

Article 39.-

Customs has privileged claim against goods and property owned by a debtor in respect of debts arising from the provisions of this Law.

Article 40.-

Collection procedures and write-offs for uncollectible debts will be based on prevailing regulations and laws.

Article 41.-

Security required by this law may be used once or continuously and may be in the form of cash, guarantees or other such instruments. The Minister of Economy and Finance may by Prakas further regulate provisions related to security.

Article 42.-

The Director of Customs may make the release of security guarantees for the export or re-export of certain goods contingent upon the provision of proof establishing that said goods have been actually exported or re-exported.

CHAPTER VII

CUSTOMS TEMPORARY STORAGE AND CUSTOMS BONDED WAREHOUSES

Article 43.-

Customs temporary storage refers to the storage of goods under Customs control in approved premises pending the completion of Customs formalities.

Licenses for the operation of a customs temporary storage facility are approved by the Minister of Economy and Finance. Such licenses will determine conditions for owners and operators including location, construction and layout of premises, and procedures for the handling and control of goods.

All costs related to customs temporary storage facilities, including maintenance and repair, are to be borne by owners or operators.

Customs temporary storage facility owners or operators are responsible for providing appropriate facilities for customs officers to carry out their responsibilities under this Law, free of charge.

The Minister of Economy and Finance may by Prakas determine all matters concerning customs temporary storage, including procedures, security guarantees, information requirements, storage time limits, and the designation of goods that may be admitted to storage, and penalties related to exceeding storage time limits.

Article 44.-

Customs bonded warehouses are facilities where goods may be placed for a specified period of time under customs control.

Placing goods in customs bonded warehouses suspends the application of the duties, taxes and restrictions for which they are liable.

There are three categories of customs bonded warehouses:

a. Public warehouses, which are licensed by the Minister of Economy and Finance, may be operated by any agency of the Royal Government, or by any person. Public warehouses are open to any person who has the right to store the goods in the warehouse.

b. Private warehouses, which are licensed by the Director of Customs, are to be used solely by specified persons to store goods for their own specific uses, including operators of duty free shops.

c. Special warehouses, which are licensed by the Director of Customs, are a type of warehouse for goods which may present a hazard, or could affect the quality of other goods, or could require special storage facilities;

Licenses for customs bonded warehouses will determine conditions for owners and operators including location, construction and layout of premises, and procedures for the control and handling of goods.

All costs related to customs bonded warehouses, including maintenance and repair, are to be borne by owners or operators.

Customs bonded warehouse owners or operators are responsible for providing appropriate facilities for customs officers to carry out their responsibilities under this Law free of charge.

The Minister of Economy and Finance may by Prakas determine all matters concerning customs bonded warehouses, including procedures, security guarantees, , information requirements, period of storage, and designation of goods that may be admitted to storage.

Article 45.-

The customs bonded warehouse operator must pay the duties and taxes on goods placed in the warehouse in the event that quantity and quality differ from the customs warehouse declaration, without prejudice to penalties incurred. If the goods are prohibited for import, the warehouse operator must also pay a sum equal to their value without prejudice to penalties incurred.

The Director of Customs may, unless approved for export, authorize either the destruction of imported goods that are spoiled in customs warehouses provided that the duties and taxes relating to what remains from this destruction are paid; or pay the duty and tax based on the condition in which they are presented to Customs.

When it is proven that the loss of goods placed in customs bonded warehouses is due to a case of *force majeure* or causes relating to the nature of the goods, the warehouse operator is exempt from having to pay duties and taxes or, if the goods are prohibited, from payment of the sum representing the value of these goods.

Article 46.-

Goods may remain in customs bonded warehouses for up to two (2) years from the date of registration.

Upon expiration of the time limits as described in the first paragraph of this Article, goods must be removed from the warehouses with the authorization of Customs. Otherwise, Customs authorities will issue a notification to the warehouse operator requiring the removal of the goods. If the demand remains without effect for a month, the goods are considered as unclaimed goods in accordance with Article 54 of this Law. Customs may collect duty and tax owing from security placed by the operator of the

warehouse, or those goods may be sold at public auction in accordance with Article 55 of this Law.

As an exception, and provided that the goods are in good condition, the time limits described by the first paragraph of this Article may be extended by up to twelve (12) months by Customs upon the request of the warehouse operator.

Article 47.-

Customs officers may carry out all necessary checks and inventories of goods in the warehouse. Operators must make goods available for such inspections.

Article 48.-

Duties and taxes applicable are those in effect on the date the customs declaration to remove the goods from the customs bonded warehouse is registered.

Article 49.-

In certain circumstances, the Minister of Economy and Finance may authorize the establishment of customs manufacturing bonded warehouses, for the purpose of processing or manufacturing of goods.

Goods accepted in customs manufacturing bonded warehouses are, unless otherwise provided by law, exempt from import duties and taxes.

Where goods are released for home use from a customs manufacturing bonded warehouse, the duties and taxes suspended under the second paragraph of this Article are assessed, based on the Customs Tariff and the rate of duties and taxes applicable as of the date of the registration of the customs declaration for admission of the goods to the warehouse.

The Minister of Economy and Finance may determine by Prakas all matters concerning customs manufacturing bonded warehouses.

Article 50.-

Operations that carry out the processing or refining of crude petroleum or bituminous minerals to obtain petroleum products must be placed under the customs manufacturing bonded warehouse regime.

The suspension from duties and taxes as prescribed in the second paragraph of Article 49 of this Law may be provided for the import of crude petroleum or bituminous minerals for processing for export.

Conditions for the implementation of the provisions of this Article are determined by Prakas of the Minister of Economy and Finance.

CHAPTER VIII

DOCUMENTS, BOOKS, RECORDS AND OTHER INFORMATION ON EXPORTS AND IMPORTS

Article 51.-

All persons engaged or involved in the commercial or institutional import or export of goods must keep accurate documents books, records and other information, including information in electronic format, pertaining to import and export.