

Customs Code of Georgia

Section I. General Provisions

Chapter 1. Customs Policy of Georgia

Article 1. Objectives and Tasks of the Customs Policy of Georgia

1. A unitary Customs policy that constitutes an integral part of the internal and external economic policy of the country determined by the Parliament of Georgia as being carried out in Georgia.
2. The objectives of the Customs policy of Georgia are as follows: the protection of the economic sovereignty and economic security of Georgia; the stimulation of the economic development of Georgia and the domestic market protection; the accomplishment of other tasks of the internal and external policy of Georgia.
3. The Customs Code of Georgia defines legal, economic and organisational principles of the Customs policy execution. It establishes rights and obligations of the Customs and other state bodies, national and legal persons in the course of the Customs policy execution.
4. The Customs policy execution is attributed to the exclusive governance of the supreme state bodies of Georgia.
5. The Customs policy of Georgia is developed in the direction of harmonisation and unification with the universally acknowledged international legal norms and practice. Georgia is striving for the active international cooperation in the sphere of the Customs policy.

Article 2. Customs Territory and Customs Frontier of Georgia

1. The Customs territory of Georgia comprises land area, territorial and inner waterways, and air space of Georgia.
2. The Customs territory of Georgia also comprises the areas of man-made islands, installations and structures created in a special marine economic zone to which the special jurisdiction of Georgia extends.
3. The territory of Georgia may include free Customs zones and spare warehouses which territory is regarded as being outside the Customs territory of Georgia. Special Customs treatments established by this Code and other legislative enactments are effective on the territory of free Customs zones and spare warehouses.
4. The boundaries of the Customs territory of Georgia, as well as the perimeters of free Customs zones and spare warehouses constitute the Customs frontier of Georgia.

Article 3. Customs Policy and International Economic Integration

With the purpose of development and strengthening of the international economic integration, Georgia may, together with other states, set up Customs unions, free trade zones, make bilateral and multilateral agreements on Customs matters in accordance with international legal standards.

Article 4. Customs Legislation

1. The Customs legislation of Georgia is based on the Constitution of Georgia and is comprised of this Code, other laws and subordinated legislative enactments.
2. The subordinated legislative enactments shall not contravene this Code and other enactments of the Customs legislation. In the case of controversy statutes of this Code or an appropriate law shall apply.
3. An international treaty or agreement of Georgia in the sphere of Customs relations has a preferential legal force in relation to inner-state enactments unless it runs counter to the Constitution of Georgia.
4. The promulgated enactments of Customs legislation being in force at the date of transfer of property in full possession of the proprietor or owner are applied in the sphere of Customs relations.
5. The regulation of the relations being the Customs legislation prerogative by other law or by-laws is prohibited.
6. The enactments of Customs legislation have no retroactive force unless a respective enactment provides otherwise.

Article 5. Definition of Terms and Notions Used in the Code

For the purposes of this Code the terms and notions used herein have the following meanings:

- a) Goods - any property, including money, securities and currency values, electric and thermal energy, gas, water, and means of transport, except the vehicles indicated in paragraph “d” of this Article;
- b) Home-made goods - goods originated in Georgia;
- c) Foreign-made goods - goods not indicated in paragraph “b”;
- d) Vehicles - any means used for international transportation of passengers and international transportation of goods, including containers, trailers, and other transport facilities;
- e) Conveyance across the Customs frontier of Georgia - importation of goods or vehicles into the Customs territory of Georgia or exportation thereof from that territory and transit by whatever means of transport, including pipelines and electric transmission lines;
- f) Person - a natural or legal person pursuant to the Civil Code of Georgia;
- g) Release - the transfer of goods and vehicles by the Customs bodies into full possession of a person after Customs clearance;
- h) Conditional release - the release of goods and vehicles connected with the obligation of a person to observe the stipulated restrictions, requirements or conditions;
- i) Economic policy measures - the special conditions for importation and exportation of goods and vehicles into and from Georgia which established with regard for economic interests of Georgia and may comprise quotation, licensing, establishment of minimum and maximum prices. As well as other measures governing relations of the economy of

Georgia with the world economy.

Section II. Crossing the Customs Frontier of Georgia with Goods and Vehicles. Customs Procedures

Chapter 2. Basic Principles of Crossing the Customs Frontier of Georgia with Goods and Vehicles

Article 6. Right to Import and Export Goods and Vehicles into and From Georgia

1. Any person is entitled on the equal basis to import and export goods and vehicles into and from Georgia under the procedure established by this Code.
2. No person may be deprived or restricted of the right to import and export goods and vehicles into and from Georgia, except for the cases provided for by this Code and other legislative enactments.

Article 7. Procedure for Crossing the Customs Frontier of Georgia with Goods and Vehicles

The crossing the customs frontier of Georgia with goods and vehicles is carried out in accordance with their Customs procedures under the procedure established by this Code.

Article 8. Types of Customs Procedures for Goods and Vehicles

For the purpose of Customs governance the following types of Customs procedures are established for goods and vehicles:

- a) release for free circulation (importation);
- b) re-import;
- c) transit;
- d) Customs warehousing of goods;
- e) free trade;
- f) inward processing;
- g) processing under Customs control;
- h) temporary importation and/or exportation;
- i) placement and use of goods in a spare warehouse;
- k) outwards processing;
- l) export;
- m) re-export;
- n) destruction;
- o) refusal in favour of the state.

Article 9. Choice of a Customs Procedure

A person has a right to choose any customs procedure or replace it with another, irrespective of the type of goods or a vehicle, their number, the country of production or destination unless otherwise provided by this Code and other enactments of the Customs legislation.

Article 10. Time and Place of Crossing the Customs Frontier of Georgia with Goods and Vehicles

Crossing of the customs frontier of Georgia with goods and vehicles during the working hours of Customs bodies is allowed at the places specified by order of the President of Georgia. The crossing the customs frontier of Georgia with goods and vehicles at other places or during the non-working hours of Customs bodies is allowed in agreement with the Customs Department.

Chapter 3. Release of Goods for Free Circulation (Importation)

Article 11. Essence of the Customs Procedure for Releasing Goods for Free Circulation

The Customs procedure for releasing goods for free circulation (importation) means the permanent keeping of the imported goods on the Customs territory without the obligation of their removal.

Article 12. Terms of Subjection of Goods to the Customs Procedure for Releasing Goods for Free Circulation (Importation)

The release of goods for free circulation (importation) provides for:

- a) the payment of duties provided for by legislation;
- b) the protection of economic policy measures.

Chapter 4. Re-import of Goods

Article 13. Essence of the Customs Procedure for Re-importing Goods

The Customs procedure for re-importing goods means the re-importation of the home-made goods carried out from the Customs territory of Georgia pursuant to the re-importation procedure by the fixed dates without application of economic policy measures towards the goods.

Article 14. The Customs Procedure for Transit of Goods and/or Vehicles

In the re-importation procedure:

- a) the goods shall be imported to the Customs territory of Georgia within not later than three years from the date of their exportation;
- b) the imported goods shall be in the same state as during the exportation except for the changes caused by natural tear and wear, the natural loss from transportation or storage in normal conditions and which in other cases is provided under the procedure established by a law.

Chapter 5. Transit of Goods and/or Vehicles

Article 15. Essence of the Customs Procedure for Transit of Goods and/or Vehicles

The Customs procedure for transit of goods and/or vehicles means the movement of goods and/or vehicles to the territory of foreign states (or territorial units of one state) by passing the territory of Georgia without applying the economic policy measures thereof.

Article 16. Terms of Subjection of Goods and/or Vehicles to Customs Transit Procedure

1. The goods and/or vehicles conveyed by Customs transit on the territory of Georgia shall:
 - a) remain in the same condition except for the changes conditioned by natural wear and tear, losses from transportation or storage in normal conditions, and shall not be applied for the purpose other than transit;
 - b) be delivered from the entry Customs station to the exit Customs station within the time limit fixed by the Customs station with due regard for vehicles' capacities, the fixed route and other conditions of shipment, but within not more than ten days.
2. The transit of goods and/or vehicles on the territory of Georgia may be effected by any ways and directions unless otherwise stipulated by duly authorised state bodies.
3. A customs body is entitled to place goods under the Customs transit procedure only on condition of transportation of goods by vehicles with the observation of international standards, planning a definite itinerary, transportation of goods under Customs supervision, or by a Customs carrier in accordance with the procedure established by this Code and subordinated enactments.

Article 17. Presentation of Documents Accompanying Transit of Goods and/or Vehicles to Customs Bodies of Exit

The documents accompanying transit of goods and/or vehicles shall be presented to the Customs bodies of exit together with the corresponding transit goods and/or vehicles.

Article 18. Obligations of Carrier

1. The obligation to effect the transit of goods and/or vehicles shall be borne by the carrier.
2. In the event of delivery, loss of goods and/or vehicles without permission of the Customs body of Georgia, or non-delivery thereof to the Customs body of exit, the carrier shall pay Customs charges in accordance with the Customs procedure for release of goods for free circulation except for the cases when the shortage was caused by natural wear and tear, the natural loss from transportation or storage in normal conditions, or if the goods and/or vehicles were destroyed or lost owing to accident or force majeure circumstances.

