

LAW ON FOREIGN TRADE POLICY

“Official Gazette” of Bosnia and Herzegovina, 7/98

Chapter I

Basic Provisions

Article 1

1. The Law on Foreign Trade (hereinafter called the Law) shall regulate the basic elements of the system for export and import of goods and services and determine general and special conditions for the performance of economic activities abroad and for the performance of economic activities by foreign natural or legal persons in the state of Bosnia and Herzegovina (hereinafter called BH).
2. For the purpose of international trade, the movement of Goods and Services shall be free.
3. Free movement of Goods and Services shall not preclude prohibitions or restrictions on import, export or transit, justified under the conditions defined in Articles 6 Paragraph 2 and 25 Paragraph 1 and Article 31 of this Law. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a any measure and charge of equivalent effect on international trade.
4. The law shall also establish rules consistent with international obligations under trade agreements for the exceptional applications of safeguard measures and for national market protection against international unfair competition such as dumping and subsidies.
5. This Law improves existing and future economic collaboration between BiH and its Entities and neighboring and other states and international organizations in accordance with the provisions of the Constitutions of BiH.

Article 2

1. The Law is based on the Constitution of Bosnia and Herzegovina, which provides the responsibility of the State for Foreign Trade policy.
2. Unilateral measures concerning Foreign Trade and Agreements with third countries related to Foreign Trade are the responsibility of the institutions of BH.

Article 3

1. For the purpose of the Law "Foreign Trade Policy" shall be understood to mean State Uniform Principles for the application of all unilateral measures concerning the international movement of Goods and Services, and for the negotiation and the conclusion of any agreements with third countries, regional or international organizations related to international trade.
2. For the purpose of the Law "Unilateral measures concerning Foreign Trade" shall be understood to mean restrictive measures, as well as Anti-dumping and Anti-subsidies.
3. For the purpose of the Law "Agreements with third countries related to Foreign Trade" shall be understood to mean: any agreement or instrument related to international trade and in particular any trade agreement with other Countries, any agreement with the European Union, any membership in Customs Unions, in free-trade areas and in the World Trade Organization.

Article 4

1. Foreign Trade Policy under the previous Article of this Law shall be established by BH bodies in co-operation with the competent bodies of the Entities.
2. The Entities shall take all appropriate measures, whether general or particular, to ensure fulfillment of the obligations arising out of the Law or resulting from action taken by the Institutions of Bosnia and Herzegovina.
3. Authorities of BiH and competent authorities of the two Entities shall mutually co-operate and exchange any information necessary to ensure fulfillment of the obligations arising out of this law.
4. Competent authorities of the two Entities may not pass measures that could jeopardize the attainment of the objectives of the Law.

Article 5

1. For the purpose of the Law, " Entity " shall be understood to mean the Federation of Bosnia and Herzegovina and the Republika Srpska.

2. In accordance with this Law, the Governments of the Entities shall be responsible in their respective areas of control and administration for the proper administration and supervision of Customs territory and the orderly implementation of the Customs Laws, customs regulations and other laws and regulations.

Chapter II

Export and Import Regimes

Article 6

1. The export and import of goods shall be free of any quantitative restriction or of any measure of equivalent effect.
2. The provisions of paragraph 1 of this Article shall not preclude prohibitions or restrictions on international trade of goods justified on grounds of publicity, public morality, public policy or public security, the protection of health and life of humans, animals or plants, the protection of national treasures possessing artistic, historical or archaeological value, or the protection of industrial commercial property or to eliminate drugs and waste materials.
3. Beside the provision of the previous Paragraph:
 - The export and import of goods shall be provided under the same conditions on the whole BH Territory
 - Council of Ministers of Bosnia and Herzegovina shall regulate under the provisions of this Law that export and import of certain goods may be subject to customs tariffs and other specified conditions, including requests for statistic data
4. Imported goods shall be submitted to the same tax and legal conditions as imposed on similar BH products.
5. The classification of goods according to individual regimes of export and import, the extent or value of quota, the manner, time-period, and conditions for their classifications shall be prescribed by the Council of Ministers of Bosnia and Herzegovina.
6. Ministry of Foreign Trade and Economic relations of BH (hereinafter : BH Ministry of Foreign Trade) is providing needed number of bilateral and multilateral permits, quotes, contingents, detachments etc. for the needs of BH economy. Distribution is to done to the Entities and by them to the final users.

