

# Customs Law

## Title One - General Provisions and Principles

### Chapter One : General Provisions Governing Customs

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| Article 1 | Customs is a public administration that shall carry out the following functions:<br>1. Levy of customs duties and all other charges and taxes imposed on goods imported to Lebanon, as well as duties that might be imposed on certain goods exported there from exit, pursuant to the provisions of this Law or any other Laws or agreements to which Lebanon is a signatory.<br>2. Prevention of illegal import and export of merchandise.   |
| Article 2 | 1. Customs shall carry out the above-mentioned functions, in accordance with the provisions of the present Law, within the customs territory, which comprises the Lebanese lands and aerial spaces and the territorial waters and adjacent area.<br>2. It shall be allowed to establish free zones and duty-free stores within the customs territory; such stores and areas shall not be subject to the customs regime but to the relevant provisions in respect thereof set forth in this law.<br>3. Customs shall take special measures to control the transportation of certain types of goods and the seizure thereof in an area adjacent to the territorial and maritime borders, which constitute the customs territory.<br>The definition of the customs territory, types of goods subject to customs control as well as the provisions governing such control are determined in Title seven of this Law. |
| Article 3 | 1. All goods introduced into the customs territory or exiting there from shall be subject to the provisions of this law.<br>2. The same customs provisions shall be applied to the entire customs territory, unless otherwise provided for.<br>3. Customs laws and regulations shall be implemented notwithstanding the nature of people, however due account shall be taken of exceptions laid down in the present Law.   |

### Chapter Two : General Principles Governing Customs Procedures

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| Article 4 | 1. Customs and parties concerned shall implement all customs procedures subject to the principles of streamlining, publicity, transparency and common interest.<br>2. Pursuant to the provisions of paragraph (1) above, the customs administration shall adopt modern means and advanced and developed regulations for the organization of the customs business especially as concerns the following:<br>A- Receiving load sheets and declarations of goods and all other documents and information relating to goods, via electronic mail.<br>B- Receiving documents and information relating to goods and examining such documents in advance before the arrival of imports or before exports reach the customs territory.<br>C- Clearing goods according to internationally applicable procedures and to the provisions of the Kyoto Agreement.<br>D- Allowing the direct delivery of imports or permitting the shipment of exports, before the payment of due duties or before the completion of relevant customs formalities, within specific conditions that shall be determined by the customs administration.<br>E- Inspection of goods in a rapid, simplified and selective manner, whenever the customs shall deem the recourse to inspection appropriate and useful.<br>F- Auditing goods and relevant documents after their release.<br>G- Spreading the exchange of information by e-mail and implementing the customs operations and procedures through an automated system.<br>H- Simplifying the customs declaration forms and adopting the single customs declaration whenever possible.<br>I- Accepting one single declaration containing goods imported or exported on different conveyances, within a specific period.<br>J- Allowing a unique declaration upon import or export of goods encompassed in more than one manifest or registry of customs warehouses registries.<br>K- Adopting international facilities in implementing customs regulations pertaining to the statuses of pending charges, export, re-export and duty drawback<br>L- Promoting the establishment of free areas and customs warehouses of all types, in order to boost the commercial and industrial activity and to facilitate re-export operations.<br>M- Streamlining and facilitating the method of duty payment through credit accounts and bank |
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|           | <p>guarantees and other means of payment that may facilitate and boost the commercial activity.</p> <p>3. Customs procedures laid down in this chapter should be implemented in the light of the principle of trade facilitation without violating the efficient customs control, and upon guidance by new procedures of risks management and evaluation.</p>   |
| Article 5 | <p>The customs shall observe transparency in publishing customs related laws regulations and decisions including decisions governing tariff amendments and other customs procedures and measures, through their publication in the official gazette, and as deemed necessary in other national medias, including electronic means; These texts shall come into force, in principle, 30 days after the date of their publication, except aspects thereof concerning tariff amendments the provisions of which shall be implemented within the periods, and under the effects and provisions of publication set forth in Article 16 of this Law.</p>                    |
| Article 6 | <p>1. Every employer shall have the right to submit to customs a written request to inquire about any customs procedure with regard to the classification of certain goods, the rate of duty and exemption in respect thereof or to gather information about goods valuation or rules of origin or about any other measures, procedures and regulations applied by customs.</p> <p>2. Customs authorities, shall reply to the queries and subjects mentioned in the previous Article, no later than 15 days after the date of the submission of the queries, provided that secret information or information related to third parties are treated confidentially.</p> |

### Chapter Three : General Principles Governing Customs Duties

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| Article 7  | <p>1. Customs duties shall be levied on imports to Lebanon, and if need be on goods exported there from, by decisions of the Higher Council of Customs empowered by the relevant authority according to rules.</p> <p>2. Anti-dumping and countervailing duties shall be levied and amended on certain types of Lebanese imports from specific countries, by decisions of the Higher Council of Customs, in accordance with texts issued by relevant authorities pursuant to legislations in force. Under the same provisions, any necessary procedures may be implemented, including the imposition of quotas in order to counteract measures taken by certain countries that may threaten national production.</p> <p>3. Types of goods, tariff codes and rates of due duties, as well as general rules governing classification and codification are categorized according to the "Harmonized Tariff Schedule".</p>   |
| Article 8  | <p>1. Customs tariff on imports shall include: Ordinary tariffs and preferential tariffs.</p> <p>2. Ordinary tariffs shall apply to goods, which are not qualified for preferential tariffs.</p> <p>3. Preferential tariffs shall apply to all goods or part thereof originating from a country or a group of countries with which Lebanon is bound up by special customs agreements, that qualify these goods for preferential statuses within limits specified in the said agreements.</p>   |
| Article 9  | <p>Customs tariffs shall be either ad valorem (a percentage of the value of imported products) or specific (a given amount of money per physical unit). Some types of product may be subject to compound tariffs, a combination of ad valorem and specific levies.</p>   |
| Article 10 | <p>1. Shall, whenever mentioned in this Law be considered subject to high duty merchandise chosen by the Higher Council of Customs, following consultation with the Director General of Customs, to be subject upon import or when necessary upon export to customs duties and other charges and taxes of no less than 35% total rates, notwithstanding the specific duties due on such merchandize.</p> <p>2. Shall be considered subject to revenue tax, whenever referred to in this law, all merchandise generating revenue for the government Treasury no matter if the total customs rates of duty and other taxes and charges due on such merchandise are less than 35% and even if they are subject to specific duties, and all goods subject to specific duties only, provided that all categories of such goods are determined by virtue of decisions issued by the Higher Council of Customs, after consulting the Director General of customs.</p> |
| Article 11 | <p>1. Customs duties classified in the Harmonized Tariff Schedule shall apply to all goods introduced into Lebanon, and as deemed necessary to all goods leaving the country, notwithstanding the nature of the consignees, let apart the exceptions provided for in this Law or in any other Law or agreement to which Lebanon is a signatory.</p> <p>2. Goods imported or exported by the government or for its account shall be subject to customs duties pursuant to the provisions set forth in Article 172 of this Law, provided that such goods do</p>  |

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|            | not fall for exceptions mentioned in Paragraph (1) of this Article.   |
| Article 12 | <p>1. In accordance with the exceptions laid down in Article 11, customs employees shall be prohibited under penalty of bribery and at the risk of prosecution from the following:</p> <p>A- Granting extra exemptions and reductions not included in Customs Laws and regulations, therefore whoever enjoys such exemptions or reductions, shall be sued as partner.</p> <p>B- Levying customs duties other or higher than those specified in the Tariff Schedule.</p> <p>2. The provisions of this Article apply to duties and charges that shall be levied by the customs administration.</p>  |
| Article 13 | <p>1. Customs duties in force shall be levied on goods subject to ad valorem tariffs according to the value of such goods and their condition upon presentation to customs for the payment of duties.</p> <p>2. Specific tariffs classified in the Harmonized Tariff Schedule shall, in principle, be levied in full on the quantity presented to customs notwithstanding the description, value and condition of the goods subject to such duties.</p> <p>3. In order to implement the provisions of this Article, the customs shall permit the separation of damaged or perished parts of a consignment, if such damage is due to factors that had occurred before the registration of the detailed declaration.</p> <p>Damaged or perished goods shall be subject to customs duties in the light of the condition of such goods at the time of presentation to customs. Such goods may also be re-exported or destroyed at the expense of the proprietor according to rules.</p> |
| Article 14 | Customs duties levied upon entry may be refunded according to the rules and conditions set forth in Chapter Seven of Title Three of this law.   |

#### Chapter Four : Amendments of Customs Tariffs

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| Article 15 | <p>1. When tariff are being amended, the rate of due duty shall be specified according to the date of registration of the declarations under which goods are offered for consumption at the customs office, let apart exceptions provided for in this Law or in the text of amendment.</p> <p>2. Subject to the provisions of this article, declarations under which goods are offered for consumption shall be registered during official working hours in the register of the customs house, and goods shall be placed in customs territory in order to submit them to inspection as deemed necessary.</p>   |
| Article 16 | <p>1. In principle decisions in connection with the application of tariffs amendment shall be implemented 3 days after their publication according to the provisions of Paragraph (2) hereafter unless otherwise provided for in the decision of amendment.</p> <p>Should one or two days of the said period happen to be official holiday, it shall be extended up to a period equivalent to the number of holidays.</p> <p>2. The decisions governing the said tariff amendments shall be published and posted on the location of official publications within the headquarters of the Council of Ministers and the Higher Council of Customs and the General Directorate of Customs.</p> <p>3. Contrary to the provisions of Paragraph (1) above, goods subject to customs duties increases may benefit from previous duties, if it appears to customs that they were directly shipped to Lebanon before the date of publication of the decision of duty increase, provided that these duties are settled no later than 3 days from the date of entry into customs warehouses. This period shall be determined according to the conditions set forth in Paragraph (1) above.</p> <p>The Higher Council of Customs, shall determine the conditions of implementation of this Paragraph following consultation with the Director General of Customs</p> |
| Article 17 | Goods stored in customs warehouses at the date of adoption of the decision governing tariffs increase, may benefit from previous tariffs if duties due on them are paid or guaranteed within the period provided for in Article 16 or in the decision of tariff increase, as long as this decision does not lead to a prompt effect.   |
| Article 18 | <p>Goods whose duties are pending pursuant to surety bonds and which are presented to customs and entered for local consumption, shall be subject to duties in force at the date of registration of the declaration under which such good are put for consumption.</p> <p>Goods whose duties are pending and which have not been presented to customs in full or in part as well as goods entered for consumption without being manufactured in an industrial warehouse, shall be subject to duties in force at the date of registration of security bonds relating to such goods,</p>   |

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|            | or at the date of liquidation of their respective duties, provided that the higher duty is applied.  |
| Article 19 | 1. When duties are de facto due on goods stored in warehouses, due to the expiry of the storage period and to the absence of a legitimate extension, the duty shall be levied according to the tariff in force at the expiry of the legitimate period of storage.  |
|            | 2. Goods illegally withdrawn from the warehouse or found to be deficient when auditing the warehouse's accounts, shall be subject to duties in force at the date of the latest withdrawal there from or at the date of discovery of deficiency, or when the deficiency occurs if it were possible to discover it, or at the date of settlement of duties provided that the higher duty is applied.   |
| Article 20 | Goods leaving customs zones and duty-free shops for the purpose of national consumption shall be subject to duties in force at the date of registration of consumption declarations.   |
| Article 21 | Goods sold by customs for national consumption according to the rules set forth in chapter seven of Title Eight of this Law, shall be subject to duties in effect at the date of sale, pursuant to the provisions of article 445 of the present law.   |
| Article 22 | Smuggled goods shall be subject to duties in effect at the date of smuggling or at the date of smuggling discovery. Should the goods be contained in previous customs declaration, the date of registration of these declarations shall be a base to determine the difference of charges.  |
| Article 23 | If it were impossible to import a complete machine or a group of machinery in one shipment, due to the size, weight or multiplicity of parts or portions of such machine, and should import occur on different times, in the form of separate conveyances, the duty on such machine may on the request of the importer be assessed on the full value of the machine or on the value of its components, if customs discovers after final installment the existence of one machine subject to a unique tariff code of the codes of Chapters 84,85 and 90 of the Harmonized system.<br>However, contrary to the provisions of Article 15 of this Law, upon the importer request the duty on the machine may be levied whether on the full value of the machine or on its components, at the date of registration of the last conveyance, or for the separate parts of the machine on each conveyance according to the tariff in force at the date of registration |
| Article 24 | Provisions of Articles 15 and 23 shall apply to all duties and other taxes levied by the customs administration, unless otherwise provided for.  |

## Chapter Five : Disciplines to Govern the Application of Customs Duties

### Section 1: The Origin of Imported Goods

#### A -Non-preferential Origin of Goods:

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| Article 25 | The origin of imported goods is the country in which the goods are produced or wholly obtained, which shall include the following:<br>a- Mineral products extracted from the soil, territorial waters, or seabed of the said country.<br>b- Vegetable products harvested or gathered in the said country.<br>c- Live animals born and raised in the said country.<br>d- Products directly obtained from live animals in the said country.<br>e- Fishing or hunting products of the said country.<br>f- Maritime fishing products and other products obtained from the sea, outside a country's territorial waters, by means of fishing boats registered in the said country and raising its flags.<br>g- Goods produced or procured aboard manufacturing ships from amongst the goods listed in paragraph (f) above, provided that such ships are registered in the said country, and raise its flag.<br>h- Products extracted from the seabed or the subsoil thereof outside territorial waters provided that the country has exclusive rights to operate the seabed or its subsoil.<br>i- Waste and scraps obtained from manufacturing processes and residues that are fit only to be recovered as raw materials.<br>j- Goods obtained from the products referred to in paragraphs (a) to (i) above or from the derivatives thereof, and at any production stage. |
| Article 26 | 1- Where two or more countries are involved in the production of a product, the origin of the product shall be the country in which the last substantial manufacturing or transformation process  |

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|            | of economic value took place, provided that such process was carried out in a plant equipped for this purpose and led to a substantial transformation of the product or the creation of a new product altogether.   |
|            | 2- For the purposes of paragraph (1), change of tariff classification shall be considered as the primary criterion for determining origin, provided that due account is taken of one or both of the following two criteria, as complementary conditions:<br>a- The ad valorem percentage criterion.<br>b- The criterion of manufacturing or processing operation.   |
|            | 3- The Higher Council of Customs shall issue decisions determining necessary conditions for the application of any of the above-mentioned criteria in accordance with the rules set out by the WTO with the collaboration of the World Customs Organization, due account being taken of Article 27 below.   |
| Article 27 | The following operations, considered as secondary, shall not be taken into consideration when determining the origin of imported goods, whether or not accompanied by a change in the tariff classification:<br>1- The operations carried out to insure that goods are preserved in good condition during transport or storage.   |
|            | 2- The operations carried out to facilitate shipment or transportation of goods.  |
|            | 3- The operations carried out to package or prepare goods for sale.   |
|            | 4- Simple operations on goods, namely: ventilation, spreading out, drying, cooling, removal of damaged parts, greasing or rust removal, adding a coat of paint to protect against natural elements, rust removal, washing, cleaning, sifting or screening, sorting or classifying, scaling, testing or calibration, packaging or breaking up of assembled packages or repackaging, dividing the bulks, affixing marks, labels and other distinguishing signs on the packages of goods, dilution by water or any other aqueous solution, ionization, salting, peeling, crushing, removal of seeds from fruits, slaughtering of animals.                          |
| Article 28 | 1- The origin of foreign goods imported into Lebanon and which qualify for the Normal Tariff, shall be proved whether by including in the original invoice issued by the foreign seller evidence proving, in one way or another, the origin of goods or by submitting an independent certificate of origin.   |
|            | 2- Contrary to the provisions of paragraph 1, the Higher Council of Customs may, upon the consultation of the Director General of Customs and for non- statistical purposes, seek, in some special cases, documentary evidence from the relevant authorities in the country of origin proving the origin of imported goods, or as deemed appropriate, exempt them from providing such evidence.<br>Whenever there is reason to believe that the documents contain inaccurate information, the Higher Council of Customs shall have the right to request additional documentary evidence to verify that the proof of origin is consistent with applicable rules. |
|            | 3- Any dispute regarding the accuracy of the proof of origin shall be subject to revision as referred to in chapter 7 of section 2 of the this law.   |
|            | 4- Failure to submit the original invoice or a true copy thereof, certified by the issuing authority or submission of incorrect country of origin information shall lead to the imposition of penalties referred to in Articles 421, 425 and 428, as the case may be.   |

#### B- Preferential Origin of Goods:

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| Article 29 | 1- The preferential origin of goods shall ensure partial or total exemption from customs duties.  |
|            | 2- Each agreement shall determine the goods eligible for preferential treatment and necessary conditions for the goods to bear proof of their origin.   |
|            | 3- All goods not subject to preferential origin requirements shall pay the normal tariff.   |
| Article 30 | 1- Preferential treatment shall be granted upon the submission of a certificate of origin issued by the relevant authorities in the country of origin and including sufficient indications for the identification of goods; goods must also be imported directly from the country of origin into Lebanon. |
|            | 2- Customs may request Customs authorities in the country of origin to verify that goods bear proof of their origin; Customs authorities shall also be responsible for verifying the validity of the submitted certificate of origin.   |

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| Article 31 | Exported goods shall not be subject to proof of origin requirements. In case the country of importation requires such proof to determine preferential treatment eligibility, relevant Lebanese authorities shall issue the certificate of origin. |
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**C- Common Provisions for Preferential and Non-preferential Origin:**

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| Article 32 | 1- If the sale transaction is concluded through a third country, the certificate of origin issued by the said country shall be accepted whether or not goods are entered into the latter; the global certificate of origin shall be accepted if the goods it covers constitute one consignment.  |
|            | 2- Any person shall have the right to seek advance country of origin ruling provided that such ruling is issued within a maximum period of 15 days as of the date of submission of the application. The ruling shall be valid for three years provided applicable conditions and country of origin rulings are not subjected to change. If any adverse decision is issued during its revision, the ruling shall become invalid provided the parties concerned are notified in advance. |
|            | 3- Customs shall ensure that all information provided on a confidential basis with regard to the application of rules of origin are treated as strictly confidential and not disclosed to a third party without the specific permission of the party providing such information. However information submitted to Customs may be disclosed for judicial proceeding purposes.   |
|            | 4- Importers shall have the right to appeal unfavorable administrative decisions pertaining to origin determinations at the administrative court level.  |
|            | 5- Administrative court decisions and general administrative decisions pertaining to rules of origin shall be published; new rules of origin and amendments to rules of origin shall not have retroactive effect.  |
|            | 6- Rules of origin applicable to local products shall apply to import and export.  |
|            | 7- MFN treatment shall be observed when applying rules of origin.  |

**D- The Origin of Goods:**

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| Article 33 | The origin of goods shall be the country from which they were directly imported. |
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**E- Sanctions:**

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| Article 34 | Fraudulent country of origin information aimed at obtaining a more favorable treatment or a lower tariff rate for imported merchandise shall lead to the imposition of penalties prescribed in Articles 421 and 425 as the case may be. |
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**Section 2: Rules of Assessment of the Origin of Goods in Customs**

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| Article 35 | <p>1- The customs value of goods imported into Lebanon shall be the transaction value that is the price actually paid or payable for the goods when sold for export to Lebanon. There shall be added to the price actually paid or payable the following to the extent that they are incurred by the buyer but are not included in the price actually paid or payable for the goods:</p> <ul style="list-style-type: none"> <li>a- The cost of transport of the imported goods to Lebanon.</li> <li>b- Loading, unloading and handling charges associated with the transport of the imported goods to Lebanon.</li> <li>c- The cost of insurance.</li> <li>d- Commissions and brokerage, except buying commissions.</li> <li>e- The cost of containers, which are treated as being one for customs purposes with the goods in question.</li> <li>f- The cost of packing whether for labor or materials.</li> <li>g- The value, apportioned as appropriate, of the following goods and services where supplied directly or indirectly by the buyer, free of charge or at a reduced cost, for use in connection with the production and sale for export of the imported goods, to the extent that such value has not been included in the price actually paid or payable: <ul style="list-style-type: none"> <li>- Materials, components, parts and similar items incorporated in the imported goods.</li> <li>- Tools and moulds used in the production of the imported goods.</li> <li>- Materials consumed in the production of the imported goods.</li> <li>- Engineering, development, artwork, design work and plans and sketches undertaken elsewhere than in the country of importation and necessary for the production of the imported goods.</li> </ul> </li> </ul> |
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h- Royalties and license charges related to the goods being valued that the buyer must pay, either directly or indirectly, as a condition of sale of the goods being valued to the extent that such royalties and charges are not included in the price actually paid or payable.

i- The value of any part of the proceeds of any subsequent resale, disposal or use of the imported goods that accrues directly or indirectly to the seller.

2- The customs value shall not include the following charges or costs, provided that they are distinguished from the price actually paid or payable for the imported goods:

a- The cost of transport after importation.

b- Charges for construction, erection, assembly, maintenance or technical assistance, undertaken after importation on imported goods such as industrial plants, machinery or equipments.

c- Interests paid in accordance with a written financing contract signed by the buyer for the purchase of the imported goods, whether the buyer or any other third party supplies the financing.

d- Costs in connection with the right to reproduce the imported goods in Lebanon.

e- Buying commissions paid by an importer to the importer's agent for the service of representing the importer abroad in the purchase of the goods being valued.

f- Flow of dividends and other payments made by the buyer to the seller that are not related to the imported goods.

g- Duties and taxes applicable in Lebanon.

3- The price actually paid or payable referred to in paragraph (1) of this Article is the total payment made or to be made by the buyer to or for the benefit of the seller for the imported goods. It includes all payments actually made or to be made as a condition of sale of the imported goods, by the buyer to the seller, or by the buyer to a third party to satisfy an obligation laid upon the seller. Payment may be made either in cash or by way of letters of credit or negotiable instruments. Payment may be made directly or indirectly.

4- a) The transaction value of declared goods shall be proved by submission of the original purchase invoice and other documents related to shipment and insurance costs and other expenses and charges due on the imported goods.

b) The invoice should include the names of the buyer and the seller, the price actually paid or to be paid and a detailed description of the consigned goods and their quantity. The invoice shall be accepted whether handwritten, typewritten or electronically transmitted, signed by hand or by e-signature.

The Higher Council of Customs shall set out the details of application of this paragraph.

c) Customs shall have the right to require the submission of contracts, correspondence, bank credits and other documents deemed appropriate to prove the value of goods. However, customs preserves the right to question the authenticity of the invoice and the declaration, under provisions of Article 36.

d) When the value of the goods included in the invoice is denominated in foreign currency it shall be converted into Lebanese currency using the rate of exchange in effect at the time of registration of the complete manifest. The rate of exchange to be used shall be that duly defined, on a monthly or periodic basis, by the Lebanese Central Bank.

e) The original invoice or a copy thereof certified by the relevant customs house, must be attached to the manifest unless the Higher Council of Customs, upon the consultation of the Director General sets otherwise

5- Customs value shall be determined under paragraph (1) of this Article provided:

a- That there are no restrictions as to the disposition or use of the goods by the buyer other than restrictions which:

- Are imposed or required by law or by the public authorities in Lebanon.

- Limit the geographical area in which the goods may be resold.

- Do not substantially affect the value of the goods.

b- That the sale or price is not subject to some condition or consideration for which a value cannot be determined with respect to the goods being valued.

c- That no part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment can be made in accordance with the provisions of paragraph (f) of clause (1) of this Article.

d- That the buyer and seller, whether legal or natural persons, are not related within the meaning of the following cases:

1- They are employer and employee.

2- They are legally recognized partners in business.

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|            | <p>3- Any person directly or indirectly owns 5 per cent or more of the outstanding voting stock or shares of both of them.</p> <p>4- One of them directly or indirectly controls the other.</p> <p>5- Both of them are directly or indirectly controlled by a third person.</p> <p>6- Together they directly or indirectly control a third person.</p> <p>7- They are officers or directors of one another's businesses.</p> <p>8- They are members of the same family.</p> <p>Persons who are associated in business with one another in that one is the sole agent, sole distributor or sole concessionaire, however described, of the other shall be deemed to be related if they fall within the criteria mentioned above.</p> <p>e- The fact that the buyer and the seller are related within the meaning of paragraph (d) above shall not in itself be grounds for regarding the transaction value as unacceptable provided that the Customs administration has no grounds for considering that the relationship influenced the price. In such case the Customs administration shall communicate its grounds to the importer and give the importer the opportunity to respond within the delay referred to in Article 36 below. If the importer so requests, the communication of the grounds shall be in writing.</p> <p>f- In a sale between related persons, the transaction value shall be accepted in accordance with the provisions of paragraph (d) above and the goods valued in accordance with the provisions of this Article whenever the importer demonstrates, on his own initiative and for comparison purposes only that such value closely approximates to one of the following:</p> <ul style="list-style-type: none"> <li>- The transaction value of similar or identical goods respectively specified, in accordance with Articles 37 and 38 below, sold for export to Lebanon to other buyers not related to the seller, 30 days before or after the importation of the goods being valued.</li> <li>- The customs value of identical or similar goods respectively specified in accordance with Articles 40 and 41 below.</li> </ul> <p>In applying the foregoing values, due account shall be taken of demonstrated differences in commercial levels, quantity levels, the elements enumerated in paragraph (1) of this Article, and costs incurred by the seller in sales in which the seller and the buyer are not related and costs not incurred by the seller in sales in which the seller and the buyer are related.</p> |
| Article 36 | <p>1- If Customs has grounds to question the authenticity of the customs value declaration under provisions of Article 35 of this law, it shall, before applying any other Article of this section, notify the importer in writing of its grounds and the importer shall be given a reasonable opportunity to respond within a maximum period of 30 days as of the date of notification.</p>  |
|            | <p>2- Upon receiving the response of the owner of the goods, or upon expiry of the delay referred to in the foregoing paragraph, Customs shall issue a written decision pertaining to the disputed case on the basis of customs valuation rules prescribed in Article 35 of this law, and communicate it to the owner of the goods.</p> <p>3- In case the party concerned protested the valuation decision stated in paragraph (2) above, the dispute shall be referred to the Arbitration Committee mentioned in chapter 7 of title 2. Both parties may obtain annulment of the arbitration decision relating to the dispute by appealing the decision in question to the customs court competent. Appeals must be filed within 30 days after the date of notification of the party concerned.</p> <p>4- The importer or any other person responsible for the payment of duties shall not be subject to payment of a fine for having protested the valuation decision before a customs authority or any judicial authority; he shall also be notified of the decision issued by any authority examining the protest.</p> <p>5- The rules set out in this Article shall be applied when applying customs valuation rules defined in the following Articles.</p>   |
| Article 37 | <p>1- If the customs value of the imported goods cannot be determined under the provisions of Article 35 above, the customs value shall be the transaction value of identical goods sold for export to Lebanon 30 days before or after the exportation of the goods being valued.</p>   |
|            | <p>2- In applying this Article, the transaction value of identical goods in a sale at the same commercial level and in substantially the same quantity as the goods being valued shall be used to determine the customs value. Where no such sale is found, the transaction value of identical goods sold at a different commercial level and/or in different quantities, adjusted to take account of differences attributed to commercial level and/or quantity, shall be used, provided that such adjustments can be made on the basis of demonstrated evidence which clearly establishes the reasonableness and</p>  |

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|           | <p>accuracy of the adjustment, whether the adjustment leads to an increase or decrease in the value.</p> <p>3- Where costs and charges referred to in clauses (a), (b) and (c) of paragraph (1) of Article 35, are included in the transaction value, an adjustment shall be made to take account of significant differences in such costs and charges between the imported goods and the identical goods in question arising from differences in distances and modes of transport.</p> <p>4- If, in applying this Article, more than one transaction value of identical goods is found, the lowest of such value shall be used to determine the customs value of the imported goods.</p>  |
| Article38 | <p>1- If the customs value of the imported goods cannot be determined under the provisions of Articles 35 and 37 above, the customs value shall be the transaction value of similar goods sold for export to Lebanon 30 days before or after the exportation of the goods being valued.</p> <p>2- In applying this Article the transaction value of similar goods in a sale at the same commercial level and in substantially the same quantity as the goods being valued shall be used to determine the customs value. Where no such sale is found, the transaction value of similar goods sold at a different commercial level and/or in different quantities, adjusted to take account of differences attributed to commercial level and/or to quantity, shall be used, provided that such adjustments can be made on the basis of demonstrated evidence which clearly establishes the reasonableness and accuracy of the adjustment, whether the adjustment leads to an increase or a decrease in the value.</p> <p>3- Where the costs and charges, referred to in clause (a), (b) and (c) of paragraph (1) of Article 35 are included in the transaction value, an adjustment shall be made to take account of significant differences in such costs and charges between the imported goods and the similar goods in question arising from differences in distances and modes of transport.</p> <p>4- If, in applying this Article, more than one transaction value of similar goods is found, the lowest value shall be used to determine the customs value of the goods being valued.</p>   |
| Article39 | <p>If the customs value of the imported goods cannot be determined under the provisions of Articles 35, 37 and 38 above, the customs value shall be determined under the provisions of Article 40 or, when the customs value cannot be determined under that Article, it shall be determined under the provisions of Article 41 except that, at the request of the importer the order of application of Articles 40 and 41 shall be reversed.</p>  |
| Article40 | <p>If the customs value of the imported goods cannot be determined under the provisions of Articles 35, 37 and 38 above the customs value shall be as follows:</p> <p>1- If the imported goods or identical or similar imported goods are sold in Lebanon in the condition as imported, the customs value of the imported goods shall be based on the unit price at which the imported goods or identical or similar imported goods are so sold in the greatest aggregate quantity, 30 days before or after the importation of the goods being valued, to persons who are not related to the buyer, subject to deductions for the following:</p> <ul style="list-style-type: none"> <li>a- Either the commissions usually paid or agreed to be paid or the additions usually made for profit and general expenses in connection with sales in Lebanon of imported goods of the same class or kind.</li> <li>b- The usual costs of transport and insurance and associated costs incurred in Lebanon.</li> <li>c- Customs duties and other national taxes payable in Lebanon by reason of the importation or sale of the goods.</li> <li>d- Where appropriate, the costs and charges referred to in clauses (a), (b) and (c) of paragraph (1) of Article 35.</li> </ul> <p>2- If neither the imported goods nor similar nor identical imported goods are sold in Lebanon 30 days before or after the importation of the goods being valued, the customs value shall, subject otherwise to the provisions of clause (1) of this article, be based on the unit price at which the imported goods or similar or identical imported goods are sold in Lebanon in the condition as imported, at the earliest date after the importation of the goods being valued but before the expiration of 90 days after such importation.</p> <p>3- If neither the imported goods nor identical nor similar goods are sold in Lebanon in the condition as imported, then, if the importer so requests, the customs value shall be based on the unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to persons in Lebanon not related to the persons from whom they buy such goods, due allowance being made for the value added by such processing and the deductions provided for in paragraph (1) of this Article.</p> |
| Article41 | <p>a- If the customs value of the imported goods cannot be determined under the provisions of Articles</p>   |

