1. The objective of the approval and publication of the present decree-law is to provide the legal system with a customs code containing a legal set-up capable of ensuring the application of customs policy measures within the framework of the commercial exchanges with other countries and, in this sense, considering the clear inadequacy of the juridical instruments currently in force on this matter, contribute towards the resolution of the challenges that the absence of a systematised, articulated and harmonious set of customs norms and procedures pose to the emerging economy of Timor-Leste as a sovereign State.

2. Along with this main objective, three other sets of related objectives are also subsidiarily contemplated in the present decree-law, as follows:

   a) To streamline and render more coherent the set of norms that constitute the customs system, and to cover the existing gaps;

   b) To encourage the application of mechanisms for the monitoring and control of customs activity by the respective authorities;

   c) To create conditions for the efficient application of the right to appeal, thereby meeting the expectations of the traders.

3. New juridical figures and concepts are introduced, of which we stress the following ones due to their relevance:

   a) The granting of the temporary deposit status to goods presented to customs until such a time as a customs-approved treatment is assigned to them;

   b) The formal adoption of the “declarant” concept and the implementation of the customs declaration theory;

   c) The several customs procedures, namely: importation for consumption, temporary importation, customs warehousing, drawback, and outward processing.
4. As regards customs procedures, we stress the customs warehousing procedure given its relevance and economic importance.

5. The normative system established in the present decree-law coherently follows-up the trajectory of the goods from the time they enter the customs territory until such a time as they are assigned a customs-approved treatment and also touches upon, albeit in a summary manner, the exit of the goods from the customs territory.

The new norms now approved, which incorporate the most recent acquis of customs legislation in the framework of the World Customs Organisation of which Timor-Leste is part, will certainly render more transparent the relations between the Customs Administration and the traders and will also contribute to the increment of the revenues obtained by the Customs and to the development of Timor-Leste’s foreign trade.

Thus, pursuant to sub-paragraph (c), item 1, of Article 97, and pursuant to sub-paragraph (e), item 1, of Article 115 and sub-paragraph (d), Article 116 of the Constitution, the Government decrees the following to have the force of law:

**Article 1**

The Customs Code published in an annex to the present decree-law, and which is part hereof, is hereby approved.

**Article 2**

(Regulatory Arrangements)

The provisions necessary to the enforcement of the Customs Code shall be the object of a ministerial order, and shall be the competence and initiative of the Minister of Planning and Finance.

**Article 3**

(Revocatory Norms)

Identical provisions that are contrary to the provisions contained in the present Customs Code are thereby revoked.

**Article 4**

(Entry into Force)

The present decree-law shall enter into force one hundred and eighty days after its publication.

Approved by the Council of Ministers on 31 March 2004.
The Prime Minister
  [Signed]
  (Mari Bin Amude Alkatiri)

The Minister of Planning and Finance
  [Signed]
  (Maria Madalena Brites Boavida)

Promulgated on 11 May 2004.

To be published.

[Signed]

The President of the Republic

Kay Rala Xanana Gusmão
ANNEX

CUSTOMS CODE

TITLE I

GENERAL PROVISIONS

CHAPTER I

SCOPE AND BASIC DEFINITIONS

Article 1

(Scope)

The present Code, the provisions to be adopted for its regulatory arrangements, as well as other norms regulating customs activity, shall constitute the customs legislation applicable:

a) to the customs territory of Timor-Leste;
b) to trade between Timor-Leste and other countries.

Article 2

(Customs Territory)

The customs territory of Timor-Leste comprises the land surface, the maritime zone and the air space demarcated by the national boundaries that historically comprise the eastern part of Timor island, the enclave of Oecussi Ambeno, the island of Atauro and the islet of Jaco, pursuant to the Constitution of the Republic and to Law No. 7/2002 of 20 September, including the other islands and natural or artificial formations and platforms of prospection and exploration of resources.

Article 3

(Basic Definitions)

For the purposes of the present Code, the following definitions shall apply:

1. “Presentation of goods to Customs” means the notification to the customs authorities, in the manner laid down, of the arrival of goods at the customs office or at any other place designated or approved by the customs authorities.

2. “Customs authorities” means the authorities responsible, inter alia, for applying customs rules.
3. “Release of goods” means the act whereby the customs authorities make goods available for the purposes stipulated by the customs procedure under which they are placed.

4. “Customs declaration conference” means the operations undertaken by the customs authorities to ensure that the declaration of goods is correct and that the necessary justifying documents meet the required conditions.

5. “Customs control” means the set of measures through which the customs authorities certify the exactness and the authenticity of the declarations through the examination of the documents, books, records, accounting systems, and relevant commercial data held by the interested parties.

6. “Decision” means any official act by the customs authorities pertaining to customs rules giving a ruling on a particular case, such act having legal effects on one or more specific or identifiable persons.

7. “Customs declaration” means the act whereby a person indicates, in the form and manner prescribed by the customs authorities, the customs procedure to be applied to the goods and notifies the details the reference of which is required by the customs for the procedure to be applied.

8. “Declarant: means the natural or legal person authorised by the customs to comply with the fiscal obligations relating to the declared customs procedure.

9. “Customs clearance” means the compliance with the customs formalities as required in order to bring goods into consumption, to export them, or to submit them to another customs procedure.

10. “Customs-approved treatment” means:

   a) the placing of goods under a customs procedure;
   b) their entry into a free zone or free warehouse;
   c) their re-exportation from the customs territory;
   d) their destruction;
   e) their abandonment to the Treasury.

11. “Customs office” means any office at which all or some of the formalities laid down by customs rules may be completed.

12. “Supervision by the customs authorities” means action taken in general by those authorities with a view to ensuring that customs rules and, where appropriate, other provisions applicable to goods liable to customs supervision, are observed.

13. “Customs formalities” means the set of operations that must be undertaken by the interested people and the customs services in order to comply with the customs rules.
14. “Customs legislation” means the set of legal and regulatory provisions relating to importation, exportation, transportation or storage of goods the application of which is the responsibility of the customs, as well as any other legal and regulatory provisions established by the customs authorities in the framework of their competencies and functions.

15. “Goods” means any good susceptible of a customs operation.


17. “National goods” means goods originating from the national territory;

18. “Nationalised goods” means non-national goods found in the national territory and released from customs action;

19. “Customs operation” means any operation of embark, disembark, entry, exit, movement, deposit or transit of goods object of foreign trade and subject to customs control;

20. “Person established in Timor-Leste” means:
   a) in the case of a natural person, any person who is normally resident in Timor-Leste;
   b) in the case of a legal person or an association of persons, any person that has in Timor-Leste its registered office, central headquarters, or a permanent business establishment.

21. “Person” means:
   a) a natural person;
   b) a legal person;
   c) an association of persons recognised as having the capacity to perform legal acts but lacking the legal status of a legal person.

22. “Appeal” means: The act through which a person directly interested and who considers to be aggrieved by a decision or omission of the customs authorities appeals to a competent authority.

23. “Customs procedure” means the set of legal and regulatory formalities that determine the legal status of goods to be introduced into the customs territory.

24. “Refund” means the reimbursement, in total or in part, of the customs duties and any other duties and taxes paid in excess of the due amount on the goods declared for a customs procedure.
25. “Customs territory” means the territory where the customs rules are applied in a uniform manner.

26. “Examination of goods” means the set of procedures through which the customs undertakes the physical examination of the goods in order to ensure that their nature, origin, state, quantity and value are in conformity with the data contained in the declaration of goods.

CHAPTER II
(Jurisdiction of Customs and External Inspection)

SECTION I
(Customs Jurisdiction)

Article 4
(Scope of Jurisdiction)

1. The jurisdiction of customs shall be permanent and under its direct action:
   a) at ports, bays, rivers, and anchorages;
   b) in territorial waters;
   c) in a land strip of 10 km from the coast;
   d) in a land strip of 10 km from the land border;
   e) at airports and aerodromes and in a land strip of 2 km around them;
   f) in duty-free areas, warehouses and other customs deposits in an adjacent land strip of 2 km around them;
   g) in the maritime platforms and in an aquatic strip of 2 km around them.

2. In the exercise of their competency and in the framework of their jurisdiction, customs authorities may adopt, throughout the national territory, all actions of inspection and control measures they deem necessary for the correct application of customs rules.

SECTION II
(External Inspection)

Article 5
(Land Inspection)

1. Land inspection shall be ensured by customs authorities, and the external side of the customs buildings and respective dependencies, including the warehouses, free zones and customs deposits, shall be permanently protected.
2. Customs inspection services shall be provided with adequate and duly identified means of transport for each type of operation to be undertaken,

3. The identification of the means of transport referred to in paragraph 2 may be hidden whenever customs authorities deem it to be appropriate and convenient.

4. Inspections referred to in paragraph 1 shall be undertaken pursuant to customs legislation and to general as well as specific instructions established to that effect.

5. Where they deem it to be necessary in order to enforce the compliance with the obligations imposed by law, customs authorities shall request the intervention of security forces to maintain law and order.

6. The security forces for the maintenance of law and order shall be obliged to provide the support requested from them by the customs authorities under pain of qualified disobedience.

7. Customs inspection officers may be equipped with self-defence weapons whenever deemed necessary for their own defence and for the defence of the interests of the State.

8. The weapons referred to in paragraph 7 above shall be the object of a requisition by the Customs Controller, upon prior authorisation of the Minister of Planning and Finance, to the competent national security authority and they shall be part of the customs property, which shall establish an inventory for their custody.

9. Once the inspection has been completed, the customs officers shall deposit the weapons in the respective arms depot.

10. A report shall be made about all the measures taken. Where violations to customs legislation are detected, a record shall be prepared pursuant to the present Code and to other applicable legislation.

**Article 6**

**(Maritime and Fluvial Inspection)**

External inspection in ports, bays, anchorages and rivers shall be undertaken, *mutatis mutandis*, pursuant to the provisions of Article 5 above.

**Article 7**

**(Aerial Inspection)**

Aerial inspection shall be exercised, *mutatis mutandis*, pursuant to the provisions of Article 5 above.
SECTION III
(Miscellaneous Provisions)

Article 8
(Right to Declare)

1. Declaration of goods to the customs shall be the responsibility of the owner or consignee of the goods.

2. The owner or consignee of the goods may, for the purposes of paragraph 1 above, make himself or herself represented before the customs by a person duly authorised by him or her.

Article 9
(Duty to Decide)

1. Decisions and procedural acts of customs authorities shall be made at the shortest period of time, shall be duly founded, and shall only produce effects in relation to the addressees where the latter have been duly notified.

2. Without prejudice to the right of appeal, decisions and procedural acts shall be immediately enforceable once the addressees have been notified.

Article 10
(Obligation to Inform)

Any interested person may request the customs authorities to provide him or her with information concerning the application of customs legislation, which shall be provided free of charge.

Article 11
(Duty to Cooperate)

For the purposes of the correct application of customs legislation, any person directly or indirectly involved in a customs operation shall provide the customs authorities with all the requisite documents and information, including all the requisite assistance, at their request and by any time limit prescribed.

Article 12
(Confidentiality)

Any information which is by nature confidential or which is provided on a confidential basis shall be covered by the obligation of professional secrecy and shall not be disclosed by the customs authorities without the express permission of the person or authority providing it.
Article 13
(Conservation of Documents)

1. For the purposes of control by the customs authorities and without prejudice to the provisions relating to forfeiture and to prescription of customs debts, the persons concerned shall keep the documents relating to all foreign trade operations for a period of five calendar years.

2. The period referred to in paragraph 1 shall run from the time when, pursuant to the procedure in question, the declarant or interested party has undertaken or should have undertaken the acts that complete the procedure.

3. Customs authorities are authorised to examine the accountancy as well as the books and the correspondence relating to exportation or importation.

4. Whoever hinders or fails to readily produce the documents referred to in paragraph 1 shall be subject to administrative fine.

Article 14
(Customs Archives)

1. The customs administration shall establish a general archive as well as archives for each customs or customs delegation.

2. The time limits for keeping customs documents in archives by customs offices shall be the following:

   a) Administrative documents: three years, after which they shall be packed and forwarded to the general archives with a remittance slip;
   b) Income documents: five years, after which they shall be packed and forwarded to the general archives with a remittance slip;

3. Once the time limits for keeping customs documents in archives referred to in paragraph 2 have been expired, and once the documents have been forwarded to the general archives, they shall be kept in the general archives for a complementary period of ten years.

