

# Customs Proclamation

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Proclamation No. \_\_\_/2014

## **CUSTOMS PROCLAMATION**

WHEREAS it has become necessary to have an expedient and modern customs legal framework which encourages the development of manufacturing industries and investment in line with increasingly growing international trade;

WHEREAS international, continental and regional trade agreements to which the country is a party require contemporary customs laws and procedures;

WHEREAS strong system of law enforcement is required from time to time to prevent the increasing incidence of contraband and other commercial crimes which are resulting in negative impacts on legitimate trade, public security, government revenue and other social and economic development;

NOW, THEREFORE, in accordance with Article 55(1) of the Constitution of the Federal Democratic Republic of Ethiopia, it is hereby proclaimed as follows:

### **PART ONE**

#### **GENERAL**

**1. Short Title**

This Proclamation may be cited as the “Customs Proclamation No. -----/2014”.

**2. Definitions**

In this Proclamation, unless the context otherwise requires:

- 1/ “goods” means any kind of corporeal chattels and other incorporeal chattels deemed to be corporeal chattels by law including natural forces and resources of an economic value which are employed in use, and includes money;
- 2/ “cargo” means any goods imported or exported by any means of transport other than stores of means of transport for commercial use and baggage of travellers;
- 3/ “duty” means a charge levied and collected on any imported or exported goods in accordance with the Customs Tariff Regulations issued pursuant to this Proclamation and the International Convention on the Harmonized Commodity Description and Coding System;



- 16/ “carrier” means the person actually transporting goods or responsible for the operation and control of the means of transport;
- 17/ “transit route” means any route designated by the Authority for the movement of imported or exported goods under customs control;
- 18/ “customs clearing agent” means a person issued with customs clearing agent license pursuant to regulations issued here under and includes an employee of a declarant issued, by the Authority, with a certificate of professional competence in respect of customs clearance;
- 19/ “transshipment” means the customs procedure under which goods are transferred under customs control from the importing means of transport to the exporting means of transport within the area of one customs port which is the port of both importation and exportation;
- 20/ “goods declaration” means a statement made in accordance with the provisions of this Proclamation, by which the declarant indicate the customs procedure to be applied to import, export or transit goods and furnish the particulars which the Authority requires for its application;
- 21/ “**declarant**” means any person who makes a goods declaration or in whose name such a declaration is made;
- 22/ “customs procedure” means all customs operations which shall be carried out by the persons concerned and by the Authority in order to comply with customs law;
- 23/ “electronic signature” means a digital signature allowed to a registered user for authentication of electronic records in conformity with the requirements prescribed in this Proclamation and user agreement;
- 24/ “non-commercial goods” means goods that are intended for the personal or family use of the consignee or persons carrying them, or which are clearly intended as gifts and the aggregate value or quantity of which does not exceed the amounts laid down in directives issued by the Ministry;
- 25/ “document” means any document presented physically or by electronic means to the Authority to complete customs formalities;
- 26/ “invoice” means a document issued by a manufacturer or supplier which shows the price of goods;
- 27/ “identical goods” means goods which are the same in all respects including physical characteristics, quality, reputations and country of origin;
- 28/ “similar goods” means goods which, although not alike in all respects, have like characteristics, and component materials, perform the same functions and to be commercially interchangeable; and the quality, origin, reputation and the trade



- 42/ “duty free shop” means a shop established, upon the authorization of the Authority, in international airports or, where necessary, in other places in which duty and tax free goods are sold to international travellers and other duty free privileged persons;
- 43/ “customs crossing” means a designated point of crossing of the customs boundary line for persons and means of transport as well as for import, export and transit goods, and includes international border traffic routes;
- 44/ “customs frontier strip” means a 15 kilometres wide part of the customs territory from the customs boundary line of Ethiopia;
- 45/ “risk management” means a system of management by which different risk bands are categorized on the basis of their risk levels in light of fair customs service provision and control with respect to goods brought to or taken out of customs territory;
- 46/ “release of goods” means a procedure whereby goods under customs control are released for the purposes declared;
- 47/ “customs officer” means an official or employee assigned to discharge customs operations and includes an investigation officer;
- 48/ “seizure” means taking possession of goods or documents in relation with enforcement of customs law;
- 49/ “under the cover of legally declared goods” means the act of intermingling of goods that are different in type, size, quantity, value or country of origin with the declared goods;
- 50/ "traveller" means a person:
- a) who is not a domiciliary of Ethiopia and who enters or leaves the territory of Ethiopia; or
  - b) who is a domiciliary of Ethiopia and who leaves or returns to Ethiopia;
- 51/ “abandoned goods” means goods that are not collected by their owner within the period prescribed by law completing customs procedures;
- 52/ “personal effects” means articles which a traveller may require for his personal use and the aggregate value or quantity of which does not exceed the amounts laid down in directives issued by the Ministry;
- 53/ “Ministry” means the Ministry of Finance and Economic Development;
- 54/ “Authority” means the Ethiopian Revenues and Customs Authority;
- 55/ “person” means any natural or juridical person;



**6. Risk Management**

- 1/ The customs facilitation service and control shall classify the risk level of import, export and transit goods and be carried out with striking balance between facilitation and control which shall be based on a criteria substantiated by information.
- 2/ Activities performed and decisions passed by the Authority with respect to release of goods, control, compliance management and facilitation shall take the principles of risk management into account.
- 3/ The Authority may employ audit based control and other methods of control to take appropriate measures on such irregularities identified after decision on facilitation is provided in accordance with principles of risk management.
- 4/ The Authority shall issue directives regarding the risk level of import, export and transit goods.

**7. Customs Approved Treatment or Use of Goods**

- 1/ Customs approved treatment or use of goods shall be applied in accordance with standards prescribed by this proclamation without any discrimination as to the nature, quantity, origin, and destination or shipment conditions of the goods.
- 2/ Sub-article (1) of this Article may not be applicable if such application is contrary to any measure taken for the protection of public morality, the protection of health and life of humans, animals or plants, the protection of historical and cultural heritages, or other specific treatment or use of goods provided by law.