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|           | <p>35, 37, 38 and 40 above, the customs value of the imported goods shall be based on a computed value. Computed value shall consist of the sum of:</p> <ol style="list-style-type: none"> <li>1. The cost or value of materials and fabrication or other processing employed in producing the imported goods.</li> <li>2. An amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind of the goods being valued which are made by producers in the country of exportation for export to the country of importation.</li> <li>3. Wages, costs and charges associated with the transport of the imported goods including the costs of transport, loading, unloading insurance and handling charges associated with the transport of imported goods to Lebanon.</li> </ol>  |
|           | <p>b- No one may require or compel any person not resident in Lebanon to produce for examination, or to allow access to, any account or other record for the purposes of determining a computed value. However, Customs shall have the right to verify information supplied by the producer of the goods for the purposes of determining the customs value under the provisions of this Article in another country with the agreement of the producer and provided the authorities of the country in question are given sufficient advance notice and the latter does not object the investigation.</p>   |
| Article42 | <p>a- In order to apply the aforementioned rules on customs valuation, shall be regarded as:</p> <ol style="list-style-type: none"> <li>1- Identical Goods: Goods, which are the same as the goods being valued in all respects, including physical characteristics, quality and reputation. Minor discrepancies in appearance shall not exclude goods otherwise conforming to the definition from being regarded as identical. Goods shall not be regarded as identical unless they were produced in the same country as the goods being valued.</li> <li>2- Similar goods: Goods, which although not alike in all respects, have like characteristics and like component materials to the goods being valued, which enable them to perform the same functions and to be commercially interchangeable. The quality of the goods, their reputation and the existence of a trademark are among the factors to be considered in determining whether goods are similar. Goods shall not be regarded as similar unless they were produced in the same country as the goods being valued.</li> </ol> |
|           | <p>b- The terms "identical goods" and "similar goods" shall not include, as the case may be, goods which incorporate or reflect engineering, development, artwork, design work and plans and sketches for which no adjustment has been made under the last passage of paragraph (g) of Article 35.</p>  |
|           | <p>c- Goods produced by a different person shall be taken into account only when there are no identical or similar goods, as the case may be, produced by the same person as the goods being valued.</p>  |
| Article43 | <p>1- If the customs value of the imported goods cannot be determined under the provisions of Articles 35, 37, 38, 40 and 41, the customs value shall be determined using reasonable means consistent with the principles and general provisions of the international agreements applicable in Lebanon and on the basis of available data.</p>  |
|           | <p>2- No customs value shall be determined under the provisions of the aforementioned paragraph on the basis of:</p> <ol style="list-style-type: none"> <li>a- The selling price in Lebanon of goods produced in Lebanon.</li> <li>b- A system, which provides for the acceptance for customs valuation purposes of the higher of two alternative values.</li> <li>c- The price of goods on the domestic market of the country of exportation.</li> <li>d- The cost of production other than the computed values which have been determined for identical or similar goods in accordance with the provisions of Article 41 above.</li> <li>e- The price of goods sold for export to a third country other than Lebanon.</li> <li>f- Minimum customs values.</li> <li>g- Arbitrary or fictitious values.</li> </ol>  |
|           | <p>3- If the importer so requests, he shall be informed in writing of the customs value determined under the provisions of this Article and the method used to determine such value.</p>  |
| Article44 | <p>The Higher Council of Customs shall, upon the consultation of the Director General of Customs, set out special customs valuation rules for carriers designed for data processors, provided that such carriers are consistent with the WTO rules and principles.</p>  |
| Article45 | <p>1- Customs valuation procedures for imported goods shall not impede the right of the importer to withdraw his goods from Customs if, where so required by Customs, the importer provides sufficient guarantee covering the ultimate payment of customs duties and, where necessary, the fine</p>   |

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|           | for which the goods may be liable.   |
|           | 2- Customs shall have the right to keep samples of the goods released before the final determination of their customs value. Samples shall be returned to the owner of the goods if not consumed while being tested and examined.  |
| Article46 | All information which is by nature confidential or which is provided on a confidential basis for the purposes of customs valuation shall be treated as strictly confidential by the authorities concerned who shall not disclose it without the specific permission of the party providing such information, except to the extent that it may be required to be disclosed in the context of judicial proceedings.                        |
| Article47 | The value of goods that must be declared at the time of exportation shall be the value of goods at the time of registration of the manifest in addition to the cost of transport to the borderline.<br>This value shall not include:<br>- Where applicable, taxes and duties imposed at the time of exportation.<br>- National taxes and duties refunded at the time of exportation.   |
| Article48 | Submission of false declaration of value may lead to penalties provided for in Articles 421 or 425, as the case may be.  |
| Article49 | The Higher Council of Customs shall, upon the consultation of the Director General, determine the rules of application of customs valuation rules stipulated in this section and rules relating to special cases not explicitly covered by such rules, taking into consideration explanatory comments on customs valuation rules published by the WTO.   |
| Article50 | 1- The type of goods shall be the customs nomenclature of such goods as mentioned in the customs tariff table according to the Harmonized System.  |
|           | 2- Goods not included in any of the customs tariff table headings according to the Harmonized System and those included in two headings or more shall be itemized by decisions of the Higher Council of Customs upon the consultation of the Director General, under the general rules referred to in the said table for the interpretation of such system.  |
|           | 3- Itemizing decisions referred to in paragraph (2) above shall, unless the same decisions otherwise provide, be published in the official gazette and come into effect within the ordinary time limits set for publication. Such decisions shall be revocable before the administrative court.  |
| Article51 | Due account being taken of the commentary of the Harmonized System tariff published by the International Customs Organization, additional commentary and implementing provisions of the customs tariff shall be defined by decisions of the Higher Council of Customs upon the consultation of the Director General provided that publishing and implementation provisions referred to in paragraph (3) of Article 50 above are applied. |
| Article52 | Any false declaration with regard to the designation, type or description of goods shall lead, as the case may be, to the penalties provided for in Articles 421 or 425.   |

## Title Two - Import and Export Restrictions

### Chapter One: Organization and Prerogatives of Customs Houses.

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| Article 53 | 1- Any merchandise introduced into Lebanon or exported there from shall be reported and declared to the first customs house at the borders, in order to be inspected according to the rules set by the customs administration. This merchandise may be subject to duties as deemed necessary.  |
|            | 2- Shall be excluded from the provisions of the previous paragraph, merchandise that must be exported under the customs territory control or perishable merchandise that must be declared at the internal export houses or at the authorized houses of the second line.  |
|            | 3- The Director General of customs shall determine the rules of implementation of this Article.  |
| Article 54 | Customs houses are divided into 3 categories: first, second and third category.<br>A- Houses of the first category shall be classified by virtue of a decree issued by the Council of Ministers on the proposal of the Minister of Finance upon the consent of the Higher Council of Customs. The prerogatives in respect thereof shall be determined in accordance with the provisions of the present law, by virtue of decisions of the Higher Council of Customs, following consultation with the Director General of Customs. These prerogatives shall be published in the Official Gazette. |
|            | B- Houses of First and second categories shall be classified and empowered according to the provisions of this law, by virtue of decisions issued by the higher Council of Customs, following  |

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|            | consultation with the Director General of Customs, and shall be published in the Official Gazette.   |
| Article 55 | Customs houses and stations established as of the effective date of the provisions of this law, shall be considered established according to its provisions, thereby the prerogatives in respect thereof shall be determined in conformity with these provisions, provided that the amendment of such prerogatives is subject to the same rules prescribed in the previous Article 54.   |
| Article 56 | 1- The Higher Council of Customs, following consultation with the Director General of Customs, shall, according to the requirement of the commercial activity, specify the opening and the closing hours of customs houses as well as the hours of loading and unloading of vessels; it shall also determine the cases where customs formalities and loading and unloading activities are allowed to be performed outside customs houses and ports and outside of normal business hours. |
|            | 2- Customs formalities shall be considered accomplished inside the relevant customs house if related information and documents are received electronically through a computer mounted for this purpose inside the said house.  |

#### Chapter Two: Restrictions Imposed on the Entry and Exit of Certain Types of Merchandise.

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| Article 57 | 1- Prohibited merchandise is merchandise the importation or exportation of which is strictly prohibited by laws, regulations, and decisions of relevant authorities or by virtue of International Agreements in which Lebanon is a party or a member.<br>Prohibitions may include other restrictions such as prohibiting the transit of such merchandise or their storage in customs warehouses and free zones as well as prohibiting the possession and circulation thereof.   |
|            | 2- Restricted merchandise is merchandise, which may only be imported or exported subject to a permit, license, certificate, prior approval or visa, issued by a relevant authority.<br>Restrictions may include other provisions such as prohibiting the transit of such goods or their circulation without a permit or a prior authorization.<br>As to merchandise requiring an import visa or a health certificate that should be issued by relevant ministries, public or private administrations and institutions, the Head of the customs house shall have the right to allow the delivery of such merchandise to their possessors immediately after completion of customs formalities and settlement of customs duties if there is any in the form of guarantees, if no permanent representatives are present in the said house, provided that contents or packages of such merchandise are packed according to the rules, and accompanied to the proprietors warehouses, provided that the proprietors pledge in written at customs that they would not use goods delivered to them until decisions in connection thereof are taken by the concerned authorities.<br>Same procedures shall apply to merchandise requiring a positive analysis to be introduced, as well as merchandise that should meet certain requirements under rules and regulations (such as packing conditions).<br>The Head of the customs house should immediately notify the concerned authorities about the measures taken.<br>Should the concerned authorities take a final decision allowing the entry of goods, customs shall be notified in order to eliminate the restrictions imposed on such goods, including the refund of guarantees levied as deemed necessary.<br>In case of refusal of the goods entry, these authorities shall notify customs in order to take necessary measures concerning the re-exportation or destruction of goods according to rules and regulations.<br>The Director General of Customs shall specify the provisions of implementation of paragraphs (2) to (5) of No.2 of this Article. |
|            | 3- Monopolized merchandise is merchandise exclusively produced, imported, exported and commercialized by one and only single institution affiliated to the public or private sector or to both sectors through a joint venture.<br>Monopoly laws may include other prohibitive provisions, such as transit transportation, and possession of such goods without the consent of the party holding the right to monopoly.   |
| Article 58 | 1- Goods can only be introduced to Lebanon or cleared there from through authorized clearance houses. The prerogatives of such houses are prescribed in the provisions of Article 54 mentioned here above.  |
|            | 2- If such goods are presented to an unauthorized clearance house and declared under their real   |

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|            | <p>description, imports must be re-exported and goods intended for exportation must return to the country.</p> <p>3- If such goods are not declared under their real description, this should be considered to be an illegal attempt of import or export, and the penalties prescribed on Articles 421 or 425 of this law shall be incurred, if need be.</p>  |
| Article 59 | <p>1- Provisions laid in the previous article, do not apply to prohibited goods prescribed in paragraph (1) of article 57 since such goods are seized upon their presentation to customs houses notwithstanding the prerogatives in respect thereof even though such goods are declared at their real description. Violations of these provisions such as import or export of prohibited goods without submission of a customs declaration or through smuggling shall be subject to penalties prescribed in Article 421 of this Law.</p>  |
|            | <p>2- Monopolized and restricted goods mentioned in the previous clauses (2) and (3), must be treated similarly to prohibited goods upon import and export, therefore such goods should be seized whenever a license, permit or any other legal document are not attached thereto or whenever irrelevant documents are attached thereto.</p> <p>3- Goods bearing false marks and labels indicating their origin, prescribed in Articles 62 and 63 (paragraph 2) and Articles 64, 65, and 66 of this Law, should be treated similarly to prohibited goods, hence they should be seized upon import or export and shall be subject to penalties prescribed in Article 65, subject to the provisions of cancellation of seizure, as deemed necessary, according to the rules laid down in Articles 65 or 66 below.</p>   |
| Article 60 | <p>1- Documents issued by relevant authorities, allowing export, import or transit of goods, cannot be sold or borrowed or transferred to whomever. In General documents of all kinds cannot be subject of transaction, carried out by parties eligible for these documents.<br/>Any violation of the previous Article should be subject to penalties imposed on the import, export or transit of restricted goods.</p>   |
|            | <p>2- The possession or attempted possession of one of the documents mentioned in paragraph (1) above, whether by imitating the public seals or by means of false statements or any other fraudulent manner, should be considered an attempted import or export of goods without a declaration or transportation of goods in transit without a declaration of restricted goods and should be subject to similar penalties.</p>  |
| Article 61 | <p>1- Import and re-export of prohibited or monopolized goods and highly dutiable goods or goods subject to specific revenue tax, are prohibited from import or re-export on board of vessels of less than 150 net maritime tons, by virtue of the decisions of the Higher Council of Customs, following consultation with the Director General of Customs and published in the Official Gazette.<br/>It is strictly forbidden to circulate within the maritime territory in vessels of less than 150 maritime tons capacity and loaded with types of goods mentioned here above, whether declared in an export manifest or not, unless in the following cases of force majeure: Occurrence of maritime emergencies or defects compelling the vessel to anchor 20 miles away from the shore or to recourse to a Lebanese port. In these cases the master of the said vessel should promptly inform the nearest customs house about his presence and justify it. In addition the master of the vessel should sign in the said house a bond guarantee stating that he will submit proofs showing the arrival of goods to the foreign country of destination within a specific period.</p> |
|            | <p>2- Each violation of the provisions of this Article shall be subject to the same penalties imposed upon the import or re-export of merchandise without the submission of a manifest or unauthorized transportation of prohibited goods and shall thus lead to the imposition of penalties prescribed in Article 421.</p>   |
| Article 62 | <p>It is strictly forbidden to import, deposit in warehouses or free zones or to transport in transit all foreign products whether natural or manufactured, marked or labeled in any way whatsoever to indicate that they were made or originated from Lebanon.</p>   |
| Article 63 | <p>It is strictly forbidden to import, transit, transport, export or re-export the following:</p> <p>1- All products bearing false trademarks or labels or commercial descriptions which benefit from legal protection in Lebanon according to the provisions of the Agreement of the Paris Union of 20 March 1883 and its amendments.</p>  |
|            | <p>2- All products bearing false marks of origin, or marked or labeled directly or indirectly to indicate that they were produced or originated in one of the countries members or parties to the Madrid Agreement dated on the 14th of April 1891 and its amendments or an area situated in one of these</p>   |

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|            | countries.  |
|            | 3- All products inconsistent with the conditions prescribed in agreements, laws and regulations pertaining to the Protection of the Intellectual Property.  |
| Article 64 | 1- Marks of origin may be imposed on foreign goods brought into Lebanon, by virtue of decisions specifying these goods and issued by the relevant authorities.<br>These decisions shall determine the conditions to be followed as to the origin indication of each type of goods.  |
|            | 2- It is strictly forbidden to import or bring into any bonded warehouse all foreign products whether natural or manufactured; not fulfilling the requirements imposed by virtue of this Article and the decisions of its enforcement.  |
| Article 65 | 1-The violation or the attempted violation of the provisions of Articles 62, 63 and 64 should be dealt with as import or attempt to import prohibited goods without the submission of manifest or through smuggling, and should be subject to penalties prescribed in Article 421.<br>However these goods may be released after elimination or correction of contradictory marks, labels, signs or indications or after affixing the origin indication whenever one of these measures is found by customs to be sufficient.   |
|            | 2- Should be considered an attempt to violate the provisions of Article 63 the import of labels, signs or caps or containers and other things bearing a sign of a factory or store or a commercial description or an indication of origin eligible for the right of legal protection in Lebanon except for:<br>a- Internal containers bearing the name of a foreign manufacture and it's specific trademark imported by a local factory, which is entitled to the right of operation of this trademark.<br>b- Labels, signs, caps or containers proved by the merchant to be imported by equivalent qualities and quantities. |
| Article 66 | 1- Ordinary courts in charge of civil cases shall be in charge of the violations or attempted violations of the provisions of Article 63 of this Law, however the customs administration should be in charge of setting the action in motion by submitting the proceeding of seizure to the Intellectual Property office charged with notifying the damaged party.  |
|            | 2- The right of customs administration to reconciliation should not be taken into consideration, and the release of merchandise after the destruction of false marks or after their correction should be only authorized after the approval of the Intellectual Property Office at the Ministry of Economy and Trade.   |
|            | 3- When these violations are brought before court the damaged party shall have the right to interfere in the action at law, in this case merchandise may be seized to his favor   |
|            | 4- Storage expenses and all other expenses of services rendered by customs should be on the losing party's expense.   |

### Chapter Three : Manifests or Brief Declarations

#### Section One: Sea Transport

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| A- Import: |   |
| Article 67 | 1- Any merchandise shipped through the sea, whether from foreign or Lebanese ports, must be included in a complete Cargo Declaration named Manifest. The carrier, the master of vessel or the maritime agent responsible for the vessel shall sign this manifest containing merchandise destined for Lebanon or for land transit, and including the following:<br>- The name and flag of the vessel<br>- The seaport of departure and the Lebanese sea port of arrival<br>- The nature of imported goods and the gross weight of each consignment.<br>- The numbers and measurements of packages or containers, or any other packing units and trademarks of such packages or containers. |
|            | 2- In case of doubt customs shall have the right, upon approval of the Director General of Customs, to request additional information and explanations with regard to merchandise or containers intended to be laden in the Lebanese port in order to be forwarded by sea from the same port, and with regard to cargo remaining on the vessel in order to be unloaded in other ports.  |
| Article 68 | Prohibited or monopolized goods shall be included in the manifest mentioned in Article 67 here  |

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|            | above and in the cargo and containers sheets prescribed in Articles 75 and 77 below, under their real nature, description and type at the risk of penalties prescribed in Article 421 of this Law. These provisions shall apply to the manifest or equivalent documents prescribed in Articles 84 to 90.   |
| Article 69 | Except in case of a proven force Majeure, customs employees shall have the right to inspect and examine the cargo of vessels of less than 150 maritime tons, whether anchored or circulating within 12 miles from the Lebanese ports. They may also require a copy of the manifest and stamp the original manifest.  |
| Article 70 | Customs employees may, without the assistance of members of the Public Police or any other intermediate, board any vessel anchored at Lebanese ports or moving inside or outside such ports. Such employees may remain aboard until vessels are totally unloaded. They may also order upon vessels exit to open rooms, lockers, boxes, parcels and other containers and investigate about all shipments by all means.  |
| Article 71 | The vessel master shall, upon entry into ports, file a brief declaration including the vessel provisioning especially unmanifested goods whether prohibited, monopolized highly dutiable or subject to revenue tax, by virtue of administrative orders issued by the Higher Council of Customs. The relevant customs department may seal in any manner the said cargo after the quantity needed for the crew consumption is delivered to the master of the vessel. The quantity to be consummated shall be determined by the Director General of Customs and published in the official gazette. The type and quantity of the vessel provisioning shall be determined by the Director General of Customs and published in the official Gazette. Operations mentioned here above should be subject to provisions of Article 73.  |
| Article 72 | Upon entry to the maritime customs territory, masters of vessels except vessels making regular trips and exceeding 150 maritime tons, shall present the manifest at the first request of customs employees who board these vessels in order to stamp it and submit a copy to them. As to vessels that make regular trips and carry more than 150 Maritime tons, the manifests should be filed after the vessels are anchored. These vessels shall not in any manner be inspected unless special information is in filtered concerning smuggling goods. The maritime agent at the port of unloading may present to the masters of these vessels individual manifests coming directly from the shipping ports to sign such manifests and submit them as one manifest to the customs office. The maritime agent may also submit this manifest directly to the customs office before entry of the vessel to territorial waters. In addition manifests, information and documents dealing with merchandise may be sent via e-mail. However the master of a vessel must, before reaching the territorial waters, file a complete Cargo Declaration including the number and type of packages and containers, the port of shipment and the destination of the vessel. |
| Article 73 | Whenever masters of vessels mentioned in Articles 69 and 70, and as needed in Article 72, refuse to open cargo decks, rooms, cells and lockers, customs officers may ask the help of a public police member, who should be present when these cargo decks, rooms, cells and lockers are being opened.  |
| Article 74 | Vessels inspection carried out on conditions prescribed in Articles 69, 70 and 71 and as needed in Articles 72 and 73, allow for investigating violations prescribed in Articles 426, 427, and 429 to 432.   |
| Article 75 | 1- The vessel master or the navigation company agent responsible for the vessel shall, no later than 36 hours after arrival, submit to the customs office the following:<br>A- A declaration containing all cargo destined for Lebanon or intended for land transit and prescribed on Article 67.<br>B- A declaration containing all merchandise or containers intended to be unloaded in the Lebanese port to be transhipped by sea from the same port, provided that it contains the numbers of containers and their gross weights.<br>C- A brief declaration containing the remaining cargo intended to be unloaded in foreign ports including the number of packages, units or containers and their total weight<br>D- A declaration containing provisioning of the vessel and crew belongings.<br>E- A passenger manifest.  |
|            | 2- Manifests should be filed even if there is no cargo on the vessel.  |
|            | 3- Off days shall not be deducted from the period of 36 hours prescribed in paragraph (1).   |
| Article 76 | Each original manifest of a vessel which does not make regular trips, and relating to a navigation   |

company which do not have agents at the Lebanese ports, as well as each manifest related to a ferryboat, require a clearance certificate by customs authorities at the port of lading. However the customs administration may, if need be, impose same clearance requirements on the manifests of other vessels visiting Lebanese sea ports.

#### B- Export:

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|            | Any loaded or unloaded vessels, except vessels of more than 150 maritime tons making regular trips , are not cleared from any Lebanese port unless a manifest (consistent with the provisions of Article 67) is attached to the vessels and filed with the customs, at the risk of penalties prescribed in Articles 425 and 426.  |
| Article 77 | As to vessels that make regular trips and exceed 150 maritime tons, the agent of the navigation company responsible of the vessel may no later than 36 hours as of departure, file with the customs administration the following:   |
|            | 1- A manifest complying to the provisions of Article 67, containing the following information relating to cargo shipped from Lebanon:<br>-Name and origin of the vessel<br>-The port of lading and the foreign ports of unloading<br>-Type of shipped cargo and the gross weight of each consignment<br>-The numbers, quantities, contents, and values of containers or parcels or any other unit of packing and trademarks thereof.<br>- Lists of Cargo and containers forwarded by sea from the same port and which were already unloaded according to specific forms.<br>- A passenger's manifest. |

#### C- Common Provisions for Import and Export

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| Article 78 | It is prohibited to encompass in manifests, lading forms or waybills relating to land transport, a group of varied sealed packages, as one single parcel under the penalties prescribed in Article 421. If parcels are conveyed within containers, the container may be accepted as one unit in the manifest. In this case the manifest shall show for each container, a description of the articles and number of parcels. There shall also be shown for each container the bills of lading numbers covering goods and they must be attached to the manifest.   |
| Article 79 | Masters of vessels of less than 150 maritime tons shall, upon entry or exit, submit to the customs employees bills of lading and other documents found by the customs administration to be necessary.  |
| Article 80 | 1. Except as otherwise permitted by Customs, it is not allowed to load or unload any vessel, barge or boat, without the permission of customs employees or in their absence, under the risk of penalties prescribed in Article 421 or 425.<br>2. In principle loading or unloading must occur during day light and within the premises of the port where the customs office is located, except when customs otherwise permit.<br>3. Except for cases of urgent need, ships are loaded or unloaded consecutively according to the date of submission of their brief declarations and as much as the place and the number of dedicated employees permits.<br>4. Except for cases of Force Majeure, it prohibited for vessels, barges, or boats to anchor in ports where there is no customs offices.<br>5. The Master of the vessel may command to throw away the cargo loaded on board of the vessel if he finds it necessary for the safety of the vessel. |

#### Section two: Road transport

##### A- General provisions

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| Article 81 | 1. All merchandise imported by land must be immediately conducted to the first office of entry at the borders, under the risk of the penalties pertaining to illegal import, prescribed in Article 421 or 425.<br>Possessors of goods or parties accompanying goods must organize their movement to take the route or the way leading to the first and nearest customs office. |
|            | 2. The Higher Council of Customs, following consultation with the Director General of Customs  |

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|            | shall determine the direct routes and passages for importation and exportation   |
| Article 82 | Penalties prescribed in Article 81 shall be inflicted if merchandise crosses the customs houses without a permit or if they are stored in any warehouse before they were being conducted to these offices.<br>Goods arriving after normal business hours, must in principle be put in places attached to these offices and must remain herein without any charges until the customs offices are on duty again. |
| Article 83 | Pursuant to the provisions of paragraph (2) of Article 53, all goods exported by land must be directly conducted to the exit office, at the risk of penalties pertaining to illegal export, prescribed in Article 421 or 425, as need may be.  |

## B- Rail transport:

### 1-Ordinary transport

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| Article84 | Consignment notes, equivalent to the manifest, must be attached to the cargo imported by railways. There shall be shown in the consignment note the quantities and numbers of packages and parcels and other related packing units, as well as the marks, measures, and trademarks related thereto and the nature of the goods and their weight.<br>Such consignment notes must bear the signature of the authorized agent of the railway company and the master of the railway and must be stamped by the dispatching customs office, or by the first Lebanese office of entry. At the arrival these consignment notes must be filed in duplicate at the first Lebanese point of entry. |
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### 2- International Transit

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| Article85 | Waybills, equivalent to the manifest, must be attached to the cargo imported by railways under the status of international transit. The waybill must enclose the special declarations named General Declarations (G.D), showing for each parcel, a description of the articles, contents, quantities, values and total weight etc, if goods are dutiable on the basis of weight, measure, or any other unit. However the gross weight and value of goods dutiable on the basis of value and prohibited goods must be declared at once.<br>The provisions of paragraph (3) of this Article must be strictly implemented on route documents. |
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## C - Transport by vehicles

### 1- Ordinary transport:

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| Article86 | Commercial consignments imported by vehicles, must in principle enclose for each conveyance and on each trip, a manifest filed according to the same conditions prescribed for the manifest mentioned in Article 87 hereafter. |
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### 2- International Transit:

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| Article87 | Goods imported under International transit status by authorized vehicles of carriers, must in principle enclose for each conveyance and on each trip a manifest containing a general list of the totality of goods conveyed under this status.<br>This manifest shall show the consignees and consignors' names, the number of packages, labels, marks, description of coverings and net weight thereof, as well as the nature of goods, the origin, value, quantitative weight or volume thereof.<br>The manifest must bear the signature of the authorized agent of the carrier and the driver of the vehicle and must be stamped by the customs office where the merchandise were shipped, or by the first Lebanese office of entry. At the arrival of the vehicle this manifest must be filed at the Lebanese office of destination. |
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## D- Common Provisions for Railways and Vehicles Transport

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| Article88 | Rail and vehicles transport shall be subject to the provisions of Articles 78 and 80. |
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## Section three: Transport of Merchandise Intended for Duty Free Zones:

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| Article89 | Masters of vessels, navigation companies and authorized agents of carriers must file approved manifests or declarations relating to goods unloaded in maritime or air free zones or general declarations relating to goods unloaded in the internal free zones, immediately after unloading such goods |
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Moreover, the entity in charge of the operation of the free zone at Beirut Port, shall submit to the customs administration, within 36 hours as from unloading, a separate list for each vessel, plane, railway, or vehicle containing the complete enumeration of the number and description of packages, as well as marks, numbers, nature and origin of goods.  
The persons in charge of the shipment and transportation of goods originating from free zones shall incur the obligations prescribed in the previous two articles.