Article 19. Measures Taken in Case of Accident or Force Majeure

1. In the event of an accident or force majeure circumstances goods may be transhipped. In such case the carrier shall be liable:
 - a) to take necessary measures for protecting the goods and/or vehicles and preventing any use thereof;
 - b) to immediately notify the nearest Customs body about the state of things, the location of the goods and/or vehicles;
 - c) to ensure the delivery of goods to the nearest Customs body or bringing of the Customs body officials to the location of the goods and/or vehicles.
2. The expenses for the accomplishment of the measures stipulated in item one of these Articles shall be borne by the carrier goods.

Chapter 6. Customs Warehousing of Goods

Article 20. Essence of Customs Procedure for Customs Warehousing of Goods

The Customs procedure for Customs warehousing of goods means the keeping of goods conveyed to Georgia or intended to be conveyed out of the territory of Georgia under Customs supervision without applying the economic policy measures to the goods.

Article 21. Terms for Placing Goods under Customs Warehousing

1. Any goods may be placed under the Customs warehousing procedure except for the goods the importation or exportation of which is prohibited.
2. Goods, which require special conditions of storing shall be subject to the storage in specially, arranged warehouses.

Article 22. Period of Goods Storage

Goods may be stored in Customs warehouses within a period of one year. Upon expiry of the established period, the goods may be placed under another Customs procedure.

Article 23. Operations Applied to Customs Warehoused Goods

1. The operations securing storage of the Customs warehoused goods or the ones preparing the sale and transportation thereof may be applied thereto.
2. A list of and the procedure for the mentioned operations are specified by subordinated enactments.

Article 24. Customs Warehouses

1. Specially arranged store premises - Customs warehouses - shall be used for storing goods.
2. A Customs warehouse may be open - accessible for any person, and closed - used solely by specified persons.
3. Closed Customs warehouses may be set on the basis of a subordinated enactment.

Article 25. Customs Warehousemen

Customs bodies or natural and/or legal persons of Georgia may be Customs Warehousemen.

Article 26. Requirements towards a Customs Warehouse and its Keeper

1. With the purpose of ensurance of Customs supervision the requirements claimed on Customs warehouses shall be specified under a respective statute.
2. A Customs warehouseman shall be obliged:
 - a) to observe terms and conditions provided for in the license for the setting up a Customs warehouse and fulfil the requirements of Customs bodies, allocate gratis premises therefor required for Customs supervision and clearance in the Customs warehouse, as well as the appropriate equipment and communication facilities;
 - b) to refrain from impeding the Customs supervision execution;
 - c) to exclude the possibility of removal of the warehoused goods, except for the cases when it is required for Customs supervision;
 - d) to take stock of the warehoused goods and present to Custom Bodies a report on the goods under established procedure.

Article 27. Liability to Pay Customs Fees

The liability to pay Customs fees on the Customs warehoused goods shall be assigned to the owner, holder of the goods or to the authorised by them person.

Article 28. Establishment and Liquidation of a Customs Warehouse

1. A Customs warehouse may be established under a license of the Customs Department of Georgia. The license is not required where a Customs body of Georgia is the Customs warehouseman.
2. The procedure for issue, revocation, deprivation and termination of a license shall be defined under legislation.
3. The liquidation of a Customs warehouse shall be effected upon revocation of removal of the license, or at the request of its keeper. As of the date of a Customs warehouse liquidation it shall be a temporary warehouse where the goods are kept pursuant to the terms and conditions stipulated by this Code.
4. Upon the license expiry, its revocation or removal, the goods kept in the warehouse shall be subject to repeated Customs clearance. During the whole period of warehousing of the goods the warehouseman shall pay established charges.
5. Upon suspension of the license, the warehousing of new goods is inadmissible. The release of goods from the warehouse shall take place under the procedure established by this Code.

Chapter 7. Free Trade Customs Treatment

Article 29. Concept of Free Trade Customs Treatment

The free trade customs treatment means the sale of goods in duty-free retail trade objects under the Customs control without application of the economic policy measures to goods in the areas of the Customs control of Georgia (in airports, ports and other places, which are open to international communication).

Article 30. Placing Goods under Free Trade Customs Treatment

1. Any goods save the goods which exportation or importation or sale on the territory of Georgia are prohibited, may be sold under the free trade treatment.
2. Goods, the sale of which on the territory of Georgia is restricted, may be sold under the duty-free shop Customs treatment only on the condition that the requirements established by law are met.

Article 31. Establishment and Liquidation of Free Trade Objects

1. A duty-free retail trade object may be established by a person entitled to entrepreneurial activity in Georgia on the basis of a license issued by the Customs Department of Georgia.
2. The procedure for issuing, removal and suspension shall be defined under legislation.
3. The liquidation of a duty-free retail trade object shall be effected upon expiring revocation or derivation of a license, or at the proprietor's request.
4. Upon expiration, revocation or deprivation of a license, the goods available at the duty-free retail object shall be subject to a repeated Customs clearance. The proprietor of the object shall pay established duties for the whole period of the goods' storage.
5. Upon termination of a license the sale of goods in the duty-free retail trade object shall be inadmissible.

Article 32. Liability to Pay Customs Duties

The liability to pay Customs duties shall be borne by the duty-free retail trade object's keeper or owner.

Chapter 8. Customs Processing of Good on Customs Territory

Article 33. Essence of Customs Processing of Goods on Customs Territory

The Customs treatment of processing of goods on the Customs territory of Georgia for processing under established procedure without applying the economic policy measures and on condition of the exportation of the processed goods from the Customs territory of Georgia in accordance with the Customs export procedure. The above procedure shall be governed under a subordinated act.

Article 34. Goods Processing Operations

1. The operation of goods' processing include:

- a) the manufacture of goods (processing, re-processing), including installation, assemblage and fitting to other goods;
 - b) the repair of goods, in particular their restoration and putting in order;
 - c) the application of the goods facilitating the manufacture of processed products, even if these goods are consumed in part or in full in the course of processing.
2. The restrictions of individual goods processing operations, the terms and conditions of the execution thereof, including the possibilities and procedure for using domestic goods shall be defined under subordinated enactments.

Article 35. License for Processing of Goods on the Customs Territory of Georgia

1. The processing of goods on the customs territory of Georgia shall be effected under a license of the Customs Department of Georgia.
2. A license is granted to a natural or legal person of Georgia on condition that:
 - a) the processed products of the goods imported to Georgia may be identified, except for the cases stipulated by subordinate enactments;
 - b) the processing makes possible the application of production capacities of Georgia and the exportation of the processed products;
 - c) the requirements of Customs legislation are met.
3. The procedure for granting, revocation and termination of a license shall be defined by legislation.

Article 36. Terms for Processing of Goods on Customs Territory of Georgia

Goods shall be processed on the Customs territory of Georgia at the dates fixed by a Customs body under the procedure established by a subordinated enactment. The fixing of dates shall be based on the economically justified length of processing of goods and the exportation of the processed products.

Article 37. Output of Products as a Result of Processing of Goods on the Customs Territory of Georgia

The obligatory output standards for the goods processing on the Customs territory of Georgia shall be specified by the procedure established jointly by the Ministry of Finance and the Ministry of Economy of Georgia.

Chapter 9. Processing of Goods under Customs Control

Article 38. Essence of Customs Treatment for Processing of Goods under Customs Control

The Customs treatment for processing of goods under the Customs control means the use of foreign goods for processing on the Customs territory under established procedure

without applying the foreign policy measures and for releasing the processed goods into free circulation (import) or placing under another Customs treatment.

Article 39. Regulations for Processing Goods under Customs Control

The processing of goods under the Customs control shall be effected in accordance with the provisions of Articles 34-37 of this Code.

Article 40. Restriction of Application or Processing of Goods under Customs Control

1. The processing of goods under the Customs control may not be applied for avoiding the observance of regulations defining the economy policy measured and the country of origin of goods.
2. The cases where the Customs treatment for processing goods under the Customs control may not be applied shall be determined under legislation.

Chapter 10. Temporary Importation and/or Exportation of Goods

Article 41. Essence of Customs Procedure for Temporary Admission and/or Conveyance Out

1. The Customs procedure for temporary admission and/or conveyance out of goods means the admission of goods to the Customs territory of Georgia or their conveyance out of its borders for a definite time period, with the liability of return, without applying the economy policy measures.
2. The temporarily admitted and/or conveyed out goods shall be subject to return in the same condition, except for the changes caused by the natural tear and wear, transportation, or natural losses in conditions of normal storage.

Article 42. Placing Goods under Customs Treatment in the Course of Temporary Importation and/or Exportation

1. The temporary importation and/or exportation of goods are admissible only if the liability if importation and/or exportation are presented.
2. The Ministry of Finance of Georgia shall approve a list of the goods whose temporary importation and/or exportation are admissible on presentation of the Customs Department of Georgia.

Article 43. Permit for Temporary Admission and/or Removal of Goods

1. A permit for temporary admission and/or removal of goods is issued by Customs bodies under the procedure established by the Ministry of Finance of Georgia.
2. Customs bodies shall not be entitled to issue a permit for temporary admission and/or removal of goods unless the reliable identification thereof has been secured.

Article 44. Terms for Temporary Admission and/or Removal of Goods

1. A period for temporary admission and/or removal of goods shall be fixed by a Customs body of Georgia with due regard to the purposes and circumstances of such admission and/or removal, but for not more than a year.
2. The right to extend the period indicated in item one of this Article, where necessary, shall be assigned to the Customs department of Georgia under the procedure established by the Ministry of Finance of Georgia.

