

**Title One**  
**General Provisions and Principles**

**Chapter One – General Provisions Governing Customs.**

**Article 1:**

Customs is a public administration that shall carry out the following functions:

1. Levy of Customs duties and all other charges and taxes imposed on goods imported to Lebanon, as well as duties that might be imposed on certain exported goods, pursuant to the provisions of this Law or any other Laws or agreements which Lebanon is party to.
2. Prevention of illegal import and export of merchandise.

**Article 2:**

1. Customs shall carry out its functions in accordance with the provisions of the present Law, within the Customs territory covering Lebanese land, air space, territorial waters and adjacent area.
2. It shall be allowed to establish free zones and duty-free stores within the Customs premises; such stores and areas shall not be subject to the Customs system but to the specific provisions stipulated hereinto.
3. Customs shall take special measures to control the transportation of certain types of goods and the possession thereof in an area adjacent to land and maritime borders, which constitute the Customs zone.

The definition of the Customs zone, types of goods subject to Customs control as well as the rules governing such control are determined in Title seven of this Law.

**Article 3:**

1. All goods entering the Customs premises or exiting therefrom shall be subject to the provisions of this Law.
2. The same Customs provisions shall be applied to the entire Customs premises, unless otherwise provided for.
3. Customs laws and regulations shall be applicable to all persons regardless of status, subject to exceptions stipulated by the present Law.

**Chapter Two – General Principles Governing Customs Procedures**

**Article 4:**

1. In all Customs procedures, the principles of simplification, publicity, transparency and the common interest of Customs and all principals are to be observed.
2. Pursuant to the provisions of paragraph (1) above, Customs Administration shall adopt modern means and advanced and developed systems for conducting Customs procedures particularly concerning:
  - a) Accepting manifests, goods declaration and all other related documents and information electronically.
  - b) Receiving and examining documents and information related to goods prior to the arrival of import goods or delivery of export goods.
  - c) Adopting international Customs clearance procedures and in accordance with the Kyoto Agreement.
  - d) Authorizing the direct release of imports or shipment of exports prior to the payment of duties or completion of Customs procedures within specified conditions set by Customs Administration.
  - e) Inspection of goods in a swift, simplified and random manner whenever Customs deem the recourse to inspection appropriate and useful.
  - f) Auditing goods and relevant documents after their release.
  - g) Mainstreaming the electronic exchange of information and developing paperless customs procedures and operations.
  - h) Simplifying Customs declaration forms and adopting standardized Customs declaration system whenever possible.
  - i) Accepting a single declaration for imports/ exports piecemeal within a specified period of time.
  - j) Allowing a single declaration for imports/ exports contained in more than one manifest or registry of Customs warehouses.
  - k) Adopting international facilities in Customs regulations pertaining to cases of Suspensive customs regimes, export, re-export and duty drawback.
  - l) Promoting the establishment of free zones and Customs warehouses of all forms in order to boost commercial and industrial activities and to facilitate re-export operations.
  - m) Streamlining and facilitating the method of duty payment through credit accounts and bank guarantees and other means of payment that may facilitate and boost the commercial activity.

3. Customs procedures outlined in this chapter should be aligned with the importance of trade facilitation without compromising the efficient Customs control and should be guided by the latest risk management and assessment methods.

**Article 5:**

Customs shall publically disseminate Customs laws, regulations and decrees including those governing tariff amendments and other Customs procedures and measures, through their publication in the official gazette and when necessary in other national media, including electronic means. These texts shall come into force, in principle, 30 days following the date of their publication, with the exception of those related to tariff amendments the provisions of which shall be implemented within the periods and under the effects and rules of publication set forth in Article 16 of this Law.

**Article 6:**

1. Every concerned party shall have the right to submit to Customs a written request to inquire about any Customs procedure with regard to the classification of certain goods, the rate of duty or exemption in respect thereof, to gather information about goods valuation, rules of origin or any other Customs measure, procedure and regulation.
2. Customs authorities shall reply to the queries and information requests mentioned in the previous paragraph, no later than 15 days in principle from the date of the registry of the query to the extent that no confidential or third-party information are disclosed.

**Chapter Three – General Principles Governing Customs Duties**

**Article 7:**

1. Custom duties shall be levied and amended on imports into Lebanon, and if need be on exports by decisions of the Higher Council of Customs mandated by the relevant authority according to the rules.
2. Anti-dumping and countervailing duties shall be levied and amended on certain types of imports from specific countries by decisions of the Higher Council of Customs, in accordance with texts issued by relevant authorities pursuant to legislation in force. Under the same rules, any necessary procedures may be adopted including the imposition of quotas to counteract measures taken by certain countries that may harm the national production.
3. Types of goods and their corresponding tariff codes and rates of duties, as well as general rules governing their classification and codification are classified according to the “Harmonized System Tariff Schedule”.

**Article 8:**

1. Customs tariff on imports shall include: Ordinary tariffs and preferential tariffs.
2. Ordinary tariffs shall apply to goods which are not qualified for preferential tariffs.
3. Preferential tariffs shall apply to all goods or part thereof originating from a country or a group of countries with which Lebanon is bound by special Customs agreements that qualify these goods for preferential treatment within limits of said agreements.

**Article 9:**

Customs tariffs shall be either ad valorem (a percentage of the value of products) or specific (a flat rate per each unit of product). Custom tariffs may also be compound; a combination of ad valorem and specific levies.

**Article 10:**

1. Whenever mentioned in this Law, heavily taxed merchandise will designate products identified by the Higher Council of Customs upon consultation with the Director General of Customs amongst products subject upon import or when necessary upon export to Customs duties, tariffs and other levies of no less than 35% cumulative rates, notwithstanding the specific duties due on such merchandise.
2. Shall be considered subject to revenue tax, whenever referred to in this law, all merchandise generating revenue for the Treasury even if the total Customs rates of duty and other taxes and charges due on such merchandise are less than 35%, even if they are subject to specific duties; and all goods subject to specific duties only, provided that all categories of such goods are determined by decisions of the Higher Council of Customs, upon consultation with the Director General of Customs.

**Article 11:**

1. Customs duties classified in the Harmonized System Tariff Schedule shall apply to all goods introduced into Lebanon, and as deemed necessary to all goods leaving the country, notwithstanding the nature of the consignees, let apart the exceptions provided for in this Law or in any other Law or agreement to which Lebanon is a party.
2. Imports or exports by the government or for its account shall be subject to Customs duties pursuant to the provisions set forth in Article 172 of this Law, provided that such goods are not subject to exceptions stipulated in Paragraph (1) of this Article.

**Article 12:**

1. In accordance with the exceptions set in Article 11, Customs employees shall be prohibited, under penalty of bribery and at the risk of prosecution, from the following:
  - a) Granting exemptions or reductions not accounted for in Customs Laws and regulations, as such any person benefiting from such exemptions or reductions shall be pursued as accomplice.
  - b) Collecting further or higher Customs duties than those specified in the Tariff Schedule.
2. The provisions of this Article shall apply to duties and levies that shall be collected pursuant to the Law by Customs Administration.

**Article 13:**

1. Customs duties in force shall be levied on goods subject to ad valorem tariffs according to the value of such goods based on their condition upon presentation to Customs for payment of duties.
2. Specific tariffs classified in the Harmonized System Tariff Schedule shall, in principle, be levied in full on the quantity presented to Customs notwithstanding the description, value and condition of the goods subject to such duties.
3. In order to implement the provisions of this Article, Customs may permit the separation of damaged or perished parts of a consignment, if such damage is due to factors that had occurred before the registration of the detailed declaration.

Damaged or perished goods shall be subject to Customs duties based on the condition of such goods at the time of presentation to Customs. Such goods may also be re-exported or duly destroyed at the expense of the proprietor.

**Article 14:**

Customs duties levied upon entry may be refunded according to the rules and conditions set forth in Chapter Seven of Title Three of this law.

**Chapter four - Amendments of Customs Tariffs**

**Article 15:**

1. Upon the amendment of tariffs, the rate of duty shall be specified according to the registration date of the declaration for local consumption at the Customs office, notwithstanding exceptions provided for in this Law or in the text of amendment.
2. Subject to the provisions of this article, declarations under which goods are registered for consumption shall be lodged during official working hours in the register of the Customs office, and goods shall be housed in the Customs premises for submission for inspection as deemed necessary.

**Article 16:**

1. In principle decisions in connection with the application of tariffs amendment shall be implemented 3 business days after their publication according to the provisions of Paragraph (2) hereafter unless otherwise provided for in the decision of amendment.

Should one or two days of said period happen to be official holiday, it shall be extended up to a period equivalent to the number of holidays.

2. The decisions governing said tariff amendments shall be published and posted on the official bulletin board at the premises of the Council of Ministers, the Higher Council of Customs and the General Directorate of Customs.
3. Contrary to the provisions of Paragraph (1) above, goods subject to Customs duty increases may be accrued towards previous duties, should Customs ascertain that they were directly shipped to Lebanon prior to the date of publication thereof, provided that these duties are settled, guaranteed or secured no later than 3 business days from the date of entry into Customs warehouses. This period shall be determined according to the conditions set forth in Paragraph (1) above.

**Article 17:**

Goods stored in Customs warehouses on the date of publication of the decision governing tariff increases, may be accrued towards previous tariffs if due duties are settled, guaranteed or secured within the period provided for in Article 16 or in the decision of tariff increases.

**Article 18:**

Goods that are subject to suspensive duties in connection to surety bonds and are put forth to Customs and declared for local consumption shall be subject to duties in force at the date of registration of the declaration whereby such goods are entered for local consumption.

Goods that are subject to suspensive duties and which have not been presented to Customs in full or in part as well as goods entered for consumption without being manufactured in industrial warehouses, shall be subject to duties in force on the date of registration of security bonds related to such goods, or at the date of settlement of respective duties, provided that the higher duty is applied.

**Article 19:**

1. When duties are settled de facto on goods stored in warehouses, due to the expiry of the storage period and to the absence of a legitimate extension, the duty shall be levied according to the tariff in force at the expiry of the legitimate period of storage.

2. Goods illegally withdrawn from the warehouse or found to be discrepant at the time of warehouse audit, shall be subject to duties in force at the date of the latest withdrawal therefrom, at the date of discovery of discrepancy, when the discrepancy occurs if it were possible to detect or at the date of settlement of duties provided that the higher duty is applied.

**Article 20:**

Goods leaving Free-zone areas and duty-free shops for national consumption shall be subject to duties in force at the date of registration of consumption declarations.

**Article 21:**

Goods sold by Customs for national consumption according to the rules set forth in chapter seven of Title Eight of this Law, shall be subject to duties in effect at the date of sale, pursuant to the provisions of article 445 of the present law.

**Article 22:**

Smuggled goods shall be subject to duties in effect on the date of smuggling or on the date of smuggling discovery if it were impossible to identify the smuggling date. If the goods were included in previous Customs declaration, the registration date of these declarations shall be the basis to determine the difference in charges.

**Article 23:**

If it were impossible to import a complete machine or a set of machinery constituting a single working unit for a specific function, in one shipment due to size, weight or multiple countries of origin, etc...and if they have been imported piecemeal, at different times, in semi-knocked down form, the duty on such machine or set of machinery may at the request of the importer be assessed on the value of the machine in its entirety or the assembled unit as if imported as a whole, should Customs ascertain after final installation that the outcome falls under the classification of a complete machine or an assembled working unit subject to one tariff specialization of the codes stipulated in Chapters 84, 85 and 90 of the Harmonized System Tariff Schedule.

However, contrary to the provisions of Article 15 of this Law, the importer of said machinery may elect to settle the duties in force for the entire machine or the assembled working unit on the registration date of the last declaration, or to settle the duties due on the separate parts and components of each declaration corresponding to the tariffs in force on the registration date.

The Director General of Customs shall set the terms upon which to apply this Article.

**Article 24:**

Provisions of Articles 15 to 23 shall apply to all duties and other taxes levied by Customs Administration, unless otherwise stipulated in legal texts.

**Chapter Five- Elements Governing the Application of Customs Duties**

**Section 1: The Origin And Source of Imported Goods**

**A. Non-preferential Country of Origin:**

**Article 25:** The origin of imported goods is the country in which the goods are produced or wholly obtained, which shall include the following:

- a. Mineral products extracted from the soil, territorial waters, or seabed of said country.
- b. Plant products harvested or gathered in said country.
- c. Livestock born and raised in said country.
- d. Products directly obtained from livestock bred in said country.
- e. Fishing or hunting products of said country.
- f. Maritime fishing products and other products obtained from the sea, outside a country's territorial waters by means of vessels registered in said country and carry its flag.
- g. Goods produced or procured aboard manufacturing vessels of goods listed in paragraph (f) above, provided that such vessels are registered in said country and carry its flag.
- h. Products extracted from the seabed or the subsoil thereof outside territorial waters provided that the country has exclusive rights to operate the seabed or its subsoil for investment purposes.
- i. Waste and scrap obtained from manufacturing processes and residue fit only to be recovered as raw material.
- j. Goods obtained in said country from the products referred to in paragraphs (a) to (i) above or from the derivatives thereof, and at any production stage.

**Article 26:**

1. Where two or more countries are involved in the production of a product, the origin of the product shall be the country in which the last substantial manufacturing or transformation process of economic value took place, provided



that such process was carried out in a facility equipped for this purpose and led to a substantial manufacturing process or the creation of a new product altogether.

2. For the purposes of paragraph (1) above, change of tariff item shall be considered as the primary criterion for determining origin, provided that due account is given to one or both of the following two criteria, as sequential conditions:
  - a) The added value criterion.
  - b) The manufacturing criterion.
3. The Higher Council of Customs shall issue decisions determining necessary conditions for the application of any of the above-mentioned criteria in accordance with the rules set out by the World Trade Organization in collaboration with the World Customs Organization, due account being given to Article 27 below.

**Article 27:**

The following operations, considered as secondary, shall not be taken into consideration when determining the origin of imports, whether or not accompanied by a change in the tariff classification:

1. The operations carried out to insure that goods are preserved in good condition for the purpose of transport or storage.
2. The operations carried out to facilitate shipment or transportation of goods.
3. The operations carried out for packaging or preparing goods for sale.
4. Simple operations on goods, namely: ventilation, spreading out, drying, cooling, removal of damaged parts, greasing or rust removal, adding a coat of paint to protect against natural elements, rust removal, washing, cleaning, sifting or screening, sorting or scaling, testing or calibration, unpacking or re-packing, dividing the bulks, affixing marks, labels and other distinguishing signs on the packages of goods, dilution by water or any other aqueous solution, ionization, salting, peeling, crushing, removal of seeds from fruits, slaughtering of animals.

**Article 28:**

1. The origin of foreign goods imported into Lebanon and which qualify for the Normal Tariff, shall be proved whether by including in the original invoice issued by the foreign correspondent evidence proving, in one way or another, the origin of goods or by submitting an independent certificate of origin.
2. Contrary to the provisions of paragraph 1, the Higher Council of Customs may, upon consultation with the Director General of Customs and for non-statistical purposes, seek, in some special cases, documentary evidence from the relevant authorities in the country of origin proving the origin of imported goods, or in other cases specified in similar manner, exempt same from providing such evidence.

In cases of reasonable doubt, notwithstanding the submission of the certificate of origin, additional evidentiary documents may be required to verify that the designation of country of origin is consistent with applicable rules.

3. Any dispute regarding the accuracy of proof of origin shall be subject to revision as referred to in chapter 7 of section 2 of this law.
4. Failure to submit the original invoice or a certified copy from the issuing authority, or submission of incorrect country of origin information shall lead to the imposition of penalties referred to in Articles 421, 425 and 428, as appropriate.

**B. Preferential Origin of Goods**

**Article 29:**

1. The preferential origin of goods shall ensure partial or total exemption from Customs duties.
2. Each agreement shall determine the goods eligible for preferential treatment and necessary conditions for the goods to bear proof of their origin.
3. All goods not subject to preferential origin terms shall be subject to the normal tariff.

**Article 30:**

- 1- Preferential treatment shall be only granted upon the submission of a certificate of origin issued by the relevant authorities in the country of origin and including sufficient indications for the identification of goods; goods must also be imported directly from the country of origin into Lebanon.
- 2- Customs may request their counterparts in the country of origin to verify that goods bear proof of their origin and the authenticity of the submitted certificate of origin.

**Article 31:**

Exports shall not be subject to proof of origin requirements. In case the country of importation requires such proof to determine preferential treatment eligibility, relevant Lebanese authorities or entities shall issue the certificate of origin.

**C. Common Provisions for Preferential and Non-preferential Origin:**

**Article 32:**

1. If the sale transaction is concluded through a third country without having the goods enter the country, the certificate of origin issued by said country shall be accepted; the global certificate of origin shall be accepted if the goods it covers constitute one transaction regardless of the number of payments, being one or many.

2. Any person shall have the right to seek, in advance country of origin ruling provided that such ruling is issued at the earliest but within a maximum period of 15 days as of the date of submission of the application.  
The ruling shall be valid for three years provided applicable conditions and country of origin rulings are not subjected to change. If any adverse decision is issued during its revision, the ruling shall become invalid provided the parties concerned are notified in advance.
3. Customs shall ensure that all submitted information regarding the implementation of rules of origin are treated as strictly confidential and are not disclosed to a third party without the specific permission of the party providing such information. However, information submitted to Customs may be disclosed for judicial proceeding purposes.
4. Importers shall have the right to appeal in an urgent manner unfavorable administrative decisions pertaining to origin determinations at the administrative court level.
5. Administrative court decisions and general administrative decisions pertaining to rules of origin shall be published; new rules of origin and amendments to rules of origin shall not have retroactive effect.
6. Rules of origin applied to imports and exports shall not be more severe than those applied to locally produced goods.
7. Most Favorable Nation (MFN) treatment shall be observed when applying rules of origin.

***D. Source of Goods***

***Article 33:***

The source of goods shall be the country from which they were directly imported.

***E. Restrictive Provisions:***

***Article 34:***

False country of origin or source information aimed at obtaining a more favorable treatment or a lower tariff rate shall lead to the imposition of penalties prescribed in Articles 421 and 425 as the case may be.

***Section 2: Rules of Customs Valuation of Goods***

***Article 35:***

1. The Customs value of goods imported into Lebanon shall be the transaction value that is the price actually paid or payable for the goods when bought for export to Lebanon, adjusted according to the following costs to the extent that they have been incurred by the buyer but are not included in the price:

- a. The cost of shipment to Lebanon.
  - b. Transport, loading, unloading and handling charges and other services associated with the shipment to Lebanon.
  - c. The cost of insurance to port of entry in Lebanon.
  - d. Commissions and brokerage fees, except purchase commissions.
  - e. The cost of containers, parcels or other packaging units which are treated as a whole, in addition to the cost of goods sold, for Customs valuation purposes.
  - f. The cost of packing and packaging be it the cost for labor or material.
  - g. The value, apportioned as appropriate, of the following goods and services that are supplied directly or indirectly by the buyer, free of charge or at a reduced cost, for use in 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:
    - Material, components, parts and similar items that are incorporated in the production of the goods.
    - Tools, templates, molds and similar items used in the production of the goods.
    - Material consumed in the production of the goods.
    - Engineering, development, artwork, design work, plans and sketches undertaken elsewhere than in the country of importation and that are necessary for the production of the imported goods.
  - h. Royalties and licensing charges related to the goods being valued that the buyer committed to pay directly or indirectly, as a condition of sale of the goods when such royalties and charges are not included in the price actually paid or payable.
  - i. The value of any part of the proceeds of any subsequent resale, disposal or use of the imported goods by the buyer that accrues directly or indirectly to the seller.
2. The Customs valuation shall not include the following charges or costs, provided that they are distinguished from the price actually paid or payable for the imported goods:
- a. The cost of transport after arrival at port of entry in Lebanon.
  - b. Charges for construction, installation, assembly, maintenance or technical assistance undertaken after importation of goods that are imported as industrial machinery or equipment.

- c. Interest paid in accordance with a financing contract signed by the buyer for the purchase of the imported goods, whether the buyer or any other third party supplies the financing, provided that the financing contract is in written form.
  - d. Costs in connection with the right to reproduce the imported goods in Lebanon.
  - e. Buying commissions paid by an importer to the importer's agent for the service of representing the buyer abroad to purchase the goods under valuation.
  - f. Transfer of production proceeds and other payments made by the buyer for the interest of the seller and that are not related to the imported goods.
  - g. Duties and taxes applicable in Lebanon.
3. The "price actually paid or payable" referred to in paragraph (1) of this Article is the total payment made or to be made by the buyer to or for the benefit of the seller for the imported goods. It includes all payments actually made or to be made as a condition of sale of the imported goods, by the buyer to the seller or by the buyer to a third party to satisfy an obligation laid upon the seller. Payment may be made either in cash or by way of letters of credit or negotiable instruments. Payment may be made directly or indirectly.
- a. The transaction value of declared goods shall be proved by submission of the original purchase invoice and other documents related to the shipment and insurance costs and other expenses and charges due on the imported goods.
  - b. It is imperative that the invoice includes the names of the buyer and the seller, the price actually paid or to be paid and a detailed description of the declared goods and their quantity. The invoice shall be accepted whether handwritten, typewritten or electronically transmitted, signed by hand or by e-signature. The Higher Council of Customs shall set out the details of application of this paragraph.
  - c. Customs shall have the right to require the submission of contracts, correspondence, bank credits and other documents deemed appropriate to prove the value of goods. However, Customs reserves the right to question the authenticity of the invoice and the declaration under provisions of Article 36.
  - d. When the value of the goods included in the invoice is denominated in foreign currency it shall be converted into Lebanese currency using the rate of exchange in effect at the time of registration of the complete manifest. The rate of exchange to be used shall be that duly defined, on a monthly or periodic basis, by the Central Bank of Lebanon.
  - e. The original invoice or a copy thereof certified by the relevant Customs office must be attached to the manifest unless the Higher Council of Customs, upon consultation with the Director General of Customs sets exceptions.

4. Customs valuation provides under paragraph (1) of this Article the following:
- a. That there are no restrictions as to the disposition or use of the goods by the buyer other than restrictions which:
    - Are imposed or required by law or by the public authorities in Lebanon.
    - Limit the geographical area in which the goods may be resold.
    - Do not substantially affect the value of the goods.
  - b. That the sale or price is not subject to some condition or consideration for which a value cannot be determined with respect to the goods under valuation.
  - c. That no part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment can be made in accordance with the provisions of paragraph (f) of clause (1) of this Article.
  - d. That the buyer and seller, whether legal or natural persons, are not related within the meaning of one or more of the following cases:
    - 1- They are employer and employee.
    - 2- They are legally recognized partners in business.
    - 3- Any person directly or indirectly owns 5 per cent or more of the outstanding voting stock or shares of both of them.
    - 4- One of them directly or indirectly supervises the other.
    - 5- Both of them are directly or indirectly supervise by a third person.
    - 6- Both of them directly or indirectly supervise a third person.
    - 7- They are officers or directors of one another's businesses.
    - 8- They are members of the same family to the third degree.

Persons who are associated in business with one another in that one is the sole agent, sole distributor or sole concessionaire of the other shall be deemed to be related if they fall within the criteria mentioned above.

- e. The fact that the buyer and the seller are related within the meaning of paragraph (d) above shall not in of itself be grounds for regarding the transaction valuation as unacceptable unless Customs ascertained that this relationship influenced the price. In such case Customs shall communicate its findings to the importer and give the importer the opportunity to respond within the delay referred to in Article 36 below. If the importer so requests, the communication of the findings shall be in writing.
- f. In a sale between related persons, the transaction valuation shall be accepted in accordance with the provisions of paragraph (d) above and the goods valued in accordance with the provisions of this Article whenever the importer demonstrates, on his own initiative and for comparison purposes only that such valuation closely approximates to one of the following:
  - The transaction valuation of similar or identical goods respectively specified, in accordance with Articles 37 and 38 below, sold for export to Lebanon to other

buyers not related to the seller, 30 days before or after the importation of the goods being valued.

- The Customs valuation of identical or similar goods respectively specified in accordance with Articles 40 and 41 below.

In applying the foregoing valuations which may not be substituted, due account shall be given to differences in commercial levels, quantity levels, the elements enumerated in paragraph (1) of this Article, and costs incurred by the seller in sales in which the seller and the buyer are not related or costs not incurred by the seller in sales in which the seller and the buyer are related.

**Article 36:**

1. If Customs has grounds to question the authenticity of the Customs value declaration under provisions of Article 35 of this law, it shall, before applying any other Article of this section, notify the importer in writing of its grounds and of his rights to respond within a maximum period of 30 days as of the date of notification.
2. Upon receiving the response of the owner of the goods, or upon expiry of the deadline referred to in the foregoing paragraph, Customs shall issue a written decision pertaining to the disputed case on the basis of Customs valuation rules prescribed in Article 35 of this law and communicate it to the owner of the goods.
3. In case the party concerned protested the valuation decision stated in paragraph (2) above, the dispute shall be referred to the Arbitration Committee mentioned in chapter 7 of title 2. Both parties may obtain annulment of the arbitration decision related to the dispute by appealing the decision in question to the competent Court examining Customs cases. Appeals must be filed within 30 days after the date of notification of the party concerned.
4. The importer or any other person responsible for the payment of duties shall not be subject to payment of a fine for having protested the valuation decision before a Customs authority or any judicial authority; he shall also be notified of the decision issued by any authority examining the protest.
5. The rules set out in this Article shall be applied when applying Customs valuation rules defined in the following Articles.

**Article 37:**

1. If the Customs value of the imported goods cannot be determined under the provisions of Article 35 above, the Customs valuation shall be the transaction value of identical goods sold for export to Lebanon 30 days before or after the exportation of the goods being valued.
2. In applying this Article, the transaction value of identical goods in a sale at the same commercial level and in substantially the same quantity as the goods being valued shall be used to determine the Customs valuation. Where no such

transaction is found, the transaction value of identical goods sold at a different commercial level and/or in different quantities, adjusted to take account of differences attributed to commercial level and/or quantity, shall be used, provided that such adjustments can be made on the basis of demonstrated evidence which clearly establishes the nature and accuracy of the adjustment, whether the adjustment leads to an increase or decrease in the value.

3. Where costs and charges referred to in clauses (a), (b) and (c) of paragraph (1) of Article 35, are included in the transaction valuation, an adjustment shall be made to take account of significant differences in such costs and charges between the imported goods and the identical goods in question arising from differences in distances and modes of transport.
4. If different transaction valuations of identical goods are found, the lowest of such value shall be used to determine the Customs value of the imported goods.

**Article 38:**

1. If the Customs valuation of the imported goods cannot be determined under the provisions of Articles 35 and 37 above respectively, the Customs valuation shall be the transaction value of similar goods sold for export to Lebanon 30 days before or after the exportation of the goods being valued.
2. In applying this Article the transaction valuation of similar goods in a sale at the same commercial level and in approximately the same quantity as the goods being valued shall be used to determine the Customs valuation. Where no such sale is found, the transaction valuation of similar goods sold at a different commercial level and/or in different quantities, adjusted to take account the differences attributed to commercial level and/or to quantity, shall be used, provided that such adjustments can be made on the basis of demonstrated evidence which clearly establishes the nature and accuracy of the adjustment, whether the adjustment leads to an increase or a decrease in the value.
3. Where the costs and charges, referred to in clause (a), (b) and (c) of paragraph (1) of Article 35 are included in the transaction valuation, an adjustment shall be made to take account of significant differences in such costs and charges between the imported goods and similar goods in question arising from differences in distances and modes of transport.
4. If different transaction valuations of similar goods are found, the lowest value shall be used to determine the Customs value of the goods being valued.

**Article 39:**



If the Customs value of the imported goods cannot be determined under the provisions of Articles 35, 37 and 38 above respectively, the Customs valuation shall be determined under the provisions of Article 40 or, when Customs valuation cannot be determined under that Article, it shall be determined under the provisions of Article 41 except that, at the request of the importer the order of application of Articles 40 and 41 shall be reversed.

**Article 40:**

If the Customs valuation of the imported goods cannot be determined under the provisions of Articles 35, 37 and 38 above respectively, Customs valuation shall be as follows:

1. If the same imported goods or identical or similar imported goods are sold in Lebanon at time of importation, Customs valuation of the imported goods shall be based on the unit price at which the imported goods or identical or similar imported goods are so sold in the greatest aggregate quantity, 30 days before or after the importation of the goods being valued, to persons who are not related to the buyer, subject to deductions for the following:
  - a. Either the commissions usually paid or agreed to be paid or the additions usually made for profit and general expenses in connection with sales in Lebanon of imported goods of the same class or kind.
  - b. Transport and insurance costs and associated costs incurred in Lebanon.
  - c. Customs duties and other national taxes and duties payable in Lebanon by reason of the importation or sale of the goods.
  - d. Where appropriate, the costs and charges referred to in clauses (a), (b) and (c) of paragraph (1) of Article 35.
2. If neither the imported goods nor similar nor identical imported goods are sold in Lebanon 30 days before or after the importation of the goods being valued, Customs valuation shall, subject otherwise to the provisions of clause (1) of this article, be based on the unit price at which the imported goods or similar or identical imported goods are sold in Lebanon at time of importation, at the earliest date after the importation of the goods being valued but before the expiration of 90 days after such importation.
3. Subject to the provisions of paragraphs (1) and (2), if neither the imported goods nor identical nor similar goods are sold in Lebanon at time of importation, then, if the importer so requests, the Customs value shall be based on the unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to another party in Lebanon not related to the seller, provided that the value added by such processing is deducted as well as the deductions provided for in paragraph (1) of this Article.

**Article 41:**

- a. If the Customs valuation of the imported goods cannot be determined under the provisions of Articles 35, 37, 38 and 40 above respectively, Customs valuation of the imported goods shall be based on a “computed value”.