**PART THREE**  
**CUSTOMS PROCEDURE**

**CHAPTER ONE**  
**GOODS DECLARATION**

**8. Declarant**

- 1/ Any person having the right to dispose of the goods shall be entitled to act as declarant, and shall be entitled to be represented by a customs clearing agent.
- 2/ The declarant shall be held responsible for the completeness and accuracy of the particulars given in the goods declaration and the payment of the duties and taxes.





- 5/ Supporting documents and goods declaration shall constitute a single indivisible legal instrument upon acceptance of the declaration.
- 6/ The Authority may require any supporting document presented in a foreign language to be translated into Amharic or into English by an official translator.

**11. Allowing Provisional Goods Declaration**

- 1/ Where, for reasons deemed valid by the Authority, the declarant does not have all the information required to make the goods declaration, a provisional goods declaration shall be allowed to be lodged, provided that it contains the particulars deemed necessary by the Authority for the assessment of customs duties and that the declarant undertakes to produce final goods declaration within a specified period.
- 2/ If the Authority allows the presentation of a provisional goods declaration, the tariff treatment to be accorded to the goods shall not be different from that which would have been accorded had a complete and correct goods declaration been lodged in the first instance.
- 3/ The Authority shall issue directives for the proper application of the provisions of this Article.

**12. Goods Subject to Goods Declaration**

- 1/ Any import, export or transit goods shall be subject to goods declaration.
- 2/ Any goods in respect of which goods declaration is presented shall, in the declaration, be identified as:
  - a) dutiable or duty free, if entered for home use or under duty draw back import regime;
  - b) out right export or temporary export, if entered for export;
  - c) imported for inward processing and whether there is duty draw back;
  - d) exported for outward processing and whether the import is for home use or whether there is duty draw back; or
  - e) temporarily imported without payment of duties and taxes.
- 3/ The Authority may, by directive, allow certain goods to complete customs formalities without lodging goods declaration in written form or electronically depending on their nature or use.



- 3/ Notwithstanding the provisions of sub-article (2) of this Article, the request for cancellation may not be permitted after release of the goods.
- 4/ The Authority may allow cancellation of the goods declaration on good cause prior to the payment of the duty and tax.
- 5/ Allowing the cancellation of goods declaration pursuant to this Article shall not exonerate the declarant from a penalty that may be imposed in accordance with this Proclamation.

## **CHAPTER TWO**

### **CUSTOMS TRANSIT AND TRANSHIPMENT**

#### **16. General**

- 1/ The Authority shall allow goods to be transported under customs control in the customs territory:
  - a) from a customs station of entry to a customs station of exit;
  - b) from a customs station of entry to an inland customs station;
  - c) from an inland customs station to a customs station of exit; and
  - d) from one inland customs stations to another inland customs station.
- 2/ Goods being carried under customs transit shall not be subject to the payment of duties and taxes, provided the conditions laid down by the Authority are complied with and that any security required has been furnished.
- 3/ The declarant and the carrier shall jointly and severally be responsible for ensuring that the goods are produced intact at the customs station of destination in accordance with the conditions imposed by the Authority.
- 4/ Notwithstanding the provisions of sub-article (1) of this Article, the Authority may, when it is satisfied that the conditions laid down by its directives are met, authorize:
  - a) a consignee to receive goods directly at his premises without having to present them at the customs station of destination; or
  - b) a consignor to send goods directly from his premises without having to present them at the customs station of departure.



- e) customs escort.
- 6/ When the Authority fix a time limit for customs transit under paragraph (d) of sub-article (5) of this Article, it shall be sufficient for the purposes of the transit operation. Such time limit may be extended at the request of the declarant or the carrier, and for reasons deemed valid by the Authority.
- 7/ The Authority shall require goods to follow a prescribed itinerary or to be transported under customs escort in accordance with paragraph (d) or (e) of sub-article (5) of this Article only when it considers such a measure to be indispensable for the purpose of customs control.
- 8/ The decision to waive sealing of a transport-unit under this Article shall be the prerogative of the Authority alone.

## **19. Customs Seals**

- 1/ Customs seals and fastenings used in the application of customs transit shall fulfill the requirements stipulated by directives of the Authority.
- 2/ Customs seals and identification marks affixed by foreign customs shall be accepted for the purposes of the customs transit operation unless:
  - a) they are considered not to be sufficient;
  - b) they are not secure; or
  - c) the Authority proceed to an examination of the goods.
- 3/ When foreign customs seals and fastenings have been accepted pursuant to sub-article (2) of this Article, they shall be afforded the same legal protection as customs seals and fastenings used by the Authority.

## **20. Procedures En Route**

- 1/ A change in the customs station of destination shall be accepted without prior notification except where the Authority have specified that prior approval is necessary.
- 2/ Transfer of goods from one means of transport to another shall be allowed without authorization by the Authority, provided that any customs seals or fastenings are not broken or interfered with.
- 3/ The Authority may allow goods to be transported under customs transit in a transport-unit carrying other goods at the same time, provided that it is satisfied that the goods under customs transit can be identified and the other customs requirements shall be met.
- 4/ The declarant or the carrier shall report accidents or other unforeseen events directly affecting the customs transit operation promptly to the nearest customs station or other appropriate government body.



- 3/ The cost of transport of the goods to the place where they are examined or samples are taken, the cost of taking samples and the cost of examination as well as any expense related thereto shall be borne by the declarant.
- 4/ The Authority shall not be liable for payment of any compensation to the declarant for samples taken in compliance with customs law.
- 5/ Where only parts of the goods covered by the goods declaration are examined the result of such examination shall apply to all goods indicated by the declaration.
- 6/ Where the declarant considers that the result or partial examination is not valid as regards the remainder of the goods, he may request further examination of the goods and shall cover the expenses incurred by such examination.
- 7/ Where the goods declaration is not made subject to verification, the customs formalities shall be applied based on the particulars stated in the declarations.
- 8/ Goods that meet the conditions specified in the directive issued by the Authority may be given priority in undergoing customs procedure.