#### Section Four: Air Transport

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| Article 90 | 1- Goods conveyed by aircrafts must be included in a manifest signed by the Captain within the same conditions prescribed in Article 67 relating to goods shipped by vessels.<br>2- An original copy of the said manifest must be kept on board of the aircraft, and must be submitted to the Customs official at the first request.<br>3- The manifest must be submitted to the Airport Customs office immediately at the arrival. Should the aircraft arrive before the opening hours of the office, the manifest must be submitted at the opening hours. |
| Article 91 | Aircrafts operating international flights must land on the way going and on the way coming in customs airports. Such aircrafts must also cross the borders in the designated air passages and points.<br>However certain types of aircrafts may - considering the nature of their operations - be exempt from landing at customs airports by an administrative permit.<br>The permit shall in this case designate the airport of arrival and departure, the air route that shall be followed and the signs that must be given when crossing the borders.    |
| Article 92 | Provisions of Article 80 pertaining to loading and unloading of vessels apply to air transport.   |
| Article 93 | The Captain may command to throw away the aircraft cargo during flight, if he deems it necessary for the safety of the aircraft.  |

#### Section Five: Post or Parcel Post Shipment

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| Article 94 | 1- Import by post or parcel post is accepted within the conditions prescribed in postal rules and regulations in force.<br>2- Such import contrary to the Customs Law or to other texts related to customs, are subject to the penalties prescribed in Article 421 or 425 of this law, as the need may be. |
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#### Chapter Four : Detailed Customs Declarations

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| Article 95 | 1- All imported and exported goods shall be declared under a detailed customs declaration granting such goods a special customs status. The persons enumerated in Article 113 below shall sign the detailed customs declaration.<br>2- Exemption from taxes and duties shall not exempt from declaration obligation.  |
| Article 96 | The detailed declaration shall be submitted to the customs house opened for the required customs operation, it shall be formulated in writing or through data processing. The same provisions applying to the written declaration shall apply to the latter.  |
| Article 97 | 1- Contrary to the provisions of paragraph (1) of Article 53, the Director General of Customs may allow the submission of the detailed declaration before the arrival of the goods to the customs house.<br>2- For the purposes of this Article, especially with regard to taxes and duties, prohibitions and other measures, the registration of a declaration submitted in advance shall come into effect as of the date of arrival of goods provided such declaration fulfill at that time all required conditions.<br>3- It shall be permitted to rectify a declaration submitted in advance until the arrival of goods; upon the arrival of goods, such declaration shall be subject to the provisions of Article 108.<br>4- Should the goods fail to fulfill all the conditions required in the declaration, the declaration shall be annulled de facto three days upon the arrival of the goods. |
| Article 98 | 1- The detailed declaration should be formulated according to the tariff text and should include all  |

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|             | necessary elements and indications for the implementation of customs measures and the preparation of foreign trade statistics; the declarer shall sign the detailed declaration. If the goods may, under applicable agreements, benefit from exemption, lowered taxes and duties or any other preferential treatment, the declarer shall, when submitting the procedure, request the same treatment and refer to the text or code granting such right.  |
|             | 2- It shall be permitted to declare goods intended for exportation according to their ordinary designation provided such designation is accompanied with the exact HS code.   |
|             | 3- The Higher Council of Customs shall, upon the consultation of the Director general, issue decisions defining the form, characteristics and content of the detailed declaration as well as the number of copies thereof and the documents that should be attached to it.<br>The foregoing documents shall be overlooked with regard to goods re-exported from the same port they have been discharged in by transport agencies.   |
|             | Shall be excluded from the obligation of submission of a detailed declaration:<br>- The cases where verbal declaration is permitted; the Higher Council of Customs shall determine such cases, upon the consultation of the Director General.<br>- Goods excluded under international agreements to which Lebanon is a party member or an adherent.   |
| Article 99  | - Parcel post and mail, which are subject to their own laws and regulations.<br>- Used personal effects and new items of personal character or those intended for personal use, brought by travelers, whether foreigners or Lebanese, and thus within the limits and terms set by the Higher Council of Customs upon the consultation of the Director General.<br>- Consignments of personal character and commercial samples of low quantity and quality provided such samples are cleared within the limits and terms set by the Director General of Customs. |
| Article 100 | 1- The customs declaration shall be subject to stamp duties stipulated under applicable laws in Lebanon.  |
|             | 2- The conditions under which the owner of the goods shall mandate an authorized customs agent to complete customs procedures are set forth in this law.  |
| Article 101 | 1- It shall be permitted to include in the same declaration goods related to more than one manifest or shipment list. Such measure shall apply to goods released from warehouse and the registers of which are related to more than one record.   |
|             | 2- It shall not be permitted to treat, in the same manifest, a group of sealed parcels gathered in a way or another as one unit at the risk of the penalties prescribed in Article 421, due account being taken of the instructions issued by the Director General, with regard to containers and trailers.   |
| Article 102 | Where more than one category of goods are declared in one manifest, each category shall be treated as an independent object of declaration.   |
| Article 103 | The customs employees shall be prohibited from informing third parties of the documents, registers and declarations they are responsible for by reason of their positions, including those they have access to under the provisions of this law. Such prohibition shall not apply to queries expressed by relevant judiciary authorities and relevant functionaries of the Ministry of Finance via the Director General of Customs.   |
| Article 104 | 1- Customs house shall register the declarations formulated under the provisions of this chapter, after verifying their conformity with such provisions, at the date of their submission, through a continuous series of annual figures.  |
|             | 2- Shall be considered as unacceptable all declarations not conform to the provisions of this chapter.  |
| Article 105 | 1- Where the declaration reveals a contradiction between a text declared in letters or figures according to the tariff nomenclature, and another text incompatible with such nomenclature, the latter shall be considered as void and null.   |
|             | 2- Where the declaration includes a designation of the goods through their HS code, all terms inconsistent with such codes shall be considered as null.   |
|             | 3- All numbers should be written out in figures in the same way they are written in words, otherwise they shall be considered as null and void.   |
| Article 106 | 1- The Director General of Customs may permit the submission of simplified procedures for the clearance of some types of goods, provided such procedures are completed subsequently through the submission of appropriate detailed declarations, whether separately or on a regular basis.  |

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|             | Subsequent procedures of detailed declarations shall be treated, along with simplified procedures as one; the operation shall come into effect as of the date of registration of the simplified procedure.  |
|             | 2- The Higher Council of Customs shall, upon the consultation of the Director General, issue decisions defining the form and the appropriate rules for the submission of detailed procedures as well as the type of goods they cover.<br>3- It shall be permitted, under the conditions set by the Director General, to authorize the direct delivery of imported or exported goods after the registration of the declaration and before the completion of the different phases of clearance and the payment of duties. The customs department shall reserve the right to inspect such goods upon delivery.   |
| Article 107 | 1- In the absence of adequate elements for the preparation of detailed declaration, the persons authorized to submit such declarations may be licensed to inspect goods before the declaration and sampling of goods and shall submit, for this purpose, a temporary declaration. The inspection shall be carried out under the supervision of the department and applicable taxes and duties shall be levied on samples.<br>2- Temporary declaration shall not in any way exempt from the obligation of submission of a detailed declaration.<br>3- The form of the temporary declaration and advance inspection terms shall be determined by decision of the Director General.  |
| Article 108 | 1- The declarers shall, upon admission and registration of the declarations, request their amendments, within the following reservations:<br>- The merchandise must remain within the customs territory.<br>- The requested amendment should not make the declaration applicable to certain types of goods other than those it usually covers.<br>2- In all cases, the amendment shall not be accepted if the Customs department has:<br>- Submitted registered declarations for inspection.<br>- Informed the declarer of its intention to carry out the inspection or noticed the existence of contradictions in the elements of the declaration.<br>- Collected taxes and duties on goods.<br>3- Customs employees shall not be allowed to introduce any modifications to the declarations whatever the reason may be.<br>4- The rejection of the request to amend the declaration does not prevent the applicant from requesting a lower categorization of the product if the goods were wrongly classified under a higher classification.<br>The requested reduction shall be granted only after the inspection of the goods inside the Customs territory and the verification of the error.<br>5- The director General of Customs shall set the rules of application of this Article. |
| Article 109 | 1- The presenter of the declaration shall have the right to request its annulment for the purpose of changing or replacing the customs status of the declaration with another customs status. Such measure shall be allowed within the following reservations:<br>- If the declarer can prove that the declaration was wrongfully made or that it has lost its justifications for special circumstances or new considerations.<br>- The goods are within the customs territory.<br>- Goods are still liable to duty.<br>2- Should there be a contravention in the declaration, the annulment should be allowed only upon the settlement of the contravention.<br>3- The annulment shall not be permitted in case goods are put for export, unless the presenter of the declaration proves that he has not benefited from any donation or special allowance pertaining to export.<br>4- The modification of tax, duty or currency rates shall not impede the approval of the annulment request.<br>5- The Director General of Customs shall set the rules of application of this Article.  |
| Article 110 | Pursuant to the provisions of paragraph (4) of Article 97, should the declarer fail, within a minimum period of 15 days after the registration of the declarations, to complete such declarations or pay the taxes and duties they are liable for, Customs shall have the right to annul registered   |

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|             | declarations. Customs shall also have the right to request the inspection of the goods in the presence or the absence of the declarer, after notifying him of the date of the inspection.  |
| Article 111 | Customs shall have the right to verify the authenticity of the information included in the customs declaration and the enclosed documents upon the release of the goods.   |
| Article 112 | Any import or export or any attempt to import or export prohibited, restricted, monopolized, dutiable goods or duty-free goods without the submission of a customs declaration shall lead, as deemed appropriate, to the imposition of the penalties provided for in Articles 421 and 425. |

#### Chapter Five : The Persons Qualified for the Submission of Detailed Declarations on Goods-Authorized Customs Clearance Agents

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| Article 113 | <p>Shall be authorized to submit goods to the Customs administration to be put for consumption or under any other regime and to supply necessary customs procedures:</p> <p>1- The persons exercising the job of customs clearance i.e. customs clearance agents.</p> <p>2- Traders or their authorized agents having proof of ownership, custody or shipping rights of goods.</p> <p>3- Non-trader individuals in the name of which, for whom or from whom, parcels of goods are exceptionally sent.</p>   |
| Article 114 | <p>1- An authorized agent is a person who undertakes customs clearance of goods on behalf of a specific legal or natural person.</p> <p>2- Only the name of the person granting the authorization shall be mentioned in the declarations; this person or his agent shall sign such declarations.</p> <p>3- The person granting the authorization shall have the right to vest more than one person with signing authority and call for the services of his assistants.</p>  |
| Article 115 | <p>1- A customs clearance agent is a Lebanese person, whether natural or legal, exercising the job of customs clearance and completing customs procedures for a third party.</p> <p>2- A person shall have the right to exercise the job of customs clearance on behalf of a third party only after obtaining a license from the Customs administration.</p> <p>3- Such license shall be granted by the Higher Council of Customs, upon the consultation of the Director General under the conditions stipulated in this chapter and shall be published in the official gazette. The license should specify the office(s) where the authorized person shall carry out his work.</p> <p>4- The Higher Council of Customs shall, upon the consultation of the Director General withdraw the license within the conditions provided for in this chapter.</p> |
| Article 116 | <p>1- The license to exercise the job of customs clearance shall be granted personally. Where the party concerned is a company, the license shall be considered as simultaneously granted to the company and the authorized customs clearance agent.</p> <p>2- Rejection or definitive withdrawal of a license under the provisions of paragraph (4) of the previous Article shall by no means imply the right to indemnity or compensation.</p>  |
| Article 117 | <p>1- All persons referred to in Article 113 should submit to Customs the delivery order of goods.</p> <p>2- The endorsement of such delivery order in the name of the customs clearance agent shall be considered as an authorization for completing customs procedures. The delivery order shall be subject to the same provisions governing the bill of lading, stipulated in Article 201 of the maritime commercial law.</p> <p>3- Pursuant to the provisions of Article 201 of the maritime commercial law, Customs shall not take any responsibility pertaining to the delivery of goods to the persons in whose name the delivery order was endorsed. Customs shall not also be responsible for the verification of the effective ownership of the goods.</p>  |
| Article 118 | All persons to whom goods are sent, the proprietors or the persons entrusted with such goods or those charged with the transport of goods under transit status shall be responsible, under the condition of solidarity provided for in Article 417, for the acts of their employees, authorized representatives, customs clearance agents or their authorized agents and in general for the acts of any person they commission to clear goods on their behalf.  |

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| Article 119 | <p>Any person applying for a license to exercise the job of customs clearance agent should fulfill the following conditions:</p> <p>a- For natural persons:</p> <ol style="list-style-type: none"> <li>1- He should be Lebanese for more than ten years.</li> <li>2- He must be of legal eligibility and has not been sentenced in any crime or misdemeanor against morals.</li> <li>3- He must not have been discharged from a public function or a profession for reasons dealing with honesty and integrity.</li> <li>4- He must submit a quietus from the departments of finance.</li> <li>5- He must be holder of a bachelor degree from a Lebanese university or any equivalent degree in business administration, economics or financial studies. He must have worked in the clearance as a customs clearance official, an authorized agent commissioned by a specific owner of goods or an assistant of such authorized agent or an authorized agent for transit companies or an assistant authorized agent for transit companies, for at least one year confirmed according to the Customs administration's records regarding such persons or to the identity card provided for in Article 125 of this law.</li> <li>6- He must pass a written examination. The Director General of Customs shall determine the subjects, conditions and the date of such examination according to the public interest requirements.</li> </ol>   |
|             | <p>b- For Legal Persons:</p> <ol style="list-style-type: none"> <li>1- Joint- liability companies shall, upon their request, be allowed to undertake, as their main activities, customs clearance of goods on behalf of a third party, under the following conditions: <ol style="list-style-type: none"> <li>a- The object of the company should be customs clearance to the account of a third party.</li> <li>b- The company must be registered at the commercial register.</li> <li>c- The company must submit a quietus from the departments of finance.</li> <li>d- The partners must be Lebanese.</li> <li>e- If the number of partners exceeds three, at least three of them should be licensed customs clearance agents and the share of each of them should be 20% at least of the company's capital provided the company commissions one of them to undertake clearance of goods on its behalf before Customs.</li> <li>f- A customs clearance agent owning shares in a customs clearance company, whether or not commissioned to represent such company before the Customs administration, shall not have the right to be a partner or to work in another clearance company, he shall also not have the right to submit customs procedures under his personal name outside the framework of his company.</li> </ol> </li> <li>2- In addition to the requirements defined under point (1) above, the Higher Council of Customs shall, upon the consultation of the Director General, determine additional requirements that should met by clearance companies.</li> <li>3- The license granted to the clearance company shall be considered as void and null in case of death or withdrawal of the customs clearance agent commissioned to be the representative of such company before Customs or in case the license is withdrawn under one of the cases referred to in Article 131 of this law.</li> </ol> |
| Article 120 | <p>1- Any person willing to exercise the job of customs clearance agent must submit an application to the Higher Council of Customs indicating the customs house(s) he wishes to work with.</p>  |
|             | <p>2- A special committee shall be formed by decision of the Director General of Customs; it shall be vested with the authority of verifying that the applications fulfill all necessary requirements, carrying out examinations and declaring the names of the candidates who have passed such examinations.</p>  |
| Article 121 | <p>1- A licensed clearance agent may undertake customs clearance only after accomplishing the following:</p> <ul style="list-style-type: none"> <li>- To ensure an office especially reserved for customs clearance in each of the customs house he chooses in advance to work in, and to pledge in advance to maintain the documents required under Article 127 of this law.</li> <li>- To register at the Register of Commerce.</li> <li>- To produce money collateral or a bank guarantee set by the Higher Council of Customs to cover all responsibilities resulting from works he and his employees may carry out.</li> </ul>  |
|             | <p>2- A six-month period from the date of licensing shall be given for the accomplishment of the above-mentioned works at the risk of license withdrawal.</p>  |
| Article 122 | <p>The Higher Council of Customs shall, upon the consultation of the Director General, determine the number of customs clearance agents and customs clearance companies for each of the customs</p>  |

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|             | houses.   |
| Article 123 | 1- A Customs clearance agent, whether a legal or a natural person, shall have the right to call for the services of one or more employees to help him accomplish his work.  |
|             | 2- Such employees shall fulfill the following conditions:<br>a- He must be Lebanese for more than 10 years and have completed 18 years of age.<br>b- He must be of legal eligibility and has not been sentenced in any crime or misdemeanor against morals.<br>c- He must have obtained the Lebanese baccalaureate II certificate or its equivalent.  |
|             | 3- The licensed customs clearance agent shall produce money collateral or a bank guarantee for each of his employees the value of which shall be set by the Director General of Customs.  |
| Article 124 | a- The agent appointed by the owner of the goods and his assistants must fulfill the requirements referred to in Article 123 above in addition to the following:<br>1- The trader must supply in advance a proxy registered at the notary public in the name of his authorized agent. Such proxy shall lose its validity if the authorizer revokes it under another legal instrument registered in the same way and submitted to Customs.   |
|             | b- The trader must produce money collateral or a bank guarantee the value of which shall be determined by the Director General for each agent authorized to sign and for all his assistants.  |
|             | c- The Director General may content with a simple authorization and exempt the agents authorized by non-commercial establishments from providing money collateral.  |
| Article 125 | 1- The applications of the employees of licensed clearance agents and those of the agents authorized by the owners of goods and their assistants and authorized agents of transit companies and their assistants shall be submitted to the heads of customs departments who shall verify and submit them to the Director General of Customs for settlement.   |
|             | 2- The Director General of Customs shall grant licensed customs clearance agents, identity cards establishing their qualifications and giving them access to customs depots and warehouses and free zones. The heads of departments shall grant similar cards to the persons enumerated in paragraph (1) above.   |
|             | 3- A personal record shall be maintained for all customs clearance agents and authorized agents defining their customs contraventions, applicable penalties and the names of the employees of licensed clearance agent and the assistants of authorized agents as well as related contraventions and penalties.   |
| Article 126 | Customs clearance agents shall be responsible, before the persons to whom the goods are dispatched, the Customs administration and the parties operating customs warehouses and depots and free zones.  |
| Article 127 | 1- Each person, whether natural or legal, completing customs procedures for a third party shall, at the risk of the penalties referred to in paragraph (4) of Article 361 of this law, maintain a record where he shall, under the conditions defined by the Director General, register on a daily basis the conclusions of such procedures. Such record must include in particular paid customs and clearance charges; all correspondences and documents regarding completed procedures shall be kept for three years from the date of registration after the completion of such procedures. |
|             | 2- Customs employees enumerated in paragraph (1) of Article 361 shall, when deemed necessary, have the right to examine and verify such records at any time without objection from the parties concerned at the risk of the penalties provided for in paragraph (5) of Article 131 and paragraph (1) of Article 361.  |
| Article 128 | 1- When absent from work for holiday, a customs clearance agent may, upon the approval of the Director General of Customs, commission at his expense and under his own responsibility an employee fulfilling the requirements stipulated in this law, to complete necessary customs procedures; such commission should be carried out under a document registered at the notary public.<br>The vacation shall be of a maximum period of one month for each year.  |
|             | 2- Should the Director General find out that the customs clearance agent has abused this right, he shall withdraw his approval provided the person responsible for the contravention is subjected to one or more of the penalties provided for in Article 130.  |
|             | 3- The Director General shall, whenever deemed appropriate, suspend a customs clearance agent from work, upon his own request, for a specific period of time not exceeding one year.  |

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| Article 129 | A customs clearance agent shall not have the right to lend his name or signature to anyone at the risk of the penalties prescribed in Articles 130 and 361 of this law.  |
| Article 130 | 1- Customs clearance agents may be subject to one of the following professional penalties in accordance with the contraventions they commit:<br>a- Written alerting.<br>b- Suspension from work for a period not exceeding one year.<br>c- Suspension from work for a period not exceeding two years during five continuous years.<br>d- License withdrawal.   |
|             | 2- Such professional penalties, with the exception of license withdrawal, shall be imposed by decision of the Director General. License withdrawal penalty shall, within the cases provided for in Article 131 below, be imposed by decisions of the Higher Council of Customs, upon the consultation of the Director General.   |
|             | 3- Professional penalties imposed on the employees of licensed customs clearance agents and authorized agents and their assistants commissioned by owners of goods or transit companies for committing contraventions related to the exercise of their jobs in the Customs department shall be determined by decision of the Higher Council of Customs. Such penalties may, when deemed necessary, include definitive withdrawal of identity cards.  |
| Article 131 | The license granted to a customs clearance agent shall be withdrawn and his name stroke off the roll of licensed customs clearance agents by decision of the Higher Council of Customs, upon the consultation of the Director General in the following cases:<br>1- If he loses the Lebanese nationality.  |
|             | 2- If he loses legal eligibility or if he is sentenced in any crime or misdemeanor.  |
|             | 3- If he is indicted for a major customs contravention of which he was found guilty.   |
|             | 4- If he is suspended from work for a period exceeding one continuous year or for a period exceeding two years during five consecutive years.  |
|             | 5- If he fails to put the records and documents provided for in Articles 127 and 361 at the disposal of customs employees for examination and verification.  |
|             | 6- If he expresses in writing his intention to resign.   |
|             | 7- If he fails to produce his annual guarantee.  |
| Article 132 | Decisions of temporary suspension from work issued by the Director General of Customs and decisions of license withdrawal issued by the Higher Council of Customs, shall not grant the right to indemnity and compensation thus it shall be possible to revoke such decisions before the State Council for misuse of power.  |
| Article 133 | Should the Customs clearance agent be arrested or his license withdrawn, he shall be prohibited from calling for the services of another customs clearance agent and pursue clearance under his name. Failing this, both of them shall, under the provisions of this law, be subject to legal pursuit.   |
| Article 134 | Contrary to the provisions of Article 113, the Higher Council of Customs shall, upon the consultation of the Director General of Customs, have the right to allow parties concerned in customs houses where no customs clearance agents are found, to delegate customs employees to organize their data for a fee set by decision of the Higher Council of Customs.  |
| Article 135 | 1- In case of death of a licensed customs clearance agent, the Higher Council of Customs may, upon the consultation of the Director General, allow his son who has worked in clearance with him, to temporary pursue his job as a customs clearance agent until the first contest is held, provided he fulfills the requirements stipulated in paragraph (a) of Article 119.   |
|             | 2- Where more than one child exercise with the customs clearance agent the job of customs clearance and fulfill all the requirements referred to in this chapter, they should designate one of them as a temporary customs clearance agent.  |
| Article 136 | The Higher Council of Customs shall, upon the consultation of the Director General, license administrative customs employees of the second category at least, and customs employees who have ended their services, after a minimum of 10 years of effective service, whether by resigning, retiring on pension or by being discharged of function for non-disciplinary reasons, to exercise the job of customs clearance agents upon their written request, without the need for them to sit for the contest provided for in paragraph (6) of Article 119. |
| Article     | a- Licensed customs clearance agents shall have the right to exercise their job, whether or not they   |

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| 137 | fulfill all requirements stipulated in this law, provided they produce, within one month as of the effective date of this law, a money collateral or a bank guarantee the value of which shall be defined by the Director General of Customs. They shall remain subject to the provisions of Articles 130 and 131 of this law with regard to suspension from work and license withdrawal.  |
|     | b- Employees of customs clearance agents, authorized agents of traders and their assistants and authorized agents of transit companies and their assistants present on March 24 1994, shall have the right to exercise their jobs, whether or not fulfilling all requirements provided for in this law. They shall also have the right to continue to benefit from the conditions prescribed in the said decree and their acquired rights shall be preserved under the provisions of Article 2 of decree No 9490, dated 2/11/1996. |

## Chapter Six : Inspection of Goods

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| Article 138 | 1- After registration of the declarations, Customs may, if it deems appropriate, inspect declared goods.   |
|             | 2- The inspection of goods shall be restricted to competent customs employees within customs houses and locations associated with them and at customs points of entry and exit.  |
|             | 3- The Customs department shall have the right to inspect all the parcels listed in the same declaration; the inspection though may be partial or total, according to the department's estimation or the Customs administration's instructions. The declarer shall have the right to reject the results of partial inspection and require a full inspection.   |
|             | 4- When formulating the instructions referred to in the previous Article, due account shall be taken of the importance of facilitating trade without prejudice to effective control. Modern estimation and risk administration methods should be adopted to this effect in order to determine the declarations to be verified, the merchandise to be inspected and necessary limits for verification and inspection. |
|             | 5- Should the Customs department have doubt that a specific type of goods is hazardous to health it may conduct, in addition to customs inspection, sanitary inspection or analysis of goods.  |
| Article 139 | 1- The inspection shall be carried out in customs houses during official working hours. However Customs may, upon the request and at the expense of the declarer, permit such inspection to be carried out in different times and places within available possibilities and without prejudice to customs procedures.   |
|             | 2- The declarer shall take responsibility for the transfer of goods to inspection locations, checking and repacking of goods and all other works in connection with inspection. The declarer and his employees shall be prohibited from unpacking parcels other than those designated by the department for inspection.  |
|             | 3- Goods transferred to inspection locations shall not be moved out of such locations without the Customs authorization.   |
|             | 4- The persons nominated by the declarer to carry out the works required by inspection, should be approved by the Customs administration.  |
| Article 140 | 1- The inspection shall be carried out in the presence of the presenter of the declaration or his legal mandatory who shall be responsible for each loss occurring in the course of inspection.  |
|             | 2- The department shall have the right to unpack and inspect goods in the absence of the owner or his representative in case the first fails, despite his notification, to attend the inspection in time.  |
|             | 3- When the Customs department is in doubt about the existence of prohibited goods, it shall have the right to inspect the goods before notifying the owner or his representative. A special committee designated by the Customs administration shall carry out the inspection and maintain a record of the circumstances and the results of such inspection.  |
| Article 141 | Should there be a decrease in the parcels' contents, responsibility for such decrease shall be defined as follows:   |
|             | a- If the parcels were entered to the depots or warehouses, appearing to be in a good condition and thus proving that the decrease has occurred in the country of origin before the shipment, the pursue of the decrease shall be overlooked.  |
|             | b- If the parcels entering the depots or warehouses were not in a good condition, the party operating the depots or warehouses should, along with Customs and the transport company, establish this case in the acknowledgment of receipt and verify the weight, content and number of such parcels. It  |

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|             | <p>should also take adequate measures to guarantee the preservation of goods in a good condition. In such case, the responsibility shall fall upon the transporter unless Customs of the country of origin has expressed certain reservations in the manifest or the transporter failed to supply documents confirming that he has received the parcels and their contents in the same condition as when admitted into the depots or warehouses. In such case, legal pursuit shall be overlooked.</p> <p>c- If the parcels were entered, appearing to be in a good condition, and then became of a doubtful nature, the responsibility shall fall upon the party operating the depots or warehouses if there exists any loss or modification in the goods.</p>  |
| Article 142 | <p>1- Customs shall have the right to analyze samples of the goods in order to verify their type, characteristics and conformity to applicable laws and regulations.</p> <p>2- Such samples shall be analyzed at private or public competent laboratories approved or accredited by Customs.</p> <p>3- The afore-mentioned analyses shall be carried out prior to the release of the goods. However, the Customs department may, under the conditions referred to in Article 162 of the arbitration chapter, allow the delivery of the goods before the completion of the results of the analysis and, when necessary, the counter analysis. It should however preserve at least four samples of the disputed goods.</p> <p>4- The samples of goods intended for analysis shall be withdrawn in the presence of the parties concerned. One of the samples shall be sent for analysis in the prescribed manner and the Customs department shall preserve the remaining samples under formal seals and the signatures of the parties concerned to be referred to if need be.<br/>The Higher Council of Customs shall, upon the consultation of the Director General, set the rules of application of this paragraph.</p> <p>5- Customs and the parties concerned shall have the right to object to the results of the analysis and require a counter analysis.</p> <p>6- The result of the counter analysis shall be considered as decisive if it appears to be complying with the first analysis result. Otherwise, the prejudiced shall have the right to require another counter analysis the result of which shall be decisive, whether or not complying with the results of the first and the second analyses.</p> |
| Article 143 | <p>1- If the result of the analysis confirms the validity of the declaration, the Customs administration shall bear the expenses of such analysis. In case of the contrary the party concerned shall meet such expenses.</p> <p>2- Unused samples shall be returned to the parties concerned.</p>   |
| Article 144 | <p>1- Customs may destroy goods proved to be, according to analysis and inspection, inconsistent with applicable laws and regulations.</p> <p>2- A special committee designated by the Director General shall destroy the goods at the expense of the owner provided he is notified to attend the destruction process. Should the owner of the goods fail to appear, destruction shall be carried out in his absence and the committee shall write down a record of such destruction.</p> <p>3- If such destruction is proved to be harmful to the environment, it shall be permitted, under the conditions set by the Director general of Customs, to require the re-export rather than the destruction of goods.</p>  |
| Article 145 | <p>In all cases, Customs shall have the right to inspect all goods that have not been delivered to the owner, or those that have been directly delivered to the owner before their inspection.</p>  |
| Article 146 | <p>When Customs cannot verify the authenticity of the content of the declaration through the inspection of goods or the examination of submitted documents, it may temporarily suspend the inspection and mention such measure in the submitted document until Customs gather necessary information for such control. However all necessary measures should be taken to shorten the suspension period in order to prevent any prejudice to the parties concerned.</p>   |
| Article 147 | <p>1- Should there be any discrepancy between the quality, quantity, origin or value of declared goods and the quality, quantity, origin and value determined on the basis of the inspection, duties shall be collected on the basis of the inspection's results.</p> <p>2- Should Customs abstain from inspecting declared goods, taxes and duties shall be collected on the basis of the content of the declaration.</p>  |

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|             | 3- Due taxes and duties shall be those applicable at the time of registration of detailed declarations. However should customs duties be reduced, the presenter of the declaration may, when goods remain in the customs territory without paying duties, request the application of the new tariff if it is better than the one applicable at the time of registration of the declaration.  |
| Article 148 | Upon the payment of duties, no applications for reconsideration shall be allowed with regard to the elements of the declaration, the inspection of goods or the imposition of duties unless goods were under the supervision of the Customs department and subject to inspection and counter inspection. In other cases, such applications should be rejected if the presenter of the declaration does not have special compelling reasons that should be submitted to the Higher Council of Customs for a final settlement. |

## Chapter Seven : Arbitration

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| Article 153 | 1- whenever a dispute arises between Customs and a party concerned as to the type, description, origin, and value of goods, and the party concerned refuses Customs valuation, the dispute shall be mentioned in the submitted Customs formality. A verbal process must be filed and referred to an arbitration commission composed in accordance with the provisions of the following Article.  |
|             | 2- Recourse to the said commission for arbitration should not occur, whenever the law prescribes special provisions and rules governing the type, description, origin or value of goods.   |
| Article 154 | 1. The Arbitration Commission mentioned in the previous Article shall be composed of:<br>- The Minister of Justice shall appoint a retired Honorary Judge as Head of the Commission and a deputy judge.<br>- Two legal Customs experts appointed as members on a case-by-case basis. The concerned party or its legal representative appoints the first expert and the relevant customs administration appoints the second expert.<br>Appointed judges and experts shall be subject to rules of recusance and abdication laid forth in the Code of Civil Procedures.   |
| Article 155 | The Higher Council of Customs shall set the requirements that should be met in order to appoint legal experts. The said council appoints the legal experts upon the proposal of the Director General of Customs and following consultation with the Chambers of Commerce and Industry, Associations of Traders and Industrialists, Universities or relevant Professional or Technical Syndicates. Provided that they are well qualified with expertise in trade, industry, and agriculture, and technical and scientific matters.<br>The decisions appointing experts shall specify the chapters and definitions clauses relating to each expert as well as the necessary field of expertise: type - description value - and origin of disputed goods. |
| Article 156 | Following consultation with the Director General of Customs the Higher Council of Customs shall determine the following:<br>A- Rules and procedures that shall be followed to submit dispute files to arbitration commissions, including the prerogatives of Heads of departments as to the appointment of experts by the administration.  |
|             | B- Conditions to take samples and cases where samples can be substituted by certain documents, as well as the definition of taxpayers' commitments prior to arbitration.   |
| Article 157 | 1. Should one of the parties object arbitration or abstain from appointing an expert, the expert shall be appointed, upon the request of the second party, by the Judge of Urgent Matters in the Casa or Mohafazat to which the relevant department or the presidency of customs department are affiliated. This expert shall be chosen from the list of experts appointed by the Ministry of Justice according to the rules set forth in Article 155 of this chapter.   |
|             | 2. The appointed expert shall within eight days as from his appointment take regulatory samples necessary for arbitration in presence of other party on conditions laid down in paragraph (B) of the previous article.   |
| Article 158 | 1. The arbitration Commission holds its sessions at the department of the region where the dispute had arisen, its negotiations should be confidential and majority must take its decisions.   |
|             | 2. The commission may listen to any person whomsoever, and may also have recourse to analysis and statistics found to be useful for carrying out investigation into the case.  |
|             | 3. When the dispute does not result from matters dealing with the type, description, origin or value   |