Article 7

1. Goods to be imported must comply with standards, technical and quality norms prescribed or recognized in BH as conditional for their introduction and or use in Bosnia and Herzegovina including the Entities' standards.
2. Sanitary, veterinary, phytopathological or ecological control of imported goods shall be obligatory and in accordance with regulations.
3. Goods shall remain under customs administration and supervision by the time all the conditions stipulated under paragraph 2 of this article.
4. Goods for which procedure of compulsory test certification has been prescribed must be duly marked once the relevant test certificate has been obtained.
5. Goods whose trade is prohibited in Bosnia and Herzegovina may not be imported or temporarily imported.
6. The BH Council of Ministers may, consistent with obligations under trade agreements, prohibit the export, import or transit of specific goods across Bosnia and Herzegovina or prescribe conditions under which such goods may be imported, exported, or transported in transit to prevent endangering human lives and health or the environment.
7. Notwithstanding the first and second Paragraphs of this Article goods may be temporarily imported for upgrading purposes if this does not endanger human, animal, or plant life or health.

Documents accompanying goods on export and import

Article 8

1. If contracts with foreign legal persons, the regulations of a foreign country or international agreements, stipulate that certificates or verified documents are to accompany goods being exported or imported, such certificates or documents shall be issued or verified by the competent authority.
2. If the regulations of the country in which the certificate or other documents referred to in the previous Paragraph of this Article are to be used stipulate that such certificates or documents be verified by State authorities, they shall be verified by the BH Ministry of Foreign Trade and Relations of BH with dry notarisation stamp, and Ministry of Entities with wet stamp.
3. The Ministry for Foreign Trade of BH, with previously obtained opinions of competent bodies in Entities and if needed economy associations, shall proscribe conditions for issuing of such certificates, or document verification to be enclosed with goods for export and import, criteria for considering goods to be originating from BH and conditions that will require confirmation of origin for imported or exported goods.

Date of permanent export and import and customs clearance

Article 9

1. The export or import of goods is considered completed when the goods have cleared customs and have passed the customs line. The export or import date shall be deemed to be the date on which the declaration for the goods is accepted by Customs.
2. For the purpose of the Law, "acceptance" shall be understood to mean an acceptance of Customs declaration at a Customs Office which is duly authorized by the Entities for the completion of Customs formalities.
3. *(deleted)*¹

Capital investments of a foreign person

Article 10

The movement of goods representing a capital investment by a foreign legal person or an increase of a capital investment, other than goods whose import is subject to special restrictions, shall be free if in accordance with the legal transaction on which the foreign investment is based.

Import of capital goods after termination of capital investment projects abroad

Article 11

1. Companies carrying out capital investment projects abroad may, after the completion of such projects or after ceasing to use the capital goods and their replacement parts purchased for and used in the execution of works under contracts on the execution of capital investment projects abroad, may freely import such goods and their replacement parts in Bosnia and Herzegovina.
2. Prior to importation of the goods and spare parts referred to in the first Paragraph of this Article, the company must, in addition to evidence of purchase present a statement from its administrative body that these goods were used in the execution of capital investment projects abroad.

Replacement of previously exported or imported goods

Article 12

1. A company from BH may within the framework of concluded export or import contracts and before the expiry of the time determined for the correction of deficiencies by such contracts, export or import goods to replace previously delivered goods which have been established as faulty or not meeting contractual conditions.
2. The export and import of the goods referred to in the previous Paragraph shall be free.

