods are produced whether they are natural resources or agricultural, animal or industrial products.
Prohibited goods	: Goods whose imports and exports are prohibited by the State based on the provisions of this or any other law(regulation).
Restricted goods	: Goods whose imports or exports are restricted under the provisions of this or any other law(regulation).
Source	: Country from which the goods have been imported.
Importer	: The natural or legal person who imports the goods.
Exporter	: The natural or legal person who exports the goods.
Bill of Lading	: The document (manifest) which embodies comprehensive description of the goods shipped on the various means of transportation.
Duty free Zone	: A section of the state territory where commercial or Industrial activities are performed in accordance with the pertinent regulations. Any goods entering the duty free zone is considered outside the Customs area and are not subject to the usual Customs formalities.
Duty free Market	: The authorized building or location where goods are deposited on Customs duties suspended status for the purpose of display and sales.
Customs Declaration	: The goods declaration or statement submitted by the owner or his representative embodying identification elements of the declared goods and their quantities in detail in accordance with the provisions of this law(regulation).

Warehouse	: The building or location designated for provisional storage of goods pending withdrawal in accordance with one of the Customs statuses, whether such building is directly managed by the department, by the official public organizations or investing agencies.
Storehouse	: The location or building where goods are deposited under the supervision of the department in a suspended Customs duties status in accordance with the provisions of this law(regulation).
Carrier	: The owner of the means of transportation or his Representative as per a formal authorization.
Designated roads	: The roads identified by the minister or competent agency for the traffic of the goods, imported into or exported from the state or in transit.
Treasury	: The public treasury.
Customs clearance	: Documentation of the Customs data of the imported or exported goods or goods in transit in accordance with the Customs procedures provided for in these regulation(law).
Customs broker	: Any natural or legal entity licensed to engage in Customs brokerage for the account of others.
Customs broker Representative	: Any natural person licensed to follow up on completion Customs procedures.

Article 3

The provisions of this law (regulation) shall apply to the lands and territorial waters under the sovereignty of the state. Duty free zones to which Customs provisions do not apply partially or wholly may be established in such lands.

Article 4

All goods that cross the Customs lines to the inside and outside shall be subject to the provisions of this law(regulation).

Article 5

The department shall engage in its work in the Customs Circuit and Customs zone and may exercise its powers across all lands and territorial waters of the state within the conditions designated in this law(regulation).

Article 6

The Customs Circuit shall be established and annulled by a decision of the Minister or competent agency.

Article 7

The jurisdictions and business hours of the Customs departments shall be determined by a decision of the Minister or competent agency.

Article 8

With due regard to the provisions of the articles on goods inspection, Customs procedures shall be performed only within the competent Customs department as provided for in article 7 hereof.

Chapter II

Provisions on Application of Customs Tariff

Article 9

Goods entering the state shall be subject to Customs duties in accordance with the unified Customs tariff and designated fees, except those excluded under the provisions of this law(regulation), the GCC unified economic protocol or any other international agreement within the GCC framework.

Article 10

The Customs tariff bracket shall be either a percentage of the value of the goods or specific, (i.e. a lump sum amount on each unit of the goods) or both types of tariff for a single type of goods.

Article 11

The Customs duties shall be imposed, amended or scrapped by the legal tool applicable in each member state, taking into consideration the pertinent decisions issued by the GCC states and the provisions of current international agreements.

Article 12

The decisions involving modification of the Customs duties shall indicate the date on which such changes become effective.

Article 13

The imported goods shall be subject to the Customs duties in force on the date the Customs declaration is registered with the Customs department, unless provided otherwise in the text of the decisions modifying the Customs duties.

Article 14

When Customs duties have to be settled by default [?] on the goods kept in the warehouse due to the elapse of the storage period, the tariff applicable on the date of registration of the Customs declaration shall apply.

Article 15

The goods leaving the duty duty free markets and zones to the local market shall be subject to the Customs duties applicable on the date the goods exit the duty free zones.

Article 16

The smuggled goods shall be subject to the Customs tariff applicable on the date the smuggling is discovered or the date of its occurrence if such date can be identified, whichever is earlier.

Article 17

The Customs tariff applicable on the date of sale shall apply to the goods sold by the Customs department in accordance with the provisions of this law(regulation).

Article 18

The Customs tariff applicable to damaged goods shall be according to the goods' value and the condition that the goods are in at the time of registration of the Customs declaration.

Chapter III

Prohibition and Restriction

Article 19

A tax declaration shall be submitted for all goods that enter or leave the state and the goods shall be presented to the Customs authorities at the nearest Customs department.

Article 20

Means of marine transportation entering the state are allowed to call only at the ports prepared to receive them, excluding a case of marine emergency or a force majeure. In such event, the captain shall duly notify the nearest Customs department or security post without delay.

Article 21

Vessels whose capacity tonnage is less than 200 nautical tons shall be prohibited from entering or moving within the offshore Customs zone while loaded with restricted or prohibited goods or goods that are subject to high duties, excluding events arising from a marine emergency or a force majeure. In such event, the captain shall notify without delay the nearest Customs department or security post. To be excluded from this requirement are the goods being transported between the state's ports and whose Customs procedures have been completed.

Article 22

Airplanes leaving or coming into the state shall be prohibited from landing at or taking off from airports unmanned by Customs departments, excluding cases of force majeure. In that case, the pilot shall notify without delay the nearest Customs department or security post, and shall submit to the Customs department a report, authenticated by the Customs department so notified, unless provisions to the contrary are provided for in any other law(regulation) or decision.

Article 23

Means of land transportation shall be prohibited from entering or leaving the state in the areas where Customs departments do not exist.

Article 24

The department prohibits entry, transit or exit of the contrabands or goods in violation under the provisions of this law(regulation) or any other law (regulation). It shall also allow entry, transit or exit of restricted goods only with the approval of the competent agencies of the state.

Chapter IV

Distinguishing Elements of the Goods (Origin, Value, Type)

Article 25

Imported goods shall be subject to validation of origin in accordance with the origin rules agreed to within the framework of valid international and regional economic organizations.

Article 26

For Customs purposes, the value shall be calculated in accordance with the terms and bases set forth in the rules for implementation.

Article 27

Acceptance of value as a distinguishing element of the goods shall require the following:

1. A detailed original invoice shall be attached to each Customs declaration. The director general or any person authorized by him may, however, allow completion of clearance procedures without the need to present the required original authenticated invoices and documents against an undertaking to submit them within a maximum period of 90 days from the date of the undertaking.
2. Validation of the goods value shall be by submitting all original invoices and documents which indicate the value in accordance with the requirements provided for in Article 26.
3. The Customs department reserves the right to demand the documents, contracts, correspondence and other things related to the goods without being committed to the contents thereof or of the invoices themselves.
4. The department may demand, if necessary, an Arabic translation for the invoices and other documents issued in a foreign language, indicating the details of the goods in conformity with the Customs tariff.