4. It is incumbent upon the general archives to classify the documents with historic value, which shall be kept for an indefinite period.

5. For the purposes of the present Article:

   a) Income document shall mean each and every customs declaration through which a customs debt has been incurred pursuant to Article 13 et al of the present Code;
b) Administrative document shall mean all the other documents.

Article 15
(Extension of Time Limits)

Where a period, date or time limit is laid down in the customs rules, such period shall not be extended and such date or time limit shall not be deferred unless specific provision is made in a legal or regulatory instrument.

Article 16
(Simplification of Procedures)

The customs authorities shall determine which cases and under which conditions the application of customs legislation may be simplified.

TITLE II
FOREIGN TRADE DATA

Article 17
Competence of the Customs

1. Customs administration shall ensure the collection of statistical data relating to foreign trade operations.

2. Data collection shall be undertaken altogether through sample no. 2 of the Single Administrative Document (DAU).

3. Where the customs declaration is made verbally and results in the payment of customs duties and other charges, the customs shall prepare a specific model of statistical document.

4. The competent service of the Customs Service of Timor-Leste shall prepare the foreign trade statistics of the previous month by the last day of each month.

5. Annual foreign trade statistics shall be published until the 1st quarter of the ensuing year.

TITLE III
CUSTOMS SYSTEM

CHAPTER I
(Customs Tariffs. Classification and Taxation of Goods)
Article 18
(Taxation of Goods)

1. Goods imported into the customs territory or exported therefrom shall be subject to the charges contained in the Timor-Leste Customs Tariffs (PAT) in accordance with the classification awarded to them by customs.

2. Timor-Leste Customs Tariffs shall comprise:


b) The fees of the duties and other taxation details set in relation to each tariff item;

c) The fees of the excise taxes and sales taxes;

d) The suspensive measures and exemption of rights;

e) The Preliminary Instructions.

CHAPTER II
(Origin of the Goods)

Article 19
(Country of Origin)

1. Goods originating in a country shall be those wholly obtained in that country.

2. The expression “goods wholly obtained in a country” means:

a) Mineral products extracted from the soil or subsoil of that country;

b) Vegetable products harvested in that country;

c) Live animals born and raised in that country, including hunting, fishing, and fishery production;

d) Products of sea-fishing and other products taken from the sea outside a country’s territorial sea of any country by vessels registered in the country concerned and flying the flag of that country;
e) Goods obtained on board factory ships from the products referred to in subparagraph (d), provided that such factory ships are registered in that country and fly its flag;

f) Products taken from the seabed or subsoil beneath the seabed outside the territorial sea, provided that that country has exclusive rights to exploit that seabed or subsoil;

g) Waste and scrap products derived from manufacturing operations and used articles, provided that they were collected therein and are fit only for the recovery of raw materials;

h) Goods which are obtained in the country concerned exclusively from the goods referred to in subparagraphs (a), (b), and (c).

Article 20
(Proof of Origin)

1. Whenever requested, a certificate of origin or its equivalent document shall be produced as proof of the origin of the goods.

2. In case of serious doubts, the customs authorities shall require the presentation of additional proof of the origin of the goods.

CHAPTER III
VALUE OF GOODS FOR CUSTOMS PURPOSES

Article 21
(Transaction Value)

The customs value of the goods shall be the transaction value, that is, the price actually paid or payable for the goods when sold for export to the importing country, adjusted, where necessary, in accordance with the following articles.
Where the value of an imported good as indicated in the invoice is lower than the fair market value of the same good, the customs authorities may calculate the fair market value of the transaction by referring to similar transactions value among parties operating on a commercial basis.

Article 22
(Details to be added to Transaction Value)

1. In determining the customs value under Article 21, there shall be added to the price actually paid or payable for the imported goods:
a) The following charges, to the extent that they are incurred by the importer but are not included in the price actually paid or payable for the goods:

i) Commissions and brokerage, except buying commissions;
ii) The costs of containers, which are treated as being one, for customs purposes, with the goods in question;
iii) The cost of packing, whether for labour or materials;

b) The value of the following goods and services indicated where supplied directly or indirectly by the buyer free of charge or at 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:

i) Materials, components, parts and similar items incorporated in the imported goods;
ii) Tools, dies, moulds and similar items used in the production of the imported goods;
iii) Materials consumed in the production of the imported goods;
iv) Engineering, development, artwork, design work, and plans and sketches undertaken elsewhere other than the importing country and necessary for the production of the imported goods;

c) Royalties and licence fees related to the goods to be 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 fees are not included in the price actually paid or payable;

d) 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;

e) The cost of transport and insurance of the imported goods to the place of introduction into the customs territory of the importing country.

2. Additions to the price actually paid or payable shall be made under this Article only on the basis of objective and quantifiable data.

3. No additions shall be made to the price actually paid or payable in determining the customs value except as provided in this Article.

4. For the purposes of this Chapter, the term “buying commissions” means fees paid by an importer to his or her agent for the service of representing him or her in the purchase of the goods being valued.
5. Without prejudice to the provisions of paragraph 1 (c):

a) Charges for the right to reproduce the imported goods in the customs territory of the importing country shall not be added to the price actually paid or payable for the imported goods in determining the customs value;

b) Payments made by the buyer for the right to distribute or resell the imported goods shall not be added to the price actually paid or payable for the imported goods if such payments are not a condition of the sale for export.

**Article 23**

(Details not to be included in the Transaction Value)

The customs value shall not include the following details, provided that they are shown separately from the price actually paid or payable:

a) Charges for the transport of goods after their arrival at the place of introduction into the customs territory of the importing country;

b) Charges for construction, erection, assembly, maintenance or technical assistance, undertaken after importation of imported goods such as industrial plants, machinery, or equipment;

c) Charges for interest under a financing arrangement entered into by the buyer and relating to the purchase of imported goods, irrespective of whether the finance is provided by the seller or another person.

**Article 24**

(Exchange Rate)

1. Where there is a need to convert a currency in order to determine the customs value, the exchange rate to be used shall be the latest one published by the authorities competent in the matter.

2. The exchange rate to be used shall be the one in force at the date of acceptation of the customs declaration.

**Article 25**

(Administrative Penalty for Incorrect Declaration of Customs Value)

A person who declares an incorrect customs value that results in an underpayment of customs and other duties shall be subject to administrative fine.
TITLE IV
MEANS OF TRANSPORT

CHAPTER I
General Provisions

Article 26
(Registration of the Means of Transport)

1. The registration of entry and exit of all means of commercial transport to be made at the competent customs on arrival at, or exit from, the customs territory, shall be mandatory.

2. The registration shall be organised by type of transport in relation to every calendar year and by numerical sequence starting from number one in each of the competent customs for the effect.

3. The registration of the entry of motor vehicles for passengers and of goods to be brought into consumption shall be made at the customs office on arrival at the territory after an entry registration number has been granted. The customs office shall issue a free circulation slip, in quadruplicate, which shall be valid for a non-extendable period of sixty days.

4. The provisions of the preceding items shall apply, mutatis mutandis, to recreational vessels.

CHAPTER II
Entry of the Means of Transport

Article 27
(Customs Visit)

1. The customs authorities shall undertake entry customs visits to all means of transport entering the customs territory.

2. Without prejudice to the customs visits referred to in paragraph 1, the customs authorities may undertake other visits to other places or commercial establishments whenever they deem it convenient or necessary.

3. The placement of customs inspection officers aboard means of transport for permanent surveillance shall be determined by the customs authorities whenever they deem it necessary or whenever the person in charge of the means of transport or his or her representative so requests.
Article 28
(Entry of Merchant Ships)

On undertaking customs visits, ship captains or masters, or their port agents, shall handover the following to the customs authorities:

1. A declaration containing:
   a) The name of the ship;
   b) The nationality of the ship;
   c) The name of the captain or master;
   d) The tonnage;
   e) The ports the ship originates from;
   f) The number of crew;
   g) The number of passengers bound to the port and the number of passengers in transit;
   h) The description of the cargo;
   i) The kind of inflammables or explosives the ship carries and the respective quantities;
   j) The commercial operation it is expected to undertake in the port or, where it is not a commercial operation, the reasons of the entry;
   k) The number of mail pouches and their origin;
   l) The identification of the consignee;
   m) In case of bringing in weapons, the respective quantity and quality.

2. Manifest, per each origin, of the cargo destined to the port accompanied by a set of copies of the bill of lading.

3. Listing of the volumes of commercial samples and of non-manifested orders.

4. Listing of volumes constituting assets together with the respective inventory.

5. Listing of foodstuffs and spare-parts, including the tobacco intended for consumption by the crew and for consumption onboard.
6. In-transit cargo manifest.
7. Declaration relating to the existence of goods intended for sale onboard.
8. Declaration relating to luggage of the crew disembarking in the port and authenticated by the ship captain or master.
9. The copies of the bills of lading referred to in paragraph 2 must contain the brands, the number and nature of the volumes, the generic designation, the weight and the value of the goods, as well as the date and the port of loading.
10. Listing of duly identified passengers to disembark, as well as an individual listing of hold luggage and cabin luggage.
11. Where, for reasons of Force Majeure, the ship captain or master is unable to handover the documentation referred to in the preceding paragraphs at the time of the customs visit, he or she shall be given a period of four hours to handover such documentation at the competent customs office.
12. Customs authorities undertaking a customs visit shall:
   a) Take note of the irregularities found and, where the irregularities found constitute a violation of the legislation in force, shall prepare the respective record;
   b) certify, date and sign the cargo manifests after the ship captain or master, or their port agent, have done likewise;
   c) release the ship after the necessary formalities have been complied with.
13. At the time of handing over the documents referred to in the preceding paragraphs, the ship captain or master may present the declarations deemed convenient about the manifested cargo which:
   a) has been consumed;
   b) has been sold;
   c) in relation to which he or she has doubts as to its quantity.
14. The volumes of commercial samples and orders not manifested as well as the declared assets shall be unloaded together with the remaining goods for presentation to the customs.
15. Tobacco, alcoholic beverages and other sensitive goods exceeding the quantities attributed to each crew member shall be sealed in a ship compartment and placed under the responsibility of the respective captain or master, and such seals shall not be removed before the ship leaves the port.

16. Bar or dock pilots shall be considered representatives of the customs authorities until they board the ship to identify possible violations of legal provisions.

**Article 29**
*(Handover of Manifest)*

1. Ship captains or masters or their port agents shall present the manifest as translated into one of the official languages within the non-renewable period of four days.

2. The presentation of manifest referred to in paragraph 1 above shall take place at the customs office of the entry port.

**Article 30**
*(Ships in Transit)*

Goods transported in transit ships shall always be declared by the ship captain or master to the customs office of the port of transit, which shall control the embarking and disembarking operations of the goods and shall keep them under permanent supervision.

**Article 31**
*(Responsibility for the Manifested Goods)*

1. The ship captain or master shall be responsible for the quantity of volumes declared in the manifest and shall ensure that there is no discrepancy between the cargo manifest and the bills of lading.

2. Goods not included in the manifest presented in accordance with the norms of the present Code shall be declared as forfeited to the Treasury by instruction of the Customs Controller.

**Article 32**
*(Missing Goods)*

1. Where there are declared volumes that are missing, the ship captain or master shall, at the time of the customs visit or within twenty-four hours upon the release of the goods for free circulation, declare in writing the quantity, quality, origin, and destination of the volumes, as well as the reasons for their missing.

2. Non-compliance with the provisions of paragraph 1 shall be considered **avoidance of customs duty** and shall be punishable in accordance with the law.
CHAPTER III
(Exit of the Means of Transport)

Article 33
(Permit to Leave)

The captains or masters of the ships shall request clearance of ships by the customs after they have obtained the health certificate.

The permit to leave shall contain the identification of the entry signal, the identification of the port of destination, as well as copies of the bills of lading, of the cargo, and of the lists of passengers or ballast, as the case may be.

Article 34
(Time Limit for Exiting)

Once the permit to leave has been granted, the ship shall abandon the port within twenty-four hours under pain of rendering the permit to leave null and void.

Article 35
(Cargo Manifest)

Four days after the permit to leave has been granted, ship owners, their agents, or their representatives shall present copies of the cargo manifests, in one of the official languages, indicating the forwarders, the consignees, and, where necessary, a list of passengers embarked.