Computed value shall consist of the sum of:

1. The cost or value of materials and manufacturing or other processing employed in producing the imported goods.
  2. Profit margin and general expenses equal to that usually reflected in sales of goods of the same class or kind of the goods being valued which are made by producers in the source country for export to Lebanon.
  3. Wages, costs and charges associated with the shipment of the imported goods including the costs of transport, loading, unloading, insurance, handling charges and other charges associated with the shipment of imported goods to port of entry in Lebanon.
- b. No one may require or compel any person not resident in Lebanon to produce for examination, or to allow access to, any account or other record for the purposes of determining a computed value. However, Customs shall have the right to verify information supplied by the producer of the goods for the purposes of determining the Customs value under the provisions of this Article in another country with the agreement of the producer and provided the authorities of the country in question are given sufficient advance notice and the latter does not object to the investigation.

**Article 42:**

- a. In order to apply the aforementioned rules on Customs valuation, shall be considered:
  - 1- “Identical Goods”: Goods which are the same as the goods being valued in all respects, including physical characteristics, quality and reputation. Minor discrepancies in appearance shall not exclude goods otherwise conforming to the definition of identical goods. Goods shall not be regarded as identical unless they were produced in the same country of origin and source as goods being valued.
  - 2- “Similar Goods”: Goods which have like characteristics and like material components to the goods being valued which enable them to perform the same functions and to be commercially interchangeable. The quality of the goods, their reputation and the existence of a trademark are among the factors to be considered in determining whether goods are similar. Goods shall not be regarded as similar unless they were produced in the same country of origin and source as the goods being valued.
- b. The terms “identical goods” and “similar goods” shall not include, as the case may be, goods which incorporate or reflect engineering, development, artwork, design

work and plans and sketches for which no adjustment has been made under the last passage of paragraph (g) of Article 35.

- c. Goods produced by a different person shall be taken into account only when there are no identical or similar goods, as the case may be, produced by the same person producing the goods being valued.

**Article 43:**

- 1- If Customs value of the imported goods cannot be determined under the provisions of Articles 35, 37, 38, 40 and 41 respectively, Customs valuation shall be determined on the basis of available data using reasonable means consistent with the principles and general provisions of the international agreements applicable in Lebanon.
- 2- No Customs valuation shall be determined under the provisions of the aforementioned paragraph on the basis of:
  - a. The selling price in Lebanon of goods produced in Lebanon.
  - b. A system, which provides for the acceptance for Customs valuation purposes of the higher of two alternative values.
  - c. The price of goods in the domestic market of the country of exportation.
  - d. The cost of production other than the computed values which have been determined for identical or similar goods in accordance with the provisions of Article 41 above.
  - e. The price of goods sold for export to a third country.
  - f. Minimum Customs values.
  - g. Arbitrary or fictitious values.
- 3- If the importer so requests, he shall be informed in writing of Customs valuation determined under the provisions of this Article and the method used to determine such valuation.

**Article 44:**

The Higher Council of Customs shall, upon the consultation with the Director General of Customs, set out special Customs valuation rules for carriers designed for data processors, provided that such carriers are consistent with the WTO rules and principles.

**Article 45:**

- 1- Customs valuation procedures for imported goods shall not impede the right of the importer to withdraw his goods from Customs if, where so required by Customs, the importer provides sufficient guarantee accepted by Customs, covering the ultimate payment of Customs duties and, where necessary, the fine for which the goods may be liable.
- 2- Customs shall have the right to keep samples of the goods released before the final determination of their Customs valuation. Samples shall be returned to the owner of the goods if not consumed while being tested and examined.

**Article 46:**

All information which is by nature confidential or which is provided on a confidential basis for the purposes of Customs valuation shall be treated as strictly confidential by the authorities concerned who shall not disclose it without the specific permission of the party providing such information, except to the extent that it may be required to be disclosed in the context of judicial proceedings.

**Article 47:**

The value of goods that must be declared at the time of exportation shall be the value of goods at the time of registration of the declaration in addition to the cost of transport to the borders.

This value shall not include:

- Where applicable, taxes and duties imposed at the time of exportation.
- National taxes and duties refunded at the time of exportation.

**Article 48:**

Submission of false declaration of value may lead to penalties provided for in Articles 421 or 425, as the case may be.

**Article 49:**

The Higher Council of Customs shall, upon the consultation with the Director General of Customs, determine the rules of application of Customs valuation rules stipulated in this section and rules relating to special cases not explicitly covered by such rules, taking into consideration explanatory comments on Customs valuation rules published by the WTO.

**Section 3: Type of Goods**

**Article 50:**

- 1- The type of goods shall be the Customs nomenclature of such goods as mentioned in the Customs Tariff Schedule according to the Harmonized System Tariff Schedule.
- 2- Goods not included in any of the Customs Tariff Schedule items according to the Harmonized System Tariff and those included in two or more headings shall be itemized by decisions of the Higher Council of Customs upon the consultation with

the Director General of Customs, under the general rules referred to in said schedule for the interpretation of such system.

- 3- Itemizing decisions referred to in paragraph (2) above shall, unless the same decisions otherwise provide, be published in the official gazette and come into effect within the ordinary time limits set for publication. Such decisions shall be revocable before the administrative court.

**Article 51:**

Due account being given to the commentary of the Harmonized System Tariff published by the World Customs Organization, additional commentary and implementing provisions of the Customs tariff shall be defined by decisions of the Higher Council of Customs upon the consultation with the Director General of Customs provided that publishing and implementation provisions referred to in paragraph (3) of Article 50 above are applied.

**Article 52:**

Any false declaration with regard to the designation, type or description of goods shall lead, as the case may be, to the penalties provided for in Articles 421 or 425.

**Title Two**

**Import and Export Restrictions**

**Chapter one – Organization and Prerogatives of Customs offices**

**Article 53:**

- 1- Any merchandise entering into or exiting from Lebanon shall be reported and declared to the first Customs office at the borders in order to be inspected according to the rules set by Customs Administration. This merchandise may be subject to duties as deemed necessary.
- 2- Exports that are under the Customs Zone control or perishable goods that be declared at the internal export houses or at the authorized houses of the second line shall be excluded from the provisions of the previous paragraph.
- 3- The Director General of Customs shall determine the rules of implementation of this Article.

**Article 54:**

Customs offices are divided into 3 categories: first, second and third category.

- a. Houses of the first category shall be classified by virtue of a decree issued by the Council of Ministers based on the proposal of the Minister of Finance upon the consent of the Higher Council of Customs. The prerogatives in respect thereof shall be determined in accordance with the provisions of the present law, by virtue of decisions of the Higher Council of Customs, following consultation with the Director General of Customs. These decisions shall be published in the Official Gazette.
- b. Houses and offices of First and Second degree categories shall be classified and empowered according to the provisions of this law, by virtue of decisions issued by the higher Council of Customs, following consultation with the Director General of Customs, and shall be published in the Official Gazette.

**Article 55:**

Customs offices and offices established as of the effective date of the provisions of this law shall be considered established and empowered with prerogatives in conformity with these provisions, provided that the amendment of such prerogatives is subject to the same rules prescribed in the previous Article 54.

**Article 56:**

- 1- The Higher Council of Customs, following consultation with the Director General of Customs shall, according to the requirement of the commercial activity, specify the opening and the closing hours of Customs offices as well as the hours of loading and unloading of vessels; it shall also determine the cases where Customs formalities and loading and unloading activities are allowed to be performed outside Customs offices and ports and outside of normal business hours.
- 2- Customs formalities shall be considered accomplished inside the relevant Customs office if related information and documents are received electronically through a computer mounted for this purpose inside said house.

**Chapter Two - Restrictions Imposed on the Entry and Exit of Certain Types of Merchandise**

**Article 57:**

- 1- Prohibited merchandise is merchandise the importation or exportation of which is strictly prohibited by laws, regulations, and decisions of relevant authorities or by virtue of International Agreements to which Lebanon is a party or a member. Prohibitions may include other restrictions such as prohibiting the transit of such merchandise or their storage in Customs warehouses and free zones as well as prohibiting the possession and circulation thereof.

2- Restricted merchandise is merchandise which may only be imported or exported subject to a permit, license, certificate, prior approval or visa, issued by a relevant authority.

Restrictions may include other provisions such as prohibiting the transit of such goods or their circulation without a permit or prior authorization.

As for imports requiring an import visa or a health certificate that should be issued by relevant ministries, public or private administrations and institutions, the Head of the Customs office shall have the right in case of no permanent representatives of these authorities are present in said house to allow the delivery of such merchandise to their owners immediately after completion of Customs formalities and settlement of Customs duties as insurance if required, provided that contents or packages of such merchandise are packed according to the rules, and accompanied to the owners' warehouses as needed, provided that the proprietors pledge in writing at Customs that they would not dispose of released goods until decisions in connection thereof are made by relevant authorities.

The same procedures shall apply to merchandise requiring a positive analysis to be introduced, as well as merchandise that should meet certain requirements under rules and regulations (such as packing conditions).

The Head of the Customs office should immediately notify the concerned authorities about the measures taken.

Should the concerned authorities definitively approve the entry of goods, Customs shall be notified in order to lift the restrictions imposed on such goods, including the settlement of guarantees levied as deemed necessary.

In case of refusal of entry of goods these authorities shall notify Customs in order to take necessary measures concerning the re-exportation or destruction of goods according to rules and regulations.

The Director General of Customs shall specify the provisions of implementation of paragraphs (2) to (5) of No.2 of this Article.

3- Monopolized merchandise is merchandise exclusively produced, imported, exported and commercialized by one and only single institution affiliated to the public or private sector or to both sectors through a joint venture.

Monopoly laws may include other prohibitive provisions, such as transit, transportation and possession of such goods without the consent of the party holding the right to monopolize.

**Article 58:**

1- Goods can only be introduced to Lebanon or cleared therefrom through authorized Customs clearing houses. The prerogatives of such houses are prescribed in the provisions of Article 54 mentioned here above.

2- If such goods are presented to an unauthorized clearing house and declared under their real description, imports must be re-exported and goods intended for exportation must return to the country.

3- If such goods are not declared under their real description, this should be considered as an illegal attempt of import or export, and the penalties prescribed in Articles 421 or 425 of this law shall be incurred, if need be.

**Article 59:**

- 1- Provisions outlined in the previous article, do not apply to prohibited goods prescribed in paragraph (1) of article 57 since such goods are seized upon their presentation to Customs offices notwithstanding the prerogatives in respect thereof even though such goods are declared by their real description. Violations of these provisions are deemed to be import or export of prohibited goods without submission of a Customs declaration or through smuggling and shall be subject to penalties prescribed in Article 421 of this Law.
- 2- Monopolized and restricted goods mentioned in the previous clauses (2) and (3) of Article 57 must be treated similarly to prohibited goods upon import and export, therefore such goods should be seized whenever a pertinent license, permit or any other legal document are not attached thereto or whenever irrelevant documents are attached thereto.
- 3- Goods bearing false marks and labels indicating their origin, prescribed in Articles 62 and 63 (paragraph 2) and Articles 64, 65, and 66 of this Law, should be treated similarly to prohibited goods, hence they should be seized upon import or export and shall be subject to penalties prescribed in Article 65, subject to the provisions of cancellation of seizure, as deemed necessary, according to the rules outlined in Articles 65 or 66 below.

**Article 60:**

- 1- Documents issued by the relevant authorities allowing export, import or transit of goods cannot be sold, borrowed or transferred to another person and in general, cannot be subject of a transaction of any sort carried out by parties to whom such documents have been issued.

Any violation of the previous paragraph should be subject to penalties imposed on the import, export or transit of restricted goods.

- 2- The possession or attempted possession of one of the documents mentioned in paragraph (1) above, whether by imitating the public seals or by means of false statements or any other fraudulent manner, should be considered an attempted import or export of goods without a declaration or transportation of goods in transit without a declaration of restricted goods and should be subject to similar penalties.

**Article 61:**

- 1- Import and re-export of prohibited or monopolized goods and highly dutiable goods or goods subject to specific revenue tax are prohibited onboard of vessels of less than 150 net maritime tons, by virtue of the decisions of the Higher Council of



Customs, following consultation with the Director General of Customs and published in the Official Gazette.

It is strictly forbidden to circulate within the maritime zone in vessels of less than 150 maritime tons capacity and loaded with types of goods mentioned here above, whether declared in an export manifest or not, unless in the following cases of force majeure: Occurrence of maritime emergencies or defects compelling the vessel to anchor 12 miles away from the shore or to recourse to a Lebanese port. In these cases, the captain of said vessel should promptly inform the nearest Customs office about his presence and justify it. In addition the captain of the vessel should sign in said house a bond guarantee stating that he will submit proof showing the arrival of goods to the foreign country of destination within a specified period of time.

2-Each violation of the provisions of this Article shall be subject to the same penalties imposed upon the import or re-export of merchandise without the submission of a declaration or unauthorized transportation of prohibited goods and shall thus lead to the imposition of penalties prescribed in Article 421.

**Article 62:**

It is strictly forbidden to import, deposit in warehouses or free zones or to transport in transit all foreign products whether natural or manufactured, that are marked or labeled, on their cover, boxes, pallets, envelops or wraps, etc...with any manufacturing label, logo, name, sign or any other indication that may imply that such products were produced in or originating from Lebanon.

**Article 63:**

It is strictly forbidden to import, transit, transport, export or re-export the following:

- 1- All products bearing false trademarks or labels or commercial description which benefit from legal protection in Lebanon according to the provisions of the Agreement of the Paris Union of March 20, 1883 and its amendments.
- 2- All products bearing false marks of origin, or marked or labeled directly or indirectly to indicate that they were produced or originated in one of the countries that are members or parties to the Madrid Agreement of April 14, 1891 and its amendments or an area located in one of these countries.
- 3- All products inconsistent with the conditions prescribed in agreements, laws and regulations pertaining to intellectual property rights.

**Article 64:**

- 1- Marks of origin may be imposed on foreign goods brought into Lebanon, by virtue of decisions of the relevant authorities specifying these goods.

These decisions shall determine the conditions to be followed as to the indication of origin of each type of goods.

- 2- It is strictly forbidden to import or bring into any bonded warehouse all foreign products whether natural or manufactured not fulfilling the requirements imposed by virtue of this Article and the decisions of its enforcement.

**Article 65:**

1. The violation or the attempted violation of the provisions of Articles 62, 63 and 64 should be dealt with as import or attempt to import prohibited goods without the submission of declaration or through smuggling, and should be subject to penalties prescribed in Article 421.

However these goods may be released after elimination or correction of contradictory marks, labels, signs or indications or after affixing the origin indication whenever one of these measures is found by Customs to be sufficient.

2. Should be considered an attempt to violate the provisions of Article 63 the import of labels, signs, caps or containers and other things bearing a sign of a factory, store, a commercial description or an indication of source eligible for the right of legal protection in Lebanon except for:
  - a. Internal containers bearing the name of a foreign manufacturer and its specific trademark imported by a local factory, which is entitled to the right of operation of this trademark.
  - b. Labels, signs, caps or containers whereby the merchant is able to ascertain having imported products of corresponding type and quantity.

**Article 66:**

- 1- Ordinary courts in charge of civil cases shall be in charge of the violations or attempted violations of the provisions of Article 63 of this law; however Customs Administration should be in charge of setting the action in motion by submitting the seizure records to the Intellectual Property Office charged with notifying the damaged party.
- 2- The reconciliation right of Customs Administration should not be taken into consideration or the release of merchandise after the destruction or correction of false marks, unless authorized by the Intellectual Property Office at the Ministry of Economy and Trade.
- 3- When these violations are brought before court the damaged party shall have the right to become party to the lawsuit; in this case an order of merchandise seizure may be issued in his favor.
- 4- Storage expenses and all other expenses of services rendered by Customs should be for the account of the losing party.

**Chapter Three - Manifests or Brief Declarations**

**Section 1: Sea Transport**

**A. Import:**

**Article 67:**

- 1- Any merchandise shipped through the sea, whether from foreign or Lebanese ports must be included in a complete Cargo Declaration named Manifest. The carrier, the captain of vessel or the maritime agent responsible for the vessel shall sign this manifest that should contain in the case of merchandise destined for Lebanon or for land transit, the following information:
  - The name and flag of the vessel
  - The seaport of departure and the Lebanese sea port of arrival
  - The nature of imported goods and the gross weight of each consignment.
  - The numbers and measurements of packages, containers or any other packing or packaging units as well as their trademarks.
  
- 2- In case of doubt, Customs shall have the right, upon approval of the Director General of Customs, to request additional information and explanations with regard to merchandise or containers intended to be laden in the Lebanese port in order to be forwarded by sea from the same port and with regard to cargo remaining on the vessel to be unloaded in other ports.

**Article 68:**

Prohibited or monopolized goods shall be included in the manifest mentioned in Article 67 here above and in the cargo and containers sheets prescribed in Articles 75 and 77 below, under their real nature, description and type at the risk of penalties prescribed in Article 421 of this Law.

These provisions shall apply to the manifest or equivalent documents prescribed in Articles 84 to 90.

**Article 69:**

Except in case of a proven Force Majeure, Customs employees shall have the right to inspect and examine the cargo of vessels of less than 150 maritime tons, regardless of its flag, whether anchored or circulating within 12 miles from the Lebanese ports. They may also require a copy of the manifest and stamp the original manifest.

**Article 70:**

Customs employees may, without the assistance of members of the Public Police or any other intermediate, board any vessel anchored in Lebanese ports and harbors or moving inside or outside such ports, regardless of their cargo or flag. These employees may remain aboard until vessels are totally unloaded. They may also

order exiting vessels to open compartments, rooms, lockers, boxes, parcels, pallets, barrels and other packages and containers and investigate all shipments by all means.

**Article 71:**

The vessel captain shall, upon entry into ports or harbors, file a brief declaration of the vessel provisions if not indicated in the manifest, especially monopolized, prohibited or highly dutiable or subject to revenue tax, by virtue of administrative orders issued by the Higher Council of Customs. The relevant Customs Authority may seal in any manner said cargo after the quantity needed for the crew consumption is delivered to the captain of the vessel. The quantity to be consumed shall be determined by the Director General of Customs and published in the official gazette.

The type and quantity of the vessel provisions shall be determined by the Director General of Customs and published in the official Gazette.

Operations mentioned here above should be subject to provisions of Article 73.

**Article 72:**

Upon entry to the maritime Customs Territory, captains of vessels except vessels making regular trips and with onboard cargo exceeding 150 maritime tons shall present the manifest at the first request of Customs employees who board these vessels in order to stamp it and submit a copy to them.

As to vessels that make regular trips and carry more than 150 Maritime tons of cargo, the manifests should be filed after the vessels are anchored. These vessels shall not in any manner be inspected unless special information is available concerning smuggled goods. The maritime agent at the port of unloading may present to the captains of these vessels individual manifests coming directly from the shipping ports to be signed such manifests and submitted as one manifest to the Customs office. The maritime agent may also submit this manifest directly to the Customs office before entry of the vessel to territorial waters. In addition manifests, information and documents dealing with merchandise may be sent electronically.

However the captain of a vessel must, before reaching territorial waters, file a complete (standardized) Cargo Declaration including the number and type of packages and containers onboard, the port of shipment and the destination of the vessel.

**Article 73:**

Whenever captains of vessels mentioned in Articles 69 and 70, and as needed in Article 72, refuse to open cargo decks, rooms, cells and lockers, Customs officers may ask the help of a public police member, who should be present when these cargo decks, rooms, cells and lockers are being opened.

**Article 74:**

Vessels inspection carried out in line with the terms prescribed in Articles 69, 70 and 71 and as needed in Articles 72 and 73, allow for investigating violations prescribed in Articles 426, 427, and 429 to 432.

**Article 75:**

- 1-** The vessel captain or the shipping company agent responsible for the vessel shall, no later than 36 hours after arrival and prior to the unloading of cargo, submit to the Customs Office the following:
  - a. A declaration containing all cargo destined for Lebanon or intended for land transit and prescribed in Article 67.
  - b. A declaration containing all merchandise, containers and platforms intended to be unloaded in the Lebanese port to be transshipped by sea from the same port, provided that it contains the numbers of containers and platforms including their gross weights.
  - c. A brief declaration containing the remaining cargo intended to be unloaded in foreign ports including the number of packages, units or containers and their total weight.
  - d. A declaration containing provisions of the vessel and crew belongings.
  - e. A passenger manifest.
- 2-** Manifests should be filed even if there is no cargo onboard the vessel.
- 3-** Off days shall not be deducted from the period of 36 hours prescribed in paragraph (1).

**Article 76:**

Each original manifest of a vessel which does not make regular trips, and not related to a shipping company which does not have agents at the Lebanese ports, as well as each manifest related to a sail boat requires a clearance visa by Customs authorities at the port of lading. However, Customs Administration may, as needed impose same clearance requirement on the manifests of other vessels visiting Lebanese seaports.

**B. Export:**

**Article 77:**

Any loaded or unloaded vessels, except vessels of more than 150 maritime tons of cargo and making regular trips, are not cleared from any Lebanese port unless a manifest, consistent with the provisions of Article 67, is filed with Customs, at the risk of penalties prescribed in Articles 425 and 426.

As to vessels that make regular trips and exceed 150 maritime tons of cargo, the agent of the shipping company responsible for the vessel may no later than 36 hours as of departure, file with Customs Administration the following:

1. A manifest complying with the provisions of Article 67, containing the following information related to cargo shipped from Lebanon:
  - Name and flag of the vessel
  - The port of lading and the foreign ports of unloading
  - Type of shipped cargo and the gross weight of each consignment
  - The numbers, quantities, and measures of containers, parcels or any other unit of packing, packaging and trademarks thereof.
2. Lists of cargo and containers forwarded by sea from the same port and which were already unloaded according to specific forms.
3. A passenger's manifest.

**C. Common Provisions for Import and Export**

**Article 78:**

It is prohibited to encompass in manifests, lading forms or waybills relating to land transport, a group of varied sealed packages, in any shape as one single parcel under the penalties prescribed in Article 421.

If parcels are conveyed within containers, the container may be accepted as one unit in the manifest. In this case the manifest shall show for each container, a description of the articles and number of parcels. The manifest shall also indicate the bills of lading numbers covering goods and they must be attached to the manifest.

**Article 79:**

Captains of vessels of less than 150 maritime tons of cargo shall, upon entry or exit, submit to Customs employees bills of lading and other documents found by Customs Administration to be necessary in line with Customs procedures.

**Article 80:**

1. Except as otherwise permitted by Customs, it is not allowed to load or unload any vessel, barge or boat, without the permission of Customs employees or in their absence, under the risk of penalties prescribed in Article 421 or 425 as warranted.
2. In principle loading or unloading must occur during daylight and within the premises of the port where the Customs office is located, except when Customs Administration otherwise permit.
3. Except for cases of urgent need, ships are loaded or unloaded consecutively according to the date of submission of their brief declarations and as much as the place and the number of dedicated employees in Customs Office permit.

4. Except for cases of Force Majeure, it is prohibited for vessels, barges, or boats to anchor in ports where there are no Customs Offices.
5. The Captain of the vessel may command en route to throw away the cargo loaded onboard of the vessel if he finds it necessary for the safety of the vessel.

## **Section2: Land Transport**

### **A. General provisions**

#### **Article 81:**

1. All merchandise imported by land must be immediately led to the first office of entry at the borders, under the risk of penalties pertaining to import smuggling prescribed in Article 421 or 425 as warranted.

Owners of goods or parties accompanying goods must organize their movement to take the route or the way leading to the first and nearest Customs Office, immediately.

2. The Higher Council of Customs, following consultation with the Director General of Customs shall determine the direct routes and passages for importation and exportation by way of decisions published in the official gazette.

#### **Article 82:**

Penalties prescribed in Article 81 shall be inflicted if merchandise crosses the Customs offices without a permit or if they are stored in any warehouse before they were being led to these offices.

Goods arriving after normal business hours, must in principle be put in places attached to these offices and must remain herein without any charges until the Customs offices are on duty again.

#### **Article 83:**

Pursuant to the provisions of paragraph (2) of Article 53, all goods exported by land must be directly led to the exit office, at the risk of penalties pertaining to export smuggling, prescribed in Article 421 or 425, as warranted.

It is prohibited under the same penalties for owners of goods or parties accompanying goods to take side roads or pathways to avoid Customs Offices or bypass without a license.

### **B. Rail Transport:**

#### **1-Ordinary transport**

#### **Article 84:**

Consignment notes, equivalent to the manifest, must be attached to the cargo imported by railways. They shall include the quantities and numbers of packages, parcels and other related packing units, as well as the brands, measures or trademarks and the nature of the goods and their weight.

Such consignment notes must bear the signature of the authorized agent of the railway company and the master of the railway and must be stamped by the dispatching Customs office, or by the first Lebanese office of entry. Upon arrival of the train, these consignment notes must be filed in duplicate at the first Lebanese Customs Office.

## **2- International Transit**

### **Article 85:**

Waybills, equivalent to the manifest, must be attached to the cargo imported by railways under the status of international transit. The waybill must enclose the special declarations named General Declarations (GD), showing for each parcel the brand of the articles, numbers, description of the articles, total weight and size etc...if goods are dutiable on the basis of weight, measure, or any other unit. As for dutiable goods on the basis of value as well as prohibited goods, their total weight and value must be included in one declaration.

The provisions of paragraph (2) of Article 84 must be strictly implemented on waybills.

## **C – Transport by vehicles**

### **1- Ordinary transport:**

#### **Article 86:**

Commercial consignments imported by vehicles, must in principle enclose for each conveyance and on each trip, a manifest filed according to the same conditions prescribed for the manifest mentioned in Article 87 hereafter.

### **2- International Transit:**

#### **Article 87:**

Goods imported under International Transit status by authorized vehicles of carriers, must in principle enclose for each conveyance and for each trip a manifest containing a general list of the totality of goods conveyed under this status.

This manifest shall show the consignees and consignors' names, the number of packages, labels, brands, numbers, description of coverings and net weight thereof, as well as the nature of the goods, the origin, value, quantitative weight, volume, or number thereof, or if warranted by the required unit of quality. The manifest must bear the signature of the authorized agent of the carrier and the driver of the vehicle and must be stamped by the Customs office where the merchandise were dispatched, or by the first Lebanese Customs office of entry. At the arrival of the vehicle this manifest must be filed with the Lebanese office of destination.



## **D- Common Provisions for Railway and Vehicle Transport**

### **Article 88:**

Rail and vehicles transport shall be subject to the provisions of Articles 78 and 80.

### **Section 3: Transport of Merchandise Intended for Duty Free Zones:**

#### **Article 89:**

Captains of vessels, shipping companies and authorized agents of carriers must file with Customs Administration manifests or certified copies related to goods unloaded in maritime or air free zones or general declarations related to goods unloaded in the internal free zones, immediately after unloading such goods. Moreover, the entity in charge of the operation of the free zone at Beirut Port, shall submit to Customs Administration, within 36 hours as from unloading, a separate list for each vessel, plane, railway, or vehicle containing the complete enumeration of the number and description of packages, as well as brands, numbers, nature and origin of goods.

The persons in charge of the shipment and transportation of goods originating from free zones shall incur the obligations prescribed in the previous two articles.

### **Section 4: Air Transport**

#### **Article 90:**

- 1- Goods conveyed by aircraft must be included in a manifest signed by the captain of the aircraft, carrier or certified agent within the same conditions prescribed in Article 67 related to goods shipped by vessels.
- 2- A certified copy of said manifest must be kept on board of the aircraft and must be submitted to the Customs official at the first request.
- 3- The manifest must be submitted to the Airport Customs office immediately at arrival. Should the aircraft arrive before the opening hours of the office, the manifest must be submitted during opening hours.

#### **Article 91:**

Aircrafts operating round-trip international flights must land in both directions at Customs airports. Such aircrafts must also cross the borders in the designated air passages and points.

However certain types of aircrafts may - considering the nature of their operations - be exempt from landing at Customs airports by an administrative permit.

The permit shall in this case designate the airport of arrival and departure, the air route that shall be followed and the signs that must be given when crossing the borders.

**Article 92:**

Provisions of Article 80 pertaining to loading and unloading of vessels apply to air transport.

**Article 93:**

The captain of the aircraft may command to throw away the aircraft cargo during flight, if he deems it necessary for the safety of the aircraft.

**Section 5: Import by Post or Postal Parcels**

**Article 94:**

- 1- Import by post or postal parcels is accepted within the conditions prescribed in postal rules and regulations in force.
- 2- Such import contrary to the Customs Law or to other texts related to Customs, are subject to the penalties prescribed in Article 421 or 425 of this law, as warranted.

**Chapter Four- Detailed Customs Declaration**

**Article 95:**

- 1- All imported and exported goods shall be declared under a detailed Customs declaration granting such goods a special Customs status. The persons enumerated in Article 113 below shall sign the detailed Customs declaration.
- 2- Exemption from duties shall not exempt from declaration obligation.

**Article 96:**

The detailed declaration shall be submitted to the Customs office opened for the required Customs operation, it shall be formulated in writing or through data processing or electronically. The same provisions applying to written declarations shall apply to the latter.

**Article 97:**

- 1- Contrary to the provisions of paragraph (1) of Article 53, the Director General of Customs may allow the submission of the detailed declaration before the arrival of the goods to the Customs office.
- 2- For the purposes of this Article, especially with regard to duties, restrictions and other measures, the registration of a declaration submitted in advance shall come into effect as of the date of arrival of goods provided such declaration fulfill on that date all required conditions.

- 3- It shall be permitted to rectify a declaration submitted in advance until the arrival of goods; upon the arrival of goods, such declaration shall be subject to the provisions of Article 108.
- 4- Should the goods fail to fulfill all the conditions required in the declaration, the declaration shall be annulled de facto three days upon the arrival of the goods.