**24. Placing of Identification Marks on the Goods**

- 1/ The Authority shall place identification mark on the goods where identification is required in order to ensure compliance with the procedure for which the goods have been declared.
- 2/ The identification mark affixed to the goods or the means of transport shall be removed or destroyed only by the Authority or by a person authorized by the Authority except in the case of force majeure, where their removal or destruction is essential to ensure the protection of the goods or means of transport.

**25. Release of Goods**

- 1/ Goods declare shall be released as soon as they are examined by the Authority or the Authority decided not to examine them, provided that:
  - a) they are not subject to prohibition or an offence is committed in relation to them;
  - b) where the conditions of placing the goods under the customs procedure in question are fulfilled;
  - c) in the case of restricted goods, the permit issued by the appropriate body pursuant to the relevant law is presented; and
  - d) any applicable duties and taxes have been paid or security is furnished.





- b) they are imported for inward processing and treated under the duty drawback or voucher scheme;
- c) they have to be re-exported in accordance with the terms of the contract due to the fact that they are defective or fail to meet the required standards; or
- d) they are re-exported or used only for the permitted purpose and subject to drawback system.

**28. Pre-arrival Clearance**

- 1/ The importer or his agent may lodge his declaration with supporting documents prior to the arrival of the goods and may request for a pre-arrival clearance to be issued upon examination of the declaration and supporting documents.
- 2/ The Authority may examine the declaration and supporting documents presented to it prior to the arrival of the goods and issue release of goods right upon their arrival.

**29. Clearance Subsequent to Release of Goods**

The Authority may release goods prior to the completion of customs formalities if it is satisfied that the declarant can subsequently accomplish all the custom formalities; provided, however, that the declarant produces a commercial or official document containing the main particulars of the consignment concerned and acceptable to the Authority, and that security, where required, has been furnished to ensure collection of any applicable duties and taxes.

**CHAPTER FOUR**

**CUSTOMS PROCEDURE FOR TRAVELERS**

**30. Goods Declaration by Travelers**

- 1/ A traveler may be permitted to make an oral declaration in respect of the goods carried by him; provided, however, that a written or electronic declaration shall be required for goods carried by a traveler which constitute an importation or exportation of a commercial nature.
- 2/ A traveler on arrival may be allowed to make a declaration by choosing between the following types of channel:



- 4/ Where it is necessary to lodge a temporary admission declaration for non-residents' personal effects, the Authority may fix the time limit for the re-exportation of such personal effects by reference to the length of the traveler's stay in the customs territory.
- 5/ The Authority may, at the request of the traveler on the basis of valid reasons, may extend the time limit fixed pursuant to sub-article (4) of this Article.
- 6/ The conditions under which travelers entering or leaving the customs territory may use their private means of transport shall be determined by directives to be issued by the Authority.
- 7/ A non-resident traveler may re-export temporarily admitted personal effects through a customs port other than that through which they were imported.
- 8/ The Authority shall not require the re-exportation of personal effects of a non-resident traveler which have been destroyed or seriously damaged due to accident or force majeure.

**34. Transit Travelers**

Transit travelers who do not leave the transit area shall not be required to pass through any customs control; provided, however, that the Authority may maintain general surveillance of transit areas and take any action necessary when a customs offence is suspected.

**35. Information Concerning the Customs Facilities Applicable to Travelers**

The Authority shall make available, through the appropriate means, information concerning the customs facilities applicable to travelers in the Amharic and English languages.

**CHAPTER FIVE**

**CUSTOMS PROCEDURE FOR IMPORTATION AND EXPORTATION  
OF GOODS THROUGH THE POSTAL SYSTEM**

**36. Customs Control**

Goods imported or exported through the postal system shall be subject to customs control.

**37. Duty to Report**

Any person authorized to provide postal services shall report by means of a manifest or in any other approved manner, all goods arriving or departing through the postal system and shall present such goods to a customs officer for clearance.



- 3/ The Authority may fix a time limit for the re-exportation of means of transport for commercial use, taking into account all the circumstances of the transport operations intended.
- 4/ The Authority may, at the request of the person concerned and for reasons deemed valid, extend the period fixed pursuant to sub-article (3) of this Article.

**41. Temporary Admission of Parts and Equipment**

- 1/ Special equipment for the loading, unloading, handling or protection of cargo, whether or not it is capable of being used separately from the means of transport for commercial use, which is imported with the means of transport for commercial use and is intended to be re-exported therewith, shall be allowed to be brought temporarily into the customs territory relieved from payment of import duties and taxes.
- 2/ Parts and equipment which are to be used, in the course of repair or maintenance, as replacements for parts and equipment incorporated in or used on a means of transport for commercial use already temporarily imported into the customs territory, shall be allowed to be brought temporarily into the customs territory relieved from payment of duties and taxes; provided, however, that the importer shall re-export or handover the replaced part to the Authority.

**42. Declaration of Arrival**

The Authority may require the lodging of a declaration of arrival of a means of transport for commercial use containing the particulars necessary to ensure compliance with the customs law.

**43. Customs Procedures for Departure**

- 1/ Customs procedures applicable upon the departure of means of transport for commercial use may, as appropriate, include:
  - a) the lodging of a declaration of departure with the Authority;
  - b) the affixing of customs seals;
  - c) the designation of a specified customs route; and
  - d) the taking of measures for monitoring unauthorized delay in the departure.
- 2/ A means of transport for commercial use shall also be permitted to depart from the customs territory through a customs station other than that through which it arrived.

**44. Stores on Board Arriving Aircraft or Train**

- 1/ stores for consumption by the passengers and the crew of an aircraft or train arriving in the customs territory or stores necessary for the operation and



- 4/ The Authority may require a declaration of stores taken on board aircraft upon departure from the customs territory, containing minimum information necessary for the purpose of customs control.