CHAPTER IV
(Liners, War Ships and Recreation Boats)

Article 36
(Facilities)

1. Liners, war ships and recreation boats shall enjoy the following privileges:

   a) Possibility to moor, with or without authorisation from the Customs, as long as they moor in the areas habitually set for that purpose;

   b) Preference in the issuance of permits to leave.
2. Commanders of national war ships originating from foreign ports shall present a declaration containing the following information to the customs of the port in which they moor:

a) The name of the ship;
b) The name of the commander;
c) The port of origin;
d) The number of crew and officers;
e) The number of volumes of cargo belonging to the State;
f) The number of volumes of cargo belonging to private individuals;
g) The number of passengers;
h) The number of volumes of luggage belonging to the crew, including officers;
i) The number of volumes of luggage belonging to private individuals.

3. Where the ship transports cargo, the respective cargo manifests shall be presented in separate.

4. The luggage of officers and rank and file of war ships originating from foreign ports, as well as the luggage of their family members accompanying them, including the goods liable to duties, shall be contained in a list issued and certified by an officer on board for presentation to the closest custom office, which shall examine and check them.

5. The competent naval military authorities shall be notified of the non-compliance with the provisions of the preceding paragraphs for disciplinary purposes. Failure to declare goods shall be considered avoidance of customs duty, which shall be subject to applicable provisions on customs rules violations.

CHAPTER V
(Local Traffic Boats)

Article 37
(Mooring Place)
Whenever deemed necessary, customs authorities may agree with the maritime authorities in designating anchorages for local traffic boats.

Article 38
(Mandatory Documents)

Local traffic boats carrying any type of cargo, passengers or crew must bring along a cargo waybill and a list of passengers or crew issued at the origin for presentation to the customs or, in the absence of the latter, to the closest authority.

Article 39
(Transfer of Cargo)

1. Where a local traffic boat has received cargo from another boat and intends to transfer part of such cargo to a third boat in order to be unloaded elsewhere, the master of the boat or the owner of the cargo shall submit such a request to the customs authorities, which shall issue a note for the cargo transferred and shall register it in the original unloading waybill.

2. The transfer of cargo from one boat to another shall be conferred and conducted under the supervision of customs inspectors, who shall accompany the boat until its destination.

Article 40
(Sealing)

1. Boats may be the object of customs visits during loading and unloading operations.

2. Where a customs visit cannot take place to the satisfaction of the customs authorities in relation to any volume or part of cargo or to a compartment of the boat, the volumes, the cargo and the compartments concerned shall be sealed in order to guarantee their ulterior effective control.

CHAPTER VI
(Entry and Exit of Aircraft)

Article 41
(Customs Visits)
Whenever deemed necessary, customs authorities shall undertake customs inspection visits on arrival immediately after the landing of aircraft.

**Article 42**  
*(Handover of Manifest)*

1. Cargo manifests and air waybills relating to goods shall be presented to the customs authorities within three hours of the landing of aircraft.

2. *Mutatis mutandis*, the provisions of Article 27 et al shall apply to aircraft.

**CHAPTER VII**  
*(Miscellaneous Provisions)*

**Article 43**  
*(Procedure for Stay of Vessels and Prohibition of Sales on Board)*

1. Save in case of Force Majeure duly justified and accepted by the customs and without prejudice to conventional provisions in force, foreign merchant and recreation boats remaining in the country for more than a year shall be subject to temporary import regime upon expiration of that period.

2. The sale onboard of any type of goods during the period the boats remain in the country shall be prohibited and, where deemed necessary, the customs authorities may seal the compartments where the goods are stored or from where they can be sold.

**Article 44**  
*(Embarking of Goods for Own Consumption)*

Items embarked for onboard consumption shall be the object of export declaration and shall only be consumed after the boat has been given permit to leave.

**TITLE V**

**UNLOADING AND LOADING OF GOODS. DISEMBARKING OF PASSENGERS AND LUGGAGE**

**CHAPTER I**  
Unloading of Goods

**Article 45**  
*(Authorisation to Unload)*
1. Goods may only be unloaded or transhipped from the means of transport in which they are upon authorisation from the customs authorities and at the places designated for such operations.

2. The authorisation referred to in paragraph 1 shall forego in case of imminent danger prompting the immediate total or partial unloading of the goods. In such cases, the customs authorities shall be immediately informed of the fact.

3. The customs authorities may at any time request the unloading and unpacking of goods in order to guarantee their control as well as the control of the means of transport carrying them.

4. The Decree-Law on the General Bases of the Legal Regime for the Management and Regulation of Fisheries and Aquaculture shall apply to fishing boats.

**Article 46**

*(Prohibition to change place of Unloaded Goods)*

No goods shall be removed from the place where they have been initially placed after being unloaded without authorisation from the customs authorities.

**Article 47**

*(Checking of Unloaded Goods)*

1. The customs authorities shall appoint officers to crosscheck the goods declared for unloading. Once unloading is completed, the customs checking officer shall prepare an unloading report containing namely:

   a) The identification of the means of transport;

   b) The commercial designation of the goods, their provenance and origin;

   c) The number of volumes and the weight of the unloaded goods.

2. Where violations to customs rules are found, a communication shall be made to the customs supervisor, who shall prepare the record.

3. The unloading report and the communication thereof shall be dated and signed by the checking officer and certified with the customs stamp, and a copy thereof shall be attached to the record.

**Article 48**

*(Checking of Cargo)*

The provisions of the preceding article shall apply, *mutatis mutandis*, to the embarkation of goods declared for exportation.
CHAPTER II
Disembarking of Passengers and Luggage

Article 49
(Revision of Luggage)

1. Passengers may disembark as soon as free circulation has been given to the boat, and they shall be free to carry their luggage that are not contained in the manifest, which shall be forwarded to the revisions places.

2. Passengers bringing goods of a commercial nature in their luggage shall expressly inform the customs of the fact, under pain of fine.

3. Whenever, while revising the luggage, customs authorities detect goods with a commercial nature, they will separate the luggage in order to tax them.

4. Where the goods contained in accompanied luggage are attributed a commercial character, the customs authorities shall retain them and shall prepare the respective separation of luggage in a specific form.

5. Where the customs authorities find goods which, according to the law, are import-prohibited, they shall seize them and, if deemed necessary, shall detain the passenger.

6. Seized goods shall remain under the custody of the customs authorities until such a time as the competent authorities determine their treatment.

7. All expenses inherent in violations so committed shall be borne by the passenger.

TITLE VI
TITLE DEEDS

Article 50
(Definition of Title Deeds)

The following shall be considered title deeds:

a) Bills of Lading, with respect to goods transported by sea;

b) Airway Bills, with respect to goods transported by air;
c) Commercial invoices, their duplicate or equivalent documents, with respect to goods transported by land;

d) Other documents expressly accepted by customs.

**Article 51**
*(Certificate of Origin)*

When, for purposes of certifying the origin, interested parties present bills of lading, in case of sea transport, or airway bills, in case of air transport, or original invoices, in case of other modes of transport, the customs authorities shall check, cancel and file copies of such documents along with the manifest, and shall return the originals to the interested parties.

**TITLE VII**
**BRINGING GOODS INTO THE CUSTOMS TERRITORY**
**PRESENTATION TO CUSTOMS**

**CHAPTER I**
*(Bringing Goods into the Customs Territory)*

**Article 52**
*(Goods Inspection)*

1. Once brought into the customs territory, goods shall be liable to control and may be submitted to customs inspection in accordance with the law in force.

2. Goods brought into the customs territory shall remain under inspection for the time deemed necessary to determine, or change, their status, to place them in a free zone or free warehouse, to re-export them, destroy them, or to abandon them to the Treasury.

3. Whoever takes on the responsibility for the transportation of the goods after they have been brought into the customs territory, namely following transhipment, shall have the responsibility to ensure the compliance with the obligation referred to in paragraph 1.

4. The transportation referred to in paragraph 3 shall take place under a transit declaration, issued in triplicate, which shall accompany the goods.

5. Originals of transit declarations shall be filed at the customs office of transhipment and the respective duplicates and triplicates shall be handed over by the carrier to the customs office of destination.
6. The customs office of destination shall certify, date, and cancel the triplicate of the transit declaration and shall return it to the customs office of departure.

Article 54
(Obligation to Handover Goods to Customs)

The provisions of paragraph 1 above shall be equally applicable to goods prohibited from circulation and to goods in illegal position seized by other authorities.

Article 55
(Impossibility to bring Goods to Customs)

1. Where, following an act of God or of Force Majeure, it is not possible to comply with the obligation provided for in paragraph 1 of Article 53 above, the person liable to complying with such obligation or his/her representative shall immediately inform the customs authorities of that situation.

2. Where the act of God or of Force Majeure has not prompted the entire loss of the goods, the customs authorities shall in addition be informed of the exact place where the goods are kept.

3. Customs authorities shall determine the measures deemed necessary to ensure the inspection of the goods referred to in paragraph 1 and, if necessary, ensure their ulterior presentation to a customs office or to any other place designated by them.

CHAPTER II
Presentation of Goods to Customs
Obligation to Assign a Customs-Approved Treatment
Temporary Deposit

Article 56
(Presentation of Goods to Customs)

1. Goods taken to customs by virtue of Article 53 must be presented to customs authorities by the person who brought them into the customs territory or, where it is the case, by the person responsible for their transportation after they have been brought into the customs territory.

2. A person who brings goods into the customs territory and who does not comply with the obligation referred to in paragraph 1 shall be subject to administrative fine.
3. A person responsible for the means of transportation who does not comply with the obligation to present the goods to customs in accordance with paragraph 1 shall be obliged to pay the customs duties of the missing goods at the time of unloading whenever there is a causal connection between the missing of goods and the impossibility of customs control prompted by the non-compliance with the provisions of paragraph 1. In this case, the person responsible for the means of transport shall be subject to administrative fine.

4. Where the number of unloaded volumes exceeds the number of volumes notified to the customs, the person responsible for the means of transport who does not comply with the obligation to present the goods to customs in accordance with paragraph 1 shall be subject to administrative fine.

Article 57
(Others Obliged to Present)

The provisions of Article 56 shall not bar the application of specific provisions relating to goods transported by travellers.

Article 58
(Previous Examination. Taking of Samples)

Once presented to customs, and upon prior authorisation from customs authorities, goods may be subject to examination or to taking of samples in view of their classification and assignment of a customs-approved treatment, and the related expenses shall be borne by the declarant.

Article 59
(Obligation to Assign a Customs-Approved Treatment)

1. Goods presented to customs must be assigned a customs-approved treatment.

2. Assignment of customs-approved treatment shall take place within the following time limits, to be counted from the date of presentation of the goods to the customs:
   
   a) Thirty days for goods arrived by sea;
   
   b) Twenty days for goods arrived by any other way.

3. The provisions of the preceding paragraphs shall not bar the application of prohibitions or restrictions on grounds of morality and public security, health protection and protection of the lives of people and animals, preservation of vegetables and the environment, protection of national artistic, historic, or archaeological property, or protection of industrial and commercial property.
Article 60  
(Temporary Deposit of Goods)

1. Goods presented to customs shall remain in temporary deposit until shall a time as they are assigned a customs-approved treatment.

2. Goods referred to in paragraph 1 may only be stored in places authorised by the customs authorities and under conditions set by them.

Customs authorities may require the person in charge of the goods to provide a guarantee in order to ensure the payment of the customs debt that may result therefrom.

Any person removing goods from the areas under customs control before their respective release for free circulation shall be subject to administrative fine.

Article 61  
(Forms of Handling)

1. Without prejudice to the provisions of Article 59, goods under temporary deposit may only undergo forms of handling that do not modify their presentation or technical characteristics.

2. Usual forms of handling intended to maintain the condition of goods shall be allowed.

Article 62  
(Delayed Goods)

1. Customs authorities shall take all measures deemed necessary, including the sale, in order to regularise the status of goods in relation to which compliance of formalities for the assignment of a customs-approved treatment has not initiated within the time limit set forth in Article 59.

2. Customs authorities may order the transfer of delayed goods on the account and risk of the person in charge of them to a place under customs control until such a time as the status of the goods is regularised.

Article 63  
(Listing for Auction and Sale of Delayed Goods)

1. Goods whose time limits for their storage are expired shall be considered delayed goods and shall be liable to auction.

2. After 60 days under such a situation, the goods shall be considered abandoned to the State, which shall sale them in auction, in accordance with Articles 132 et seq.
3. Owners of goods stored beyond legal time limits may clear them if they so request within the sixty days referred to in paragraph 2, provided they pay the customs duties and other duties added by a 5% fee over the value of the goods.