**Article 98:**

- 1- The detailed declaration should be formulated according to the tariff nomenclature and should include all necessary elements and indications for the implementation of Customs measures and the preparation of foreign trade statistics; the declarer shall sign the detailed declaration. If the goods may, under applicable agreements, benefit from exemption, lowered duties or any other preferential treatment, the declarer shall, when submitting the declaration request the same treatment and refer to the text or code granting such right, subject to the implementation of the regular tariff.
- 2- It shall be permitted to declare goods intended for exportation according to their ordinary designation, provided such designation is accompanied with the exact HS code.
- 3- The Higher Council of Customs shall, with the consultation of the Director General of Customs, issue decisions defining the form, characteristics and content of the detailed declaration as well as the number of copies thereof and the documents that should be attached to it.  
The foregoing documents shall be overlooked with regard to goods re-exported by the same transport agencies from the same port of unloading.

**Article 99:**

Shall be excluded from the obligation of submission of a detailed declaration:

- The cases where verbal declaration is permitted; the Higher Council of Customs shall determine such cases, with the consultation of the Director General of Customs.
- Goods excluded under international agreements to which Lebanon is a party to or a member.
- Postal parcels, packages and mail which are subject to their own laws and regulations.
- Used personal effects and new items of personal character or those intended for personal use, brought by travelers, whether foreigners or Lebanese entering Lebanon, and thus within the limits and terms set by the Higher Council of Customs with the consultation of the Director General of Customs.

- Consignments of personal character and commercial samples of low quantity and quality provided such samples are cleared within the limits and terms set by the Director General of Customs.

**Article 100:**

- 1- The Customs declaration shall be subject to stamp duties stipulated under applicable law in Lebanon.
- 2- The conditions under which the owner of the goods shall mandate an authorized Customs agent to complete Customs procedures are set forth in this law.
- 3- Customs employees are prohibited from completing declarations except in cases stipulated in this law.

**Article 101:**

- 1- It shall be permitted to include in the same declaration goods related to more than one manifest or shipment list. Such measure shall apply to goods released from warehouse and the registers of which are related to more than one record. The Director General of Customs shall determine the implementation rules of this paragraph.
- 2- It shall not be permitted to treat, in the same manifest, a group of sealed parcels gathered in a way or another as one unit at the risk of the penalties prescribed in Article 421, due account being given to the instructions issued by the Director General of Customs with regard to containers, reels and trailers.

**Article 102:**

Where more than one category of goods is declared in one manifest, each category shall be treated as an independent object of declaration.

**Article 103:**

The Customs employees shall be prohibited from informing third parties of the documents, registers and declarations they are responsible for by reason of their positions, and including those they have access to under the provisions of this law. Such restriction shall not apply to queries expressed by relevant judiciary authorities and relevant functionaries of the Ministry of Finance via the Director General of Customs.

**Article 104:**

- 1- Customs office shall register the declarations formulated under the provisions of this chapter, after verifying their conformity with such provisions, at the date of their submission in order of receipt through the adoption of an uninterrupted series of annual figures.

- 2- Shall be considered as unacceptable all declarations not conforming to the provisions of this chapter.

**Article 105:**

- 1- Where the declaration reveals a contradiction between texts declared in letters or figures according to the tariff nomenclature, and another text incompatible with such nomenclature, the latter shall be considered as void and null.
- 2- Where the declaration includes a designation of the goods through their HS code, all terms inconsistent with such codes shall be considered as null.
- 3- All numbers should be written out in figures in the same way they are written in words, otherwise they shall be considered as null and void.

**Article 106:**

- 1- The Director General of Customs may permit the submission of simplified procedures for the clearance of some types of goods, provided such procedures are completed subsequently through the submission of appropriate detailed declarations, whether separately or on a regular basis.

Subsequent procedures of detailed declarations shall be treated, along with simplified procedures as one; the operation shall come into effect as of the date of registration of the simplified procedure.

- 2- The Higher Council of Customs shall, with the consultation of the Director General of Customs issue decisions defining the form, the appropriate rules for the submission of detailed procedures and settlement of duties as well as the type of goods they cover.
- 3- It shall be permitted, under the conditions set by the Director General of Customs to authorize the direct delivery of imported or exported goods after the registration of the declaration and before the completion of the different phases of clearance and the payment of duties. Customs Authority shall reserve the right to inspect such goods post clearance.

**Article 107:**

- 1- In the absence of adequate elements for the preparation of detailed declaration, the persons authorized to submit such declarations may be licensed to inspect goods before the declaration and sampling of goods. They shall submit, for this purpose, a temporary declaration and the inspection shall be carried out under the supervision of Customs Authority and applicable duties shall be levied on samples.
- 2- Temporary declaration shall not in any way be exempt from the obligation of submission of a detailed declaration.
- 3- The form of the temporary declaration and advance inspection terms shall be determined by decision of the Director General of Customs.

**Article 108:**

- 1- The declarers shall, upon admission and registration of the declarations request their amendments within the following reservations:
  - The merchandise must remain within the Customs premises.
  - The requested amendment should not make the declaration applicable to certain types of goods other than those already covered.
- 2- In all cases, the amendment shall not be accepted if the Customs department has:
  - Submitted registered declarations for inspection.
  - Informed the declarer of its intention to carry out the inspection or noticed the existence of discrepancies in the elements of the declaration.
  - Collected duties on the goods.
- 3- Customs employees shall not be allowed to introduce any modifications to the declarations whatever the reason may be.
- 4- The rejection of the request to amend the declaration does not prevent the applicant from requesting a lower categorization of the product if the goods were wrongly classified under a higher classification.

The requested reduction shall be granted only after the inspection of the goods inside the Customs premises and the verification of the error.
- 5- The director General of Customs shall set the rules of application of this Article.

**Article 109:**

- 1- The presenter of the declaration shall have the right to request its annulment for the purpose of changing or replacing the Customs status of the declaration with another Customs status. Such measure shall be allowed within the following reservations:
  - If proven that the declaration was wrongfully made or that it has lost its justification for special circumstances or new considerations.
  - The goods are within the Customs premises.
  - Goods are still subject to duty and taxes.
- 2- Should there be a violation in the declaration; the annulment should be allowed only upon the settlement of the violation.

- 3- The annulment shall not be permitted in the case goods are put for export, unless the presenter of the declaration proves that he has not benefited from any donation or special allowance pertaining to export.
- 4- The modification of tax, duty or currency rates shall not impede the approval of the annulment request.
- 5- The Director General of Customs shall set the rules of application of this Article.

**Article 110:**

Pursuant to the provisions of paragraph (4) of Article 97, should the declarer fail, within a minimum period of 15 days after the registration of the declarations, to complete such declarations or pay the taxes and duties they are liable for, Customs shall have the right to annul registered declarations. Customs shall also have the right to request the inspection of the goods in the presence or the absence of the declarer, after duly notifying him of the date of the inspection.

**Article 111:**

Customs shall have the right to verify the authenticity of the information included in the Customs declaration and the enclosed documents upon the release of the goods.

**Article 112:**

Any import or export or any attempt to import or export prohibited, restricted, monopolized, dutiable goods or duty-free goods without the submission of a Customs declaration shall lead, as deemed appropriate, to the imposition of the penalties provided for in Articles 421 and 425.

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

**Article 113:**

Shall be authorized to submit goods to Customs Administration to be put for consumption or under any other system and to supply necessary Customs procedures:

- 1- Specialists in Customs clearance i.e. Customs clearance agents.
- 2- Traders or their authorized agents having proof of ownership, custody or shipping rights of goods.
- 3- Non-trader individuals in the name of which, for whom or from whom, parcels of goods are exceptionally sent.

**Article 114:**

- 1- An authorized agent is a person who undertakes Customs clearance of goods on behalf of a specific legal or natural person.
- 2- Only the name of the person granting the authorization shall be solely mentioned in the declarations; this person or his agent shall sign such declarations.
- 3- The person granting the authorization shall have the right to vest more than one person with signing authority and call for the services of assistance.

**Article 115:**

- 1- A Customs clearance agent is a Lebanese person, whether natural or legal, exercising the job of Customs clearance as their primary function and completing Customs procedures for a third party.
- 2- A person shall have the right to exercise the job of Customs clearance on behalf of a third party only after obtaining a license as a Customs clearance agent issued by Customs Administration.
- 3- Such license shall be granted by the Higher Council of Customs with the consultation of the Director General of Customs under the conditions stipulated in this chapter and shall be published in the official gazette. The license should specify the office(s) where the authorized person shall carry out his work.
- 4- The Higher Council of Customs shall with the consultation of the Director General of Customs revoke the license definitively within the conditions provided for in this chapter.

**Article 116:**

- 1- The license to exercise the job of Customs clearance shall be granted in person. Where the party concerned is a company, the license shall be considered as simultaneously granted to the company and the authorized Customs clearance agent.
- 2- Rejection or definitive revocation of a license under the provisions of paragraph (4) of the previous Article shall by no means imply the right to indemnity or compensation.

**Article 117:**

- 1- All persons referred to in Article 113 should submit to Customs the delivery order of goods.
- 2- The endorsement of such delivery order in the name of the Customs clearance agent shall be considered as an authorization for completing Customs procedures. The delivery order shall be subject to the same provisions governing the bill of lading, stipulated in Article 201 of the maritime commercial law.



- 3- Pursuant to the provisions of Article 201 of the maritime commercial law, Customs shall not take any responsibility pertaining to the delivery of goods to the persons in whose name the delivery order was endorsed. Customs shall not also be responsible for the verification of the effective ownership of the goods.

**Article 118:**

All persons to whom goods are sent, the proprietors or the persons entrusted with such goods or those charged with the transport of goods under transit status shall be responsible, under the condition of solidarity provided for in Article 417, for the acts of their employees, authorized representatives, Customs clearance agents or their authorized agents and in general for the acts of any person they commission to clear goods on their behalf.

**Article 119:**

Any person applying for a license to exercise the job of Customs clearance agent should fulfill the following conditions:

A. **For natural persons:**

- 1- He should be Lebanese for more than ten years.
- 2- He must be of legal eligibility and has not been sentenced in any crime or offense.
- 3- He must not have been discharged from a public function or a profession for reasons dealing with honor and integrity.
- 4- He must submit a quietus from the departments of finance.
- 5- He must hold of a bachelor's degree from a Lebanese university or any equivalent degree, provided he worked in Customs clearance field as a Customs clearance official, an authorized agent commissioned by a specific owner of goods, an assistant of such authorized agent, an authorized agent for transit companies or an assistant authorized agent for transit companies for at least five years which may be reduced to one year for holder of bachelor's degree from a Lebanese university or any equivalent degree, in law, business administration, commerce, economics or finance studies substantiated by Customs Administration's records regarding such persons or to the identity card provided for in Article 125 of this law.
- 6- He must pass a written examination. The Director General of Customs shall determine the subjects, conditions and the date of such examination according to the public interest requirements.

B. **For Legal Persons:**

- 1- Joint- liability companies shall, upon their request, be allowed to undertake, as their main activities, Customs clearance of goods on behalf of a third party, under the following conditions:

- a. The core business stated in the company's statutes should be Customs clearance to the account of a third party.
  - b. The company must be registered at the commercial register.
  - c. The company must submit a quietus from the departments of finance.
  - d. The partners must be Lebanese.
  - e. That all partners are authorized Customs clearance officials if their number does not exceed three. If the number of partners exceeds three, at least three of them should be licensed Customs clearance agents with a total share of no less than 60% of the company's capital, provided the company commissions in either case one of the Customs clearance partners to undertake clearance of goods on its behalf before Customs.
  - f. A Customs clearance agent owning shares in a Customs clearance company, whether or not commissioned to represent such company before Customs Administration shall not have the right to be a partner in or an employee of another clearance company; also, he shall not have the right to submit Customs procedures under his personal name outside the framework of his company.
- 2- In addition to the requirements defined under item (1) above, the Higher Council of Customs shall, with the consultation of the Director General of Customs determine additional requirements that should be met by clearance companies.
  - 3- The license granted to the clearance company shall be considered void and null in case of death of the Customs clearance agent or resignation from his post as a commissioned agent representing such company before Customs or in case the license is revoked under one of the cases referred to in Article 131 of this law.

**Article 120:**

- 1- Any person willing to exercise the job of Customs clearance agent must submit an application to the Higher Council of Customs indicating the Customs office(s) he wishes to work for.
- 2- A special committee shall be formed by decision of the Director General of Customs vested with the authority of verifying that the applications fulfill all necessary requirements, carrying out examinations and declaring the names of the candidates who have passed such examinations.

**Article 121:**

- 1- A licensed clearance agent may undertake Customs clearance only after accomplishing the following:
  - To maintain an office especially reserved for Customs clearance in each of the Customs office he chooses in advance to work for and to pledge in advance to maintain the documents required under Article 127 of this law.

- To register at the Register of Commerce, in the case of Natural Persons only.
  - To produce financial collateral or a bank guarantee set by the Director General of Customs to cover all responsibilities resulting from his or his employees' activities.
- 2- A six-month period from the date of licensing shall be given for the accomplishment of the above-mentioned conditions at the risk of license revocation.

**Article 122:**

The Higher Council of Customs shall in consultation with the Director General of Customs determine the number of Customs clearance agents and companies for each of the Customs offices.

**Article 123:**

- 1- A Customs clearance agent, whether a legal or a natural person, shall have the right to call for the services of one or more employees to help him accomplish his work.
- 2- Such employees shall fulfill the following conditions:
  - a. He must be Lebanese for more than 10 years and must be at least 18 years of age.
  - b. He must be of legal eligibility and has not been sentenced in any crime or offense.
  - c. He must have at a minimum, attained Lebanese baccalaureate II certificate or its equivalent.
- 3- The licensed Customs clearance agent shall produce financial collateral or a bank guarantee for each of his employees acceptable to Customs, the value of which shall be set by the Director General of Customs.

**Article 124:**

A. The agent authorized by the owner of the goods and his assistants must fulfill the requirements referred to in Article 123 above in addition to the following:

- 1- The trader must supply in advance a proxy registered at the notary public in the name of his authorized agent. Such proxy shall not lose its validity unless the authorizer revokes it under another legal instrument registered in the same way and submitted to Customs.
- 2- The trader must produce financial collateral or a bank guarantee the value of which shall be determined by the Director General of Customs for each agent authorized to sign and for all of his assistants.

B. The Director General of Customs may settle with a simple authorization and exempt the agents authorized by non-commercial establishments from providing financial collateral.

C. Agents authorized by transit companies and their assistants must fulfill conditions set in Article 123 above pertaining to the hiring of authorized clearance agents.

**Article 125:**

- 1- The applications of the employees of licensed clearance agents and those of the agents authorized by the owners of goods and their assistants and authorized agents of transit companies and their assistants shall be submitted to the regional head of Customs who shall verify and submit them to the Director General of Customs for settlement.
- 2- The Director General of Customs shall grant licensed Customs clearance agents, identity cards establishing their qualifications and giving them access to Customs depots, warehouses and free zones. The regional head of Customs shall grant similar cards to the persons mentioned in paragraph (1) above.
- 3- A personal record shall be maintained for all Customs clearance agents and authorized agents registering their Customs violations, applied penalties and the names of the employees of the licensed clearance agent and the assistants of authorized agent as well as related violations and penalties.

**Article 126:**

Customs clearance agents shall be responsible before the persons to whom the goods are dispatched, Customs Administration and the parties operating Customs warehouses, depots and free zones, of the activities of their employees that have been approved by Customs Administration.

**Article 127:**

1- Each person, natural or legal, completing Customs procedures for a third party shall, at the risk of penalties referred to in paragraph (4) of Article 361 of this law, maintain a record where he shall, under the conditions defined by the Director General of Customs, register on a daily basis the conclusions of such procedures. Such record must include in particular Customs duties and other duties and taxes paid and due to Customs Administration as well as clearance charges; this record in addition to all correspondences and documents regarding completed procedures shall be kept for three years from the date of their registration in this record upon completion of said procedures.

2- Customs employees mentioned in paragraph (1) of Article 361 shall, if deemed necessary, have the right to examine and verify such records at any time without

abstention or objection of concerned parties at the risk of penalties provided for in paragraph (5) of Article 131 and paragraph (4) of Article 361.

**Article 128:**

1- When absent from work on holiday, a Customs clearance agent may, upon the approval of the Director General of Customs, commission at his expense and at his own responsibility an employee fulfilling the requirements stipulated in this law, to complete necessary Customs procedures; such commission should be carried out under a document registered at the notary public.

The vacation shall be of a maximum period of one month per year.

2- Should the Director General of Customs learn that the Customs clearance agent has abused this right, he shall revoke his approval and the person responsible for the violation will be subject to one or more of the penalties provided for in Article 130.

3- The Director General of Customs shall, at his own discretion, suspend a Customs clearance agent from work, at the agent's request, for a specific period of time not exceeding one year.

**Article 129:**

A Customs clearance agent shall not have the right to lend his name or signature to anyone at the risk of penalties prescribed in Articles 130 and 361 of current law.

**Article 130:**

1- Customs clearance agents in violation of the law may be subject to one of the following professional penalties in accordance with the violation they commit:

- i- Written warning.
- ii- Suspension from work for a period not exceeding one year.
- iii- Suspension from work for a period not exceeding two years during five consecutive years.
- iv- License revocation.

2- Such professional penalties, with the exception of license revocation, shall be imposed by decision of the Director General of Customs. License revocation penalty shall, within the cases provided for in Article 131 below, be imposed by decisions of the Higher Council of Customs, with the consultation of the Director General of Customs.

3- Professional penalties imposed on the employees of licensed Customs clearance agents and authorized agents and their assistants commissioned by owners of goods or transit companies for committing any violation related to the exercise of their jobs in Customs shall be determined by decision of the Higher Council of Customs. Such penalties may, when deemed necessary, include definitive revocation of identity cards.

**Article 131:**

The license granted to a Customs clearance agent shall be revoked and his name struck from the roster of licensed Customs clearance agents by decision of the Higher Council of Customs, with the consultation of the Director General of Customs in the following cases:

1. If he loses the Lebanese nationality.
2. If he loses civil rights or if he is sentenced for a crime or offense.
3. If he is indicted for a serious Customs violation for which he was found guilty.
4. If he is suspended from work for a period exceeding one continuous year or for a period exceeding two years during five consecutive years.
5. If he fails to make the records and documents provided for in Articles 127 and 361 at the disposal of Customs employees for examination and verification.
6. If he expresses in writing his intention to resign.
7. If he fails to provide his annual guarantee.

**Article 132:**

Decisions of temporary suspension from work issued by the Director General of Customs and decisions of license revocation issued by the Higher Council of Customs, shall not grant the right to indemnity or compensation thus it shall be possible to appeal such decisions before the State Council for abuse of power.

**Article 133:**

Should the Customs clearance agent be arrested or his license revoked, he shall be prohibited from having recourse in any way possible to the services of another Customs clearance agent and pursue clearance work under his name. Failing this, both of them shall, under the provisions of this law, be subject to legal pursuit.

**Article 134:**

Contrary to the provisions of Article 113, the Higher Council of Customs shall, upon consultation with the Director General of Customs, have the right to allow parties concerned in Customs offices and facilities where no Customs clearance agents are found, to delegate Customs employees to organize their data for a fee set by decision of the Higher Council of Customs.

**Article 135:**

- 1- In case of death of a licensed Customs clearance agent, the Higher Council of Customs may, with the consultation of the Director General of Customs, allow his son who has effectively worked with him as an employee of a customs clearance agent, to temporarily pursue his job as a Customs clearance agent until the first

contest is held, provided he fulfills the requirements stipulated in paragraph (a) of Article 119.

- 2- Where the Customs clearance agent has more than one child working with him as employees of Customs clearance agent and if they fulfill all the requirements referred to in this chapter, they should designate one of them as a temporary Customs clearance agent.

**Article 136:**

The Higher Council of Customs shall, upon consultations with the Director General of Customs, license administrative Customs employees of the second category at least, and Customs officials who have ended their services, after a minimum of 10 years of effective service, whether by resigning, retiring or being discharged for non-disciplinary reasons, to exercise the job of Customs clearance agents upon their written request, without the need for them to sit for the contest provided for in paragraph (6) of Article 119.

**Article 137:**

- a. Licensed Customs clearance agents shall have the right to exercise their job, whether or not they fulfill all requirements stipulated in this law, provided they produce, within one month as of the effective date of this law, financial collateral or a bank guarantee the value of which shall be defined by the Director General of Customs. They shall remain subject to the provisions of Articles 130 and 131 of this law with regard to suspension from work and license revocation.
- b. 1 - Employees of Customs clearance agents, authorized agents of traders and their assistants and authorized agents of transit companies and their assistants present on or before March 24, 1994, shall have the right to exercise their jobs, whether or not fulfilling all requirements provided for in this law. They shall also have the right to request licensing for certified clearance agent under the following conditions:

To have completed by the date of entry into force of this decree seven years as employee of certified clearance agent, authorized trader agents, or assistant of same, authorized agent for transit companies or an assistant authorized agent for transit companies, verified based on relevant Customs Administration records or on identification card stipulated in article 125 of Customs law.

They fall under the provisions of paragraph (a) of Article 119 and of Article 121 of this law with the exception of paragraph (a5 - a6) of Article 119.

To submit their nomination request as authorized clearance agents within 3 months non-renewable of the date of entry into force of this decree, to the Higher Council of Customs which will settle the matter by decisions issued in consultation with the Director General of Customs.

- 2 – Employees of authorized Customs clearance agents, authorized trader agents, or assistant of same, authorized agent for transit companies or an assistant

authorized agent for transit companies present before April 23, 2001 shall have the right to exercise their jobs, whether or not fulfilling all requirements provided for in this law.

Such amendment will be added to the list of amendments to the Customs law under (3)/.

### **Chapter Six - Inspection of Goods**

#### **Article 138:**

- 1- After registration of the declarations, Customs may, if it deems appropriate, inspect declared goods.
- 2- The inspection of goods shall be restricted to competent Customs employees within Customs offices and associated locations and at Customs points of entry or exit.
- 3- Customs Authority shall have the right to inspect all the parcels listed in the same declaration; the inspection though may be partial or total, according to the Customs Authority's estimation or Customs Administration's instructions. The declarer shall have the right to reject the results of partial inspection and require a full inspection.
- 4- When formulating the instructions referred to in the previous paragraph, due account shall be given to the importance of facilitating trade without prejudice to effective control. Modern risk assessment and management methods should be adopted to this effect in order to determine the declarations to be verified, the merchandise to be inspected and necessary limits for verification and inspection.
- 5- Should Customs Authority have doubt that a specific type of goods is hazardous to public health it may conduct, in addition to Customs inspection, sanitary inspection or analysis of goods.

#### **Article 139:**

- 1- The inspection shall be carried out in Customs offices during official working hours. However Customs may, upon the request and at the expense of the declarer, permit such inspection to be carried out in different times and places within available possibilities and without prejudice to Customs procedures.
- 2- The declarer shall take responsibility for the transfer of goods to inspection locations, unpacking and repacking of goods and all other works in connection with the inspection. The declarer or his employees shall be prohibited from unpacking parcels other than those designated by Customs Authority for inspection.



- 3- Goods transferred to inspection locations shall not be moved out of such locations without the Customs authorization.
- 4- The persons nominated by the declarer to carry out the works required by inspection, should be approved by Customs Administration.

**Article 140:**

- 1- The inspection shall be carried out only in the presence of the presenter of the declaration or his legal delegate who shall be responsible for each loss occurring in the course of inspection.
- 2- Customs Authority shall have the right to unpack and inspect goods in the absence of the owner or his representative in case the first fails, despite his notification, to attend the inspection on time.
- 3- When Customs Authority is in doubt about the existence of prohibited goods, it shall have the right to inspect the goods before notifying the owner or his representative. A special committee designated by Customs Administration shall carry out the inspection and maintain a record of the circumstances and the results of such inspection.

**Article 141:**

Should there be a decrease in the parcels' contents, responsibility for such decrease shall be defined as follows:

- a. If the parcels were entered to the depots or warehouses, appearing to be in good condition and thus proving that the decrease has occurred in the source country before the shipment, the issue of the decrease shall be overlooked.
- b. If the parcels entering the depots or warehouses did not appear to be in good condition, the party operating the depots or warehouses should, along with Customs and the transport company, establish this case in the acknowledgment of receipt and verify the weight, content and number of such parcels. It should also take adequate measures to guarantee the preservation of goods in good condition. In such a case, the responsibility shall fall upon the transporter unless Customs of the source country has expressed certain reservations in the manifest or the transporter failed to supply documents confirming that he has received the parcels and their contents in the same condition as when admitted into the depots or warehouses; in such a case, the matter shall be overlooked.
- c. If the parcels were entered, appearing to be in good condition, and then became of a doubtful nature after entry into depots or warehouses, the responsibility shall fall upon the party operating the depots or warehouses if any loss or modification in the goods can be ascertained.

**Article 142:**

- 1- Customs shall have the right to analyze samples of the goods in order to verify their type, specifications and conformity to applicable laws and regulations.
- 2- Such samples shall be analyzed at private or public competent laboratories approved or accredited by Customs.
- 3- The aforementioned analyses shall be carried out prior to the release of the goods. However, Customs Authority may, under the conditions referred to in Article 162 of the arbitration chapter, allow the delivery of the goods before the completion of the results of the analysis and, when necessary, the counter analysis. It should however preserve at least four samples of the disputed goods.
- 4- The samples of goods intended for analysis shall be withdrawn in the presence of the parties concerned. One of the samples shall be sent for analysis in the prescribed manner and Customs Authority shall preserve the remaining samples under formal seals and the signatures of the parties concerned to be referred to if need be.

The Higher Council of Customs shall, upon consultation with the Director General of Customs, set the rules of application of this paragraph.

- 5- Customs and parties concerned shall have the right to object to the results of the analysis and require a counter analysis.
- 6- The result of the counter analysis shall be considered as decisive if it appears to be complying with the first analysis result. Otherwise, the prejudiced party shall have the right to require another counter analysis the result of which shall be decisive, whether or not complying with the results of the first and the second analyses.

**Article 143:**

- 1- If the result of the analysis confirms the validity of the declaration, Customs Administration shall bear the expenses of such analysis. If proven otherwise, the party concerned shall bear such expenses.
- 2- Unused samples shall be returned to the parties concerned.

**Article 144:**

- 1- Customs may destroy goods proved to be, according to analysis and inspection, inconsistent with applicable laws and regulations.
- 2- A special committee designated by the Director General of Customs shall destroy the goods at the expense of the owner provided he is notified to attend the destruction process. Should the owner of the goods fail to appear, destruction shall be carried out in his absence and the committee shall keep record of such destruction.

- 3- If such destruction is proved to be harmful to the environment, it shall be permitted, under the conditions set by the Director General of Customs, to require the re-export rather than the destruction of goods.

**Article 145:**

In all cases, Customs shall have the right to inspect all goods that have not been delivered to the owner, or those that have been directly delivered to the owner before their inspection.

**Article 146:**

When Customs cannot verify the authenticity of the content of the declaration through the inspection of goods or the examination of submitted documents, it may temporarily suspend the inspection and mention such measure in the submitted document until Customs gather necessary information for such control. However all necessary measures should be taken to shorten the suspension period in order to prevent any prejudice to the parties concerned.

**Article 147:**

- 1- Should there be any discrepancy between the quality, quantity, origin or value of declared goods and the quality, quantity, origin and value determined on the basis of the inspection, duties shall be collected on the basis of the inspection's results.
- 2- Should Customs abstain from inspecting declared goods, taxes and duties shall be collected on the basis of the content of the declaration.
- 3- Due taxes and duties shall be those applicable at the time of registration of detailed declarations. However should Customs duties be reduced, the presenter of the declaration may, when goods remain in the Customs premises without paying duties, request the application of the new tariff if it more favorable than the one applicable at the time of registration of the declaration.

**Article 148:**

Upon the payment of duties, no applications for reconsideration shall be allowed with regard to the elements of the declaration, the inspection of goods or the imposition of duties unless goods were under the supervision of Customs Authority and subject to inspection and counter inspection. In all other cases, such applications should be rejected if the presenter of the declaration does not have special compelling reasons that should be submitted to the Higher Council of Customs for final settlement.

**Provisions Related to Travelers**

**Article 149:**

- 1- Travelers coming to Lebanon should, under the rules and regulations set by the Higher Council of Customs, declare before the Customs office all personal effects

and items imported for commercial purposes if the quantity and value of such items exceed those eligible for duty free entry.

- 2- According to the rules and regulations set out by the Higher Council of Customs, travelers are required to declare upon departure all valuable items intended for personal use they wish to take with them, so that such items will not be subject to Customs duties upon their return.
- 3- Customs may, when deemed necessary, inspect luggage and belongings of travelers.
- 4- Under international agreements to which Lebanon is a signatory, shall be excluded from the obligation of declaration and inspection referred to in this Article, travelers benefiting from diplomatic immunity and facilities.
- 5- Any violation of the provisions of paragraphs (1), (2) and (3) of this Article shall, when deemed necessary, shall be subject to the provisions provided for in Article 421 and paragraph (4) of Article 426.

#### **Provisions Related to Postal Parcels and Packages and Mail**

##### **Article 150:**

Postal parcels and packages and mail shall be subject to inspection provisions stated in this law provided such provisions are not contradictory to the conditions and reservations stated in their own laws and regulations.

#### **Provisions Related to Weights, Measures and Packages**

##### **Article 151:**

- 1- Duties set on the basis of weight, shall be levied on the basis of gross, semi gross weight or net weight as defined in the Customs tariff schedule:
  - a. If goods are liable to duty on the basis of gross weight, the weight of their packages shall be incorporated in the dutiable weight.
  - b. If goods are liable to duty on the basis of semi gross weight, external packages weight shall be deducted from gross weight.
  - c. If goods are liable to duty on the basis of net weight, external and internal packages weight shall be deducted from gross weight.
- 2- It shall be permitted for certain types of goods determined by the Higher Council of Customs, upon consultation with the Director General of Customs, to adopt a fixed scale to indicate the net weight of goods.
- 3- If goods are liable to duty on the basis of net weight or if they are exempt from duties, packages shall be separately subject to their related duties or they shall be

exempt from duties depending on whether such packages have a commercial value or not.