**46. Other Disposal of Stores**

Stores on board aircraft or train having arrived in the customs territory shall be allowed:

- 1/ to be cleared for home use or to be placed under another customs procedure, subject to compliance with the conditions and formalities applicable in each case; or
- 2/ subject to prior authorization by the Authority, to be transferred respectively to other aircraft or train in international traffic.

**CHAPTER SEVEN**

**CONSIGNMENT FOR EMERGENCY RELIEF**

**47. Emergency Relief Consignment**

For purposes of this Chapter “Emergency Relief Consignment” may include goods, vehicles and other means of transport, foodstuffs, medicaments, clothing, blankets, tents, prefabricated houses, water purifying and water storage items, and other goods of prime necessity, forwarded as aid, upon the request of the appropriate government body, to those affected by disaster.

**48. Customs Procedure for Clearance of Emergency Relief Consignment**

- 1/ In the case of emergency relief consignments the Authority may allow:
  - a) lodging of a simplified goods declaration or of a provisional goods declaration subject to the production of final goods declaration within a specified period;
  - b) lodging, checking and registering of the goods declaration and supporting documents prior to the arrival of the goods, and their release upon arrival;
  - c) clearance outside the designated hours of business or away from customs stations and the waiver of any charges in this respect;
- 2/ The Authority may conduct examination or sampling of goods of emergency relief consignments only in exceptional circumstances.
- 3/ Clearance of emergency relief consignments for import, export or transit shall be carried out as a matter of priority.





**51. Time Limit of Storage in Customs Warehouse**

- 1/ Goods imported by using sea or land transport and stored in a temporary customs storage shall undergo customs procedures and be removed within 60 days from the date of storage.
- 2/ Goods imported by using air transport and stored in a temporary customs storage shall undergo customs formalities and be removed within 30 days from the date of storage.
- 3/ Any commercial good other than goods in a duty free shop stored in customs bonded warehouse shall undergo customs procedures and be removed within four months from the date of storage. The period under which goods stored in a duty free shop have to undergo customs procedures shall be determined by a regulations issued by the Council of Ministers.
- 4/ Any machinery, equipment and input to be used for producing goods for domestic consumption and stored in custom bonded warehouse shall undergo customs formalities and be removed within one year from the date of storage.
- 5/ Goods owned by a person who is permitted to use bonded warehouse but mistakenly stored in temporary customs storage shall, within 15 days, be transferred to the bonded warehouse.
- 6/ Goods stored in temporary customs storage or bonded warehouse may not be kept for more than 7 working days after the completion of customs formalities.
- 7/ Goods stored in temporary customs storage or bonded warehouse and not removed within the time limit specified in sub-article (1), (2), (3), (4) and (5) of this Article shall be transferred to government customs warehouse.
- 8/ If the owner of goods transferred to government customs warehouse pursuant to sub-article (7) of this Article settles unpaid taxes and duties and other costs payable prior to their disposal, he shall have the right to take the goods within seven days from the date of such payment.
- 9/ Where the permit granted for a temporary customs storage or bonded warehouse is cancelled before the expiry of the time limit prescribed for storage of goods, the goods shall be transferred to another temporary customs storage or bonded warehouse for the remaining time of storage.
- 10/ Any expense for transferring goods to another customs warehouse pursuant to sub-article (7) of this Article shall be covered by the owner of the storage whose permit has been cancelled.
- 11/ The Authority may, for good cause, allow extension of the time limit provided for in this Article.



- b) ascertain the type, quality and origin of goods for valuation purpose;
  - c) satisfy a court or police order requiring the presentation of sample for inspection;
  - d) ascertain the price indicated on the invoice is actually related to the specified item;
  - e) other purposes determined by the Director General of the Authority.
- 2/ Goods removed as sample shall be returned in the same quantity and condition as soon as the purpose for which they are taken out is fulfilled; provided, however, that where it is not possible to return them due to their nature or due to their being used for analysis, it shall be presumed as they are warehoused for the purpose of assessment of duties, taxes and other charges.

**56. Customs Control on Customs Warehouses**

- 1/ Any customs warehouse and goods deposited in the warehouse shall be under customs control.
- 2/ No person, other than authorized by the Authority, may enter a customs warehouse.
- 3/ customs control on customs warehouse and goods deposited in customs warehouse shall include any measure taken to ascertain the following:
- a) the registration and periodical reporting, in accordance with the manner specified by the Authority, of goods stored in and cleared from a customs warehouse;
  - b) the transfer of goods referred to in sub-article (4) of Article 52 of this Proclamation to government customs warehouse;
  - c) the segregation of goods stored in a customs warehouse on the basis of their type and nature to enable their safe storage and accessibility for customs control;
  - d) the customs warehouse is operated in accordance with the permit given with respect to it.

**57. Transfer of Goods to Government Customs Warehouse**

- 1/ The operator of a temporary customs storage where goods to be transferred to government customs warehouse in accordance with sub-article (4) of Article 52 of this Proclamation are stored shall transfer the goods to:
- a) government customs warehouse; or



- 2/ The Authority shall take and keep copies documents relating to the importation or exportation and carriage of the goods.

**59. Warehouse Fee**

- 1/ Warehouse fees shall be calculated as follows:
  - a) for goods stored in a temporary customs storage or bonded customs warehouse, established for rental use, from the date of deposit until released upon completion of customs procedures or their transfer to another customs warehouse;
  - b) for goods stored in government customs warehouse:
    - (1) if they are forfeited upon seizure due to contravention of the customs law or forfeited due to being abandoned by the owner, from the date of sales until the buyer takes delivery of them;
    - (2) if they are disposed otherwise than by sale or donation upon being seized and forfeited due to contravention of the customs law, from the date of deposit until disposal;
    - (3) if they are stored in the warehouse pursuant to sub-article (4) of Article 51 of this Proclamation, from the date of deposit until released upon completion of customs procedures or until the buyer takes delivery of them in case of sale.
- 2/ The rate of customs warehouse fees shall be determined by regulations of the Council of Ministers.
- 3/ Seized goods that could not be released against security shall be exempted from warehouse charge from the date of seizure until released by a final decision in accordance with this Proclamation. Such goods shall be removed from the warehouse within 60 days from the date the final decision for their release is rendered.
- 4/ If goods that could not be released against security are stored in a licensed customs warehouse, they shall be transferred and stored in government customs warehouse.