Article 45. Effects of Expiry of Fixed Period for Temporary Admission and/or Removal of Goods

The temporary admitted and/or removed goods not returned upon expiry of the fixed period shall subject to the placement under another Customs. A Customs body owns treatment or storing in a temporary warehouse.

Article 46. Non-return of a Temporarily Removed Good as a Result of its Production, Loss, Shortage or Unlawful Action by Foreign State Bodies or Officials

A person who has temporarily removed goods and failed to return them by the fixed date shall be relieved from responsibility therefor only in the case where the fact of the destruction or loss to force majeure, natural wear and tear, natural changes caused by transportation or storage in normal conditions, or unlawful action by foreign state bodies or officials according to legislation of Georgia is confirmed by an appropriate consulate of Georgia.

Chapter 11. Storing and/or Using of Goods in a Free Customs Zone and Free Warehouse

Article 47. Essence of Customs Treatment for Storing and/or Using of Goods in a Free Customs Zone and Free Warehouse

The Customs treatment for storing and/or using of goods in a free customs zone and free warehouse means the storing and/or using of foreign goods within corresponding territorial limits or stores without applying the economic policy measures, and the storing and/or using of domestic goods – under the export Customs procedure corresponding conditions.

Article 48. Establishment of Free Customs Zones and Free Warehouses and Terms and Conditions for Storing and/or Using Goods Therein

The establishment of free customs zones and free warehouses and terms and conditions for storing and/or using goods therein, as well as the Customs procedure operating in free economic zones shall be governed under legislation.

Chapter 12. Processing of Goods Beyond Customs Territory of Georgia (Outward Processing)

Article 49. Essence of Customs Procedure for Outward Processing

The customs procedure for outward processing means the removal and use of Georgian goods outside the Customs territory of Georgia for the purpose of processing thereof and releasing the obtained products for free circulation on the Customs territory of Georgia without applying the economic policy measures.

Article 50. Outward Processing Operations

1. The operations stipulated in item one of Article 34 of this Code may be carried out in outward processing of goods.
2. Individual processing operations may be restricted by subordinated enactments.

Article 51. Cases when Customs Procedure for Outward Processing may not be Applied

The Customs procedure for outward processing of goods is not applicable in the cases as follows:

- a) where in removing goods from the Customs territory of Georgia the return of the import Customs duties or the exemption from duties may be demanded;
- b) where, prior to the removal, goods were pleased for free circulation with the complete exemption from the import Customs duties;
- c) in other cases provided for in law.

Article 52. Outward Processing License

1. The outward processing of goods is carried out on the basis of a license issued by the Customs Department being granted to a natural or legal person of Georgia in the case where:
 - a) in admitting the processed products it is possible to determine that they have been actually obtained as a result of the processing of the removed goods;

- b) the outward processing of goods does not damage the interests of the Georgian economy.
2. The procedure for issuing a license shall be established under legislation.

Article 53. Period of Outward Processing

The outward processing of goods shall be carried out within the periods fixed by a Customs body to be defined under established procedure. The fixing of periods shall be based on the economically justified length of the goods' processing process.

Article 54. Output of Products Obtained from Outward Processing of Goods

The obligatory output of products obtained as a result of outward processing of goods shall be defined under the procedure established jointly by the Ministry of Finance and the Ministry of Economy of Georgia.

Article 55. Taxation of Goods Removed for Outward Processing

The goods removed for outward processing shall be subject to Customs duties under the procedure established by a law.

Article 56. Replacing Products Obtained from Outward Processing with Foreign-made Goods

The replacement of products obtained from outward processing with foreign-made goods shall be admissible under the procedure established by a law.

Article 57. Non-return of Goods Removed for Outward Processing or Processed Products as a Result of Their Destruction, Loss, Shortage, or Unlawful Action of Foreign State Bodies or Officials

A person who has obtained an outward processing license and failed to return goods or bringing in the processed products shall not be held responsible only in the case where the fact of the destruction of the goods or the processed products owing to force majeure circumstances, their loss, natural tear and wear, natural losses caused by transportation or storage in normal conditions or unlawful action by foreign state bodies or officials recognized as such under legislation of Georgia is confirmed by appropriate consular institutions of Georgia.

Chapter 13. Exportation of Goods

Article 58. Essence of Customs Procedure for Exportation of Goods

The Customs procedure for exportation of goods means the removal of goods from the Customs territory of Georgia without obligation of their return to the same territory.

Article 59. Requirements to Exportation of Goods

The exportation of goods shall be effected with the observance of legislation and the economic policy measures.

Article 60. Release of Goods under Export Customs Procedure

In releasing goods under the export Customs procedure the goods shall be removed from the Customs territory in the same conditions as they were at the date of the presentation of a goods declaration to Customs bodies, except for the changes caused by the natural tear and wear, the natural losses during transportation or storage in normal conditions.

Chapter 14. Re-exportation of Goods

Article 61. Essence of Customs Procedure for Re-exportation of Goods

1. The Customs procedure for re-exportation of goods means the removal of foreign-made goods from the Customs territory of Georgia under the import treatment without applying the economic policy measures.
2. The re-exportation of goods shall be admissible under permission of a Customs body pursuant to the procedure established by legislation.

Article 62. Terms for Re-exportation of Goods

1. The goods the importation of which was declared for re-exportation upon the conveyance there of on the Customs territory of Georgia shall be removed from this territory within not later than six months as of the date of the Customs declaration acceptance.

In the case of violation of the fixed term the goods shall be deemed to placement under the importation Customs procedure.

2. Upon removal the goods intended for re-exportation from the Customs territory of Georgia shall be in the same condition as of the date of importation, except for the changes caused by natural tear and wear, the natural losses during transportation or storage in natural conditions.

Chapter 15. Destruction of Goods

Article 63. Essence of Customs Procedure for Destruction of Goods

1. The Customs procedure for destruction of goods means the destruction of goods under Customs supervision, including their bringing to the unusable state without applying the economic policy measures thereto.
2. A Customs body on the basis of a respective conclusion shall issue permission for destruction of goods.

Article 64. Costs of Destruction of Goods

The holder or proprietor at own expense shall destroy goods. Such destruction shall not incur any expenses on behalf of the state.

Article 65. Remnants from Destruction of Goods

The remnants from destruction of goods shall be placed under a corresponding Customs procedure as foreign-made goods subject to Customs control.

Chapter 16. Surrender of Goods for the Benefit of the State

Article 66. Essence of Customs Procedure for surrender of goods for the benefit of the state

1. The customs procedure for surrender of goods for the benefit of the state means the renunciation by a person of his/her title in goods without applying the economic policy measures thereto.
2. The surrender of goods for the benefit of the state according to the provisions of this chapter is allowable under the procedure established by legislation.

Article 67. Expenses Relating to Surrender of Goods for the Benefit of the State

The surrender of goods for the benefit of the state shall not invoke any expenses on the part of the state.

Chapter 17. Crossing of Customs Frontier of Georgia by Vehicles and Individual Types of Goods

Article 68. Crossing of Customs Frontier of Georgia by Vehicles

1. Crossing of the Customs frontier of Georgia shall be effected in accordance with the Customs procedures applied towards vehicles.
2. Vehicles crossing the Customs frontier of Georgia as well as the vehicles, which will cross the Customs frontier, as goods shall be located at the places, determined by Customs bodies. The non-performance of this requirement will lead to the measures of the forced stoppage of vehicles taken by Customs bodies.
3. The length of stoppage of vehicles shall be defined by the Customs body together with the carrier with due regard for the time required for the Customs control and Customs clearance.
4. The departure of vehicles from the parking area shall be carried out upon permission of the Customs bodies.
5. The carrier shall coordinate the time and place of the crossing of the Customs frontier with the corresponding Customs body in compliance with the provisions of Article 10 of this Code.

Article 69. Forfeiture and Disposal

1. The goods, which have been the object of the offence and the means of offence, as well as the ownerless, and the goods surrendered for the benefit of the state shall be transferred into the state ownership.
2. The procedure for forfeiture and disposal of goods shall be defined by legislation.

Article 70. Conveyance of National Currency, Securities, Foreign Currency and other Currency Values Across the Customs Frontier of Georgia

The conveyance of Georgian currency, securities, foreign currency and other currency values across the Customs frontier of Georgia shall be carried out under the procedure established by legislation of Georgia.

Section II. Customs Duties and Taxes

Chapter 18. Types of Customs Duties and Taxes

Article 71. Customs Duties and Taxes

1. In releasing goods and vehicles from the Customs control and in other cases provided for by law, taxes – Customs duties and charges – shall be payable.
2. Taxes are:
 - a) Customs tax;
 - b) Value added tax;
 - c) excise tax.
3. Customs duties are:
 - a) for Customs procedures;
 - b) for license issuance.

Article 72. Customs Taxes

In releasing from the Customs control and in other cases stipulated by law, goods shall be subject to the payment of the Customs, value added and excise taxes pursuant to the Tax Code of Georgia and the Law on the Customs Tax.

Article 73. Customs Duties

In releasing goods and vehicles (including the vehicles being conveyed as goods) and in other law-established cases, as well as for clearance of international mail and issuance of licenses by the Customs bodies the persons shall be charged with the appropriate duties under the procedure and in the amount established by legislation.