- 4- If goods are subject to ad valorem duties, the value on the basis of which duties are imposed should cover the value of both the packages and the goods.
- 5- Irrespective of provisions of Article 319, some packages having a commercial value may, whether by decisions of tariff modification or under the conditions provided for in Article 278 of this law, be totally exempt from duties or contingent upon the re-export of such packages.

### **Restrictive Provisions:**

#### **Article 152:**

Any import of goods carried out without a declaration, by way of smuggling or under false declarations shall lead to the imposition of penalties provided for in Articles 421, 424 and 425.

### **Chapter seven – Arbitration**

#### **Article 153:**

1- Whenever a dispute arises between Customs and a party concerned as to the type, description, origin, or value of goods, and the party concerned refuses Customs valuation, the dispute shall be mentioned in the submitted Customs formality. The minutes must be filed and referred to a special arbitration commission composed in accordance with the provisions of the following Article.

2- Recourse for arbitration purposes with said commission should not occur, whenever the law prescribes special provisions and rules governing the type, description, origin or value of goods.

#### **Article 154:**

1. The Arbitration Commission mentioned in the previous Article shall be composed of:

- A retired honorary Judge appointed by the Minister of Justice as Head of the Commission and an alternate judge.

-Two legal Customs experts appointed as members on a case-by-case basis. The concerned party or its legal representative appoints the first expert and the relevant Customs Administration appoints the second expert.

Appointed judges and experts shall be subject to rules of recusal and abdication laid forth in the Code of Civil Procedures.

#### **Article 155:**

The Higher Council of Customs shall set the requirements that should be met in order to appoint legal experts. Said council appoints the legal experts upon the proposal of the Director General of Customs and following consultation with the Chambers of Commerce and Industry, Associations of Traders and Industrialists, Universities or relevant Professional or Technical Syndicates, provided that they are well qualified with expertise in trade, industry, agriculture, and technical and scientific matters.

The decisions to appoint legal experts shall specify the chapter and definition clauses relating to each expert as well as the necessary field of expertise: type-description- value and origin of disputed goods.

Such decisions shall be published in the official gazette.

**Article 156:**

Following consultation with the Director General of Customs, the Higher Council of Customs shall determine the following:

- a. Rules and procedures that shall be followed to submit dispute files to arbitration commissions, including the prerogatives of heads of Customs in each region as to the appointment of experts by the Administration.
- b. Sampling conditions and cases where samples can be substituted by certain documents, as well as the appointees' undertaking prior to arbitration.

**Article 157:**

1. Should one of the parties object to arbitration or abstain from appointing an expert, the expert shall be appointed, at the request of the second party, by the Interim Relief Judge in the Casa or Mohafazat to which the relevant directorate or the presidency of regional Customs are affiliated. This expert shall be chosen from the list of pertinent experts appointed according to the rules set forth in Article 155 of this chapter.

2. The appointed expert shall within eight days as from his appointment take orderly samples necessary for arbitration in the presence of other party on conditions set forth in paragraph (B) of the previous article.

**Article 158:**

1. The arbitration Commission holds its sessions at the regional center where the dispute had arisen, its deliberations should be confidential and its decisions adopted by majority vote.

2. The commission may hear any person, and may have recourse to analysis and statistics found to be useful for carrying out investigation into the case.

3. When the dispute does not result from matters dealing with the type, description, origin or value of goods, or whenever the Law supplements special provisions and procedures to specifying such elements, the commission shall issue a decision to declare its illegibility to look into the dispute.

4. The Commission shall examine at the earliest the payments and hear both parties' observations and cross-examine them. It shall hand a decision on the dispute that is binding on both parties.

5. The decision of the Commission shall include the names of the members who looked at the case and the subject of the dispute, the name and place of residence of the claimant, a summary of submitted arguments, technical inspections and the rationale, reasons and date of reached decision as well as the signature of the members.

6. The Commission shall notify the parties concerned regarding its decisions. If the dispute is settled in favor of the importer, then Customs shall refund the financial guarantee deposited to secure the right of the Administration, within 30 days as from the date of claim.

**Article 159:**

1. The Commission shall issue decisions concerning concrete and technical facts relating to the case without mentioning the legal aspects in respect thereof; it is not entitled to make decisions concerning general and regulatory principles governing the type, description, origin or value of goods.

2. The decision of the Commission shall not create a precedent that could be used as an argument against the disputed parties or against other parties in a different case or in a certain process of import or export, whether subsequent or prior.

**Article 160:**

1. The Commission's decision may not be subject to any kind of appeal except in the case of annulment request; the repeal is submitted through annulment to the court stipulated in Title 8 of this law.

2. Repeal through annulment shall not be accepted if submitted 30 days after the disputed parties are informed of the Commission's decision.

3. The repeal shall not stop the implementation of the arbitration Commission's decision.

**Article 161:**

1. The court shall look at cancellation lawsuits brought before it if it finds out that they are in infringement to the situations determined in the Code of Civil Procedures to void arbitral decisions issued by internal arbitration.

2. The court shall resolve the lawsuits of annulment mentioned in the previous paragraph by virtue of a ratified decision.

3. In instance where the court considers that the arbitration commission had issued its decision contrary to rules, it shall issue a decision to void the commission's decision and shall replace it in considering the grounds of the dispute referred to said Commission, in this case the court must as deemed necessary, recourse to two new Customs legal experts that it appoints from the list of legal experts mentioned in Article 155 of this chapter and it shall issue a final and irrevocable decision and notify both parties for immediate implementation.

**Article 162:**

Arbitration shall involve goods kept in Customs custody. Otherwise goods shall be recovered by normal procedures in accordance with provisions of article 381 of this Law.

However Customs Administration shall not have the right when goods are not strictly prohibited and if their existence is not necessary to resolve the dispute, to allow the delivery of goods before the dispute is settled, against submission of a guarantee or a deposit that covers the potential duties and penalties, provided that sufficient samples of goods are kept in order to have recourse to as deemed necessary.

2. The Director General of Customs shall set the rules of implementation of this Article and the conditions of temporary delivery of goods subject to restrictions upon import and export in accordance with Customs Authority's inquiry, provided that this does not contradict rules relating to the General Order or violates laws and regulations in effect.

**Article 163:**

1. If Customs Administration loses the case before the arbitration commission, an interest equivalent to the commercial interest rate should be added to the refundable cash deposited as guarantee or residual amount thereof. If the claimant had submitted a guarantee, the charges in connection with such guarantee should be refunded to him on specific conditions that shall be determined by virtue of the decision of the Minister of Finance.

2. If Customs Administration loses its case before the arbitration commission and refuses to release the goods in dispute, the owner of goods may have judicial recourse to seek indemnities in line with the general principles governing the Administration's liability.

3. If the claimant loses the case, additional delay interest equal to the rate mentioned in paragraph one of this Article shall be added to the due duties, should the latter had not been provided for.



4. The destruction and spoilage of samples or documents as well as damages resulting from the arbitration actions shall not give any chance to request any indemnity.

**Article 164:**

1. Following consultation with the Director General of Customs, the Higher Council of Customs shall render a decision specifying the remuneration of the Head and the two members of the arbitration commission, according to the sessions held.
2. The losing party shall bear all the charges of said remuneration and all ensuing expenses.

**Article 165:**

The name of the legal expert shall be struck by decision of the Higher Council of Customs following consultation with the Director General of Customs and published in the Official Gazette, in the following cases:

- 1- Upon the expert's request.
- 2- When he fails to carry out his arbitration task or when he recuses himself of his assignment after having started it, with no legitimate excuse.
- 3- If he loses his civil rights or is convicted of a serious crime or offense.
- 4- If he is proven to be an accomplice or incompetent.
- 5- When a serious Customs violation is committed involving merchandise imported or exported in his name or for his own account.

**Chapter Eight- Settlement of Duties**

**Article 166:**

- 1- Goods are subject to duties and taxes. They shall not be cleared from Customs until the completion of Customs procedures, payment of taxes and duties and insurance or submission of a financial guarantee.
- 2- Duties and taxes set by Customs shall be paid in full.

**Article 167:**

Employees charged with the collection of taxes and duties should issue a receipt drawn up in the name of the owner of the goods which will include the number of the procedure, received sums and, when necessary, all information that Customs deem worth mentioning; such receipt shall be delivered to the presenter of the procedure.

**Article 168:**

- 1- All taxpayers producing sufficient bank guarantees shall be permitted to settle, after a six-month period or on installment within such period under a guaranteed bill of exchange (promissory note), all due taxes and duties for their imported goods which value is no less than 10 million Lebanese pounds in each procedure.
- 2- Such bills of exchange shall be drawn up according to the standard model set for commercial bills and to the account of the main treasury officer at Customs Administration. The date of such bills shall be the date of payment of duties. Such bills shall be settled at the local tax office or when due, at the Central Customs Revenue Authority.
- 3- The Higher Council of Customs shall define special regulations governing the facilities referred to in this Article and such regulations shall be subject to the approval of the Minister of Finance. On the basis of up-to-date economic data, the Higher Council of Customs shall have the right to reconsider or temporarily or permanently suspend the effects of such regulations in the best interest of the Treasury.
- 4- Guaranteed bill of exchange (promissory note) will give rise to the following:
  - a. A fixed interest rate set by decision of the Minister of Finance the value of which shall be added to the value of due duties. The value of the guaranteed bill of exchange (promissory note) shall comprise both values.
  - b. An additional delay penalty of 2% payable in case of failure of settlement of said guaranteed bill of exchange at maturity date. Pursuant to the provisions of paragraph (c) below, such penalty shall be applicable to the total value of the promissory note from the maturity date until the settlement date which should not exceed a maximum limit of two months from the maturity date without the need for forewarning.
  - c. In case of default within a two-month time from the maturity date, all payments and interests shall be due immediately and all legal procedures in vigor may be used for collection.  
The interest rates referred to in paragraph (a) and (b) above shall in all cases be remitted to the Treasury.
- 5- The Minister of Finance shall, upon the recommendation of the Higher Council of Customs, issue a decision defining the rules of implementation of this Article.

**Article 169:**

- 1- All persons dealing regularly with Customs may open credit accounts at Customs in order to settle, on a regular and periodic basis, duties for which all of their procedures are subject to.
- 2- The rules of application of this Article shall be determined by decision of the Minister of Finance upon the recommendation of the Higher Council of Customs.

**Article 170:**

- 1- The guarantor of guaranteed duties shall be considered by Customs as a real taxpayer similarly to an original debtor. Therefore, the Treasury shall have the right of general lien provided for in this law on his movable assets.
- 2- Should the guarantor fail to fulfill his commitment, the original debtor must present, within two days, another guarantor approved by the central treasury officer at Customs. Failing which, he should pay duties - whether due or not - for which he is liable.

**Article 171:**

- 1- If guaranteed duties are not settled on maturity, the regional Director or Head of Customs shall pursue their settlement under the conditions stipulated in Article 391 of this law.
- 2- The regional Director or Head of Customs may, over and above, issue a compulsory demand for payment against the original debtor or his guarantor.
- 3- The regional Director or Head of Customs should issue such a compulsory demand for payment in the form of a copy of the promissory note proving the debt of the administration. The single judge at the main regional Customs office or the house in which duties were guaranteed should append his signature to the original copy in order to ensure the notification and implementation of such order.
- 4- The taxpayer against whom a compulsory demand for payment is issued shall have the right in this case to protest before the Courts examining Customs cases. However such protest does not suspend the implementation of such note unless the taxpayer deposits a guarantee equivalent to the value of the unpaid bills.
- 5- Compulsory demand for payment shall have the effect of judiciary rulings and shall be implemented in the same way. All ordinary methods of implementation applicable to movable and immovable assets of taxpayers can be used therefor.
- 6- Compulsory demand for payment shall remain enforceable unless cancelled by a judicial decision or by the statute of limitation as prescribed in Article 388 of this law.

**Article 172:**

- 1- Goods imported by public administrations and institutions and municipalities shall pay taxes and duties for which they are liable, unless special text provides for their exemption of such taxes and duties.
- 2- Detailed declarations of such goods shall be filed under general rules and it shall be permitted, contrary to the provisions of Article 166 above, and under the conditions set out by a decision of the Minister of Finance upon the recommendation of the Higher Council of Customs, to authorize, prior to payment of due taxes and duties,

the withdrawal of such goods immediately or after the completion of the inspection.

**Article 173:**

The central treasury officer of Customs shall, under the conditions prescribed in Decision No 3339, dated 12/11/1930, amended by decision No 102/L.R. of August 6, 1932, and for the sake of preserving the administration's interests, have the right to require a compulsive guarantee of the assets of the taxpayers or their guarantors.

**Article 174:**

The central Customs treasury officer and local Customs treasury officers shall be responsible for checking that the documents they approve are in order; they are also responsible for the errors they commit when exceeding specified credits and collecting the value of guaranteed bills.

**Article 175:**

When submitting a written request from the central Customs treasury officer, the registrars of the Cadaster should provide the latter with all information regarding the condition of real estate owned by the taxpayers or their guarantors who are requesting to benefit from duty deferral or having benefited from such deferral.

**Title Three**

**Duty Deferral Statutes and Other Similar Statutes:**

**Chapter One- General Provisions:**

**Article 176:**

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

**Article 177:**

Goods qualifying for deferral of duty payment shall not be used or disposed of for purposes other than the ones they were imported for and declared in the submitted guarantees.

**Article 177(bis):**

VAT on goods for local consumption shall be levied in settlement of a situation of deferral of duties, by a person other than the beneficiary of such a situation of deferral, based on the value of the local sales invoice in line with the rules set by the Higher Council of Customs upon the recommendation of the Director General of Customs, provided the provisions of article 35 and related articles of this law pertaining to Customs valuation are applied.

**Article 178:**

- 1- Surety bonds shall be released and guarantees and collateral charges refunded on the basis of the release certificate. In order to guarantee the delivery of some type of goods to the designated destination point, Customs Administration shall make the release contingent upon submission of a delivery verification certificate issued by a local or foreign authority confirming that goods have been delivered to the stated destination point.
- 2- The Director General of Customs shall set out the rules of application of this Article.

**Article 179:**

In case goods are destroyed as a result of force majeure, properly established, and subject to surety bonds, Customs Administration shall have the right to exempt the undertaker and his guarantor from payment of duty. Where goods are guaranteed, it should be established that the guarantee does not cover the value of the goods including Customs duties.

**Chapter Two - Merchandise In-Transit:**

**1- General Provisions:**

**Article 180:**

Transit is a duty deferring Customs status permitting the transport, through a Customs office in Lebanon and under Customs control of foreign goods from one Customs office, warehouse or free zone to another Customs office, warehouse or free zone in Lebanon or abroad.

**Article 181:**

Goods in transit shall not, in principle be subject to the restrictions or prohibitions imposed on import and export. Shall be *de facto* excluded from transit status:

- a. Goods excluded from such status under applicable laws and regulations or under the decisions issued by relevant Lebanese authorities.
- b. Goods the transit of which is prohibited in accordance with international agreements to which Lebanon is a party or member.

Shall be considered as such:

- Goods bearing a false origin or source indication or illegally bearing the name of a factory or a store or a trade name benefiting from a legal protection in Lebanon in accordance with the provisions of Article 63 of this law.
- Goods falsely marked or labeled, directly or on the cover, as made in Lebanon or of Lebanese origin, under the provisions of Article 62 of this law.

**Article 182:**

Entry and exit operations shall not be carried out except at authorized Customs offices.

**Article 183:**

Goods presented to Customs at Customs office of origin should be, whenever Customs so requests, resubmitted along with transport documents on the road before reaching the office of destination and at the office of destination.

**Article 184:**

- 1- Upon the arrival of goods to the office of destination, goods may achieve all statuses that would have been applicable should they have been imported directly through said office, taking into consideration restrictions prescribed in Article 58.
- 2- When goods are conveyed to a Lebanese office, guaranteed declarations and substitute documents shall be released upon submission by said office of parcel identification and sealing verification certificates once included in the manifest.

Where goods are conveyed to a foreign country, the release of guaranteed declarations and substitute documents shall be contingent upon submission by Customs of the destination country of a delivery verification certificate confirming that such goods have been delivered to Customs.

The Director General of Customs shall set a deadline for the submission of such certificate; he shall also have the right to exempt the party concerned from submitting such certificate or require the submission of other documentary evidence that he designates.

- 3- Violation of the transit status shall lead, as the case may be, to sanctions prescribed in Articles 421 and 425 of this law.
- 4- The Higher Council of Customs shall, upon consultation with the Director General of Customs, determine the jurisdiction of Customs offices of origin and destination to pursue such violations.

**2- Types of Transit**

**Article 185:**

- 1- There are two types of transit: Ordinary and International.
- 2- Each type of transit shall be subject to the relevant provisions stated in the articles below.
- 3- Goods may be transported from one Customs office to another in Lebanon under the same provisions applicable to ordinary and international transit.
- 4- Goods may be transported in transit between countries under international records or manifests or any other standardized international documents provided that such transport is achieved through specific firms and establishments licensed by the Higher Council of Customs, upon consultations with the Director General of Customs; and through vehicles of particular specifications and conditions approved by said Council.

The Higher Council of Customs shall issue, under the same rules, special decisions determining the rules of application of paragraphs (3) and (4) of this Article. Such decisions shall include ways and conditions of transportation and necessary transport documents.

**a- Ordinary Transit**

**Article 186:**

- 1- Ordinary transit shall be carried out by all means of transport (by land, sea and air) without distinction, at the responsibility of the signatory of the transit undertaking.
- 2- Transport of goods shall be subject to detailed declaration procedures referred to in Article 95 and the following Articles provided such declaration includes a surety bond.
- 3- Inspection of goods shall be carried out under the provisions of Article 138 and the following Articles of this law.
- 4- The Higher Council of Customs shall, with the consultation of the Director General of Customs, determine the cases where the detailed declaration can be replaced with the brief declaration.

**Article 187:**

Transport of goods under transit status requires the deposit of Customs duties and other taxes and charges in the form of a letter of guarantee or the signing of guaranteed declarations including the guarantees set forth by Customs Administration and indicating the office of destination and the transport duration with regard to distances.

If the imported goods are subject to internal duties or other types of duties, transit operators shall pledge, where transit cannot be accomplished to accept, under

special legislation//regulations pertaining to such charges, legal sanctions and Customs fines.

The Higher Council of Customs shall, with the consultation of the Director General of Customs, determine the rules of application of this Article.

**Article 188:**

- 1- Parcels of goods consigned under ordinary transit status shall be sealed individually or collectively.
- 2- The Director General of Customs shall define the sealing conditions for parcels and containers, the means of transport and other obligations.

**Article 189:**

Upon the arrival of the goods to the office of destination, the guaranteed declaration or its substitute shall be submitted to Customs Administration. The latter shall permit the release of goods after verifying the description and integrity of parcels.

**b- International Transit**

**Article 190:**

- 1- International transit shall be carried out through and at the responsibility of railway agencies or authorized road transport companies, subject to the conditions set by the Higher Council of Customs, upon the consultation with the Director General of Customs.
- 2- The Higher Council of Customs shall, upon the consultation with the Director General of Customs license the foregoing companies to carry out transport under international transit status. Where such companies fail to meet all necessary requirements or engage in smuggling, the Higher Council of Customs may terminate or annul such license.
- 3- The Higher Council of Customs may allow said companies to submit railway transport procedures provided such transport is carried at their responsibility.

**Article 191:**

Goods consigned under international transit status shall be exempt from detailed declaration and inspection procedures and shall be subject to brief declaration and inspection.

However goods may be subject to such procedures in the case of suspected fraud or in cases where the sealing of parcels cannot be accomplished.

**Article 192:**



The routes and tracks through which the transportation of goods under international transit status may be carried out shall be determined by decisions of the Higher Council of Customs, upon the consultation with the Director General of Customs, provided that due account is given to agreements convened with the neighboring countries concerned, as the case may be.

**Article 193:**

The Director General of Customs shall determine the type and degree of importance of the pledges to be submitted by the foregoing companies, sealing and escort requirements, the preparation of rail carriers, automobiles and special containers designed for international transit, the transfer of goods from one means of transportation to another en route, the establishment by such companies of Customs offices, depots and warehouses and different special provisions.

**Article 194:**

International transit provisions shall be applied within the scope of international agreements and in line with the provisions thereof.

**Chapter Three- Customs Warehouses:**

**Section 1: General Common Provisions:**

**Article 195:**

- 1- Customs warehouse status is a duty deferring status permitting temporary duty-free entry of goods for storage or manufacturing purposes.
- 2- Facilities in which goods are stored or undergo manufacturing operations shall be inside or outside the Customs premises. Such premises shall be in both cases subject to Customs Administration control and administered by public or private entities with the approval of Customs.
- 3- There are two types of Customs warehouses:
  - a. Public warehouses in which goods are stored for the account of a third party.
  - b. Private warehouses used for the storage of merchandise belonging to the warehouse proprietor. Private warehouses are in turn divided into two types: Private warehouses used exclusively for the storage of petroleum products and warehouses used for the storage of certain types of merchandise defined by decisions of the Higher Council of Customs. Such warehouses shall be designated specialty warehouses.
- 4- Manufacturing warehouses are industrial warehouses.

**Article 196:**

Unless otherwise provided, the deposit of goods in Customs warehouses shall suspend the application of Customs duties, restrictions and other measures imposed on goods.

**Article 197:**

Limitations and restrictions to the admission of goods into warehouses used for storage or manufacturing may be imposed for reasons related to public ethics, public security, public order, public health, the environment, the preservation of national wealth of artistic, historic or archeological value or the protection of intellectual property and for reasons in connection with the characteristics of storage premises or with the nature and condition of goods.

**Article 198:**

Goods deposited in public, private or specialty warehouses shall be treated as outside Lebanese zone with regard to duty and taxes levying. When goods exit such warehouses they shall be eligible for all statuses applicable to goods directly imported. In case goods are put for consumption they shall be subject to applicable duties and taxes according to their Customs valuation stipulated in Article 35 and subsequent articles and according to duty rates in vigor at the time of registration of the declaration under which goods are put for consumption.

**Article 199:**

Outlets to public and private warehouses shall be securely locked except for entry and exit doors which shall be locked by two different keys, one of which shall be kept with Customs.

**Article 200:**

- 1- Goods shall be admitted into private, public, specialty or industrial warehouses only upon submission of an entry declaration produced in accordance with the provisions of this law.
- 2- Examination shall be carried out under the provisions of Article 138 and subsequent Articles.
- 3- In order to control the circulation of goods, Customs shall maintain specific records of all operations pertaining to such goods. At the end of a fixed term, reconciliation of accounts shall be made to verify all registered entries to these records. Such operations may be interrupted without advance notice in order to facilitate the control of Customs Authority that may conduct unexpected surveys to verify the compliance of the contents of the warehouses with the records.

**Article 201:**

Goods shall stay for a period not exceeding two years in public warehouses and one year in private, specialty and industrial warehouses.

The Director General of Customs may extend such periods provided that imported goods are preserved in good condition.

**Article 202:**

The Director General of Customs shall determine practical conditions for the status of public, private, specialty and industrial warehouses and the internal procedures not mentioned in this law but necessary for the proper functioning of warehouses.

**Section 2: Public Warehouses:**

**Article 203:**

- 1- The status of public warehouse may be applied in some Lebanese cities and ports under specific decisions issued by the Higher Council of Customs upon the consultation with the Director General of Customs. Such decisions shall determine the location and the parties operating the warehouses provided the articles of incorporation of such warehouses allow for storage means.
- 2- The foregoing decisions shall include special provisions related to each type of warehouses, the terms of operation and transfer of operation, storage expenses and royalties payable to Customs Administration according to the category of warehouses and general expenses in connection to Customs audit.
- 3- The provisions of this Article shall not apply to public warehouses existing on the effective date of this law.

**Article 204:**

- 1- Any legal or natural person shall have the right to store in public warehouses dutiable goods of all kinds including goods subject to duties and taxes in connection with the settlement of temporary entry and industrial entry statuses, with the exception of the goods stated in the following Article and those that can only be stored in specialty warehouses due to their nature and condition and to the characteristics of the facilities required for their storage.
- 2- Shall not be admitted into a public warehouse, goods that are exempt from Customs duties and other taxes and charges. The Higher Council of Customs shall, upon the consultation with the Director General of Customs determine the cases in which the application of the provisions of this Article may be ignored.

**Article 205:**

Shall not be admitted into a public warehouse goods bearing false or suspicious brands, gunpowder, explosives and similar material, inflammable material, goods bearing signs of decay or malfunction, goods that may be hazardous to warehouses and the quality of other products stored therein, goods requiring special storage facilities to maintain their preservation and not available in public warehouses as well as bulk goods.

**Article 206:**

The right of ownership of goods stored in a public warehouse may be transferred to a third party. The transfer shall be registered in the third party's name and removed from the transferor's name in the Customs registers as provided for in paragraph (3) of Article 200 above. The new owner shall be responsible to Customs.

**Article 207:**

Upon the expiry of the public warehouse storage period, goods shall be re-exported or subjected to Customs charges. Otherwise, duty shall be settled, de facto, on the basis of the tariff applicable at the expiry of the legal storage period; the depositor shall be notified to pay due charges within one month. Should the depositor fail to do so, goods shall be sold by public auction and due charges settled according to the tariff applicable at the time of sale and on the basis of the selling price. The total sum of sale shall, after the deduction of Customs duties, storage fees and other charges, be deposited in trust in Customs fund so as to be delivered to the person concerned if he/she so requests within one year as of the time of sale. If the person concerned does not claim the sum within the said period, it shall definitively become treasury revenue.

Goods shall not be sold for domestic consumption unless import restrictions are lifted, otherwise goods shall be re-exported.

**Article 208:**

The Director General of Customs shall, upon the request of the parties concerned permit the destruction of goods bearing signs of decay in the public warehouse, and the collection of taxes and charges on waste resulting from the destruction process. Otherwise, taxes and charges shall be levied on such goods in their condition before the destruction process.

**Article 209:**

- 1- Shall be licensed in the public warehouse and under the continuous control of Customs:
  - 1- **For re-export:** the mixing of foreign products with other foreign or national products or products having acquired the characteristic of national products. Special distinguishing signs shall be affixed to packages containing mixed products and such packages shall, after being sorted, be deposited in a special location within the warehouse.
  - 2- **For all statuses:** removal of packages, transfer of goods from one container to another, packaging or breaking up of assembled packages and all other operations aimed at preserving or improving goods. The operations stated in paragraphs (1) and (2) above shall be contingent upon issuance of a license by Customs.

When put for consumption, mixed products portions of which Lebanese products are contained are subject to Customs duties only on portions containing foreign products.

- 2- It shall be permitted to sample goods stored in a public warehouse, for commercial transaction purposes provided that such samples are subject to duty upon the submission of appropriate Customs procedures.

**Article 210:**

Customs duties shall be imposed on quantities of goods entered into the warehouse. However, any decrease resulting from emergency or natural causes shall be exempt from Customs duties. Shall also be exempt, any decrease resulting from the separation of dust, stones and defect.

**Article 211:**

When the loss of goods deposited in the public warehouse results from force majeure properly established the depositors shall be exempt from Customs duties. If goods are guaranteed, the depositor shall supply evidence proving that the guarantee does not cover the value of the goods stored in the public warehouse including charges.

**Article 212:**

- 1- In case of theft or destruction resulting from a disaster or any other emergency the depositor of goods shall, in case goods and Customs duties are not guaranteed, be exempt from Customs duties. However, Customs shall not be responsible to the depositor and shall not take responsibility for any loss or defect occurring during the storage period.
- 2- Customs shall, if need be, have the right to pursue the collection of Customs duties and fines in case the stolen goods are recovered or the thieves discovered.

**Article 213:**

- 1- Goods may be transferred from one public warehouse to another or from one private, specialty or industrial warehouse to a Customs office. Goods may also be re-exported from a public warehouse after the submission of guaranteed declarations. The signatories of such undertakings should return them to Customs with an attached certificate to the effect that such goods have been entered to the warehouse of destination or put for consumption. In case goods are re-exported, the release of such undertakings shall be subject to the completion of necessary procedures provided for in this law. If such procedures are not completed, the signatories of the surety bonds shall be subject to penalties referred to in Articles 421 and 425 of this law, as the case may be.
- 2- The Director General of Customs shall set the rules of application of this Article.

### **Section 3: Private Warehouses**

#### **Article 214:**

Foreign goods may be deposited in a private warehouse in coastal or inland cities or suburbs thereof. The proprietor of a private warehouse shall be its only authorized user.

#### **Article 215:**

- 1- Private warehouse status shall be granted by virtue of a decision of the Higher Council of Customs, upon consultation with the Director General of Customs, to establishments of commercial or industrial nature so as to store within goods exclusively designated by said Council for the purpose of their resale or use upon withdrawal from warehouse.
- 2- The Higher Council of Customs shall grant private warehouse status, for a limited period of time, to specific kinds of goods destined for popular fairs and similar exhibitions under special conditions set out by the Higher Council of Customs, upon consultation with the Director General of Customs.
- 3- Under the conditions set forth in Article 199 of this law, warehouses should be maintained in a good condition and all outlets secured with locks, except for entry and exit point, which shall be locked by two different padlocks. Customs shall have the right to reject the establishment of warehouses whenever such warehouses fail to meet precaution requirements.

#### **Article 216:**

The private warehouse shall be opened to all dutiable goods and goods whose presence entails specific dangers or the preservation of which requires special facilities except for defected, prohibited, or monopolized goods even if such goods have been issued an import license.

This exception shall not apply to tobacco products accepted into warehouses owned by airline companies at Beirut International Airport.

#### **Article 217:**

Customs duties imposed upon goods deposited in a private warehouse shall be calculated on the basis of verified quantities accepted into the warehouse.