Temporary export and import of goods

Article 13

¹ Amendment published in the Official Gazette of Bosnia and Herzegovina 35/04

1. In order to perform services for foreign legal persons or to use the services of foreign legal persons and in other cases when goods are exported or imported, goods may be temporarily exported or imported.
2. A declaration of temporary importation or exportation must be completed with the prescribed conditions in accordance with the Customs Law.
3. Temporarily exported goods must be returned to the Customs territory of Bosnia and Herzegovina or permanently exported and temporarily imported goods must be returned to the foreign country or permanently imported and cleared by the Entities in that part of the State under their respective control in accordance with the Customs Laws within the time period prescribed for temporary import and export.

Article 14

1. Temporarily exported or imported goods may only be used for the purposes for which they were temporarily exported or imported.
2. The movement of goods for temporary export and import shall be free regardless of whether the export or import of such goods is subject to quantitative restrictions.

Article 15

Council of Ministers of BIH, on the proposal of the Ministry of Foreign Trade BIH, can determine type, purpose and duration time of temporary exports and imports, as well as to determine specified goods not to be temporary imported, in order to prevent endangerment of human life or health of animals and plants.

Regime for the export and import of goods from and to customs free zones

Article 16

1. A company can freely move goods and services to and from customs free zones and supply spare parts and other material for the operation and maintenance of transport vehicles for the purpose of conducting business activities in such zones.
2. For the import of goods from customs free zones to the Customs territory of Bosnia and Herzegovina or for their export from the Customs territory of Bosnia and Herzegovina to customs free zones, general conditions under article 6 of this Law shall apply.
3. For upgrade purposes and under special customs supervision, goods may be temporarily imported freely to the Customs territory of Bosnia and Herzegovina until the upgraded goods are returned to the zone or until they are exported.
4. Articles 12, 13 and 14 of this Law shall apply for temporary export from the Customs territory of Bosnia and Herzegovina to customs free zones and for temporary import from customs free zones to the Customs territory of Bosnia and Herzegovina.

Export and import of goods without payment

Article 17

A company may receive tools, measuring instruments and devices, service vehicles, and equipment sent to it by a foreign legal person with whom a contract regarding agency, consignment stock, or services has been signed for the purpose of performing services within the framework of the concluded contract, pursuant to Customs Law.

Long-term production cooperation

Article 18

For the purpose of the Law "long-term production cooperation" shall be understood to mean any long-term contractual relation between a domestic legal person performing production activities in Bosnia and Herzegovina and foreign legal persons concerning development, introduction of production, production, and mutual supply of products and their component parts.

Article 19

1. If at the time the contracts and amendments and supplements to it were concluded, the goods exported and imported on the basis of a contract on long-term production cooperation were classified as goods to be exported or imported freely, then they shall be exported or imported freely until the end of the fulfillment of the contract.
2. If export or import of goods is undertaken based upon contract of long-term production cooperation, submissive to quote or permission, company will export or import such goods based upon approval of Ministry of Foreign Trade of BIH which must decide about requested approval. This approval will represent rights for import or export and on that base will be valid as long as contract is valid.

Article 20

1. A contract on long-term production cooperation made in written form and for a specified period of time can be completed with any available information, and may also be emended.
2. The value of the goods exported on the basis of the contract referred to in the previous Paragraph of this Article must at least be equal to the value of the goods imported on the basis of the same contract.
3. Conditions for registration of contract for long-term production cooperation will be proscribed by Council of Ministers on basis of proposal of Ministry of Foreign Trade BIH.

Equipment lease

Article 21

1. A company may temporarily export or import equipment on lease for use in production and to perform services.
2. A lease contract shall be done in writing and specify the terms of the lease. It may also specify that after the expiration of the contractual term the lessee shall become the owner of the temporarily exported or imported equipment.
3. Entities are issuing permissions for temporary export or import of purchased goods under conditions determined by the rules as in Article 43 of this Law. If such imports or export are submissive to quotes or permission, Entities can permit them if importer has approved rights for quote and permit. If no quote or permit is approved for such imports or exports, Entities can give permission for temporary import pursuant to the provisions under Article 15 of this Law.
4. In the event at the time of temporary export or import, the equipment on lease is classified as goods which can be freely exported or imported, and at the time of its permanent export or import it shall be exported or imported freely.