Article 74. Payment of Customs Taxes and Duties and Compulsory Payment

1. The payment of Customs taxes and duties shall be made prior to the completion of Customs clearance in accordance with legislation.
2. If a Customs taxpayer failed to pay the corresponding amount by the fixed date, the Customs Department and its respective bodies shall be authorized on the basis of a court judgement to seize the taxpayer's property and subject to property to the payment according to the procedure established by Article 245 of the Tax Code of Georgia.
3. The Customs Department or its respective bodies are entitled:
 - a) to notify banks and other financial institutions on withdrawal of Customs taxes and duties from the accounts receivable;
 - b) to carry out the withdrawal of the amount due from the taxpayer's accounts receivable according to the order (letter) of collection on the basis of a court judgement.
4. The responsibility for the payment of the Customs duties and taxes shall be borne by both the holder and owner of goods and vehicles and the authorized representatives thereof.

Article 75. Return of Customs Tax Amount Paid in Excess

1. The amount of Customs taxes and duties paid in excess shall be returned to the taxpayer within 30 days from the date of the application with taking into consideration the period of limitation specified in the Civil Code.
2. Upon returning the Customs taxes and duties, they shall be subject to the charging of interest under the procedure established by item two of Article 252 of the Tax Code.

Section IV. Customs Clearance

Chapter 19. Basic Principles of Customs Clearance

Article 78. Customs Clearance

Customs clearance is the execution of definite Customs procedures for the purpose of placing goods and/or vehicles under a relevant Customs treatment and the completion of this treatment in accordance with the requirements of this Code.

Article 77. Time and Place of Customs Clearance

1. Customs clearance shall, as a rule, be performed at the time and place established by the Customs Department of Georgia – on the operating territory of the Customs body where the consignor, consignee, or their structural division are located.
2. At the request of a concerned person, at his/her expense and on the written consent of the Customs body, Customs clearance may be performed at the place and/or at the non-working time of Customs body indicated in the application.
3. The Customs Department shall be entitled to establish definite Customs bodies to perform Customs clearance of individual categories of goods and vehicles.

Article 78. Language of Customs Clearance

Customs documents shall be drawn up in Georgian, as well as in other languages in accordance with international legal norms, where necessary.

Article 79. Attendance of Authorized Persons and their Representatives

Persons or their authorized representatives entitled to goods or vehicles shall be entitled, or obliged – in the case of the Customs body's demand, to attend the Customs examination of goods.

Article 80. Cargo and other Operation Required for Customs Clearance of Goods and Vehicles

1. At the Customs body's demand, the proprietor of the good or vehicle or the authorized person thereof when crossing the Customs frontier of Georgia shall be liable to execute the operations required for Customs clearance: transportation of goods, definition of quantity, loading, re-loading, repair of the damaged packing, opening of the packing, packing or re-packing. A warehouseman shall also be liable to open stores, depots and other places where the goods and vehicles subject to Customs clearance may be placed.
2. The operations specified by item one of this Article as applicable to the goods and vehicles being under the Customs control may be carried out only subject to the Customs body's permit.
3. The cargo and other operations in connection with the Customs clearance of goods and vehicles shall be performed at the expense of the proprietor and shall not incur any expenses on the part of the state.

Article 81. Priority Rules of Customs Clearance

1. The Customs clearance of perishable goods, animals, mass media goods sent at the address of the supreme administration bodies of Georgia, as well as the goods admitted to and removed from the Customs territory during force majeure circumstances shall be performed under a simplified a priority procedure.
2. The cases and conditions for the application of the priority rule of Customs clearance shall be defined under subordinated enactments.

Article 82. Use and/or Disposal of Goods and Vehicles to which the Customs Clearance has not been completed

The use and/or disposal of goods and vehicles to which the Customs clearance has not been completed are inadmissible except for the cases provided for by legislation.

Chapter 20. Declaration

Article 83. Goods and Vehicles Declaration

In crossing the Customs frontier of Georgia with goods and vehicles, as well as in changing the Customs regime, the goods and vehicles being conveyed shall be subject to declaration in Customs.

Article 84. Form of Declaration

1. The Customs declaration, containing particulars concerning goods and vehicles, their Customs regime and other references required for the purposes of Customs, shall be made under the established form (written, or oral via means of electronic communication).
2. The form and procedure, as well as a list of particulars required for the purposes of Customs shall be defined under established procedure.

Article 85. Place of Declaration

1. Goods shall be declared at the Customs body where Customs clearance of goods takes place.
2. Vehicles, by means of which goods are transported, shall be subject to declaration together with the goods except for the cases provided for item three of this Article.
3. The declaration of planes and ships shall be effected upon arrival in the port or airport of destination on the Customs territory of Georgia, as well as in the port or airport of departure of the Customs territory.
4. The declaration of empty and passenger transportation vehicles is made when crossing the Customs frontier of Georgia.

Article 86. Period of Presenting Customs Declaration

1. The presentation of a Customs goods declaration shall be made within the period fixed by the Customs Department. This period shall not exceed 2 days from the date of the presentation of goods and their conveying vehicles to the Customs bodies.
2. In conveying goods across the Customs frontier in luggage and cargo of natural persons, the Customs declaration shall be presented together with the goods.
3. Empty and passenger vehicles shall be declared upon entry to the Customs territory of Georgia within not later than three hours from the moment of crossing the Customs frontier, and within not later than three hours prior to the Customs frontier crossing – when departing.
4. The indicated periods may be extended under established procedure.

Article 87. Declarant

1. A person conveying goods and vehicles or a customs broker may be a declarant.
2. A declarant shall perform duties provided for by this Code and be responsible pursuant thereto.

Article 88. Rights and Duties of Declarant

1. When declaring goods and vehicles, the declarant shall be liable:
 - a) to declare goods and vehicles according to the procedure stipulated by this Code;
 - b) to present necessary documents and references at the demand of the customs body;
 - c) to pay customs taxes and duties;
 - d) to facilitate the customs bodies in customs clearance, including by the way of performance of the necessary cargo and other operations.
2. Apart from other rights envisaged by this Code, before presenting the goods declaration to the customs, the declarant has the right to examine under the customs control goods and vehicles, as well as take samples for analysing goods by permission of the customs body. A separate customs declaration shall not be filled in for samples and specimens of goods.

Article 89. Documents and References Required for Customs Clearance

1. Together with the customs declaration the customs body shall be presented with documents required for customs clearance.
2. A list of above-mentioned documents and references shall be defined under subordinated enactments.

Article 90. Acceptance of Customs Declaration

1. The presented customs declaration shall be accepted and registered by the customs body under established procedure.
2. From the moment of its registration the customs declaration shall become a document evidencing the facts of legal importance.
3. The customs body shall not be entitled to reject the acceptance of the customs declaration.

Article 91. Alteration, Filing or Withdrawal of Customs Declaration

1. The alteration of data contained in the customs declaration, their filling or the withdrawal of the presented declaration shall be possible by permission of the customs body.
2. The alteration of data contained in the customs declaration, shall be possible only:
 - a) prior to examination of the customs declaration;
 - b) prior to customs examination of goods and vehicles and/or customs check thereof;
 - c) prior to establishment of the relations of data indicated in the customs declaration by the customs body.
3. Officials of the customs bodies shall not be entitled to fill the customs declaration, alter or enter data, save the data being under jurisdiction of the customs body, as well as to

alter or enter coded data used for machine processing where such data in the customs declaration are not coded.

Article 92. Temporary or Incomplete Customs Declaration

If the declarant due to exceptional reasons is unable to present a complete customs declaration, the customs body may, under established procedure, agree to the presentation of a temporary or incomplete customs declaration on the grounds that the temporary or incomplete declaration shall contain basic particulars which are necessary for customs purpose, while the data missing shall be presented by the time as established by the customs body.

Article 93. Periodical Customs Declaration

1. In the case of a regular movement of one and the same goods and vehicles by one and the same person the customs body may permit such person to present one customs declaration on all goods and vehicles being moved by crossing the customs frontier during a definite time period.
2. The cases of and the procedure for the presentation of a periodical customs declaration shall be defined under subordinated enactments.

Article 94. Simplified Procedure for Declaring Goods and Vehicles

The Customs Department shall be entitled to permit the declarant to effect the declaration of goods and vehicles under a simplified procedure.

Article 95. Types of Customs Declaration

The following customs declaration shall be used for customs clearance of goods and vehicles:

- a) Goods-customs declaration;
- b) Declaration of an individual;
- c) Mail consignment declaration.

Article 96. Goods-Customs Declaration

With the purpose of the conduct of the customs procedures applicable to goods upon crossing the customs frontier of Georgia the declarant produces a goods-Customs declaration to the customs body.

Article 97. Declaration of an Individual

A natural person who possesses personal effects, currency and securities subject to declaring shall fill in and produce to the Customs body a declaration of an individual.

Article 98. Mail Consignment Declaration

For international mail consignment to be sent out of Georgia the consignor shall fill in a declaration on the goods to be sent.

Chapter 21. Customs Clearance Procedures

Article 99. Types of Customs Clearance Procedures

Upon acceptance of the customs declaration and its checking by the customs bodies the following customs clearance procedures shall be performed:

- a) producing of goods and vehicles, their customs examination;
- b) taking samples and specimen of goods under examination;
- c) assessment and collecting of taxes and duties;
- d) producing securities to the customs;
- e) release of goods.