Article 28

The value of the exported goods shall be their value at the time of registration of the Customs declaration plus all costs incurred pending arrival of the goods at the Customs department.

Article 29

Goods not mentioned in the Customs tariff schedules and their endorsements shall be classified in accordance with the related documentations issued by the International Customs Organization. Goods that are subject to local sub-categories in the tariff schedule shall be classified within the framework of the GCC categories.

Chapter V

Import and Export

Section I : Import

1. Marine Transportation

Article 30

- I. Any goods imported into the country by sea shall be recorded in the bill of lading.
- II. A single statement shall be produced for the entire shipment to be signed by the ship's captain. Such statement shall embody the following information:
 - 1. Name, nationality and registered tonnage of the vessel
 - 2. Type, gross weight and tare weight, if any, of the goods. If the goods are prohibited, their true nomenclature shall be given
 - 3. Number of parcels and pieces, description of packages, marks and numbers
 - 4. Name of consignor and consignee
 - 5. The ports from which the goods are loaded.
- III. Upon entering the Customs zone, the vessel's captain shall present the original bill of lading to the competent authorities.
- IV. Upon entering the port, the captain shall submit to the department the following documents:
 - 1. Bill of lading
 - 2. Bill of lading on ship supplies, seamen's effects and commodities
 - 3. List of passengers' names
 - 4. List of the goods to be unloaded at that port
 - 5. All shipping documents and policies that the Customs department may demand for implementation of the Customs regulations.
- V. The statements and documents shall be submitted within 36 hours from the vessel's entry into the port. Such duration shall not include Official holidays.

Article 31

If the bill of lading belongs to a vessel that does not make regular voyages or if it has no maritime agent at the port, or if the vessel is a sail boat, the fact must be noted by the Customs authorities at the port of shipping.

Article 32

- a Consignments of vessels and all other marine transportation craft may be unloaded only in the port's Customs department. Goods may be unloaded or transshipped to another only under the supervision of Customs department.

- a Unloading and transshipment from one vessel to another shall be made in accordance with conditions set forth by the director general.

Article 33

With due regard to the provisions of Article 54 of this law(regulation), the vessel's captain, agent or representative shall be responsible for any shortfall in the number of packages or parcels, their contents, or the quantity of bulk goods pending acceptance of the goods at the Customs warehouse or by the goods owners when allowed to take delivery of the goods.

Article 34

If there is a shortage in the number of unloaded packages or parcels or in the quantity of bulk goods below those stated in the bill of lading, the vessel captain or his representative shall indicate the reason for such shortage and support it by documents substantiating the fact that it has occurred outside the marine Customs zone. If such documents cannot be presented immediately, a maximum grace period of six months may be allowed for submittal but after securing a bond that guarantees the department's rights.

2. Land Transportation

Article 35

Customs formalities for goods imported by land shall be completed at the first Customs department. Such shipments may, however, be referred to one of the internal Customs departments in the cases determined by the director general.

Article 36

1. A comprehensive bill of lading shall be made out for each means of land transportation, to be signed by the carrier or his representative, embodying sufficient information on the vehicle, its cargo and all other data in accordance with the conditions set by the director general.
2. The goods carriers or their representative shall submit the bill of lading to the Customs department immediately upon arrival.

3. Air Transportation

Article 37

With due regard to the provisions of Article 22 hereof, aircraft shall be required to follow the air lanes designated for them once they cross the state borders and shall land only at airports manned by Customs departments.

Article 38

A comprehensive bill of lading shall be generated for the entire cargo of the craft, signed by the pilot in accordance with the conditions provided for in paragraphs A, B, C and of Article 30 hereof.

Article 39

The aircraft pilot or his representative shall surrender the bill of lading and the lists specified in article 38 hereof, to the Customs officials immediately upon arrival.

Article 40

Unless required for safety reasons, no cargo may be unloaded or ditched during flight, and subject to the condition that the Customs department be duly notified and with due regard to the related special provisions of the other pertinent laws.

Section II : Export

Article 41

Owners of goods carriers or their agents, whether their media were loaded or empty while leaving the state, shall submit to the Customs department a bill of lading consistent with the provisions of Section I of this chapter and shall secure a permit to leave. The director general may, however, make exceptions to this condition in certain cases.

Article 42

Exporters shall deliver and declare in full details the goods slated for exports to the competent Customs department. Carriers operating towards land borders shall be prohibited from bypassing the Customs department.

Section III : Transportation of Mail

Article 43

Goods shall be imported or exported by mail in accordance with the provisions of this law(regulation) and with due regard to the provisions of international mail agreements and other applicable internal rules and regulations.

Section IV : Common Provisions

Article 44

The bill of lading or any substitute thereof shall not provide for several packages that are sealed and in any way combined in a single parcel. The instructions issued by the director general with respect to containers, crates and trailers shall be observed.

A single consignment of goods shall not be divisible. The director general may, however, authorize such division on the understanding that it shall not entail any loss to the state treasury.

Article 45

The provisions of articles 32,33 and 34 of this law(regulation) on cargo unloading transportation and transshipment which apply to marine cargo shall also apply to land and air cargo. Drivers, pilots and transportation companies shall be held responsible for any shortfall in the case of land and air transportation.

Article 46

The department reserves the right to electronically exchange the data related to Customs clearance.

Chapter VI

Customs Clearance Stages

Section I

Customs Declarations

Article 47

At the time of clearing any goods, even if they were Customs duty exempt, a detailed Customs declaration shall be submitted in accordance with the GCC approved format. Such declaration shall embody all the information required to allow enforcement of the Customs regulations, collection of Customs duties due and for statistical purposes.

Article 48

With due regard to the provisions of paragraph 1 of article 27 hereof, the director general shall identify the documents to be attached to the Customs declaration and the information to be contained in such documents. The director general may allow completion of clearance formalities without presenting any of the required documents against cash or bank guarantees or a written undertaking to submit such documents in accordance with the conditions he may set.

Article 49

The data contained in the Customs declaration shall not be amended after registration. The proponent may submit a written application to the director general to correct the declaration before it is referred for inspection.

Article 50

Owners of the goods or their representatives may view their goods prior to submitting their declarations and may collect samples therefrom under the Customs' supervision and after securing the director's approval. Such samples shall be subject to the prescribed Customs duties.

Article 51

To the exclusion of judiciary and other official competent agencies, persons other than owners of the goods or their representative shall not have access to the Customs declarations and documents.

Section II

Inspection of goods

Article 52

The competent official shall inspect all or part of the goods after registration of the Customs declaration in accordance with the director's instructions.

