

ACT ON CUSTOMS AFFAIRS

1971

CHAPTER I

General

Article 1

The meaning of Customs expressions used herein shall be as given by the Customs Cooperation Council of Brussels in booklets published or to be published for the benefit of member countries of the Council.

Article 2

- (a) Customs duties are levies the modalities whereof shall be determined in the Tariff table appended hereto.
- (b) Commercial benefit tax is a charge imposed under the Law of Monopoly of Foreign Trade, in accordance with the Decree of the Council of Ministers.
- (c) Customs taxes are charges for disembarkation, portorage, loading, storage analysis and classification, the amount and terms whereof shall be determined by Decree of the Council of Ministers. These collections shall be used as provided for in the Customs procedure.
- (d) Taxes to be collected by Customs are such payments the collection whereof has been assigned to the Customs under law.
- (e) By “declaration” in this Law is meant a full description of the goods in the declaration submitted to the Customs in a way which leaves no doubt as to the indentification of the goods concerned.

Article 3

Collections referred to herein above as Customs duties, commercial benefit tax, Customs charges and taxes, shall be determined under the present Law and collected in rials.

Note. In calculating the total amount to be collected by the Customs in each case for performance of Customs formalities, a fraction of a rial shall be rounded upwards to one rial.

Article 4

Goods temporarily exported for repair or processing shall, at the time of re-importation, be subject to payment as customs duties of 15% of the price of works carried out, unless the customs duties of the goods concerned are determined ad-valorem at a rate lower than 15%, or the goods concerned are exempt from customs duties, in which case customs duties shall be collected at the rates determined or exempted, as the case may be.

Note 1. The commercial goods covered by the provisions of this Article shall only be permitted to be exported if and when the Ministry of Economy, department of Industry, shall certify in writing that the required processing or repair may not be achieved in Iran.

Note 2. Parts, pieces and materials replaced or added shall not be considered as processing and shall be dealt with under the provisions governing importation.

Article 5

In case a state exercises, in one way or another, discrimination or restrictions in respect of part or all of Iranian exports, the Council of Ministers may at any time institute, on the recommendation of the Ministry of Economy, a special restriction in respect of commercial tax on part or all of goods imported from that state.

Article 6

In the event a commercial agreement concluded by the Government with another country should levy customs duties for a certain commodity from that country at a rate higher than that provided in the Table appended hereto, customs duties shall be collected as long as the agreement remains valid, in accordance with the rate determined and under the terms provided therein, unless the Tariff Table hereto appended provides a lower rate in connection with the commodity concerned or in case the commodity is wholly exempt.

Article 7

In the event a country practices dumping in respect of a commodity exported to Iran and the practice is considered as constituting unwholesome competition, the Council of Ministers may at any time, on the recommendation of the Ministry of Economy, constitute a special commercial benefit tax on the commodity concerned.

Article 8

Where customs duties and commercial benefit tax are specific, the weight of a commodity is the gross weight thereof less the approximate weight of the container, the proportion whereof as compared with the gross weight of the commodity shall be determined in the Customs Procedure with regard to the type of container.

In case a commodity is imported in a luxurious and uncommon container and the rate of duty determined for the container is higher than determined for the commodity itself, the duties applicable shall be collected separately except where the commodity is not separable from the container or the act of separation reduces the marketability of the commodity, in which case the commodity and the container shall jointly be covered by the higher rate of duty.

In the event separation is practicable, the duty applicable to the commodity shall be collected on the basis of its net weight.

Note 1. Owner of goods may re-export the container or support of the goods irrespective clearance from the Customs has been effected.

Note 2. Where customs duties, commercial benefit tax and customs taxes and charges are collected specifically, the weight of the goods in their normal state at Customs shall be made the basis of calculation of the rate of duties.

Note 3. By container is meant any receptacle, wrapper or container.

Article 9

Containers used for facilitating transportation of imported goods as shall be determined in the Customs Procedures and which will usually be reexported upon completion of emptying, shall be admitted under temporary admission provisions.

Article 10

The value of imported goods at Customs shall invariably be the CIF value plus charges related to the establishment of credit, clearance of bills as well as those related to patent, trade mark and similar rights and other expenses incurred until arrival of the goods at the first Customs office, as reflected in the invoice or other documents submitted by the owner, on the basis of the rate of exchange announced and operative by the Bank Markazi Iran on the date of submission of the declaration.

Article 11

In case a commodity is declared to the Customs unaccompanied with the relevant invoice, or when the value as stated in the invoice appears to the Customs as lower than the actual value, the Customs shall determine the value of the commodity either on the basis of the value of similar or identical export commodity in the country of origin at the date of the

purchase, or on the basis of the price list for the same commodity in the country of origin less reasonable rebate or export promotion subsidies.

In the event such information is not available, the Customs shall determine the wholesale value of the same or similar commodity in the local market at the clearance date with due regard to the country of origin, less customs duties and commercial benefit tax and other charges incurred subsequent to importation and less a reasonable profit, and shall take this figure as the basis for calculation of customs duties, commercial benefit tax and customs, tax and charges.

Note. The criteria required for the enforcement of this Article shall be determined in the Customs Procedure.