Article 64
(Other Provisions)

Whenever circumstances so require, customs authorities may order the destruction of the goods presented to customs.

The customs shall inform the owner and the holder of the goods of this fact. The owner of the goods shall be responsible for the payment of the expenses resulting from their destruction.

Article 65
(Goods Brought in Irregular Situation)

Without prejudice to the sanctions provided for by law, whenever the customs authorities notice that the goods have been irregularly brought into the customs territory or that they have not been submitted to customs control, they shall take the necessary measures, including the sale of such goods, in order to regularise their status.

TITLE VIII
CUSTOMS DECLARATION

CHAPTER I
(Normal Procedure)

Article 66
(Obligation to Declare)

1. Except for goods entered into a free zone, all goods brought into the customs territory shall be subject to the presentation of a customs declaration (Single Administrative Document) for any of the customs procedures provided for in this Code.

2. The customs declaration may be made verbally, in writing, or electronically, in accordance with the following provisions.

Article 67
The following non-commercial goods may be the object of a verbal declaration at their importation or exportation, following authorisation from customs authorities:

a) Goods contained in the personal luggage of travellers;
b) Goods intended to, or shipped by, private individuals;
c) Goods intended to, or shipped by, other entities.

Article 68
(Written Declaration)

1. Written customs declaration shall be made in a form approved to that effect by customs authorities, which shall be signed and contain all details needed for the application of the declared customs procedure, and, specifically, for the payment of the customs and other duties.

2. All documents whose presentation is needed for applying the declared customs procedure must be attached to the customs declaration.

Article 69
(Electronic Declaration)

1. Electronic customs declarations shall consist in the transmission to the customs authorities, by electronic process, of all details or data necessary for applying a customs procedure.

2. The details or the data referred to in paragraph 1 may be codified.

3. The identification code assigned to the declarant for purposes of fiscal identification shall be recognised as the electronic signature of the declarant in electronic declarations.

Article 70
(Documents to be added to the Customs Declaration)

1. Documents to be added to the customs declaration (Single Administrative Document) shall be those established by law for the purpose of applying the declared customs procedure, namely:

a) Commercial invoices with a generic designation of the goods as well as an indication of the respective value;
b) Documents needed in order to apply a preferential tariff regime or any other derogatory measure of the general regime applicable to the declared goods;

c) Sanitary and phytosanitary certificates, as well as certificates of quality and others;

d) Other documents needed for the application of provisions governing the bringing of goods into consumption.

2. At the time of submitting the declaration, customs authorities may require the presentation of the documents of transportation or the documents relating to the preceding customs procedure.

3. In case of a customs declaration for an economic regime subject to a prior written authorisation, a copy of the authorisation shall be attached to the customs declaration.

4. In case of a customs declaration for export or re-export, the documents needed for a correct application of the applicable duties shall be added.

5. In case of an electronic customs declaration, the documents referred to in the preceding paragraphs shall be submitted within the non-extendable time limit of twenty-four hours following the submission of the declaration.

**Article 71**
(Place for Submission of Customs Declaration)

1. Customs declarations must be handed over at the customs office where the goods are declared, and the handover may take place immediately after presentation of goods.

2. In exceptional cases duly justified, customs authorities may authorise the handover of the customs declaration before the presentation of the goods.

3. Customs declarations referred to in paragraph 2 may only be accepted after presentation of goods.

4. When receiving an anticipated customs declaration, customs authorities may determine a time limit for the presentation of goods.

5. The time limit referred to in paragraph 4 shall not exceed forty-eight hours, after which the declaration shall be considered null and void.

**Article 72**
(Effects of the Declaration)
1. Without prejudice to the application of the sanctions provided for in the law, submission of a customs declaration signed by declarants or their representatives shall be binding in relation to:

   a) The precision of the data or details contained in the declaration;

   b) The authenticity of the documents;

   c) The compliance with all obligations inherent in the placement of goods to the declared customs procedure.

2. An electronic customs declaration shall be considered as having been submitted at the time of receiving the message by the customs authorities, which shall acknowledge receipt thereof through a similar process.

3. Where a customs declaration is made electronically, and where, on an exceptional basis, the goods are not checked, declarants shall be notified of the release for free circulation through a message containing, at least, the number of registration of the declaration and the date of the release for free circulation.

   **Article 73**
   *(Acceptation of Customs Declaration)*

1. Customs authorities shall check the declarations and shall immediately accept them if they find that all the necessary requirements have been met, the necessary documents have been gathered, the customs office has jurisdiction to accept them, and the declarant is qualified as such.

2. Customs authorities shall also certify that the declarations are duly signed and that all the necessary documents are duly initialled.

3. At the time of acceptation, customs authorities shall affix the serial number, the date, and the time of acceptation to the declaration.

4. The date referred to in paragraph 3 shall be the only date considered relevant for purposes of applying all provisions inherent in the customs procedure for which the goods are declared, namely insofar as the incurrence of the customs debt is concerned.

   **Article 74**
   *(Rectification of Customs Declaration)*

1. After the customs declaration has been accepted, declarants shall only be authorised to rectify them upon request duly justified and upon presentation of a new form.
2. No rectification can result in focusing declarations on goods distinct from those initially declared.

3. Rectifications shall not be authorised if the respective request to do so has been made after customs authorities have:
   a) Informed the declarants of their intention to check the goods;
   b) Found the details to be inexact;
   c) Authorised the release of the goods for free circulation.

**Article 75**
(Invalidation of Customs Declaration)

1. At the request of declarants, customs authorities shall invalidate a customs declaration already accepted where declarants prove to the satisfaction of customs authorities that a mistake occurred in the declaration made insofar as the corresponding customs procedure is concerned or when, following special circumstances, the placement of the goods under the customs procedure for which they have been declared is no longer justified.

2. Once the customs authorities have informed the declarants of their intention to check the goods, the request of invalidation may only be accepted after the checking has taken place.

3.Invalidation of a declaration shall not bar the application of the sanctions provided for by law.

**Article 76**
(Checking of Customs Declaration)

1. When checking the customs declarations accepted in accordance with Article 73, customs authorities shall examine all documentation presented by the declarants.

2. Customs declarations shall be checked by a customs officer appointed by the supervisor of the Dispatch Service or by the supervisor of the customs office where the declaration has been accepted.

3. Customs authorities may require declarants to present any document that enable them to correctly check the details contained in the declaration.
4. Once the regular formalities have been confirmed, customs authorities shall ask the declarant to effect the payment of the customs duties and other charges due for the declared goods, and shall affix the following obligatory annotation:

*Found to be correct. Paid. Good for entry into the accounts.* To be dated, stamped and signed.

**Article 77**
*(Entry in the Accounts)*

1. Once all operations referred to in Article 76 have been performed, the customs officer in charge of checking the declaration shall be responsible for handing over the customs declaration to the accountancy sector of the Customs Dispatch Unit.

2. The accountancy sector shall assign a serial number per calendar year to each payment effected, to be written in red, and shall indicate the date, sign and register with initials in the same book.

**Article 78**
*(Checking of Goods)*

1. Customs authorities shall only check the goods contained in the declaration after the payment of the customs duties and other charges or after a guarantee thereof has been provided.

2. All goods declared for a customs procedure shall be liable to checking which, by determination of the customs authorities, may be preceded by taking of samples or by a prior examination, depending on the nature of the goods, and the quantities of goods taken as samples shall not exceed the quantity deemed necessary to enable the adequate analysis or verification, including a possible counter-analysis.

3. Expenses resulting from the taking of samples as well as from the prior examination and verification of goods shall be borne by the declarant.

4. Owners of goods or their representatives shall assist the checking of the goods. Where they cannot or are unwilling to assist the checking of the goods, the customs authorities shall check the goods without their presence.

5. The customs officer checking the goods shall be appointed by the supervisor of the Dispatch Service or by the supervisor of the customs office where the declaration has been accepted.

6. Checking the goods shall imply the examination of all details contained in the declaration and their conformity with the goods declared and the respective provisions applicable to the customs procedure.
7. Any person declaring erroneously the type and/or quantity of imported goods, thus resulting in an underpayment of import duties and other fees, shall be subject to administrative fine.

8. Any person declaring erroneously the type and/or quantity of imported goods without, however, underpaying import duties and other charges, shall be subject to administrative fine.

9. Any person declaring erroneously the type and/or quantity of exported goods may be subject to administrative fine.

**Article 79**
*(Place for Customs Examination)*

1. Where customs services decide to examine the goods, the examination shall be carried out at the places and during the times established by them.

2. In exceptional cases duly justified, examination may take place at times and places different from those established in paragraph 1, and the resulting expenses shall be borne by the declarant.

3. Declarants shall also bear the expenses resulting from the transportation of the goods and, where this is the case, the expenses resulting from the taking of samples.

**Article 80**
*(Impediment to Release for Free Circulation)*

Customs authorities shall take all necessary measures, including seizing and selling of goods, in order to regularise the position of goods for which no release for free circulation has been granted due to a fact attributable to the declarant, or whenever the goods are prohibited from import or are subject to restriction measures.

**Article 81**
*(Irregularities and Violations)*

1. Whenever a customs officer detects irregularities or violations in the process of examining goods and checking the conformity of customs declarations, he or she shall inform the supervisor of the Dispatch Service or the supervisor of the respective customs office in writing and in separate.

2. Where the irregularities do not result in losses for the Treasury, the supervisor shall determine their correction, notifying the declarant of such corrections, and
shall order the respective registration on the declarant’s individual file, without prejudice to the application of due administrative fine, in accordance with Article 78.

3. Where the customs officer notices the existence of signs of violation or crime or where he or she is informed of such signs, he or she shall order the preparation of an adequate record of the detected violation or crime.

4. After certifying the conformity of all the details contained in the customs declaration, the customs officer shall write the following on the Single Administrative Document: “Quality and Quantity of Goods Found to be in Order”. The release for free circulation shall then be issued by the respective supervisor, who shall write the following: “To be Released for Free Circulation”, and shall put the date, sign, and authenticate it with the stamp in use at the customs office concerned.

The customs officer shall always make the respective checking report, which shall indicate:

   a) Whether the checking was total or partial;

   b) Whether the customs officer weighed, counted, and measured the goods:

   c) Whether the customs officer noticed the existence of damaged packages, packages in excess, or packages missing;

   d) The numbers or references of the checked volumes.

Article 82

(Checking a posteriori and Final Checking)

1. Whenever deemed necessary, or at the request of the declarant, customs authorities shall check the customs declaration a posteriori, and shall check all customs declarations selected for the blue sorting channel.

2. In sorting out customs declarations to be submitted to the customs control referred to in paragraph 1, the customs authorities shall take into account, namely, the value, the origin, and the nature of the goods.

3. Whenever the checking a posteriori results in the detection of violations requiring an amending settlement, the customs declaration shall be attached to the
respective record and shall be transmitted within two working days to the Final Checking service for legal purposes.

4. Where the violations do not imply an amending settlement, the supervisor shall prepare a record to inform his or her respective director within a period of two working days.

CHAPTER II
(Simplified Procedures)

Article 83
(Enumeration)

1. In order to simplify completion of formalities and procedures as far as possible while ensuring that operations are conducted in a proper manner, customs authorities shall grant permission for:

   a) Customs declarations to omit some of the details referred to in Articles 68 to 70, or for some of the documents referred to in the same Articles not to be attached thereto;

   b) A commercial or administrative document, accompanied by a request for the goods to be placed under the customs procedure in question, to be lodged in place of the declaration;

   c) The goods to be entered for the procedure in question by means of an entry in the records.

2. In such cases, the customs authorities may waive the requirement that the declarant presents the goods to customs.

3. The simplified declaration, the commercial or administrative document, or the entry in the records shall contain at least the details necessary for the identification of the goods. The entry into the records shall indicate the date when it occurred.

4. The clearance of goods in a simplified manner shall only be authorised after applicable formalities have been complied with and upon presentation of a guarantee to pay the probable duties and other applicable charges.

5. The use or modification of goods before their clearance by customs, as well as their storage in a place other than the one for which the simplified procedure has been authorised, shall be punished with a suspension of that benefit for a period of six months, whether such fact is qualified as a fiscal violation or not.
6. Simplified procedures shall not be applicable to goods arrived in the country in consolidated shipment (generally known as LCL) nor to goods carried by land.