Article 100. Customs Examination of Goods and Vehicles

1. The customs bodies perform the customs examination of goods to control whether the nature, origin, condition, quantity and value of the goods correspond to the particulars produced in the goods declaration.
2. A person or his/her authorised representative, who is conveying or has conveyed goods across the customs frontier of Georgia, shall be entitled to attend the customs examination of goods.
3. The customs bodies shall be entitled to control all vehicles, which arrive at the customs territory and leave it, and to examine these vehicles for the customs.

Article 101. Customs Examination of Personal Effects

1. Customs officials shall be entitled to require that natural persons crossing the customs frontier of Georgia and staying in the customs control zone should produce their personal effects for customs examination, and to examine these. The natural person being controlled shall be obliged to facilitate the customs official in the examination of his/her luggage and means of transport, and unpack his luggage at his/her request.
2. Customs examination of personal effects shall be conducted in the presence of the owner or his/her authorised representative. If the owner of the belongings can not be identified or refuses to be present, the examination of the belongings may be carried out under the procedure established by the procedure laws.

Article 102. Taking Samples and Specimens of Goods under Control

1. For the purpose of customs clearance the customs bodies shall be entitled to take samples and specimens of goods under control and conduct their examination.
2. The samples and specimens of goods subject to customs control with the purpose of the conduct of control, by permission of the customs body, may be also taken by the

owners of the goods or their authorised representatives, and other bodies of the state control within the limits of their competence.

3. The quantity of samples and specimens should not exceed the minimal quantity necessary for the accomplishment of these procedures.
4. A protocol concerning the taking of samples and specimens shall be drawn up under established procedure.
5. The holder, owner of goods and other authorised persons shall be entitled to attend the taking of samples or specimens by the customs and other bodies of the state control. The customs officials shall attend the taking of samples and specimens by other bodies of the state control, as well as by the holder, owner of goods and other authorised persons. The aforesaid persons and their representatives shall be liable to facilitate the customs officials in taking samples and specimens of goods, namely to carry out, at own expense, the loading and other operations which are necessary for taking samples and specimens.
6. Customs bodies may take samples and specimens of goods without the presence of the holders, owners of goods and other authorised persons within ten days from the date of producing the goods; in the case of other urgent circumstances the taking out of samples and specimens shall be attended by two impartial witnesses.
7. The holder, owner of goods and other authorised persons shall be entitled to familiarise with the results of the examination of samples and specimens. The results of the examination of samples and specimens of goods taken by other bodies of the state control shall be informed to the customs.
8. The customs shall not compensate the owner of goods for the damage in connection with the taking of samples and specimens. The owner of goods shall not compensate the expenses of the customs and customs laboratories in analysing samples and specimens except for the case when such examination is considered on the said person's initiative.
9. The taking of samples and specimens for their examination shall be carried out under established procedure.

Article 103. Assessment and Collection of Taxes and Dues

The assessment and collection of taxes and duties shall be governed by legislation.

Article 104. Customs Securities (Bond)

When clearing goods and vehicles under different customs procedures in the order established by law, the customs may retain a bank guarantee or goods of a corresponding value as security (bond) to be returned within 15 days after the actual fulfillment of customs procedures.

Article 105. Release of goods

Customs clearance shall be accomplished with release of goods by which goods shall be placed at the full disposal of the holder shall place goods at the full disposal of the holder.

Article 106. Customs Clearance of Mail

Customs examination of postal items containing goods, which have arrived from abroad, shall be performed at post offices before their delivery to the addressee. The examination of mail to be sent abroad shall be carried out after the receipt or on the arrival at the post offices.

Article 107. Essence and Purpose of Preliminary Operations

1. Preliminary operations include all actions preceding the clearance of goods and vehicles
2. Preliminary operations shall facilitate and speed up customs clearance of goods and vehicles
3. In the course of preliminary operations the customs bodies shall render preliminary customs services.

Article 108. Preliminary Notification of the Customs on Admission or Removal of Goods and/or Vehicles to and from the Customs Territory of Georgia

1. In conveying goods and vehicles to and from the customs territory of Georgia the holder of goods or his/her authorized representative shall be entitled to preliminary notify the customs about crossing of the customs frontier of Georgia.
2. The customs shall be liable to register the notification and in the case of positive decision to fix the time and place where goods and vehicles are to be delivered for customs clearance.

Article 109. Delivery of Goods, Vehicles and their Documents to the Place Fixed by the Customs

1. Upon notification as indicated in Article 108 of this Code the holder or his/her authorized representative shall be liable to deliver goods, vehicles and their documents without any change in the condition of goods (except for the changes caused by natural tear and wear, losses from transportation or storage in normal conditions) and without the use for any other purpose by the prescribed itinerary to the place fixed by the customs and stay there after the delivery.
2. Goods and vehicles and the documents thereof shall be delivered by the customs by the fixed dates according to usual dates of delivery with regard to the prescribed itinerary, capacities of vehicles and other terms and conditions of shipment; however, these dates shall not exceed the date which is fixed at the rate of a hundred kilometers per item.

Article 110. Liability during Preliminary Operations

Before placing goods and vehicles under a definite customs procedure, the liability for these goods and vehicles, including for the payment of customs taxes and duties, shall be imposed on the owner or his/her authorized representative.

Chapter 23. Temporary Storage

Article 111. Essence of Temporary Storage

Goods and vehicles from the moment of producing to the customs and their release, or prior to delivery at the disposal of a person in accordance with the given customs procedure, shall be temporarily stored under customs control, be subject to declaring and payment of customs duties.

Article 112. Places and Terms of Temporary Storage

1. Temporary storage shall be effected in specially provided and arranged warehouses or other places (customs terminals), to which the conditions and provisions, stipulated in Chapter 6 of this Code apply.
2. Terms of temporary storage shall be established by the customs, taking into consideration the time necessary for presenting a declaration, the nature of goods and applied vehicles.
3. The total term of temporary storage of goods and vehicles in a customs terminal shall not exceed one month. The Customs Department may establish more extended term of storage for individual categories of goods, but not in excess of three months.

Article 113. Customs Broker

1. Any enterprise established pursuant to legislation of Georgia having the rights of a legal person and a license of the Customs Department to engage on the activities of a customs broker, may be a customs broker (agent). The customs official may not be the founder and/or the employee of the customs broker.
2. A customs broker shall operate on the basis of this Code and the Regulations approved by the Ministry of Finance of Georgia.
3. Relations between a customs broker and the authorizing person shall be based on a written contract.

Article 114. Activity License of a Customs Broker

1. For obtaining the activity license of a customs broker it is necessary:
 - a) to conclude a guarantee agreement on the brokers activities. The guarantee amount shall be less than GEL 30,000;
 - b) to have material and technical equipment which is necessary for fulfillment of the brokers' activities;
 - c) To envisage terms and conditions securing customs clearance, keeping of records and accounts accurately reflecting the operations conducted in relation to goods subject to customs control.
2. The procedure for issuance of a license shall be defined under Law and other legislative acts.

Article 115. Rights and Duties of Customs Broker

1. A customs broker shall be entitled to carry out any customs clearance operation and accomplish other agency functions in the sphere of customs activity on his/her behalf at the expense of the authorizing person and on the latter's instructions.
2. In exercising customs control and customs clearance the customs broker shall fulfill all duties, bear the same responsibility which would have been imposed on a person independently conveying goods across the customs frontier.
3. The rights and duties and responsibility of a customs broker may not be restricted under an agreement with the authorizing person.

Article 116. State Register of Customs Brokers

The Customs Department shall maintain the State Register of Customs Brokers and ensure its periodic publication.

Article 117. Customs Broker's License

1. A customs broker licensed by the Customs Department shall be entitled to perform customs clearance operations.
2. The Customs Department may revoke a broker's license where the issue to the applicant under the established procedure was impossible, or it has been issued on the basis of incomplete or inadequate information, which had the essential importance for the license issue decision. The decision on revocation shall be valid as of the date of its making.
3. A customs broker's license may be withdrawn by the Customs Department if the broker:
 - a) does not or can not perform his/her obligations;
 - b) violates or does not meet the customs legislation requirements;
 - c) unreasonably inflicts damage to the authorizing person, including by the use of the information containing commercial secrecy or confidential data as established by a court.
4. In the case of declaring a customs broker bankrupt or if he/she does so himself/herself, his/her license shall automatically be invalidated.
5. A customs broker may be deprived of a license by a court judgment. A repeated application for issue of a license may be considered within six months as of the date of its revocation, withdrawal or invalidation- on condition, that the reasons upon which the aforesaid decision was based have been eliminated or upon expiry of the period established by the court.
6. The broker may terminate a customs broker's license if there are enough grounds for doubts in regard to honest performance of obligations.
7. The Customs Department for the term of two months may terminate a broker's license.

8. A decision on the revocation, withdrawal, invalidation of a broker's license may be appealed against under procedure established by Law.

Article 118. Attitude of Customs Broker and his/her Employees toward Authorizing Person's Information

1. The information received by a customs broker or his/her employees from the authorizing person shall be used only for the customs purposes.
2. The information containing commercial, bank and other law-protected secrets, as well as the authorizing person's confidential information, shall not be disclosed; it may not be used by the customs broker for own purposes, transferred to a third person (except the customs), with the exception of the cases provided for by legislative acts.