Article 12

The value determined by the Customs shall be final if the owner makes no presentation within one month of the written notice indicating the Customs valuation. In the event of the owner's disagreement the matter shall be dealt with by the Commission for Customs Disputes, referred to in Article 51 hereof.

Article 13

In the event the owner would not proceed to clear the goods by payment of the definite import duties within 30 days of the finalisation of the Customs determination of value or from the date of promulgation of the Commission's finding, then the Customs may proceed upon elapse of at least 4 months from the date of importation to selling the commodity in accordance with the provisions of Article 25 hereof without recourse to the formalities set forth herein for notification and advertisement, and calculate and retain from the proceeds the duties payable on definite importation of the commodity concerned.

Article 14

Goods not cleared definitely shall be held as collateral for payment of all Customs duties in respect of definite importation and of the owner's other debts for Customs duties, commercial benefit tax and Customs taxes and charges. The Customs shall not grant permission for delivery of the goods prior to receipt of all such dues.

Note 1. As regards commercial goods the owner thereof in the view of the Customs shall be the person in whose name the original purchase or shipping documents have been issued provided the bank has sealed them and the clearance order is in his name or the said sealed documents have been endorsed in his name and the signature of the endorser duly certified by competent authorities.

Note 2. The Customs may, upon the agreement of the Ministry of Finance, proceed to clear definitely goods belonging to the ministries and government agencies against written undertaking of the financial authorities of such agencies with a given period of respite, and goods belonging to individual persons against bank guarantee providing for payment to be made within one year, including interest at the rate annually announced by the Ministry of Finance.

Article 15

Distrain on goods by competent authorities for any reason, except where judicial authorities seize goods by virtue of Clause 5 of the Penal Code, shall not prevent the goods from becoming abandoned, nor forestall the enforcement of the regulations governing abandoned goods.

In case the goods are sold, the balance of the proceeds, after deduction of import duties and the owner's other definite debts to the Customs for commercial benefit tax customs charges, shall be detained as ordered by the competent authorities.

Note. The Customs may collect from legal or natural persons definite dues arising from enforcement of the present Law in accordance with the procedure for Enforcement of Direct Tax Law.

Article 16

In the event it develops after clearance of the goods that payments the collection whereof had been assigned to the Customs have been over- or under-collected or not collected at all or collected erroneously, both the customs and the owner may within 8 months from the issue of the clearance papers demand and collect their dues from the other party, as the case may be.

The provisions of this Article shall not apply to cases of over- or under-collection of less than 1,000 rials. Refundment of over-collections shall be made out of current revenue.

Note 1. In case underpayment is the result of a false declaration with incorrect documents, the provisions of this Article shall not apply and the case shall be subject to the provisions of chapter IV hereof.

Note 2. Persons called for supplement of underpayment may lodge their presentations within 30 days from notification with the Customs. The Customs shall carefully examine the presentation and shall desist from collection if the arguments raised by the owner are found justified. Otherwise, it shall state its counterclaims and demand payment. In the event the owner makes no presentation within 30 days from the first demand or does not request the reference of the case to the Commission for Customs Disputes within one week from the second notification, or does not pay the amount required, executionary actions shall be instituted. In the event the owner submits his presentations after expiration of 30 days from the date of the first notification, consideration of the case shall be subject to payment of or giving security for the amount demanded.

CHAPTER II

General Conditions for Clearance

Article 17

Inland-, marine-, and air-transporters shall on arrival in the country submit to the Customs a copy of the bills containing all items of importation together with a general list of the cargo.

Article 18

Submission of declarations, performance of customs formalities, clearance of goods and payment of all import duties and charges applicable, in the case of definite importation shall be carried out at the first authorized Customs office. The Customs Administration shall publish in order to facilitate performance of Customs facilities in connection with various forms of declarations enumerated in Article 19 hereof, the names of the location of all authorized Customs offices.

Note 1. The Customs shall allow, under conditions to be determined in the Customs Procedure, the oncarriage of goods the destination whereof is given as an interior city in the bill, provided that the city in question is equipped with an authorized Customs office.

Note 2. The Customs Administration may order the oncarriage of goods imported from one Customs office to another.

Article 19

Goods imported may be declared for any one of the following purposes:

- 1) Definite importation
- 2) Temporary admission
- 3) Re-exportation

4) Transit

5) Transit (internal).

Note 1. Formalities performed by the Custom in respect of declarations and of the goods related thereto, which result in the issue of a Customs permit are defined in the cases of Article 19 (1, 2, 3 and 4) as definite formalities, and in the case of article 19 (5) as indefinite formalities.

Note 2. Regulations governing the handling of packages of diplomatic couriers and international post parcels shall be set forth in the Customs Procedure.

Note 3. Regulations concerning goods exclusively sold at tax free shops to outgoing passengers at airports shall be set forth in the Customs Procedure.

Article 20

Performance of Customs formalities, both definite and indefinite, shall be subject to submission of a declaration, except when otherwise provided in the Procedure. Drawing up such declarations, their submission to the Customs, the submission of appendices the procedure of inspection of the goods and their verification against the declaration shall be set forth in the Customs Procedure.