7. The implementation of the simplified procedures provided for in paragraph 1 shall take place by ministerial order on the initiative of the Minister of Planning and Finance.

TITLE IX
Customs Procedures

CHAPTER I
(Release for Consumption)

Article 84
Subjection to procedure

1. The customs procedure of release for consumption shall be applied to foreign goods brought into the customs territory for consumption in the national market.

2. The release of foreign goods for consumption shall imply the placement of the goods to customs and other duties, the compliance with all formalities referred to in Articles 66 et seq., as well as the application of all measures of commercial policy provided for by law. Goods contained in the luggage of travellers, in postal orders, or in express orders, shall be subject to the special provisions of the present Code.

CHAPTER II
(Suspensive Arrangements and Customs Procedures with Economic Impact)

A. Provisions common to several procedures

Article 85
(Definitions and Modalities)

For the purposes of Articles 86 to 125:

1. Where the term “suspensive regime” is used, it shall be understood as applying to the following procedures:

   - Temporary importation;
   - Customs warehousing;
   - Transit;
- Temporary exportation.

2. Where the term “customs procedure with economic impact” is used, it shall be understood as applying to the following procedures:

- Temporary importation;
- Customs warehousing;
- Drawback;
- Outward processing.

**Article 86**
(Requisites for Assigning Customs Procedures)

1. The use of any customs suspensive regime or of any customs procedure with economic impact shall be conditional upon authorisation being issued by the customs authorities following a written and justified request from the party concerned.

2. In order to apply for a customs suspensive regime or a customs procedure with economic impact, the applicant shall meet the following requirements, depending on the situation:

   a) Registration with the registry of authorised operators;
   b) Compulsory registration and regularisation of fiscal obligations at the Timor-Leste Revenue Service;
   c) Provide a guarantee in accordance with the terms to be determined by the customs authorities
   d) The existence of storage and control conditions for the goods to the satisfaction of the customs authorities.

**Article 87**
(Non-Fulfilment of the Customs Procedure)

1. Whenever customs authorities notice any infringement to any conditions or clauses inherent in a suspensive regime or in a customs procedure with economic impact, they shall propose the Customs Controller to cancel the authorisation and, where the proposal is accepted by the Customs Controller, they shall require the payment of the customs duties and other charges within a period of thirty days.

2. A customs procedure shall be considered discharged when the goods liable to it have been assigned to a new authorised customs procedure.
3. In the cases referred to in paragraph 1, and without prejudice to the penalties to be applied, customs authorities shall take all necessary measures to regularise the position of the goods the customs procedure for which is not consistent with the conditions laid down in the authorisation to benefit from that procedure.

B. Temporary Importation

SECTION I
General Provisions

Article 88
(Concept)

1. The temporary importation procedure shall allow the use in the customs territory, with total or partial relief from import duties and other charges and without their being subject to commercial policy measures, of non-national goods intended for re-export without having undergone any change except normal depreciation due to the use made of them.

2. Authorisation for temporary importation shall be granted at the request of the person who uses the goods or arranges for them to be used, against a mandatory provision of a guarantee that covers the charges due as if the goods were definitively imported.

3. The control \textit{a posteriori} shall be mandatory.

Article 89
(Collection of Samples and other Signs)

1. At the time of checking goods declared for temporary importation procedure, customs authorities shall take samples or signs for future examinations.

2. The provisions laid down in Article 78 shall be applicable to the results of the checking referred to in the preceding paragraph.

Article 90
(Refusal to Grant Regime)

In addition to the provisions laid down in Article 88, customs authorities shall refuse granting the regime whenever they find it impossible to ensure the identification of the goods through the taking of signs for future comparisons.

Article 91
(Temporary Importation Period)

1. Without prejudice to the special periods set by the customs authorities in the present Code or in agreements, conventions or treaties, the general period for the temporary importation of goods shall be 12 months.

2. Customs authorities may determine a shorter period at the request of the beneficiary of the procedure or when they deem it convenient.

Article 92
(Calculation of Duties)

1. The amount of customs duties and other required charges payable in respect of goods placed under the temporary importation procedure with partial relief from customs duties shall be set at 3% for every month or fraction of a month during which the goods have been placed under the temporary importation procedure.

2. The rate referred to in the preceding paragraph shall be calculated on the customs duties which would be charged to the goods on the date on which they were declared for the concerned customs procedure.

3. Save the cases where, in accordance with this Code, interest on arrears are due, the amount of customs duties and other charges shall not be higher than the amount that would be charged on the date referred to in the preceding paragraph.

4. Consumable goods shall not benefit from the temporary importation procedure with partial suspension of the payment of customs and other duties.

Article 93
(Discharge of the Procedure)

1. The discharge of the procedure of temporary importation shall be made with the re-exportation of the goods or with their declaration for a different customs procedure.

2. The discharge of the procedure of temporary importation of consumed goods, destroyed goods, or goods for free distribution shall be made at the time in which any of such effects has taken place and shall imply the payment of the entirety of the customs and other duties required at the date of acceptation of the customs declaration for the customs procedure in question.

3. In the cases laid down in the preceding paragraph, the discharge of the procedure of temporary importation with total suspension shall imply the placement of the goods under the release for consumption procedure.
4. Without prejudice to the applicable penalties, whenever the period granted for the customs procedure has been exceeded without the goods being declared for re-exportation, the beneficiary of the procedure shall be liable to the payment of the customs debt so incurred, added by the compensatory interests defined by law on the global amount of the import duties due.

5. Whoever fails to re-export the goods temporarily imported within the time limits referred to in this Article shall be subject to administrative fine.

SECTION II
(Goods susceptible of Benefiting from Total Suspension)

Article 94
(Means of Transportation)

1. For the purposes of this Article, the following terms shall have the following meaning:

a) Commercial use: the utilisation of a means of transportation for the transportation of people or goods at a cost or in the framework of the economic activity of the company;

c) Private use: the utilisation of a means of transportation excluding any commercial utilisation.

2. The total suspension of customs and other duties shall be granted to the means of land transportation and to those linked to air and maritime navigation, provided they are registered outside of the customs territory or in the name of a person established or residing outside of such territory.

3. The means of transportation shall comprise the spare parts, the accessories and the normal equipment accompanying them, including the trailers.

4. The period for the discharge of the procedure for the means of transportation of commercial use shall be set by the customs authorities in accordance with the needs of each operation of transportation.

5. The period for the discharge of the procedure for the means of transportation of private use shall not exceed thirty days and, depending on the circumstances, the customs authorities may determine a shorter period of time.

6. The period referred to in paragraph 5 can only be renewed once, for an equal period of time.

Article 95
(Palettes and Containers)

1. Total suspension of customs and other duties shall be granted to palettes and containers utilised in the packaging and transportation of goods.

2. The benefit referred to in paragraph 1 shall only be granted to containers that can be identified in accordance with international norms in force.

3. The discharge of the procedure shall take place against exportation or re-exportation of artefacts or devices of a similar type and approximate value.

Article 96
(Other Goods)

The following goods shall also be granted the benefit of total suspension of customs and other duties:

a) Material and equipment for use in sport demonstrations;

b) Unloaded material intended for the well-being of seamen and to be used on shore during their stay in the customs territory;

c) Material intended to fight the effects of catastrophes as well as surgery and laboratory material in similar conditions;

d) Animals intended for sport competitions, shows, exhibitions, fairs and similar activities;

e) Sound medium, image medium, or data medium as well as cinema, television, and graphic arts professional material;

f) Didactic materials and tools, both scientific and professional;

g) Packages, moulds, matrixes, clichés, drawings, and projects;

h) Goods, substances and instruments for essays or to be submitted to tests or essays;

i) Goods for exhibition and sale in the framework of an exhibition;

j) Spare-parts, accessories, equipment and other goods intended for repair and maintenance of goods liable to the regime.

C. Customs Warehouse

Article 97
(Concept)

The customs warehousing procedure shall allow the storage of goods in customs warehouses with suspension of customs and other duties, prohibitions, as well as other economic, tax and customs policy measures.

Article 98
(Definitions)

For the purposes of the present decree-law, the following expressions shall have the following meaning:

a) Customs warehouse: any site approved by the competent customs authority and subject to supervision, in which goods can be stored under the conditions set in the present decree-law;

b) Depository: a person authorised to explore or manage a customs warehouse and who is the fiscal responsible for the goods before the customs (holder of the authorisation);

c) Depositor: the person bound by the declaration to subject the goods to the customs warehouse regime or to whom the duties or obligations of this person have been transferred;

d) Control Customs: the customs office in which jurisdiction area the storing site is located.

Article 99
(Typology of the Customs Warehouses)

1. Depending on their utilisation, customs warehouses shall be classified as follows:

   a) Public customs warehouses;

   b) Private customs warehouses;

   c) Special warehouses.

2. Public customs warehouse shall mean any customs warehouse that can be used by any person for storing goods.

3. Private customs warehouse shall mean any customs warehouse for storing goods by the depositor without the latter being necessarily the owner of the goods. In private customs warehouses, the depository and the depositor shall be the same person.
4. Special customs warehouses shall mean public customs warehouses the management of which shall be ensured directly by the customs authorities.

Article 100
(Establishment of a Customs Warehouse)

1. Authorisation for exploring and managing customs warehouses shall be the competence of the Customs Controller, and it can only be granted when:
   a) The applicant is a person established in Timor-Leste and provides all fiscal and financial guarantees considered by the customs authorities to be necessary for the good execution of the operations;
   b) The applicant proves his or her effective economic need for storing;
   c) The customs warehouse is intended above all for storage of goods.

2. The holder of the authorisation shall meet, namely, the following conditions:
   a) Possesses a minimum capital stock of USD 5,000 in the case of a private customs warehouse, or USD 10,000 in the case of a public customs warehouse;
   b) Except for the special customs warehouses provided for in Article 99, paragraph 1, sub-paragraph c), the holder of the authorisation must have a stocks accounting, using the permanent inventory, with balance of sight transactions, in order to allow the customs authorities to have an immediate control over the goods that have entered, exited, or that remain stored in the warehouse, and to apply the correct customs procedure.

3. The authorisation may be revoked without it constituting justification for requiring any compensation where the customs authorities consider that the customs warehouse is not or has ceased to be sufficiently utilised to justify its maintenance, or where there is reiterated failure in complying with the obligations of the beneficiary as referred to in Articles 101 and 102.

4. Whenever the authorisation to manage a customs warehouse is revoked, the revocation shall be communicated to the person concerned by a registered letter, with delivery notice. The respective effects shall take place within 60 days after the reception of the communication, and the goods that remain stored in the customs warehouses shall be declared for a different customs-approved treatment within the referred period of time under pain of the goods being considered abandoned if such measures are not taken.

Article 101
(Fiscal Responsibility of the Depositor)

1. The depository shall have the responsibility to:
   a) Ensure that the goods are not removed from the customs surveillance while in the customs warehouse;
   b) Comply with the particular conditions set in the authorisation;
   c) Comply with the obligations resulting from the storage of the goods.

2. The depository shall also be responsible for the payment of the duties and other charges relating to missing goods, namely by theft or robbery, without prejudice to the possible procedure for fiscal violation, in accordance with applicable legislation.

3. Whenever he or she deems it necessary, the director of the control customs shall order the undertaking of an inventory of stocks in the customs warehouse.

4. The inventory shall be mandatory once per year, even in customs warehouses managed by customs authorities.

5. Whoever removes goods from a customs warehouse prior to the authorisation of the customs authorities shall be subject to administrative fine.

6. The holder of an authorisation who does not provide the customs with the exact quantity of the stocks existing in the customs warehouse shall be subject to administrative fine.

Article 102
(Obligations resulting from Storing Goods)

The depository or depositor, as the case may be, shall have the responsibility to comply with the obligations resulting from the storage of the goods in customs warehouses, namely:

   a) Ensure the good conservation of the goods;
   b) Ask for authorisation from the control authorities to undertake visual manipulations and temporary surveys, destroy any goods, or undertake prior examinations;
   c) Deliver to the control customs office the listing of delayed goods, whenever the time limit for storage set by the customs authorities is
exceeded without the goods being assigned to a new customs-approved treatment.

**Article 103**
(Guarantee)

1. Customs authorities may require the provision of a financial guarantee, by deposit or bank guarantee, in order to guarantee the customs duties and other charges due for the goods liable to the customs warehousing procedure.