Chapter 25. Customs Carrier

Article 119. Customs Carrier

1. A customs carrier may be an enterprise established in accordance with legislation and having a customs carriers license issued by the Customs Department.
2. A customs carrier shall operate under the procedure established by this Code and subordinated enactments.
3. Relations of a customs carrier with the owner or his/her authorized representative shall be defined by an agreement.

Article 120. Customs Carrier's Activity License

1. A person wishing to obtain a license shall be liable:
 - a) to have vehicles being in technical compliance with the established requirements;
 - b) to draw up a guarantee agreement on his/her activities. The guarantee amount (bond) shall not be less than GEL 30,000;
 - c) to have in ownership or full economic management, or leased for at least three years, a number of properly equipped vehicles to ensure within 12 hours the arrival at the place of customs clearance in the zone of operation of the customs body where the customs carrier is registered of one vehicle at least.
2. The procedure for issuing a license shall be determined by Law and other legislative acts.

Article 121. Registration of Customs Carriers and Notification Thereon

1. The customs bodies shall enter customs carriers who intend the performance of such functions in the operation zone of the given customs in the state register.
2. The customs shall ensure the notification about the list of registered customs carrier to the persons concerned.

Article 122. Attitude of Customs Carrier and his/her Employees toward Information and Documents

The information about goods and their documents containing commercial, bank or other law-protected secrets, or confidential information shall not be disclosed. The use of information by the customs carrier and his staff for personal purposes, as well as its transfer to a third person (save the customs) is inadmissible except for the cases provided for legislation acts of Georgia.

Section V. Customs Control

Chapter 26. Performance of Customs Control

Article 123. Performance and Types of Customs Control

1. Customs officials shall perform customs control that envisages:
 - a) the examination of documents and certificates required for Customs purposes;
 - b) Customs examination of goods and vehicles;
 - c) personal examination;
 - d) accounting of goods and vehicles;
 - e) oral questioning of natural vehicles;
 - f) checking of the territory of terminals and stores, Customs warehouses, spare stores, free trade zones and duty-free shops, and other places where goods and vehicles subject to Customs control may be kept, or the activities to be controlled by the Customs are carried out;
 - g) inspection of the territory of terminals and stores, customs warehouses, spare stores, free trade zones and duty-free shops, and other places where goods and vehicles subject to customs control may be kept, or the activities to be controlled by the customs are carried out;
 - h) other types of control provided for by Law;
2. The regulations for exercise of customs control shall be defined under subordinated enactments.

Article 124. Coordination of Customs Control and other Types of State Control

1. The sanitary, veterinary, phytosanitary examination and the compliance with technical standards and quality control of the goods and vehicles conveyed across the customs frontier of Georgia shall be carried out in coordination with customs control.
2. The control specified in item one of these Articles shall be carried out by appropriate authorized state bodies in compliance with legislation and international legal norms.
3. The bodies indicated in item two of this Article might effect full or partial delegation of their rights to the customs of Georgia.

4. Corresponding services of the bodies indicated in item two of this Article operate in the customs control zone within the limits of their competence. The Customs Department shall coordinate activities of these services in the customs control zone.
5. Customs clearance of goods and vehicles may be accomplished only subject to completion of all related state examination and payment of all taxes, duties and other fees.

Article 125. Custom Control Zones

1. With the purpose of exercising customs control zones shall be established at the places determined by the Customs Department.
2. The procedure for establishment of customs control zones shall be defined pursuant to legislation.
3. Entrepreneurial activities, the conveyance of goods, vehicles and individuals across the frontier of customs control zones within their limits shall be allowable only with the customs permission and under their supervision, except for the cases provided for by legislative acts. In the given cases the entry into the customs control zone shall be allowable after preliminary notification of the customs.

Article 126. Period of Stay under Customs Control

1. When admitting goods and vehicles to the customs territory of Georgia, customs control shall start from the moment of crossing of the customs frontier by them.
2. When removing goods and vehicles from the customs territory of Georgia, the customs control shall start from the moment of accepting the customs declaration.
3. Customs control is accomplished upon crossing of the Customs frontier during exportation of goods and vehicles, or upon full completion of a respective procedure in the case of other Customs procedures.
4. The period of stay of goods and vehicles under Customs control shall be determined under this Code and subordinated enactments.

Article 127. Documents and Certificates Necessary for Customs Control

1. When crossing the Customs frontier of Georgia with goods and vehicles, a conveying person or persons who are engaged in activities subject to the Customs control shall be liable to procedure documents and certificates necessary for Customs control to the Customs.
2. A list of documents and certificates and the procedure for producing thereof shall be established under subordinated enactments.
3. In exercising Customs control the Customs may use information of law-enforcement and other controlling bodies.
4. Documents and certificates necessary for Customs control shall be kept by the Customs within six years.

Article 128. Participation of Specialists and Experts in Customs Control

1. Pursuant to legislation, the Customs shall be entitled to invite specialists and experts from law-enforcement and controlling bodies, enterprises, establishments and institutions for exercising Customs control.
2. The expenses in connection with the invitation of specialist and experts shall be compensated according to legislation.

Article 129. Methods of Customs Control

1. When crossing the Customs frontier of Georgia with goods and vehicles, an overall or selective control shall be exercised.
2. For the exercising of Customs control the Customs shall apply such methods which secure the observation of Customs legislation and international treaties and agreements.
3. Customs control may be exercised by the technical means that neither endangers life and health of people, animals and plants nor cause damage to goods and vehicles.

Article 130. Inadmissibility of Causing of Illegitimate Damage during Customs Control

The causing of illegitimate damage to persons, their goods and vehicles during Customs control shall be inadmissible. Infringers shall bear responsibility in accordance with law.

Article 131. Identification and Control of Goods, Vehicles, Stores and other Places

1. Vehicles, stores and other places where are or may be goods and vehicles subject to Customs control, the places where activities subject to Customs control are carried out, as well as goods and vehicles subject to Customs control may be identified by the Customs.
2. Identification shall be carried out by affixing a seal, stamp, figures, letters or other marking, by taking samples and specimens, inventory of goods and vehicles, drawing, by using dimensioned drawings, photographs, illustrations, other means of identification.
3. The substitution, removal or destruction of identification means shall be possible only by the customs bodies or with their permission, except for the cases when there is a real danger of destruction, loss or essential damage of goods and vehicles. The customs shall be immediately notified about the substitution, removal or destruction of identification means.
4. With the purpose of the performance of customs control the appropriate customs state officials within their competence shall be entitled, pursuant to the law of procedure, to enter any store where the activities subject to customs control are carried out, or where goods and vehicles subject to customs control or documents necessary for customs control may be placed.

Article 132. Customs Control of Goods and Vehicles

1. All goods and vehicles conveyed across the customs frontier shall be subject to customs control except for the cases provided for by this Code.

2. Customs bodies shall be authorized to compulsorily stop vehicles return ships and aircraft that left the customs territory without the customs permission except for vessels and aircraft staying on the territory of other states.

Article 133. Personal Examination

1. Personal examination, as a special form of customs control, may be performed by the order of the senior officer of the customs station or his/her substitute when there are reasonable grounds to suspect that the natural person crossing the customs frontier or staying in customs control zone, or in the open airport transit zone conceals and does not produce goods which pursuant to legislation of Georgia or international treaties and agreements, are subject to customs control.
2. Before starting the personal examination, the customs official shall be liable to notify the natural person about the order of the customs senior officer or his/her substitute concerning his/her personal examination, inform him/her about his/her rights and duties during the examination and offer him/her to produce the concealed goods of his/her own account.
3. In the case of refusal of the natural person to undergo the personal examination voluntarily, the personal examination, including the body examination shall be performed as provided by the law procedure.

Article 134. Period for Checking Customs Declaration, Document, Examination of Goods and Vehicles

The examination of the Customs declaration, documents, goods and vehicles shall be carried out by the Customs within the shortest possible term but not later than within 3 days from the date of accepting the Customs declaration and producing documents and particulars necessary for the Customs purposes. The said period shall not include the time, which is required for the performance of the examination of goods and vehicles by other state institutions.

Article 135. Attendance of Authorized Persons and their Representatives during Customs Control of Goods and Vehicles

1. Persons specified in item two of Article 100 of this Code shall be entitled to attend the Customs control of goods and vehicles.
2. The Customs bodies shall be entitled to examine goods and vehicles without attendance of authorized persons and their representatives in the cases as follows:
 - a) In the event of default of appearance of the indicated persons within five days from producing goods and vehicles;
 - b) Their life and health of people, state security, public order, animals and plants, environment, artistic, historical and archeological values are endangered, as well as in the urgent circumstances;
 - c) When sending goods by means of international mail.
3. In violating customs procedure, the examination of goods and vehicles on the Georgian customs territory shall be performed in the presence of persons concerned.

Article 136. Inventory of Goods and Vehicles

The customs bodies shall be authorized to effect inventory of goods and vehicles subject to customs control any time, as well as of goods the duties on which are payable, or which enjoy customs preferences in the part of customs duties.