Article 21

In case of difference between the Customs and a declarant (excluding differences regarding unauthorized, restricted or prohibited goods) and where clearance of goods is subject to payment of more duties than would be paid in accordance with the declaration submitted, the declarant may clear the goods concerned by paying the customs duties and commercial benefit tax that would apply according to his declaration for definite importation and by furnishing a cash deposit or bank guarantee in respect of the difference and eventual

penalty. In the event the owner refrains from clearing the goods pending the final ruling by the Customs, all his payment may be reimbursed. In the event the Customs ruling confirms the declarant's declaration, he shall be exempt from payment of storage charges from the date of the declaration until the notification of the Customs ruling. Likewise, goods not permitted to be cleared due to unjustified orders by the Government or due to a Customs decision shall be exempt from payment of storage charges by approval of the Customs.

CHAPTER III **Abandoned Goods**

Article 22

The maximum period during which any goods may remain uncleared as from the date of submission of the manifest for any one of the purposes 1 to 4, Article 19, shall be 4 months; failure of the declarant to take action for performance of definite Customs formalities shall confer on the goods the status of abandoned goods.

Note 1. Perishable goods the criteria wherefor and the classification whereof shall be set forth in the Procedure, as well as goods the warehousing whereof shall entail hazards or costs (beyond ordinary storage) are not covered by the provisions of this Article and shall be governed by regulations to be set forth in the Procedure.

Note 2. In exceptional cases where the Commission for Customs Disputes (Article 51) considers justified the reasons because of which the declarant failed to act within 4 months to take delivery of the goods, the Customs may upon application of the owner extend up to a maximum of 4 months the timelimit set forth herein provided that the storage charges are paid until the notification of the Customs approval. In such cases the Customs may proceed at the expiration of the timelimit, without compliance with the provisions of Article 24 regarding notification and advertisement, to selling the goods concerned.

Note 3. The timelimit set forth in respect of goods required for manufacturing industry and transferred to general or private warehouses shall not be 4 months but extendable for appropriate periods by approval of the Ministry of Finance.

Note 4. As long as goods are left with the Customs, the owner may amend his declaration submitted for any one of the five purposes enumerated in Article 19 hereof to another of those purposes, provided that his first declaration does not entail seizure of the goods in compliance with the provisions of Article 31 hereof. In the event the first declaration entails payment of penalty, permission for amendment will be granted subject to payment of the penalty. Customs duties and commercial benefit tax paid in respect of the first declaration shall be reimbursed.

Article 23

In the event Customs formalities are not performed within four months for delivery to the Customs in respect of goods for definite or temporary exportation, for cabotage or on carriage, and in respect of salvaged goods, and also goods the formalities pertaining whereto have been performed and to goods which have been sold but which have not been cleared from the Customs within four months from the issue of the Customs receipt or from the transfer deed, the goods shall be considered as being abandoned, unless an application for the extension of this period has been submitted on the basis of Note 2 to Article 22 hereof.

Article 24

Upon the goods entering the status of abandonment, the Customs shall notify the owner of imported goods, to the declarant of export, cabotage, onforwarded and salvaged goods and to the person in whose name the transfer deed has been drawn up that failure to perform Customs formalities within 20 days from receipt of notification or to take delivery of the

goods would entitle the customs as provided for in the procedure to place the goods for sale.

Note I. In the event the persons and addresses of the persons referred to above are not known or in the event the persons reside abroad, notification will be handed over to the person who delivered the goods or to the shipping agent.

Note 2. After the sale process has been terminated, if the address of the purchaser is not known, and in respect of Note 1 above if the address of the person who delivered the goods or of shipping agent is not known, the issue will be advertised in a widely circulated newspaper. Twenty days after the appearance of the advertisement the goods shall be sold.

Article 25

Abandoned goods shall be sold as provided for in the Procedure in one of the following ways at the discretion of the Customs:

- (i) Auction;
- (ii) Written auction (tendering); or
- (iii) Retail.

Costs incurred in the sale process for transportation and insurance charges due on definite importation of the goods, as well as the owner's other finalised debts to the Customs, shall be deducted from the sale proceeds and the balance will be detained as deposit. In the event the owner fails to present documents for withdrawing the deposit within two years from the sale process the deposit shall be placed for legal action at the disposal of the district attorney of the province wherein the goods were sold.

Note. In the event the owner should subsequent to the appearance of the advertisement and prior to the sale by the Customs of the abandoned goods declare the goods for the purpose of definite or temporary importation, definite or temporary exportation, re-exportation,

transit or cabotage and promptly effect payment of any duties and taxes as may be determined in respect of the purpose of declaration and of other relevant charges the Customs will reform from selling the goods.

CHAPTER IV

Breaches and Smuggling

Article 26

Means of maritime transport, unloaded, or loaded, entering the waters of Iran, shall berth at authorised jetties or anchor at an authorized anchorage. They shall not unload, load or leave the wharves before completion of customs formalities.

Airport authorities shall not permit further flight to an aircraft landed at the airport unless customs formalities have been performed.

Means of inland transport shall enter Iran via authorized routes, directly contact the first Customs office at the border and perform customs formalities.

Note 1. The Customs Administration shall publish the names of authorized jetties, anchorage, airports and entrance routes.