With regard to perishable goods at risk of becoming dry, if the depositor has requested the sealing of parcels prior to their entry into the warehouse and if Customs is confident that the decrease verified upon the withdrawal of goods from warehouse has resulted from natural causes, the decrease may be exempt from Customs duties.

Where Customs has grounds to doubt the causes of decrease, it may require full payment of Customs duties imposed on verified goods.

#### **Article 218:**

At the request of Customs, goods shall be resubmitted in the same condition at time of entry into warehouse. Each decrease, even in case of theft or natural disaster is subject to Customs duties provided due account is given to the provisions and conditions referred to in Articles 217 and 224 of this law. The parties concerned must obtain insurance policies covering the price of goods stored in the warehouse, in addition to Customs duties.

**Article 219:**

Customs may require that goods accepted into the private warehouse should be compressed or sealed. The depositor of goods shall preserve the same right and bear the expenses of such operation in both cases.

**Article 220:**

Only the operations intended to preserve goods shall be permitted in the private warehouse. The depositor must produce a special application intended for this purpose describing the type, time and approximate duration of the work he intends to carry out. No operation is to be authorized without the permanent presence of a Customs employee; the applicant shall bear travel expenses, additional remuneration of and rendered services by said employee.

**Article 221:**

Upon the expiry of the warehousing period for private facilities, provisions of paragraph 1 of Article 207 of this law shall be applied provided that the sum of Customs duties is deducted, at the time of sale, prior to any other sum from the net value of sale.

**Article 222:**

The beneficiary of the private warehouse status shall bear Customs control expenses through payment of a fixed sum set out by the Higher Council of Customs upon consultation with the Director General of Customs. Such compensation is payable in advance and is annually revised. Its value varies according to the category of the warehouse, the goods deposited within and general audit expenses incurred by Customs.

**Article 223:**

All establishments benefiting from private warehouse status shall provide all guarantees regarding integrity and solvency. The owners or representatives of such establishments shall sign surety bonds under the conditions set out by Customs Administration.

**Article 224:**

- 1- Any decrease that cannot be duly clarified by the depositor shall be considered as embezzlement from the private warehouse and thus lead to the penalties prescribed in Article 421.

- 2- The failure to resubmit goods deposited in the private warehouse shall be legally considered as embezzlement and lead to the imposition of penalties referred to in the previous paragraph. Customs shall have the exclusive right to determine whether the clarifications furnished by the applicant are sufficient to relieve him from any responsibility. The applicant shall then be subject to the payment of duties.

#### **Section 4: Private Warehouses for Petroleum Products:**

##### **Article 225:**

It shall be permitted to license industrial and commercial establishments, municipalities and chambers of commerce, at their request to set up private warehouses for petroleum products, whose presence in public warehouses or other private warehouses entails specific dangers or the preservation of which requires special facilities.

##### **Article 226:**

- 1- The right to set up a private warehouse for petroleum products and the products to be accepted into such warehouse shall be determined by decision of the Higher Council of Customs upon consultation with the Director General of Customs and upon the approval of a committee including representatives of the relevant Mouhafaza, Customs Administration and the Ministries of Public Health, Public Works, Transport, Industry, Energy and Environment and a representative of the municipality in the area where the warehouse is to be established. In Beirut, such committee shall include a representative of the port administration and shall determine by mutual agreement the allowances to be paid by the proprietor of the warehouses to said administration for its right to collect storage charges.
- 2- The foregoing committee shall set out the requirements to be met for the establishment of such warehouses and the Director General of Customs shall determine the rank of Customs employees necessary for their control. Beneficiary parties shall bear the expenses of such control (employee expenditures, lodging expenses and office space and supplies).

##### **Article 227:**

Private warehouses for petroleum products shall meet all requirements set forth by national regulations with regard to establishments that may endanger safety, health and tranquility of citizens in the area. Such warehouses should be isolated and erected outside the port area; they should also be walled in according to safety and security requirements.

##### **Article 228:**

- 1- It shall be permitted in a private warehouse for petroleum products to change the packages of goods, transfer goods from one tank to another and refill of goods in new packages.



- 2- The tanks shall be equipped with depth finders indicating the quantity of petrol within and the containers must not bear indications of fraudulent origin and sources.
- 3- The Higher Council of Customs shall, under certain conditions deemed appropriate and upon consultation with the Director General of Customs permit the manufacture, in such warehouses, of containers of all material (metal, plastics...) for refill of petroleum products as well as mixing and transformation operations.

**Article 229:**

- 1- Any decrease shall be subject to duty provided the penalties stipulated in Article 224 of this law are applied whenever deemed necessary.
- 2- Shall be exempt from duty, within the rates determined by the Higher Council of Customs upon consultation with the Director General of Customs any decrease occurring in a private warehouse for petroleum products if such decrease is proved to be the result of natural causes and any decrease resulting from unloading from ships of quantities stated in the manifest when such unloading is carried out under Customs supervision.
- 3- The provisions of the previous paragraph shall apply to petroleum products that are being unloaded outside private warehouses for petroleum products, the duties of which shall be settled at time of unloading.
- 4- Any decrease resulting from a force majeure shall be exempt from Customs duties. In such case, if petroleum products are guaranteed, it shall be proved that the value of the guarantee does not cover the value of Customs duties.

**Article 230:**

Provisions of Articles 213 and 221 of this law shall apply to private warehouses for petroleum products.

**Section 5: Specialty Warehouses**

**Article 231:**

- 1- Certain types of foreign goods shall, upon consultation with the Director General of Customs and by decisions of the Higher Council of Customs published in the official gazette, be subject to specialty warehouse status in commercial storehouses in both coastal and inland cities, whether or not such cities host a public or a private warehouse.
- 2- Private warehouse provisions referred to in Articles 217 (first paragraph), 218, 220, 221, 222, 223 and 224 shall apply to specialty warehouses.

- 3- Depots intended for specialty warehouses shall be set up in the precinct of the city licensed to host the warehouse or its suburbs. Customs Administration may constrict this bound to the extent it deems appropriate in the best of its interests.
- 4- The application to obtain the specialty warehouse status shall be submitted to the Director General of Customs.

### **Section 6: Industrial Warehouses**

#### **Article 232:**

The industrial warehouse is a Customs status permitting temporary duty-free admission of goods and products imported by national factories and designated by Customs Administration to be used in the manufacture of their products.

#### **Article 233:**

- 1- All goods entered into the industrial warehouse should be manufactured; goods may not be re-exported, put for consumption or stored in a private warehouse or in a free zone in the same condition as when admitted into the warehouse. However the Director General of Customs may, for justified reasons, override the obligation of manufacture and allow the settlement of duties of the goods in their original form at time of entry into said warehouse.
- 2- Provisions applicable to temporary entry status shall apply to goods admitted into the industrial warehouse and to compensation and products of compensation, due account being given to the special requirements specified below.
- 3- The Director General of Customs shall set out the necessary conditions for the guarantee of duties in the industrial warehouse; the Director General of Customs may also be satisfied simply with personal or commercial undertakings or guarantees.

#### **Article 234:**

With the exception of goods of public safety and public health concerns, goods declared as destined for the industrial warehouse shall not be subject, when entering the warehouse, to the same restrictions imposed upon goods declared as offered for consumption. Prohibited goods are strictly barred from admittance into the industrial warehouse.

#### **Article 235:**

- 1- Industrial warehouse procedures shall be accepted in all of the first category offices. Moreover, submission of the detailed declaration and inspection shall be subject to the rules and principles provided for in this law.
- 2- It shall be permitted, under the conditions set by the Director General of Customs, to deliver goods destined for the industrial warehouse after the registration of the declarations and before the completion of the appropriate procedures and the

payment of duties. Customs shall, under the same conditions, reserve the right to inspect goods post-delivery and authorize the shipment of goods exiting the warehouse under the same conditions.

- 3- It shall be permitted, under the terms set out by the Director General of Customs, to inspect, in the same warehouse, the goods manufactured in the industrial warehouse and destined for export.

**Article 236:**

The storage period in the industrial warehouse shall be of one year renewable for justifiable reasons at the discretion of the Director General of Customs.

**Article 237:**

- 1- To terminate the industrial warehouse status, products of compensation shall be re-exported, deposited in a public warehouse or a free zone or put for consumption.
- 2- Industrial warehouse status may be terminated by meeting the following conditions:
  - a. By exporting, in parallel and as a substitute for the settlement in kind, products of compensation of the same kind and technical specifications, furnished by the warehouse proprietor.
  - b. By exporting products of compensation, where such export is justifiable, prior to the import of goods and material necessary for their production by the warehouse proprietor.
- 3- Termination shall be carried out under regular declarations, in the case of partial re-export it shall:
  - a. Be sufficient to submit registered export applications in the prescribed manner provided, as long as such applications are settled periodically in accordance with a global re-export declaration.
  - b. Or permit the submission of global re-export declarations, settled consecutively according to export applications registered in the prescribed manner.  
The Higher Council of Customs shall, upon consultation with the Director General of Customs set the rules of application of paragraphs (2) and (3).
- 4- Re-export procedures shall be exempt from submission of arrival certificates. It shall be sufficient to produce visas issued at the Lebanese borders.
- 5- In case of re-export and deposit in a public warehouse or a free zone, a product of compensation shall be declared in the Customs declaration on the basis of the tariff rate for which it qualifies in its condition and value after the manufacturing process.
- 6- It shall be prohibited to sell or transfer goods and products of compensation while under the industrial warehouse status at the risk of penalties provided for in Article 421.

**Article 238:**

- 1- Upon the expiry of the warehousing period referred to in Article 236, duties imposed on remaining goods shall become immediately due on the basis of applicable rates at the expiry of the deposit period.
- 2- In such case, the value that should be adopted for the imposition of duties is the value of goods at the expiry of the specified period.

**Article 239:**

- 1- When put for consumption, products of compensation are subject to Customs duties:
  - Either on the basis of the condition and value of the goods entering the warehouse for manufacturing purposes at the date of the declaration under which goods are put for consumption.
  - Or, on the basis of the condition of the products of compensation when put for consumption. The value of such products shall be determined on the basis of the cost of the foreign products incorporated in their production without the addition of the local added value (the cost of local products and salaries of local labor).
- 2- When put for consumption, products of compensation may benefit from preferential tariff rates applied to similar goods under concluded agreements, provided that the beneficiary explicitly requests so in the application for the offer of goods for consumption and submits a statement issued by the Ministry of Industry confirming that the Lebanese value added is no less than 40%. Duties applicable at the time goods are made available for consumption shall apply to cases stated under points (1) and (2).
- 3- Customs duties shall be imposed on waste resulting from manufacturing processes in their condition and value at the time they are offered for consumption; waste may be re-exported or destroyed at the expense of the owner of the warehouse.

**Article 240:**

- 1- Any industrial enterprise interested in the industrial warehouse status should submit to the Higher Council of Customs an application indicating the site of the enterprise, the type of goods to be admitted into the warehouse, the operations that the goods will undergo, the different material incorporated in the manufacture process and the condition of the goods after their manufacture. The application should enclose a statement issued by the Ministry of Industry, confirming the nature of the industrial enterprise and a copy of the general budget and income tax declaration of the previous year.
- 2- The Higher Council of Customs shall examine the application within one month of its submission and grant the industrial warehouse status upon consultation with the Director General of Customs. The decision of the Higher Council of Customs shall define the type of goods qualifying for the industrial warehouse status and, when necessary, the quantity of goods, which should not exceed 50% of the volume of the operations carried out by the beneficiary, as well as the allowances to be paid.

- 3- The Higher Council of Customs shall, upon consultation with the Director General of Customs, determine the conditions of application of the industrial warehouse status.

**Article 241**

Any violation of the industrial warehouse status shall lead, as the case shall be subject to the provisions stipulated in Articles 421 or 425.

**Chapter Four - Free Zones and Duty-Free Shops**

**Section 1: Free zones**

**Article 242:**

- 1- Free trade zones and free industrial zones may be established by allocating areas of the ports and the internal spaces and consider them to be outside Customs territory.
- 2- With the exception of the cases provided for in Article 249 below, all types of goods shall be admitted into free zones, whether of local or foreign origin, without being subject when entered, stored, exported and re-exported, to Customs duties and other taxes and charges other than those imposed for the benefit of the party operating the free zone. Goods shall not be subject to any administrative restrictions when transferred elsewhere other than to the Customs territory.
- 3- No time limit shall be imposed as to the storage period in free zones.

**Article 243:**

Free zones shall be established and their locations, borders, areas and parts thereof designated for lease shall be determined by the parties concerned based on the decision of the Higher Council of Customs upon the approval of the Council of Ministers.

**Article 244:**

- 1- The decision stipulating the establishment of a free zone shall enclose special regulations governing the operation of the free zone and defining the method of fencing of the free zone, control mechanisms aimed at preventing fraudulent outflows of goods to the Customs Territory and the time of opening and closing.
- 2- Under the foregoing regulations, the party operating the zone should erect at its own expense, within the free zone area, roads, depots and warehouses necessary for the transfer and the storage of goods. They should also supply tools and equipment required by such operations provided they meet all necessary expenses including additional expenses resulting from the exercise by Customs Administration of its right to supervise the free zone area.

- 3- The party operating the free zone may be authorized, by way of compensation for construction, equipping and supervision expenses referred to in paragraph (2) above, to collect, for its own benefit, charges or rentals of types and maximum averages that shall be set in the establishment decision or other subsequent decisions.
- 4- Lessees of space situated within a free zone shall have the right to establish facilities in such spaces under the conditions set in above-mentioned regulations.

**Article 245:**

- 1- All types of goods brought to the free zone for setting up the infrastructure and erecting, equipping or maintaining buildings, storehouses and factories shall benefit from minimum Customs duties applied on merchandise imported into Lebanon, provided that such goods are subject, when transferred to the Customs territory, to the charges set out in Article 20 of this law.
- 2- The right to benefit from minimum Customs duties referred to in the previous paragraph shall not include types of goods similar to domestically produced goods. Such types of goods shall be defined by decision of the Higher Council of Customs upon consultation with the Ministry of Industry.

**Article 246:**

Free zones may be eliminated by decisions issued in the same way as establishment decisions. Such decisions shall set the time limit for the release of the merchandise from the free zone.

**Article 247:**

- 1- It shall be freely permitted, under the terms set in the regulations governing the operation of the free zone, to undertake in a free zone all kinds of activities aimed at manipulating and repacking merchandise in order to encourage their sale according to the needs of national and international markets. Merchandise brought to a free zone may also be mixed with foreign or domestic merchandise or merchandise having acquired the characteristics of domestic merchandise.
- 2- Manufacture and other manipulation processes may be performed in a free zone, provided such processes are defined in the establishment decisions and other subsequent decisions.
- 3- Applicable legislation related to the protection of intellectual property shall be applied in the free zone. When released from a free zone, manufactured or manipulated merchandise must bear distinct signs indicating that such merchandise has been produced in said free zone.
- 4- It shall be permitted to take samples of goods to be displayed outside the free zone provided due charges are settled under the provisions of Article 20 of this law.

- 5- Retail and wholesale trade may be conducted in a free zone under the terms and rules set by the Higher Council of Customs upon the recommendation of the Director General of Customs.
- 6- No person shall be allowed to reside and no merchandise shall be consumed within a free zone.
- 7- The property of goods may be transferred while goods are in the zone.

**Article 248:**

- 1- National and foreign ships may be supplied with all necessary maritime equipment from the free zone.
- 2- Vessels with load limits exceeding 150 maritime tons may get into the free zone supplies of foodstuffs, fuel oil and engine oil.
- 3- The Director General of Customs shall set the rules of application of this Article.

**Article 249:**

- 1- The following goods shall be denied admission into the free zone:
  - Goods prohibited for being contrary to the public order.
  - Rotten and inflammable goods except fuels needed to operate the free zone.
  - Weaponry, munitions and explosives.
  - Narcotics, barbiturates, precursors and derivatives.
- 2- Monopolized goods may be admitted into a free zone under the conditions set by Customs Administration and the corporations or companies invested by law with the right of monopoly.
- 3- Any import, storage or manufacture of substances assimilated to explosives and hazardous substances shall be subject, in the free zone, to import license requirements.

**Article 250:**

Free zone status shall not require Customs to undertake any activity within the zone other than the control of the inlets and outlets of the free zone in order to prevent smuggling and entry of prohibited goods.

However, Customs employees may enter the free zone and seize any violation to this law especially with regard to prohibited merchandise, provided such seizure is undertaken in the presence of the representative of the party operating the zone and the parties concerned.

Upon the approval of the party operating the free zone, specific areas within the free zone may be allocated and made subject to ongoing Customs control based on a mechanism elaborated in coordination with said entity in order to allow foreign

goods deposited in such areas, as the case may be to benefit from the provisions of trade agreements to which Lebanon is a party to or member of.

**Article 251:**

- 1- Goods imported by sea may be unloaded or brought to a free zone only after obtaining a license from the party operating the zone, provided due account is given to the provisions of this law.
- 2- Goods imported by sea shall be brought to the free zone upon submission of a summary of the manifest containing particulars of all the parcels unloaded in the zone.
- 3- The party operating the free zone must, within 36 hours after the unloading of the goods submit to Customs Administration a list for each ship, train or vehicle listing the types, marks and numbers of parcels and the type and origin of goods.

**Article 252:**

Goods imported by land shall be brought to the free zone under surety bonds or under re-export declarations drawn up according to Suspensive customs regimes.

**Article 253:**

Foreign goods, not destined for the free zone, shall, whether imported by sea or by land, be moved from Customs warehouses to the free zone under re-export applications.

**Article 254:**

- 1- Local products or products having acquired the characteristics of local products may be admitted into the free zone under an ordinary export declaration. When such goods are returned to the Customs territory, they shall be subject to all duties including Customs duties.
- 2- Temporary export provisions shall apply to goods temporary brought to the free zone.

**Article 255:**

Goods exiting the free zone may be shipped or transported only after obtaining a license from the party operating the free zone.

**Article 256:**

- 1- Goods shall be transferred by land from the free zone to a foreign country under transit status.
- 2- Goods shall be moved by land out of the free zone or into another free zone that is located inland under surety bonds.



- 3- Goods shall be transported by land from the free zone to Customs warehouses under a transit declaration and they shall be entered to such warehouses under appropriate procedures.
- 4- Temporary entry provisions shall apply to goods temporary brought from the free zone.

**Article 257:**

Goods sent from the free zone into the Customs zone shall be subject, when offered for local consumption, to applicable duties under the provisions of Article 20 of this law.

**Article 258:**

- 1- The party operating the free zone shall, within its field of work, engage before Customs Administration, under a surety bond, to abide by the obligations referred to in this chapter.
- 2- The party operating the free zone shall be responsible for all violations committed by its personnel and for the smuggling of goods from the zone.
- 3- The decision authorizing the establishment of a free zone shall define the responsibility of the party operating such zone in case its officials are informed of violations of Article 249 of this chapter without informing Customs Administration.

**Article 259**

- 1- Goods may be deposited in the free zone provided they are registered in entry and exit records, the format of which shall be drawn up by the party operating the free zone upon the approval of Customs Administration. Such records shall be handled by the depositors or the owners of the goods and shall include all signs facilitating the identification of goods.
- 2- Customs Administration shall, for its part, for supervision and commercial statistics, maintain entry and exit records similar to aforementioned records.

**Article 260:**

Foreign goods having acquired the characteristics of national goods through the payment of Customs duties and have entered the free zone may not benefit, under the conditions provided for in Customs regulations, from drawback of Customs duties paid at the time of importation, unless goods are re-exported to a foreign country within the time limit set for the refund of Customs duties.

**Article 261:**

Penalties implemented with regard to the functioning of the free zone shall be defined in Article 421 of this law. In general, Customs violations regarding the functioning of the free zone shall lead to the imposition of penalties stipulated in chapter 8 of title 8, due account being given to the limits set in Articles 242 to 261 for the intervention of Customs Administration in the free zone works.

### **Section 2: Duty-Free Shops**

#### **Article 262:**

- 1- Duty-free shops may be established in airports and ports.
- 2- Duty free shops shall be established by decision of the Higher Council of Customs, upon consultation with the Director General of Customs and the approval of the Council of Ministers. The decision shall determine the party operating the free zone, the investment period and rules regarding entry and release of merchandise.
- 3- Goods may, under the conditions set out by the Higher Council of Customs and upon consultation with the Director General of Customs, be bought in duty-free shops by departing and arriving travelers and only exiting pilots and personnel of air and maritime navigation companies. Such goods can be also bought by said companies only to supply their airplanes and vessels as well as diplomatic and international staff members entering Lebanon.

#### **Article 263:**

All provisions applying to free zones shall apply to duty-free shops with regard to:

- Exemption from taxes and duties.
- Prohibited goods.
- Prohibition of consumption of goods within duty-free shops.
- The legislations regarding the protection of intellectual property and regulations regarding factories, shops or origin indications or labels.
- Penalties imposed on violations.

#### **Article 264:**

The operations permitted in duty-free shops shall be restricted to the sorting of goods and the operations necessary for their preservation.

#### **Article 265:**

Goods shall not be deposited in duty-free shops for a period exceeding the investment period. Upon the expiry of said period, goods remaining in duty-free shops shall be subject to due Customs duties.

#### **Article 266:**

Duty free shops shall be subject to the permanent supervision of Customs. Customs employees shall have the right to enter duty-free shops at any time and the operator of the duty-free shop shall meet related expenses.

### **Chapter Five- Temporary Entry**

#### **Article 267:**

- 1- Goods imported into Lebanon for processing, additional processing purposes or additional handcraft and non-handcraft work in Lebanon, may benefit from deferral of payment of Customs duties and other taxes and charges collected by Customs Administration, provided the proprietors pledge, within the time frame set to this effect, to re-export or store such goods in public warehouses or free zones.
- 2- The Higher Council of Customs shall, upon consultation with the Director General of Customs issue decisions defining the type of goods benefiting from temporary entry status for the purposes designated in the previous paragraph; it shall also determine the type of the products of compensation that are subject to Customs duties; and Customs control conditions regarding each type of goods.
- 3- The Higher Council of Customs shall, under the same provisions referred to in the previous paragraph and for certain considerations concerning the public interest of the national economy, grant temporary entry status to certain foreign goods exempt from Customs duties and other taxes and charges levied by Customs Administration.
- 4- Provisions of this Article shall apply to goods transported from public warehouses or free zones.
- 5- Provisions applying to prohibited goods shall apply to temporary entry status; the Director General of Customs shall grant sufficient guarantees to allow temporary admission for registered goods.

#### **Article 268:**

In principle, temporary entry period shall be of six renewable months but not exceeding two years.

#### **Article 269:**

- 1- The import of goods under temporary entry status requires the signature of an accepted bond containing all guarantees specified by Customs Administration, it shall also require the completion of a detailed declaration and inspection procedures under the provisions and regulations provided for in this law.
- 2- The value of guarantees shall not exceed the amount of Customs duties, taxes and other charges to be paid according to Customs valuation in the event such goods were to be subject to duties; valuation rules and regulations stipulated in this law shall be observed.

- 3- It shall be permitted to temporarily import all goods enumerated under points (1) to (11) of Article 278, under (ATA) booklets instead of regular temporary entry declarations. The time limit set for such importation shall be of six months.

**Article 270:**

In principle, temporary entry shall be declared in the name of the person that will use or operate the imported goods, due account being given to the special cases authorized by the Director General of Customs.

**Article 271:**

It shall be permitted to release the goods admitted under temporary entry status in batches and other than through entry offices.

**Article 272:**

- 1- Decisions related to goods admitted under temporary entry status for processing, additional processing or additional work purposes shall permit:
  - a. The settlement of temporary entry duties in exchange of products of compensation of the same kind and technical specifications obtained from the signatory of the bond, instead of the settlement in kind.
  - b. The export of products of compensation, prior to the import of necessary goods for the manufacture of such products, provided the circumstances of such export are justified.
- 2- The Higher Council of Customs shall, upon consultation with the Director General of Customs, set the rules of application of this Article.

**Article 273:**

The results of analyses conducted by specialized laboratories shall be considered as decisive with regard to:

- a. The determination of the special components of goods that should be taken into consideration in the calculations of temporary entry.
- b. The components of the products for which the settlement of temporary entry status may be achieved through compensation.

**Article 274:**

Pursuant to the provisions related to non-tariff duties, the Director General of Customs shall, whenever deemed appropriate, permit the settlement of temporary entry status:

- a. By offering, under certain general and specific conditions set by the Director General of Customs, products of compensation and unprocessed goods admitted under temporary entry status for local consumption.
- b. By destroying products of compensation and goods admitted under temporary entry status, without the imposition of charges, in case the products have lost their trade value upon destruction. Otherwise, parts resulting from the destruction process shall be re-exported or subjected to duties on the basis of their value when offered for consumption.
- c. By re-exporting imported goods for manufacturing, additional manufacturing or additional work purposes, in their current condition; by admitting such goods into a public warehouse or a free zone; or by waiving such goods to the benefit of Customs Administration.

It shall be permitted to take all necessary measures for the release and arrival of goods admitted under temporary entry status to their intended destination.

**Article 275:**

Goods imported under temporary entry status and goods acquired through processing, additional processing or additional work may not be transferred while under such status without the approval of the Director General of Customs.

**Article 276:**

The beneficiary of temporary entry status shall pay a fixed allowance set by the Higher Council of Customs, upon consultation with the Director General of Customs when the discontinuous supervision is insufficient to control the situation.

**Article 277:**

Goods admitted under temporary entry status shall not be used for purposes other than those specified in the Customs declaration.

**Article 278:**

- I. The Director General of Customs shall have the right to authorize, under certain specific conditions and for a period not exceeding three months, the import under temporary entry status of the following products intended for temporary use by their owners:
  - 1- Machinery and equipment necessary for the conduct of works and projects of public concern.
  - 2- Material stipulated in this Article shall be re-exported or deposited in the free zone or a public warehouse upon the expiry of the delay period set for their stay under the temporary entry status. However, the Director General of Customs may at his discretion make this material available for local consumption.
  - 3- Cinematographic machinery and equipment.
  - 4- Other professional machinery and equipment.
  - 5- Machinery and equipment for press, radio and television.

- 6- Items temporarily imported for display or use in public or private exhibitions, seasonal fairs, forums, theaters, artistic shows and play grounds or the like.
- 7- Jewelry and ornaments intended for display in public exhibitions.
- 8- Appliances, instruments and transport means entering Lebanon to be repaired or for maintenance purposes.
- 9- Inspection implements, equipment and supplies brought for installation and maintenance purposes.
- 10- Containers and packages and other units imported empty or filled to be re-exported in either case.
- 11- Commercial samples intended for display.
- 12- Other imports of personal or exceptional character for private use only.

II. The items prescribed in this Article shall be re-exported or deposited in the free zone or in the public warehouse after the expiry of the delay period set for their stay under the temporary entry status.

However, the Director General of Customs may at his discretion make this material available for local consumption.

**Article 279:**

Temporary entry status shall, under the conditions set by the Director General of Customs, apply to:

- a. The automobiles of persons coming to Lebanon for temporary stay with the aim of working with official public institutions and administrations should their employment contracts provide for their right to bring their private automobiles to Lebanon with temporary deferral status, whether such automobiles are accompanied by their owners or bought from free zones or specialty warehouses.
- b. The automobiles belonging to non-Lebanese experts and personnel working with the United Nations and other Arab, regional and international organizations, whether such automobiles were accompanied by their owners or bought from specialty warehouses or free zones.
- c. The Higher Council of Customs shall, upon consultation with the Director General of Customs, determine other cases benefiting from temporary entry status on automobiles.

**Article 280:**

- 1- The Higher Council of Customs shall, upon consultation with the Director General of Customs, issue decisions defining the offices reserved for temporary duty-free entry of products and those reserved for the release of products re-exported for the release of temporary entry status accounts.
- 2- The Director General of Customs shall determine revenue and waste rates of processed goods and, when deemed appropriate, control and supervision conditions for the process of such goods as well as all necessary measures regarding the products benefiting from such status.

**Article 281:**

- 1- Any decrease in the goods entered under temporary entry status shall be subject to Customs duties on the basis of the value of such decrease at the time of entry, unless it was the result of force majeure.
- 2- Any violation committed with regard to the application of temporary entry status shall be penalized according to the rules and provisions provided for in Article 421 of this law.

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

**Section 1: General provisions:**

**Article 282:**

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

**Section 2: Provisions related to Automobiles:**

**1- International Tourism:**

**Article 283:**

- 1- Owners of automobiles who mainly reside outside Lebanon and members of tourist clubs accepted by Customs Administration, may benefit from temporary entry rules for their automobiles and be exempted from duties provided such clubs pledge to take their responsibilities before their members and guarantee, when necessary the settlement of charges due on the automobiles that are not re-exported within the specified period.

The commitment undertaken by such clubs shall be guaranteed before Customs Administration by automobiles and tourism clubs in Lebanon through a general undertaking submitted to Customs Administration.

- 2- Automobiles shall be imported under such status according to special documents called "trip tick" or a pass provided by the concerned clubs. Such documents shall

be valid for one year from the date of their delivery and for an unlimited number of travels during said period.

- 3- Such status shall apply to automobiles, motorcycles and private jets and cruise ships.
- 4- The Director General of Customs shall set the rules of application of this Article.

2- **Other Statutes:**

**Article 284:**

- 1- Foreign automobiles which transport passengers and goods between Lebanon and other countries may benefit from temporary duty-free entry provided reciprocity is guaranteed and due account is given to the conditions set out by the Higher Council of Customs, upon consultation with the Director General of Customs.
- 2- The Director General of Customs may, under the conditions stipulated in Article 269 and subsequent Articles of this law, allow temporary duty-free import of automobiles into Lebanon for repair purposes, provided such automobiles are re-exported within six months after the date of registration of their Customs procedures.
- 3- It shall not be permitted to use automobiles described under paragraphs (1) and (2) for transport purposes of any kind inside the Lebanese zone while staying in Lebanon, at the risk of implementation of penalties stipulated in Article 426 of this law.