Compensation jobs

Article 22

1. Company may, according to the approval, sign the contract on export of goods and services which are paid by import of goods and services.
2. Ministry of Trade in Entity will issue approval from posture 1. of this Article based upon particular regulation of Council of Ministers of proposal of Ministry of Foreign trade.

Chapter III

International Trade In Services

Article 23

1. Services can be freely provided within the territory of Bosnia and Herzegovina.
2. Notwithstanding the provision of the previous Paragraph, the Council of Ministers may, to the extent consistent with trade agreements to which BH and/or Entities is party, prescribe that the internal trade of specific services can be carried out subject to specified conditions.
3. For the purpose of the Law:
 - "services" shall be understood to mean any service in any sector except "services supplied in the exercise of governmental authority".
 - "trade in services" shall be understood to mean the supply of a service between legal and natural persons from Bosnia and Herzegovina and a foreign country or customs territory;

- Services supplied in the exercise of governmental authority" shall be understood to mean any service which is supplied neither on a commercial basis nor in competition with one or more service suppliers.

National treatment **Article 24**

1. Without prejudice to the provisions relating to the right of establishment of foreign natural and legal persons in Bosnia and Herzegovina, the person providing a service in Bosnia and Herzegovina may, in order to do so, temporarily pursue his activity in Bosnia and Herzegovina where the service is provided, under the same conditions as are imposed by the Council of Ministers and the Governments of the two Entities.
2. Foreign natural persons providing a service in Bosnia and Herzegovina shall be subject to the rules contained in the previous Paragraph of this Article in so far as the application of such rules does not restrict the application of BIH measures affecting natural persons seeking access to the employment market or regarding citizenship, residence or employment on a permanent basis.
3. Foreign natural persons providing a service in Bosnia and Herzegovina shall be subject to the rules contained in Paragraph 1 of this Article in so far as the application of such rules does not restrict the application of measures to regulate the entry of natural persons into, or their temporary stay in, Bosnia and Herzegovina including the measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across its borders.
4. Measures provided in Paragraph 2 and 3 of this Article shall not be applied in such a manner as to nullify or impair the benefit of internal trade of services.
5. Services of foreign natural and legal persons in Bosnia and Herzegovina shall be submitted to taxation and regulations and on the same conditions as same or similar services of foreign natural and legal persons.

Article 25

1. The provisions of Article 23 shall not preclude prohibitions on international trade of services justified on grounds of public morality, public policy or public security, the protection of health and life of humans, animals or plants, the protection of national treasures possessing artistic, historical or archaeological value, or the protection of industrial commercial property.
2. Such prohibitions or restrictions shall not, however, constitute a means of discrimination or a disguised restriction on international trade.

Export and import of services without payment **Article 26**

1. Natural and legal persons may perform services, without fee, for humanitarian, scientific, educational, cultural, health, social, sport, religious and other non commercial purposes under the conditions determined by the BH Council of Ministers, on the basis on the proposal of Ministry of Foreign trade of BIH.
2. The approval under paragraph 1 of this Article shall be issued by the competent Entity Ministry pursuant to stipulated conditions.

Performance of specific services by foreign legal persons in Bosnia and Herzegovina **Article 27**

1. Foreign legal persons may perform services in Bosnia and Herzegovina if they fulfil the conditions prescribed by the Council of Ministers and the Governments of the two Entities.
2. The Council of Ministers and the Governments of the two Entities may in application of the Law prescribe conditions and criteria subject to which foreign legal persons may undertake to perform specific services in Bosnia and Herzegovina providing:
 - that foreign legal persons may perform or offer certain services in Bosnia and Herzegovina under conditions of reciprocity ;

- that foreign legal persons shall not be permitted to perform certain services in Bosnia and Herzegovina unless they establish legal persons based in Bosnia and Herzegovina or conclude appropriate contracts with domestic legal persons registered to perform the service in question;
- that foreign legal persons may employ a specified maximum proportion of nationals for the performance of specific services in Bosnia and Herzegovina.