Note 2. Breach of these regulations, unless previous permission has been obtained from the Customs, or caused by emergency – which is to be proven – will subject unloaded transports to payment of a penalty under the Procedure from RIs. 1,000 to RIs. 5,000 (payment of penalty does not relieve the offender from other legal disciplinary action). Loaded transport shall be dealt with the provisions of Article 29 hereof.

Article 27

Breaches of Customs regulations arising from a false declaration or from the submission of false invoices or documents (other than forged documents or invoices which are covered by

separate laws) leading to non-collection of customs duties, and taxes and commercial benefit tax at the rates applicable shall subject the offender to payment of a penalty the ranges wherof shall be determined by the Procedure. This shall in no case exceed the equivalent of this difference between the charges collectable under the declaration and those which have to be paid actually. Penalties pertaining to breaches of other customs regulations and the rates thereof shall be determined in the Procedure.

Note. In the event breaches referred to in this Article relate to the nature of the goods and are combined with the submission of false invoice or documents, and provided they are detected within one year from clearance from the Customs, the procedure to be followed in demanding the difference, and a penalty, the collection thereof, the issuing of warrants and protests shall be as set forth in Article 16, Note 2.

Article 28

In the event amongst goods arrived at the Customs by regular procedure a commodity is detected which has not been included in the general declaration or the manifest, or conversely a commodity included in the general declaration or manifest is not delivered to the Customs and the shipping agent fails within six months to submit explanatory documents acceptable to the Customs either of the following actions shall be taken:

- (a) In cases of overlanding the excess goods shall be confiscated only.
- (b) In cases of shortlanding the penalty to be levied on authorized goods shall be one and a half times the money collectable from the goods if definitely cleared provided however that this does not exceed one and a half times the c.i.f. value of the goods. In cases of unauthorized or prohibited goods the penalty shall be twice the c.i.f. value of the goods.

In the event during the six months period circumstances or acceptable documents prove to the Customs that the overlanding or shotlanding has not been instigated by malice aforethought the Customs may levy a penalty of Rls. 10 per bale or package for shortlanding not exceeding Rls. 5000 and a penalty of Rls. 50 per bale or package for

shortlanding but not exceeding Rls. 20,000 and allow the general declaration to be amended.

Note 1. In the case of shortlanding, should the missing goods be delivered during the six months period to another Customs office, or should it be proved that the shortage has been caused by inability to discharge as a result of disrupted bales, cases or wrappers or of decay of the goods, no penalty will be levied.

Note 2. The party responsible for payment of penalty in the case of shipping companies represented in Iran shall be the agent concerned and in the case of shipping companies not represented in Iran the Customs may demand security to assure payment of the penalty.

Article 29

The following cases constitute customs smuggling:

- 1) Importing or exporting goods by an irregular procedure unless the goods so imported or exported are not at the time of import or export unauthorized, prohibited or restricted, and are exempt from customs duties and commercial benefit tax.
- 2) Failure to re-export means of transportation or goods imported for temporary admission or for transit, on the strength of false documentation indicating actual re-exportation of the goods or of the means of transportation.
- 3) Removal from Customs premises of commercial goods without presentation of a declaration and payment of customs duties, commercial benefit tax and other charge irrespective of whether the act is detected at the time of leaving the Customs premises or thereafter.

In the event the person who removes the goods from the Customs premises is not the owner nor his deputed representative the Customs shall return to the owner after collection of the customs duties and commercial benefit tax applicable the original

goods or failing this the price thereof which shall be collected from the offender who shall be subjected to the regulations of the Penal Code.

- 4) Replacement or removal of transit goods.
- 5) Declaring unauthorized goods under a misnomer.
- 6) Inclusion of undeclared goods amongst declared goods except when the undeclared goods are authorized and carry a lower rate of customs duties or commercial benefit tax than the goods declared.

Inclusion of undeclared goods amongst goods irrespective of being authorized, restricted or prohibited shall be covered by the provisions of this subarticle.

- 7) Failure to re-export or re-import goods the definite export or import whereof is prohibited or restricted within the timelimit prescribed under transit, temporary admission, and cabotage or temporary exportation regime unless the Customs accepts that no malice has been intended.
- 8) Disposal of goods exempt under Article 37 hereof contrary to the provisions of this Law without payment of customs duties and commercial benefit tax.
- 6) Declaring an authorized commodity as another authorized commodity with a lower rate of customs duties and commercial benefit tax under a misnomer using false documents.
- 7) Removal of goods from customs premises as exempt from duties and taxes by presentation of a false declaration or false documents.

Article 30

Perpetrators of smuggling if found guilty shall, in case they hold Trade Cards, be subjected to suspension temporarily or permanently from membership of the Chamber of Commerce, Industry and Mines; their cards being cancelled, in addition to the prescribed disciplinary measures meted out by the court. In the event the case is not referred to a court of Law, a commission consisting of representatives of the Ministry of Economy, of the Chamber of Commerce, Industry and Mines of Iran and of the Customs Administration may, on the recommendation of the Customs Administration suspend the perpetrator from membership

of the Chamber temporarily. This measure shall in no case prevent the prosecution of the perpetrator by Law.

Note. Suspension from membership of the Chamber shall not hinder the clearance of goods for which credit had been established before suspension.