**60. Transfer of Ownership of Goods in Customs Warehouse**

- 1/ The Authority may permit transfer of ownership to another person while the goods are stored in customs warehouse.



**63. Procedures of Sale**

- 1/ Sale of goods in accordance with Article 61 or 62 of this Proclamation shall follow auction or open tender procedures or sale through a public enterprise.
- 2/ The Authority shall provide the buyer of goods sold pursuant to sub-article (1) of this Article with evidence that enable transfer of ownership.

**64. Proceeds of Sale and Cost of Disposal**

- 1/ The proceeds obtained from the sale of goods under sub-article 1(a) of Article 61 or sub-article 1(a) of Article 62 of this Proclamation shall, after deducting expenses incurred by the Authority in relation to the goods, be paid to the Government.
- 2/ The proceeds obtained from the sale of goods under sub-article 2(a) of Article 62 of this Proclamation shall, after deducting:
  - a) duties and taxes;
  - b) expenses incurred by the Authority in relation to the goods;
  - c) the warehouse fee and transportation expenses; and
  - d) interest calculated at bank lending rate on the amounts referred to under paragraphs (a), (b) and (c) of this Article;in the preceding order be paid to the owner of the goods.
- 3/ If the amount of refund referred to in sub-article (2) of this Article is not claimed by the owner of the goods within six months from the date of sale of the goods, it shall be surrendered to the Government.
- 4/ The Authority shall have the right to claim reimbursement of the costs of disposal of goods under sub-article 1(b) or 2(b) of Article 62 or sub-article 1(b) of Article 63 of this Proclamation from the owner of the goods or from the offender, as the case may be.

**CHAPTER NINE**  
**CUSTOMS PROCEDURE FOR INWARD**  
**OR OUTWARD PROCESSING**

**65. Inward Processing**

- 1/ The authorization of temporary importation of goods for manufacturing or processing and the exportation of compensating products resulting thereof shall be governed by the provisions of the Export Trade Duty Incentive Schemes.
- 2/ Goods may be temporarily imported for repair at home.
- 3/ Goods temporarily imported pursuant to sub-article (2) of this Article shall be re-exported within six months from the date of their importation; provided, however, that the Authority may authorize the extension of such period where necessary.

**66. Outward Processing**

- 1/ Goods may, upon authorization by the Authority in accordance with directives of the Ministry, be temporarily exported for manufacturing or processing abroad.
- 2/ Goods may, upon authorization by the Authority after ascertaining that they cannot be repaired at home, be temporarily exported for repairing abroad.
- 3/ Compensating products resulting from the manufacturing, processing or repair of goods temporarily exported pursuant to sub-article (1) or (2) of this Article shall be re-imported within a year from the date of the temporary export of the goods; provided, however, that the Authority may authorize the extension of such period where necessary.
- 4/ Notwithstanding the provisions of sub-article (3) of this Article, the outward processing may be terminated by declaring the goods for outright exportation subject to compliance with the conditions and formalities applicable to the exportation of goods.

**67. Duties and Taxes**

- 1/ The temporary export of goods for outward processing shall be exempt for payment of duties and taxes; provided, however, that the duty and tax applicable to the goods together with penalties determined by directives of the Ministry shall be payable if the compensating products are not re-imported in accordance with sub-article (3) of Article 66 of this Proclamation.



- 2/ Without prejudice to provisions of other laws, the exportation or importation of compensating products shall be subject to the payment of duties and taxes applicable to such goods.
- 3/ The method of calculation of duties and taxes payable under sub-article (1) of this Article shall be prescribed by directives of the Ministry; provided, however, that the duties and taxes relating to compensating products resulting from repairing shall be calculated on the basis of cost of the repair.
- 4/ Notwithstanding sub-article (1) of this Article goods temporarily imported or exported for inward or outward processing shall be re-exported or re-imported with exemption from duties and taxes if they are returned in the same state or after being repaired free of charge.

## **CHAPTER TEN**

### **CUSTOMS PROCEDURE FOR PROCESSING OF IMPORTED GOODS FOR HOME USE UNDER CUSTOMS CONTROL**

#### **68. Authorization to Use the Procedure**

- 1/ The Authority may authorize the processing of imported goods, under customs control, before clearance for home use if:
  - a) the operation allows to ascertain that the products resulting from the processing of goods for home use have been obtained from the imported goods; and
  - b) the original state of the goods cannot be economically recovered after the processing.
- 2/ The Authority may grant to a person who carries out regular processing of imported goods for home use, under customs control, general authorization covering his operations.
- 3/ The categories of goods to which the provisions of sub-articles (1) and (2) of this Article may be applied, the requirements to be fulfilled to grant authorization and the measure constituting the customs control shall be specified by directives to be issued by the Authority.
- 4/ The conditions of authorization of processing of imported goods for home use, under customs control, by a person other than the importer of the goods shall be prescribed by directives to be issued by the Authority.

**69. Payment of Duties and Taxes**

The products obtained from the processing of imported goods, before clearance for home use, under customs control, shall be liable to the import duties and taxes payable on the raw materials as an input for such products before sale for domestic consumption.

**70. Termination of the Procedure**

- 1/ The customs procedure authorized under Article 69 of this Proclamation shall terminate where the raw materials imported under customs control are cleared for home use upon payment of the applicable duties and taxes in accordance with Article 70 of this Proclamation.
- 2/ Notwithstanding the provisions of sub-article (1) of this Article, the customs procedure authorized under Article 69 of this Proclamation shall terminate where the Authority, on the basis of justifiable grounds, authorize the placing of the raw materials imported under another customs procedure, subject to compliance with the conditions and formalities applicable to the later procedure.