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|             | <p>of goods, or whenever the Law supplements special provisions and procedures to specifying such matters, the commission shall issue a decision to declare its illegibility to look at the dispute.</p> <p>4. The Commission shall as soon as possible examine the payments and listen to both parties' observations and confront at them. It shall give a decision on the dispute that is binding on both parties.</p> <p>5. The decision of the Commission shall include the names of the members who looked at the case and the subject of the dispute, and the name and place of residence of the claimant and a brief presentation of the submitted arguments, technical inspections and the rationale for the taken solution.</p> <p>6. The Commission shall notify the parties concerned about its decisions. If the dispute is settled to the advantage of the importer, then the Customs shall refund the money guarantee deposited to secure the right of the administration, within 30 days as from the date of claim.</p> |
| Article 159 | <p>1. The Commission shall issue decisions concerning concrete and technical facts relating to the case without mentioning the legal aspects in respect thereof; it is not entitled to take decisions concerning general and regulatory principles governing the type, description, origin or value of goods.</p> <p>2. The decision of the Commission shall not create a precedent that could be used as an argument against the parties to dispute or against other parties in a different case or in a certain process of import or export, whether subsequently or previously.</p>   |
| Article 160 | <p>1. The Commission's decision may not be prone to any kind of appeal unless cancellation is requested.</p> <p>2. The request of cancellation shall be submitted to the court mentioned in Title eight of this Law.</p> <p>3. The appeal shall not stop the implementation of the arbitration Commission's decision.</p>  |
| Article 161 | <p>1. The customs court shall look at cancellation lawsuits brought before it if it finds out that they are in infringement to the situations determined in the Code of Civil Procedures to void arbitrativ decisions issued by internal arbitration.</p> <p>2. The Customs court shall resolve the lawsuits of cancellation mentioned in the previous paragraph by virtue of an approved decision.</p> <p>3. Whenever the Customs court considers that the arbitration commission had issued its decision contrary to rules, it shall issue a decision to void the commission's decision and shall replace it in determining the origin of the dispute. In this case the customs court must as deemed necessary, recourse to two new customs experts that it appoint from the list of legal experts mentioned in Article 155 of this chapter and it shall issue a final and an irrevocable decision and notify both parties for immediate implementation.</p>   |
| Article 162 | <p>Arbitration shall involve goods kept in customs custody. Otherwise goods shall be prosecuted by normal procedures in accordance with provisions of article 381of this Law.</p> <p>However the Customs administration shall not have the right when goods are not strictly prohibited and if their existence is not necessary to resolve the dispute, to allow the delivery of goods before the dispute is settled, against submission of a guarantee or a deposit that covers the potential duties and penalties, provided that samples of goods are kept in order to have recourse to as deemed necessary.</p> <p>2. The Director General of customs shall set the rules of implementation of this Article and the conditions of temporary delivery of goods subject to restrictions upon import and export, provided that this does not contradict rules relating to the General Order or violates laws and regulations in effect.</p>  |
| Article 163 | <p>1. If the Customs administration loses the case before the arbitration commission, an interest equivalent to the commercial interest rate should be added to the refundable cash deposited as guarantee. If the claimant had submitted a guarantee, the charges in connection with such guarantee should be refunded to him on specific conditions that shall be determined by virtue of the decision of the Minister of Finance.</p> <p>2. If the Customs administration loses its case before the arbitration commission and refuses to release the goods subject of dispute, the owner of goods may have judicial recourse to seek indemnities within specific period of time set by decision of the Minister of Finance.</p> <p>3. If the claimant loses the case, and it was not possible for him to pay the due fees, and should</p>  |

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|             | there be no guarantee he must pay an additional delay interest equal to the rate mentioned in paragraph one of this Article.  |
|             | 4. The destruction and spoilage of samples or documents due to experiments shall not give any chance to request indemnities   |
| Article 164 | 1. Following consultation with the Director General of customs the Higher Council of Customs shall render a decision specifying the remuneration of the Head and the two members of the arbitration commission.       |
|             | 2. The losing party shall bear all the charges of the said remuneration and all the expenses resulting there from.  |
| Article 165 | The name of the legal expert shall be deleted by decision of the Higher Council of Customs following consultation with the Director General of customs and published in the Official Gazette, in the following cases: |
|             | 1- Upon the expert's request.   |
|             | 2- When he fails to carry out his task or when he dismisses at the beginning of an assignment, with no legitimate excuse.   |
|             | 3- If he loses his civil capacity or is convicted of a serious crime or misdemeanor.  |
|             | 4- If he appears to be disloyal or incompetent.   |
|             | 5- When a serious customs violation is committed involving merchandise exported in his name or for his account.   |

#### Chapter Eight : Payment of Duties

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| Article 166 | 1- Goods shall not be cleared until duties and taxes are paid and withdrawal of goods from the customs territory shall be contingent upon the completion of customs procedures, the payment of taxes and duties and the submission of money collateral or a bank guarantee.  |
|             | 2- Duties settled by Customs shall be paid in full.  |
| Article 167 | The employees charged with the collection of taxes and duties should issue a receipt drawn up in the name of the owner of the goods including the number of the procedure, received sums and, when necessary, all what Customs deems worth mentioning; such receipt shall be delivered to the presenter of the procedure.  |
| Article 168 | 1- All taxpayers producing sufficient bank guarantees shall be permitted to settle, after a six-month period or on installment within such period under a guaranteed bill of exchange, all taxes and duties for which their imported goods are liable if the value of such taxes and duties is no less than 10 million Lebanese pounds in each procedure.  |
|             | 2- Such bills of exchange shall be drawn up according to the standard model set for commercial bills and to the account of the central treasurer at the Customs administration. The date of such bills shall be the date of payment of duties. Such bills shall be settled at local treasuries or, when due, at the Central Secretariat of Customs.  |
|             | 3- The Higher Council of Customs shall define special regulations governing the facilities referred to in this Article and such regulations shall be subject to the approval of the Minister of Finance. On the basis of recent economic data the Higher Council of Customs shall have the right to reconsider or to suspend temporarily or permanently the effects of such regulations to the best interest of the treasure department.   |
|             | 4- The terms resulting from surety bonds:  |
|             | a- A fixed interest rate set by decision of the Minister of Finance the value of which shall be added to the value of the bond. The value of the bond shall comprise both values.  |
|             | b- An additional delay penalty set at 2% payable in case of failure of settlement of the bond at maturity date. Pursuant to the provisions of paragraph (c) below, such penalty shall be applicable on the total value of the bond from the maturity date until the settlement date which should not exceed a maximum limit of two months from the maturity date without the need for forewarning. In case of default within the time limit specified above, all payments and interests shall be due immediately and all applicable legal procedures may be used for collection. |
|             | The interest rates referred to in paragraph (a) and (b) above shall in all cases be collected as treasury revenue.   |
|             | 5- The Minister of Finance shall, upon the request of the Higher Council of Customs, issue a   |

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|             | decision defining the rules of implementation of this Article.  |
| Article 169 | 1- All persons dealing regularly with Customs may open credit accounts at Customs in order to settle, on a regular basis, taxes and duties for which their procedures are liable.   |
|             | 2- The rules of application of this Article shall be determined by decision of the Minister of Finance upon the recommendation of the Higher Council of Customs.  |
| Article 170 | 1- The guarantor of guaranteed duties shall be considered by Customs as a real taxpayer such as an original debtor. Therefore the treasure department shall have the right of general lien provided for in this law on his movable property.  |
|             | 2- Should the guarantor fail to fulfill his commitment, the original debtor must present, within two days, another guarantor approved by the central treasurer of Customs. Failing this, he should pay adequate taxes and duties, whether or not due.   |
| Article 171 | 1- If guaranteed taxes and duties are not settled when due, the regional Director or President of Customs shall pursue their settlement under the conditions stipulated in Article 391 of this law.   |
|             | 2- The regional Director or President of Customs may, over and above, issue a compulsory note against the original debtor or his guarantor.   |
|             | 3- The regional President or Director of Customs should issue such note in the form of a copy of the promissory note proving the debt of the administration. The first instance judge at the main office of the regional presidency of Customs or the house in which duties were guaranteed should append his signature to the original copy in order to ensure the transmission and implementation of such note. |
|             | 4- The taxpayer against whom a compulsory note is issued shall have the right to protest before customs courts. However such protest does not suspend the implementation of such note unless the taxpayer deposits a guarantee equivalent to the value of the unpaid bills.   |
|             | 5- Compulsory notes shall have the effect of judiciary provisions and shall be implemented in the same way as such provisions. They shall also authorize the use of all ordinary methods of implementation on the movables and immovables of taxpayers.   |
|             | 6- Compulsory notes shall become unenforceable by lapse of time or should they be cancelled by a judicial decision as prescribed in Article 388 of this law.  |
| Article 172 | 1- Goods imported by public administrations and institutions and municipalities shall pay duties for which they are liable, unless a special text provides for their exemption of such taxes and duties.  |
|             | 2- Detailed declarations of such goods shall be filed under general rules and it shall be permitted, contrary to the provisions of Article 166 above, and under the conditions set out by the Minister of Finance upon the consultation of the Higher Council of Customs, to authorize, prior to payment of duty, the withdrawal of such goods immediately or after the end of the inspection.                    |
| Article 173 | The central treasurer of Customs shall, under the conditions prescribed in Decision No 3339, dated 12/11/1930, amended by decision No 102/L.R. dated April 6 1932, and for the sake of preserving the administration's interests, have the right to require a coercive guarantee of the belongings of the taxpayers or their guarantors.  |
| Article 174 | Central and local Customs treasurers shall be responsible for the validity of the bills they approve and for the errors they commit with regard to overlooking specific credits and receiving the value of guaranteed bills.  |
| Article 175 | When submitting a written request from the central treasurer to Customs, secretaries of the cadastre should provide the latter with all information regarding the condition of real estates owned by the taxpayers or their guarantors requesting to benefit from duty deferral or having benefited from such deferral.   |

### Title Three - Duty Deferral Statutes and Other Similar Statutes

#### Chapter One : General Provisions

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| Article 176 | 1- It shall be permitted to admit and transport goods from one place to another within or across Lebanon with deferral of payment of customs duties and other taxes and charges related to such goods, provided that guarantees are submitted, in the form of cash, bank guarantees or surety bonds, to ensure payment of charges and duties. The Director General of Customs may permit the substitution of the aforementioned guarantees with other guarantees. |
|             | 2- When signing a surety bond, the party concerned shall abide by the laws, regulations and administrative instructions in connection with the operation in question.   |

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| Article 177 | Goods qualifying for deferral of duty payment shall not be used or disposed of for purposes other than the ones they were imported for and declared in the submitted guarantees.   |
| Article 178 | 1- Surety bonds shall be acquitted and guarantees and collateral charges refunded on the basis of the acquittal certificate. In order to guarantee the delivery of some type of goods to the designated destination point, the Customs administration shall make acquittal contingent upon submission of a delivery verification certificate issued by a local or foreign authority confirming that goods have been delivered to the stated destination point.<br>2- The Director General of Customs shall set out the rules of application of this Article. |
| Article 179 | In case goods are destroyed as a result of a force majeure, properly established, and subject to surety bonds, the Customs administration shall have the right to exempt the undertaker and his guarantor from payment of duty. Where goods are guaranteed, it should be established that the guarantee does not cover the value of the goods including customs duties.  |

## **Chapter Two : Merchandise in transit**

### **1- General Provisions:**

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| Article 180 | Transit is a duty deferring customs status permitting the transport, through a Customs house in Lebanon and under Customs control, of foreign goods from one Customs house, warehouse or free zone to another Customs house, warehouse or free zone in Lebanon or abroad.   |
| Article 181 | Goods in transit shall not be subject to the restrictions or prohibitions imposed on import and export. Shall be de facto excluded from transit status:<br>c- Goods excluded from such status under applicable laws and regulations or under the decisions issued by relevant Lebanese authorities.<br>d- Goods the transit of which is prohibited in accordance with international agreements applicable in Lebanon.<br>Shall be considered as such:<br>i. Goods bearing a false origin indication or illegally bearing the name of a factory or a store or a trade name benefiting from a legal protection in Lebanon in accordance with the provisions of Article 62 of this law.<br>ii. Goods falsely marked or labeled as made in Lebanon or as they are of Lebanese origin, under the provisions of Article 62 of this law.   |
| Article 182 | Entry and exit operations shall not be carried out except at authorized Customs houses.   |
| Article 183 | Goods presented to Customs at Customs office of origin should be, whenever Customs so requests, resubmitted along with transport documents before reaching the office of destination and at the office of destination.  |
| Article 184 | 1- Upon the arrival of goods to the office of destination, goods may achieve all statuses that would have been applicable should they have been imported directly through the said office, taking into consideration restrictions prescribed in Article 58.<br>2- When goods are conveyed to a Lebanese office, guaranteed declarations and substitute documents shall be acquitted upon submission by the said office of parcel identification and sealing verification certificates.<br>Where goods are conveyed to a foreign country, the acquittal of guaranteed declarations and substitute documents shall be contingent upon submission by Customs of a delivery verification certificate at the destination country confirming that such goods have been delivered to Customs. The Director General of Customs shall set a deadline for the submission of such certificate; he shall also have the right to exempt the party concerned from submitting such certificate or require, as deemed appropriate, the submission of other documentary evidence.<br>3- Contravention of the transit status shall lead, as the case may be, to sanctions prescribed in Articles 421 and 425 of this law.<br>4- The Higher Council of Customs shall, upon the consultation of the Director General of Customs, determine the jurisdiction of customs house of origin and customs house of destination for the pursuit of such violations. |

### **2- Types of Transit:**

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| Article 185 | 1- There are two types of transit: Ordinary and International.   |
|             | 2- Each type of transit shall be subject to the specified provisions pertaining to it stated in the articles below.                                  |
|             | 3- Goods may be transported from one Customs house to another in Lebanon under the same provisions applicable to ordinary and international transit. |
|             | 4- Goods may be transported in transit among countries under international books or manifests or   |

any other unified international documents provided that such transport is achieved through specific firms and establishments licensed by the Higher Council of Customs, upon the consultation of the Director General and on board vehicles of particular specifications approved by such Council. The Higher Council of Customs shall issue special decisions determining the rules of application of paragraphs (3) and (4) of this Article. Such decisions shall include ways and conditions of transportation and necessary transport documents.

**a- Ordinary Transit :**

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| <b>Article 186</b> | 1- Ordinary transit shall be carried out by all means of transport (by land, sea and air) without distinction, on the own responsibility of the signatory of the transit undertaking.  |
|                    | 2- Transport of goods shall be subject to detailed declaration procedures referred to in Article 95 and the following Articles provided such declaration includes a surety bond.   |
|                    | 3- Inspection of goods shall be carried out under the provisions of Article 138 and the following Articles of this law.  |
|                    | 4- The Higher Council of Customs shall, upon the consultation of the Director General of Customs, determine the cases where the detailed declaration can be replaced with the brief declaration.   |
| <b>Article 187</b> | Transport of goods under transit status requires the deposit of customs duties and other taxes and charges in the form of a letter of guarantee or the signing of guaranteed declarations including the guarantees set forth by the Customs administration and indicating the office of destination and the transport duration with regard to distances.<br>If the imported goods are liable to internal duties or other types of duties, transit operators shall pledge, where the transit cannot be accomplished, to accept, under special regulations pertaining to such charges, legal sanctions and customs fines.<br>The Higher Council of Customs shall, upon the consultation of the Director General, determine the rules of application of this Article. |
| <b>Article 188</b> | 1- Parcels of goods consigned under ordinary transit status shall be sealed with lead separately or in groups.   |
|                    | 2- The Director General of Customs shall define sealing conditions for parcels and containers, the means of transport and other obligations.   |
| <b>Article 189</b> | Upon the arrival of the goods to the office of destination, the guaranteed declaration or its substitute shall be submitted to the Customs administration. The latter shall permit the release of goods after verifying the identity of parcels and that parcels are properly sealed.  |

**b- International Transit :**

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| <b>Article 190</b> | 1- International transit shall be carried out through and on the own responsibility of railway agencies or authorized road transport companies, under the conditions set by the Higher Council of Customs, upon the consultation of the Director General.   |
|                    | 2- The Higher Council of Customs shall, upon the consultation of the Director General, license the foregoing companies to carry out transport under international transit status. Where such companies fail to meet all necessary requirements or engage in smuggling, the Higher Council of Customs may terminate or annul such license.   |
|                    | 3- The Higher Council of Customs may allow the said companies to submit railway transport procedures provided such transport is carried out on their own responsibility.  |
| <b>Article 191</b> | Goods consigned under international transit status shall be exempt from detailed declaration and inspection procedures and shall be subject to brief declaration and inspection.<br>However goods may be subject to such procedures in the case of suspected fraud or in cases where lead sealing cannot be applied.  |
| <b>Article 192</b> | The routes and tracks through which the transportation of goods under international transit status may be carried out shall be determined by decisions of the Higher Council of Customs, upon the consultation of the Director General of Customs, provided that due account is taken of agreements convened with the neighboring countries concerned.  |
| <b>Article 193</b> | The Director General of Customs shall determine the type and degree of importance of the bonds to be submitted by the foregoing companies, sealing and escort requirements, the preparation of rail carriers, cars and special containers designed for international transit, the transfer of goods from one means of transportation to another, the establishment by such companies of customs houses, depots and warehouses and different special provisions. |
| <b>Article 194</b> | International transit provisions shall be applied within the framework of the international agreements.   |

**Chapter Three : Customs Warehouses**

**Section One:** General Common Provisions:

**Section two:** Public Warehouses

**Section three:** Private Warehouses

**Section Four:** Private Warehouses for Petroleum Products

**Section Five:** Specialized Warehouses

**Section six:** Industrial Warehouses

**Section One: General Common Provisions:**

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| <b>Article 195</b> | <p>1- Customs warehouse status is a duty deferring status permitting temporary duty-free entry of goods for storage or manufacturing purposes.</p> <p>2- Processes in which goods are stored or undergo manufacturing operations shall be inside or outside the Customs territory. Such premises shall be in both cases subject to the Customs administration control and administered by public or private entities with the approval of Customs.</p> <p>3- There are two types of customs warehouses:<br/>a- Public warehouses in which goods are stored for the account of a third party.<br/>b- Private warehouses used for the storage of merchandise belonging to the warehouse proprietor. Private warehouses are in turn divided into two types: Private warehouses used exclusively for the storage of petroleum products and warehouses used for the storage of certain types of merchandise defined by decisions of the Higher Council of Customs. Such warehouses shall be designated specialized warehouses.</p> <p>4- Manufacturing warehouses are industrial warehouses.</p> |
| <b>Article 196</b> | <p>Unless otherwise provided, the deposit of goods in customs warehouses shall suspend the application of customs duties, prohibitions and other measures imposed on goods.</p>   |
| <b>Article 197</b> | <p>Prohibitions and restrictions to the admission of goods into warehouses used for storage and manufacture purposes may be imposed for reasons relating to public ethics, public security, public order, public health, the environment, the preservation of national wealth of artistic, historic or archeological value or the protection of intellectual property and for reasons in connection with the characteristics of storages premises or with the nature and condition of goods.</p>  |
| <b>Article 198</b> | <p>Goods deposited in public, private or specialized warehouses shall be treated as outside the Lebanese territory with regard to duty levying. When goods exit such warehouses they shall be eligible for all statuses applicable to goods directly imported. In case goods are put for consumption they shall pay applicable duties according to their customs value and duty rates at the time of registration of the declaration under which are offered for consumption.</p>   |
| <b>Article 199</b> | <p>Ports of public and private warehouses shall be firmly locked except for entry and exit ports, which shall be locked by to different padlocks the key to one of them shall be kept with Customs</p>  |
| <b>Article 200</b> | <p>1- Goods shall be admitted into private, public, specialized or industrial warehouses only upon submission of an entry declaration produced in accordance with the provisions of this law.</p> <p>2- Examination shall be carried out under the provisions of Article 138 and the following Articles.</p> <p>3- In order to control the circulation of goods, Customs shall maintain special records of all the operations pertaining to such goods. At the expiry of the fixed term a balance shall be made covering all calculations recorded in this register. Such calculations may be terminated without advance notice in order to facilitate the control of the service designated for the conduction of unexpected statistics aimed at verifying the compliance of the contents of the warehouses with the imposed restrictions.</p>   |
| <b>Article 201</b> | <p>Goods shall stay for a period not exceeding two years in public warehouses and one year in private, specialized and industrial warehouses.<br/>The Director General of Customs may extend such periods provided that imported goods are preserved in a good condition.</p>   |
| <b>Article 202</b> | <p>The Director General of Customs shall determine practical conditions for the status of public, private, specialized and industrial warehouse and necessary procedures for the good functioning of such warehouses not mentioned in this law.</p>   |

**Section two: Public Warehouses:**

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| <b>Article 203</b> | <p>1- Public warehouse status may be applied in some Lebanese cities and ports under certain specific decisions issued by the Higher Council of Customs upon the consultation of the Director General. Such decisions shall determine the location and the parties operating the warehouses, provided the articles of association of such warehouses provides for storage operations.</p> <p>2- The foregoing decisions shall include special provisions related to each type of warehouses. the terms of operation and transfer of operation. storage expenses and</p> |
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|                    | <p>royalties payable to the Customs administration according to the category of warehouses and general expenses in connection with Customs audit.</p> <p>3- The provisions of this Article shall not apply to public warehouses existing at the effective date of this law.</p>   |
| <b>Article 204</b> | <p>1- Any legal or natural person shall have the right to store in public warehouses dutiable goods of all kinds including goods subject to duties in connection with the settlement of temporary entry and industrial entry statuses, with the exception of the goods stated in the following Article and those that can only be stored in private warehouses due to their nature and condition and to the characteristics of the facilities required for their storage.</p>   |
|                    | <p>2- Shall not be admitted into a public warehouse, goods exempt for customs duties and other taxes and charges. The Higher Council of Customs shall, upon the consultation of the Director General determine the cases in which the application of the provisions of this Article may be overlooked.</p>  |
| <b>Article 205</b> | <p>Shall not be admitted into a public warehouse goods bearing false or suspicious brands, gunpowder, explosives and similar materials, inflammable materials, goods bearing signs of decay, goods whose presence in the warehouse entails danger or threatens the quality of other products, goods whose preservation requires special facilities not available in the public warehouse as well as bulk goods.</p>   |
| <b>Article 206</b> | <p>Goods stored in a public warehouse may be transferred to a new owner. The transfer shall be registered in the new owner's name and removed from the transferor's name in the Customs registers, provided for in paragraph (3) of Article 200 above; the new owner shall be responsible before Customs.</p>   |
| <b>Article 207</b> | <p>Upon the expiry of the public warehouse storage period, goods shall be re-exported or subjected to customs charges. Otherwise, duty shall be settled, de facto, on the basis of the tariff applicable at the expiry of the legal storage period; the depositor shall be notified to pay due charges within one month. Should the depositor fail to do so, goods shall be sold by public auction and due charges settled according to the tariff applicable at the time of sale and on the basis of the selling price. The total sum of sale shall, after the deduction of customs duties, storage fees and other charges, be deposited in trust in Customs fund so as to be delivered to the person concerned if he/she so requests within one year as of the time of sale. If the person concerned does not claim the sum within the said period, it shall become treasury revenue.</p> <p>Goods shall not be sold for domestic consumption unless restrictions are lifted, otherwise goods shall be re-exported.</p> |
| <b>Article 208</b> | <p>The Director General shall, upon the request of the persons concerned permit the destruction of goods bearing signs of decay in the public warehouse, and the collection of taxes and charges on waste resulting from the destruction process. Otherwise, taxes and charges shall be levied on such goods in their condition before the destruction process.</p>   |
| <b>Article 209</b> | <p>1- Shall be licensed in the public warehouse and under the continuous control of Customs:</p> <p>1- For re-export: the mixing of foreign products with other foreign or national products or products having acquired the characteristic of national products.</p> <p>Special distinguishing signs shall be affixed to packages containing mixed products and such packages shall, after being sorted, be deposited in a special location within the warehouse.</p> <p>2- For all statuses: removal of packages, transfer of goods from one container to another, packaging or breaking up of assembled packages and all other operations aimed at preserving and improving goods.</p> <p>The operations stated in paragraphs (1) and (2) above shall be contingent upon issuance of a license by Customs.</p> <p>When put for consumption, mixed products portions of which contain Lebanese products shall pay customs duties only on portions containing foreign products.</p>                                      |
|                    | <p>2- It shall be permitted to sample goods stored in a public warehouse, for commercial transaction purposes provided that such samples are subject to duty upon the submission of a appropriate customs procedures.</p>   |
| <b>Article 210</b> | <p>Customs duties and other taxes and charges shall be imposed on quantities of goods entered into the warehouse. However, any decrease resulting from emergency or natural causes shall be exempt from customs duties. Shall also be exempt, any decrease resulting from the separation of dust, stones and waste.</p>   |
| <b>Article 211</b> | <p>When the loss of goods deposited in the public warehouse results from a force Majeure properly established the depositors shall be exempt from customs duties. If goods are guaranteed, the depositor shall supply evidence proving that the guarantee does not cover the value of the goods stored in the public warehouse including charges.</p>   |
| <b>Article 212</b> | <p>1- In case of theft or destruction resulting from a disaster or any other emergency the depositor of goods shall, in case goods and customs duties are not guaranteed, be exempt from customs duties. However, Customs shall not be responsible before the depositor nor shall it take responsibility for any loss or defect occurring during the storage period.</p>  |

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|                    | 2- Customs shall, if need be, have the right to pursue the collection of customs duties and fines in case the stolen goods or the thieves are discovered.  |
| <b>Article 213</b> | 1- Goods may be transferred from one public warehouse to another or from one private, specialized or industrial warehouse to a Customs house. Goods may also be re-exported from a public warehouse after the submission of guaranteed declarations. The signatories of such undertakings should return them to Customs with an attached certificate to the effect that such goods have been entered to the warehouse of destination or put for consumption. In case goods are re-exported, the acquittal of such undertakings shall be subject to the completion of necessary procedures provided for in this law. If such procedures are not completed, the signatories of the surety bonds shall be subject to penalties referred to in Articles 421 and 425 of this law, as the case may be. |
|                    | 2- The Director General of Customs shall set the rules of Application of this Article.   |

### **Section three: Private Warehouses**

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| <b>Article 214</b> | Foreign goods may be deposited in a private warehouse in coastal or inner cities or suburbs thereof. The proprietor of a private warehouse shall be its only authorized user.   |
| <b>Article 215</b> | 1- Private warehouse status shall be granted by virtue of a decision of the Higher Council of Customs, upon the consultation of the Director General, to establishments of commercial or industrial nature so as to store within goods exclusively designated by the said Council for the purpose of their resale or use upon withdrawal from warehouse.  |
|                    | 2- The Higher Council of Customs shall, under special conditions set out by the Higher Council of Customs, upon the consultation of the Director general, grant private warehouse status, for a limited period of time, to specific kinds of goods destined for popular fairs and similar exhibitions.  |
|                    | 3- Under the conditions set forth in Article 199 of this law, warehouses should be maintained in a good condition and all ports secured with locks, except for entry and exit ports, which shall be locked by two different padlocks. Customs shall have the right to reject the establishment of warehouses whenever such warehouses fail to meet precaution requirements.   |
| <b>Article 216</b> | The private warehouse shall be open to all kinds of dutiable goods and goods whose presence entails specific dangers or the preservation of which requires special facilities except for defected, prohibited, restricted or monopolized goods even if such goods have obtained an import license. This exception shall not apply to tobacco products accepted into warehouses owned by airlines companies in Beirut International Airport.   |
| <b>Article 217</b> | Customs duties imposed upon goods deposited in a private warehouse shall be calculated on the basis of verified quantities accepted into the warehouse.<br>With regard to goods disposed to dryness, if the depositor has requested the sealing of parcels prior to their entry for warehouse and if Customs is confident that the decrease verified upon the withdrawal of goods from warehouse has resulted from natural causes, the decrease may be exempt from customs duties.<br>Where Customs has grounds to doubt the causes of decrease, it may require full payment of customs duties imposed on verified goods. |
| <b>Article 218</b> | Whenever Customs so requests, goods shall be resubmitted to Customs in the same condition as when entered for warehouse. Each decrease, even in case of theft or natural disaster is subject to customs duties provided due account is taken of the provisions and conditions referred to in Articles 217 and 224 of this law. The parties concerned must contract insurance policies covering the price of goods stored in the warehouse, in addition to customs duties.   |
| <b>Article 219</b> | Customs may require that goods accepted into the private warehouse should be sealed. The depositor of goods shall preserve the same right and bear the expenses of such operation in both cases.  |
| <b>Article 220</b> | Only the operations intended to preserve goods shall be permitted in the private warehouse. The depositor must produce a special application intended for this purpose describing the type, time and approximate duration of the work he intends to carry out. No operation is to be authorized without the permanent presence of a customs employee; the applicant shall meet the travel expenses and compensation of the said employee.   |
| <b>Article 221</b> | Upon the expiry of the warehousing period, provisions of paragraph 1 of Article 207 of this law shall be applied provided that the sum of customs duties is deducted, at the time of sale, prior to any other sum from the net value of sale.   |
| <b>Article 222</b> | The beneficiary of the private warehouse status shall meet Customs control expenses through payment of a fixed sum set out by the Higher Council of Customs upon the consultation of the Director General. Such compensation is payable in advance and is annually revised. Its value varies according to the category of the warehouse, the goods deposited within and general audit expenses incurred by Customs.   |