Article 53

- a- Inspection of goods shall take place within the Customs department. In certain cases, inspection outside the department may be allowed in accordance with the rules to be established by the director general
- b- Transportation of the goods to the inspection site, opening of parcels, repackaging and all other activities required for inspection shall be at the owner's expense. The owner shall be held liable for the goods pending arrival at the inspection site.
- c- Goods placed in the customs warehouse or locations designated for inspection shall not be relocated without the approval of the Customs department.
- d- The workers involved in cargo transportation and presentation for inspection shall be acceptable to the Customs department.
- e- No person shall be allowed access to the Customs warehouses, storehouses, shelters, laydown areas or locations designated for inspection without the department's approval.

Article 54

Inspection shall take place only in the presence of the goods owner or his representative. In the event any shortage in the contents of the packages appears, liability therefor shall be assigned as follows:

- a- The cargo entering the Customs warehouses and storehouses in packages in seemingly intact condition is a confirmation that the shortages must have occurred in the exporting country prior to shipment. Such shortage shall not be pursued
- b- If the cargo enters the customs warehouses and storehouses in packages that are seemingly in an unsound condition, the agency in charge of the storehouse or warehouse shall, in conjunction with the carrier, take the necessary action to preserve the cargo, document the case in a delivery report and verify their weight, contents and numbers. In such cases, the carrier shall be held responsible unless there are reservations to the bill of lading noted by the Customs authority in the exporting country and pursuance of such cases shall be disregarded.
- c- If the cargo enters in packages in seemingly intact condition then became suspect of having been tampered with after entry into the Customs warehouse, the agency in charge of the storehouse shall be held liable in the event of any shortfall or substitution.

Article 55

The Customs department reserves the right to open and inspect parcels if prohibited goods or goods contrary to those stated in the Customs documents are suspected in the absence of the goods owner or his representative or if they fail to witness the inspection on the designated time in spite of being notified. If necessary, the Customs department shall inspect the goods and have a report on the findings of inspection drawn by an ad-hoc committee formed by the director general, all prior to notifying the goods owner or his representative.

Article 56

- a- The Customs department reserves the right to have the cargo undergo analysis by the competent agencies to ascertain itself as to the type of goods, its specifications and conformity with the rules and regulations.
- b- A cargo whose clearance requires special conditions and specifications shall be subject to analysis and inspection. The director may release such cargo against the necessary bonds that would guarantee that it is disposed of only after the findings of the analysis are out.
- c- The director general reserve the right to order re-exportation or, if necessary, destruction of the goods that the inspection or analysis concludes that they are harmful or inconsistent with the approved specifications. Such destruction shall take place in the owner's presence and at his expense and the necessary report shall be drawn up.

Article 57

Customs duties shall be collected in accordance with the contents of the Customs declaration. If the inspection reveals a result different from the contents of the declaration, the duties shall be collected based on the result, without prejudice to the Customs' right to collect the fines due in accordance with the provisions of this law (regulation).

Article 58

If the Customs department is unable to verify the veracity of the declaration contents through inspection of the goods or the documents submitted, it shall suspend the inspection process and demand the documents that provides the required elements of evidence.

Article 59

The department reserves the right to reinspect the cargo in accordance with the provisions of articles 52 to 56 hereof.

Section III

Terms Related to Passengers

Article 60

The competent Customs departments shall inspect and clear article accompanying or belonging to passengers in accordance with the principles and rules established by the director general.

Section IV

Determination of value

Article 61

Committees for determination of value shall be formed from the department's personnel by a decision of the director general. The duties of such committees are to resolve the disputes that may arise between the Customs department and the parties concerned over the imports value, enlisting the experts they deem necessary.

Without prejudice to the importer's right to resort to courts, the importer may appeal by registered mail excessive value decisions before the valuation committee within 15 days from the date of registration of the Customs declaration or the date of being notified of the department's

assessment. The decisions of the committee shall pass by majority vote and become effective upon endorsement by the director general. The committee's decision on the appeal shall be communicated in writing to the importer, providing justifications therefor.

Article 62

- a- Should a dispute arise between the competent Customs personnel and the goods owner over the value of the goods due to the difference of type, origin or any other reason, the matter shall be referred to the director. If he upholds the opinion of the Customs' employee, and the goods owner rejects it, the matter shall be referred to the director general or the valuation settlement committee for resolution.
- b- The director shall have the right to release the disputed goods which are not subject to prohibition after submittal of a cash bond covering the duties as assessed by customs. Samples of the goods shall be retained temporarily for reference in case of need. Such samples shall be returned to the owner when no longer required unless they are consumed for inspection and analysis purposes.

Section V

Payment of Customs Duties and Other Fees and Release of the Goods

Article 63

- a- Goods shall be retained pending payment of the duties and may be released only after completion of Customs formalities and payment of any Customs duties and other fees due thereon under the provisions of this law (regulation).
- b- Delivery of the goods shall be made to their owners or duly authorized representatives in accordance with the procedures set by the director general.

Article 64

Employees assigned to collect Customs duties shall issue the importer official receipts in accordance with the format designated by the minister or competent agency.

Article 65

In cases of emergency, arrangements shall be made to withdraw the goods against special guarantees and conditions to be set by the minister or the competent agency.

Article 66

As part of the conditions and rules set by the director general, goods may be released prior to payment of Customs duties and after completion of Customs formalities against cash, bank or documentary guarantees.

Chapter VII

Unresolved Issues and Reimbursement of Customs Duties

Section I

General Provisions

Article 67

Goods may be allowed access and relocation from one place to another within the state ,in accordance with the instructions of the director general, without payment of Customs duties subject to submittal of cash or bank guarantee equivalent to the attendant duties.

Article 68

The cash and bank guarantees and bonds shall be released on the basis of the release certificates issued in accordance with the conditions set by the director general.

Section II

Transit Goods

Article 69

With due regard to the provision of article 67 hereof and the provisions of the GCC unified economic agreement, goods shall be allowed to transit the lands of the GCC states in accordance with applicable international regulations and agreements.

Article 70

Transit operations shall be allowed only at authorized Customs departments.

Article 71

With due regard to the provisions of applicable international and regional agreements, transit cargo shall use the designated routes for the various means of transportation at the carrier's responsibility in accordance with the instructions of the director general. The roads and routes on which transit goods are allowed and the conditions of such transportaion shall be determined by a decision of the minister or the competent agency.

Article 72

In the event of relocation from one Customs department to another, the parties concerned may be relieved of submitting a detailed declaration at the point of entry and referral shall be in accordance with the documents and conditions set by the director general.

Article 73

The minister or the competent agency shall issue the necessary decision to regulate the process of suspension of Customs duties on all types of transportation of other transit methods.

Section III

Storehouses

Article 74

Storehouses shall be established inside or outside Customs departments by a decision of the minister or competent agency and the minister shall draw up the regulatory rules and conditions for this process.

Article 75

Goods may be deposited in the storehouses inside or outside the Customs department without payment of the Customs duties thereon in accordance with the terms and conditions set by the director general.