Article 31

Goods the importation whereof is unlawful or, under the annual General Export-Import Regulations, unauthorized, shall be refused admission if cleared for definite importation with correct nomination and particulars, the owner or his representative being notified in writing that the goods are to be re-exported within 3 months with due observance of formalities. Failure of the owner or his representative to do so shall entitle the Customs to seize the goods and to notify the owner or his representative accordingly.

Note 1. Goods the importation whereof is a criminal act by law are not covered by the provisions of this Article and shall be dealt with under pertinent laws and regulations.

Note 2. Goods the importation whereof is unauthorized and which are declared in internal transit declaration for transit abroad or for temporary admission are not covered by this Article.

Article 32

Goods subject of Article 31 above, cleared by error as authorized goods without recourse to false documentation detected less than six months after clearance shall be dealt with as follows:

- (i) In case the goods cleared or part thereof are still at the disposal of the owner, the goods shall be promptly seized and subjected to the provisions of Article 31 hereof, after refund of customs duties and commercial benefit tax collected.

- (ii) In the event the goods or part thereof are no more at the disposal of the owner, the difference, if any, of the customs duties and commercial benefit tax pertaining to the part disposed of shall be collected.

Article 33

The Customs may in exceptional cases determined in the Procedure destroy goods confiscated and become the property of the state, arrange for the sale thereof under the regulations governing the sale of abandoned goods, or dispose of them with the approval of the Finance Minister, free of charges to eleemosynary organizations.

Article 34

The Customs may arrange for the sale of perishable goods, of goods the warehousing whereof entails onerous charges (other than ordinary storage) and of goods which 18 months have elapsed since their seizure and concerning which competent authorities are yet to render their ruling, they shall retain the proceeds as deposit until the final ruling of the competent authorities, unless the authorities concerned rule that the goods shall be held up until their final ruling.

Article 35

Customs officers are prohibited from engagement in trade, commissioning, brokerage or in any other profession which is somehow related to their functions as Customs officers. Offenders shall by the order of the Administrative Court be sentenced to dismissal from the Customs.

Article 36

Offences committed by Customs brokers in connection with the provisions of this Law and the Procedure thereto shall be examined by the Commission referred to in Article 30. In case offence is established, the Commission may suspend temporarily or permanently the

permit of the offending broker. The Commission's decision does not bar prosecution of the offender by law.

CHAPTER V

Exemption and Prohibition

Article 37

In addition to the exemptions embodied in the Tariff Table annexed hereto and to any other exemption granted under special laws or under conventions ratified by the Houses of Parliament, goods imported shall be exempt from payment of customs duties and commercial benefit tax in the following cases:

- (i) Goods and articles for the clearance of which the Minister of Court or his deputed representative applies in writing, as well as the commodities belonging to kings and heads of states and their suite.
- (ii) Articles and commodities for official use of diplomatic missions and articles and commodities for the use of diplomatic representatives and their dependents within the framework of the Vienna Convention of 18 April 1961 concerning Diplomatic Relations and on condition of reciprocity at the discretion of the Ministry of Foreign Affairs and of the Customs Administration in each case.
 - (a) Articles and commodities for the official use of consular services and articles for the use of official consuls-general, consuls and vice-consuls, provided that the goods arrive within nine months of their establishment in Iran and on condition of reciprocal treatment at the discretion of the Ministry of Foreign Affairs and of the Customs Administration in each case.
 - (b) Articles and commodities for the official use of the United Nations and Specialized Agencies and articles for the use of the United Nations staff and experts assigned to Iran within the framework of the Convention on Privileges and Immunities of the United Nations dated 13th February 1946, at the

discretion of the Ministry of Foreign Affairs and the Customs Administration in each case.

- (c) Articles and commodities for the use of expatriate experts sent to Iran by Technical Economic, Scientific and Cultural Assistance of other nations or by international organizations in accordance with the provisions provided in the Procedure for privileges and exemptions of expatriate experts by the Joint Finance Committee of the Houses of Parliament on 23 Tir 1345, at the discretion of the Ministry of Foreign Affairs and of the Customs Administration in each case.
- (iii) Arms, munitions, means of transportation (other than automobiles), telecommunications apparatus and other armament purchased out of the government budget or any source allocated for this purpose exclusively for the use of the Imperial Army, Gendarmerie, Police and Information and Security Organisation, and imported directly in their respective names.
- (iv) Goods in transit, re-exported, transferred in cabotage and temporarily admitted goods as well as exports shall be exempt from customs duties and commercial benefit tax. The conditions, regulations and formalities for admission and departure of these goods shall be provided for in the Procedure.
- (v) Travelling gear and used personal effects accompanying a passenger, provided that they do not constitute commercial goods, generally, and unused articles and food stuff if accompanied by the passenger if not of a commercial nature and if their value does not exceed in respect of each passenger the amount to be provided for in the Procedure. The excess shall be subject to payment of customs duties and commercial benefit tax.
- (vi) Household articles and personal effects of Iranian nationals residing abroad over one year, the last six months uninterrupted; the used household articles of expatriates arriving Iran for residence, provided

- (a) that the said articles arrive at the Customs from one month before to 9 months after the arrival of the owner, unless in cases of force majeure at the discretion of the Commission for Customs Disputes.
- (b) that the articles are in keeping with the social status of the owner and are not of a commercial nature.
- (c) that such exemption has not been made use of during the past 5 years.