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| <b>Article223</b> | All establishments benefiting from private warehouse status shall provide all guarantees regarding integrity and solvency. The owners or representatives of such establishments shall sign surety bonds under the conditions set out by the Customs administration.   |
| <b>Article224</b> | 1- Any decrease that cannot be duly clarified by the depositor shall be considered as a misappropriation of the private warehouse and thus lead to the penalties prescribed in Article 421.<br>2- The failure to resubmit goods deposited in the private warehouse shall be legally considered as a misappropriation and lead to the imposition of the penalties referred to in the previous paragraph. Customs shall have the exclusive right to determine whether the clarifications furnished by the applicant are sufficient to relieve him from any responsibility. The applicant shall then be only subject to the payment of duties. |

#### **Section Four: Private Warehouses for Petroleum Products:**

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| <b>Article 225</b> | It shall be permitted to license industrial and commercial establishments, municipalities and chambers of commerce, upon their request to set up private warehouses for petroleum products, whose presence in public warehouses or other private warehouses entails specific dangers or the preservation of which requires special facilities.  |
| <b>Article 226</b> | 1- The right to set up a private warehouse for petroleum products and the products to be accepted into such warehouse shall be determined by decision of the Higher Council of Customs upon the consultation of the Director General and upon the approval of a committee including representatives of the relevant mouhafaza, the Customs administration and the Ministries of Public Health, Public Works, Transport, Industry, Energy and Environment and a representative of the municipality in the area of which the warehouse is to be established. In Beirut such committee shall include a representative of the port administration and shall determine by mutual agreement the allowances to be paid by the proprietor of the warehouses to the said administration for its right to collect storage charges.<br>2- The foregoing committee shall set out the requirements to be met for the establishment of such warehouses and the Director General shall determine the rank of Customs employees necessary for their control. Beneficiary parties shall bear the expenses of such control (expenses in connection with lodging and providing necessary offices for employees). |
| <b>Article227</b>  | Private warehouses for petroleum products shall meet all requirements set forth by national regulations with regard to establishments that may endanger safety, health and tranquility of citizens in the area. Such warehouses should be isolated and erected outside the port area; they should also be walled in according to safety and security requirements.  |
| <b>Article228</b>  | 1- It shall be permitted in a private warehouse for petroleum products to change the packages of goods, transfer goods from one tank to another and refill of goods in new packages.<br>2- The tanks shall be equipped with depth finders indicating the quantity of petrol within and the containers must not bear fraudulent origin indications.<br>3- The Higher Council of Customs shall, under certain conditions it deems appropriate and upon the consultation of the Director General permit the manufacture, in such warehouses, of containers of all materials (metal, plastics...) for refill of petroleum products as well as mixing and transformation operations.   |
| <b>Article229</b>  | 1- Any decrease shall be subject to duty provided the penalties stipulated in Article 224 of this law are applied whenever deemed necessary.<br>2- Shall be exempt from duty, within the rates determined by the Higher Council of Customs upon the consultation of the Director General any decrease occurring in a private warehouse for petroleum products if such decrease is proved to be the result of natural causes and any decrease resulting from unloading for quantities stated in the manifest when such unloading is carried out under Customs supervision.<br>3- The provisions of the previous paragraph shall apply to petroleum products not subject to the status of private warehouse for petroleum products and paying charges at the time of unloading.<br>4- Any decrease resulting from a force majeure shall be exempt from customs duties. In such case, if petroleum products are guaranteed, it shall be proved that the value of the guarantee does not cover the value of customs duties.   |
| <b>Article230</b>  | Provisions of Articles 213 and 221 of this law shall apply to private warehouses for petroleum products.  |

#### **Section Five: Specialized Warehouses**

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| <b>Article 231</b> | 1- Certain types of foreign goods shall, upon the consultation of the Director General and by decisions of the Higher Council of Customs published in the official gazette, be subject to specialized |
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|  | warehouse status in commercial storehouses in both coastal and inner cities, whether or not such cities host a public or a private warehouse.   |
|  | 2- Private warehouse provisions referred to in Articles 217 (first paragraph), 218, 220, 221, 222, 223 and 224 shall apply to specialized warehouses.   |
|  | 3- Depots intended for specialized warehouses shall be set up in the precinct of the city licensed to host the warehouse. The Customs administration may constrict this bound to the extent it deems appropriate for the best of its interests. |
|  | 4- The application to obtain the specialized warehouse status shall be submitted to the Director General of Customs.  |

## **Section Six: Industrial Warehouses**

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| <b>Article 232</b> | The industrial warehouse is a customs status permitting temporary duty-free admission of goods and products imported by national factories designated by the customs administration, to be used in the manufacture of their products.   |
| <b>Article 233</b> | 1- All goods entered into the industrial warehouse should be manufactured; goods may not be re-exported nor put for consumption nor stored in a private warehouse or in a free trade area in the same condition as when admitted into the warehouse.<br>However the Director General of Customs may, for justified reasons, overlook the obligation of manufacture and allow goods to exit the warehouse in their original form.  |
|                    | 2- Provisions that apply to temporary entry status shall apply to goods admitted into the industrial warehouse and to compensation and products of compensation, due account being taken of the special requirements specified below.   |
|                    | 3- The Director General of Customs shall set out necessary conditions for the guarantee of duties in the industrial warehouse, the Director General may also content with personal or commercial undertakings or guarantees.  |
| <b>Article 234</b> | With the exception of goods of public safety and public health concern, goods declared as destined for the industrial warehouse shall not be subject, when entering the warehouse, to the same restrictions imposed upon goods declared as offered for consumption. Prohibited goods of all kinds shall not be admitted into the industrial warehouse.  |
| <b>Article 235</b> | 1- Industrial warehouse procedures shall be accepted in all of the first category offices. Moreover, submission of the detailed declaration and inspection shall be subject to the rules and principles provided for in this law.   |
|                    | 2- It shall be permitted, under the conditions set by the Director General of Customs, to deliver goods destined for the industrial warehouse after the registration of the declarations and before the completion of the appropriate procedures and the payment of duties. Customs shall, under the same conditions, reserve the right to inspect goods upon delivery and authorize the shipment of goods exiting the warehouse.   |
|                    | 3- It shall be permitted, under the terms set out by the Director General of Customs, to inspect, in the same warehouse, the goods manufactured in the industrial warehouse and destined for export.  |
| <b>Article 236</b> | The storage period in the industrial warehouse shall be of one year renewable for justifiable reasons deemed appropriate by the Director General.   |
| <b>Article 237</b> | 1- In order to end the industrial warehouse status, products of compensation shall be re-exported, deposited in a public warehouse or a free zone or put for consumption.   |
|                    | 2- It shall be permitted to settle industrial warehouse records:<br>a- By exporting, in parallel and as a substitute for the settlement in kind, products of compensation of the same kind and technical specifications, furnished by the warehouse proprietor.<br>b- By exporting products of compensation, where such export is justifiable, prior to the import of goods and materials necessary for their production by the warehouse proprietor.   |
|                    | 3- Settlement shall be carried out under regular declarations, in the case of partial re-export it shall be permitted to:<br>a- Content with export applications registered in the prescribed manner provided such applications are settled on a monthly basis according to a global re-export declaration.<br>b- Or permit the submission of global re-export declarations, settled consecutively according to export applications registered in the prescribed manner.<br>The Higher Council of Customs shall, upon the consultation of the Director General set the rules of application of paragraph (2) and (3). |
|                    | 4- Re-export procedures shall be exempt from submission of arrival certificates. It shall be sufficient to produce visas issued at the Lebanese borders.  |
|                    | 5- In case of re-export and deposit in a public warehouse or a free zone. a product of compensation   |

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|                    | shall be declared in the customs declaration on the basis of the tariff rate for which it qualifies in its condition and value after the manufacturing process.  |
|                    | 6- It shall be prohibited to sell or transfer goods and products of compensation while under the industrial warehouse status at the risk of the penalties provided for in Article 421.   |
| <b>Article 238</b> | 1- Upon the expiry of the warehousing period referred to in Article 236, duties imposed on remaining goods shall become immediately due on the basis of applicable rates at the expiry of the deposit period.  |
|                    | 2- In such case, the value that should be adopted for the imposition of duties is the value of goods at the expiry of the specified period.  |
| <b>Article 239</b> | 1- When put for consumption, products of compensation pay customs duties:<br>- Either on the basis of the condition and value of the goods entering the warehouse for manufacturing purposes, at the date of the declaration under which goods are offered for consumption.<br>- Or on the basis of the condition of the products of compensation when put for consumption. The value of such products shall be determined on the basis of the cost of the foreign products incorporated in their production without the addition of the local added value (the cost of local products and salaries of local laborers).      |
|                    | 2- When put for consumption, products of compensation may benefit from preferential tariff rates applied to similar goods under concluded agreements, provided that the beneficiary explicitly requests so in the application for the offer of goods for consumption and submits a statement issued by the Ministry of Industry confirming that the Lebanese value added is no less than 40%. Duties applicable at the time goods are put for compensation shall apply to cases stated under points (1) and (2).   |
|                    | 3- Customs duties shall be imposed on waste resulting from manufacturing processes in their condition and value at the time they are offered for consumption; waste may be re-exported or destroyed at the expense of the owner of the warehouse.  |
| <b>Article 240</b> | 1- Any industrial enterprise interested in the industrial warehouse status should submit to the Higher Council of Customs an application indicating the site of the enterprise, the type of goods to be admitted into the warehouse, the operations that the goods will undergo, the different materials incorporated in the manufacture process and the condition of the goods after their manufacture. The application should enclose a statement issued by the Ministry of Industry, confirming the nature of the industrial enterprise and a copy of the general budget and income tax declaration of the previous year. |
|                    | 2- The Higher Council of Customs shall examine the application within one month of its submission and grant the industrial warehouse status upon the consultation of the Director General of Customs. The decision of the Higher Council of Customs shall define the type of goods qualifying for the industrial warehouse status and, when necessary, the quantity of goods, which should not exceed 50% of the volume of the operations carried out by the beneficiary, as well as the allowances to be paid.  |
|                    | 3- The Higher Council of Customs shall, upon the consultation of the Director General, determine the conditions of application of the industrial warehouse status.   |
| <b>Article 241</b> | Any violation of the industrial warehouse status shall lead, as the case may be to the imposition of penalties provided for in Articles 421 or 425.  |

## **Chapter Four : Free Zones and Shops**

### **Section One:** Free zones

#### **Section two:** Free Shops

### **Section One: Free zones**

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| <b>Article 242</b> | 1- Free trade zones and free industrial zones may be established by allocating areas of the ports and the internal spaces and consider them to be outside the Customs territory.  |
|                    | 2- With the exception of the cases provided for in Article 249 below, all types of goods shall be admitted into free zones, whether of local or foreign origin, without being subject when entered, stored, exported and re-exported, to customs duties and other taxes and charges other than those imposed for the benefit of the party operating the free zone. Goods shall also not be subject to any administrative restrictions when transferred other than to the Customs territory. |
|                    | 3- No time limit shall be imposed as to the storage period in free zones.   |
| <b>Article 243</b> | Free zones shall be established and their locations, borders and parts thereof designated for lease determined by the parties concerned by decision of the Higher Council of Customs upon the approval of the Council of Ministers.   |

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| <b>Article 244</b> | 1- The decision stipulating the establishment of a free zone shall enclose special regulations governing the operation of the free zone and defining the method of fencing of the free zone, control mechanisms aimed at preventing fraudulent outflows of goods to the Customs territory and the time of opening and closing.  |
|                    | 2- Under the foregoing regulations, the party operating the zone should erect at its own expense, within the free zone area, roads, depots and warehouses necessary for the transfer and the storage of goods. The party operating the zone should also supply tools and equipments required by such operations provided it meet all necessary expenses including additional expenses resulting from the exercise by the Customs administration of its right to supervise the free zone area.<br>3- The party operating the free zone may be authorized, by way of compensation for construction, equipping and supervision expenses referred to in paragraph (2) above, to collect, for its own benefit, charges or rentals whose types and maximum averages shall be set in the establishment decision or other subsequent decisions.<br>4- Lessees of spaces situated within a free zone shall have the right to establish facilities in such spaces under the conditions set in the above-mentioned regulations.                        |
| <b>Article 245</b> | 1- All types of goods brought to the free zone for setting up the infrastructure and erecting equipping or maintaining buildings, storehouses and factories shall benefit from minimum customs duties applied on merchandise imported into Lebanon, provided such goods are subject, when transferred to the customs territory, to the charges set out in Article 20 of this law.<br>2- The right to benefit from minimum customs duties referred to in the previous paragraph shall not include types of goods similar to domestically produced goods. Such types of goods shall be defined by decision of the Higher Council of Customs upon the consultation of the Ministry of Industry.  |
| <b>Article 246</b> | Free zones may be eliminated by decisions issued in the same way as establishment decisions. Such decisions shall set the time limit for the release of the merchandise from the free zone.   |
| <b>Article 247</b> | 1- It shall be permitted, under the terms set in the regulations governing the operation of the free zone, to undertake in a free zone all kinds of activities aimed at manipulating and repacking merchandise in order to encourage their sale according to the needs of national and international markets. Merchandise brought to a free zone may also be mixed with foreign or domestic merchandise or merchandise having acquired the characteristic of domestic merchandise.  |
|                    | 2- Manufacture and other manipulation processes may be performed in a free zone, provided such processes are defined in the establishment decisions and other subsequent decisions.<br>3- Applicable legislations relating to the protection of the intellectual property shall be applied in the free zone. When released from a free zone, manufactured or manipulated merchandise must bear distinct signs indicating that such merchandise has been produced in the free zone in question.<br>4- It shall be permitted to take samples of goods to be displayed outside the free zone provided due charges are settled under the provisions of Article 20 of this law.<br>5- Retail and wholesale trade may be conducted in a free zone under the terms and rules set by the Higher Council of Customs upon the recommendation of the Director General.<br>6- No person shall be allowed to reside and no merchandise shall be consumed within a free zone.<br>7- The property of goods may be transferred while goods are in the zone. |
| <b>Article 248</b> | 1- National and foreign ships may be supplied with all necessary maritime equipments in the free zone.<br>2- Ships whose load limit exceeds 150 tons may get in the free zone supplies of foodstuffs, fuel oil and engine oils.<br>3- The Director General of Customs shall set the rules of application of this Article.   |
| <b>Article 249</b> | 1- The following goods shall be denied admission into the free zone:<br>-Goods prohibited for being contrary to the public order.<br>-Rotten and inflammable goods except fuels needed to operate the free zone.<br>- Weaponry, munitions and explosives of all kinds.<br>- Narcotics and derivatives of all kinds.<br>2- Monopolized goods may be admitted into a free zone under the conditions set by the customs administration and the corporations or companies invested by law with the right of monopolization.<br>3- Any import, storage or manufacture of substances assimilated to explosives and hazardous substances shall be subject, in the free zone, to import license requirements.   |
| <b>Article 250</b> | Free zone status shall not lay any responsibility upon Customs within the zone. Customs shall only be responsible for the control of the inlets and outlets of the free zone in order to prevent smuggling and entry of prohibited goods.<br>However customs employees may, whenever deemed appropriate, enter the free zone and arrest any violation to this law especially with regard to prohibited merchandise. provided such arrest is   |

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|                    | undertaken in the presence of the representative of the party operating the zone and the parties concerned.  |
| <b>Article 251</b> | 1- Goods may be unladen or brought to a free zone only after obtaining a license from the party operating the zone, provided due account is taken of the provisions of this law.   |
|                    | 2- Goods imported by sea shall be brought to the free zone upon submission of a summary of the manifest containing particulars of all the parcels unladen in the zone.   |
|                    | 3- The party operating the free zone must, within 36 hours after the unloading of the goods, submit to the customs administration a list for each ship, train or vehicle listing the types, marks and numbers of parcels and the type and origin of goods.   |
| <b>Article 252</b> | Goods imported by land shall be brought to the free zone under surety bonds or under re-export declarations drawn up according to duty deferring statuses.   |
| <b>Article 253</b> | Foreign goods, not destined for the free zone, shall, whether imported by sea or by land, be moved from customs warehouses to the free zone under re-export applications.  |
| <b>Article 254</b> | 1- Local products or products having acquired the characteristic of local products may be admitted to the free zone under an ordinary export declaration. When such goods are returned to the customs territory, they shall be subject to all types of duties including customs duties.  |
|                    | 2- Temporary export provisions shall apply to goods temporary brought to the free zone.  |
| <b>Article 255</b> | Goods exiting the free zone may be shipped or transported only after obtaining a license from the party operating the free zone.   |
| <b>Article 256</b> | 1- Goods shall be transferred by land from the free zone to a foreign country under transit status.  |
|                    | 2- Goods shall be moved by land out of the free zone or into another free zone within the customs territory under surety bonds.  |
|                    | 3- Goods shall be transported by land from the free zone to Customs warehouses under a transit declaration and they shall be entered to such warehouses under appropriate procedures.  |
|                    | 4- Temporary entry provisions shall apply to goods temporary brought from the free zone.   |
| <b>Article 257</b> | Goods sent from the free zone into the Customs territory shall be subject, when offered for consumption, to applicable duties under the provisions of Article 20 of this law.  |
| <b>Article 258</b> | 1- The party operating the free zone shall, within its field of work, engage before the Customs administration, under a surety bond, to abide by the obligations referred to in this chapter.  |
|                    | 2- The party operating the free zone shall be responsible for all contraventions committed by its personnel and for illegal sneaking out of goods from the zone.   |
|                    | 3- The decision authorizing the establishment of a free zone shall define the responsibility of the party operating such zone in case its officials are informed of violations of Article 249 of this chapter, unknown to the Customs administration.  |
| <b>Article 259</b> | 1- Goods may be deposited in the free zone provided they are registered in entry and exit records, the patterns of which shall be drawn up by the party operating the free zone upon the approval of the Customs administration. Such records shall be handled by the depositors or the owners of the goods and shall include all signs facilitating the identification of goods.  |
|                    | 2- The Customs administration shall, for its part, for supervision and statistics purposes, maintain entry and exit records similar to the aforementioned records.   |
| <b>Article 260</b> | Foreign goods having acquired the characteristic of national goods through the payment of customs duties may not benefit, under the conditions provided for in customs regulations, from drawback of customs duties paid at the time of importation, unless goods are re-exported to a foreign country within the time limit set for the refund of customs duties.   |
| <b>Article 261</b> | Penalties implemented with regard to the functioning of the free zone shall be defined in Article 421 of this law. In general, customs contraventions regarding the functioning of the free zone shall lead to the imposition of penalties stipulated in chapter 8 of section 8, due account being taken of the limits set in Articles 242 to 261 for the intervention of the Customs administration in the free zone works. |

## **Section two: Free Shops**

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| <b>Article 262</b> | 1- Duty free shops may be established in airports and ports.   |
|                    | 2- Duty free shops shall be established by decision of the Higher Council of Customs, upon the consultation of the Director General of Customs and the approval of the Council of Ministers. The decision shall determine the party operating the free zone, the investment period and rules regarding |

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|                    | entry and release of merchandise.  |
|                    | 3- Goods may, under the conditions set out by the Higher Council of Customs and upon the consultation of the Director General, be bought in duty free shops from departing and arriving travelers excluding pilots and personnel of air and maritime navigation companies.   |
| <b>Article 263</b> | All provisions applying to free zones shall apply to duty free shops with regard to:<br>-Exemption from taxes and charges.<br>-Prohibited goods.<br>-Prohibition of consumption of goods within duty free shops.<br>-The legislations regarding the protection of intellectual property and regulations regarding factories, shops or origin indications.<br>-Penalties imposed on contraventions. |
| <b>Article 264</b> | The operations permitted in duty free shops shall be restricted to the sorting of goods and the operations necessary for their preservation.   |
| <b>Article 265</b> | Goods shall not be deposited in duty free shops for a period exceeding the investment period. Upon the expiry of the said period, goods remaining in duty free shops shall pay due customs duties.   |
| <b>Article 266</b> | Duty free shops shall be subject to the permanent supervision of Customs. Customs employees shall have the right to enter duty free shops whenever deemed necessary; and the operator of the free shop shall meet supervision expenses.  |

### **Chapter Five : Temporary Entry**

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| <b>Article 267</b> | 1- Goods of foreign origin imported into Lebanon for processing or additional processing purposes may benefit from deferral of payment of customs duties and other taxes and charges collected by the customs administration, provided the proprietors pledge, within the time frame set to this effect, to re-export or store such goods in public warehouses or free zones.   |
|                    | 2- The Higher Council of Customs shall, upon the consultation of the Director General of Customs issue decisions defining the type of goods benefiting from duty deferral status for the purposes designated in the previous paragraph; it shall also determine the type of the products of compensation that should pay customs duties and customs control conditions regarding each type of goods.                                |
|                    | 3- The Higher Council of Customs shall, under the same provisions referred to in the previous paragraph and for certain considerations concerning the public interest of the national economy, grant temporary entry status to certain foreign goods exempt from customs duties and other taxes and charges levied by the Customs administration.   |
|                    | 4- Provisions of this Article shall apply to goods transported from public warehouses or free zones.  |
|                    | 5- Provisions applying to prohibited goods shall apply to temporary entry status; the Director General of Customs shall grant sufficient guarantees to allow temporary admission for registered goods.  |
| <b>Article 268</b> | Temporary entry period shall be of six renewable months but not exceeding two years.  |
| <b>Article 269</b> | 1- The import of goods under temporary entry status requires the signature of an accepted bond containing all guarantees specified by the Customs administration, it shall also requires the completion of detailed declaration and inspection procedures under the provisions and regulations provided for in this law.  |
|                    | 2- When goods are to be subject to duties and charges under customs valuation rules provided for in this law, the value of guarantees shall not exceed the amount of customs duties that should be paid according to the customs evaluation.  |
|                    | 3- It shall be permitted to temporarily import all goods enumerated under points (1) to (11) of Article 278, under (ATA) booklets instead of regular temporary entry declarations. The time limit set for such importation shall be of six months.  |
| <b>Article 270</b> | Temporary entry shall be declared in the name of the person that will use or operate the imported goods, due account being taken of the special cases authorized by the Director General.   |
| <b>Article 271</b> | It shall be permitted to release the goods admitted under temporary entry status in batches and other than through entry offices.   |
| <b>Article 272</b> | 1- Decisions related to goods admitted under temporary entry status for processing purposes shall permit:<br>a- The settlement of temporary entry duties in exchange with products of compensation of the same kind and technical specifications obtained from the signatory of the bond was issued, instead of the settlement in kind<br>b- The export of products of compensation. prior to the import of necessary goods for the |

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|                    | manufacture of such products, provided the circumstances of such export is justified.  |
|                    | 2- The Higher Council of Customs shall, upon the consultation of the Director General, set the rules of application of this Article.   |
| <b>Article 273</b> | The results of analyses conducted by specialized laboratories shall be considered as decisive with regard to:<br>a- The determination of the special components of goods that should be taken into consideration in the calculations of temporary entry.   |
|                    | b- The components of the products for which the settlement of temporary entry status may be achieved through compensation.   |
| <b>Article 274</b> | Pursuant to the provisions related to non-tariff duties, the Director General shall, whenever deemed appropriate, permit the settlement of temporary entry status:<br>a- By offering, under certain general and specific conditions set by the Director General, products of compensation and unprocessed goods admitted under temporary entry status for local consumption.   |
|                    | b- By destroying products of compensation and goods admitted under temporary entry status, without the imposition of charges, in case the products have lost their trade value upon destruction. Otherwise parts resulting from the destruction process shall be re-exported or subjected to duties on the basis of their value when offered for consumption.<br>It shall be permitted to take all necessary measures for the release and arrival of goods admitted under temporary entry status to their intended destination.  |
| <b>Article 275</b> | Goods imported under temporary entry status and processed goods may not be transferred while under such status without the approval of the Director General of Customs   |
| <b>Article 276</b> | The beneficiary of temporary entry status shall pay a fixed allowance set by the Higher Council of Customs, upon the consultation of the Director General when the discontinuous supervision is insufficient to control the evolution of things.   |
| <b>Article 277</b> | Goods admitted under temporary entry status shall not be used for purposes other than those specified in the customs declaration.  |
|                    | a- The Director General shall have the right to authorize, under certain specific conditions and for a period not exceeding three months, the import under temporary entry status of the following products intended for a temporary use by their owners. Machinery and equipments necessary for the conduct of works and projects of public concern.<br>1- Machinery and equipments intended for archeological missions works.<br>2- Cinematographic machinery and equipments.<br>3- Other professional machinery and equipments.<br>4- Machinery and equipments for press, radio and television.<br>5- Items temporarily imported for display or use in public or private exhibitions, seasonal fairs, forums, theaters, artistic shows and play grounds or the like.<br>6- Jewelry and ornaments intended for display in public exhibitions.<br>7- Appliances, instruments and transport means entering Lebanon for repair purposes.<br>8- Inspection implements, equipment and supplies brought for installation and maintenance purposes.<br>9- Containers and packages entering Lebanon for filling purposes.<br>10- Commercial samples intended for display.<br>11- Other imports of personal or exceptional character. |
| <b>Article 278</b> | b- The items prescribed in this Article shall be re-exported or deposited in the free zone or in the public warehouse after the expiry of the delay period set for their stay under the temporary entry status.  |
| <b>Article 279</b> | Temporary entry status shall, under the conditions set by the Director General of Customs, apply to:<br>a- The cars of persons coming to Lebanon for temporary stay with the aim of working with official public institutions, ministries and departments and whose employment contracts provide for their rights to bring their private cars to Lebanon, whether such cars are accompanied by them or bought from free zones or private warehouses.   |
|                    | b- The cars belonging to non-Lebanese experts and personnel working with the United Nations and other Arab, regional and international organizations, whether such cars were accompanied by them or bought from private warehouses or free zones.  |
|                    | c- The Higher Council of Customs shall, upon the consultation of the Director General, determine other cases benefiting from temporary entry status on cars.   |
| <b>Article 280</b> | 1- The Higher Council of Customs shall, upon the consultation of the Director General, issue decisions defining the offices reserved for temporary duty-free entry of products and those reserved for the release of products re-exported for the acquittal of temporary entry status accounts.  |
|                    | 2- The Director General shall determine revenue and waste rates of processed goods and, when deemed appropriate, controlling and supervising conditions for the process of such goods as well as   |

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|                    | all necessary measures regarding the products benefiting from such status.   |
| <b>Article 281</b> | 1- Any decrease in the goods entered under temporary entry status shall be subject to customs duties on the basis of the value of such decrease at the time of entry, unless it was the result of a force majeure. |
|                    | 2- Any contravention committed with regard to the application of temporary entry status shall be penalized according to the rules and provisions provided for in Article 421 of this law.                          |

### **Chapter Six : Temporary Import of Items and Personal Effects Belonging to Persons Entering Lebanon for Temporary Stay**

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| <b>Article 267</b> | 1- Goods of foreign origin imported into Lebanon for processing or additional processing purposes may benefit from deferral of payment of customs duties and other taxes and charges collected by the customs administration, provided the proprietors pledge, within the time frame set to this effect, to re-export or store such goods in public warehouses or free zones.   |
|                    | 2- The Higher Council of Customs shall, upon the consultation of the Director General of Customs issue decisions defining the type of goods benefiting from duty deferral status for the purposes designated in the previous paragraph; it shall also determine the type of the products of compensation that should pay customs duties and customs control conditions regarding each type of goods.  |
|                    | 3- The Higher Council of Customs shall, under the same provisions referred to in the previous paragraph and for certain considerations concerning the public interest of the national economy, grant temporary entry status to certain foreign goods exempt from customs duties and other taxes and charges levied by the Customs administration.   |
|                    | 4- Provisions of this Article shall apply to goods transported from public warehouses or free zones.  |
|                    | 5- Provisions applying to prohibited goods shall apply to temporary entry status; the Director General of Customs shall grant sufficient guarantees to allow temporary admission for registered goods.  |
| <b>Article 268</b> | Temporary entry period shall be of six renewable months but not exceeding two years.  |
| <b>Article 269</b> | 1- The import of goods under temporary entry status requires the signature of an accepted bond containing all guarantees specified by the Customs administration, it shall also requires the completion of detailed declaration and inspection procedures under the provisions and regulations provided for in this law.  |
|                    | 2- When goods are to be subject to duties and charges under customs valuation rules provided for in this law, the value of guarantees shall not exceed the amount of customs duties that should be paid according to the customs evaluation.  |
|                    | 3- It shall be permitted to temporarily import all goods enumerated under points (1) to (11) of Article 278, under (ATA) booklets instead of regular temporary entry declarations. The time limit set for such importation shall be of six months.  |
| <b>Article 270</b> | Temporary entry shall be declared in the name of the person that will use or operate the imported goods, due account being taken of the special cases authorized by the Director General.   |
| <b>Article 271</b> | It shall be permitted to release the goods admitted under temporary entry status in batches and other than through entry offices.   |
| <b>Article 272</b> | 1- Decisions related to goods admitted under temporary entry status for processing purposes shall permit:<br>a- The settlement of temporary entry duties in exchange with products of compensation of the same kind and technical specifications obtained from the signatory of the bond was issued, instead of the settlement in kind<br>b- The export of products of compensation, prior to the import of necessary goods for the manufacture of such products, provided the circumstances of such export is justified. |
|                    | 2- The Higher Council of Customs shall, upon the consultation of the Director General, set the rules of application of this Article.  |
| <b>Article 273</b> | The results of analyses conducted by specialized laboratories shall be considered as decisive with regard to:<br>a- The determination of the special components of goods that should be taken into consideration in the calculations of temporary entry.  |
|                    | b- The components of the products for which the settlement of temporary entry status may be achieved through compensation.  |
| <b>Article</b>     | Pursuant to the provisions related to non-tariff duties. the Director General shall. whenever deemed  |