Article 76

The department reserves the right to supervise and control the storehouses managed by other agencies in accordance with the provisions of this law(regulation) and other applicable rules and regulations.

Section IV

Duty Free Zones and Shops

Article 77

The duty free zones and shops shall be established by the legal tool of each state and the related Customs rules, conditions and procedures shall be determined by a decision of the minister or competent agency.

Article 78

- a- With due regard to the provisions of articles 79 and 80 hereof, all foreign goods irrespective of their type or origin may enter and leave the duty free zones and shops to outside the state or to other duty free zones without being subject to Customs duties and fees.
- b- Foreign goods being re-exported from inside the state may enter the duty free zones and shops on the condition that they be subject to the export restrictions and Customs formalities applicable to re-exportation.
- c- The goods located within the duty free zones and shops shall not be subject to any restriction in terms of duration of stay therein.

Article 79

The goods listed on the bill of entry on import fees[?] may be relocated or entered the duty free zones and shops only with the approval of the director general and in accordance with the designated conditions and controls.

Article 80

Entry of the following goods into the duty free zones and shops shall be prohibited:

- a- Inflammable materials, excluding the operation fuels allowed by the supervising agency of the duty free zones and shops and in accordance with the conditions set by the competent agency.
- b- Radioactive materials.
- c- All types of military arms, ammunition, and explosives, excluding those authorized by the competent agency.
- d- Goods in violation of the regulations on the protection of commercial, industrial, literary, intellectual and artistic rights as per decisions issued by the competent agencies.
- e- All types of narcotics and their derivatives.
- f- Goods whose origin is an economically boycotted country.
- g- Goods whose entry into the state is prohibited. Each state shall generate its own list of such goods.

Article 81

The Customs department shall inspect duty free zones and shops for prohibited articles and may audit the documents and inspect the goods if smuggling operations are suspected.

Article 82

The duty free zones and shops management shall submit to the department upon request lists of the goods entering and leaving the zones and shops.

Article 83

Goods within the duty free zones and shops shall be relocated to other duty free zones, shops or warehouses only in accordance with the guarantees, undertakings and procedures determined by the director general.

Article 84

Goods shall be withdrawn from the duty free zones and shops to inside the state in accordance with applicable regulations and the instructions of the director general.

Article 85

Goods leaving the duty free zones to the Customs department shall be treated as foreign goods even if they contained any local raw materials or components on which Customs duties have already been paid prior to admission to the duty free zones.

Article 86

National and foreign vessels shall be allowed to be supplied from the duty free zones with all their marine equipment requirements.

Article 87

The duty free zones and shops management shall be held liable for all violations committed by its personnel and for illegitimate infiltration of goods outside the shops. It shall be subject to all regulations and instructions related to security, public health and prevention of smuggling and fraud.

Article 88

Goods leaving the duty free zones and shops to inside or outside the state shall be treated as foreign goods.

Section V

Temporary Admission

Article 89

With due regard to the provisions of this section, the GCC unified economic agreement and other applicable international agreements, goods shall be allowed temporary access into the state without payment of Customs duties in accordance with the conditions set in the rules for implementation.

Article 90

The director general reserves the right to allow temporary access to the following:

- a- Heavy equipment and machinery required for completion of projects or performance of their practical and scientific experiments.
- b- Foreign goods imported to complete plants.
- c- Articles imported temporarily for sports fields, theaters, exhibitions...etc
- d- Machinery, equipment and instruments imported for repairs.
- e- Containers and packages for imported for refills.
- f- Animals entering for grazing.
- g- Commercial samples for display purposes.
- h- Other cases requiring this treatment.

The commodities provided for in this article shall be re-exported or else deposited in the duty free zone, Customs department or warehouses during the temporary admission period specified in the rules for implementation.

Article 91

The provisions of the GCC unified economic agreement and other applicable international agreements on temporary access for vehicles shall be observed in accordance with the instructions set forth in the rules for implementation.

Article 92

Materials and articles cleared based on temporary admission arrangements shall be used, assigned and disposed of only for the purposes and objectives for which they have been imported and declared in the submitted documents.

Article 93

Any shortfall in the quantity of the goods released based on temporary admission arrangements shall be subject to the Customs duties due thereon at the time of entry.

Article 94

The rules for implementation shall define the conditions for the practical application of temporary admission status and the guarantees to be furnished.

Section VI

Re-exportation

Article 95

The goods which entered the state without Customs duties may be re-exported outside the state or to the duty free zone in accordance with the procedures and guarantees set forth in the rules for implementation.

Article 96

In certain cases, goods which have not been entered into the Customs warehouses may be transhipped or withdrawn from the berths to the ships in accordance with the conditions set forth by the director general.

Section VII

Customs Duties Reimbursement

Article 97

The Customs duties collected on foreign goods shall be reimbursed wholly or partially in case of re-exportation in accordance with the rules and conditions provided for in the rules for implementation.

Chapter VIII

Exemptions

Section I

Customs duty exempt goods

Article 98

The goods exempted from Customs duties in the GCC unified Customs tariff shall be exempted from Customs duties.

Section II

Diplomatic Exemptions

Article 99

Subject to similar treatment, imports of diplomatic and consular corps, international organizations and state approved members of diplomatic and consular corps shall be exempted from Customs duties in accordance with applicable international agreements and laws.

Article 100

- a- Goods exempted under article 99 hereof shall be assigned or disposed of in any way contrary to the purpose for which they have been exempted only after notification of the department and payment of the Customs duties due thereon.
- b- Subject to similar treatment, the Customs duties shall not be paid if the beneficiary disposes of the thing exempted under article 99 hereof three years after the date of clearance by Customs department.
- c- A vehicle exempted may be disposed of only after the elapse of three years to the date of exemption, excluding the following cases:
 - 1- Expiration of the tour of duty of the diplomatic or consular beneficiary in the state.
 - 2- The vehicle is damaged in an accident that renders it unsuitable for the dictates of use by the diplomatic or consular corps member based on a joint recommendation by the traffic and Customs departments.
 - 3- Sale to another diplomatic or consular corps member, subject to the condition that the buyer should enjoy the exemption right.

Article 101

For beneficiaries under article 99 hereof, the exemption right shall commence on the date they start working at the official work premises in the state.

Section III

Military Exemptions

Article 102

Ammunition, arms, supplies, military transports, parts and any other materials imported by all sectors of the armed forces and internal security shall be exempted by a decision of the council of ministers or the competent agency in each state.

Section IV

Personal Effects and Home Appliances

Article 103

- a- Personal effects and used home appliances brought in by citizens residing abroad and expatriates arriving to reside in the state for the first time shall be exempted from Customs duties subject to the conditions and controls set forth by the director general.
- b- Personal effects and gifts accompanying passengers shall be exempted from Customs duties provided that they should not be of a commercial nature and in conformity with the conditions and controls provided for in the rules for implementation.