Article 137. Audit of Financial and Economic Activity

1. Customs bodies, within their competence and pursuant to the customs regulations, shall be entitled to appoint or conduct an audit of the financial and economic activities subject to the customs control.
2. In auditing financial and economic activity, the customs bodies within their competence shall be entitled:
 - a) To demand for familiarization any document concerning the activity subject to customs control;
 - b) to receive from officials and other personnel references, written and oral reports and comments;
 - c) pursuant to the law of procedure, to seal and withdraw documents;
3. Where necessary, the customs officials may prescribe the time and place for familiarization with documents and information.
4. When auditing, the action of the customs officials shall not cause illegitimate damage to a person whose financial and economic activity is being audited. The audit results shall be immediately informed to the person.
5. Information obtained during an audit is confidential where the provisions of Article 165 of this Code are applied thereto.

Article 138. Competence of Customs Bodies in Exercising Currency Control

1. The Customs Department of Georgia is a currency control agent in Georgia.
2. The functions and rights and duties of the customs bodies in the sphere of currency control exercise shall be defined within the competence of the Customs Department.
3. The customs bodies shall exercise currency control of currency securities, currency values, conveyed by persons across the customs frontier, except for free customs zones and perimeters of spare depots.
4. The customs bodies shall exercise currency control under this code and according to subordinated enactments.
5. In exercising currency control, the responsibility for offences revealed shall be established pursuant to law.

Chapter 27. Customs Preferences

Article 139. Release from Customs Control

1. The release from Customs control shall be effected only on the basis of this Code.
2. The release from Customs control does not mean the release from responsibility for violation of the requirements provided for by the Customs regulations, international treaties and agreements.
3. The President of Georgia, the Chairman of Parliament, members of Parliament of Georgia and the government of Georgia, the administrative and technical personnel of diplomatic missions of Georgia abroad having diplomatic immunity, their accompanying family members, their luggage shall not be subject to Customs control with the exception of the cases as provided by law.
4. Under the established procedure, individuals, goods and vehicles may be released from definite forms of Customs control where this meets the interests of Georgia.
5. The release from definite forms of Customs control in accordance with international treaties and agreements shall be effected as a result of their ratification.

Article 140. Customs Preferences for Diplomats

1. The diplomatic and administrative and technical staff of foreign diplomatic missions in Georgia (including their family members living with them) and their luggage shall not be subject to Customs control with the exception of the cases as provided by law of Georgia.
2. Import of the goods intended for the official use of the foreign missions provided by item one of this Article and for the diplomatic and administrative and technical personnel, as well as the diplomatic and administrative and technical personnel of diplomatic missions of Georgia abroad (including the family members living with them) shall be exempt from Customs taxes and duties in the form by which such exemption is provided for by a respective international treaty or agreement to which Georgia is a party. The import of goods of the Georgian diplomatic missions abroad shall be also except from Customs taxes and duties.

Article 141. Crossing of the Customs Frontier of Georgia with Foreign Diplomatic Mail and Consular Consignment (Valise)

1. Diplomatic mail and consular consignments conveyed or conveyable across the Georgian Customs frontier shall neither be opened nor detained. If there are reasonable grounds to suspect that the consignments contain articles other than those referred to in item three of this Article, the Customs shall be entitled to ask the addressee or an authorised person of the sending state to open the consignment in the presence of the Customs officials.

In the case of refusal of opening the consignment shall be returned to the sender.

2. All the packages consisting of diplomatic mail and consular consignment must bear visible external marks of their character.
3. Diplomatic mail and consular consignments may contain only diplomatic documents and articles intended for official use.

Article 142. Customs Preferences for Foreign Diplomatic and Consular Couriers

Foreign diplomatic and consular couriers may convey into and from Georgia goods intended for personal use on the reciprocal basis proceeding from international treaties and agreements concluded between the two countries without Customs control and granting exemption from Customs taxes and duties.

Article 143. Customs Preferences for Representatives of Foreign States and Members of Official Delegations, International Organisations

1. To the representatives of foreign states, the members of foreign parliamentary and governmental delegations arriving in Georgia for participating in interstate negotiations, international conferences and meetings or with other official assignments and to their family members the Customs preferences as provided in Article 140 of This Code shall apply.
2. Customs preferences granted for the staff of foreign inter-governmental organisations, their representatives, as well as their family members shall be established according to a respective international treaty of Georgia.

Article 144. Customs Preferences for Diplomatic Personnel and Consular Officials, Members of Foreign State Missions and Official Delegations Travelling in Transit via the Customs Territory of Georgia

To the diplomatic personnel of foreign state missions, consular officials and their family members, as well as to the persons specified in Article 143 of this Code travelling with the same purpose via the Customs territory of Georgia the Customs preferences as provided by Article 140 of this Code shall apply.

Section VI. Customs Offences. Delivery Subject to Control

Chapter 28. Offences of Customs Regulations

Article 145. Smuggling and other Customs Legislation Offences

Smuggling as well as other violations of Customs regulations shall involve criminal or administrative responsibility pursuant to law.

Article 146. Investigation of Smuggling and Customs Offences

The Customs Department of Georgia shall be in charge of the investigation of the offences as provided by Article 145 of this Code.

Article 147. Violation of Customs Regulations and Responsibility Therefor

The responsibility for violation of the Customs regulations and the procedure for proceeding of offences shall be established under legislation.

Chapter 29. Delivery Subject to Control

Article 148. Delivery of Drugs and Psychotropic Substances Subject to Control

1. With the purpose of elimination of international illegal circulation of drugs and psychotropic substances and revealing person engaged in such circulation the Customs in each individual case shall in agreement with the Customs and other competent bodies of foreign states or on the basis of international treaties, apply a form of delivery subject to control which means the conveyance of drugs and psychotropic substances involved in illegal circulation into and from Georgia, or their transit through its territory under the Customs control.
2. The decision on a form of delivery subject to control shall be made by the Customs Department, which is to be fulfilled jointly with other law-enforcement bodies.
3. In the case of making a decision on the form of controllable delivery, where the country of destination of drugs and psychotropic substances is a foreign state, criminal proceedings shall not be initiated in Georgia and the decision made shall be immediately notified by the Customs to a respective body or person under established procedure.

Article 149. Other Cases of Using of Controllable Delivery Form

1. Under the procedure as provided by Article 148 of this Code, the usage of the controllable delivery form may be also applied to drastic poisonous substances as well as other objects which represent an object or means of offence, have been obtained in a criminal way, or towards which the illegal action is deemed to be smuggling.
2. The decision concerning the application of the controllable delivery form to the goods specified in item one of this Article shall be made the Customs Department which shall immediately inform the respective bodies and officials thereon.

Section VII. Foreign Trade Customs Statistics and Foreign Economic Activity Commodity Classification

Chapter 30. Maintenance of Foreign Trade Customs Statistics

Article 150. Foreign Trade Customs Statistics

1. With the purpose of providing information on the state of foreign trade to state bodies, analysis of the control of entry Customs taxes and duties to the state budget, drawing up balances and the whole state of foreign trade the Customs shall receive and process, information on the conveyance of goods and vehicles across the Customs frontier of Georgia and maintain foreign trade Customs statistics.

2. Foreign trade Customs statistics of Georgia shall be maintained according to this Code and other acts of the Customs legislation.
3. The maintenance of Customs statistics shall be carried out on the basis of the effective in the country statistical methodologies corresponding to international standards, which provides for the comparability of statistical data both on a country and international scale.

Article 151. Special Customs Statistics

With the purpose of performing the functions assigned the Customs shall maintain special Customs statistics under established procedure.

Article 152. Documents Required for Customs Statistics

1. The presentation of documents required for the maintenance of Customs statistics shall be carried out in accordance with this Code and the provisions of Customs clearance and Customs control adopted on its basis.
2. The requirements provided for by Article 165 of this Code shall apply to information produced for statistics.

Chapter 31. Foreign Economic Activity Commodity Classification

Article 153. Application of Foreign Economic Activity Commodity Classification

1. For the purpose of coding and classification of goods the Customs shall apply the foreign economic activity commodity classification which has been developed on the basis of the harmonised system of description and coding of goods and is included in the national system of techno-economic and social information classification and coding of Georgia.
2. The Customs Department shall take guidance from the amendments and addenda to the international basis of the foreign economic activity commodity classification. Where necessary department shall, proceeding from peculiarities of the national economy, make addenda to the foreign economic activity commodity classification according to the established procedure.

Article 154. Classification of Goods

1. The Customs shall carry out the classification of goods, itemising goods according to items given in the foreign economic activity classification.
2. The Customs' decision concerning classification of goods shall be mandatory for performance. The classification adopted by other bodies and establishments shall not be applied for performance of Customs functions.

Article 155. Additional Powers of the Customs Department of Georgia in the Sphere of Foreign Economic Activity Commodity Classification

1. The Customs Department of Georgia is the Georgian party in whose international organisations engaged in Customs matters, namely in the elaboration amendment, supplement, interpretation and application of international basis for the foreign economic activity commodity classification.
2. In a co-operating with international organisations in the sphere of foreign economic activity, the Customs Department of Georgia shall operate in agreement with the concerned departments.

Section VIII. Informing and consulting

Chapter 32. Providing Information and Consultation on Customs Matters

Article 156. Promulgation of Customs Legislative Acts

1. The Customs Legislative acts of Georgia shall take effect only after their promulgation under established procedure.
2. Information available on the Customs legislative acts as stipulated in item 1 of this Article (name of act, object of regulation. date of passing and entry into force, place of promulgation) shall be provided to each concerned person free of charge.
3. The Customs Department of Georgia shall be authorised to promulgate all the Customs legislative acts stipulated in item 1 of this Article and sell it to all interested persons at the price co-ordinated with the Ministries of Finance and Economy of Georgia.