**Article 285:**

Due account shall be given to the provisions of international agreements on temporary import of automobiles. The Director General of Customs shall determine the type of Customs facilities given to travelers.

**Chapter Seven: Duty Refund**

**Section 1: Refund of Duties Levied on Re-exported Goods**

**Article 286:**

- 1- Customs duties and other taxes and charges levied upon entry on imported goods by Customs Administration, may be refunded if such goods are proved to be defective at the time of import or not conform to the clauses of the contract on the basis of which they were imported, or for any other reasons raised by the concerned parties and deemed acceptable by Customs Administration.
- 2- In principle, refund of Customs duties in said cases shall be subject to the re-export of the same goods to their country of origin within three months as of the date of submission of the export declaration.



**Article 287:**

- 1- Customs duties and other taxes and charges levied, upon entry on different types of products may be refunded provided such products do not have similar agricultural or industrial products in Lebanon unless the foreign origin of such products is undeniably proven.
- 2- Refund of Customs duties and other taxes and charges shall be subject to the following conditions:
  - a. Goods should be kept in their original packages. If goods were of the kind imported without packages, they should be kept in their original form at the time of import.
  - b. Goods should be re-exported by the original importer.
  - c. Not more than three years should have elapsed from the time of import of such goods.
- 3- The value declared at the time of re-export of goods shall be subject to the rules of valuation provided for in chapter 5 of title 1 of this law, provided such value does not exceed the one mentioned in the import declaration and accepted by Customs Administration.
- 4- Customs duties imposed upon such goods shall be refunded on the basis of the tariff applicable at the time of import. If such goods were subject to lower tariffs at the time of re-export, Customs duties shall be refunded on the basis of the lowered tariff.
- 5- Shall not benefit from refund, goods that were subject to duties and charges at the time of import and exempt from such duties and charges at the time of re-export.

**Section 2: Refund of Duties Levied on Material Used in the Manufacture of Local Products Destined for Import (Duties of Compensation)**

**Article 288:**

1. It shall be permitted, under the provisions referred to in paragraphs (2), (3) and (4) below, to refund Customs duties and other taxes and charges levied upon entry by Customs Administration, on certain foreign material incorporated in the manufacture of local products at the time of export of such products.
2. For the purposes of the previous paragraph, the added value of the exported products should not be less than 40%.
3. The Ministry of Industry shall issue decisions determining foreign material and local manufactured products fulfilling the conditions referred to in paragraph (2) above. A certificate of origin issued by the chambers of commerce, industry and

agriculture shall certify the Lebanese origin and the percentage of the local added value, according to a statement issued to this effect by the Ministry of Industry.

4. Customs duties and other taxes and charges shall be refunded totally, partially or according to fixed quantitative or qualitative rates defined for each item by decision of the Higher Council of Customs. Refunded duties shall be named duties of compensation.

Such decisions shall indicate the type of foreign material benefiting from refund, conditions and guarantees related to the application of this Article on local products in question.

5. The Director General of Customs may allow the owners of the industries benefiting from duty drawback to open, under the provisions of this Article, special accounts where the amounts to be refunded at the time of re-export shall be registered or from which import duties due on the owners of such industries on goods imported according to regular procedures shall be regularly deducted, within the limits of these amounts.

### **Section 3: Common Provisions**

#### **Article 289:**

- 1- Goods eligible for duty drawback at the time of re-export shall be subject to the submission of a particular re-export declaration determined by the Higher Council of Customs, upon the request of the Director General of Customs and which shall be subject to detailed declaration and inspection procedures set forth in this law. Such declaration should indicate the number and date of Customs declaration under which goods were imported and enclose a receipt proving that taxes and duties were paid at the time of import.
- 2- Duty drawback shall not include stamp duties.
- 3- The Higher Council of Customs shall, upon consultation with the Director General of Customs, issue decisions defining the Customs offices where re-export declarations for duty drawback shall be submitted and the conditions and guarantees related to the implementation of this chapter.

Duties shall be refunded within 30 days at most from the date of their claim.

#### **Article 290:**

Taxes and duties levied at the time of import on machinery and equipment bought from local Lebanese markets by the United Nations and its affiliated bodies shall be refunded under the conditions set by the Higher Council of Customs, upon consultation with the Director General of Customs, provided such machinery and equipment are proved to be legally imported with all taxes and duties settled.

#### **Article 291:**

Any false declaration submitted with the intention of benefiting unjustly from duty drawback shall be subject to the penalties provided for in Article 424 of this law.

### **Chapter Eight- The Re-export of Goods**

#### **Article 292:**

- 1- Foreign goods discharged in Customs warehouses may be directly re-exported to other countries provided special guarantees or pledges defined by Customs Administration and stipulated in this law are given.
- 2- The same situation shall apply to the provisioning of ships anchored in Lebanese ports and airplanes provisioned from private warehouses in Lebanese airports.
- 3- General procedures and inspection procedures for re-exported goods shall be, in principle the same procedures provided for in Article 95 or in subsequent Articles, and Article 138 and the subsequent Articles.
- 4- Where goods are re-exported from the same port they were unloaded and by maritime agencies, Customs Administration shall, contrary to the provisions of paragraph (3) above, be satisfied with re-export applications and in principle exempt goods from inspection and confirmation of arrival procedures.
- 5- The Director General of Customs shall determine the rules of application of this status.

### **Chapter Nine – Trans-shipment**

#### **Article 293:**

- 1- Foreign merchandise laden on board of vessels anchored at a Customs port may be transhipped to a foreign seaport or any other Lebanese seaport. In addition such merchandise may be forwarded on board of the same vessel, if the special bonds and guarantees determined by Customs and prescribed in the present Law are submitted.
- 2- Forwarding requests should be the basis of the transactions mentioned in Paragraph (1) here above.
- 3- The Director General of Customs shall determine the relevant rules of implementation.

#### **Article 294:**

The Provisions of Article 421 of the present law shall apply to violations of Articles 292 and 293.

**Title Four**

**On Exemptions and Privileges**

**Chapter One – General Provisions**

**Article 295:**

- 1- All goods imported to Lebanon shall be subject to at least 5% rate of duty of the value of such goods.
- 2- The following goods shall be excluded from the provisions of paragraph (1) and shall be eligible for total exemptions:
  - Goods imported for the account of authorities mentioned in Articles 296,297,298,299 and 300 or in Articles 312, 316, 317, 318 and 319 of the present law including Article 118 of the Credit and Financing Law.
  - Grants imported for public administrations, public institutions and municipalities.
- 3- The following goods shall be excluded from the provisions of paragraph (1) of this Article and shall be eligible for total or partial exemption at a rate lower than the minimum rate stated above:
  - Goods subject to the provisions of agreements concluded between Lebanon and some foreign institutions as well as international bilateral or multilateral agreements concluded between Lebanon and other parties shall be eligible for total or partial exemption at a rate lower than the minimum rate stated above.
  - Goods eligible for exemptions or subject to a duty rate lower than the minimum rate stated above in the Customs tariff.

**Chapter Two – Exemptions Granted to the President of the Republic**

**Article 296:**

Goods and effects imported for the Lebanese presidential residence or in the name of the President of the Republic shall be exempt from Customs duties.

**Chapter Three –Exemptions and Privileges Granted to the United Nations  
Organization**

**Article 297:**

1. Goods imported for the official use of the United Nations shall be exempt from import and export duties, however these duty-exempt goods cannot be sold in Lebanon except after due duties are properly settled and following approval of the relevant authority.

2. Privileges and immunities granted to accredited diplomats as for their sole personal belongings shall be granted to the representatives of member states in the Main and Secondary Bodies of the United Nations and during conferences held by the United Nations throughout the duration of their official business and during travel to and from meeting location.

Said representatives within the United Nations Organization consist of delegates, assistant delegates, consultants, technical experts and secretaries of delegations.

3. United Nations employees shall have the right to import their household furnishings free of duty, provided that the import occurs immediately at the beginning of their terms of office and that they abide by the system in force if they desire to abandon these household goods in part or in full.

#### **Chapter Four – Diplomatic and Consular Exemptions and Privileges**

##### **Article 298:**

- 1- Articles imported in the name of foreign country representatives (other than Lebanese and Honorary) mentioned hereafter, for their personal use or for the use of members of their families, shall be exempted from duties and opening and inspection procedures pursuant to the conditions and rules prescribed in Article 307 of the present Law:

- a. Heads of Diplomatic Delegations, consultants, secretaries, and diplomatic attachés.
- b. Technical attachés and assistant military attachés of all sections of the Armed Forces provided that the head of delegation nominates them and they get the approval of the Ministry of Foreign Affairs and Immigrants.
- c. General Consuls, Consuls, Consul Deputies, provided that the number of persons entitled to the exemption does not exceed two in the capital city and one in other cities.

- 2- Each of the above-mentioned persons shall be entitled to import one vehicle free of duty; however the head of delegation shall be entitled to import more than one duty-exempt vehicle that must be in his name.

- 3- Articles imported free of duty under the provisions of paragraph (1) of this Article, shall be consistent with the real personal needs of the representatives of the concerned foreign countries. The Higher Council of Customs shall, as deemed necessary, determine the maximum quantitative limits for certain types of imports upon the proposal of a committee formed by representatives from the Ministry of Foreign Affairs and Customs Administration.

##### **Article 299:**

New personal belongings, furniture and home appliances imported for the account of Consulates and diplomatic employees who do not qualify for tariff exemptions, shall be exempted as follows:

- 1- Import must occur within 3 months from the date of arrival of the claimant to Lebanon; however the Ministry of Foreign Affairs shall have the right to extend this period up to 6 months maximum, in some special cases.
- 2- The exemption claim shall be approved and ratified by the head of delegation or the relevant Consulate.

**Article 300:**

The following items shall be exempted from Customs duties pursuant to the provisions of Article 304 and paragraph (1) of Article 307:

**First:** Vehicles intended for the official use of Embassies or Commissariats, the number of which shall be two, this number can however be extended by a decision of the Higher Council of Customs on the proposal of the Minister of Foreign Affairs and upon approval of The Council of Ministers.

**Second:** Construction material intended for the construction or restoration of Embassies or Commissariats, except material similar to national products set by decision of the Minister of Industry.

**Third:** Cultural, scientific or social movies provided that they are not shown in public or private halls for operation purposes.

**Fourth:** Imported Stamps, official papers, flags, stationeries, Commissariats and Consulates furniture, medals and badges. The Ministry of Foreign Affairs shall determine the extent of this article.

**Article 301:**

The Higher Council of Customs shall grant exemptions specified in Articles 298, 299 and 300 upon receiving applications enclosing recommendation from the Ministry of Foreign Affairs. The beneficiary of the provisions of Articles 298, 299 shall enjoy the exemption, as of the beginning of his term of office at his official station in Lebanon.

**Article 302:**

1- Articles exempted under the provisions of this section shall not be used for any purpose other than the one for which the exemption was granted and cannot be transferred to someone else except after Customs Administration is notified and Customs duties due on them are settled in accordance with the state and value of such articles at the date of transfer. Furthermore, the beneficiary shall not be

allowed to deliver such article to someone else except after he carries out necessary Customs formalities.

2- Excluding vehicles and on reciprocity basis, Customs duties and other charges and taxes shall not be due on articles and items, if the beneficiary from the exemption disposed of the exempted items three years after their withdrawal from Customs Department.

**Article 303:**

- 1- Pursuant to the exception set in Paragraph (2) below, transferred vehicles which are qualified for exemption in accordance with the provisions of Articles 296, 297 and 300 shall be dutiable at the rates of duty applicable and considering the value of the vehicle at the date of transfer.
- 2- The vehicle exempted pursuant to Provisions of Article 298, must not be transferred under the provisions of Article 304, before the elapse of three years as from the date of registration of its exemption declaration except as follows:
  - a. At the termination of the assignment of the diplomatic or Consular employee who is qualified for the exemption in the country.
  - b. If the vehicle is damaged by an accident and rendered unfit for the use of the diplomatic and consular employees after the registration of its exemption declaration.

In any one case the vehicle is dutiable at the rates of duty and on the basis of the value of the vehicle at the date of transfer.
  - c. When the sale is made between a Consular or a diplomatic employee and a counterpart, provided that the transferee is qualified for the exemption if it is an exempt-vehicle, otherwise general provisions governing this matter shall be applied.
- 3- Should the vehicle be transferred three years after the registration of its exemption declaration, it shall be dutiable at applicable rates of duty and considering the value of the vehicle at the date of transfer.
- 4- Vehicles of accredited heads of diplomatic delegations that permanently leave Lebanon shall be duty-exempted, provided that at least three years have elapsed since the vehicles have entered Lebanon, on the basis of reciprocity and on conditions specified in Article 304 below.
- 5- Administrative employees whose vehicles were qualified for temporary entry, may after the elapse of the allowed time limits or at termination of their assignments due to transfer or any other reason, transfer such vehicles to people qualified for exemption, re-export them or pay full duties and taxes due on them according to the rate of duty and to the regulations in force at the date of registration of the declaration of their submission to consumption.

**Article 304:**

Privileges and exemptions prescribed in this chapter shall not be granted to diplomatic or consular delegations or their members unless the Laws of their countries of origin grant equal or better privileges and exemptions to Lebanese delegations and their members. Otherwise, privileges and exemptions shall be granted within the limits applied in the concerned country.

**Article 305:**

Each diplomatic or consular employee or whomever works within the diplomatic or consular delegations, already entitled to any exemption under this law, shall submit to Customs Administration, via the Ministry of Foreign Affairs, upon his transfer from Lebanon, a list of his household and personal effects and the vehicle that he has brought in, to obtain an exit permit. Customs shall examine the matter, as deemed necessary, only upon notification of the Ministry of Foreign Affairs.

**Article 306:**

- 1- Heads of Lebanese Diplomatic Delegations shall have the right to import cumulatively only one vehicle free of duty at the expiration of their terms of office and on their definitive return to Lebanon or at time of their transfer to the Central Administration at the Ministry of Foreign Affairs according to the Provisions of Article 22 of the Law issued by virtue of Decree No. 1306 of 18/6/1971 (Ministry of Foreign Affairs System), provided that their terms of office abroad amount to at least 15 years, and that they had exercised an assignment of Ambassadors or Heads of Delegations for at least 5 years. In addition the vehicle must have been in its owner's possession abroad prior to his end of term or transfer.
- 2- Subject to the provisions of Paragraph (1) of this article, the beneficiary should promise to keep the vehicle on which he claims the exemption, in his own use for at least three years, and to notify Customs in case he transfers the vehicle to someone else after the elapsed period, for any reason whatsoever, in order to levy duty on it according to its value and to rates of duty in effect at the date of transfer.
- 3- The Director General of Customs shall specify the terms of implementation of this Article.

**Chapter Five – Common Provisions for Chapters Three and Four:**

**Article 307:**

Customs duty exemptions shall be granted in accordance with the following general conditions and rules to:

- 1- Merchandise shipped under bills of lading for the account of the beneficiary of the exemption or bought from a public, private or specialty warehouse or from a duty free zone, or transferred from a third party to the beneficiary that is legally entitled to the exemption.



- 2- The person who benefits from Customs exemptions and facilities shall be a full-time employee; hence he does not have the right to carry out any other activity or be directly or indirectly involved in trade.
- 3- Goods qualified for exemptions shall be subject to all Customs formalities and to inspection procedures, unless otherwise expressly stated.

### **Chapter Six – Military Exemptions**

#### **Article 308:**

1. Firearms, ammunitions, apparels, transportation devices, fuel and oil imported for the account of the Army, Internal Security Forces, Security General, State Security, Customs Police, Parliament Police, as well as the Civil Defense and Fire Departments within municipalities and municipalities' federation must be duty-exempt. However, food products and goods similar to national products specified by decision of the relevant minister shall be excluded from the provisions of this Article.
2. The provisions of paragraph (1) of Article 303 shall apply to vehicles imported free of duty according to the provisions of the previous paragraph upon transfer of ownership.

### **Chapter Seven – Import Documents**

#### **Article 309:**

Should the exemption be granted in the form of import documents, the Higher Council of Customs, following consultation with the Director General of Customs specifies the conditions for the issuance and the use of these documents.

### **Chapter Eight – Other Statutes Eligible for Exemptions**

#### **First: Fire Engines and Railway Fixtures and Fittings**

#### **Article 310:**

The following goods shall be eligible for Customs duty exemptions in accordance with Article 295 of this law:

- a. Fire engines imported by public institutions and administrations and municipalities.

- b. Railway fixtures and fittings intended for the operation thereof, and vehicles intended for the transport of people (buses), parts and accessories thereof imported by the Railway and Public Transport Authority, under conditions specified by the Higher Council of Customs upon consultation with the Director General of Customs.
- c. All automobiles, vehicles, equipment, materials, accessories, and spare parts imported by public administrations and institutions and municipalities or granted to them for firefighting and rescue purposes, under the conditions specified by the Higher Council of Customs upon consultation with the Director General of Customs.

**Second: Foreign Archeological Missions**

**Article 311:**

Foreign archaeological missions may import under the duty-free exemption certain materials used for their works (photography instruments and apparatus, gypsum etc...), in accordance with the provisions of Article 295 of this Law, by virtue of administrative decisions issued by the Higher Council of Customs, following consultation with the Director General of Customs.

**Third: Aviation Companies and Aviation Training Clubs**

**Article 312:**

The following goods shall be imported under the duty-free exemption:

- a. Airplanes of officially licensed aviation companies.
- b. Airplanes of authorized Lebanese aviation training clubs.
- c. Spare parts of airplanes, fittings and accessories of all kinds, used for airplanes repair and maintenance within the borders of Lebanese airports and imported by:
  - 1- National aviation companies officially licensed, foreign aviation companies and authorized aviation training clubs that are officially accredited.
  - 2- Authorized companies specialized in the maintenance and repair of airplanes for the aviation companies and clubs.
- d. Equipment used within the premises of Lebanese airports, as well as special apparatus and technical accessories used for the maintenance and repair of airplanes within the borders of these airports, and which are imported by the national aviation companies that are officially licensed, Lebanese training clubs officially acknowledged, aviation companies of the countries signatories to the Chicago Understanding Of Civil Aviation on the 7<sup>th</sup> of December 1944, concerning the International Civil Aviation, as well as maintenance and repair companies mentioned in article (C) above.

- e. Equipment, apparatus and spare parts thereof imported for training purposes in the different segments of aviation at the Civil Aviation Safety Center and Rafic Hariri International Airport- Beirut or any other civil airport, throughout the duration of their use within and imported by or for said center.

Higher Council of Customs shall specify the terms of application of the exemption mentioned in this Article, upon consultation with the Director General of Customs.

**Fourth: Furniture and Fixtures of Vessels Registered in Lebanon**

**Article 313:**

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

**Fifth: Museums and Fine Arts Institutions**

**Article 314:**

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

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

**Article 315:**

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

**Chapter Nine -Personal Belongings, Household Effects and Items of Non-commercial Value**

**Article 316:**

1-Total exemption shall apply to the following goods under the conditions prescribed in paragraph (2) below:

- Clothes, apparel items and luggage acquired for personal use.

- Outfits of foreign students registered in Lebanon (clothes and linen goods of all kinds) including married students arriving with their families to reside in Lebanon for higher education purposes. The exemption shall apply to home appliances of married students.
- Trousseau including clothes and linen goods of persons arriving to reside in Lebanon, although new, provided that one of the spouses resides in Lebanon.
- Home appliances of all kinds used in normal housing and which are imported by citizens permanently returning to Lebanon, or by foreigners coming to Lebanon for residence purposes.
- Personal belongings, furniture and household effects brought into Lebanon by employees of Lebanese foreign diplomatic corps returning at the termination of their official assignments abroad.
- Items inherited from a family member legacy.
- Paraphernalia.
- Personal musical instruments.

2- The above-mentioned articles must have been in use except trousseaus and legacies, mentioned here above, that should also match the status of their owners.

3- The Director General of Customs shall specify the terms of implementation of this Article; he shall also determine in coordination with the Ministry of Foreign Affairs, the conditions of exemptions as concerns foreign diplomatic corps employees who return to Lebanon.

**Article 317:**

The following shall be qualified for total exemptions:

- a. Samples of non-commercial description, personal dispatches and occasional gifts, within limits specified by the Higher Council of Customs, upon consultation with the Director General of Customs.
- b. New items and things acquired for personal use such as cameras, watches and telephone sets, as well as tobaccos, alcoholic beverages, perfumes and drugs that accompany a Lebanese or foreign traveler coming to Lebanon, within the limits and rules specified by the Higher Council of Customs, upon consultation with the Director General of Customs.

**Chapter Ten –Supplies for Certain Means of Transport**

**Article 318:**

Following consultation with the Director General of Customs, the Higher Council of Customs shall specify the conditions under which exemptions are granted, if

need be, to certain supplies or petroleum products for vessels of war and commercial vessels of more than 150 net maritime tons whether of foreign or domestic origin, as well as new imported vehicles and trucks in transit, trailers and airplanes of national official airlines and foreign civil airplanes on reciprocity basis.

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

#### **Article 319:**

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

### **Chapter Twelve – Restrictive Provisions**

#### **Article 320:**

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

### **Title five**

### **Different Charges Imposed on Services Rendered by Customs**

#### **Chapter One – Storage Charges**

#### **Article 321:**

1. Customs storage charges shall be levied on all goods stored within the Customs premises, in warehouses and yards directly run by Customs Administration, if the storage period surpasses five full days.
2. The storage charges levied by Customs shall reflect the effective cost of the storage operations.
3. The Higher Council of Customs, following consultation with the Director General of Customs, shall have the right to put the Customs warehouses directly run by Customs Administration under the supervision of any investing body, in order to carry out storage operations, according to rules and provisions set forth in the laws and regulations in force.

#### **Article 322:**

Charges for storage shall be determined according to the provisions of paragraphs (1) and (2) of Article 321, in Lebanese pounds as from the sixth day, as follows:

**First:**

A. In the warehouses of Beirut International Airport:  
LBP10, 000 (ten thousand) per100 Kg per Week.

B. In the warehouse of other Customs Offices:  
LBP2, 000 (two thousand) per 100 Kg per Week.

**Second:**

The above mentioned charges shall be charged and levied pursuant to the following rules:

1. Any fraction of 100 Kg shall pay charges imposed on 100 Kg.
2. Fees shall be due in full at the beginning of each week.
3. Charges shall be cut into half of this rate for storage in open-air areas.

**Third:**

Should the storage period exceed 30 days regardless of place of storage, an extra charge shall be added to above-mentioned fees per 100 Kg per day:

- a. In the warehouses of Beirut International Airport:
  - 1- From day 31 to 60: LBP2,000 (two thousand)
  - 2- From day 61 and above: LBP4,000 (four thousand)
- b. In the warehouses of other Customs Offices:
  - 1- From day 31 to 60: LBP8 (eight)
  - 2- From day 61 to 90: LBP16 (sixteen)
  - 3- From day 91 to 120: LBP24 (twenty-four)
  - 4- From day 121 and above: LBP32 (thirty-two)

Merchandise stored in warehouses directly run by Customs Administration, due to a seizure or a receivership under legal supervision upon request of any person or administration other than Customs, should pay the storage fees charged by the authority who made the seizure or the receivership decision, in light of the rate mentioned here above.

**Article 323:**

- a. The following articles shall be exempt from storage charges prescribed in Article 322 of the present law:
  1. Packages in excess of the manifest accidentally unloaded in any port and that were destined to be re-exported, provided that the storage of such packages in the Customs warehouses does not exceed 30 full days.

2. Packages remaining in warehouses due to a seizure or a receivership under legal supervision at the request of Customs Administration.
  3. Packages unloaded with obvious damages caused by legitimate reasons, within 5 days as from the date of their unloading.
  4. Personal effects and used furniture of non-commercial value of any passenger provided that the storage period at the Customs warehouse does not exceed 60 full days.
  5. Merchandise that were not withdrawn due to force majeure that shall be solely determined by Customs.
  6. Packages that were not delivered upon receipt of withdrawal of application filed by the owner, due to congestion within the Customs premises or to classification error, provided that the exemption is applicable to the period during which the packages were lost. In such a case the owner of merchandise shall ask the Customs employees to check that on the day of submission of the withdrawal application these packages were in fact lost. If only a part of these packages is lost, the owner must withdraw the available packages after payment of duties.
  7. Sample of goods not exceeding 1 Kg in weight and with a maximum value of LBP200, 000 (two hundred thousand) provided the storage period does not exceed 30 full days.
- b. Storage charges shall not be levied on stored goods throughout the duration required for health inspection procedures including analysis and counter analysis in places directly run by Customs Administration.  
Same provisions shall apply in arbitration cases lost by Customs Administration.

**Article 324:**

The five-day delay mentioned in Article 321 shall be extended to full 30 days for goods in transit and to 15 full days for goods intended for re-export.

**Article 325:**

Packages remaining in Customs warehouses due to a dispute arising between the consignor and the consignee that are re-exported to the country of origin shall only be subject to storage charges for a period of 90 full days at most.

**Article 326:**

The total amount of storage charges shall not in any way whatsoever exceed half the value of the goods.

**Article 327:**

Special provisions governing the levy of storage charges at certain Customs offices and set forth by agreements concluded with privileged companies or with operation companies shall remain in effect on the date of enforcement of this law.

### **Chapter Two – Compression and Sealing Charges**

#### **Article 328:**

Lead, ropes, wide threads and seals used by Customs in sealing and compression operations shall be at the expense of Customs Administration.

### **Chapter Three- Cost of Administrative Prints**

#### **Article 329:**

1. The Higher Council of Customs shall determine the price of the prints offered by Customs Administration to the parties concerned, upon consultation with the Director General of Customs.
2. The price of the prints shall reflect their effective cost.

### **Chapter Four – Overtime and Customs Services Charges**

#### **Article 330:**

The Higher Council of Customs, upon consultation with Director General of Customs, shall adopt decisions pertaining to the following:

1. Charges for services rendered to the concerned party outside working hours and places prescribed in the Customs system, as well as salaries of Customs employees charged with receiving the declaration of the parties concerned in places where authorized clearing agents are not available.
2. Charges for other Customs services carried out by Customs employees upon export, import, transit, and re-export of goods and upon inspection of passengers' luggage.
3. The rules and regulations governing the distribution of sums levied according to the provisions of this Article.

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

**Article 331:** Cancelled

## **Title six**

### **Coastal Navigation and Domestic Trade**



## **Chapter One- Coastal Navigation**

### **Article 332:**

Goods of Lebanese origin and products having acquired the characteristic of national products once payment of duties has occurred, transferred by sea through coastal navigation, shall not be subject upon entry or exit to any duty whatsoever, provided that Customs procedures determined by the Director General of Customs are completed.

### **Article 333:**

When goods are transferred through coastal navigation and are prohibited and dutiable upon exit, bonds and guarantees pertaining to them should be submitted and formalities set by the Director General of Customs to be necessary should be carried out.

### **Article 334:**

Manifests should be filed according to the rules prescribed in Article 95 and subsequent articles; in addition inspection that occurs in principle at the office of destination shall be made in accordance with the provisions of Article 138 and subsequent articles of this law.

## **Chapter two – Domestic Trade**

1- Customs Administration may at the request of the traders deliver to them documents certifying the payment of Customs duties and the completion of regulatory formalities.

2- The Director General of Customs shall determine the rules of implementation of this Article.

### **Title seven**

## **Customs Jurisdiction and Procedures**

### **Chapter one – General Provisions**

### **Article 336:**

Customs operates within the Customs Territory according to the rules prescribed in this Law.

### **Article 337:**

Customs shall take control measures and apply specific Customs procedures in an area adjacent to land and sea borders, which shall constitute “The Customs territory”.

## **Chapter Two- Customs Territory**

**Article 338:**

Customs zone shall be constituted of:

a. **Maritime Customs Territory:**

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

b. **Land Customs Territory:**

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

**Part I – Control Measures and Customs Procedures Within the Sea Customs Territory**

**Article 339:**

- Control measures and Customs procedures carried out by Customs at sea are determined in Articles 69 to 74 of this Law.

**Part II – Customs Control Measures and Procedures Within the Land Customs Territory**

**Article 340:**

- 1- Customs Administration shall take special measures to control the movement and seizure of merchandise within the land Customs zone prescribed in the previous Article, it shall also determine the implementation procedures, pursuant to the provisions set forth in the following Articles.
- 2- The Customs police shall be in charge of prohibited and highly dutiable goods and goods subject to internal revenue tax, determined by virtue of the decisions of the Higher Council of Customs and published in the official gazette.

**Article 341:**

**Section 1: Circulation of Goods**

1 – Merchandise subject to the control of the Customs police cannot be moved within the Customs zone or brought into it or moved there from, unless they enclose regulatory transport documents issued by Customs before carrying out the requested operation.

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

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

4-These documents must be submitted for each request made by Customs officials.

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

### **Section 2: Acquisition of Goods**

#### **Article 342:**

1- Acquisition of goods subject to the Customs police control may occur in certain places within the Customs zone determined by decisions of the Higher Council of Customs and published in the official gazette.

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

#### **Article 343:**

With the exception of cities where the population count exceeds 2000 persons, the following is prohibited within the land Customs territory:

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

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

### **Section 3: Open Account for Merchandise and Livestock**

#### **Article 344:**

Whenever it shall be deemed necessary for the purpose of control, a current account can be kept at the Customs offices situated within the Customs territory. This account must include each merchant or producer of the goods subject to the Customs police as well as the livestock in his possession, whether from breeding or

producing, or through importation from abroad or within Lebanese territories, provided that the Customs Authority preserves the right to audit.

The Customs Authority may make unexpected surveys at the business place of merchants mentioned in the previous Article.

The Director General of Customs shall determine the rules of implementation of the open account.