2. The average storage capacity, the fiscal charge, and the conditions of fiscal security of the facilities intended for warehousing shall be taken into consideration when determining the amount of the guarantee.

3. The guarantee shall correspond to at least 50% of the customs duties and other charges due for the goods stored or to be stored on a quarterly basis, and it may be the object of adjustments by the Customs Controller on his or her own initiative or at the request of the person concerned, depending on the movement of goods occurred in the preceding month. In case of goods liable to excise tax, the guarantee shall be of 20% of the taxes paid in the previous quarter or, in case of beginning of activity, of 30% of the quarterly forecast of the taxes in question.

4. No guarantee shall be required where the holder of the authorisation is an entity of the Public Administration or is under the direct administration of the State.

5. Under no circumstance shall an isolated importation exceed the amount set for the guarantee.

**Article 104**
(Storage Period and Fees)

1. Without prejudice to the periods of time stemming from the conditions of perishability, the maximum period the goods can remain in a customs warehouse shall be twelve months, renewable for two consecutive periods of six months each by justified reasons.

2. Storage fees charged in customs warehouses shall be forwarded annually to the Customs Service of Timor-Leste and published in a public place of the customs warehouse by the holder of the authorisation.

3. Customs authorities shall adopt the contents of the preceding paragraph in relation to public customs warehouses under their management.

**Article 105**
(Usual Forms of Handling)
1. Goods liable to customs warehouse regime may undergo the usual forms of handling intended to preserve them during storage, improve their appearance of marketable quality or prepare them for distribution or resale.

2. The usual forms of handling shall be contained in a discriminative list to be approved by instruction of the Minister of Planning and Finance and shall be carried-out by the Director of the Customs Control, who shall lay down the conditions under which they may take place.

**Article 106**
(Stock Records)

As regards goods liable to customs warehousing procedure, holders of authorisation shall keep stock records in the form of a permanent inventory and recognised by the customs authorities. Such system shall enable the customs authorities to check the position of the goods in question, as well as provide them with an immediate control of the goods that have entered, exited, or that remain stored in the customs warehouse.

**Article 107**
(Temporal Exit of Goods)

1. Save as regards goods liable to excise tax, and whenever circumstances so require, goods in customs warehouses may be temporarily removed from the customs warehouse.

2. Permission to make temporary removals of goods may be granted in general in the authorisation, or on a case-by-case basis, upon prior written request addressed to the Director of the Control Customs.

3. Temporary removals, as well as the respective entries, shall always be annotated in the stock records.

4. During their stay outside of the customs warehouse, the goods may undergo the usual forms of handling.

**Article 108**
(Transfer between Customs Warehouses)

1. The transfer of goods between customs warehouses shall be allowed, and the time limit for the stay of the goods shall be counted from the date of the granting of the customs procedure.

2. The conditions under which the goods liable to customs warehousing procedure may circulate between different places in the framework of a single authorisation or to the facilities of another holder of authorisation without discharge of the
customs procedure shall be established in the authorisation and shall be in accordance with the transportation document.

**Article 109**  
*(Declaration for the Customs Warehousing Procedure)*

1. The customs declaration to place the goods under the customs warehousing procedure shall take place by virtue of the applicable provisions laid down in Articles 66, 68, 69, 70 and 72 and shall be handed over at the customs office in which the goods have been presented to the customs authorities.

2. The provisions governing the customs warehousing procedure shall apply from the date of the acceptance of the declaration to place the goods to the customs procedure.

3. Where the goods are to be stored in customs warehouses located in the jurisdiction area of another customs office, they shall circulate under the transit procedure.

**Article 110**  
*(Calculation of the Customs Value Applicable to the Customs Warehousing Procedure)*

1. Without prejudice to the sanctions provided for in this Code, whenever as a result of the inventory referred to in paragraph 3 of Article 101, or at any other time in which the customs authorities detect situations susceptible of incurring in a customs debt in relation to goods liable to the customs warehousing procedure, the value of such debt shall be calculated in accordance with Articles 21 to 25, and the expenses resulting from the storage and conservation of the goods during their stay in the customs warehouse shall be included in the customs value.

2. Where the goods have undergone usual forms of handling, the nature, the customs value, and the quantity to be taken into account in order to determine the import duties shall be those to be taken into account in case the goods had not undergone the forms of handling referred to above.

**Article 111**  
*(Supervision and Control)*

1. The controlling customs shall take all supervision and control measures deemed necessary to ensure the good functioning of the customs warehousing procedure.

2. In order to achieve the objectives referred to in paragraph 1, the controlling customs may namely:
a) Require, at any time, the presentation of the goods deposited in the customs warehouse;

b) Check and re-check the entry and the exit of the goods, whenever deemed necessary;

c) Require the preparation, with or without regularity, of inventories of all or of part of the goods liable to the customs warehousing procedure, as well as undertake inspections to the stock records.

3. Public warehouses shall be liable to permanent supervision and to searches and seizures by the customs authorities.

D. Transit

Article 112
(Internal Transit and External Transit)

1. The internal transit procedure shall allow the movement of national goods from one point to another point of the national customs territory, passing through the territory of a third country, without changing their customs status.

2. The external transit procedure shall allow the movement of foreign goods between two points of the national customs territory without such goods being subject to import duties and other charges or to commercial policy measures.

3. Foreign goods moving between two customs warehouses or between customs, as well as goods intended for exportation, shall be liable to external transit procedure.

4. In case the transportation of goods under the external transit procedure is made by sea, the vessel shall not suspend the navigation between the port of departure and the port of arrival.

5. The customs authorities may set a mandatory itinerary in relation to land transports, as well as require the provision of a guarantee and set a time limit for the discharge of the transit procedure.

6. Whenever they deem it necessary, customs authorities shall determine the permanent supervision of the goods to be transported under the present customs procedures.

7. Goods circulating under a transit procedure shall be accompanied the 1/3 copy of the Single Administrative Document.
Article 113
(Discharge of the Procedure)

1. A transit procedure shall be considered discharged when the customs at the point of arrival returns the 1/3 copy of the Single Administrative Document, duly authenticated, to the customs at the point of departure.

2. The supervisor of the customs at the point of arrival referred to in paragraph 1 shall appoint a customs officer to check the Single Administrative Document. After certifying the conformity of the procedure, the customs officer so appointed shall write the following:

*Found to be correct. Checked.* And shall put the date, sign and stamp.

3. Without prejudice to the sanctions provided for in this Code, the non-discharge of a transit procedure shall be communicated to the Customs Controller, who shall immediately require the provision of a guarantee and prepare a record of fiscal violation.

E. Temporary Importation

Article 114
(Concept)

1. The temporary exportation procedure shall allow the use outside of the customs territory, with relief from import duties and other charges, of goods intended for re-importation.

2. The goods must be re-imported without having undergone any change, except normal depreciation due to the use made of them.

Article 115
(Time Limit for Re-Importation)

The re-importation of goods temporarily exported shall take place within twelve months, to be renewed only in cases duly justified.

Article 116
(Conversion of Temporary Exportation into Definitive Exportation)

At the request of the interested party, the customs authorities may allow the temporary exportation to be transformed into definitive exportation, provided that all applicable conditions and formalities are met.
F. **Drawback**

**Article 117**  
*(General Principles)*

1. The drawback procedure shall be applicable to raw materials, semi-finished products, components and other separate parts and pieces, of foreign origin, intended for industrial transformation or for incorporation into a manufacturing process.

2. Foreign goods referred to in paragraph 1 shall be declared for the drawback procedure upon payment of the import duties and other charges, which shall be refunded in accordance with applicable provisions.

3. Goods declared for the drawback procedure shall not be liable to restrictive measures of any nature.

4. Import duties and other charges applicable to goods placed under the drawback procedure shall be the object of a guarantee by deposit or bank security.

5. The drawback procedure may only be used by recognised operators and upon prior authorisation from the customs authorities.

**Article 118**  
*(Compensating Products and Yields)*

1. Compensating products shall mean products obtained after one or more of the following processing operations:
   
   a) Processing, comprising the assembly, the reunion, and the adaptation to other goods;
   
   b) The transformation of the goods;
   
   c) The repair of the goods, comprising their restoration and upgrading.

2. The yield rate is the quantity or percentage of compensating products obtained from the processing operations to which a given quantity of goods have been subjected.
3. The yield rate shall be set by the customs authorities at the moment of authorising the customs procedure, based, to the extent possible, on the details provided by the production process.

**Article 119**
(Refund of Import Duties and Other charges)

1. Goods declared for the drawback procedure which have not been totally incorporated or transformed in a manufacturing process the final product of which is exported definitively from the customs territory shall benefit from the total refund of import duties and other charges due in importation.

2. Goods transformed or incorporated in the manufacturing process shall be the object of control measures in the importation in order to allow the customs authorities to certify, at the moment of the exportation of the goods, that they are the ones actually imported.

**G. Outward Processing**

**Article 120**
(Concept)

The outward processing procedure shall allow goods to be exported temporarily from the national customs territory in order to undergo processing operations and be re-imported later on in the form of compensating products with total or partial relief from import duties.

**Article 121**
(Compensating Products)

The provisions of Article 118 relating to drawback shall be applicable to outward processing.

**Article 122**
Beneficiaries of the procedure

The benefit of the outward processing procedure may be granted:

a) To natural and legal persons established in the national territory who give all guarantees that the customs authorities deem necessary for the good execution of the operations;

b) When it is possible to identify the temporarily exported goods in the imported compensating products;
c) When, following prior consultation and an express opinion of the supervisory bodies, it becomes clear that the intended industrial operations are not feasible, under technically or economically satisfactory conditions.

**Article 123**
**Contents of the authorisation**

1. An authorisation granted by the customs authorities shall include:
   a) The procedures that will allow for the identification of the goods in the compensating products;
   b) The re-importation deadline, renewable on justified grounds.
2. The authorisation shall also determine the yield rate, which is construed as meaning the quantity or percentage of the compensating products obtained from the processing operations to which a given quantity of exported goods have been subjected.

**Article 124**
**(Relief from Import Duties)**

The total or partial relief from import duties provided for in article 120 shall be effected by deducting from the amount of the import duties applicable to the compensating goods released for consumption the amount of the import duties that would be applicable on the same date to the temporarily exported goods if they were imported from the country in which they underwent the processing operation.

**Article 125**
**(Total Relief from Import Duties)**

Where the repair of a temporarily exported good under outward processing regime took place free of charge either because of a contractual obligation arising from a guarantee or because of a manufacturing defect, the re-importation of the compensating good shall take place with total relief from import duties.

**CHAPTER III**
**Definitive Exportation**

**Article 126**
**(Scope)**

1. The definitive export procedure consists in the definitive exit of goods, by any way, from the customs territory, against the presentation of a customs declaration.
2. The provisions of this Code governing customs declarations and declarants insofar as importation of goods is concerned shall apply to definitive exportation.

3. The customs declaration for the definitive exportation procedure shall be handed over at the exit customs.

4. Goods declared for exportation shall be subject to permanent supervision by the customs authorities from the time of acceptation of the declaration up until the actual exit of the means of transportation.

5. The goods shall be subject to payment of customs export duties whenever these are legally due.

6. The Minister of Planning and Finance may, following a favourable opinion of the minister of the competent area, grant the relief of duties provided for in the preceding paragraph.

7. Where the re-exportation of the goods declared for export is cancelled, the customs authorities shall be notified of this fact through a written declaration of the exporter.

8. The exporter who fails to notify the customs of the cancellation of the exportation in accordance with paragraph 7 shall be subject to administrative fine.

TITLE X
OTHER TYPE OF CUSTOMS-APPROVED TREATMENT

CHAPTER I
Free Zones and Free Warehouses

Article 127
(Concept)

1. Free zones and free warehouses shall be parts of the customs territory or places situated in that territory in which foreign goods are considered as though they have not been introduced into the customs territory.

2. The goods referred to in paragraph 1 may undergo all kinds of industrial transformation, manufacturing process, or manipulation.

3. Free zones and free warehouses referred to in paragraph 1 shall be subject to permanent supervision, in accordance with Article 4.
4. The establishment of free zones or free warehouses shall be the responsibility of the Government, which shall determine the respective conditions by decree.

5. The decree-law referred to in paragraph 4 shall contain:
   a) The geographical implantation and delimitation of the precinct;
   b) The type of fence surrounding the precinct;
   c) The types of authorised activities;
   d) The regime of fiscal guarantees to be provided by the grantees and the penalties for violations.