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| 274         | appropriate, permit the settlement of temporary entry status:<br>a- By offering, under certain general and specific conditions set by the Director General, products of compensation and unprocessed goods admitted under temporary entry status for local consumption.  |
|             | b- By destroying products of compensation and goods admitted under temporary entry status, without the imposition of charges, in case the products have lost their trade value upon destruction. Otherwise parts resulting from the destruction process shall be re-exported or subjected to duties on the basis of their value when offered for consumption.<br>It shall be permitted to take all necessary measures for the release and arrival of goods admitted under temporary entry status to their intended destination.  |
| Article 275 | Goods imported under temporary entry status and processed goods may not be transferred while under such status without the approval of the Director General of Customs   |
| Article 276 | The beneficiary of temporary entry status shall pay a fixed allowance set by the Higher Council of Customs, upon the consultation of the Director General when the discontinuous supervision is insufficient to control the evolution of things.   |
| Article 277 | Goods admitted under temporary entry status shall not be used for purposes other than those specified in the customs declaration.  |
| Article 278 | a- The Director General shall have the right to authorize, under certain specific conditions and for a period not exceeding three months, the import under temporary entry status of the following products intended for a temporary use by their owners. Machinery and equipments necessary for the conduct of works and projects of public concern.<br>1- Machinery and equipments intended for archeological missions works.<br>2- Cinematographic machinery and equipments.<br>3- Other professional machinery and equipments.<br>4- Machinery and equipments for press, radio and television.<br>5- Items temporarily imported for display or use in public or private exhibitions, seasonal fairs, forums, theaters, artistic shows and play grounds or the like.<br>6- Jewelry and ornaments intended for display in public exhibitions.<br>7- Appliances, instruments and transport means entering Lebanon for repair purposes.<br>8- Inspection implements, equipment and supplies brought for installation and maintenance purposes.<br>9- Containers and packages entering Lebanon for filling purposes.<br>10- Commercial samples intended for display.<br>11- Other imports of personal or exceptional character. |
|             | b- The items prescribed in this Article shall be re-exported or deposited in the free zone or in the public warehouse after the expiry of the delay period set for their stay under the temporary entry status.  |
| Article 279 | Temporary entry status shall, under the conditions set by the Director General of Customs, apply to:<br>a- The cars of persons coming to Lebanon for temporary stay with the aim of working with official public institutions, ministries and departments and whose employment contracts provide for their rights to bring their private cars to Lebanon, whether such cars are accompanied by them or bought from free zones or private warehouses.   |
|             | b- The cars belonging to non-Lebanese experts and personnel working with the United Nations and other Arab, regional and international organizations, whether such cars were accompanied by them or bought from private warehouses or free zones.  |
|             | c- The Higher Council of Customs shall, upon the consultation of the Director General, determine other cases benefiting from temporary entry status on cars.   |
| Article 280 | 1- The Higher Council of Customs shall, upon the consultation of the Director General, issue decisions defining the offices reserved for temporary duty-free entry of products and those reserved for the release of products re-exported for the acquittal of temporary entry status accounts.  |
|             | 2- The Director General shall determine revenue and waste rates of processed goods and, when deemed appropriate, controlling and supervising conditions for the process of such goods as well as all necessary measures regarding the products benefiting from such status.  |
| Article 281 | 1- Any decrease in the goods entered under temporary entry status shall be subject to customs duties on the basis of the value of such decrease at the time of entry, unless it was the result of a force majeure.   |
|             | 2- Any contravention committed with regard to the application of temporary entry status shall be penalized according to the rules and provisions provided for in Article 421 of this law.  |

## **Chapter Seven : Refund of Duties**

### **Section One:** General provisions

## **Section two:** Provisions related to cars

### **Section One: General provisions**

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| <b>Article 282</b> | <p>1- People coming to Lebanon for temporary stay may bring with them items intended for their personal use, temporarily exempt from customs duties due at the time of import, provided such items are re-exported within a period not exceeding one year. Such arrangement shall not apply to prohibited items.</p> <p>2- The Director General shall determine the terms of application of this Article, he may also subject temporary exemption to the submission of a surety bond and the determination of the terms of use and re-export of items imported under temporary entry status.</p> <p>3- Failure to re-export the items imported under temporary entry status within the specified time limit and conditions shall lead to the imposition of the penalties stipulated under Article 421 of this law.</p> |
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## **Section two: Provisions related to cars**

### **1- International Tourism:**

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| <b>Article 283</b> | <p>1- Owners of cars who mainly reside outside Lebanon and members of tourist clubs accepted by the Customs administration, may benefit from temporary entry rules for their cars and be exempted from charges provided such clubs pledge to take their responsibilities before their members and guarantee, when necessary the settlement of charges due on the cars that are not re-exported within the fixed period.</p> <p>The commitment undertaken by such clubs shall be guaranteed before the Customs administration by cars and tourism clubs in Lebanon through a general undertaking submitted to the Customs administration.</p> <p>2- Cars shall be imported under such status according to special documents called "trip tick" or a pass provided by the clubs concerned. Such documents shall be valid for one year as of the date of their delivery and for an unlimited number of travels during the said period.</p> <p>3- Such status shall apply to cars, motorcycles and private jets and cruise ships.</p> <p>4- The Director General of Customs shall set the rules of application of this Article.</p> |
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### **Other Statuses:**

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| <b>Article 284</b> | <p>1- Foreign cars which transport passengers and goods between Lebanon and other countries may benefit from temporary duty-free entry provided reciprocity is guaranteed and due account is taken of the conditions set out by the Higher Council of Customs, upon the consultation of the Director General.</p> <p>2- The Director general may, under the conditions stipulated in Article 269 and the following Articles of this law, allow temporary duty-free import of cars into Lebanon for repair purposes, provided such cars are re-exported within six months after the date of registration of their customs procedures.</p> <p>3- It shall not be permitted to use cars described under paragraphs (1) and (2) for transport purposes of any kind inside the Lebanese territory while staying in Lebanon, at the risk of implementation of penalties stipulated in Article 426 of this law..</p> |
| <b>Article 285</b> | <p>Due account shall be taken of the provisions of international agreements on temporary import of cars. The Director General shall determine the type of customs facilities given to tourists.</p>   |

## **Chapter Eight : Re - export of goods**

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| <b>Article 292</b> | <p>1- Foreign goods discharged in customs warehouses may be directly re-exported to other countries provided special guarantees defined by the Customs administration and stipulated in this law are given.</p> <p>2- The same case shall apply to the provisioning of ships anchored in Lebanese ports and airplanes provisioned from private warehouses in Lebanese airports.</p> <p>3- General procedures and inspection procedures for re-exported goods shall be the same procedures provided for in Article 95 or the following Articles, and Article 138 and the following Articles.</p> <p>4- Where goods are re-exported from the same port they were discharged in by maritime agencies, the Customs administration shall, contrary to the provisions of paragraph (3) above, content with re-export applications and exempt goods from inspection and confirmation of arrival procedures.</p> <p>5- The Director General of Customs shall determine the rules of application of this status.</p> |
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## **Chapter Nine : Trans-shipment**

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| <b>Article 293</b> | 1- Foreign merchandise laden on board of vessels anchored at a customs port, may be transhipped to a foreign seaport or any other Lebanese seaport. In addition such merchandise may be forwarded on board of the same vessel, if the special bonds and guarantees determined by customs and prescribed in the present Law are submitted. |
|                    | 2- Forwarding requests should be the base of the transactions mentioned in Paragraph (1) here above.  |
|                    | 3- The Director General of Customs shall determine the relevant rules of implementation.  |
| <b>Article 294</b> | The Provisions of Article 421 of the present law shall apply to violations of Articles 292 and 293.   |

## **Title Four - On Exemptions and Privileges**

### **Chapter One : General Provisions**

### **Chapter Six : Military Exemptions**

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| <b>Article 308</b> | 1. Firearms, ammunitions, apparels, transportation devices, fuel and oil imported for the account of the Army, Internal Forces, General Security, Security Forces, Customs Police, Parliament Police, as well as the Civil Defense and Fire Departments within municipalities and municipalities union must be duty-exempt. However Food products and goods similar to national products specified by a decision of the Minister of Industry shall be excluded from the provisions of this Article. |
|                    | 2. The provisions of paragraph (1) of Article 303 shall apply to vehicles imported free of duty according to the provisions of the previous Paragraph when their owners transfer them to someone else.  |

### **Chapter Seven : Import Documents**

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| <b>Article 309</b> | Should the exemption be granted in the form of import documents, the Higher Council of Customs, following consultation with the Director General of Customs specifies the conditions for the issuance and the use of these documents. |
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### **Chapter Eight : Other Articles Eligible for Exemption**

#### **First: Fire Pumps and Railway Fixture and Fittings**

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| <b>Article 310</b> | The following goods shall be eligible for customs duty exemptions in accordance with Article 295 of this law:<br>A- Fire pumps imported by public institutions and administrations and municipalities.<br>B- Railway fixtures and fittings intended for the operation thereof, and vehicles intended for the transport of people (buses) and parts and accessories thereof imported by the Railway and Public Transport Department, under the conditions specified by the Customs Department, following consultation with the Director General of Customs.<br>C- All cars, vehicles, equipments, materials, accessories, and spare parts imported by public administrations and institutions and municipalities or granted to them for fire fighting and rescue purposes, under the conditions specified by the Higher Council of Customs, following consultation with the Director General of Customs. |
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#### **Second: Foreign Archeological Missions**

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| <b>Article 311</b> | Foreign archaeological missions may import under the duty-free exemption certain materials used for their works (photographic instruments and apparatus, gypsum etc...), in accordance with the provisions of Article 295 of this Law, by virtue of administrative decisions issued by the Higher Council of Customs, following consultation with the Director General of Customs. |
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#### **Third: Aviation Companies and Aviation Training Clubs**

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| <b>Article 312</b> | The following goods shall be imported under the duty-free exemption in accordance with the provisions of Article 295 of this law:<br>A- Airplanes of officially licensed aviation companies.<br>B- Airplanes of authorized Lebanese aviation training clubs.<br>C- Spare parts of airplanes, fittings and accessories of all kinds, used for airplanes restoration within the borders of Lebanese airports and imported by:<br>1- National aviation companies officially licensed, foreign aviation companies and authorized aviation-training clubs.<br>2- Authorized companies specialized in the maintenance and repair of Airplanes of the aviation companies and clubs.<br>D- Equipments used within the premises of Lebanese airports, as well as special apparatus and technical accessories used for the maintenance and repair of airplanes within the borders of these |
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airports, and which are imported by the national aviation companies that are officially licensed, Lebanese training clubs officially acknowledged, aviation companies of the countries signatories to the Chicago Understanding Of Civil Aviation on the 7th of December 1944, concerning the International Civil Aviation, as well as maintenance and repair companies mentioned in article (C) above.  
The Customs Department shall specify the terms of application of the exemption mentioned in this Article, following consultation with the Director General of Customs.

#### **Fourth: Furniture of Vessels Registered in Lebanon**

**Article  
313**

In accordance with the provisions of Article 295 of this Law, duty exemptions shall apply to the furnishings of long distance vessels the load of which exceeds 500 hundred maritime tons, designated to be registered at a Lebanese port according to the Law of 21 December 1954 under the conditions specified by the Higher Council of Customs, following consultation with the Director General of Customs.

#### **Fifth: Museums and Fine Arts Institutions**

**Article  
314**

In accordance with the provisions of Article 295 of this Law, customs duties exemptions shall apply to antiques of more than 100 years of age imported by governmental museums and officially acknowledged museums and those imported by fine arts institutions for instructional purposes, provided that the obligations and guarantees found by the Higher Council of Customs to be due, are fulfilled.

#### **Sixth: Imports for the Administration and Operation of the Port of Beirut**

**Article  
315**

In accordance with the provisions of Article 295 of this Law, customs duty exemptions shall apply to equipments, fixtures, fittings and installations imported for the administration and operation of the Port of Beirut and intended for use within the port territory.

#### **Chapter Nine : Personal Belongings, Household Effects and Articles of Non-commercial Value**

**Article  
318**

Following consultation with the Director General of Customs, the Higher Council of Customs shall specify the conditions under which exemptions are granted, if need be, to certain supplies or petroleum products of vessels of war and commercial vessels of more than 150 net maritime tons whether of foreign or domestic origin, as well as new imported vehicles and trucks in transit, airplanes of national official airlines and foreign civil airplanes on reciprocity basis.

#### **Chapter Ten : Supplies for Certain Means of Transport**

**Article  
318**

Following consultation with the Director General of Customs, the Higher Council of Customs shall specify the conditions under which exemptions are granted, if need be, to certain supplies or petroleum products of vessels of war and commercial vessels of more than 150 net maritime tons whether of foreign or domestic origin, as well as new imported vehicles and trucks in transit, airplanes of national official airlines and foreign civil airplanes on reciprocity basis.

#### **Chapter Eleven : Re- exported Goods**

**Article  
319**

The Higher Council of Customs, following consultation with the Director General of customs, shall specify the conditions under which total exemptions are granted to re -exported goods explicitly proven to be of Lebanese origin, and the previous export of which is proved to date back to no more than two years in principal. The said council shall also determine the conditions required to grant the same treatment, exceptionally, to some goods or packages marked or labeled to indicate that they were made in Lebanon after duties are paid on them, and which are forwarded within the same period, after they are being re-exported abroad.

#### **Chapter Twelve : Repressive Provisions**

**Article  
320**

Any violation of the provisions of this Law shall be sanctioned by the penalties prescribed in Article 421 of this Law.

#### **Title Five - Different Charges Charged on Services Rendered by Customs**

##### **Chapter One : Storage Charges**

**Article  
321**

1. Customs charges shall be charged on all goods stored within the customs territory, in warehouses and surfaces directly run by the customs administration, if the storage period surpasses five full days.
2. The storage fee charged by customs shall reflect the effective cost of the storage operations.
3. The Higher Council of Customs, following consultation with the Director General of Customs, shall have the right to put the customs warehouses directly run by the customs administration under the supervision of any investing body. in order to carry out storage operations. according to rules and

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|                    | provisions set forth in the laws and regulations in force.  |
| <b>Article 322</b> | Charges for storage shall be determined according to the provisions of paragraphs (1) and (2) of Article 321, in Lebanese pounds as from the sixth day, as follows:   |
|                    | <p><b>First:</b><br/> A. In the warehouses of Beirut International Airport:<br/> LBP10.000/100 Kg/Week.<br/> B. In the warehouse of other Customs Offices:<br/> LBP 2000/100 Kg/Week.</p> <p><b>Second:</b><br/> The above mentioned charges shall be charged and levied pursuant to the following rules:<br/> Any fraction of 100 Kg shall pay charges imposed on 100 Kg.<br/> 1. Fess shall be due at the beginning of each week.<br/> 2. Charges shall be cut into half of this rate for storage in open-air areas.</p> <p><b>Third:</b><br/> Should the storage period exceed 30 days, an extra charge shall be added as follows:<br/> A. In the warehouses of Beirut International Airport:<br/> 1- From day 31 to 60: LBP2000/100Kg/day<br/> 2- From day 61 and above: LBP4000/100Kg/day<br/> B. In the warehouses of other Customs Offices:<br/> 1- From day 31 to 60: LBP8/100Kg/day<br/> 2- From day 61 to 90: LBP16/100Kg/day<br/> 3- From day 91 to 120: LBP24/100Kg/day<br/> 4- From day 120 and above: LBP32/100Kg/day.<br/> Merchandise stored in warehouses directly run by the customs administration, due to a seizure or a receivership upon request of any person or administration other than the customs, should pay the storage fee charged by the authority who made the seizure or the receivership decision, in the light of the rate mentioned here above.</p>  |
|                    | <p>A. The following articles shall be exempt from storage charges prescribed in Article 322 of the present law:<br/> 1. Packages in excess of the manifest accidentally unloaded in any port and that were destined to be re - exported, provided that the storage of such packages in the customs warehouses does not exceed 30 days.<br/> 2. Packages remaining in warehouses due to a seizure or a receivership on the request of the customs administration.<br/> 3. Packages unloaded with obvious damages caused by legitimate reasons, within 5 days as from the date of their unloading.<br/> 4. Personal effects and used furniture of any passenger who is not involved in trade, provided that the storage period at the customs warehouse does not exceed 60 full days.<br/> Should this period expire, regular storage charges will be charged as of day 61.<br/> 5. Merchandise that were not withdrawn due to a force majeure that shall be determined by the Customs.<br/> 6. Packages that were not delivered upon receipt of a withdrawal application filed by the owner, due to congestion within the customs premises or to classification error, provided that the exemption is applicable to the period during which the packages were lost. In such case the owner of merchandise shall ask the customs employees to check that in the day of submission of the withdrawal form these packages were really lost. If only a part of these packages is lost, the owner shall have the right to withdraw the available packages after payment of charges.</p> |
| <b>Article 323</b> | <p>B. Storage charges shall not be levied when stored goods are subject to health inspection procedures including analysis and side effects analysis, in places directly run by the customs administration. Same provisions shall apply when arbitration finds the customs to be guilty.</p>  |
| <b>Article 324</b> | The five-days delay mentioned in Article 321 shall be extended to 30 days for goods in transit and to 15 days for goods intended for re-export.   |
| <b>Article 325</b> | Packages remaining in the customs warehouses due to a dispute arising between the consignor and the consignee shall be subject to storage charges for a period of 90 days at most.  |
| <b>Article 326</b> | The total amount of storage charges shall not in any way whatsoever exceed half the value of goods.   |
| <b>Article 327</b> | Special Provisions governing the levy of storage charges at certain customs office and set forth by agreements concluded with privileged companies or with operation companies shall remain in effect at the date of enforcement of this law.   |

## **Chapter Two : Packing and Sealing Charges**

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| <b>Article 328</b> | Lead, ropes and seals used by the customs in sealing and packing operations shall be at the expense of the customs administration. |
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### **Chapter Three : Costs of Administrative Printings**

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| <b>Article 329</b> | 1. The Higher Council of Customs shall determine the price of the printings offered by the customs administration to the parties concerned, after consultation with the Director General of Customs. |
|                    | 2. The price of the printings shall reflect their effective cost.  |

### **Chapter Four : Overtime Salaries and Customs Services Charges**

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|                    | The Higher Council of Customs, following consultation with Director General of Customs, shall determine the following:  |
| <b>Article 330</b> | 1. Charges for services rendered to the concerned party outside working hours and places prescribed in the customs regime, as well as salaries of customs employees wages entrusted to receive the declaration of the parties concerned in places where authorized clearing agents are not available. |
|                    | 2. Charges for other customs services carried out by customs employees upon export, import, transit, and re-export of goods and upon inspection of passengers luggage.  |
|                    | 3. The rules and regulations governing the distribution of sums levied according to the provisions of the previous paragraph.   |

### **Chapter Five : Playing Cards Sealing Charges**

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| <b>Article 331</b> | 1. Each imported pack of playing cards shall be subject to an ad valorem duty in return for sealing services rendered by customs, in addition to customs duty. |
|                    | 2. The importers shall detail in their declarations the number of packs of each category contained in the parcels declared.                                    |
|                    | 3. False declarations of quantity shall be restrained by implementing the penalties set forth in Article 421 of the present law.                               |

### **Title Six - Coastwise navigation and national trade**

#### **Chapter One : Coastwise Navigation**

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| <b>Article 332</b> | Goods of Lebanese origin and goods considered to be of Lebanese origin after the payment of duties, transferred by sea through coastal navigation, shall not be subject upon entry nor upon exit to any duty whatsoever, provided that customs formalities determined by the Director General of Customs are completed. |
| <b>Article 333</b> | When goods are transferred through coastal navigation and are prohibited and dutiable upon exit, bonds and guarantees pertaining to them should be submitted and formalities found by the Customs department to be necessary should be carried out.   |
| <b>Article 334</b> | Manifests should be filed according to the rules prescribed in Article 95 and following articles, in addition inspection that occurs in principle at the office of destination shall be made in accordance with the provisions of Article 138 and following articles.   |

#### **Chapter Two : National Trade**

- 1- The customs administration may upon the request of the traders deliver to them documents certifying the payment of customs duties and the completion of certain formalities.
- 2- The Director General of Customs shall determine the rules of implementation of this Article.

### **Title Seven -**

#### **Chapter One : General Provisions**

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| <b>Article 336</b> | Customs operates within the customs territory according to the rules prescribed in this Law.   |
| <b>Article 337</b> | Customs shall take control measures and apply specific customs procedures in an area adjacent to land and sea borders, which shall constitute "The customs territory". |

#### **Chapter Two : Customs Jurisdiction**

The customs territory shall be constituted of:

A- Maritime Customs Territory:

It means the waters within the belt 12 nautical miles wide that is adjacent to its coast and seaward of territorial sea baseline.

B- Land Customs Territory:

It includes the territory lying between the delimitation of the Lebanese shore or land line on one hand and an internal line lying behind the front customs offices or stations situated on the shore or the land baseline on the other. This line shall be drawn in accordance with control requirements, by decision of the Higher Council of Customs, following consultation with the Director General of Customs and published in the Official Gazette.

**Section One:** Circulation of Goods

**Section two:** Acquisition of Goods

**Section three:** Open Account for Merchandise and Crops

**Section Four:** Common Provisions

**Part One: Control Measures and Customs Procedures Within the Sea Customs Territory**

**Article 339** - Control measures and customs procedures carried out by customs at the sea are determined in Articles 69 to 74 of this Law.

**Part Two: Customs Control Measures and Procedures Within the Land Customs Territory**

**Article 340** 1- The customs administration shall take special measures to control the movement and seizure of merchandise within the land customs territory prescribed in the previous Article, it shall also determine the implementation procedures, pursuant to the provisions set forth in the following Articles.

2- The customs police shall be in charge of prohibited and highly dutiable goods and goods subject to internal revenue tax, determined by virtue of the decisions of the Higher Council of Customs and published in the official Gazette.

**Section One: Circulation of Goods**

**Article 341** 1 - Merchandise subject to the control of the customs police cannot be moved within the customs territory or brought into it or moved there from, unless they enclose regulatory transport documents given by customs before carrying out the requested operation.

2- The Director General of Customs shall determine the type of such documents and the conditions of their issuance, as well as the conditions of declaration of goods at offices, provided that the provisions of Article 53 of this Law are taken into consideration as deemed necessary

3-These documents shall specify the destination of the merchandise, the time needed for their transportation and the route to be taken, and whenever need be, they shall also specify whether the route can be passed by night or not.

4-These documents must be submitted on each request made by customs officials

5- The Director General of Customs may exempt certain types of goods from these procedures or substitute them by other procedures.

**Section two: Acquisition of Goods**

**Article 342** 1- Acquisition of goods subject to the customs police control may occur in certain places within the customs territory determined by decisions of the Higher Council of Customs and published in the Official Gazette.

2-with exception of the places mentioned in Paragraph (1) here above, it is prohibited to establish any warehouse containing goods subject to the customs police. Therefore all good packed in big or small packages or other parcels, as well goods imported in excess to the normal needs of trade, are considered to be placed in warehouse or storage places, should there be no valid proof in respect thereof.

**Article 343** With the exception of cities where the population rate exceeds 2000 persons, the following is prohibited within the land customs territory:

1-Acquisition of goods subject to the customs police control if their possessors fail, on the first customs' request, to submit receipts that prove their regulatory importation or purchase invoices and other proofs of origin issued by parties or entities regularly established within the customs territory.

2- Acquisition of a stock of foreign or prohibited merchandise or merchandise dutiable upon exit, and unjustified by the normal needs of operation or the quantity of which exceeds the need of families provisions.

**Section three: Open Account for Merchandise and Crops**

**Article 344** Whenever it shall be deemed necessary for the purpose of control, a current account can be kept at the customs offices situated within the customs territory. This account shall obligatory include each

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|  | <p>merchant or producer of the goods subject to the customs police as well as the live stock in his possession, whether from breeding or producing, or through importation from abroad or from Lebanese sources, provided that the customs department is granted the right to audit.</p> <p>The customs department may make unexpected statistics at the stores of merchants mentioned in the previous Article.</p> <p>The Director General of Customs shall determine the rules of implementation of the current account.</p> |
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#### **Section Four: Common Provisions**

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| <b>Article 345</b> | The illegal acquisition or circulation of goods subject to the customs police within the customs territory, and the circulation of goods contrary to the provisions of the transportation bond, as well as any unjustified addition or lack in the current account, shall be considered import or export by means of smuggling, and should be subject to the penalties prescribed in Article 421 of this Law. |
| <b>Article 346</b> | The implementation of customs and customs police regime does not amend the status of traffic in transit and especially the special provisions prescribed in the agreements concluded with neighboring countries, governing the transit trade with these countries.  |

#### **Chapter Three : Rights, Immunities and Obligations of Customs Employees**

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| <b>Article 347</b> | 1- Customs employees are under the protection of the Law, no one is allowed to offend, threaten, mistreat or object them while they are exercising their functions, under the risk of penalties prescribed in Article 426 of this Law.   |
|                    | 2- Civil and military authorities must assist customs employees upon the first request they make in order to carry out their functions, the customs administration shall also assist public administrations and departments within the conditions set forth in the laws and regulations in effect.   |
| <b>Article 348</b> | Customs employees of all ranks take oath, at the beginning of their terms, before the magistrate of the region they were assigned in.  |
| <b>Article 349</b> | When a customs employee takes up his post, the Director General of Customs shall grant him a written authority allowing him to perform certain specific tasks deemed appropriate. The customs employee shall produce such authority whenever he is requested so while on duty.   |
| <b>Article 350</b> | Customs directors and inspectors as well as the employees of the Department of Smuggling Detection affiliated to the customs administration, and officers and guards, members of the Public Force shall be allowed to carry weapons in order to carry out their functions.   |
| <b>Article 351</b> | The customs police officials may only use their arms in the following cases:<br>1- In case of legal defense prescribed in Article 563 of the penal code.   |
|                    | 2- When they fail in any manner whatsoever to resist their disarmament or to defend their locations or checkpoints or people put in their custody, or when they are offered a stiff resistance that can only be defeated by arms.  |
|                    | 3- When they fail to arrest vehicles, vessels or other means of transport whenever their drivers do not abide by the notices prescribed in paragraph (4) of this Article and to signs that must accompany it.<br>The customs police officials may use other means or obstacles to stop the means of transport when their drivers refuse to comply with the notice.   |
|                    | 4- When they warn persons attempting to escape to stop or when they shout repeatedly "Customs, stop" and should such persons refuse to abide by the warning, therefore they can only be compelled to stop by arms. In this case the decision must be backed up by general or specific proofs indicating the participation of the said parties to a crime or their attempt to commit a smuggling operation.   |
| <b>Article 352</b> | Every customs employee whose term comes to an end for any reason whatsoever (removed or pensioned off, or retired, or resigned, etc..) should immediately return to his direct boss his service authorization, records, seals, arms, and equipments given to him to perform his tasks. Should he fail, the chief of the department to which he was affiliated shall have the right to issue a compulsory note against him pursuant to the conditions laid down in paragraphs (3) (5) and (6) of Article 171, provided that the note encloses a copy of the administrative decisions rendered to strike him off the administration roll. In order to be able to notify and to enforce the decision, the magistrate of the area to which the employee was affiliated when he was stroke off should stamp it. |

#### **Chapter Four : Prerogatives of Customs Employees**

**Section One:** The right to Inspect Merchandise, Means of Transport and Individuals

**Section two:** Smuggling Investigation

**Section three:** The Right to Examine Records, Papers, and Documents Pertaining to Operations Found to Be in the Interest of Customs.