Section V

Charitable Societies Requirements

Article 104

The requirements of charitable societies shall be exempted from Customs duties in accordance with the conditions and controls set forth in the rules for implementation

Section VI

Returned Goods

Article 105

The following shall be exempted from Customs duties:

- a- Returned goods of national origin which have been exported previously.
- b- Foreign goods being returned to the state within one year from the date of re-exportation
- c- Goods temporarily exported for completion of their manufacture or repairs. Customs duties shall be collected on the increase arising from completion of manufacturing or repairs in accordance with a decision to be taken by the director general.

The minister or the competent agency shall set the conditions to be satisfied in order to benefit from the provisions of this article.

Section VI

Common Provisions

Article 106

- a- The exemptions provided for in this chapter shall apply to the goods covered by the exemption, whether they are imported directly or indirectly or whether they are purchased from the Customs warehouses or duty free zones, provided that the conditions set by the department be observed.
- b- In the event of dispute over whether or not the goods provided for in this chapter are exempted, the director general shall resolve such dispute.

Chapter IX

Service Charges

Article 107

- a- The goods placed in Customs yards and warehouses shall be subject to storage, handling, insurance and other fees at the designated rates as required by the goods storage and inspection process. The storage fees shall by no means exceed the assessed value of the goods. If the storehouses are run by other agencies, they may collect such fees at the prescribed rates and provisions.
- b- The goods may be subject to stacking, stamping, analysis and all other services rendered fees and charges.
- c- The services and charges provided for in this article as well as conditions for their collection shall be determined by a decision of the minister or competent agency.

Chapter X

Customs Brokers

Article 108

A Customs broker shall be any natural or legal person engaged in the business of preparation, execution and submittal of Customs declarations to the Customs department and completion of Customs formalities for the clearance of goods for the account of others.

Article 109

The natural and legal citizens of the GCC states shall be entitled to engage in the profession of Customs brokerage after obtaining the license from the department.

Article 110

Declaration of goods and completion of Customs clearance for exports, imports and transit goods shall be accepted by the Customs departments from the following:

- a- owners of goods or their authorized representatives who satisfy the requirements designated by the director general, including the authorization conditions.
- b- Licensed Customs brokers.

Article 111

Endorsement of the delivery permit in the name of the Customs broker or representative of the goods owner shall be considered an authorization to complete the Customs formalities and the department shall not assume any liability for delivering the goods to the person to whom the delivery permit has been endorsed.

Article 112

The Customs broker shall be held responsible for his and his employees' actions by importers, exporters and the department in accordance with the provisions of this law(regulation).

Article 113

The director general shall issue the necessary instructions for the following:

- a- Conditions for issuance of licenses to engage in the profession of Customs brokerage.
- b- Conditions for issuance of licenses to engage in the profession of Customs brokerage representative.
- c- Procedures for Customs lissuances for brokers and representative.
- d- Obligations of the Customs broker and the broker's representative.
- e- Conditions for opening Customs brokerage offices.
- f- Number of Customs brokers allowed to engage in Customs brokerage in Customs departments.
- g- The Customs departments or departments where brokers are allowed to operate.
- h- Procedures for dispensing with Customs brokers.
- i- Procedures for transfer of Customs brokers representatives between brokerage offices.
- j- Procedures for revocation of Customs brokerage licenses.
- k- Cases of cancellation of brokers from the department's record.

Article 114

With due regard to the provisions of article 141 hereof and without prejudice to any civil or criminal liability provided for herein or in any other law or regulation, the director general may, after the necessary investigations by the competent department and in a manner commensurate with the magnitude of the violation of the broker's obligations, impose the following penalties:

- a- Warning notice.
- b- Monetary fine not exceeding SR5000 or equivalent in other GCC currencies.
- c- Suspension from work for a maximum period of two years.
- d- Revocation of license and barring from engaging in the profession.

Any party suffering damage or grievance as a result of the above penalties may appeal the decision before the minister or competent agency within thirty days from notification. The minister's or the competent agency's decision shall be final and conclusive.

Article 115

As part of the conditions set by the department, the Customs broker shall be required to retain records for five years, providing a summary of the Customs transactions completed for the account of customers. Such records shall indicate the fees paid to the Customs department, the payments made to the broker and any other amounts spent on the transactions. The director or his designated assign shall have absolute authority to have access at any time to such records without any objection by the Customs broker.

Chapter XI

Rights and Obligations of the Department's Personnel

Article 116

- a- While discharging their duties, the department's personnel shall have the capacity of judiciary control within the scope of their jurisdictions.
- b- Upon employment, the department personnel shall be issued identifications which they shall be required to show upon request.
- c- The department personnel shall be required to sport the official uniform while discharging their duties if the nature of their work requires.

Article 117

Civilian, military and internal security authorities shall provide to the department's personnel any assistance as soon as such assistance is requested. The department shall likewise cooperate with the other official agencies.

Article 118

Customs personnel, whose nature of work requires, shall be authorized to carry arms. Such personnel shall be determined by a decision of the minister or competent agency.

Article 119

Any department employee whose services are terminated for any reason shall be required to return the things in his custody to the department.

Article 120

A decision by the minister or the competent department, based on the director general's proposal shall identify the incentives and allowances granted to Customs personnel according to the nature of their work. Such package or perks shall become effective once approved by the competent agencies.

Chapter XII

Customs Zone

Article 121

All prohibited and restricted goods, goods that are subject to high Customs duties as well as the goods designated by the director general shall be subject to the conditions applicable in Customs zones. The rules for implementation shall set forth the conditions for the transfer of goods within these zones as well as the required documents and procedures.

Chapter XIII

Customs Cases

Section I

Investigation of Smuggling

Article 122

- a- Customs officials shall be required to combat smuggling. To this end, they shall be entitled to inspect the goods, means of transportation and persons in accordance with the provisions of this law(regulation) or any other applicable rules and regulations.
- b- Personal search or frisking of women is allowed only if undertaken by female inspectors.
- c- In the presence of sufficient evidence of the existence of smuggled goods and after obtaining the permission of the competent department, the Customs personnel may search any house, storehouse or place in accordance with the applicable regulations and rules.
- d- The Customs personnel shall not be held liable for any damages arising from engaging in their functional duties in the manner required of them.

Article 123

The authorized Customs personnel shall be entitled to board any vessel at the local ports as well as vessels entering or leaving the ports, to stay on board until they unload their cargo, and search all sections of the vessels.

Article 124

The authorized Customs personnel shall be entitled to board the ships inside the Customs zone for inspection or to demand submittal of the bills of lading and any other documents required under this regulation. If submittal of bill is denied or in the absence thereof or suspicion of the existence of smuggled or prohibited goods, they shall be entitled to take all necessary actions to seize subject goods and lead the vessel to the nearest Customs department.