Article 128
(Regime Applicable to Goods intended for Consumption)

1. Goods introduced into a free zone or free warehouse from the customs territory and intended for consumption in a manufacturing process, process of industrial transformation, or manipulation, shall be relieved from customs and other duties, and shall be presented to the customs authorities and be the object of an export customs declaration.

2. The other goods, when consumed or destroyed, shall be subject to payment of the duties and other charges, and the customs procedure of definitive importation shall apply.

3. Economic operators established in the free zones or free warehouses shall be obliged to have stock records approved by the customs authorities.

4. All goods entered into the premises of the free zone or the free warehouse shall be immediately registered in the stock records in order to allow the customs authorities to control and supervise them.

5. The stock records must also contain all the movements the goods are subjected to.

6. The customs authorities shall search, at least once per year, the existing premises, and they may do so whenever they deem it necessary.

7. The economic operator shall be obliged to make available to the customs authorities the goods and the details of the stock records in order to allow a complete supervision.

Article 129
(Removal of Goods from Free Zones or Free Warehouses)
1. Goods leaving a free zone or free warehouse shall be declared:
   a) For definitive exportation;
   b) For definitive importation.

2. The customs authorities shall take all necessary measures in order to ensure that the provisions to be applied in relation to definitive exportation or importation have been complied with.

CHAPTER II
(Re-exportation, Destruction, and Abandonment)

SECTION I
Re-exportation

Article 130
(Concept. Requirements)

1. Goods introduced into the customs territory under temporary importation procedure may be declared for the re-exportation customs procedure

2. Where the customs authorities are not able to guarantee the identity of the goods from the signs or samples taken in accordance with Article 89 for future comparisons, they shall refuse the re-exportation of the goods.

3. Without prejudice to the penalties provided for in this Code, goods declared for temporary importation procedure shall be taxed in accordance with the fees in force on the date of acceptation of the declaration.

4. The goods referred to in paragraph 2 shall be declared forfeited to the Treasury, and the declarant or owner of the goods shall bear the costs of their removal to the deposit determined by the customs authorities.

SECTION II
Destruction and Abandonment

Article 131
(General Principles)

1. Goods introduced in the customs territory, whether they have been declared for a customs procedure or not, may be abandoned to the Treasury or destroyed.
2. Abandonment to the Treasury may only be authorised by the Customs Controller after assessing the economic or fiscal interest of such abandonment.

3. The Customs Controller shall set the place for the storage of the goods referred to in paragraph 2 and may, in case of apprehension, appoint a trusted depository.

4. The owner or declarant of the goods shall communicate the destruction of the goods to the competent customs authorities in writing.

5. The customs authorities shall supervise the destruction, in which the owner of the goods or their representative shall be obliged to be present.

6. A record of the destruction shall be prepared, which shall be signed by the owner of the goods or their representative, the customs officer appointed, and the entity who destroyed the goods, where this is the case.

7. The record of destruction shall contain the commercial identification and the quantity of the goods, and it shall also indicate whether the destruction resulted in any waste or scrap that may be declared for another customs-approved treatment.

8. The details contained in the record shall determine the taxation to take place, in the cases provided for in the final part of paragraph 7.

9. Goods abandoned or declared forfeited to the Treasury shall be listed for sale by the customs authorities after being separated in lots, and the proceeds resulting from the respective sale shall constitute national revenue.

10. No costs arising from the destruction or abandonment of goods shall be charged to the Treasury.

**Article 132**
(Regulation of Public Auction)

The provisions regulating public auction that have not been provided for in the present Code shall be established by the competent authorities.

**Article 133**
(Bids)

1. The sale of abandoned goods or of goods declared forfeited to the Treasury shall be the object of advertisement through bids based on proposals presented in closed letters addressed to the Customs Controller.
2. The letters containing the proposals for the bids shall be handed over at the desk of the central services, which shall grant them a registration number, date, initial and seal.

3. Upon receiving the letters of bids, and after the formalities provided for in the preceding paragraph have been complied with, the bidder shall be issued a receipt containing the details of identification referred to in the preceding paragraph, duly initialled and stamped by the competent officer.

4. In case of equal amounts offered in the bids, the bid with the smaller serial number shall be given preference.

**Article 134**
(Advertisement)

1. The sale of abandoned goods or goods declared forfeited to the Treasury shall be the object of advertisement by invitation to bid for, at least, thirty days prior to the date of their realisation.

2. The advertisement shall be made on the basis of a decision of the Customs Controller, the text of which shall be an integral part of the respective invitation to bid to be affixed in the hall of the headquarters of the Customs Service of Timor-Leste and in an identical place at the Ministry of Planning and Finance.

3. The invitation to bid referred to in paragraph 2 shall contain a brief identification of the goods, the base value of sale, the day and the time for the opening of the proposals, as well as the time and the place where the goods may be examined.

4. During the period of the invitation to bid the customs authorities or the trusted depository shall be obliged to show the goods to whoever intends to examine them.

**Article 135**
(Value of the Goods)

1. The goods put on sale shall be previously assessed by the customs authorities who, taking into account the state and the physical characteristics of the goods, shall determine the base value for their bidding in public auction.

2. Where there are no sufficient bidders or the bids are considered to be insufficient, the customs authorities shall determine the bidding value for the second round at 80% of the base value.
3. Where there is a need to resort to a third round, the goods shall be sold at the highest bid.

4. The provisions of paragraphs 1 and 2 shall apply to the second and third rounds.

**TITLE XI**
**SPECIAL CUSTOMS PROCEDURES**

**Postal Orders and Express Orders**

**Article 136**
(Postal Orders)

For customs purposes, postal order shall mean each and every shipment sent through the international postal network, which is not considered to be personal correspondence. Provisions contained in agreements, conventions and treaties to which Timor-Leste is bound shall apply to this matter.

**Article 137**
(Taxation)

1. All goods entered into the customs territory by post shall be subject to taxation and other applicable customs regulations.

2. Goods devoid of a commercial character as recognised by the customs authorities and goods whose value does not exceed the statistical threshold, set at USD 10,00, shall be exempt from the provisions laid down in paragraph 1.

3. The provisions of Articles 88 to 93 shall apply to postal orders imported under ATA carnets.

**Article 138**
(Express Orders)

1. For customs purposes, express orders shall mean each and every shipment sent either through the international postal network or through private companies specialised in accelerated movement procedures.

2. The provisions laid down in paragraphs 1 and 2 of Article 137 shall apply to express orders.
3. The simplified procedure of customs declaration for express orders shall be established by complementary regulation.

TITLE XII
RELIEFS FROM CUSTOMS DUTIES

SECTION I
Relief from Import Duties

Article 139
(Goods with Relief from Customs Duties)

1. For the purposes of this Code, the following goods may be the object of relief from import duties provided they are devoid of commercial character:

a) Goods that constitute personal items and household effects imported by individuals transferring their residence, on a definitive basis, to the customs territory of Timor-Leste, provided that such goods have been in the custody of such individuals and that, where they are durable goods, have been utilised by the same individuals in their previous habitual residence for at least six months before the date on which they abandoned such residence in the third country of departure and that such goods are intended for use for the same purposes in their new habitual residence;

b) Movable goods, layettes and gifts imported on the occasion of a wedding, provided that they belong to one or to the two members of the couple that, as a consequence of the wedding, transfer their habitual residence to Timor-Leste;

c) Personal goods acquired by succession;

d) Shipments sent from private individuals to private individuals, of insignificant value, which are sent directly from a foreign country to an addressee in Timor-Leste;

e) Goods contained in the personal luggage of travellers, provided that they are occasional importations and are devoid of commercial character, the limits of which are laid down in the Decree-Law No. 10/2003 of 22 July.

f) Instruments, objects, scientific apparatuses and other instruments of educational, cultural or pedagogical character intended for public establishments or bodies, or public utilities, as long as these entities are legally recognised as such and the importations are authorised by the Minister of Planning and Finance or his or her representative;

g) Gifts received in the framework of international relations, provided that such gifts have been imported by people who have made an official visit to a foreign
country or by people who visit Timor-Leste and bring gifts for the authorities hosting them, or that such gifts are sent as a sign of friendship to a public authority, to a community, to a body, or to groups undertaking activities of public interest.

h) Goods constituting gifts offered to Heads of State or to people enjoying similar prerogatives in the international arena, or goods intended for use or for consumption during the official stay of foreign Heads of State, within the limits and conditions to be established by the customs authorities.

i) Machines and apparatuses imported solely for exhibitions and fairs, as well as materials intended to assembly or decorate provisional pavilions in fairs or exhibitions;

j) Prospects, brochures, books, magazines, guides, maps or photographs intended to promote tourism;

k) Publications from foreign governments and international organisations intended for free distribution as well as documents sent free of charge to public services;

2. The Government may establish a duty-free regime contemplating the influxes of people across the national borders with the Republic of Indonesia.

**Article 140**

*(Goods Excluded from the Benefit of Relief from Customs Duties)*

1. Excepting the limits laid down in Decree-Law No. 10/2003 of 10 July for goods transported in the luggage of travellers, the following goods shall be excluded from the benefit of relief from customs duties:

   a) Alcoholic products and perfumes;
   
   b) Tobacco, tobacco products, and coffee;
   
   c) Commercial means of transport;
   
   d) New equipment for professional use;
   
   e) Fauna and flora species the commerce of which is prohibited by provisions of a conventional character or for reasons of public health or of preservation of the ecologic balance;

2. The relief from customs duties for weapons of personal defence, firearms, or other weapons, shall be determined by law, and it shall not be granted unless the holder presents a licence to carry firearms containing the identification number of the weapon.
SECTION II
Other Reliefs from Customs Duties

Article 141
(Conventional Reliefs from Customs Duties)

The reliefs from customs duties provided for in this Code shall not prejudice the reliefs from customs duties resulting from agreements, conventions and treaties to which Timor-Leste is a party.

TITLE XIII
Transportation of Goods

Article 142
(Scope)

The persons responsible for the means of transportation shall declare the transported goods to the customs through the presentation of the Single Administrative Document before exiting the customs territory. The transportation of goods within the customs territory shall be accompanied by the Single Administrative Document in case the goods have been declared for:

a) Importation of goods transported from one temporary deposit, or from an area under customs control, to another temporary deposit or area under customs control;

b) Importation of goods in transit or in transhipment;

c) Exportation of goods in transit or in transhipment;

d) Goods from the customs territory transported to areas outside of the customs territory.

2. The person responsible for the means of transportation who fails to declare the transported goods in accordance with paragraphs 1 and 2 of this Article shall be subject to administrative fine.

3. The person responsible for the means of transportation who fails to respect the provisions of paragraphs 2 (a) or (b) and the goods transported by him or her do not reach their destination, or the transported quantities do not correspond to the quantities unloaded in the place of destination, in accordance with the Single Administrative Document, and where it is clear that the lack of goods has not been motivated by any mistake on the part of the customs, shall be obliged to pay...
the customs duties of the missing goods at the time of unloading. In such cases, the person responsible for the means of transportation shall also be subject to administrative fine.

TITLE XIV
INCURRENCE OF A CUSTOMS DEBT

Chapter I
On importation

Article 143
(Constitutive Fact)

A customs debt on importation of goods liable to import duties and other charges shall be incurred through:

a) The entry for free circulation;
b) The placing of such goods under the temporary importation procedure;
c) The unlawful introduction into the customs territory, a customs warehouse, or a free zone;
d) The unlawful removal from the customs supervision;
e) The non-fulfilment of the obligations arising from their temporary storage or from the use of the customs procedure under which they are placed;
f) The consumption or use, in a free zone or a customs warehouse, of goods under conditions other than those laid down by the legislation in force.

Article 144
(Moment of the Incurrence of a Customs Debt)

The customs debt on importation in the cases provided for in Article 143 shall be incurred:

a) In the cases laid down in subparagraphs (a) and (b) at the time of acceptation of the declaration;
b) In the cases provided for in subparagraph (c) at the time of the unlawful introduction. Where it is not possible to determine the unlawful introduction, the debt shall be incurred at the time when the customs authorities notice the unlawful introduction;
c) In the cases provided for in subparagraphs (d), (e), and (f), the debt shall be considered incurred at the time of the removal of the goods from the customs supervision, at the time of the non-fulfilment of the obligations, or at the time when the goods are consumed.