**Section Four:** Customs Control over Post Parcels

**Section Five:** Examination of Identities

**Section six:** Control over Narcotics Delivery

**Section One: The right to Inspect Merchandise, Means of Transport and Individuals**

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| <b>Article 353</b> | Customs employees shall have the right to inspect goods, means of transport and people in order to implement the provisions of this law and to investigate smuggling.   |
| <b>Article 354</b> | 1-Drivers of means of transport shall abide by customs employees orders.<br>These officials may have recourse to all convenient means to stop transport means when their drivers do not abide by their orders, including the use of arms, if need be, provided that this occurs on conditions prescribed in paragraph (3) of Article 351 above. |
| <b>Article 355</b> | Customs employees shall have the right to inspect vessels within the conditions prescribed in Articles 69 to 74 of this Law.  |

**Section two: Smuggling Investigation**

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| <b>Article 356</b> | <p>1 - Violations prescribed in this Law and in texts relating to customs may be investigated and may lead to seizure:</p> <p>A- Goods of all types whether subject to monopolized, prohibited, dutiable or not.<br/>- At customs offices, stations or premises, and all places put under the control of customs and where customs are able to make investigations and verifications in respect thereof, such as customs warehouses of all types and places where goods are being manufactured under the status of temporary entry.<br/>- Within the maritime and land customs territory.<br/>- Along Lebanese territories and outside coastal waters, in case of pending pursuit.</p> <p>B- As concerns goods excluded from the transit status or from internal circulation or goods the possession or sale of which is prohibited, or monopoly goods circulating or illegally possessed, or goods specifically designated pursuant to the decisions of the Higher Council of Customs and published in the Official Gazette:<br/>- Along the Lebanese territories</p>  |
| <b>Article 357</b> | <p>1-Home investigation and inspection may be executed to spot smuggling within the Lebanese territories:<br/>First: Along the land customs territory, as concerns all types of goods.<br/>Second: Along the Lebanese territories:<br/>A- As concerns all types of smuggled goods, which were chased by Customs employees and are under pending pursuit, whether after they were seen introduced to these territories or after they were seen withdrawn from the customs territory, provided that they arrive at the time of introduction of these goods into houses.<br/>B- As concerns merchandise excluded from the transit status or from internal circulation or prohibited or merchandises the possession or the sale of which is prohibited, or circulating monopoly goods, or goods specifically designated by decisions of the Higher Council of Customs and published in the Official Gazette.<br/>C- A note issued by the public prosecution shall be the base of investigation and inspection. The note shall include the addresses of the places to be visited for inspection along with mentioning the legal and probative facts that justify such procedure.</p> |
|                    | <p>2- Home search and investigation shall be exempted from the condition mentioned in paragraph 2 of this Article in case of a flagrante delicto or pending pursuits or when the concerned party agrees on inspection. In this case the Public prosecution shall immediately be notified in order to make necessary decisions.</p> <p>3- Home search and investigation can only occur during daylight, even in case of pending pursuit. However investigation and search initiated during the day and unaccomplished at sunset may be continued at night until they are completely achieved..</p> <p>4- Should the proprietor refuse to receive customs employees, they may be authorized to break into his house by force in the presence of the Moukhtar on the conditions mentioned here above.</p> <p>5- Public stores may be visited by night as long as they are open, provided that investigation and search are limited to the parts of the stores open to public.</p> <p>6- Should search and investigation result in the discovery of documents and papers related to smuggling operations, customs employees should be authorized to seize them.</p>                 |
| <b>Article 358</b> | <p>1- Each person caught red handed in the act of smuggling shall be immediately referred to the Head of the local customs department, who shall decide whether to keep him in custody or not.</p> <p>2- If the Head of the department decides to take the violator into custody. he shall immediately</p>  |

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|                    | inform the Public Prosecution which may keep him no later than 3 days, during which he should be referred to the competent court.   |
|                    | 3- The General Prosecutor may during the period of detention call on the place of detention to examine the conditions of the detainee and to look into the documents related to him, he may also designate a doctor to examine him, if need be.   |
|                    | 4-The conditions of pursuing the case of detention before the court are prescribed in Article 395 of the present Law.   |
| <b>Article 359</b> | In order to implement the provisions of Article 358, a flagrante delicto of smuggling is:<br>1- Import or attempted import of prohibited or monopolized goods without a written or an oral declaration.   |
|                    | 2- Export or attempted export of prohibited goods without written or oral declaration.  |
|                    | 3- Transport of monopolized goods or prohibited goods, whether manifested or not, on board of vessels, notwithstanding the flags thereof, of less than 150 maritime tons, anchoring or hovering within 12 miles away from the shores, except in case of a proven force majeure.   |
|                    | 4- Anchoring or hovering of vessels of less than 150 maritime tons, carrying highly dutiable goods or goods subject to revenue tax, prescribed in the decisions of the Higher Council of Customs published in the Official Gazette, within the territorial waters, except in case of a proven force majeure, or re-export of similar goods, on board of vessels of similar tonnage. |
| <b>Article 360</b> | Detention is also allowed in accordance with the rules prescribed in Article 358:<br>A- Against each person making objections to the investigation of smuggling acts, thus leading to its obstruction.<br>B- Each person attempting to escape in order to evade the sanctions, penalties and indemnities that might be inflicted on him.  |

**Section three: The Right to Examine Records, Papers, and Documents Pertaining to Operations Found to Be in the Interest of Customs.**

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| <b>Article 361</b> | <p><b>First:</b><br/>Customs employees of the second category, or occupying a rank of lieutenant and above or having a head office posts, by virtue of a special authorization granted by the Director General of Customs, or the Director of the department to which they are affiliated, or the Director of the Department of Auditing and Detection of Smuggling as well as the Director and the employees of the Department of Detection of Smuggling, and the Director and employees of the Control Department within the Higher Council of Customs whenever the initiated investigations found to be necessary, have the right to examine records, documents and papers of any kind whatsoever, pertaining to operations that may be on interest to customs, and make investigations about them:</p> <ul style="list-style-type: none"> <li>- At the railways offices and stations, and at land, sea and air transport companies or their agencies (invoices, bills of lading, transport manifests, lading notices, writs of delivery, waybills, delivery notes and lists, warehouses records, delivery records, parcels record books, delivery books, route documents).</li> <li>- At agencies involved in the receipt or collection or dispatch of parcels of all kinds by all types of means of transport (Detailed tables of the total consignment, receipts, writs of delivery etc...)</li> <li>- At the brokerage and mediation companies (Books and records kept in accordance with the provisions of Article 127 of this Law).</li> <li>- With the operators of storage stores and public warehouses (Records and deposit files, books of entry and exit of goods etc)...</li> <li>-With the traders and stores receiving goods declared at customs stations or with their real dispatchers.</li> <li>- At establishments involved in commercial dispatches.</li> <li>- And in general with natural or artificial persons directly or indirectly involved in regulatory or non-regulatory transactions falling under the jurisdiction of the customs administration.</li> </ul> |
|                    | <p><b>Second:</b><br/>Other natural or artificial persons mentioned in Paragraphs (A, B, C, D, E, F, G) of the "First" clause above, shall keep all documents, files, and records, pertaining to customs operations. The dispatchers and brokers should keep them 3 years as of the dispatch of consignments, and the consignees and brokers should keep them as of the date of receipt.</p>  |
|                    | <p><b>Third:</b><br/>While making investigation and inspection at companies or with persons above mentioned, customs employees mentioned in the "First" clause may seize all documents, files and records of all types whatsoever (Account books, invoices, correspondence letters and copies thereof, and promissory notes that might facilitate their task. Customs employees should in return make receipts specifying the seized items in order to restitute them to their proprietors as soon as the investigation comes to an end.</p>  |

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|                    | <p><b>Fourth:</b><br/>The failure to keep the documents, files and records mentioned in this Article and in Article 127, or the refusal to submit them, as well as the failure to keep the records mentioned in the previous Article in accordance with the provision prescribed herein, as well as borrowing the name and signature mentioned in Article 129, constitute customs violations that are sanctioned by a lump sum varying from 2 to 10 million L.B.P, and shall be inflicted on every trip, transaction, operation or signature borrowing. In addition penalties prescribed in Article 131 above shall be applied, whenever need shall be, and every unjustifiable delay should be considered a refusal.</p>                   |
|                    | <p><b>Fifth:</b><br/>The customs administration may, on the condition of reciprocity, give the relevant authorities in foreign countries all information certificates and proceedings and other documents that might prove the violation of rules and regulations applied on their territories upon import or export.</p>   |
| <b>Article 362</b> | <p>A- Customs employees may, while executing their assigned tasks, wander about:<br/>1- Public and national properties and public properties of villages, adjacent to the sea baseline.<br/>2- Railways situated 1000 miles away from the sea and land borders.<br/>3- Private unsheltered properties, adjacent to the land borders or situated on the coastal line or the high rocks on the seaside, or on the riversides or 500 miles away from their mouths.<br/>Proprietors of land neighboring rivers and borders may not erect any fences that obstruct the free passage of customs employees along the land borders and on the seashore or high rocks on the seaside and on the riversides or 500 meters away from their mouths.</p> |
|                    | <p>B- Any obstruction or objection against the freedom of passage of customs employees and every violation to the obligations resulting from this Article, shall be considered objection while on duty and shall be prosecuted in accordance with Article 426.</p>  |

#### **Section Four: Customs Control over Post Parcels**

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| <b>Article 363</b> | <p>1- Customs employees may enter into the post offices including sorting lounges, directly in relation with outside, to search, in the presence of the post's employees, for closed or open dispatches, coming from an external or an internal source, except transit dispatches containing or seem to contain items of the type mentioned in this article.</p>  |
|                    | <p>2- The Post Administration is entitled to put prohibited, dutiable, restricted or conditionally admissible dispatches or to the restrictions and measures imposed upon entry, under customs control within conditions prescribed in the Agreements and the Regulations of the International Post Union.<br/>3- The Post Administration is also entitled to put under customs control dispatches prohibited from being exported or subject to customs duties and restrictions imposed upon exit.<br/>4- The principle of dispatches secrecy shall not be violated in any manner whatsoever.</p> |
| <b>Article 364</b> | <p>1- Every artificial or natural person involved in continuous and regulatory trade operations, which consigns parcel posts from abroad to parties at the customs territory, should delegate a representative residing in Lebanon in order to carry out clearance transactions with the customs administration.</p>  |
|                    | <p>2- The terms of implementation of this Article should be determined by decision of the Director General of Customs.</p>  |

#### **Section Five: Examination of Identities**

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| <b>Article 365</b> | <p>Customs employees may examine the identities of the persons entering to the customs territory or exiting there from or those who circulate within the customs territory.</p> |
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#### **Section Six: Control over Narcotics Delivery**

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| <b>Article 366</b> | <p>1- For the purpose of investigation of customs violations upon import and export and acquisition of narcotics and in order to detect the identity of the violators and to forfeit the narcotics, customs employees are authorized on conditions determined by the Director General of Customs with the cooperation of the Regional Anti-drug Division, to control and track the movement of such articles in accordance with the provisions of Article 220 of the Law No. 673 of 16/3/1998 governing narcotics, sulfa drugs and stupefacient.</p> |
|                    | <p>2- No penal liability should be incurred by officials when the General public prosecution authorize them to seize, move and deliver the said articles to suspects in order to disclose the identity of violators. In addition no penal liability should be incurred as result of the use of means of transport carrying these articles or as result of depositing these goods in warehouses or from the use of money for the said purpose.</p>  |

3- the provisions of Paragraphs 1 and 2 of this Article shall be applicable to the equipments used for the illegal manufacturing of narcotics prescribed in the Laws in force.

## **Title Eight** - Proceedings

### **Chapter One : On Investigation and Prosecution of Customs Violations**

#### **Chapter one** - On Investigation and Prosecution of Customs Violations

**Section One:** Investigation through Seizure Proceedings

**Section two:** Investigation Through Proceedings of Verification

**Section three:** Investigation Through Other Legal Procedures and Means

**Section Four:** Common Provisions for Proceedings of Seizure and Proceedings of Verification as regards falsification

**Section Five:** Prosecutions

#### **Section One: Investigation through Seizure Proceedings**

##### **1. General rules**

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| <b>Article 367</b> | <p>1. At least two customs or government employees, disregarding their civil or military functions, shall investigate into customs violations. Such investigation may also be conducted by one customs employee along with a government employee, or by a customs employee along with any adult person.</p> <p>2. Violations shall be investigated through seizure proceedings.</p> <p>3. The employees of the Tobacco Reggie shall have the same prerogatives empowered to customs employees with regard to investigation of customs violations relating to tobacco and cigarillos.</p>   |
| <b>Article 368</b> | <p>1. Seizers shall transfer smuggled goods, goods used to conceal smuggling and transport vehicles to the nearest customs house or station, whenever possible. Should this be impossible due to serious reasons, the reasons must be mentioned in the proceedings of seizure.</p> <p>2. Seized goods, goods used to conceal smuggling and transport vehicles must, whenever the conditions of seizure deem necessary, be put in the guardianship of a third person, in the place of seizure or elsewhere.</p> <p>3. Detention of persons for investigation shall occur in cases enumerated in Articles 358, 359 and 360 and under the conditions mentioned in Article 395 of this law. The persons who order to take persons into custody shall specify in the proceedings of seizure the period of investigation and the date of opening and closure of the proceedings. This information shall be inscribed in a special relevant register at the customs house.</p> <p>4. The proceedings of seizure shall be instituted in the place of seizure of goods or in the place of discovery of the violation immediately after investigating about the violation or at most after the transportation of seized goods, goods used to conceal smuggling and transport vehicles to the customs house or office if there is no deterrent mentioned in the proceedings.</p>  |
| <b>Article 369</b> | <p>The following shall be mentioned in the proceedings of seizure:</p> <ol style="list-style-type: none"><li>1. The place, date and time of filing the proceedings in letters and in figures.</li><li>2. The date and time of seizure in letters and in figures.</li><li>3. The place and conditions of seizure.</li><li>4. The names of the proceedings officers along with their signatures and ranks and the house or office to which they are affiliated.</li><li>5. The name of the violator, his profession, detailed address and his last known dwelling whenever possible.</li><li>6. The types, description, quantities and value of seized goods, as well as duties and taxes subject to loss, whenever possible</li><li>7. Unseized goods in every possible means of knowledge and detection.</li><li>8. Details of facts, testimonies, and statements of violators and witnesses if there is any.</li><li>9. Legal texts governing the violation, whenever possible.</li><li>10. Presence of the violators when describing the seized goods or the notice sent to them to attend the description.</li><li>11. Should the accused attend, it should be mentioned in the proceedings of seizure that the proceedings was read in his hearing, that he was asked to sign it and that he will be summoned to appear before the customs court and should he fail to appear or refuse to sign. it shall be mentioned</li></ol> |

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|                    | in the proceedings of which a copy should be posted on the door of the customs house within 24 hours as of the closure of the proceedings. This should also be mentioned in the hearing.   |
|                    | 12. The date, place and time of closure of the proceedings in full and in figures.   |
| <b>Article 370</b> | 1. Seized transport vehicles and goods used to conceal fraud may be delivered to the accused if they are not prohibited against submission of a guarantee, a bond, or a sum equivalent to the value of such goods. Goods may also be delivered to a third party against the submission of the same guarantees.<br>This procedure and the consequence thereof should be mentioned in the proceedings of seizure.  |
|                    | 2. The manager or the Head of the department may release the public means of transport in favor of the proprietor or operator without a guarantee or a deposit equivalent to the value of such means of transport, provided that the proprietor is involved in the transport business and that the violator had signed with him the contract of transportation or lease of the vehicle in accordance with legal rules and professional customs, and provided that the operator of the vehicle has to the best of his capacities fulfilled his obligation of censorship, and that the vehicle is not conceived as to facilitate smuggling. However such release does not exempt from the payment of the expenses incurred by the customs administration as result of maintenance and custody. |

## **2. Special Rules Governing Certain Cases of Seizure.**

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| <b>Article 371</b> | If the proceedings of seizure contain false or altered documents, the type of falsification, alterations and additions must be mentioned in the proceedings. The seizer shall ask the user to sign such documents and he shall include his reply in the proceedings after stamping the term "unchangeable" on the document.   |
| <b>Article 372</b> | 1. When smuggled goods are seized in markets, stores and commercial centers and houses, after investigations and house inspections are carried out pursuant to the provisions of Article 357 of this law, non-prohibited goods should be excluded from seizure if the violator submits a guarantee equivalent to their value. Otherwise, the proceedings officers shall move prohibited, restricted or monopolized goods to the nearest customs station or keep such goods under the custody of a third party in the place of seizure or else where.<br>2. The proceedings of seizure shall be filed in the presence of a judicial police member. Should the said member refuse to cooperate, his refusal must be mentioned in the proceedings.   |
| <b>Article 373</b> | If the seizure involves goods aboard an anchored ship and immediate unloading is impossible, the seizers shall seal the scuttles, rooms, lockers, boxes, parcels, barrels and other packages and containers. If the proceedings of seizure occurs at the same time of unloading, the proceedings shall include numbers, labels, and marks of packages, parcels and barrels. Details should be noted down at the office in the presence of the violator or after he is notified to appear. Afterwards a copy of a detailed unloading sheet will be delivered to the violator.  |
| <b>Article 374</b> | If the seizure involves smuggled goods in pending pursuit status or in the very act, or if such goods are prohibited, restricted or under monopole, or if it explicitly appears from their owners or from the documents in their possession that the goods are smuggled, the investigated case must be mentioned in the proceedings. If the goods are seized in pending pursuit status, the following shall also be mentioned in the proceedings:<br>A- With regard to goods subject to circulation bonds and illegally transported, it shall be mentioned that the pursuit of such goods started as of the date of crossing the internal borders of the customs territory until the seizure took place.<br>B- With regard to the remaining goods, it shall be mentioned that such goods were in a continuous pursuit status as of the date of crossing the external borders of the country until the seizure took place. |
| <b>Article 375</b> | When many seizures occur against unknown fugitive persons and if the department deems the proceedings of seizure unnecessary, due to the trivial importance of smuggled goods, and if there are no precedents and if the value of goods does not exceed 400.000 L.B.P for each seizure, the customs court provided for in Article 391 may decide to seize all such goods by virtue of a single decision.  |
| <b>Article 376</b> | The seizure and the forfeiture of goods within the conditions set forth in the previous Article 375 shall be decided by the customs court and implemented by the customs administration eight days after the publication of the relevant decision at the office of the customs court.   |

## **Section two: Investigation Through Proceedings of Verification**

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| <b>Article 377</b> | 1. Violations set forth in the decisions and texts relating to customs may be investigated and proved through proceedings held by customs employees as result of examinations, investigations and interrogatories they conducted, even if no seizure had occurred within or outside the customs territory. |
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2. The proceedings of verification shall include the names of those who filed it along with their functions, the date (Hour-Day-Year) and place of inspection and verification, the concrete facts examined by those who filed the proceedings and all related information in respect thereof. The proceedings shall also include the seizure of related documents if a need so arises. The proceedings shall in addition mention that the date (Day-Hour-Year) and place of the proceedings were notified to the persons who filed the proceedings and that they were summoned to attend the filing thereof. Should they attend, the contents of the proceedings should be read in their hearing and signed by them. The aforementioned should be included in the proceedings.

### **Section three: Investigation Through Other Legal Procedures and Means**

**Article 378** Customs violations set forth in the laws and regulations governing customs may be investigated and proved through all other legal means and procedures and through all official references via reports, even if no forfeiture had occurred within or outside the customs territory.

### **Section Four: Common Provisions for Proceedings of Seizure and Proceedings of Verification as regards falsification**

**Article 379** 1. The proceedings of precautionary seizure and the proceedings of verification filed according to the provisions of Articles 367 to 377, are deemed authentic and probative of the material facts examined by the proceedings officers unless they are claimed to be fraudulent before the criminal or the civil court. Other provisions are deemed true until proven to the contrary.

2. Courts may not cancel such proceedings except in cases where the formalities set forth in the aforementioned articles are neglected. The irregularity of such formalities shall not lead to cancellation since the proceedings officers may carry out rectification. However, such rectification may not occur whenever the irregularity is related to material facts.

**Article 380** 1. The violator claiming forgery of the forfeiture proceedings before the civil court should, when the action is filed and during the first hearing held by the customs court, submit a written declaration in person or through an attorney withholding a special notarized proxy. The violator should within the following three days submit to the clerk office, evidence of forgery along with the names and functions of the witnesses that he wishes to bring forward for testimony. All of the above is made at the risk of abatement of the forgery action.

2. Should the claimant be illiterate, the claim must be submitted directly to the president of the said court. The president shall then mention that the claimant is illiterate and forward the claim to the court.

3. The filing of a forgery claim by one of the violators may not deter the pursuit of the action against other violators.

4. If forfeiture proceedings are found to be totally or partially forged, the court shall order its correction or its cancellation.

5. Should the forgery claimant lose the case or waive it without the consent of his opponent, a monetary penalty varying from 400.000 L.B.P to 4.000 000 L.B.P should be inflicted on him in favor of the customs, along with the penalties prescribed concerning the same violation.

### **Section Five: Prosecutions**

#### **1-General provisions**

**Article 381** 1- Violations set forth in the customs laws and regulations may be prosecuted and proved by all legal evidences even if such violations were not discovered inside or outside the customs territory or upon declaration of goods through customs manifests. For this purpose, information coming from foreign authorities, forfeiture proceedings and documents issued by the said authorities may be considered to be proofs of violations.

2- Public prosecutors shall be in charge of the popular actions filed for the purpose of implementing criminal sanctions incurred from ordinary crimes committed concurrently with customs violations or relating to such violations. However, the customs administration shall be in charge of actions filed in order to apply duties and fines.

**Article 382** The judicial authority should provide the customs administration with any information in connection thereof with regard to any civil, commercial, or criminal conflict, which may constitute a presumption of a violation of the customs laws and regulations, even if such conflict was settled through a decision of trial interdiction.

**Article 383** Should the violator die before the issuance of the final decision of his condemnation or before the reconciliation is made, the customs administration may take legal action before the relevant court to seize the smuggled assets in the violator's legacy. unseized before. Otherwise. the court may

transfer to the customs a part of the legacy equivalent to the value of such assets at the date of the violation.

## 2-Compulsive Pursuit

### Article 384

1- Except cases of compulsive pursuit falling under Articles 171 and 352, the Regional Director or President of customs may issue a compulsory note against the original taxpayer or against his guarantors whenever such taxpayer fails to settle or postpone the settlement of customs duties whether smuggled, unsettled, guaranteed by bonds, or by various promises, recognizance or through reconciliation,

2-The aforementioned compulsory notes shall be issued in accordance with the rules provided for in Article 171.

3- Objection to compulsory notes does not deter their implementation unless the due charges are trust deposited by the taxpayer.

## Chapter Two : Abatement of the Right to Pursuit and Repression in Customs Cases

Section One: Reconciliation

Section two: Prescription

### Section One: Reconciliation

### Article 385

1- The customs administration may make reconciliation with violators, before or during legal pursuit and following the issuance of the decision of the customs court mentioned in Article 391 of the present Law. Hence, the customs administration may substitute regulatory sanctions (fix or modifiable monetary penalties, forfeiture of means of transport and articles used to conceal smuggling) by a monetary penalty, which varies according to seizure conditions and which should be paid, whenever a need so arises, in addition to the charges due on goods imported or exported by fraud.

The customs Administration shall also be authorized to disregard violations discovered by the customs officials, if the circumstances that led to such violations justify so.

2- Reconciliation may not lead to the abatement of the duties due the Government treasury.

3- The Customs Administration shall not have the right to make reconciliation after the decision of the court is rendered.

### Article 386

Reconciliation made between the customs administration on one hand and the violators and their partners on the other hand shall lead to the abatement of the personal action and the common-law actions, whenever such actions involve monetary customs violations not incurring physical sanctions. However, the reconciliation made with violators does not deter the pursuit of partners and parties to the violation, unless otherwise provided for in the text of reconciliation. Such reconciliation may not also deter the action brought by the public prosecution or any other administration in order to repress the ordinary misdemeanors or other crimes, committed simultaneously with the customs violation.

### Article 387

1- The right of reconciliation in cases relating to the violation of customs laws and regulations shall be attributed as the case may be to the Higher Council of customs or to the Director General of Customs or to Heads of Departments.

#### **First:**

Heads of department shall implement the right of reconciliation as follows:

1- Heads of Departments shall take final decisions concerning the violations falling under the provisions of Article 425.

2- Heads of Departments, upon approval of the Director General, shall make decisions governing the following:

A- Violations falling under the provisions of Articles 426 and 432.

B- Other violations when the value of goods does not exceed 25.000 000 L.B.P, and cases relating to smuggled charges or charges that may result in a loss, even if the value of such goods exceeds 25.000 000 L.B.P and provided that the amount of such charges does not exceed 6. 000 000 L.B.P.

#### **Second:**

The Director General of Customs shall make decisions concerning the following violations:

A- Violations set forth in paragraph 4 of Article 361.

B- Violations set forth in the last paragraph of Article 423 (Goods of unknown type and value).

C- Other Violations, if the value of goods exceeds 25. 000 000 L.B.P, and cases relating to smuggled charges or charges that may result in a loss, even if the value of goods exceeds 100. 000 000 L.B.P and provided that the amount of the charges does not exceed 25. 000 000 L.B.P.

**Third:**

The Higher Council of Customs shall resolve cases other than those mentioned here above on the proposal of the Director General of customs.

2- Smuggled duties and duties that may result in a loss include customs duties and all other charges and taxes the collection of which is entrusted to the customs administration.

**Section two: Prescription**

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| <b>Article 388</b> | <p>1- The limitation period concerning customs actions and penalties is as follows:<br/>10 years for the collection of the duties that the taxpayer disengaged himself from by means of fraudulent maneuvers or false or incomplete declarations. This period of time becomes effective as from the date of the fraud discovery.<br/>10 years for the execution of any sentence or decision that may concern the administration, including collection of duties pursued by virtue of compulsory notes according to Article 171.<br/>5 years for the collection of duties unsettled due to the administration mistake, and for the collection of monetary penalties and forfeitures.</p>   |
|                    | <p>2- With the exception of cases leading to the interruption of the prescription period in ordinary rights, the prescription regarding customs cases is interrupted by claiming a registered letter or by initiating investigation before the customs court. The party concerned shall be informed about the investigation.</p>  |
| <b>Article 389</b> | <p>The right to claim duty drawback from the customs administration is barred 3 years after the payment of such duty.<br/>Securities of all kinds are decisively added to duties and proceeds within the conditions and terms prescribed by the customs administration, if the parties concerned do not submit, within the allotted period, evidence securing the settlement of such securities. In any all cases it is not possible to claim back duties paid in excess to due duties 3 years after the settlement of the trusts unless the delay of payment is caused by the administration..<br/>With regard to trusts resulting from tariff amendments, the three-years prescription period becomes effective as of the date of ratification of the amendments decisions by the relevant authority.</p> |
| <b>Article 390</b> | <p>The customs administration is, five years after the end of each year, no more liable for keeping records of revenues or any other records or documents pertaining to the said year. Customs may not be obliged to submit such documents and records in case of pending actions, even if the records and documents are of great significance for investigation and for the pronouncement of the verdict.</p>  |

**Chapter Three : Prosecutions**

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| <b>Article 391</b> | <p>1- Along with the prerogative of relevant criminal courts empowered in accordance with the laws in force, the proceedings of seizure shall be referred to the relevant court of first instance in accordance with the provisions of the previous articles, if the dispute is not settled through reconciliation.</p>  |
|                    | <p>2- The Procedures of the Civil Code should be followed before all Justice Courts examining customs cases in accordance with the provisions laid down in this Law.</p>   |
| <b>Article 392</b> | <p>The court of first instance shall be in charge of the following:<br/>1- Violations set forth in the Customs Law and other texts relating to customs.<br/>2- Each dispute, conflict or action whatsoever relating to customs duties and other charges and taxes collected by customs whenever customs is whether the plaintiff or the defendant and the execution of the signed pledges in connection thereof.<br/>3- Objections to compulsory notes.<br/>4- Action of cancellation relating to arbitative decisions prescribed in Article 161 of this Law.<br/>5- Pursuing arrest prescribed in Articles 358, 359, and 360 of this Law.<br/>All outstanding issues at the date of enforcement of this Law shall be referred to the customs committee.</p> |
| <b>Article 393</b> | <p>The customs administration may be the plaintiff or the defendant before other courts and executive departments, represented by the Director General in person or by his representative.</p>   |
| <b>Article 394</b> | <p>The court may allow a writ to each investigative or judicial body and each public administration.</p>   |
| <b>Article 395</b> | <p>1- Whoever is arrested for the cases prescribed in Articles 358, 359 and 360 of the present law shall be referred within 3 days at most to the relevant court. The said court shall make decisions concerning the pursuit of the detention case.<br/>2- The court shall decide whether to arrest the person referred to it or to release him on probation or against a bail bond not exceeding the amount that he might be liable for.</p>  |

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|                    | 3- The detention period should not exceed 15 days.  |
| <b>Article 396</b> | The customs employees shall have the right to transmit compulsory processes arraignments, summoning, notifications and all documents dealing with procedural law and those necessary for the collection of customs duties, levy of monetary penalties and implementation of forfeitures in accordance with the code of civil procedures.  |
| <b>Article 397</b> | 1- The court's decision shall be notified to the concerned party in person, to his last known dwelling, his actual dwelling or his business firm.<br>If the concerned party is absent, notification can be made to any adult sharing the house with him. Notification can be made to a servant or to an employee. Should the latter refuse to sign, it should be written down and the notification remains valid.   |
|                    | 2- If the concerned party changes his declared dwelling or his business firm or gives a wrong address after the date of the proceedings filed against him without sending a written notification to the customs, the notification should be posted on the door of his last dwelling or his known or declared dwelling and on the external door of the customs house.  |
|                    | 3- Compulsory processes should be notified according to the same procedures mentioned here above and relating to the notification of the customs' decision.   |
|                    | 4- If the violation is committed by an unknown person and the total value of seized goods does not exceed 1 000 000 LBP, the summoning of the violator or the court's decision shall be notified by being posted on the door of the court clerk office.<br>If the total value of the seized goods exceeds LBP 1 000 000 the notification should be posted on the door of the court clerk office and published in two local newspapers.  |
|                    | 5- if the violation is committed by a person residing outside Lebanon, the violator summoning and the court's decision shall be sent to the public prosecution, which will notify it as it deems appropriate.   |
| <b>Article 398</b> | The customs administration may ask the public prosecution to prohibit violators and smugglers from leaving the Lebanese territory when seized merchandise is not sufficient to cover the duties, taxes and fines.<br>The request and the prohibitive decision are deemed void if:<br>1- If the violator or the smuggler submits a guarantee equivalent to the sum requested by the customs administration.<br>2- If it appears eventually that seized money is equivalent to the due amounts.   |
| <b>Article 399</b> | Court decisions are decisive and unappealable when the total inflicted penalties (Monetary penalties and forfeiture of merchandise, means of transport and things used to conceal fraud) do not exceed the amount of 5 000 000 LBP.   |
| <b>Article 400</b> | Decisions issued by the court as result of objection to proceedings of seizure, proceedings of investigation or to an administrative decision, shall be considered valid even if the objector fails to attend.  |
| <b>Article 401</b> | Court decisions inflicting fines and duties are not appealable by the convict unless a monetary guarantee is deposited in the treasury to secure the payment of all owed duties, in addition to an amount equivalent to 25% of the value of penalties imposed by decision of appeal, provided that the total guaranteed penalties do not exceed 10 000 000 LBP.   |
| <b>Article 402</b> | Sentences rendered by the customs court are appealed before the relevant court of appeal, within 30 days following the notification of the sentence in accordance with the provisions of the Code of Civil Procedures.  |
| <b>Article 403</b> | The decision of appeal may be prone to cassation in accordance with the provisions of the Code of Civil Procedures.   |
| <b>Article 404</b> | The court shall render its decisions as soon as possible and the president of the clerk office should notify the opponents about the judgment of first instance within 15 days at most as from the date of the issuance of such judgment.   |
| <b>Article 405</b> | 1- The Customs administration shall be exempted from stamping all documents that might be required by the court or that the customs may require and from the payment of all judicial expenses resulting from lawsuits that might be brought by the administration or against it. The customs administration is also exempted from the expenses resulting from execution procedures.<br>2- Should the customs administration lose the case it shall incur all expenses and charges to the advantage of the other party.<br>3- The customs administration is also exempted from the submission of guarantees, bonds or credit accounts to cover the expenses, whenever the law prescribes such obligation on opponents. |
| <b>Article 406</b> | The barring of claims and prosecutions brought against customs after a specified period of time has elapsed is not permitted.   |