Article 157. Consulting of Matters within Competence of Customs Bodies

The consulting by the staff of Customs bodies, their laboratories, research and educational institutions on the matters within competence of Customs bodies shall be carried out under established procedure.

Section IX. Organisations of Customs Activities

Chapter 33. Customs Bodies and their Function

Article 158. Customs Bodies of Georgia

1. Customs activities in Georgia shall be carried out by a law-enforcement body - the Customs Department of Georgia, which is established and operates pursuant to the law of Georgia "On the Executive Power Structure and Activity Procedure".

2. The Customs Department of Georgia comprises the central staff, the Customs Bodies of the Abkhazian and Adjarian Autonomous Republics, regional Customs houses, Customs offices and Customs control stations.
3. The President of Georgia shall approve the Regulations of the Customs Department of Georgia and the Regulations for service of state officials in Customs institutions.

Article 159. Laboratories, Research Institutions, Educational Establishments and other Enterprises of the Customs Department

1. For performance of the examination of goods and other studies with the aim of carrying out Customs activities the Customs Department shall be entitled to establish Customs laboratories, research, educational and other institutions and enterprises under established procedure.
2. The Customs Department shall be authorised, besides fulfilling mandatory Customs formalities, to perform other service in connection with the conduct of Customs activities under law-established procedure.

Article 160. Functions and Rights and Duties of Customs Bodies

The functions and rights and duties of Customs bodies shall be specified by this Code, Regulations of the Customs Department and other Customs legislative acts.

Article 161. Symbols of Customs Bodies

1. The Georgian Customs symbols shall comprise the flag and the badge.
2. The description of the flag and the badge shall be confirmed by the Resident of Georgia together with the Regulations of the Customs Department.

Article 162. Cooperation of Customs with other administrative institutions, Enterprises, Establishments, Organizations of the State and Individuals

1. With the purpose of carrying out Customs activities the Customs shall co-operate with other law-enforcement and state institutions, enterprises, establishment, organizations and individuals.
2. State institutions and their officials shall be liable to assist Customs bodies in solving tasks entrusted thereto.
3. In accordance with the Customs regulations the Customs shall be entitled to delegate individual powers falling under their competence to other state institutions, enterprises, establishment and organizations, under their control and responsibility.

Article 163. Allocation of Service and Living Accommodation, Facilities and Means of Communication for Customs

Enterprises, establishments, organizations and individuals which are concerned in the performance of Customs clearance directly on their territory or in their stores rather than in the places of the Customs location, shall temporarily allocate free of charge necessary for Customs activity, performance service rooms, equipment and means of communication.

Article 164. Transfer of Land Plots to Customs Bodies

Land plots shall be transferred to Customs bodies for carrying out Customs activities pursuant to legislation.

Article 165. Use of Information Communicated to Customs by Residents of Georgia

1. The information communicated to the Customs by state institutions, enterprises, establishments, organizations and individuals in accordance with this Code and other legislation acts shall be used only for Customs activities.
2. Information containing state, bank or other law protected secrets, as well as confidential information (information not accessible for all and which may infringe interests of the person who gave it away and law protected interests), may not be published, used by the Customs officials for the personal purpose, transferred to a third person except for the cases as provided by legislation.

Article 166. Appeals against Decisions, Actions on Inaction of Customs and Officials Thereof

Decisions, action or inaction of Customs bodies and their officials may be appealed against unsure procedure established by law.

Section X. Civil Servants of Customs Bodies of Georgia

Chapter 34. Legal Status of Civil Servants of Customs Bodies of Georgia

Article 167. Legal Status of a Civil Servant of Customs Bodies of Georgia and Terms of Service

The status of a civil servant of the Customs and the terms for appointment to and relieve from office, disciplinary responsibility and other conditions shall be determined according to law.

Article 168. Legal and Social Protections for Civil Servants of Customs

1. Civil servants of the Customs shall be protected under social security guarantees applicable to police officers pursuant to the Law of Georgia “On Police”.
2. A single uniform shall be established for civil servants of the Customs. The procedure for conferring special ranks on civil servants of the Customs shall be determined by the Law of Georgia “On Special Titles and Diplomatic Ranks”.
3. Pension security of civil servants of the Customs and their family members shall be under the procedure established by the law of Georgia “On Provision of Pensions to Enlisted Servicemen and Officers of Internal Affairs Agencies and members of their families”.

Article 169. Material Incentives and Material and Technical Supply Fund of Customs Bodies

1. A material incentives and material and technical supply fund is formed on the basis of income, controllable by said bodies according to the amounts actually paid to the budget in the following amount:
 - a) for forming and replenishing the material incentives and material and technical supply fund - the minimal level of the fulfillment of the target figure of the state budget approved by law shall be 70 per cent;
 - b) in the case of fulfillment of the budget income targets by 70 to 80 per cent – 3 per cent of the amount credited to the budget in excess of 70 per cent;
 - c) in the case of the fulfillment of the budget by 80 to 90 per cent – 5 per cent of the amount credited to the budget in excess of 80 per cent and the total amount calculated according to paragraph “b” of item 1 of this Article;
 - d) in the case of fulfillment of the budget income targets by 90 to 100 per cent – 10 per cent of the amount credited to the budget in excess of 90 per cent and the total amount calculated according to paragraph “c” of item 1 of this Article;
 - e) in the case of fulfillment of the budget income targets by 100 per cent – 15 per cent of the amount credited to the budget in excess of 100 per cent and the total amount calculated according to paragraph “d” of item 1 of this Article.
2. At least of 60 per cent of a material incentives and material and technical supply funds’ recourses shall be used as material incentives for employees of the Customs, the remainder being directed at the material and technical supply requirements of the Customs system.
3. The allocation of the material incentives and technical supply funds’ recourses shall be effected from the budget.

Chapter 35. Responsibility of the Customs Bodies and their Civil Servants

Article 170. Responsibility of the Customs Bodies

1. The Customs bodies and their officials shall be responsible for the damage cost to natural and legal persons and their property through their illegitimate decisions, action or inaction while performing official duties.
2. Damage shall be subject to compensation on the general basis in conformity with the law-prescribed procedure.

Article 171. Responsibility of Customs Civil Servants

The Customs Civil Servants shall bear responsibility for unlawful actions in accordance with law.

Section XI. Concluding and Transitional Provisions

Chapter 36. Putting into Effect of the Customs Code. Invalidated Enactment's, Amendments and Addenda to Effective Legislative Acts

Article 172. Putting into Effect of the Customs Code

The Customs Code shall be putting into effect from the 1 January 1998.

Article 173. Legislative Act Invalidate Upon Enactment of the Customs Code

Upon enactment of this Code the Customs Code approved by the Resolution of the State Council of the Republic of Georgia dated 21 October 1992 (collection of Enactment of the State Council of the Republic of Georgia, volume 2, Article 183) shall be deemed null and void.

Article 174. Amendments and Addenda to Legislative Acts in Connection with Putting into Effect of the Customs Code

In connection with putting into effect of this Code the Georgian Parliamentary Committees for Finance and Budget and Constitutional, Legal Matters and Legality shall work out and submit to Parliament for approval before the end of 1997 the draft amendments and addenda to be made in the following legislative acts:

- a) the Law of Georgia "On Customs Tax" dated 27 December 1996 (The Georgian Parliamentary Gazette, 1997, Legislative Supplement, 1-2);
- b) the Law of the Republic of Georgia "On Fire-Arms" dated 15 March 1994 (GPG, 1994, 16, Art. 304);
- c) the Law of the Republic of Georgia "On Special Titles and Diplomatic Ranks" dated 29 April 1993 (GPG, 1993, 6 Art. 99);
- d) Criminal, Administrative Offences and Criminal Procedure Codes.

Article 175. Preparation of Draft Subordinated Enactments

1. The Ministry of Finance of Georgia shall, within one month from putting into effect of this Code, prepare and submit to the President for approval under established procedure "The Statute of the Customs Department" and "The Regulations for Service of the Customs Civil Servants".
2. The Ministry of Finance of Georgia shall, within one month from putting into effect of this Code, prepare and submit to the Ministry of Justice for entry to the State register the following subordinated enactments:
 - a) Statutes on Customs Procedures;
 - b) Statutes on Customs Broker and Customs Carrier;
 - c) Statute of Customs Clearance Procedure;

- d) Statute on the Procedure for Crossing the Georgian Customs Frontier by a Natural Person and/or Goods;
 - e) Statute of the Procedure for Performance of Preliminary Operations and Preliminary Decisions-making;
 - f) Statute on the Procedure for Customs Clearance of International Mail;
 - g) Statute on the Informing and Consulting Procedure.
3. The Ministry of Finance jointly with the Ministry of Economy of Georgia shall, within two months from putting into effect this Code, approve and submit to the Ministry of Justice for entry into the State Register the Procedure for Defining Output Rates of Products Obtained as a Result of Inward and Outward Processing of Goods.

President of Georgia
Eduard Shevardnadze
Tbilisi,
14 November 1997
No. 11012-Is.