Commercial Activities Abroad
Article 28

1. Domestic legal persons may establish a company abroad or purchase or increase share capital in a company abroad and invest in a foreign company by using its own funds or obtain a loan.
2. The funds for the purpose referred to in the previous Paragraph of this Article shall be used on the basis of a authorization granted by the Entity Ministry of Trade under the conditions stipulated by the BH Council of Ministers.

Article 29

Provisions under Article 28 of this Law referring to the establishment of enterprises abroad shall accordingly be applied to the establishment of representatives, business units (shops, services, consignments stocks, construction sites etc.) as well as for banking and financial transactions abroad and insurance and re-insurance abroad.

Trade-related aspects of intellectual property rights
Article 30

1. For the purpose of the Law "intellectual property rights" shall be understood to mean:
 - Copyrights and related rights ;
 - Trademarks ;
 - Geographical indications ;
 - Industrial Designs ;
 - Patents ;
 - Layout-Designs (topographies) of Integrated Circuits ;
 - Protection of undisclosed information.
2. Aspects of intellectual property rights concerning foreign trade are jurisdiction of BH institutions. In the spirit of this Law, under the term "aspects of intellectual property rights concerning foreign trade" is considered: providing of adequate standards and principals in connection with capability, size and usage of intellectual property rights concerning foreign trade as well as providing of efficient and suitable means for performing of intellectual property rights concerning foreign trade in accordance with obligations from trade agreements with BH and/or Entities as the one of the concerned parties.
3. BH Council of Ministers may in compliance with the standards under the previous article shall proscribe safeguard measures for of domestic subjects and consumers from damaging clauses within license or any other transfer of right to intellectual and industrial property.
4. International Agreements in the field of trade related aspects of intellectual property rights shall be the responsibility of the BH.

Chapter IV

Safeguard Measures
Article 31

1. The BH Council of Ministers shall apply a safeguard measure to a product when determined that such product is being imported into Bosnia and Herzegovina in such increased quantities, absolute or relative to domestic production and under such conditions as to cause or threaten to cause serious injury to domestic industry that produces like or directly competitive products.

2. The proposal of such safeguard measures shall be made by the Ministry of Foreign Trade and Economic Relations won the obtained opinion from the Entities.
3. Such safeguards measures shall be applied to a product being imported irrespective of its origin.

Article 32

1. For the purpose of the Law:
 - "Serious injury" shall be understood to mean a significant overall impairment in the position of a domestic industry ;
 - "Threat of serious injury" shall be understood to mean serious injury that is clearly imminent;
 - "Domestic industry " shall be understood to mean the producers as a whole of the like or directly competitive products operating within Bosnia and Herzegovina, or those whose collective output of the like or directly competitive products operating within Bosnia and Herzegovina, or those whose collective output of the like or directly competitive products constitutes a major proportion of the total production of the total domestic production of those products.
2. In the investigation to determine whether increased import have caused or are threatening to cause serious injury to a domestic industry under the terms of the Law, the Ministry for Foreign Trade and Economic Relations of BH , on the basis of data obtained from Entity Ministries of Trade shall evaluate all relevant factors of an objective and quantifiable nature having a bearing on the situation of that industry.

Article 33

Council of Ministers may apply safeguard measures for a limited period of time as may be necessary to prevent or remedy serious injury and to facilitate adjustment.

Chapter V

Anti-Dumping Procedure

Article 34

1. For the purpose of the Law "dumping" shall be understood to mean the introduction in the BH territory of a product originating in a foreign country at less than its normal value which cause or threat to cause a material injury to the BH economic producers or which is principle cause of the retardation of the establishment of such economic producers in the BH territory.
2. BH Council of Ministers prescribes definitions, conditions and procedures of anti-dumping investigation, as well as measures and terms of anti-dumping safeguard.