**CHAPTER ELEVEN**

**CUSTOMS PROCEDURE FOR TEMPORARY IMPORTATION  
OR EXPORTATION AND RE-IMPORTATION OR  
RE-EXPORTATION OF GOODS**

**71. Temporary Importation**

- 1/ Goods necessary for trade promotion, technology transfer, tourism and cultural exchange, construction works, consultancy services or relief may temporarily be imported, upon the authorization of the Authority and upon furnishing security, without payment of duties and taxes subject to their re-export at the completion of such tasks; provided, however, that spare parts and other consumable goods shall not be temporarily imported.
- 2/ The Ministry may, by directive determine conditions other than those stated under sub article (1) of this Article under which temporary importation of goods without payment of duties and taxes may be permitted.
- 3/ Temporary importation pursuant to sub-article (1) or (2) of this Article may also be granted for goods already placed under another customs procedure.
- 4/ It is prohibited to use goods imported on temporary basis other than the purpose for which they are imported; provided, however, that they shall be allowed to undergo operations necessary for their preservation during their stay in the customs territory.

- 5/ The Authority may permit the transfer of temporarily imported goods for construction works or consultancy services, within the authorized period, to other duty free right holders with respect to similar goods.
- 6/ Duties and taxes shall be paid on the depreciated values of temporarily imported goods upon their re-exportation based on the tariff currently applicable.
- 7/ Any person who transfers temporarily imported goods to another person in accordance with sub article (5) of this Article shall have the obligation to pay duties and taxes on the depreciated value of the goods calculated for the period from the date of importation until the date of transfer.
- 8/ The project owner where temporarily imported goods, without payment of duties and taxes, are deployed shall inform the authority, in writing, the completion of the project, prior to settlement of final payments, or any period of extension of the project.
- 9/ The conditions under which temporarily imported goods may be allowed to remain at home and the manner of payment of duties and taxes shall be determined by the directive to be issued by Ministry.

**72. Refusal of Authorization**

- 1/ The Authority may refuse to authorize the use of temporary importation procedure where it is impossible to identify the goods.
- 2/ Notwithstanding the provisions of sub-article (1) of this Article, the Authority may authorize the use of temporary importation procedure where, in view of the nature of the goods or of the operations to be carried out, the absence of identification measures is not liable to give rise to any abuse of the procedure.

**73. Time Limit for Temporarily Imported Goods to Stay at Home**

- 1/ Imported goods for tourism, cultural exchange or technology transfer shall be re-exported within six months.
- 2/ Imported goods for trade promotion and welfare services shall be re-exported within two months from the date of completion of the trade promotion or welfare service.
- 3/ Imported goods for construction works, consultancy services, welfare services or as per a project agreement shall be re-exported within the period specified in the project agreement or within three months after the completion of the project or welfare services

- 4/ The Authority may extend the time limit where the importer proves on acceptable ground that the goods imported temporarily cannot be re-exported within the specified time.
- 5/ The security provided for temporarily imported goods shall be transferred to the government treasury and the goods may, upon the completion of the appropriate customs formalities, remain in the country or be re-exported, if the goods are not re-exported within two months after the completion of the specified period, unless the period is extended in accordance with sub-article (4) of this Article.
- 6/ When temporarily imported goods cannot be re-exported as a result of a seizure other than a seizure made at the suit of private persons, the requirement of re-exportation shall be suspended for the duration of the seizure.

**74. Total or Partial Relief for Temporary Admission**

The Ministry may determine the conditions under which the temporary admission procedure may be used with partial or total relief from import duties.

**75. Temporary Export and Re-importation of Goods**

- 1/ Goods exported temporarily by completing customs formalities for the following reasons may be allowed to re-enter the country without payment of duties and taxes:
  - a) vehicles, equipment and machinery taken out by a person for the purpose of carrying out his work abroad;
  - b) goods exported for trade fair, exhibition or cultural show.
- 2/ Goods may be eligible for exemption from duties only if returned from abroad within one year, unless a longer period is specified in a directive issued by the Ministry.

**76. Re-exportation and Re - importation of Goods**

- 1/ Goods imported and declared for home use that are not prohibited or the entrance of which is not contrary to the customs law may be re-exported at the request of the importer before completing customs formalities upon payment of 5% of the duties and taxes to be paid on the goods.
- 2/ Exported domestic goods that have been returned within one year because of their failure to meet the quality standards specified by the contract of sale or business relation that has been the basis for their export shall be relieved from duties and

taxes; provided, however, that duties and taxes not paid on the raw materials as per the provisions of the Export Trade Incentive Proclamation shall be paid.

- 3/ The period specified in sub-article (2) of this Article may be extended at the request of the interested party on justifiable grounds.

**77. Termination of the Procedure**

The temporary importation or exportation procedure may be terminated by declaring the goods for outright importation or exportation of the goods subject to compliance with the conditions and formalities applicable to the importation or the exportation of goods, as the case may be.

**CHAPTER TWELVE**

**COMPLETION OF CUSTOMS PROCEDURE THROUGH  
ELECTRONIC INFORMATION EXCHANGE SYSTEM**

**78. General**

- 1/ Any person who is authorized to use the electronic information exchange system developed by the Authority may, electronically:
  - a) process and submit reports on the arrival or departure of a means of transport and travellers taken on board or goods loaded;
  - b) complete customs formalities;
  - c) effect payments; and
  - d) receive order of release of goods.
- 2/ The use of the electronics information exchange system under sub-article (1) of this Article includes the presentation of supporting documents electronically.
- 3/ The Authority shall facilitate the use of its electronic information exchange system by the relevant government agencies and financial institutions to enable the provision of single window service with respect to the importation and exportation of goods.

**79. Registration of Users**

Any person interested to secure authorization to use the electronic exchange system of the Authority shall be registered with the Authority upon:



- 2/ Notwithstanding the provisions of sub-article (1) of this Article, the user shall perform the usual customs procedures electronically when the electronic system works.