Note 1. Government officers sent abroad on missions lasting not less than 1 year shall not be subjected to the provision of 1 year residence abroad if recalled before the termination of their mission.

Note 2. By personal effects are meant such articles as are in practice exclusively used by their owner and by household articles those used by the family of the owner when residing somewhere.

- (vii) Manual tools related to the professions of the Iranian nationals and expatriates arriving in Iran respectively.
- (viii) Personal effects, household articles and tools of Iranians deceased abroad with presentation of a certificate of left assets drawn-up by the Iranian Consular officer or by local authorities (as accepted by the Ministry of Foreign Affairs where consular service is not provided by Iran), provided that the said certificate shall have been drawn up not later than six months from the occurrence of death.

Note. Exemptions referred to in clauses (v) to (viii) of this Article do not apply to the means of transportation.

- (ix) Gifts presented officially by foreign governments to Iranian nationals as well as donations of foreign governments or nationals to the Iranian ministries, government agencies, municipalities, universities and eleemosynary establishments.
- (x) (a) Medicaments and hospital equipment required for the Red Lion and Sun Association with Ministry of Health certificate and emergency materials for the Association with Ministry of Finance certificate.

(b) Medicaments and medical equipment required for treatment by eleemosynary establishments with Ministry of Health certificate.

(c) Paper required for publication gratuitously of elementary school text-books by the Imperial Organisation for Social Services.

Note. The eleemosynary establishments referred to in (ix) and (x) above shall be so classified by the Council of Ministers on the recommendation of the Minister of Finance.

- (xi) Excavation instruments, chemicals, equipment for scientific and technical works and trucks imported by the archaeological missions of member-countries of UNESCO, provided that they are exclusively used for scientific excavation and discovery, confirmed by the Ministry of Culture and Arts.
- (xii) Archaeological articles related to the ancient civilization of Iran whether previously exported or whether obtained abroad, at the discretion of the Ministry of Culture and Arts.
- (xiii) Articles imported by the Ministry of Culture and Arts for the upbuilding of archives, museums, cultural art expositions, libraries, for audiovisual and artistic training, cultural and art-exchanges and for reparation of archaeological monuments.
- (xiv) Articles of antiquity related to the culture and civilization of other nations imported for the establishment or completion of public museums, at the discretion and confirmation of the Ministry of Culture and Arts.
- (xv) Ordinary containers and wrappers of imported goods as well as reels and similar supports related to imported goods the value whereof is given separately in the invoice and which are delared for the purpose of temporary admission and later re-exportation; exported goods returned for any reason with due regard to Article 2 of the Law for Restituting of Customs Duties on Raw Materials for Machine-made Products of Domestic Factories, enacted in 1315.

- (xvi) Fuel and oil for use by means of transportation entering into and returning from Iran.
- (xvii) The offspring of livestock leaving Iran for grazing or entering Iran for grazing and leaving Iran thereafter.
- (xviii) Commercial samples supplied free of charge in compliance with the provisions of the E.C.S. Convention.
- (xix) Decorations officially conferred on Iranian nationals by the governments of other states and/ or by international institutions.
- (xx) Pesticides required for animals and plants in agriculture, or for public health, provided that the goods are imported under licence from the Ministry of Agriculture or of Health.

Note 1. The above imports (i to xx) shall be subject to payment of portage and storage charges, if any, applicable.

Note 2. Goods covered by the provisions of paragraphs i, ii, v, vi, vii, viii, ix, x, xi, xii, xiii, and xiv will not be subject to the provisions of the annual general Import-Export Regulations if legally importable.

Article 38

Goods cleared under exemption according to special laws or by virtue of Article 37 paragraphs i, ii, iii, ix, x, xi, xii, xiii and xiv if transferred to a third party not allowed the same exemption within 5 calendar years from clearance, shall be subject to payment of Customs duties and commercial benefit tax less the amount considered proportionate to reasonable wear and tear.

In the event goods covered by an exemption provision are without payment of customs duties and commercial benefit tax transferred to a third party who takes possession thereof before receiving documents providing that payment of customs duties and commercial

benefit tax has been effected, such goods shall be considered as smuggled and the former and the present owners shall jointly pay the penalty.

In the case of automobiles imported duty free by diplomatic delegates in Iran, the time limit, on condition of reciprocal treatment, shall be three years.

Article 39

Imported parts and materials required for the manufacture, assembly or packaging of apparatus or articles when subject to higher duties and taxes than the rate of customs duties or commercial benefit tax collectable from the manufactured or assembled apparatus or articles shall be subject, at the discretion of the Ministry of Economy, to payment of duties and taxes applicable to the manufactured or assembled apparatus or articles.

In the event the goods imported under provisions of this Article are used for purposes other than those determined by the Ministry of Economy this shall constitute an act of smuggling.

Note. For the purpose of protecting the domestic industry, the Government may, on the recommendation of the Ministry of Economy, reduce or grant exemption from customs duties applicable to raw materials, to parts of industrial and agricultural plants to electric and electronic apparatus and to means of transportation imported by domestic factories for finishing assembling or manufacturing.