Article 125

The department reserves the right to take the appropriate action to investigate smuggling inside and outside the Customs zone in accordance with the rules established by the minister or competent agency.

Article 126

Investigation of smuggling cases and Customs violations across the entire land of the state and impounding of goods may be conducted as follows:

- a- In land and marine Customs zones.
- b- In Customs departments, seaports, airports and all locations under the jurisdiction of Customs control.

- c- Outside land and marine Customs zones when smuggled goods are being actively tracked and pursued by responsible Customs officials after such goods are seen within the zone in a state indicative of the intent of smuggling.

Article 127

The Customs personnel reserve the right to review and flag any violations in the papers, documents, records, correspondence and commercial contracts of any kind directly or indirectly related to Customs operations, as such violations may be committed by the navigation and transportation establishments and all natural and legal entities involved with the Customs operations. Such establishments and entities shall retain all documents referred to above for five years following finalization of the Customs processes.

Article 128

The Customs personnel may detain any person if they suspect that such person has committed or attempted to commit a crime or is involved in the following crimes:

- a- smuggling.
- b- Transportation or possession of smuggled goods.

Section II

Seizure Reports

Article 129

A seizure report shall be generated on the Customs smuggling crimes and violations in accordance with the basic rules provided for herein.

Article 130

The seizure report shall be drawn up by at least two Customs employees upon detection of the smuggling crime or violation. The report may, however, be drafted by a single employee if need be.

Article 131

The following facts shall be documented in the report:

- a- Place, date and hour(in words and figures) the report is drafted.
- b- Names, signatures and work nature of the employees who discovered the violation and those who draft the report.
- c- Names, nationalities, capacities, professions and detailed addresses of the violators or smugglers.
- d- The impounded goods, their types, quantities, value and Customs classification.
- e- Detailed description of the events, and the statements made by the violators, smugglers and witnesses, if any.
- f- Incorporation of a paragraph in the report to the effect that the report was read to the violators or smugglers and that they either acknowledge it by their signatures or decline to endorse it.
- g- All other supporting documents, indicating whether the violators and smugglers attended or declined to attend the inventorying of the goods.
- h- Submittal of specimens of the seized goods to the competent agency to confirm that they involve prohibited materials.

- i- Identification of the agency to which the smuggled goods have been delivered and its signature indicating receipt of the goods.
- j- Identification of the security agency to which the smugglers are to be turned over and the date and hour of such turnover.

Article 132

- a- The seizure report generated in accordance with articles 130 and 131 shall constitute evidence with respect to the material events witnessed first hand by the Customs officials themselves, unless it is proven to the contrary.
- b- Any deficiency in form in the seizure report shall not constitute cause for annulment and can be returned back to its drafters only if the deficiency involves material events.

Article 133

The Customs department reserves the right to impound the goods in violation or involved in the smuggling crime as well as the things used for hiding the goods, including all kinds of means of transportation, such as boats, vehicles and animals, but excluding vessels, aircraft, and public transportation buses. This exclusion shall not apply if such means of transportation have been rigged specifically for the purpose of smuggling.

Article 134

The smuggled materials or materials whose smuggling has been initiated, such as narcotics or similar substances, shall be disposed of in accordance with the rules and regulations applicable in each state.

Section III

Precautionary Arrangements

Part I

Precautionary Seizure

Article 135

- a- The compilers of the seizure report on the smuggling violation, crime, the things used to hide them, and means of transportation, may seize and impound such articles to substantiate the smuggling crime or violation and to use them as bond for any possible duties, fees and fines.
- b- If necessary, the director general may have the competent agency issue an order to impound the monies of the violators and smugglers as a guarantee for payment of Customs duties, fees and fines in execution of final decisions or awards issued for payment thereof.

Article 136

If necessary, and to protect the public treasury rights, the director general may impose Customs insurance[? Liens] on the monies of the dutypayers and their associates.

Article 137

Arresting the culprits shall be allowed only in the following events:

- a- Smuggling crimes that have actually been committed.
- b- Resistance of Customs officials or security men in a way that impedes seizure and investigation of Customs violations and smuggling crimes or seizure of the accused parties.

The arrest warrant shall be issued by the Customs officials empowered with judiciary control capacity or by the security agency. The detainee shall be presented to court within 24 hours from the time he/she is apprehended.

Part II

Travel Ban

Article 138

The director general or his assignee may demand the competent agency to ban the violators or parties accused of smuggling from leaving the country in the event the value of the seized goods is not adequate to cover the taxes, fees and fines.

The travel ban shall be abrogated if the violator or the accused party furnishes a bond equivalent to the amount of possible claims, or if it is concluded subsequently that the value of the seized goods is adequate to cover the amounts claimed.

Section IV

Customs Violations and their Penalties

Article 139

The Customs fines collected and the confiscations provided for herein shall be deemed civil compensation to the department and are not subject to general amnesty rules.

Article 140

In the event of recurrence, the penalty shall apply to each violation separately. The severer penalty shall apply if the violations are linked together in such a way that it is difficult to divide them up.

Article 141

Excluding cases that are considered virtual smuggling as provided for in article 143 hereof and without contradiction with the provisions of applicable agreements, a monetary fine shall be imposed in accordance with the provisions of the rules for implementation for the following violations:

- a- Violations involving imports and exports.
- b- Violations involving Customs declarations.
- c- Violations involving transit goods.
- d- Violations involving warehousing.
- e- Violations involving areas supervised by Customs.
- f- Violations involving temporary admission.
- g- Violations involving re-exportation.
- h- Any other Customs violations.

Section V

Smuggling and its Penalties

Part I

Smuggling

Article 142

Smuggling means entering or attempting to enter goods or taking or attempting to take them out of the country in a way that violates applicable legislations without total or partial payment of the Customs duties or that violates the prohibition or restriction rules provided for herein or in other rules and regulations.

Article 143

Forms of smuggling and evasion shall specifically include the following:

- a- Failure to proceed with the goods upon arrival to the first Customs department.
- b- Failure to follow the methods used for entering and withdrawing the goods.