**83. Suspension of Use Right and Cancellation of Registration**

- 1/ Where any user of the Authority's electronics information exchange system fails to comply with the terms of the agreement entered with the Authority, his use right shall be suspended until he rectifies the irregularities within the period specified by the Authority.
- 2/ The Authority may cancel the registration of a user of the electronics information exchange system where:
  - a) it is proved that the registration was based on false information submitted by the user;
  - b) the user fails to rectify the irregularities caused the suspension with the time specified pursuant to sub-article (1) of this Article;
  - c) the user has been convicted for an offence committed in violation customs law or a breach of trust; or
  - d) the business of the user ceases operation for any reason.
- 3/ The Authority shall, before taking an action of suspension of use right or cancellation or registration under this Article, it shall notify the user, in writing, the reasons for taking the action and give him the opportunity to present his opinion.

**CHAPTER THIRTEEN**

**SIMPLIFIED CUSTOMS PROCEDURE**

**84. Authorized Persons**

- 1/ The application of simplified customs procedure shall be allowed for selected and registered persons upon fulfilling criteria specified by the Authority.
- 2/ The Authority shall give special consideration to exporters and manufacturers in setting the criteria for the selection of authorized persons.

**85. Simplified Procedure for Goods Declaration**

Simplified procedure for goods declaration may include the following:





- 3/ The dutiable value for export goods shall be the actual total costs of the goods up to the final exit point from the customs territory of Ethiopia.
- 4/ The Authority shall issue directives on the manner of application of the valuation methods stipulated in this Proclamation, and to prescribe other methods to be applicable in the case where the methods stipulated under this Proclamation could not be applied and be applicable in the case of second hand goods
- 5/ The Authority shall organize a data base that enables him to determine the duties and taxes of imported goods based on this Proclamation, where the duties and taxes cannot be determined based on transaction value.

**90. Transaction Value**

- 1/ The transaction value of imported goods shall be the transaction value that is actually paid or payable for the goods when sold for export to Ethiopia, and adjusted where necessary, as set forth in Article 97 of this Proclamation; provided, however, that:
  - a) there are no restrictions as to the disposal or use of the goods by the buyer, other than restrictions imposed by law or by particular decisions issued based on such law, a limit in the geographical area in which the goods may be resold or limits that may not substantially affect the value of the goods;
  - b) the sale or price of the goods is not subject to some conditions or restrictions for which a value cannot be determined;
  - c) no part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer may accrue directly or indirectly to the seller,
  - d) where the buyer and seller are related, the transaction value shall be considered as the basis for valuation of duty if it is accepted by the Authority.
- 2/ A buyer and a seller shall be deemed to be related only if:
  - a) one of them is an officer or director of the other's business;
  - b) they are legally recognized partners in business;
  - c) they have employer-employee relationship;
  - d) one of them directly or indirectly owns, controls or holds 5 percent or more of the outstanding voting stocks or shares of the other's business;
  - e) one of them directly or indirectly controls the other;
  - f) both of them are directly or indirectly controlled by a third party;

- g) both of them directly or indirectly control a third party;
  - h) they are related by consanguinity or affinity up to the second degree.
- 3/ Where an examination of the circumstances surrounding a sale between a buyer and a seller who are related shows that the relationship did not influence the price, the transaction value shall be accepted.
  - 4/ Where there are grounds for considering that the relationship of the seller and the buyer influenced the price, the Authority shall communicate same to the importer.
  - 5/ The transaction value of goods in case of a sale between related persons shall be acceptable where the importer can prove that such value closely approximates to:
    - a) the transaction value in sales, between buyers and sellers who are not related, of identical or similar goods for export to Ethiopia during the same period;
    - b) the transaction value of identical or similar goods as determined under Article 93 of this Proclamation; or
    - c) the transaction value of identical or similar goods as determined under Article 94 of this Proclamation.
  - 6/ In applying the tests under sub-article (5) of this Article, due account shall be taken of demonstrated differences in commercial levels, quantity levels the appropriate amount determined pursuant to Article 96 of this Proclamation and costs incurred by the seller in sales in which he and the buyer are not related and where such costs are not incurred by the seller in sales in which he and the buyer are related.
  - 7/ The tests set forth under sub-article (5) of this Article shall only be used at the initiative of the importer for comparison purpose.

## **91. Valuation of Identical Goods**

- 1/ Where the transaction value of imported goods cannot be determined on the basis of Article 90 of this Proclamation, it shall be determined by taking the transaction value of identical goods sold for export to Ethiopia at the same commercial level and in substantially the same quantity at or about the same time as the goods being valued.
- 2/ Where it is impossible to determine the transaction value in accordance with sub-article (1) of this Article, the transaction value of identical goods sold at a different commercial level or in different quantities by making adjustments to take account of differences attributable to the commercial level or to the quantity.

- 3/ Where the transaction value includes costs referred to in Article sub-article (1) of Article 96 of this Proclamation, the adjustment shall take into account the differences in transport, loading, unloading, handling and insurance costs associated with the transport of the imported goods and that of the identical goods to the port of entry into the customs territory which may arise from differences in distance and means of transport.

**92. Valuation of Similar Goods**

- 1/ Where the transaction value of imported goods cannot be determined on the basis of Articles 90 and 91 of this Proclamation, it shall be determined by taking the transaction value of similar goods sold for export to Ethiopia at the same commercial level and in substantially the same quantity at or about the same time as the goods being valued.
- 2/ Where it is impossible to determine the transaction value in accordance with sub-article (1) of this Article, the transaction value of similar goods sold at a different commercial level or in different quantities by making adjustments to take account of differences attributable to the commercial level or to the quantity.
- 3/ Where the transaction value includes costs referred to in sub-article (1) of Article 96 of this Proclamation, the adjustment shall take into account the differences in transport, loading, unloading, handling and insurance costs associated with the transport of the imported goods and that of the identical goods to the port of entry into the customs territory which may arise from differences in distance and means of transport.