#### **Section 4: Common Provisions**

##### **Article 345:**

The illegal acquisition or circulation of goods subject to the Customs police within the Customs territory, and the circulation of goods contrary to the provisions of the transportation bond, as well as any unjustified addition or decrease in the open account, shall be considered import or export by means of smuggling, and shall be subject to the penalties prescribed in Article 421 of this Law.

##### **Article 346:**

The implementation of Customs zone and Customs police system does not amend the status of traffic in transit and especially the special provisions prescribed in the agreements concluded with neighboring countries, governing the transit trade with these countries.

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

##### **Article 347:**

1- Customs employees are under the protection of the Law, no person is permitted to offend, threaten, mistreat or oppose them while exercising their functions, under the risk of penalties prescribed in Article 426 of this Law applicable to offenders and their partners.

2- Civil and military authorities must assist Customs employees upon the first request they make in order to carry out their functions, Customs Administration shall also assist public administrations and authorities within the conditions set forth in the laws and regulations in effect.

##### **Article 348:**

Customs employees of all ranks shall take an oath, at the start of their term before the Single Judge of the region they are assigned to.

##### **Article 349:**

When a Customs employee takes up his post, the Director General of Customs shall grant him a service mandate in the form decided upon by Director General of

Customs. The Customs employee shall produce such authority whenever he is requested so while on duty.

**Article 350:**

Customs directors and inspectors as well as the employees of the Department of Smuggling Detection affiliated with Customs Administration, officers and guards of law enforcement personnel shall be allowed to carry sanctioned weapons in order to carry out their functions.

**Article 351:**

The Customs police may only use their arms in the following cases:

- 1- In case of legal defense prescribed in Article 563 of the penal code.
- 2- When they fail in any manner whatsoever to resist their disarmament or to defend their locations or checkpoints or people put in their custody, or when they are faced with stiff resistance that can only be defeated by arms.
- 3- When they fail to arrest vehicles, vessels or other means of transport whenever their drivers do not abide by the notices prescribed in paragraph (4) of this Article and to signs that must accompany it.

The Customs police may use other means or obstacles to stop the means of transport when their drivers refuse to comply with warnings.

- 4- When persons attempting to escape are warned to stop or when Customs police yell repeatedly “Customs Stop” and should such persons refuse to abide by the warning, and can only be stopped by the use of arms. In this case the decision must be backed up by general or specific proofs explicitly and implicitly indicating the participation of said parties to a crime or their attempt to commit a smuggling operation.

**Article 352:**

Every Customs employee whose term comes to an end for any reason whatsoever (removed, pensioned, retired, or resigned, etc..) should immediately return to his direct supervisor his service authorization, records, seals, arms, and equipment given to him to perform his tasks. Should he fail, the chief of the department to which he was affiliated shall have the right to issue a compulsory demand for payment against him pursuant to the conditions set forth in paragraphs (3) (5) and (6) of Article 171, provided that the note encloses a copy of the administrative decisions rendered to remove his name from the administration roster. In order to be able to serve the notice and enforce the decision, the Single Judge of the area to which the employee was affiliated at time of his dismissal should bear the judge’s seal.

**Chapter Four - Prerogatives of Customs Employees**

**Section 1: The right to Inspect Merchandise, Means of Transport and  
Individuals**

**Article 353:**

Customs employees shall have the right to inspect goods, means of transport and people in order to implement the provisions of this law and to investigate smuggling.

**Article 354:**

1-Drivers of means of transport shall abide by Customs employees orders.

These employees may have recourse to all convenient measures to stop transport means when their drivers do not abide by their orders, including the use of arms, if need be, provided that this occurs based on conditions prescribed in paragraph (3) of Article 351 above.

**Article 355:**

Customs employees shall have the right to inspect vessels within the conditions prescribed in Articles 69 to 74 of this Law.

**Section 2: Smuggling Investigation**

**Article 356:**

1 – Violations prescribed in this Law and in texts relating to Customs may be investigated and may lead to seizure:

- a. Goods of all types whether monopolized, prohibited, dutiable or exempt:
  - At Customs offices, stations or premises and all places put under the control of Customs and where Customs are able to make investigations and verifications in respect thereof, such as Customs warehouses of all types and places where goods are being manufactured under the status of temporary entry.
  - Within the maritime and land Customs territory.
  - Along Lebanese territories and outside of coastal waters, in case of pending pursuit.
- b. As concerns goods excluded from the transit status or from internal circulation, goods the possession or sale of which is prohibited, monopolized goods circulating or illegally possessed or goods specifically designated pursuant to the decisions of the Higher Council of Customs and published in the official gazette.
  - Throughout all Lebanese territories

**Article 357:**

- 1- Home investigation and inspection may be executed to spot smuggling within Lebanese territories:

**First:** Along the land Customs territory, as concerns all types of goods.

**Second:** Throughout all Lebanese territories:

- a. As concerns all types of smuggled goods, which were chased by Customs employees and are under pending pursuit, whether after they were seen introduced to these territories or after they were seen withdrawn from the Customs territory, provided that they arrive at the time of introduction of these goods into houses.
  - b. As concerns merchandise excluded from the transit status or from internal circulation prohibited or merchandise the possession or the sale of which is prohibited, circulating monopolized goods or goods specifically designated by decisions of the Higher Council of Customs and published in the official gazette.
- 2- A warrant issued by the public prosecution shall be the basis of home investigation and inspection.

The warrant shall include the addresses of the places to which entry and inspection is authorized along with the legal and probative facts that justify such procedure.

- 3- Home search and investigation shall be exempt from the condition mentioned in paragraph 2 of this Article in case of a *flagrante delicto* or pending pursuits or when the concerned party agrees to the inspection. In this case the public prosecution shall immediately be notified in order to make the necessary decisions.
- 4- Home search and investigation can only occur during daylight, even in case of pending pursuit. However investigation and search initiated during the day and not accomplished at sunset may be continued at night until they are completed.
- 5- Should the proprietor deny entry to Customs employees, they may be authorized to break into his house by force in the presence of the Moukhtar based on conditions mentioned here above.
- 6- Public places may be visited at night as long as they are open, provided that investigation and search are limited to parts open to public.
- 7- Should house search and investigation result in the discovery of documents and papers related to smuggling operations, Customs employees are authorized to seize them.

**Article 358:**

- 1- Each person caught *flagrante delicto* in the act of smuggling shall be immediately referred to the local chief of division, who shall decide whether to keep him in custody or not.

2- If the chief of division makes a decision to keep the offender in custody, he shall immediately inform public prosecution which may hold him for a maximum of 3 days, during which he should be referred to the competent court.

3- The General Prosecutor may during the period of detention call on the place of detention to examine the conditions of the detainee and to look into the documents related to said detainee and he may designate a doctor to examine the detainee, if need be.

4- The conditions of pursuing the case of detention before the court are prescribed in Article 395 of the present Law.

**Article 359:**

In order to implement the provisions of Article 358, a *flagrante delicto* of smuggling is:

- 1- Import or attempted import of prohibited or monopolized goods without written or oral declaration.
- 2- Export or attempted export of prohibited goods without written or oral declaration.
- 3- Transport of monopolized goods or prohibited goods, whether manifested or not, onboard vessels, notwithstanding the flags thereof, of less than 150 maritime tons, anchoring or hovering within 12 miles from the shores, except in case of a proven force majeure.
- 4- Anchoring or hovering of vessels of less than 150 maritime tons, carrying highly dutiable goods or goods subject to revenue tax, prescribed in the decisions of the Higher Council of Customs published in the official gazette, within the territorial waters, except in case of a proven force majeure, or re-export of similar goods, on board of vessels of similar tonnage.

**Article 360:**

Detention is also allowed in accordance with the rules prescribed in Article 358:

- a. Against each person making objections to the investigation of smuggling acts, thus leading to its obstruction.
- b. Each person at risk of flight in order to evade the sanctions, penalties and indemnities that might be inflicted upon him.

**Section 3: The Right to Examine Records, Papers, and Documents Pertaining to Operations Found to Be in the Interest of Customs**

**Article 361:**



### **First:**

Customs employees of the second category, or occupying a rank of lieutenant and above or having a head office posts, by virtue of a special authorization granted by the Director General of Customs, or the Regional Director of their affiliation, or the Director of the Authority of Auditing and Detection of Smuggling as well as the Director and the employees of the Department of Detection of Smuggling, and the Director and employees of the Control Authority within the Higher Council of Customs whenever the initiated investigations are found to be necessary, have the right to examine records, documents and papers of any kind whatsoever, pertaining to operations that may be of interest to Customs, and make investigations thereof:

- a. At the railway offices and stations, and at land, sea and air transport companies or their agencies (invoices, loading documents, transport manifests, bills of lading, writs of delivery, waybills, delivery notes and lists, warehouses records, delivery records, parcels record books, delivery books, route documents, shipment records and documents, etc...).
- b. At agencies involved in the receipt, collection or dispatch of parcels of all kinds by all types of means of transport (detailed tables of total consignment, receipts, delivery records etc...)
- c. With brokers and agents (documents and records kept in accordance with the provisions of Article 127 of this Law).
- d. With the operators of storage facilities, docks and public warehouses (records and deposit files, books of entry and exit of goods, etc...).
- e. With the traders and facilities receiving goods declared at Customs stations or with their real dispatchers.
- f. At establishments involved in commercial consignments.
- g. And, in general with legal or natural persons directly or indirectly involved in regulatory or non-regulatory transactions falling under the jurisdiction of Customs Administration.

### **Second:**

Other legal or natural persons mentioned in Paragraphs (a, b, c, d, e, f and g) of the “First” item above, shall keep all documents, files and records pertaining to Customs operations for a period of 3 years from the date of dispatch of consignments for consignors and brokers; and from the date of receipt for consignees and brokers.

### **Third:**

While making investigation and inspection at companies or with persons mentioned above, Customs employees mentioned in the “First” paragraph may seize all documents, files and records of all types whatsoever (accounting books, invoices, correspondence letters and copies thereof, check books promissory notes, bank statements, etc...) that might facilitate their task. Customs employees should in return make receipts specifying the seized items in order to reconstitute them to their proprietors as soon as the investigation comes to an end.

### **Fourth:**

The failure to keep the documents, files and records mentioned in this Article and in Article 127, or the refusal to submit them, as well as the failure to keep the records mentioned in the last Article in accordance with terms and conditions prescribed herein, as well as borrowing the name and signature mentioned in Article 129, constitute Customs violations that are sanctioned by a lump sum varying from 2 to 20 million L.B.P, and shall be inflicted on every trip, transaction, operation or signature borrowing. In addition penalties prescribed in Article 131 above shall be applied, as needed, and every unjustifiable delay should be considered a refusal.

**Fifth:**

Customs Administration may, on the condition of reciprocity, give the relevant authorities in foreign countries all information certificates and proceedings and other documents that might prove the violation of rules and regulations applied in their territories upon import or export.

**Sixth:**

Shall be considered a Customs violation any address declared in Customs declaration that later are proven to be false or erroneous; such violations shall be considered as non-compliance of recordkeeping requirements mentioned in this Article and in Article 127 or as refusal to handover said documents.

**Article 362:**

- a. Customs employees may, while executing their assigned tasks, have access to:
- 1- Public and national properties and public communal properties, adjacent to the sea baseline.
  - 2- Railways situated at most 1,000 meters away from the sea and land borders.
  - 3- Private unfenced properties that are adjacent to the land borders, situated on coastal line or cliffs by seaside or by riverbanks at most 500 meters away from their estuaries.

Proprietors of land neighboring rivers and borders may not erect any fences that obstruct the free passage of Customs employees along the land borders and on the seashore or cliffs by seaside or by riverbanks at most 500 meters away from their estuaries.

- b. Any obstruction or objection against the freedom of passage of Customs employees and every violation to the obligations resulting from this Article shall be considered objection while on duty and shall be prosecuted in accordance with Article 426.

**Section 4: Customs Control over Postal Parcels**

**Article 363:**

1. Customs employees may enter into the post offices including sorting lounges, directly connected to outdoors, to search, in the presence of the post's employees, for closed or open dispatches, coming from an external or an internal source, except transit dispatches containing or seem to contain items of the type mentioned in this article.
2. The Post Administration is entitled to make available to Customs control, within conditions prescribed in the Agreements and the Regulations of the Universal Postal Union dispatches that are prohibited to import, dutiable, restricted or conditionally admissible upon entry.
3. The Post Administration is also entitled to put under Customs control dispatches prohibited from being exported, dutiable, restricted or conditionally admissible upon exit.
4. The principle of dispatches confidentiality shall not be violated in any manner whatsoever.

**Article 364:**

- 1- Every legal or natural person involved in continuous and regulatory trade operations, which consign parcel posts or dispatches through the Post from abroad to parties at Customs territory- including free zones- should delegate a representative residing in Lebanon in order to carry out clearance transactions with Customs Administration.
- 2- The terms of implementation of this Article should be determined by decision of the Director General of Customs.

**Section 5: Examination of Identities**

**Article 365:**

Customs employees may examine the identities of the persons entering to the Customs zone or exiting there from or those who circulate within the Customs territory.

**Section 6: Control of Narcotics Delivery**

**Article 366:**

1- For the purpose of investigating Customs violations at time of import, export and acquisition of narcotics and in order to identify the perpetrators and beneficiaries and confiscate narcotics, Customs employees are authorized on conditions determined by the Director General of Customs with the cooperation of the Central Anti-Drug Directorate and after notification of the public prosecutor's office at court of cassation, to control and track the movement of such substances in accordance with the provisions of Article 220 of the Law No. 673 of 16/3/1998 governing narcotics, barbiturates and precursors.

2- No penal liability should be incurred by employees when the public prosecutor's office at court of cassation authorizes them to seize, move and deliver said substances, under its supervision, to suspects in order to identify the perpetrators. In addition, no penal liability should be incurred as a result of the use by Customs employees of means of transport of these substances, storage and discussion of said substances through communication means or the use of money for said purpose.

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

## **Title eight**

### **Proceedings**

#### **Chapter One- Rules of Investigation and Prosecution of Customs Violations**

##### **Section 1: Investigation through a Seizure Record (Proces-verbal of seizure)**

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

##### **Article 367:**

1. At least two Customs or government employees, disregarding their civil or military functions, shall investigate Customs violations.

Such investigation may also be conducted by one Customs employee along with a government employee, or by a Customs employee along with an adult civilian.

2. Violations shall be investigated through a seizure record.
3. The employees of the Tobacco Reggie shall have the same prerogatives empowered to Customs employees with regard to investigation of Customs violations relating to tobacco and rolling paper for tobacco.

##### **Article 368:**

1. Seizure officers shall transfer smuggled goods, goods used to conceal smuggling and transport vehicles to the nearest Customs office or station to the place where the precautionary seizure occurred, whenever possible. Should this be impossible due to serious reasons, the reasons must be mentioned in the seizure record.
2. Seized goods, goods used to conceal smuggling and transport vehicles must, whenever conditions of seizure require, be put under the watch of a third person at the place of seizure or elsewhere.
3. The detention of persons being investigated shall occur in accordance with cases stipulated in Articles 358, 359 and 360 and under the conditions mentioned in Article 395 of this law.

Officials ordering the detention of persons under investigation shall specify in the seizure record the period of investigation and the date of opening and closure of the record. This information shall be inscribed in a special and relevant register at the Customs office.

4. The seizure record shall be established in the place of seizure of goods or in the place of discovery of the violation at time of ascertaining the violation or latest upon transportation of seized goods, goods used to conceal smuggling and transport vehicles to the Customs office or office should there be no deterrent mentioned in the record.

**Article 369:**

The following shall be mentioned in the seizure record:

1. The place, date and time of filing the record in letters and numbers.
2. The date and time of seizure in letters and numbers.
3. The place and conditions of seizure.
4. The names of the seizure officers along with their signatures, rank, function and the house or office to which they are affiliated.
5. The name of the violators, their physical features, profession, detailed address and last known dwelling whenever possible.
6. The types, description, quantities, weight and value of seized goods, as well as duties and taxes at risk of loss, whenever possible.
7. Un-seized goods to the extent possible in terms of knowledge and reasoning.
8. Detailed facts, tangible evidence and statements of violators and witnesses, if any.
9. Reference to legal texts governing the violation, whenever possible.
10. Presence of violators at time of description of seized goods or notification of violators to attend event.
11. Should the accused attend, it should be mentioned in the seizure record that the latter was read to him, that he was asked to sign it and that he will be summoned to appear before The Court examining Customs cases and should he fail to appear or refuse to sign, it shall be mentioned in the record a copy of which should be posted on the door of the Customs office within 24 hours following the closure of the record. This should also be mentioned in the record.
12. The date, place and time of closure of the record in letters and numbers.

**Article 370:**

1. Seized transport vehicles and goods and objects used to conceal fraud may be delivered to the accused if they are not prohibited against submission of a guarantee, a bond, or a sum equivalent to the value of such goods. All aforementioned may also be delivered to a third party against submission of same guarantees.

This procedure and the consequence thereof should be mentioned in the seizure record.

2. The regional director or head of Customs may release the public means of transport in favor of the proprietor or operator without a guarantee or a deposit equivalent to the value of such means of transport provided that the proprietor is involved in the transport business and that the violator had signed a contract of transportation or lease of the vehicle with him in accordance with legal rules and professional custom and provided that the operator of the vehicle has to the best of his abilities fulfilled his obligation of censorship and that the vehicle is not equipped to facilitate smuggling. However, such release does not exempt payment of expenses incurred by Customs Administration as a result of maintenance and custody.

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

### **Article 371:**

If the seizure record contains false or altered documents then, the type of falsification, alterations or additions must be mentioned in the record. The seizer shall ask the user to sign such documents and he shall include his reply in the record after stamping the term “unchangeable” on the document.

### **Article 372:**

1. When smuggled goods are seized in outlets, warehouses and commercial centers and houses, after investigation and house inspections are carried out pursuant to the provisions of Article 357 of this law, non-prohibited goods shall be excluded from seizure if the violator submits a guarantee equivalent to their value. Failure to do so, and the goods in question were prohibited, restricted or monopolized, then the seizing party shall transport goods to the nearest Customs station or keep such goods under the watch of a third party in the place of seizure or elsewhere.
2. The seizure record shall be filed in the presence of a judicial police member. Should said member refuse to appear, his refusal must be mentioned in the record.

### **Article 373:**

If the seizure involves goods aboard an anchored ship and immediate unloading is impossible, the seizers shall seal the scuttles, rooms, compartments, lockers, boxes, pallets, barrels and other packages and containers. If the seizure record coincides with time of unloading, the record shall include numbers, quantities and labels of parcels, boxes and barrels. Details should be recorded at the office in the presence of the violator or after he is notified to appear. Afterwards a copy of a detailed unloading sheet will be delivered to the violator.

### **Article 374:**

If the seizure involves smuggled goods in pending pursuit or in *flagrante delicto*, or if such goods are prohibited, restricted or monopolized, or if it explicitly appears from the owners' statements or from the documents in their possession that the goods are smuggled, the investigated case must be mentioned in the record. If the

goods are seized in pending pursuit status, the following shall also be mentioned in the record:

- a. With regard to goods subject to circulation bonds and non-conformingly transported, that the pursuit of such goods started as of the date of crossing the internal borders of the Customs zone until time of seizure.
- b. With regard to the remaining goods, that such goods were under continuous pursuit as of the date of crossing the external borders of the country until time of seizure.

**Article 375:**

When many seizures occur against unknown fugitives and if Customs Authority deems it unnecessary to maintain a seizure record due to the unimportance of smuggled goods; if there are no precedents and if the value of goods does not exceed LBP 400,000 for each seizure, the Court examining Customs cases provided for in Article 391 may decide to seize all such goods by virtue of a single decision.

**Article 376:**

Seizure and confiscation of goods within the conditions set forth in Article 375 shall be decided by the Court examining Customs cases and implemented by Customs Administration eight days after the publication of the relevant decision at Office of the Registrar.

**Section 2: Investigation Through Verification Records**

**Article 377:**

1. Violations set forth in the decisions and texts related to Customs may be investigated and proven by way of verification records maintained by Customs employees detailing the results of their inquiries, investigations and interrogations, even if no seizure had occurred within or outside Customs territory.
2. The verification record shall include the names of those who filed it along with their functions, the date (Hour-Day-Year) and place of inspection and verification, the material facts examined by those who filed the record and all related information in respect thereof. The record shall also include the seizure of related documents as needed.

The record shall also state that the persons under investigation have been informed of the date (Hour-Day-Year) and place of the record and that they were summoned to attend the filing thereof. Should they attend, the contents of the record should be read in their presence and signed by them. The aforementioned should be included in the record.

**Section 3: Investigation Through Other Legal Procedures and Means**

**Article 378:**

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

**Section 4: Common Provisions for Seizure and Verification Records in case of Fraud**

**Article 379:**

1. The seizure and verification records filed according to the provisions of Articles 367 to 377 are deemed authentic and probative of the material facts examined by the officers establishing the records unless they are claimed to be fraudulent before criminal or civil court. Other records are deemed true until proven otherwise.
2. Courts may not annul such records except in cases where the formalities set forth in aforementioned articles are neglected. The irregularity of such formalities shall not lead to annulment since the officers in charge thereof have the opportunity to complete missing formalities. However, such rectification may not occur whenever the irregularity is related to material facts.

**Article 380:**

1. The violator claiming forgery of the forfeiture proceedings before the civil court should, when the action is filed and during the first hearing held by the court examining Customs cases, submit a written declaration in person or through an attorney withholding a special notarized proxy. The violator should submit within the following three days to the Office of the Registrar, evidence of forgery along with the names and functions of the witnesses that he wishes to bring forward for testimony. All of the above is made at the risk of abatement of the forgery action.
2. Should the claimant be illiterate, the claim must be submitted directly to the president of said court. The president shall then mention that the claimant is illiterate and forward the claim to the court.
3. The filing of a forgery claim by one of the violators may not deter the pursuit of the action against other violators.
4. If the seizure record is found to be totally or partially forged, the court shall order its correction or cancellation.
5. Should the forgery claimant lose the case or waive it without the consent of his opponent, a monetary penalty varying between LBP400, 000 and LBP4, 000,000 shall be inflicted on him in favor of Customs, along with the penalties prescribed concerning the same violation.

**Section 5: Prosecution**



## **1-General provisions**

### **Article 381:**

- 1- Violations set forth in Customs laws and regulations may be prosecuted and proven by all legal evidentiary means even if such violations were not discovered inside or outside Customs zone or upon declaration of goods through Customs declarations. For this purpose, information provided by foreign authorities, seizure records and documents issued by said authorities may be considered proof of a criminal act.
- 2- Public prosecutors shall be in charge of public lawsuits filed in criminal courts for the purpose of implementing criminal sanctions incurred from ordinary crimes committed concurrently with Customs violations or relating to such violations. Customs Administration shall be in charge of actions filed in order to apply duties and fines.

### **Article 382:**

The judicial authority should provide Customs Administration with any information in connection thereof with regard to any civil, commercial, or criminal conflict, which may constitute a presumption of a violation of Customs laws and regulations, even if such conflict were dismissed by the court.

### **Article 383:**

Should the violator die prior to issuance of the final decision of his condemnation or before reconciliation is made, Customs Administration may take legal action before the relevant court to seize the smuggled assets in the violator's legacy, unseized prior. Otherwise, the court may transfer to Customs a part of the legacy equivalent to the value of such assets on the date of the violation.

## **2- Compulsive Pursuit**

### **Article 384:**

1. Except cases of compulsive pursuit falling under Articles 171 and 352, the Regional Director or Head of Customs may issue a compulsory demand for payment against the original taxpayer or against his guarantors whenever such taxpayer fails to settle in favor of Customs Administration or postpone the settlement of Customs duties whether smuggled, unsettled, guaranteed by bonds, or by various guarantees, recognizance or through reconciliation.
2. The aforementioned compulsory demand for payment shall be issued in accordance with the rules provided for in Article 171.
3. Objection to compulsory demand for payment does not deter their implementation unless due charges are deposited in a trust by the taxpayer.

## **Chapter Two –Abatement of the Right of Pursuit and Penalties in Customs cases**

## **Section 1: Reconciliation**

### **Article 385:**

- 1- Customs Administration may reach reconciliation with violators, before or during legal pursuit and following the issuance of the decision of the Court examining Customs cases mentioned in Article 391 of the present Law. Hence, Customs Administration may substitute regulatory sanctions (fixed or modifiable monetary penalties, confiscation of goods, means of transport and articles used to conceal fraud) with a monetary penalty, which varies according to seizure conditions and which should be paid, as needed in addition to the charges due on goods imported or exported by fraud.

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

- 2- Reconciliation may not lead to the abatement of duties due to Treasury.
- 3- Customs Administration shall not have the right to make reconciliation after the decision of the court is rendered.

### **Article 386:**

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

### **Article 387:**

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

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

1- Regional Heads of Department shall make the final decisions concerning the violations falling under provisions of Article 425.

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

- a. Violations falling under the provisions of Articles from 426 to 432.
- b. Other violations when the value of goods does not exceed LBP 25,000,000 and cases related to smuggled duties or duties at risk of loss, even if the value of such goods exceeds LBP 25,000,000 and provided that the amount of such duties does not exceed LBP 6,000,000.

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

- a. Violations set forth in paragraph 4 of Article 361.
- b. Violations set forth in the last paragraph of Article 423 (Goods of unknown type and value).
- c. Other Violations, if the value of goods exceeds LBP 25,000,000 but not exceeding LBP 100,000,000 and in cases related to smuggled duties or duties at risk of loss even if the value of goods exceeds LBP 100,000,000 provided that the amount of such duties does not exceed LBP 25,000,000.

Third: The Higher Council of Customs shall resolve cases other than those mentioned here above upon the recommendation of the Director General of Customs.

- II. Smuggled duties and duties at risk of loss include Customs duties and all other charges and taxes the collection of which is entrusted to Customs Administration.

### **Section 2: Statute of Limitation**

#### **Article 388:**

- 1- The statute of limitation concerning Customs lawsuits and penalties is as follows:

10 years for the collection of duties that the taxpayer disengaged himself from by means of fraudulent maneuvers or false or incomplete declarations. This period of time becomes effective as of the date of discovery of the fraud.

10 years for the execution of any sentence or decision that may concern the administration, including collection of duties pursued by virtue of compulsory demand for payment in accordance with Article 171.

5 years for the collection of duties unsettled due to the administration mistake, and for the collection of monetary penalties and confiscations.

2- With the exception of cases leading to the interruption of the statute of limitation in ordinary rights, the statute of limitation regarding Customs cases is interrupted by claiming a registered letter or by initiating a relevant investigation before the Court examining Customs cases and served to the party concerned.

#### **Article 389:**

The right to claim duty drawback from Customs Administration is barred 3 years after the payment of such duty.

Securities of all kinds are decisively added to duties and proceeds within the conditions and terms prescribed by Customs Administration, if the parties concerned do not submit, within the allotted period, evidence securing the settlement of such securities. In any all cases it is not possible to claim residual duties paid in excess to due duties 3 years after the settlement of the trusts unless the delay of payment is caused by the administration.

With regard to trusts resulting from tariff amendments, the three-year prescription period becomes effective as of the date of ratification of said amendments by the competent authority.

**Article 390:**

Customs Administration is, five years after the end of each year, no longer liable towards taxpayers for keeping records of revenue or any other records or documents pertaining to said year. Customs may not be obliged to submit such documents and records in case of pending actions, even if the records and documents are of great significance for investigation and for the pronouncement of a verdict.

**Chapter three- Rules of Prosecution**

**Article 391:**

- 1- Along with the prerogative of relevant criminal courts empowered in accordance with the laws in force, the seizure record established in accordance with the provisions of the previous article shall be referred to the relevant court of first instance in Beirut if the dispute is not settled through reconciliation.
- 2- By order of the Minister of Justice, upon consultation with the Supreme Judicial Council and with the recommendations of the first president of the court of appeals of Beirut, a chamber of the court of first instance of Beirut shall be designated to review all Customs cases under investigation throughout the Lebanese territories.
- 3- The Minister of Justice, upon consultation with the Supreme Judicial Council may authorize, by ministerial order, the chamber of first instance that is specialized in Customs cases in line with the provisions of the previous paragraph to hold its sessions beyond its physical premises and in a designated place at Customs Administration.
- 4- The Procedures of the Civil Code should be followed before the court examining Customs cases in accordance with the provisions set forth by this decree.
- 5- The first session of trial related to Customs lawsuits shall be set independently of the time limits set to exchange the lists.

**Article 392:**

The court of first instance shall review the following cases:

- 1- Violations set forth in Customs Law and other texts related to Customs.

- 2- Any dispute, conflict or action related to Customs duties and other charges and taxes collected by Customs, if Customs is either the plaintiff or the defendant and the execution of signed pledges in connection thereof.
- 3- Objections to compulsory demand for payment.
- 4- Action of annulment related to arbitral decisions prescribed in Article 161 of this Law.
- 5- Pursuing arrest prescribed in Articles 358, 359, and 360 of this Law.

All outstanding issues on the date of enforcement of this Law shall be administratively referred to the Customs committee.

**Article 393:**

Customs Administration may be the plaintiff or the defendant before other courts and executive departments represented by the Director General of Customs in person or by his representative.

**Article 394:**

The court may allow a writ to each investigative or judicial body and each public administration.

**Article 395:**

- 1- Any person arrested for the cases prescribed in Articles 358, 359 and 360 of the present law shall be referred within 3 days at most to the relevant court. Said court shall make decisions concerning the pursuit of the detention case.
- 2- The court shall decide whether to arrest the person referred to it or to release him on proof of residence or against a bail bond not exceeding the amount that he might be liable for.
- 3- The detention period should not exceed 15 days.

**Article 396:**

Customs employees shall have the right to transmit compulsory processes arraignments, summoning, notifications and all documents dealing with procedural law and those necessary for the collection of Customs duties, levy of monetary penalties and implementation of confiscations in accordance with the code of civil procedures.