- c- Loading or unloading the vessels in a manner inconsistent with Customs regulations or loading or unloading them within the marine Customs zone.
- d- Loading and unloading goods from aircraft in an illegitimate manner outside official airports or ditching them during air transport with due regard to the provisions of article 40 hereof.
- e- Failure to declare the goods being imported or exported at the Customs department in the absence of a bill of lading, including goods of a commercial nature accompanying passengers.
- f- The goods being exported or imported bypassing the Customs department without declaration.
- g- Discovery of undeclared goods in one of the Customs departments placed in hidden or camouflaged places that are not usually designated to accommodate such goods.
- h- Increasing, decreasing or changing the number of packages or their contents declared in duty suspended status as provided for in Chapter VII of this law(regulation) and which may be discovered after the goods exit from the Customs department. This rule shall include goods that transit the state by smuggling or without completing their Customs formalities. The carrier shall assume full responsibility therefor.
- i- Failure to submit the evidence required by the department to substantiate the data of the Customs duties status provided for in Chapter VII hereof.
- j- Taking goods from the duty-duty free zones, duty-duty free markets, Customs warehouses or Customs zones without completing their Customs formalities.
- k- Submittal of false, faked or fabricated documents and lists or placing false marks for the purpose of evading payment of all or part of the duties or the purpose of circumventing prohibition or restriction rules.
- l- Transportation or acquisition of restricted or prohibited goods without submitting evidence to support that they have been imported in accordance with the regulations.
- m- Transportation or acquisition of goods under the control of the Customs authorities within the Customs zone without statutory documents.
- n- Failure to re-import goods whose exportation is prohibited or goods provisionally exported for any purpose

Part II

Penal Liability

Article 144

For the penal liability for the evasion crime to be substantiated, it is imperative that deliberate intent has to be present. Applicable penal provisions shall be observed in defining this liability. Specifically, the penal liability shall include the following cases:

- a- The original perpetrators.
- b- Accessories
- c- Those who intervene with the intent of sedition
- d- Persons who acquire smuggled goods
- e- Owners of means of transportation used in smuggling as well as the drivers and their assistants who are involved in the smuggling operation.
- f- Owners or lessees of the locations where the smuggled goods have been placed or the beneficiaries who are found to be aware of the existence of the smuggled goods in their stores.

Part III

Penalties

Article 145

Without prejudice to any stricter penalty provided for in any other provisions applicable in the state, smuggling and initiation of the smuggling operation shall be punishable as follows:

- a- If the smuggling involves goods that are subject to high Customs duties, the penalty shall be a fine of not less than twice the Customs duties due and not more than twice the value of the goods and imprisonment for not less than two months and not more than one year, or either of the two penalties.
- b- If the smuggling involves other goods, the penalty shall be a fine of not less than twice the Customs duties due and not more than the value of the goods and imprisonment for not less than one month and not more than one year, or either of the two penalties.
- c- If the smuggling involves goods that are not subject to Customs duties(exempted), the penalty shall be a fine not less than 10% of the value of the goods and not more than the value of the goods and imprisonment for not less than one month and not more than one year, or either of the two penalties.
- d- If the smuggling involves prohibited goods duties, the penalty shall be a fine not less than the value of the goods and not more than three times its value and imprisonment for not less than six months and not more than three years, or either of the two penalties.
- e- Confiscation of the smuggled goods or payment of an amount equal to its value if not impounded.
- f- Confiscation of the means of transportation, tools and materials used in smuggling or payment of their value if not impounded, excluding means of public transportation such as ships, aircraft, trains and public vehicles, unless they are rigged or chartered for this purpose

Article 146

The director general reserves the right to seize and sell, in accordance with the provisions of chapterXIV hereof, the impounded goods and means of transportation if the smugglers escape and cannot be located. The sales proceeds shall revert to the state after the elapse of one year without the smugglers being captured. If they are captured or brought before the court during this period and a ruling is made to sell the goods, the confiscation award shall apply to the sales proceeds.

Section VI

Prosecution

Part I

Administrative Prosecution

Article 147

- a- The director general shall issue the decisions required for the collection of Customs duties, other fees and the established fines which the payer has failed to pay.
- b- The collection decisions may be appealed before the department within 15 days from the date of communication. Such appeals shall not, however, suspend the execution unless a bank or cash guarantee is furnished to fully cover the claimed amounts.

Article 148

- a- The fines provided for in chapter IV shall be imposed by a decision of the director general or any person authorized by him/
- b- The fine shall be communicated to the violator or his representative by written notice to be served by the competent agency and the violator shall be required to pay the fines within 15 days from the date of notification.

Article 149

Decisions involving payment of fines may be appealed before the minister or the competent agency within the same period of time. The minister or the competent agency reserves the right to either uphold, amend or cancel the fine.

Part II

Judiciary Prosecution of Smuggling Crimes

Article 150

Judiciary proceedings for smuggling crimes shall be initiated only on the basis of the written request of the director general.

Part III

Reconciliatory settlement

Article 151

- a- The director general or any person authorized by him may, at the written request of the party concerned, reach a reconciliatory settlement for smuggling cases either before initiation, during hearing and before a preliminary ruling, by enforcing [?] the Customs penalties and fines provided for in article 145 hereof

- b- The reconciliatory settlement guide shall be issued by a decision of the minister or the competent agency.

Article 152

With due regard to the provisions of article 151, the reconciliatory settlement shall be as follows:

- a- If the smuggling involves goods that are subject to high Customs duties, the penalty shall be a fine of not less than twice the Customs duties due and not more than twice the value of the goods .
- b- If the smuggling involves other goods, the penalty shall be a fine of not less than the Customs duties due and not more than 50% of the value of the goods.
- c- If the smuggling involves goods that are not subject to Customs duties(exempted), the penalty shall be a fine not less than 10% of the value of the goods and not more than 50% of its value.
- d- If the smuggling involves prohibited goods duties, the penalty shall be a fine not less than the value of the goods and not more than three times its value.
- e- Confiscation,clearance or partial or total re-exportation of the smuggled goods.
- f- Confiscation of the means of transportation, tools and materials used in smuggling or payment of their value if not impounded, excluding means of public transportation such as ships, aircraft, trains and public vehicles, unless they are rigged or chartered for this purpose

Article 153

The case shall be dropped upon completion of its reconciliatory settlement formalities.

Section VII

Joint Liability

Article 154

- a- The violation and the civil liability for smuggling cases shall be deemed to have occurred with the satisfaction of its material components. Good faith or ignorance shall not serve as an excuse therefor. However, a person who can substantiate that he/she has been a victim of a force majeure or that he/ she has not committed any of the actions that constituted a violation or caused the smuggling crime to be committed shall be absolved of the liability.
- b- In addition to the person who commits the violation, the civil liability shall include the associates, financer, guarantors, beneficiaries, intermediaries, agents, donors, carriers,posessors and consignors.

Article 155

Investors in stores and places where smuggled goods of subject violation are deposited shall be held liable therefor. However, investors and employees of public stores as well as owners, drivers and assistants of public transportation shall be held responsible unless they can prove that they are not aware of the presence of the smuggled goods and that they do not have a direct or indirect interest therein.

Article 156

Guarantors shall be liable within the limits of their bonds for payment of the Customs duties, fines and other amounts due to the department or to be due from the original committed parties[?].