Article 35

1. The investigation to determine the existence, degree and effect of any alleged dumping shall be initiated upon a written complaint of a legal person or association not having the status of a legal person acting on behalf of BH economy.
2. The complaint shall be considered submitted on behalf of BH economy in the event it be supported by the manufacturers the production scope of which or the production of similar products and services exceeds 50% of the overall production or of services in BH.
3. The complaint shall comprise evidence on dumping, violation and causal relationship between the alleged dumping import and alleged damages either potential or done.
4. The complaint shall be rejected in the event of insufficient evidence on dumping or on damages done to justify continuation of the procedure.

Article 36

1. BH Council of Ministers shall undertake measures in the event of extreme emergency.
2. Temporary measures may be introduced for six months and may be extended for another three months.

Article 37

Anti-dumping measures shall remain in force only for the period and up to the level necessary for anti-dumping action that shall have caused damages.

Article 38

Temporary measures and anti-dumping duties shall be applied only to the products and services entering BH after the decision on their introduction.

Chapter VI

Protection Against Subsidized Imports

Article 39

A product or service shall be considered subsidized in the event of financial support of the Government or some other institution in the country of origin or export of the product or service.

Article 40

Provisions under Articles 34-38 of this Law shall accordingly be applied to the safeguard from subsidized import.

Chapter VII

Application Of The Law

Authority in charge of the application of the Law

Article 41

1. The BH Ministry for Foreign Trade and Economic Relations and the ministries in charge in the two Entities shall be responsible for the application of Foreign Trade Policy under the conditions of the Law.
2. In order to fulfil the applications of the Law the relevant authorities of the Entities will exercise any governmental function and powers which are not expressly assigned to the BH Ministry for Foreign Trade and Economic Relation.
3. The Entities and any subdivisions thereof shall comply fully with BH Constitution conditions and try to facilitate with Entity co-ordination s on any matters related to Foreign Trade Policy which are their responsibility.

Article 42

1. Control over the application of this Law shall be done by the BH Ministry of Foreign Trade.
2. BH Ministry of Foreign Trade shall supervise implementation of obligations taken over by international bilateral and multilateral treaties, agreements and conventions.

Article 43

1. BH Council of Ministers shall pass sub-laws and other regulations based on this Law on the proposal of the BH Ministry of Foreign Trade.
2. BH Ministry of Foreign Trade prior to the proposal of sub-laws and other regulations to the Council of Ministers shall be liable to obtain opinions of competent authorities in the two Entities and if necessary of economic associations.

3. BH Ministry of Foreign Trade shall also be liable to obtain opinions of the competent authorities of the two Entities and if necessary of economic associations prior to the enactment of regulations for which it is authorized by this Law
4. Regulations under paragraphs 2 and 3 of this Article shall be proposed, or enacted by the Minister of Foreign Trade of BH with the agreement of his/her deputies.
5. All the regulations under paragraph 1 and 3 of this Article shall be published in the Official Gazette of Bosnia and Herzegovina, and in Official gazettes of the two Entities

Article 44

1. BH Council of Ministers shall enact regulations to establish conditions for the establishment of penalties to enterprises or associations of enterprises in the events of negligent or deliberate:
 - submission of incorrect or wrong information pursuant to Law,
 - violation or offence regarding any obligation immediately established for enterprises or associations of enterprises pursuant to Law.

Chapter VIII

Transitional and Final Provisions

Article 45

1. All previous regulations referring to foreign trade shall become invalid at latest six months from the day of the entry of this Law into force.
2. All the regulations for the implementation of this Law shall be enacted or harmonized within the same terms by the BH institutions and by the competent bodies of the two Entities.

Article 46

1. This Law enters into force 8 days after its publication in the Official Gazette of Bosnia and Herzegovina and shall apply to any proceedings initiated after this date.
2. Official gazettes of the two Entities shall be liable to publish this Law.

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