**Article 397:**

- 1- The court's decision shall be notified to the concerned party in person, at his last known dwelling, at his designated dwelling or at his business firm.

If the concerned party is absent, notification can be made to any adult sharing his dwelling. Notification can be made to a servant or to an employee. Should the latter refuse to sign, it should be noted and the notification remains valid.

- 2- If the concerned party changes his declared dwelling or his business firm or gives a wrong address after the date of the record filed against him without sending written notification to Customs, notification should be posted on the door of his last dwelling or his known or declared dwelling and on the external door of the Customs office.
- 3- Arraignment notification processes should be delivered according to the same procedures mentioned here above and related to the notification of Customs decision.
- 4- If the violation is committed by an unknown person and the total value of seized goods does not exceed LBP 1,000,000, the summoning of the violator or the court's decision shall be notified by being posted on the door of the court registrar office.

If the total value of the seized goods exceeds LBP 1,000,000 the notification should be posted on the door of the court registrar office and published in two local newspapers.

- 5- If the violation is committed by a person residing abroad, the violator summoning and the court's decision shall be sent to the public prosecutor's office at court of appeals, which will notify it as it deems appropriate.

**Article 398:**

Customs Administration may ask public prosecution to prohibit violators and smugglers from leaving the Lebanese zone when seized merchandise is not sufficient to cover the duties, taxes and fines.

The request and the prohibitive decision are deemed void:

- 1- If the violator or the smuggler submits a guarantee equivalent to the sum requested and accepted by Customs Administration.
- 2- If it appears eventually that seized money is equivalent to due amounts.

**Article 399:**

Court decisions are decisive and unappealable when the total inflicted penalties (monetary penalties and confiscation of merchandise, means of transport and material used to conceal fraud) do not exceed the amount of LBP 5,000,000.

**Article 400:**

Decisions issued by the court as a result of objection to seizure or verification records or to administrative decisions shall be considered valid even if the objector fails to attend.

**Article 401:**

Court decisions inflicting fines and duties are not appealable by the convicted party unless a monetary guarantee is deposited with Treasury to secure the payment of all owed duties, in addition to an amount equivalent to 25% of the value of penalties imposed by decision of appeal and if penalties are applicable provided that the total guaranteed penalties do not exceed LBP 10,000,000.

**Article 402:**

- 1- Sentences rendered by courts examining Customs cases are appealed before the relevant court of appeal in Beirut within 30 days following the notification of the sentence in accordance with the provisions of the Code of Civil Procedures. The first session of trial related to Customs lawsuits shall be set independently of the time limits set to exchange the lists.
- 2- By order of the Minister of Justice, upon consultation with the Supreme Judicial Council and with the recommendations of the first president of the court of appeals of Beirut, a chamber of the court of first instance of Beirut shall be designated to review all contested rulings issued by the court of first instance examining Customs cases.
- 3- The chamber of the court of appeals in Beirut examining appeals to rulings issued in Customs cases may hold its sessions in a designated place at Customs Administration by a decree adopted at the recommendation of the Minister of Justice and upon consultation with the Supreme Judicial Council.

**Article 403:**

The decision of appeal may be prone to cassation in accordance with the provisions of the Code of Civil Procedures.

**Article 404:**

The court shall render its decisions as soon as possible and the court registrar should notify the opponents of the judgment of first instance within 15 days at most as from the date of the issuance of such judgment.

**Article 405:**

- 1- Customs Administration shall be exempt from stamping all documents that might be required by the court or that Customs may require and from payment of all judicial expenses resulting from lawsuits that might be brought by the administration or against it. Customs Administration is also exempt from the expenses resulting from execution procedures.

- 2- Should Customs Administration lose the case it shall incur all expenses and charges to the advantage of the other party.
- 3- Customs Administration is also exempt from submission of guarantees, bonds or credit accounts to cover expenses, whenever the law prescribes such obligation on opponents.

**Article 406:**

The barring of claims and prosecution brought against Customs is not permitted.

**Chapter Four – Enforcement of Judgments**

**Article 407:**

The court examining Customs cases may decide the temporary enforcement of judgments, whether on the debtor or on his assets notwithstanding any other recourse. The court may also cancel the period of notification sent to the debtor and immediately arrest the convicted party. However, the debtor may refer to the court of appeal that is entitled to delay the imprisonment provided that the convicted party submits a monetary guarantee covering potential duties and penalties.

The review stated in the previous paragraph occurs in accordance with the procedures of summary matters.

**Article 408:**

- 1- For the purpose of enforcing judgments rendered in favor of Customs, the administration may seize and sell by auction all movable and immovable assets of the debtor. The court may also decide the imprisonment of said debtor.
- 2- Should there be no buyers of immovable assets offered for auction or prices offered in respect thereof are lesser than the lower sale price for a second round, such assets shall be transferred de facto to Customs Administration at the lowest price.
- 3- The Director General of Customs shall form a committee to set the minimum price of sale and to initiate the bidding process. Rules prescribed in the Taxation Law shall be enforced.

**Article 409:**

Whenever Customs fails to levy Customs duties and other charges and taxes, as well as estimated monetary penalties and expenses in full, one day imprisonment shall be enforced for every uncollected sum of LBP 25,000 provided that the period of imprisonment does not exceed one year in all case.

**Article 410:**

The period of imprisonment shall be determined on a case-by-case basis.



**Article 411:**

Imprisonment incurred as a result of Customs cases shall be executed notwithstanding the payment ability of the debtor, unless in cases of non-willful bankruptcy. General provisions stipulated in Article 146 of the penal code annexed to Article 1003 of the Code of Civil Procedures shall apply to parties subject to imprisonment; this text shall apply to pending cases.

**Article 412:**

With exception to legal provisions in effect, Customs may request the imprisonment of the same debtor again even if Customs had already released or requested the release of such debtor.

**Article 413:**

Customs employees may implement arraignment orders and imprisonment decisions. These same employees may conduct all seizure and notification processes.

**Chapter Five - Monetary Penalties and Confiscations**

**Article 414:**

Monetary penalties and confiscations prescribed in Customs laws and regulations shall be considered civil compensation for Customs Administration.

**Article 415:**

Monetary penalties and confiscations may be combined whenever material violations are combined.

**Chapter Six – Civil and Joint Liability**

**Article 416:**

Civil liability shall be incurred upon the implementation of this law if material facts of a violation are in evidence. Such liability may not be challenged in good faith.

Shall be dispensed from liability any person who proves that he was a victim of force majeure or unpredicted accident, and any person who proves that he did not commit any action whatsoever that caused the violation or led to it.

**Article 417:**

Amounts inflicted (such as charges, fines and confiscations) should be imposed and collected jointly from the original violators, guarantors, partners,

intermediaries, seafarers and drivers of means of transport and all carriers, as well as from the proprietors of illegal goods, the consignees thereof, proprietors of means of transport and goods used to conceal fraud and owners of outlets where smuggled goods were stored.

The proprietor or the operator of public means of transport shall be acquitted if he proves that Customs violation occurred against his will or that it was impossible for him to discover such violation despite fulfillment of his professional obligations and that he had concluded the contract of transportation in accordance with the provisions and conditions prescribed in paragraph (2) of Article 370 of the present law.

**Article 418:**

The heirs are liable for the payment of the amounts due on the convicted party in case of death within the limits of their inherited parts.

**Chapter Seven – Privileges and Guarantees Empowered to Customs Administration**

**Article 419:**

Customs Administration shall have general lien on movable assets of taxpayers to secure the levy of all duties, penalties, confiscations and drawbacks. This lien shall prevail in all circumstances, even in the case of bankruptcy and shall take precedence to all other debts, except maintenance costs of such assets, court expenses paid by a third party and debts secured by a general lien on movables.

Said lien shall include motor vehicles and motorcycles since Customs Administration has priority over the merchant rights prescribed in Article 3 of the Law of May 20 1935.

The lien of Customs Administration shall be of the first degree on sums advanced by taxpayers before the judicial recourse.

**Article 420:**

The guarantor who pays the debt to Customs Administration shall be subrogated in respect of rights, liens, and mortgages of Customs Administration.

Customs Administration shall have the right without the consent of the debtor or his notification to concede or transfer all debts owed to Customs to any other third party including the joint debtors, even though such right is litigious or subject to judicial recourse. Customs Administration may subrogate the third party in respect of its rights, privileges and mortgages versus the debtor and his guarantor.

Subrogation approved by the administration shall be entitled to the subrogated party in accordance with the same conditions set for the administration.

In all cases, the rights, liens and mortgages of the administration shall be allocated to the subrogated party after payment of the debt to Customs. The subrogation bond is the receipt delivered by Customs defining the conditions and limitations of subrogation without the need for any other formality.

### **Chapter Eight – Restrictive Provisions**

#### **Article 421:**

- a. The following violations shall incur the seizure and confiscation of smuggled goods in accordance with the provisions of Article 422 and the penalty prescribed in Article 423:

- 1- **Common provisions to all goods:**

No.1 – Import or attempted import of prohibited, monopolized, restricted or dutiable merchandise by smuggling or without presenting manifests or Customs declarations.

No.2 – False declarations concerning the type of goods; it shall be considered to be a false declaration concerning the type of goods the registration of prohibited or monopolized goods in the manifest or equivalent documents, under a description that conceals their type and description.

No.3 – False declaration concerning the type or description of goods that may result in loss of duties.

No.4 – False declaration concerning the weight, number and measure (or any other unit) containing an increase that exceeds one tenth (1/10) of the declared weight, number or measure (or any other unit), except for the products subject to high duties or to revenue taxes, by virtue of the decision of the Higher Council of Customs and which shall be subject to penalties prescribed in this Article if the increase in weight, number or measure (or any other unit) exceeds one twentieth (1/20).

No.5 – False declaration concerning the value, containing an increase equivalent or exceeding one tenth (1/10) of the declared value.

No.6 – False declaration concerning the origin or source aiming at benefiting from lesser tariff than the applicable tariff.

No.7 – Filing or submission of false or counterfeited documents or documents enclosing false evidence, in order to enjoy exemption from duties or tariffs or to be eligible for a lower rate of duty or fee in effect.

No.8 – Discovery of false evidence concerning number, weight, value or type in the invoices submitted as original invoices.

No.9 – Mail import of closed dispatches and parcels (ordinary and guaranteed), dispatches of declared value, boxes of declared value, small parcels (ordinary and guaranteed) and normal and guaranteed prints and samples, free of regulatory labels and including prohibited or dutiable goods in accordance with the conditions prescribed in the decisions in force.

No.10 – Discovery at any time of an unjustifiable lack in transit parcels or goods contained in transit parcels.

No.11 – Exchanging in any manner whatsoever goods declared for transit in full or in part by other goods without preventing the implementation of penalties prescribed in N.28 of this article if exchanged goods are prohibited from export.

No.12 – Lack of evidence concerning the exit or the arrival to destination of goods in transit or transshipped goods. The repetition of this violation and the two previous violations may deprive among other penalties, the violator or his partners from the right to be involved in transit, by a simple administrative measure.

No.13 – The unjustifiable lack in the quantities of goods in private or specialty warehouses. This violation may disqualify the concerned party from benefiting from private or specialty warehouses, by a simple administrative measure.

No.14 – Failure to return surety bonds concerning the transportation of goods from a Customs warehouse to another Customs warehouse, or their re-exportation from the Customs warehouse with an arrival stamp.

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

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

No.17 – Incompletion of the formalities mentioned in Articles 89, 251 and 259 related to the free zone.

No.18 – Failure to present goods accepted under the temporary entry status or under the industrial warehouse status, at each request made by Customs Authority, either in their condition at time of entry or after processing within the regulatory period.

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

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

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

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

No. 22 – Loading or unloading of vessels, trucks or other means of transport or withdrawal of goods without obtaining a permit from Customs or in the absence of its representatives.

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

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

No. 25 –Irregular use of items mentioned below, outside authorized places, or for purposes other than those intended for or those specified at time of importation or the exchange of such items. Additionally, the selling of such items without prior notification to Customs and before Customs has secured the payment of ordinary duties or before the new buyer has completely replaced the original importer and became responsible for his obligations. These items include the following:

- a. Products admissible free-of-duty according to the Customs Tariff or products subject to low rates of duty considering their specific purposes.
- b. Accessories, material, parts and products delivered free of Customs duties by virtue of Chapters 5, 8, 9 and 10 of Title 4 of this Law.
- c. Duty-exempt vehicles under the temporary entry status.

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

No. 26: Irregular circulation or possession of goods subject to Customs police within Customs zone and circulation contrary to the provisions of the bond of transportation.

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

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

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

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

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

No.31: Cancelled

No.32: Importation or re-exportation of goods mentioned in Article 61 onboard vessels of less than 150 maritime tons.

No.33: Circulation of vessels of less than 150 maritime tons shipping goods of the type mentioned in Article 61 within maritime zone or anchoring such vessels within 12 nautical miles away from coasts or in a port not evidenced by cases of force majeure.

No.34: Failure to submit proof within the time limits specified in the surety bonds concerning the arrival to the foreign country of destination of goods mentioned in Article 61, shipped onboard of vessels of less than 150 maritime tons anchoring 12 nautical miles away from coasts or in a Lebanese port following an evidenced case of force majeure.

**Article 422:**

In all cases where courts decide the confiscation of smuggled goods, such courts shall, pursuant to the provisions of Paragraph 2 of Article 417, decide along with monetary penalties prescribed in Article 423 the confiscation of means of transport, merchandise and all means used to conceal fraud (despite the submission of a correct declaration in respect thereof). The value of confiscated goods shall be added to the amount of the monetary penalty.

**Article 423:**

Notwithstanding regulatory confiscations, the monetary penalties prescribed in Article 421 shall be determined as follows:

**1- Cases involving seizure of goods, means of transport and objects used to conceal fraud:**

- a. An amount equivalent to two to three times the value of duty if seized merchandise is not prohibited, restricted or monopolized.
- b. An amount equivalent to three to four times the value of duty on highly dutiable merchandise or merchandise subject to revenue duty by virtue of decisions of the Higher Council of Customs or merchandise subject to the control of Customs police in line with conditions prescribed in Article 340 of this Law.
- c. An amount equivalent to two to three times the value of duty, including Customs duties on prohibited or monopolized merchandise.
- d. An amount equivalent to one to two times the value of duty, including Customs duties on restricted goods.

**2- Cases involving release of seized merchandise, means of transport and objects used to conceal fraud:**

In order to compensate for confiscation, the court may impose on the violator a penalty up to the value of the goods, means of transport and objects used to conceal fraud (including Customs duties), in addition to the monetary penalties mentioned here above, according to the price in effect in the national market at time of fraud.

Whenever the assessment or even an approximation of the value of goods and objects relieved from seizure seems impossible, the penalty amount should range from LBP 1,000,000 to LBP 10,000,000.

**Article 424:**

A penalty varying from two to three times the value of duty shall be imposed on the following violations:

No.1 – False declaration aimed at illegal drawback of all duties or part thereof unrightfully and in any manner whatsoever even if such duties are deposited in the form of guarantees.

No.2 – False declaration concerning the type, description, number, quantity, measurement, volume, weight or origin of goods, aimed at drawing back duties in excess of the allowable duty drawback.

No.3 – False declaration concerning the value of goods, aimed at drawing back duty in excess of the allowable duty drawback, if the declared value exceeds the value determined by Customs by one twentieth (1/20) or more.

**Article 425:**

A LBP 100,000 penalty should be imposed on:

No.1 – Import or attempted import of smuggled, unmanifested or undeclared duty-free merchandise.

No.2 – Export or attempted export of smuggled or undeclared duty-free merchandise.

No.3 – False declaration concerning the type, description, origin, quantity, or value of duty-free merchandise or at risk of loss of any duties.

No.4 – Violations mentioned in No. 10, 11 and 12 of Article 421 whenever goods sent in transit or transshipped goods are duty-exempt.

No.5 – Submission of goods to the exit office or to the office of destination, after the lapse of the time limits determined in the guaranteed surety and remission of a quittance certificate of a guaranteed surety one month after the lapse of the period determined in the surety bond unless in case of a legally evidenced force majeure.

No.6 - Seals of merchandise sent in transit without justification and without discovery of lack or exchange.

No.7 – Absence of manifest upon export or failure to submit the exit manifest to Customs, as well as the lack or excess of parcels mentioned in the exit manifest examined after shipping.

No.8 – Any lack, error or omission of evidence or information that should be contained in the manifest or other equivalent documents, whenever such lack or error or omission does not affect the imposition of due duties or restrictions in respect thereof, evidenced by the master of vessel by way of documents in his possession.

**Article 426:**

A penalty of LBP 100,000 shall be imposed in the following cases:

No.1: Discrepancy in the number of parcels mentioned in the manifest or other equivalent documents and discovered after unloading the means of transport of any type whatsoever.

The LBP 100,000 penalty shall be levied on each missing parcel. These violations shall be incurred by the party in charge of the vehicle, the carrier or any other legal representative thereto and in general against all parties mentioned in Article 417.

Manifest discrepancies occurring before delivery of merchandise to Customs may be justified if evidenced to have occurred outside the territorial borders of the country or outside Customs maritime territory.

No.2: Late filing of entry or exit manifest or equivalent forms.



No.3: Transportation of passengers or goods within the Lebanese zone in foreign vehicles mentioned in Article 284. This violation shall lead to the levy of Customs duties on these vehicles in addition to monetary penalties.

No.4: Insults, offenses, threats and mistreatment addressed to Customs employees as well as the objection and disturbance that they encounter while exercising their assignments. This fine shall be inflicted in-person on those who commit such acts and their partners, in addition to penalties prescribed in the Penal Code.

**Article 427:**

A penalty of LBP 400,000 may be levied in the following cases:

No.1: Failure to stamp the original manifest by Customs authorities at port of lading.

No.2: Existence of many manifests or other equivalent forms in the possession of the person driving the vehicle. Customs shall impose these penalties against the person driving the vehicle, carrier, or any other legal representative thereof and in general against all persons mentioned in Article 417.

No.3 – Failure to submit bills of lading and other documents specified by Customs Administration.

**Article 428:**

A penalty of LBP 1,000,000 shall be levied in case of failure to submit the original invoice prescribed in Article 28 or a duplicate thereof bearing the certification of the granting authority in addition to the penalties levied in case of falsified manifests or documents as deemed necessary.

**Article 429:**

1- In cases where Customs employees discover during vessels inspections in line with conditions prescribed in Articles 69, 70, 72 and 79, one or more of the following violations:

- 1- Failure to submit the general and only manifest.
- 2- Producing many manifests.
- 3- Discovery of un-manifested merchandise.
- 4- Manifest description inconsistent with actual merchandise.
- 5- Failure to submit some of the manifested merchandise for inspection.

Captains of vessels shall be subject to penalty in the amount of LBP 400,000 for each violation.

2- Captains of vessels shall also be subject to a penalty equal to the value of merchandise mentioned under (3), (4) and (5).

3- In all cases discussed above, the vessel shall be subject to seizure to secure the payment of monetary penalties prescribed here above; in addition, prohibited or monopolized goods and products in excess of the manifest shall be confiscated.

**Article 430:**

In cases where Customs employees discover during vessels inspections based on conditions prescribed in Articles 69, prohibited, monopolized, highly dutiable merchandise or merchandise subject to revenue tax, onboard such vessels whether declared in the manifest or not, the vessel and the cargo so laden shall be subject to confiscation and the vessels captains shall be liable for a penalty of LBP 100,000.

Vessels may be relieved from confiscation if the master proves that he was compelled under certain conditions (maritime emergencies or a defect) to change the vessel course or to anchor 12 miles away from the shore or to have recourse to a Lebanese port, provided that these circumstances are registered in logbook of the vessel prior to Customs inspection.

**Article 431:**

Should captains of vessels resist the investigation of Customs employees during vessels inspections as prescribed in Articles 429 and 430 of the present law, before or after the interference of the General officer in accordance with provisions of Article 73 of this Law, the master will be subject to a penalty of LBP 100,000. In this case, the vessel and the cargo so laden may be subject to seizure to secure payment of the penalty.

**Article 432:**

Failure to register the merchandise in the lists prescribed in Article 71 and any omission in these lists discovered upon departure of the vessel shall be incurred by captains of vessels in charge of transportation or by their authorized agents and shall lead to the penalties prescribed in Article 430 as well as penalties prescribed in Article 431, as deemed necessary.

**Chapter Nine – Sale of Goods**

**Article 433:**

- 1- In principle, Customs Administration shall not have the right to sell goods seized for violations of Customs law or regulation unless such goods become the property of Customs by virtue of a final decision stipulating confiscation or by the transfer of ownership perfected through reconciliation with the violator, following approval of the relevant authority as determined in Article 387 of this Law.
- 2- Contrary to the provisions of Paragraph 1 above, Customs Administration may, whenever it is impossible to notify the party concerned, sell prior to the court rendered decision, perishable goods or means of transport, goods likely to leak or animals kept in the Customs office as a result of a dispute, whenever necessary or whenever such sale is found to be in the interest of lawful owners.

- 3- Auction sale shall take place after presenting evidence justifying the circumstances of such sale by virtue of seizure record prepared by Customs officials.
- 4- If, after the sale the court decides to remit sold goods, means of transport or animals to lawful owners, he shall receive in cash all proceeds from the sale after deduction of expenses.
- 5- Sales, which occur within conditions prescribed in this Article, may not lead to filing a compensation action against Customs, except when Customs commit a serious error.

**Article 434:**

The sale of goods by Customs Administration shall include the following categories:

- 1- Confiscated goods and merchandise that have definitively become the property of Customs.
- 2- Perishable goods mentioned in Article 433.
- 3- Goods that have become the property of Customs upon written forfeiture by owners.
- 4- Abandoned goods to Customs mentioned in Article 435.
- 5- Goods not withdrawn from public, private and specialty warehouses within regulatory periods and that are sold based on conditions prescribed in Articles 207, 221 and 231.

**Article 435:**

- 1- Abandoned goods mentioned in paragraph (4) of Article 434, are goods left in Customs warehouses or places, other than public, private or specialty warehouses, after the lapse of 6 month and one day as from their deposit therein.

Such period may be reduced to three months and one day for goods in bonded warehouses of Beirut International Airport and in various passenger lounges, and to 10 full days as from the date of inspection of goods not withdrawn from inspection rooms at various Customs offices and stations.

- 2- Goods mentioned in paragraph 1 here above may be sold before the lapse of the allotted periods of time, if such goods are perishable or badly conserved or showing signs of disintegration provided that they are subject to provisions of paragraphs (2), (3), (4) and (5) of Article 433.

**Article 436:**

- 1- Goods abandoned at Customs remain the responsibility of proprietors; any damage, decay or loss in respect thereof during the period of abandonment does not allow in any case the request for compensation thereof.
- 2- Proprietors shall bear all costs resulting from abandonment of goods at Customs warehouses.

**Article 437:**

- 1- Customs should sell goods by auction, except monopolized goods or strictly prohibited goods such as firearms, ammunitions, explosives, drugs and similar prohibited substances, other than those intended for pharmaceutical use and approved for sale by the Ministry of Health.
- 2- Goods should be sold free of all due duties and expenses.
- 3- Payments should be settled in cash; the successful bidder may dispose of goods as if they were imported, and may qualify such goods for all statuses allowed by the laws and regulations in effect, provided that said bidder eliminates restrictions on such goods, if any.
- 4- Shall not be offered for sale, small quantities of perishable foodstuffs the expenses of which cannot be covered by the sale proceeds, therefore such products should be donated to hospitals and charitable institutions or destroyed in a regulatory manner.

The Director General of Customs shall set the rules of application of this paragraph.

**Article 438:**

In principle the Director General of Customs shall issue a decision authorizing the auction sale; he may also decide to delegate such authority to Heads of Customs departments, authorities and police stations.

**Article 439:**

With exception to the sale by public auction, the Lebanese Tobacco Reggie shall sell tobacco products abandoned at Customs or not withdrawn from warehouses or products transferred to the administration by way of forfeiture, as well as seized products at prices set by the Minister of Finance, for re-exportation.

If tobacco products fulfill the regulatory conditions of import and the Tobacco Reggie wishes to make them available to local consumption, Customs duties and other tariffs and taxes collected by Customs Administration shall be added to the selling price.

**Article 440:**

- 1- With exception to legal provisions in force, Customs sales are publicized whenever Customs Administration requires so, through advertisements published in one or more newspaper, or posted on Customs doors.

The announcement shall be published or posted 10 days prior to sale. This period may be reduced, as Customs Administration deems proper, in case of perishable goods. Moreover, the advertisement of sale may simply be posted on the door of Customs office in case of inexpensive saleable goods.

Sale in outlets must occur within conditions mentioned in the published or posted announcement.

- 2- Customs Authority shall, before initiating the sale of abandoned goods or goods not withdrawn from Customs warehouses within regulatory limits, send a notice to the proprietors allowing them to withdraw their goods if they so desire.

Should it be impossible to send personal notices to the proprietors of abandoned goods for justifiable reasons, notices should be sent to maritime agencies if delivery orders related to such goods are not issued yet. If it appears that these agencies had issued delivery orders of goods and the addresses of their owners are unknown, notices shall be sent collectively through the publication in one or several newspapers or by posting them up on the Customs doors.

**Article 441:**

- 1- The selling price shall be determined by Customs Administration; however such price shall not be, in principle lesser than the duty value if goods are subject to a specific duty.

Customs Administration may, as the case may be, allow the sale of goods if the offered price is not equivalent to the value of due duties. In that case the total amount of sale shall be allocated for the payment of duties, after the deduction of all privileged expenses.

If no buyers present themselves, after two consecutive bids based on conditions prescribed in the two previous paragraphs, the administration shall have the right to offer the purchase of these goods to one of the public administrations or institutions, or municipalities at the highest offered in one of the two auctions or at the lowest price set by Customs Administration at the second bidding if no party comes forward. Such offer of purchase should be formalized by way of publishing announcement in the official gazette and in two local newspapers at least one month prior to date of sale.

If no public administration or institution or municipality comes forward to purchase such goods, Customs Administration may make them available for its own use.

If goods are of perishable nature, and the sale of which was impossible in accordance with conditions stipulated here above, the Director General of Customs may authorize the destruction of such goods. A record of such destruction should be filed.

If the goods are foodstuffs fit human consumption or of any type useable or consumable in hospitals and charitable institutions, the Director General of Customs may permit the donation of such goods to any entity once all required

stamps have been secured. A delivery and receipt record shall be established signed by Customs Authority and the receiving entity.

- 2- If goods are unfit for consumption, and should the administration fail to sell such goods for re-exportation, these goods may be retained for the use of the Customs police, the Army, the Internal Security Forces, the Security General or State Security following the approval of the Minister of Finance.  
A delivery and receipt record shall be established and signed by Customs Authority and the receiving entity.

**Article 442:**

In principle, the sale made by Customs shall be subject to the effective legal provisions in connection with the delay of sale or with the desultory auction. Customs shall be in charge of altering or delaying the sale rather than the Executive Departments.

**Article 443:**

All proceeds from the sale shall be distributed in the following order:

- 1- Expenses of any kind whatsoever spent by the administration.
- 2- Customs duties, that shall be levied on the conditions prescribed in Article 445.
- 3- Other charges and taxes according to their priority at the date of issuance of the relevant legislation.
- 4- Storage and portorage charges.
- 5- Transportation costs and other costs due on goods and included in relevant documents.

In exception to said order:

- a. Transportation costs of saleable goods as well as portorage charges in the saleroom at Beirut Port are considered preferred expenses and shall prevail over Customs duties.
- b. Whenever the sale involves goods not withdrawn from private warehouses, Customs duties shall be deducted from the proceeds of sale before the payment of any expenses whatsoever.

**Article 444:**

With the exception of the provisions set in previous Article, Customs may proceed with the duty-free sale of confiscated merchandise, means of transport and objects used to conceal fraud in order to fairly recompense whistleblowers or seizing party whenever Customs fail to provide such recompense from the total sum of the

monetary penalty due to the occurrence of the seizure outside Customs offices. Proceeds from the sale shall be distributed by virtue of a special measure issued by the relevant authority in accordance with provisions of Article 387.

**Article 445:**

The specific Customs duties shall be levied in accordance with the rules prescribed in Article 13, in accordance with proceeds of sale.

If sold goods are subject to ad valorem duties, this same duty shall be levied according to selling price.

Goods sold at Customs shall be subject to the duties in effect on the date of sale, provided that they are not listed in an unsettled declaration under which such goods are offered for consumption; should this be the case, duties in effect on the date of registration of the declaration shall be levied according to the value herein declared.

**Article 446:**

Sales transactions shall occur under the supervision of a committee formed of Customs employees along with a delegate of the local Chamber of Commerce or a delegate of the local authority (Municipality or Moukhtar) if such Chamber does not exist.

Should this delegate fail to attend, the record of sale shall mention that said delegate was legally summoned, and the issue is ignored.

In Beirut, the committee shall get the assistance of an employee of port management and investment company who will be in charge of goods delivery.

If the sale occurs at Post Offices, an employee from the Ministry of Telecommunications shall assist said committee.

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

**Article 447:**

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

- If the sale includes abandoned merchandise, the balance of the sale proceeds shall be deposited, once deductions of preferred debts have been settled in the various trust accounts in order to remit it to the proprietor if he claims it within one year following the date of sale; otherwise all proceeds from the sale are definitively deposited in the account of Treasury.

- If the sold goods are forfeited to Customs Administration, all proceeds from the sale shall be deposited in the account of Treasury.
- If the sold goods are confiscated by Customs, all proceeds from the sale shall cover the expenses of the case.

**Title Nine**  
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**Article 448:**

The Customs Law of 30/6/1954 issued by virtue of decree Number 422 and the amendments in respect thereof, as well as all provisions, regulations, decisions, and administrative instructions in contradiction with this law and its provisions, shall be deemed void.

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