Article 40

The importation of the following goods is prohibited:

- (i) Goods described as prohibited in the Customs Tariff Table or by special laws.
- (ii) Goods declared unauthorized by decrees based on the law, during the validity of the decree concerned.

- (iii) Arms of any kind, even for hunting, powder, detonation caps, cartridges, bullets and other munitions, dynamite, inflammables and explosives, unless under licence from the Ministry of War, in each case.
- (iv) Narcotics, unless under licence from the Ministry of Health.
- (v) Aerial photographing and filming apparatus unless under licence from the Ministry of War in each case.
- (vi) Transmitters of any kind and parts and accessories thereof under licence from the Ministry of Post, Telegraph and Telephone.
- (vii) Phonograph records and recorded tapes, cinematographic films and books ruled as pornographic or as disturbing the peace, the national prestige or the official religion of the country by the Ministry of Culture and Arts.
- (viii) Magazines, newspapers, illustrations, signs and publications of any kind ruled by the Ministry of Information as harmful to the public peace, national prestige, public morale or the official religion of Iran.
- (ix) Goods bearing words or signs at variance with public peace, national prestige, public morale or the official religion of Iran or goods the covers, bills of lading thereof or documents pertaining thereto bear such words or signs.
- (x) Foreign bank notes which are no more legal tender in the country of origin; forged bank notes, stamps and banderoles.
- (xi) Lottery tickets
- (xii) Goods bearing the name, mark or particulars of a firm tending to deceive the buyer or user as to the manufacturer, the country of origin or the properties and particulars of goods, or goods the covers whereof bear such false denominations.

Note. No temporary admission, internal transit, or transshipment may be effected in respect of goods referred to in (iii) above without permission of the Ministry of War and in respect of goods referred to in (iv) above without permission of the Ministry of Health.

Article 41

The Government may prohibit or restrict, by issuing decrees in the interest of the economy or of public security transit, temporary admission or cabotage of any goods whatsoever.

Article 42

Importations by and for the Imperial Court are not governed by importation regulations.

Article 43

Heads of diplomatic missions may, on condition of reciprocal treatment, import directly in their own name and for their own use or for use by the diplomatic personnel, goods designated unauthorized or restricted under the annual General Import-Export Regulations certified by the Ministry of Foreign Affairs.

Article 44

Exportation of articles of antiquity and ancient articles is prohibited unless authorized by the Ministry of Culture and Arts.

CHAPTER VI

Customs Responsibility for Maintenance of Goods

Article 45

The Customs Administration shall insure the goods in Customs or on internal transit, from taking delivery to handing over to their owner or his representative against fire and explosion and shall recover the insurance premiums therefor from the owner at clearance. In the event goods delivered to the customs have been covered by a valid insurance policy against the risks referred to above and a copy of the policy having been submitted to Customs at arrival and delivery of the goods to the Customs no premium shall be collected as long as the policy remains valid.

Note. The value of the goods for the purpose of insurance premiums shall, in the case of commercial goods, be the value declared in the purchase documents.

Article 46

Excepting the instances referred to in Article 45 hereof, in cases of force majeure and in cases where damage is caused by the nature of the goods or is due to unacceptable packaging, in the event goods perish or incur damages while detained at the Customs or in the port or during internal transit, the equivalent of the damage incurred shall be made good on the basis of Note to Article 45, hereof, out of warehouse revenues or if these fall short, of other Customs revenues.

Note. Compensation granted by the Customs or by the insurance company shall not relieve the warehouse keeper and other officers from their respective responsibilities.

Article 47

The Customs Administration may in accordance with the Procedure at the request of importers allow them to move their imported goods to private warehouses (personal or rented) to public official warehouses and/ or to cold storage. Such transfer shall be subject to performance of internal transit formalities, compliance with pertinent regulations, payment of costs and depositing security for the customs duties and commercial benefit tax which may fall due.

Article 48

The responsibility for the perishing, missing damages or decaying of goods while stored in private or public warehouses or cold storage or while on internal through transit, shall not be borne by the Customs. The owner shall be held for full payment of customs duties and commercial benefit tax, if and when his goods suffer loss or damage or decay.

Article 49

The Customs Administration and the Port and Navigation Authority may under the Procedure let their sites and warehouses for the creation of public or private warehouses or cold storage.

Article 50

In case commodities suffer damages or are decayed during transport from their origin to the port of entry or while in Customs or in port premises or during internal transit, the owner may apply for re-exportation of the commodities concerned by full payment of customs charges, or he may surrender gratuitously the commodities to the customs without payment of Customs charges, or he may separate the damaged from the undamaged commodities and pay only the customs duties and commercial benefit tax applicable to the undamaged part and leave the rest uncleared at the disposal of the Customs. In the event separation of the undamaged part from the damaged proves not feasible or if separation would tend to increase the decay or damage, the Customs may upon application of the owner rebate the customs duties and commercial benefit tax and other customs charges except portage which apply to the part damaged or decayed.