**Article 145**  
**(Chargeable Person of Customs Debt)**

1. Where the debt is incurred in accordance with subparagraphs (a) and (b) of Article 143.1, the debtor shall be the declarant.

2. In the cases provided for in subparagraph (c) of Article 143, the debtors shall be:
   a) The person who introduced the goods unlawfully;
   b) Any persons who, being aware of the unlawful introduction of the goods, have participated in such operation or acquired the goods unlawfully introduced.

3. In the cases provided for in subparagraphs (d) and (e) of Article 143, the debtors shall be:
   a) The person who removed the goods from customs supervision;
   b) Any persons who participated in such removal or acquired the goods thus removed and who were aware that the goods were being removed from customs supervision.

4. The person required to fulfil the obligations arising from temporary storage of the goods or from the use of the customs procedure under which those goods are placed shall be considered as having participated in the removal of the goods, and, as such, shall also be a debtor.

5. In the cases provided for in subparagraph (f) of Article 143, the person who consumed or used the goods, as well as the person or persons who, being aware of the respective regulation in force, have participated in the consumption or use of the goods, shall be considered debtors.

6. In case of disappearance of goods without it being possible for the customs authorities to identify the person or persons who consumed or used them, the person with the obligation to pay shall be the last person that the customs authorities succeed in identifying as holding or possessing such goods.

**Article 146**  
**(Place of Incurrence of Customs Debt)**
The customs debt shall be considered incurred at the place where the facts originating its incurrence took place or, where it is not possible to determine such place, the place where the customs authorities conclude that the goods are in a position which a customs debt is incurred.

CHAPTER II
Customs Debt on Exportation

Article 147
(Constitutive Fact)

A customs debt on exportation of goods liable to export duties and other charges shall be incurred through:

a) The exportation from the customs territory of a good declared for that customs procedure;

b) The removal from the customs territory of a good without a customs declaration;

c) The removal from the customs territory of a good without observing the conditions that exempt the same good, entirely or partially, from export duties.

Article 148
(Moment of the Incurrence)

1. In the cases provided for in subparagraph a) of Article 147.1, the customs debt shall be incurred at the time when such customs declaration is accepted;

2. In the cases provided for in subparagraph (b) of Article 147.1, the debt shall be incurred at the time of the definitive removal of the goods from the customs territory;

3. In the cases provided for in subparagraph (c) of Article 147.1, the debt shall be incurred at the time when the goods reach a destination other than the one which would benefit from the total or partial relief from export duties, or at the time of the expiry date of the time limit for producing evidence that the conditions entitling the goods to such relief have been fulfilled.

Article 149
(Chargeable Person)

In the cases provided for in subparagraphs (a) and (c) of Article 147, the debtor shall be the declarant.
In the cases provided for in subparagraph (b) of Article 147, the debtor shall be the person who, or whom the person collaborated with, who were aware or should have been aware of the need to declare the goods, and nonetheless facilitated the removal of the goods from the customs territory without observing that formality.

**Article 150**  
*(Customs Debt Incurrence on Exportation)*

1. A customs debt on exportation shall be incurred whenever goods liable to export duties are removed from the customs territory.

2. The customs debt on exportation shall be incurred at the time and place of acceptance of the customs declaration of exportation.

3. In the cases of removal from the customs territory of goods liable to export duties without being accompanied by the respective declaration, a customs debt shall be incurred at the time of the actual removal of the goods from such territory.

4. Where it is not possible to determine the time of the actual removal, the customs debt shall be incurred at the time when the customs authorities detect the removal of the goods.

**CHAPTER III**  
*(Common Provisions)*

**SECTION I**  
Special Cases

**Article 151**  
*(Other Cases of Incurrence of Customs Debts)*

A customs debt shall also be incurred, either on importation or on exportation, in respect of goods liable to measures of prohibition or restriction, regardless of their nature.

**Article 152**  
*(Illicit Goods)*

A customs debt shall not be incurred whenever the introduction of goods that cannot be commercialised is in question. Nevertheless, such debt shall be calculated whenever the same debt may serve as the basis for the application of penalties in criminal proceeding.
SECTION II
(Liquidation, Time limit, and Modalities of Payment)

Article 153
(Liquidation)

1. The amount of import duties or export duties shall be determined on the basis of the details of taxation proper of the goods at the time the respective customs debt is incurred.

2. The liquidation of the customs debt shall be the responsibility of the customs authorities, and it shall take place as soon as the customs authorities are in the possession of the details referred to in paragraphs 1 and 2 of Article 77.

3. The declarant may include in the customs declaration the amount of the customs duties and other charges he or she considers to be due.

4. The provision of paragraph 3 shall not bind the customs authorities.

5. The amount of customs duties and other charges shall be the object of entry into the accounts laid down in Article 77.

6. Where it is not possible to determine clearly the moment of the customs debt, the moment to be considered for liquidation shall be the moment when the customs authorities notice that the goods are in one of the situations constituting customs debt.

7. Whenever, for reasons attributable to the declarant, the moment of the incurrence of the debt or of its liquidation is subject to deferment, compensatory interest shall be due at the rate of 4%.

Article 154
(Error in the Liquidation)

Whenever the customs authorities detect an error of liquidation in the declaration, resulting in overpayment or underpayment, the entry in the accounts shall be the object of rectification within two workings days to be counted from the date of the notification of the error to the declarant.

Article 155
(Communication to the Debtor)
1. The amount of duties and other charges obtained after acceptation of the declaration shall be communicated to the debtor as soon as the entry in the accounts becomes effective.

2. Whenever the amount of duties and other charges payable has been entered, for guidance, in the customs declaration, the customs authorities may determine that the communication referred to in paragraph 1 be made only if the amount of duty indicated does not correspond to the amount determined by the authorities.

3. In the cases provided for in the preceding paragraphs, the authorisation of removal of goods shall be equivalent to the communication to the debtor of the amount of the debt object of the entry in the accounts.

4. Whenever a control a *posteriori* results in the discharge of a customs debt of an amount other than the due amount, by mistake, fault, or omission of the declarant, the communication to the debtor shall not be made after the period of three years to be counted from the date of the incurrence of the customs debt.

5. Where the customs debt is the result of an act which, at the time it was committed, was liable to give rise to criminal court proceedings, the communication to the debtor may be made within the period of three years from the date of the decision of *non prosequitur*.

**Article 156**
**(Time Limit and Procedures for Payment)**

1. The declarant may effect the payment of the amount due immediately, thus consolidating the respective amount at the time of the communication to the debtor.

2. Where the declarant fails to effect the payment in accordance with the preceding paragraph, and fails to provide a guarantee, he or she shall effect the payment within ten days to be counted from the date of the entry in the accounts referred to in Article 77.

3. Where the legal time limits for payment are exceeded, there shall be interest on arrears and the customs authorities shall immediately use the guarantee. Where the guarantee is insufficient, or where it does not exist, the customs authorities shall enforce the payment of the amounts due added by interest on arrears until the amount is fully paid.

4. The interests on arrears shall be calculated per full calendar day, and the day of the entry in the accounts as well as the day of the payment of the customs debt shall not be counted.
5. The amount of the interest on arrears payable shall be calculated on the basis of the rate of 3% for every month or fraction of a month over the total amount of the customs debt.

**Article 157**  
*(Payment Modalities)*

The payment of a customs debt may be made in cash or by certified cheque to the order of the Treasury, at the customs office where the declaration has been registered.

**CHAPTER IV**  
*Guarantee of the Customs Debt*

**Article 158**  
*(Requirement of Guarantee)*

1. Whenever, in applying the customs legislation, the customs authorities require the constitution of a guarantee in order to ensure the payment of a customs debt, such guarantee shall be provided by the debtor.

2. Where the debtor is a body of the Public Administration, the bank guarantee may be replaced by a letter of responsibility.

3. The list of bodies of the Public Administration authorised to use letters of responsibility shall be approved by instruction of the Minister of Planning and Finance.

**Article 159**  
*(Moment of the Constitution of the Guarantee)*

1. The guarantee may be required at the time of the declaration of the goods for the customs procedure.

2. The amount of the guarantee to be constituted shall be equal to the amount of the debt incurred or to be incurred.

3. Where the amount of the debt to be incurred has not been set, the customs authorities shall require the guarantee by the highest amount they calculate as being susceptible of being incurred.

**Article 160**
(Modalities of Guarantee)

The guarantee may be constituted either by a deposit in cash or by a personal security.

Article 161
(Guarantee by Personal Security)

1. Where the debtor opts for this modality of guarantee, the creditor shall have to undertake himself or herself in writing to be held jointly and severally liable for payment of the amount guaranteed at the first request to do so.

2. The customs authorities may refuse the proposed creditor when they consider that the proposed creditor does not have sufficient credibility.

3. Whenever the customs authorities notice that the guarantee provided does not cover or has ceased to cover safely and entirely the payment of the customs debt within the time limits set, they shall require the debtor or his or her creditor to provide a supplementary guarantee.

4. The guarantee shall not be cancelled until the respective customs debt has been settled.

5. The creditor shall be jointly and severally a debtor, and the customs authorities may sue the principal debtor, the creditor, or both simultaneously.

CHAPTER V
(Extinction of Customs Debt)

Article 162
(Grounds)

The customs debt shall be extinguished through:

a) Its payment;

b) Its prescription;

c) Invalidation of the customs declaration, in accordance with the provisions laid down in paragraph 1 of Article 75;

d) When the goods are irreversibly lost following an act of God or force majeure, or are forfeited or abandoned to the Treasury;

e) Destruction of the goods, under customs supervision.
2. The time limit of the customs debt shall be ten years, and it shall be suspended or interrupted in the cases provided for by law.

TITLE XV
Refund of Customs Duties and other Charges

Article 163
(General Provisions)

1. The refund of customs duties and other charges may result from the importation or exportation of goods and may be total or partial.

2. The refund of duties shall be undertaken at the service of Final Checking, upon a duly justified request by the declarant.

3. The refund shall take place at the request of the declarant, at his or her own discretion, whenever the customs authorities detect a settlement error, or in the cases of invalidation of the customs declaration or of restitution of defective or damaged goods.

4. The time limit for the declarant to claim the refund of the customs duties and other charges shall be three years to be counted from the date the declaration is entered in the accounts.

5. The refund of the customs duties and other charges shall be made by the customs authorities within three years to be counted from the date of receipt of the request for refund duly justified and accepted by the customs authorities.

6. The decision of the customs authorities in the framework of the refund process shall be communicated in writing to the declarant.

Article 164
(Error in the Refund)

1. Where the customs authorities find out that there was an error in the refund of the customs duties and other charges, the debt initially incurred shall be claimed.

2. The limit for the notification claiming the debt shall be three years to be counted from the date the error of the declarant is detected.

3. The error referred to in the preceding paragraph shall be notified to the declarant by the customs authorities within thirty days after the date of its detection.
TITLE XVI
APPEALS

Article 165
(Appeals of the Decisions of the Customs Authorities)

1. Any person shall have the right to appeal against decisions taken by the customs authorities in the exercise of their competencies provided that such decisions concern them directly and individually.

2. Any person who has applied to the customs authorities for a decision and has not obtained a ruling on that request within a period of ninety days shall also be entitled to exercise the right of appeal.

3. The claim shall be addressed to the author of the act, who may reformulate it.

4. The hierarchical appeal shall be addressed to the Minister of Planning and Finance, who shall consult the Customs Controller, if he or she so decides.

Article 166
(Lodging and Proceeding of Hierarchical Appeal)

The time limit for lodging the appeal shall be thirty working days after the notification of the decisions.

Article 167
(Guarantee in Case of Appeal)

Where the objective of the contested decision is to settle a customs debt, or the enforced payment of a fine, and, where this is the case, of other financial penalties, the appellant shall guarantee the amount of the customs debt by deposit or personal security.

TITLE XVII
Enforcement of Payment. Customs Execution

Article 168
(Object of Execution)

1. The customs execution process shall cover the charging of the following debts:
a) Customs duties and other charges, excise duties, sales taxes, interests and other legal charges;

b) Fines and, where this is the case, other financial penalties laid down in decisions relating to customs violations.

**Article 169**
**(Territorial Jurisdiction)**

The customs of the domicile or of the head office of the debtor shall have jurisdiction to execute the position of the goods or the payment position, save if it concerns a customs fine, and, where this is the case, other financial sanctions, in which case the customs office where the process is taking place shall have jurisdiction.