#### **Chapter Four : Enforcement of Judgments**

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| <b>Article 407</b> | The customs court may decide the temporary enforcement of judgments, whether on the debtor or on his assets notwithstanding any other recourse. The court may also cancel the period of the notification sent to the debtor and arrest the convict on the spot. However the debtor may refer to the court of appeal that is entitled to delay the imprisonment provided that the convict submits a monetary guarantee covering potential duties and penalties. |
|                    | The review stated in the previous paragraph occurs in accordance with the procedures of summary matters.   |
| <b>Article 408</b> | 1- For the purpose of enforcing judgments rendered to the advantage of the customs, the administration may seize and sell by auction all the movable and immovable property of the debtor. The court may also decide the imprisonment of the said debtor.  |
|                    | 2- Should there be no buyers of the immovable property offered for auction sale or prices offered in respect thereof are lesser than the lower sale price for a second round, such properties shall be transferred legitimately to the name of the customs administration at the rock-bottom price.  |
|                    | 3- The Director General of customs shall form a committee to set the minimum price of sale and to initiate the bidding process. Rules prescribed in the Taxation Law shall be enforced.  |
| <b>Article 409</b> | Whenever customs fails to levy customs duties and other charges and taxes, as well as estimated monetary penalties and expenses, one day imprisonment shall be enforced for every uncollected sum of 25 000 LBP, provided that the period of imprisonment does not exceed one year in any case whatsoever.   |
| <b>Article 410</b> | The period of imprisonment shall be determined on a case-by-case basis.  |
| <b>Article 411</b> | Imprisonment incurred as result of customs cases shall be executed notwithstanding the payment capabilities of the debtor even though such debtor is over 65 years of age, unless in case of unwillingful bankruptcy.  |
| <b>Article 412</b> | In exception with the legal provisions in effect, customs may request the imprisonment of the same debtor again even if customs had already released or requested the release of such debtor.  |
| <b>Article 413</b> | Customs employees may implement compulsory processes and imprisonment decisions. The same employees may conduct all seizures and notifications   |

#### **Chapter Five : Monetary Penalties and Forfeitures**

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| <b>Article 414</b> | Monetary penalties and forfeitures prescribed in the customs laws and regulations shall be considered a civil compensation for the customs administration. |
| <b>Article 415</b> | Monetary penalties and forfeitures may be combined whenever material violations are combined.  |

#### **Chapter Six : Civil and Joint Liability**

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| <b>Article 416</b> | Civil liability shall be incurred upon the implementation of this law if material facts are in evidence. Such liability may not be challenged in good faith.<br>Shall be dispensed from liability whoever proves that he was a victim of a force majeure or unpredicted accident, and whoever proves that he did not commit any action whatsoever that caused the violation or led to it.  |
| <b>Article 417</b> | Amounts inflicted (such as charges, fines and forfeitures) should be collected jointly from the original violators, guarantors, partners, intermediaries, seafarers and drivers of means of transport and all carriers, as well as from the proprietors of embezzled goods, the consignees thereof, proprietors of means of transport and goods used to conceal fraud and owners of stores where smuggled goods were stored.<br>The proprietor or the operator of public means of transport shall be acquitted if he proves that the customs violation occurred against his will or that it was impossible for him to discover such violation despite fulfillment of his professional obligations and that he had concluded the contract of transportation in accordance with the provisions and conditions prescribed in paragraph (2) of Article 370 of the present law. |
| <b>Article 418</b> | The heirs are liable for the payment of the amounts due on the convict in case of his death within the limits of their inherited parts.  |

#### **Chapter Seven : Privileges and Guarantees Empowered to the Customs Administration**

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| <b>Article 419</b> | The customs administration shall have general lien on the movable property of taxpayers to secure the levy of all duties, penalties, forfeitures and drawbacks. This lien shall prevail in all circumstances, even in case of bankruptcy, and shall take precedence on all other debts, except maintenance costs of such property and court expenses paid by a third party and debts secured by a general lien on movables.<br>The said lien shall include motor vehicles and motorcycles since the customs administration has |
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|                    | <p>priority over the merchant rights prescribed in Article 3 of the Law of May 20 1935.<br/>The lien of the customs administration shall be of the first degree on sums advanced by taxpayers before the judicial recourse.</p>  |
| <b>Article 420</b> | <p>The guarantor who pays the debt to the customs administration shall be subrogated in respect of rights, liens, and mortgages of the customs administration.<br/>The customs administration shall have the right without the consent of the debtor or his notification to concede or transfer all debts owed to customs, to any other third party including the joint debtors, even though such right is litigious or subject of judicial recourse. The customs administration may subrogate the third party in respect of its rights, privileges and mortgages versus the debtor and his guarantor.<br/>Subrogation approved by the administration shall be entitled to the subrogate on the same conditions set for the administration.<br/>In all cases, the rights, liens and mortgages of the administration shall be allocated to the subrogate after payment of the debt to the customs Treasury. The subrogation bond is the receipt delivered by customs defining the conditions and limits of subrogation, without the need for any other formality.</p> |

### **Chapter Eight : Repressive Provisions**

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| <b>Article 421</b> | <p>A- The following violations shall incur the seizure and forfeiture of smuggled goods, in accordance with the provisions of Article 422 and provided that the penalty prescribed in Article 423 is enforced:</p>  |
|                    | <p><b>1- Common provisions to all goods:</b></p>  |
|                    | <p>No.1 - import or attempted import of prohibited, monopolized, restricted or dutiable merchandise by smuggling or without presenting manifests or customs declarations.</p>   |
|                    | <p>No.2 - False declarations concerning the type of goods. Shall be considered to be a false declaration concerning the type of goods the registration of prohibited or monopolized goods in the manifest or equivalent documents, under a description that conceals their type and description.</p>  |
|                    | <p>No.3 - False declaration concerning the type or description of goods that may result in a loss of duties.</p>  |
|                    | <p>No.4 - False declaration concerning the weight, number and measure (or any other unit) containing an increase that exceeds one tenth (1/10) of the declared weight or number or measure (or any other unit), except for the products subject to high duties or to revenue taxes, by virtue of the decision of the Higher Council of Customs, and which shall be subject to penalties prescribed in this Article if the increase in the weight, number or measure (or any other unit) exceeds one twentieth (1/20).</p> |
|                    | <p>No.5 - False declaration concerning the value, containing an increase equivalent or exceeding the tith (1/10) of the declared value.</p>   |
|                    | <p>No.6 - False declaration concerning the origin, aiming at benefiting from a tariff lesser than the tariff in force.</p>  |
|                    | <p>No.7 - Filing or submission of false or counterfeited documents or documents enclosing false evidence, in order to enjoy exemption from duties or tariffs or to be eligible for a lower rate of duty or fee in effect.</p>   |
|                    | <p>No.8 - Discovery of false evidence concerning number, weight, value or type in the invoices submitted as original invoices.</p>  |
|                    | <p>No.9 - Mail import of closed dispatches and parcels (ordinary and guaranteed), dispatches of declared value, boxes of declared value, small parcels (ordinary and guaranteed) and normal and guaranteed printings and samples, free of regulatory labels and including prohibited or dutiable goods in accordance with the conditions prescribed in the decisions in force.</p>  |
|                    | <p>No.10 - Discovery at any time of an unjustifiable lack in transit parcels or goods contained in transit parcels.</p>   |
|                    | <p>No. 11 - Exchanging in any manner whatsoever goods declared for transit in full or in part by other goods without preventing the implementation of penalties prescribed in N.28 of this article if exchanged goods are prohibited from export.</p>   |
|                    | <p>No.12 - Lack of evidence as concerns the exit of goods or the arrival to destination as concerns goods in transit or transshipped goods. The repetition of this violation and the two previous violations may deprive among other penalties, the violator or his partners from the right to be involved in transit, by a simple administrative measure.</p>  |
|                    | <p>No.13 - The unjustifiable lack in the quantities of goods in bonded in private or specialized warehouses. This violation may disqualify the concerned party from private or specialized warehouses, by a simple administrative measure.</p>  |
|                    | <p>No.14 - Failure to return surety bonds concerning the transportation of goods from a customs warehouse to another customs warehouse, or their re-exportation from the customs warehouse with an arrival stamp.</p>   |

No.15 - Discovery of prohibited goods at the free zone. The liability for this violation shall be incurred by proprietors, depositors or their partners, and in general by all persons mentioned in Article 417 or by the operator of the free zone, which shall be responsible by virtue of the provisions of Article 258.

No.16 - Clandestine removal of goods from the free zone to the customs territory. This violation shall be incurred by proprietors, depositors of such goods or their partners, and in general by persons mentioned in Article 417.

No.17 - Incompletion of the formalities mentioned in Articles 89, 251 and 259 relating the free zone.

No.18 - Failure to present goods accepted under the temporary entry status or under the industrial warehouse status, at each request made by customs department, whether in the status of such goods upon entry or after processing during the regulatory period.

No. 19 - Failure to re-export items temporary entered free of duty and items resulting there from after processing, or failure to place such goods in a public warehouse, within the regulatory term.

No. 20 - Failure to manufacture goods entered under industrial warehouse status or failure to end such status through re-export of the products of compensation, or storing such goods in public warehouses or free zones or entering for consumption.

Violations of these provisions or provisions of paragraphs 18 and 19 may deprive the concerned party from the of temporary entry status or from industrial warehouse status, by a simple administrative measure taken by the relevant authority.

No. 21 - Transport of goods from one carrier to another or re-exportation thereof without a manifest or an authorized permit.

No. 22 - Loading or unloading of vessels and trucks or withdrawal of goods without obtaining a permit from customs or in the absence of its representatives.

No. 23 - Encompassing numerous sealed parcels, assembled in any manner whatsoever, as one parcel, in manifests, bills of lading, waybills or detailed declarations.

No. 24 - Discovery of goods in excess to the manifest and equivalent documents, after unloading the means of transport of whatever kind. In this case the driver, the carrier or their legal representative and in general all persons mentioned in Article 417 are considered to be the violators.

No. 25 -Illegal use of items mentioned here below, outside authorized places, or for purposes other than those they were intended for, or illegal exchange of such items. As well as selling such items without sending prior notice to Customs and before customs has secured the payment of ordinary duties or before the new purchaser has completely replaced the original importer and became responsible of his obligations. These items include the following:

A- Products admissible free-of-duty according to the Customs Tariff or products subject to low rates of duty considering their specific purposes.

B- Accessories, parts and materials delivered free of customs duties by virtue of Chapters 5, 8, 9 and 10 of Title 4 of this Law.

C- Duty - exempt vehicles under the temporary entry status.

D- Persons benefiting from customs exemptions, low duties, or temporary entry status shall incur such violations. Clearing agents, intermediaries, contractors or entrepreneurs and in general all persons mentioned in Article 417 shall also be liable for such violations. These violations may also deprive violators from preferred statuses, for up to 5 years.

No. 26: Illegal circulation or possession of goods subject to the customs police within the customs territory, and circulation contrary to the provisions of the bond of transportation.

No.27: Unjustifiable lack or increase in the open account prescribed in Article 344.

No. 28: Exportation or attempted exportation of prohibited goods without declaration or through smuggling, or submission of false declarations upon export in connection with the type, description, nature or value, aimed at ignoring the ban.

No.29: Exportation or attempted exportation of goods subject to duties upon exit without declaration or through smuggling, and violations mentioned in Numbers 2, 3, 4, 5, 7 and 8 of this Article.

No.30: Failure to carry out customs formalities or to pay duties, by means of any false or incomplete statement or any other fraudulent practice or appliance not mentioned in Articles 424 to 431 as well other violations not mentioned elsewhere.

**2- Violations similar to the importation of prohibited, restricted or monopolized goods, through smuggling or without a declaration:**

No.31: Possession, offer for sale or transportation of playing cards not bearing legal stamps within the Lebanese territories.

No.32: Importation or re-exportation of goods mentioned in Article 16 on board of vessels of less than 150 maritime tons.

No.33: Circulation of vessels of less than 150 maritime tons shipping goods of the type mentioned in

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|                    | <p>Article 61 within the customs territory, or anchoring such vessels within 12 nautical miles away from coasts or in a port not evidenced by a Force Majeure.</p> <p>No.34: Failure to submit proofs within the time limits specified in the surety bonds concerning the arrival to the foreign country of destination of goods mentioned in Article 16, shipped on board of vessels of less than 150 maritime tons anchoring 12 nautical miles away from coasts or in a Lebanese port following a case evidenced by a Force Majeure.</p>  |
| <b>Article 422</b> | <p>In all cases where courts decide the forfeiture of smuggled goods, such courts shall, pursuant to the provisions of Paragraph 2 of Article 417, decide along with monetary penalties prescribed in Article 423 the forfeiture of means of transport, merchandise and things of any kind whatsoever used to conceal fraud (despite the submission of a correct declaration in respect thereof). The value of forfeited goods shall be added to the amount of the monetary penalty.</p>  |
| <b>Article 423</b> | <p>Notwithstanding the regulatory forfeitures, the monetary penalties prescribed in Article 421 shall be determined as follows:</p>   |
|                    | <p>1- Cases involving seizure of goods and means of transport used to conceal the fraud:<br/> A- From two to three times the duty if the seized merchandise is not prohibited restricted or monopolized.<br/> B- From three to four times the duty on highly dutiable merchandise, merchandise subject to revenue duty or merchandise subject to the control of the customs police by virtue of the decisions of the Higher Council of Customs on conditions prescribed in Article 340 of this Law.<br/> C- From two to three times the duty (including customs duties) on prohibited or monopolized merchandise.<br/> D- From one to two times the duty (including customs duties) on restricted goods.</p> <p>2- Cases involving relief of merchandise, means of transport and things used to conceal the fraud. In order to compensate forfeiture, the court may impose on the violator a penalty up to the value of the goods, means of transport and things used to conceal fraud in addition to the monetary penalties mentioned here above (including customs duties), according to the price in effect in national market at the time of the fraud.<br/> Whenever the assessment of the value of goods and things relieved from seizure seems impossible, the penalty amount should range from 1.000.000 to 10.000.000 L.B.P.</p> |
| <b>Article 424</b> | <p>No.1 - False declaration aimed at illegal drawback of all duties or part thereof in any manner whatsoever even if such duties are deposited in the form of guarantees.</p>   |
|                    | <p>No.2 - False declaration concerning the type, description, number, quantity, measurement, volume, weight or origin of goods, aimed at drawing back duties in excess to the allowable duty drawback.</p>  |
|                    | <p>No.3 - False declaration concerning the value of goods, aimed at drawing back duty in excess to the allowable duty drawback, if the declared value exceeds the value determined by customs by 1/20.</p>  |
| <b>Article 425</b> | <p>A 100 000 LBP penalty should be imposed on:</p>  |
|                    | <p>No.1 - Import or attempted import of smuggled, unmanifested or undeclared duty-free merchandise.</p>   |
|                    | <p>No.2 - Export or attempted export of smuggled, unmanifested or undeclared duty-free merchandise.</p>   |
|                    | <p>No.3 - False declaration concerning the type, description, origin, quantity, or value of duty-free merchandise.</p>  |
|                    | <p>No.4 - Violations mentioned in No.s 10,11,12 of Article 421 whenever goods sent in transit or transhipped goods are duty-exempted.</p>   |
|                    | <p>No.5 - Submission of goods to the exit office or to the office of destination, after the elapse of the time limits determined in the guaranteed surety, and remission of a quitance certificate of a guaranteed surety one month after the elapse of the period determined in the surety bond unless in case of a legally evidenced force majeure.</p>   |
|                    | <p>No.6 - Seals of merchandise sent in transit, with no good reason shown or without the discovery of lack or exchange.</p>   |
|                    | <p>No.7 - Absence of manifest upon export or failure to submit the exit manifest to customs, as well as the lack or excess of parcels mentioned in the exit manifest examined after shipping.</p>   |
|                    | <p>No.8 - Any lack, error or negligence of evidence or information that should be contained in the manifest or other equivalent documents, whenever such lack or error or negligence does not affect the imposition of due duties or restrictions in respect thereof, evidenced by the master of the vessel through the documents in his possession.</p>  |
| <b>Article</b>     | <p>No.1: lack of parcels mentioned in the manifest or other equivalent documents, discovered</p>  |

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| 426         | <p>after unloading the means of transport of any type whatsoever.<br/>The 100. 000 L.B.P penalty shall be fined on each lost parcel.<br/>These violations shall be incurred by the party in charge of the vehicle, the carrier or any other responsible party, and in general against all parties mentioned in Article 417.<br/>Manifest discrepancies occurring before delivery of merchandise to customs may be justified if evidenced to occur outside the territorial borders of the country or outside customs territory.</p>  |
|             | <p>No.2: Late filing of entry or exit manifest or equivalent forms or encompassing false labels of packages in the manifest.</p> <p>No.3: Transportation of passengers or goods within the Lebanese territory in foreign vehicles mentioned in Article 284. This violation shall lead to the levy of customs duties on these vehicles in addition to the monetary penalty.</p> <p>No.4: Insults, offenses, threats and mistreatment addressed to customs employees as well as the objection and disturbance that they encounter while exercising their assignments. This fine shall be inflicted on those who commit such acts and their partners, in addition to penalties prescribed in the Penal Code.</p>   |
| Article 427 | <p>No.1: Failure to stamp the original manifest by customs authorities at the port of lading.</p>   |
|             | <p>No.2: Existence of many manifests or other equivalent forms in the possession of the person in charge of the vehicle. Customs assesses penalties against the person in charge of the vehicle, carrier, or any other responsible person and in general against persons mentioned in Article 417.</p> <p>No.3 - Failure to submit bills of lading and other documents found by the customs administration to be necessary.</p>   |
| Article 428 | <p>A penalty of 1 000 000 LBP shall be assessed in the following cases:<br/>Failure to submit the original invoice prescribed in Article 28 or an exact copy thereof bearing the certification of the granting authority in addition to the penalties assessed in case of manifests discrepancies.</p>  |
| Article 429 | <p>1- In cases where customs discovers during vessels inspection on conditions prescribed in Articles 69,70,72 and 79, one or more of these violations:<br/>1- Failure to submit the general and one manifest.<br/>2- Producing many manifests.<br/>3- Discovery of unmanifested merchandise<br/>4- Manifest description inconsistent with the actual merchandise.<br/>5- Failure to submit manifested merchandise for inspection.</p>  |
|             | <p>2- Masters of vessels may incur a penalty up to the value of merchandise mentioned under (3) (4) and (5).</p> <p>3- In all cases discussed above, the vessel shall be subject to seizure to secure the payment of monetary penalties prescribed here above; In addition prohibited or monopoly goods in excess to the manifest shall be forfeited.</p>   |
| Article 430 | <p>In cases where customs finds during vessels inspection on conditions prescribed in Articles 69, prohibited, monopolized, highly dutiable merchandise or merchandise subject to revenue tax, on board of such vessels whether declared in the manifest or not, the vessel and the cargo so laden shall be subject to forfeiture and the vessel masters shall be liable for a penalty of 100. 000 L.B.P. Vessels may be relieved from forfeiture if the master proves that he was compelled under certain conditions (maritime emergencies or a defect) to change the vessel course or to anchor 12 miles away from the shore or to have recourse to a Lebanese port, provided that these circumstances are registered in the vessel's logbook, prior to customs inspection.</p> |
| Article 431 | <p>Should masters of vessels resist the investigation of customs employees during vessels inspection prescribed in Articles 429 and 430 of the present law, before or after the interference of the General officer in accordance with provisions of Article 73 of this Law, the master will be subject to a penalty of 100 000 LBP. In this case the vessel and the cargo so laden may be subject to seizure to secure the payment of the penalty.</p>   |
| Article 432 | <p>Failure to register the merchandise in the lists prescribed in Article 71, and any lack in these lists discovered upon departure of the vessel shall be incurred by masters of vessels in charge of transportation or by their authorized agents and shall lead to the penalties prescribed in Article 430, plus penalties prescribed in Article 431, as deemed necessary.</p>   |

### **Chapter Nine : Sale of Goods**

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| Article 433 | <p>1- In principle, the customs administration shall not have the right to sell goods seized for violations of the Customs and related laws, unless such goods become the property of Customs by virtue of a final decision stipulating forfeiture or by the transfer of ownership perfected through reconciliation with the violator, following approval of the relevant authority determined in Article 387 of this Law</p> |
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|                    | <p>2- Contrary to the provisions of Paragraph one above, the customs administration may, whenever it is impossible to notify the party concerned, sell perishable goods, means of transport, goods likely to leak or animals, kept in the customs as result of a dispute, whenever necessary or whenever such sale is found to be in the interest of the claimant.</p> <p>3- Auction sale occurs after presenting evidence justifying the circumstances of such sale by virtue of proceedings of seizure prepared by customs officials.</p> <p>4- If after the sale the court decides to remit the sold property or means of transport or animals to the claimant, he shall receive in cash all proceeds from the sale after deducting expenses.</p> <p>5- Sales, which occur within conditions prescribed in this Article, may not in any manner whatsoever lead to filing an action of defect and damage against customs, except when customs commit a serious mistake.</p> |
| <b>Article 434</b> | <p>The following property/merchandise shall be listed in the customs sale catalogs:</p> <p>1- Forfeited merchandise that has become the property of customs.</p>  |
|                    | <p>2- Perishable goods, mentioned in the previous Article (433).</p> <p>3- Goods in the possession of customs after their transfer in writing by owners.</p> <p>4- Abandoned goods, mentioned in Article 435.</p> <p>5- Goods unwithdrawn from public, private and specialized warehouses within the regulatory periods. Such goods shall be sold within conditions prescribed in Articles 207, 221 and 231.</p>  |
| <b>Article 435</b> | <p>1- Abandoned goods mentioned in paragraph (4) of Article 434, are goods left in customs warehouses or places, other than public, private or specialized warehouses, after the elapse of 6 month and one day as from their deposit therein. Such period may be reduced to three months and one day for goods in bonded in the warehouses of Beirut International Airport and in various passengers' lounges, and to 10 full days as from the date of inspection for goods not withdrawn from inspection rooms at various Customs offices and stations.</p>  |
|                    | <p>2- Goods mentioned in paragraph one here above can be sold before the elapse of the allotted periods of time, if such goods are perishable or badly conserved or showing signs of putrefaction, provided that they are subject to the provisions of paragraphs (2), (3), (4) and (5).</p>  |
| <b>Article 436</b> | <p>1- Goods abandoned at customs are at the responsibility of proprietors; any damage, decay or loss in respect thereof does not allow in any case whatsoever for damages.</p>  |
|                    | <p>2- Proprietors shall be in charge of costs of any kind whatsoever resulting from abandoning goods at customs warehouses.</p>   |
| <b>Article 437</b> | <p>1- Customs should sell goods by auction, except monopolized goods or strictly prohibited goods such as firearms, ammunitions, explosives, drugs and similar prohibited substances, other than those intended for pharmaceutical use and approved for sale by the Ministry of health.</p>   |
|                    | <p>2- Goods should be sold free of all due duties and costs.</p> <p>3- Payments should be settled in cash; the successful bidder may dispose of goods as if they were imported, and may qualify such goods for all statuses allowed by the laws and regulations in effect, provided that the said bidder eliminates restrictions on such goods if there were any.</p> <p>4- Shall not be offered for sale, small quantities of perishable foodstuffs, the expenses of which cannot be covered by the sale proceeds, therefore such products should be donated to hospitals and charitable institutions or destroyed in a regulatory manner. The Director General of Customs shall set the rules of application of this paragraph.</p>   |
| <b>Article 438</b> | <p>In principle the Director General of customs shall authorize the auction sale, he may also decide to delegate such authority to Heads of customs departments and police sections.</p>  |
| <b>Article 439</b> | <p>With exception to the sale by auction regime, the Lebanese Tobacco Regie shall sell tobacco products left at customs or not withdrawn from warehouses or products transferred to the administration, as well as seized products, at prices set by the Minister of Finance. Duties due on such products shall be deducted from the proceeds of the sale.</p>  |
| <b>Article 440</b> | <p>1- With exception to the legal provisions in force, customs sales are publicized whenever customs require, through advertisements published in one or more newspaper, or posted on customs doors.</p> <p>The announcement shall be published 10 days prior to sale. This period may be reduced, as the customs administration deems proper, in case of perishable goods. Moreover the advertisement of sale may simply be posted on the door of the customs office in case of cheap saleable goods.</p> <p>Sale in stores must occur within conditions mentioned in the published or posted announcement.</p>  |

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|                    | <p>2- The department shall, before initiating the sale of abandoned goods or goods not withdrawn from customs warehouses within regulatory limits, send a notice to the proprietors in order to allow them to withdraw their goods if they desire so.</p> <p>Should it be impossible to send personal notices to the proprietors of abandoned goods for justifiable reasons, notices should be sent to maritime agencies if delivery orders related to such goods are not issued yet. If it appears that these agencies had issued delivery orders of goods and the addresses of their owners are unknown, notices shall be sent collectively through their publication in one or several newspapers or by posting them up on the customs doors.</p>  |
| <b>Article 441</b> | <p>1- The selling price shall be determined by the customs administration; however such price shall not be lesser than the duty value if goods are subject to a specific duty.</p> <p>The customs administration may, if need be, allow the sale of goods if the offered price is not equivalent to the value of due duties. In that case the total amount of sale shall be allocated for the payment of duties, after the deduction of all preferred expenses.</p> <p>If no purchasers present themselves, after two consecutive bids, within the conditions prescribed in the two previous paragraphs, the administration shall have the right to destroy such goods automatically by virtue of an authorization from the Director General of Customs. Should this be the case, a proceeding concerning this destruction should be filed.</p> <p>If the goods are in a fit state for use or consumption, the Director General of Customs may permit the donation of such goods to hospitals and charitable institutions instead of their destruction.</p> |
|                    | <p>2- If goods are unfit for consumption, and should the administration fail to sell such goods for re-exportation, such goods may be retained for the use of the customs police, the Army, the Internal Security Forces, the Public Order or the State Order, following the approval of the Minister of Finance.</p>   |
| <b>Article 442</b> | <p>In principle, the sale made by customs shall be subject to the effective legal provisions in connection with the delay of sale or with the desultory auction. The customs shall be in charge of altering or delaying the sale, instead of Executive Departments.</p>   |
| <b>Article 443</b> | <p>All proceeds from the sale shall be distributed in the following order:</p> <ol style="list-style-type: none"> <li>1- Expenses of any kind whatsoever spent by the administration.</li> </ol>  |
|                    | <ol style="list-style-type: none"> <li>2- Customs duties, that shall be levied on the conditions prescribed in Article 445.</li> <li>3- Other charges and taxes according to their priority at the date of issuance of the relevant legislation.</li> <li>4- Storage and portorage charges.</li> <li>5- Transportation costs and other costs due on goods and included in relevant documents.</li> </ol> <p>In exception to the said order:</p> <p>A- Transportation costs of saleable goods as well as portorage charges in the saleroom at Beirut Port are considered preferred expenses and shall prevail on customs duties.</p> <p>B- Whenever the sale involves goods not withdrawn from private warehouses, customs duties shall be deducted from the proceeds of sale before the payment of any expenses whatsoever.</p>   |
| <b>Article 444</b> | <p>With the exception of the provisions set in the previous Article, the customs may proceed to the duty-free sale of forfeited merchandise, means of transport and things used to conceal fraud in order to fairly recompense the denouncers or the seizers, whenever the customs fail to provide such recompense from the total sum of the monetary penalty due to the occurrence of the seizure outside customs houses. Proceeds from the sale shall be distributed by virtue of a special measure issued by the relevant authority in accordance with the provisions of Article 387.</p>  |
| <b>Article 445</b> | <p>The specific customs duties shall be levied in accordance with the rules prescribed in Article 13, in accordance with all proceeds of the sale</p> <p>If sold goods are subject to ad valorem duties, this same duty shall be levied according to the price of sale.</p>   |
| <b>Article 446</b> | <p>Goods sold at customs shall be subject to the duties in effect at the date of sale, provided that they are not listed in an unsettled declaration under which such goods are offered for sale; should this be the case, duties in effect at the date of registration of the declaration shall be levied according to the value herein declared.</p> <p>Sale transactions shall occur under the surveillance of a committee formed of customs employees along with a delegate of the local Chamber of Commerce or a delegate of the local authority (Municipality or Moukhtar) if such Chamber does not exist.</p> <p>Should this delegate fail to attend, the proceedings of sale shall mention that the said delegate was legally summoned, and the issue is left aside.</p> <p>In Beirut, the committee shall get the assistance of an employee of the Company of the Port who will be in charge of goods delivery.</p> <p>If the sale occurs at the Post offices, an employee from the Ministry of Post shall assist the said committee.</p>          |

**Article  
447**

The committee's members are not allowed to participate personally in the bidding process or through a third party or a fictitious person or as agents, at the risk of cancellation of the sale, notwithstanding the penalties prescribed in the legal provisions in force.

All proceeds from the sale of merchandise shall be disposed of as follows:

- If the sale includes abandoned merchandise, the balance of the sale shall be deposited in the various trust account in order to remit it to the proprietor if he claims it within one year following the date of sale, otherwise all proceeds from the sale are deposited in the Treasury.
- If the sold goods are transferred to the customs administration, all proceeds from the sale shall be deposited in the treasury.
- If the sold goods are forfeited to customs, all proceeds from the sale shall cover the expenses of the case.

**Title Nine - Final provisions**

**Chapter One : Final Provisions**

**Article  
448**

The Customs Law of 30/6/1954 issued by virtue of the decree No.422 and the amendments in respect thereof, as well as all provisions, regulations, decisions, and administrative instructions in contradiction with this law, shall be deemed void.