CHAPTER VII
Authorities Examining Customs Duties**Article 51**

The authority to examine disputes as to classification of goods as well as other disputes arising from enforcement of the customs procedure and General Import-Export Regulations is the Commission for Customs Disputes. The Commission shall consist of five members well-qualified and versed in customs affairs selected by the Governor of Customs plus one qualified member from the Ministry of Finance and one versed member from the Ministry of Economy, the two latter members being nominated by their respective Ministers.

The ruling of the Commission in cases where the difference between the payable duty ruled by the Commission and the amount acceptable to the owner is Rls. 250,000 or less, shall be final and binding. In respect of a difference of more than Rls. 250,000 and of other instances referred to in this Article, the ruling of the Commission shall be revisable; both parties to the dispute being entitled to apply for the revision of the case within twenty days from notification of the Commission's ruling.

Article 52

The Revision Commission shall consist of the Chairman of the Court of Accounts, the Governor or a Deputy Governor of the Customs, a high ranking judge nominated by the Minister of Justice, a high-ranking official nominated by the Minister of Economy, one director from the Iranian Chamber of Commerce and Industry and Mines, nominated by the Chairman of the Chamber. The ruling of the Revision Commission shall be final and binding and constituting a precedent in similar cases.

Note. The procedure for nomination of the members of the Commission for Customs Disputes and the Revision Commission, duration of membership and the rules for the convention and direction of the meetings of the Commissions shall be set forth in the Procedure for Enforcement of the Customs Law.

CHAPTER VIII

Miscellaneous Regulations

Article 53

In all cases covered by the present Law, the address of the owner of goods or his deputed representative shall be assumed to be that given in the declaration; in the event of change of address, the owner shall promptly notify the Customs, giving full particulars of the new

address. In the absence of such notification, all notices, invitations, decisions of the commissions, warrants, etc. , shall be sent to the address given in the declaration.

Article 54

The monopoly levies on granulated sugar, lump sugar and glucose both domestic and imported as well as on imported goods containing sugar shall be collected as follows:

- (i) Monopoly levy on granulated sugar, lump sugar and glucose= Rls. 1.25 per kilogramme.
- (ii) Monopoly levy on imported goods containing sugar in respect of goods with a sugar content of over 40%=2 Rls per kilogramme.

Article 55

In cases of ambiguity in the wording of the Tariff Table attached to the present Law, the text of the Brussels Nomenclature and its Explanatory Notes shall prevail.

Article 56

The Customs Administration shall in accordance with the law authorizing the adhesion of Iran to the Brussels Nomenclature Convention, effect any future amendments to that Nomenclature and to its Explanatory Notes approved and communicated by the Customs Cooperation Council in the Tariff Table respectively in the Explanatory Notes thereto and publish the changes for notification.

In the event such amendments affect rates of duties levied, the lower tariff rates shall prevail in respect of such goods that have been delivered to the Customs warehouse prior to the amendment and such goods with regard to which documentary credit has already been established.

Article 57

1.2% of the total customs duties, commercial benefit tax and customs charges (other than insurance premiums, municipality charges and $1\frac{1}{2}$ % contribution to the red Lion and Sun Association of Iran) collected by the Customs shall be deducted from monthly revenues and expenses at the discretion of the Governor of Customs on the basis of an allocation budget approved by the Minister of Finance, on the training of the personnel, raising the level of information, medicare, contribution to the Staff Cooperative Fund and on other activities which enhance the development of Customs and on rewards and incentives to any persons who perform services in the interest of customs affairs.

Note 1. Payments made under the provisions of this Article shall not be affected by contradictory provisions of other laws.

Note 2. The Customs Administration may pay adequate fees, in accordance with the Rules to be approved by the Minister of Finance to experts and specialists and persons who attend Customs Commissions out of the 1.2% allocation. Payment of such fees to employees of the government and of any government agencies shall be subject to the condition that such commissions convene after office hours.

Article 58

In places where unloading, loading and storage are assigned by the Minister of Finance to the Port and Navigation Authority or to any other authority, either governmental or private, the duties and responsibilities of the Customs Administration in respect of loading, unloading and storage shall be relegated to the authority concerned. Distinction and separation of the respective duties and responsibilities of the Customs from those of the authorities concerned and adoption of executive policies shall be determined by procedures to be approved by the Minister of Finance.

Article 59

The Procedure for enforcement of this Law as well as regulations and conditions of brokerage in Customs shall be prepared by the Customs Administration and submitted by the Ministry of Finance to the Financer Committee of the Majlis for enactment.

This Law shall be enforced as from the date of enactment of the Procedure for Enforcement thereof, and on the same date the Law for Amendment of Customs Tariff enacted on 10th Tir 1337 (1st July, 1958) with the exception of the table annexed thereto shall be abrogated.

Article 60

The Tariff Table annexed to this Law as referred to in Article 2 (a), based on the Brussels Nomenclature shall be enforced as from the beginning of the next year following the enactment of the Procedure referred to in Article 59 above and as from the very date the table annexed to the Law for Amendment of the Customs Tariff enacted on 10th Tir 1337 shall be abrogated.

This Law containing sixty articles and forty-four notes and tables annexed thereto was enacted by the Majlis on Sunday 20th June 1971 (Khordad 30th 1350) following the Senate's consideration thereof in its session of 7th June 1971 (Khordad 17th 1350).