Article 157

Customs brokers shall be held fully responsible for the smuggling crimes they commit in their Customs declarations as well as for the smuggling crimes and violations committed by their authorized personnel. They shall not, however, be liable for undertakings made in the Customs delarations, unless they themselves made such undertakings or guaranteed the undertakers

Article 158

Goods owners, employers and carriers shall be held liable for the actions of all their employees in connection with the duties and fees collected by the Customs department as well as the fines and confiscations provided for in this law(regulation) incurred as a result of such actions.

Article 159

Heirs shall be liable for payment, from their shares in the legacy, of the fines incurred by the deceased only if they are party thereto. The case shall be dismissed in the event of the violator's demise.

Article 160

The prescribed or awarded duties, fees and fines shall be collected jointly from the violators and those responsible for smuggling in accordance with the principles applicable to the collection of the funds of the state treasury. The impunded goods and means of transportation,if any, shall serve as a collateral for payment of the required amounts.

Section VIII

Court Fundamentals[?]

Article 161

Preliminary Customs courts may be set up in each department in accordance with the legal tool used in each state.

Article 162

The Customs preliminary court shall have the following jurisdictions:

- a- Considering all smuggling and similar crimes.
- b- Hearing all crimes and violations committed against the provisions of this law and its rules for implementation.
- c- Considering objections to collection decisions in accordance with the provisions of article 147 hereof.
- d- Hearing objections to decisions involving fines pursuant to the provisions of atticle 148 hereof.

- e- The court may require any person accused under this law (regulation) to provide a sponsor to guarantee that he will appear before the court or else he will be detained pending resolution of the case.

Article 163

- a- The ruling of the Customs preliminary court may be appealed before a special court of appeals to be instituted in accordance with the legal tool in each state.
- b- This court shall consider the cases referred to it and shall pass its decisions by the majority vote.
- c- Decisions shall be appealed within 30 days from the date of communication of the preliminary ruling if in absentia and from the date of its announcement if in presence.

Article 164

The rulings made by the appeals court shall be final and conclusive.

Article 165

The collection and fine resolutions and rulings made in Customs cases shall be carried out once they become final by all means of implementation on portable and non-portable assets of the fine payers. The minister or competent agency may issue a lien to withhold adequate assets to cover payment of the claimed amounts.

Chapter XIV

Sales of the Goods

Article 166

- a- The department may elect to sell the seized goods if they are perishable, can be subject to shortfalls or infiltration or in a condition that may impair the integrity of the other goods or the installations they are in.
- b- The seized goods whose value depreciates remarkably may be sold as per the director general's authorization.

Such sales shall be made based on a report that documents the condition of the goods and the justification of sales without having to wait for a ruling by the competent court, but on the proviso that the goods owner be notified accordingly. If a subsequent ruling provides for returning the goods to their owner, the value of the sold goods shall be reimbursed after deduction of any duties or fees due thereon.

Article 167

Upon expiry of the period granted by the Minister or competent agency, the department may sell the goods stored in the Customs warehouse, yards or berths or the goods left in the Customs department.

Article 168

The department shall sell the following:

1. The goods, materials and means of transportation which became property of the Customs through confiscation, reconciliation or written assignment.
2. Goods which have not been withdrawn from the warehouse within the legal period specified in article 75 of the regulation.
3. Goods and materials whose owners are unknown or unclaimed within the period specified by the Minister or competent agency for safe keeping.

Article 169

The department shall not assume any liability for the damage to the goods that it sells under the conditions and rules set by the Minister or competent agency.

Article 170

1. The sales processes provided for in this chapter shall be made in a public auction in accordance with the conditions and rules set by the minister or competent agency.
2. The goods, things and means of transportation shall be sold net of Customs duties and other fees and taxes, excluding the brokerage commission incurred by the buyer during the sales procedures.

Article 171

- A. The sales proceeds shall be distributed as follows:
 - a- Customs duties and taxes.
 - b- Expenses of any kind incurred by the department.
 - c- Any transportation charges.
 - d- Any other fees
- B. The balance of the sales proceeds of allowed goods on the day of sale after deduction of the amounts provided for in paragraph 'A' of this article shall be deposited in the custody of the department. The parties concerned may claim it within a year of the date of sale after which it shall be the property of the treasury.
- C. The balance of the sale proceeds of the goods whose importation is not allowed shall be the property of the public treasury.
- D. The balance of the sale of prohibited or restricted goods, or of goods whose importation is allowed, goods sold as a result of a reconciliatory settlement, fine decision or a court ruling in connection with smuggling operation shall be distributed, after deduction of taxes, duties and expenses in accordance with article 172 hereof.

Article 172

The treasury's 50% share from the proceeds of Customs fines, value of the goods, and confiscated means of transportation shall be determined after deduction of the taxes, duties and

expenses. The balance of the proceeds shall be deposited in the Customs reward fund or any other Customs account and shall be disbursed to the persons who discover the violation and those who aid them. The rules for the distribution of the rewards shall be determined by the Minister based on the Director general's proposal.

Chapter XV

The Concession of the Customs Department

Article 173

In order to collect the Customs duties, fees, other taxes, fines, compensations, confiscations and refunds, the department shall enjoy first general concession to the movable and immovable assets of the payers in case of bankruptcy as well as priority over all debts, excluding court expenses.

Chapter XVI

Statute of Limitation

Article 174

Claims for Customs refunds shall not be entertained after the elapse of more than three years.

Article 175

The department reserves the right to destroy the records, receipts, data and other Customs documents for any single year after the elapse of 5 years from the date of completion of the Customs formalities. It shall not be required thereafter to present them or produce any copy thereof to any agency.

Article 176

Without prejudice to other regulations and laws applicable in the state, the statute of limitation where the department of Customs is concerned and in the absence of any objection thereto, shall be as follows:

- A. Fifteen years for the two following events:
 - 1. Smuggling and similar crimes from the date of commission thereof.
 - 2. Enforcement of smuggling rulings from the date of issue.
- B. Five years for the following cases unless a claim is filed in connection therewith:
 - 1. Investigation of the violations as of the date of occurrence.
 - 2. Collection of imposed fines and confiscations as of the date of issue of the ruling.
 - 3. Collection of Customs duties and other fees which have not been collected as a result of department's inadvertent error as of the date of registration of the Customs declaration.

Chapter XVII

Final Provisions

Article 177

1. The Director general may exempt the ministries, government departments and official general organizations from some procedures to facilitate their operations.
2. The Director general may sell at the price he deems appropriate the confiscated or waived goods and things to the state's ministries, official departments and general organizations if such agencies expressed the need for them or may alternatively have them assigned free of charge by a decision of the Minister or competent agency.

Article 178

The GCC Financial and Economic Cooperation Committee shall approve the rules for implementation of this law. Such rules shall be issued in accordance with the legal tool of each state.

Article 179

Once the GCC unified Customs law becomes effective, it shall, within the limits of the constitutional rules, regulations and fundamental systems applicable in each state, replace and supercede the Customs regulations and laws currently applicable in the member states