**93. Deductive Value Method**

- 1/ Where the transaction value of imported goods cannot be determined as set forth in Articles 90 to 92 of this Proclamation, it shall be determined by using the unit price of the imported goods, identical or similar goods imported at or about the same time as the goods being valued and which are sold in Ethiopia in their original state in the greatest aggregate quantity to persons who are not related to the seller; provided, however, that the price shall be reduced by:
  - a) the amount of commission usually payable or the profit and general expense equal to that usually reflected in sales within Ethiopia of such goods;
  - b) the usual charges for the transport, insurance and other related costs to be incurred within Ethiopia for the goods; and
  - c) import duties, taxes and other charges payable with respect to the goods.

- 2/ In case where the imported goods, identical or similar imported goods are not sold in Ethiopia at or about the same time, as the goods being valued, the customs value to be determined under sub-article (1) of this Article shall be based on the unit price of the identical or similar imported goods which are sold in Ethiopia in their original state within a period having a time difference not longer than 90 days.
- 3/ In case where the imported goods and identical or similar imported goods are not sold in their original state, the transaction value to be determined under sub-article (1) of this Article shall be calculated by deducting the additional value resulting from the subsequent processing of the goods.

**94. Computed Value Method**

- 1/ Where the transaction value of imported goods cannot be determined as set forth in Articles 90 to 93 of this Proclamation, it shall be based on a computed value, consisting of the sum of:
  - a) the cost of manufacturing or processing of the goods;
  - b) an amount representing the general expenses and profit equal to that usually reflected in the sale of goods of the same class or kind by producers in the country of export; and
  - c) the transport, loading, unloading, handling and insurance costs associated with the transport of the goods to the port of entry into the customs territory of Ethiopia.
- 2/ In verifying, with the consent of the manufacturer, data necessary for determining customs value pursuant to the provisions of this Article, the relevant government body of the manufacturer's country shall be informed in advance and shall be ascertained that it does not object such verification.

**95. Fallback Method**

- 1/ Where the transaction value of imported goods cannot be determined under the provisions of Articles 90 to 94 of this Proclamation, it shall be determined based on the data available in Ethiopia and using equitable methods consistent with the general principles embodied in the provisions of this Proclamation.
- 2/ The importer shall, when it so requests, be informed, in writing, of the transaction value determined under the provisions of sub-article (1) of this Article and the method used thereto.

**96. Costs to be Included in Transaction Value**

- 1/ In determining the customs value of imported goods in accordance with Article 90 of this Proclamation, the following costs shall be added to the price actually paid or payable for the imported goods:
  - a) expenses incurred by the buyer, and not included in the price actually paid or payable for the goods, in respect of:
    - (1) commission and brokerage charges except buying commission;
    - (2) the cost of packages which are treated as integral part, for customs purposes, of the goods;
    - (3) the cost of packing, whether for labor or materials;
    - (4) the transport, loading, unloading, handling and insurance costs associated with the transport of the goods to the port of entry into the customs territory;
    - (5) notwithstanding the provisions of sub-article 1(a)(4) of this Article where goods are transported by air, one-third of cost paid for air transport;
  - b) the cost, apportioned as appropriate and where supplied directly or indirectly by the buyer free of charge or at reduced costs for use in the production and sale for export of the imported goods, to the extent that such cost has not been included in the price actually paid or payable, materials, components and similar items, tools, dyes, moulds, casts and similar items, materials consumed in the production of the imported goods and engineering development, art work, design work and plans and sketches undertaken outside Ethiopia and necessary for the production of the imported goods;
  - c) royalties for intellectual property rights and license fees related to the goods that the buyer is required to pay, either directly or indirectly, as a condition of sale of the goods, to the extent that such royalties and license fees are not included in the price actually paid or payable;
  - d) the value of any part of the proceeds of any subsequent resale, disposal or use of the goods that accrues directly or indirectly to the seller.
- 2/ Additions to the price actually paid or payable shall be made under this Article only on the basis of objective and quantifiable data.
- 3/ No additions shall be made to the price actually paid or payable in determining the customs value, except as provided in this Article. Such payments may be

made directly or indirectly by a letter of credit or any other legally acceptable means of payment.

**97. Charges not to be Included in Transaction Value**

- 1/ Provided that they are shown separately from the price actually paid or payable, the following shall not be included in the transaction value:
  - a) charges for construction, upgrading, erection, maintenance or technical assistance, which have been undertaken or are to be undertaken after the importation of industrial plants, machinery or equipment;
  - b) charges for the transport of goods after their introduction into the customs territory;
  - c) charges for interest under a financial arrangement entered into by the buyer and relating to the purchase of imported goods;
  - d) buying commissions;
  - e) duties, taxes and other charges paid in Ethiopia related to importation of the goods.
- 2/ In determining the transaction value, the following shall not be added to the price actually paid or payable:
  - a) charges for the right to reproduce the imported goods;
  - b) payments made by the buyer for the right to distribute or resell the imported goods if such payment is not a condition of the sale for export to Ethiopia.

**98. Deduction from Transaction Value**

The following shall be deducted from the transaction value of imported goods:

- 1/ costs for damages in routes;
- 2/ costs for damages in customs warehouse;
- 3/ the value of dangerous goods destroyed or disposed otherwise.

**99. Production of Additional Information and Evidence**

- 1/ Where the Authority has reason to doubt the accuracy of particulars of a declaration or of documents produced in support of a declaration, it may require the declarant to produce further information or evidence that shows the declared

transaction value represents the amount actually paid or payable for the imported goods.

- 2/ Where the Authority, after receiving further information still has reasonable doubts about the accuracy of the declared value or in the absence of a response by the declarant, it may be deemed that the dutiable value of the imported goods cannot be determined under the provisions of Article 90 of this Proclamation; and the reason for such decision shall be provided in writing to the declarant.

**100. Other Conditions in which Valuation Methods be Applicable**

The valuation methods of dutiable stipulated by the provisions of this Part shall also be applicable to:

- 1/ goods that have been released from customs control without paying duties and taxes undergo another customs procedure to pay duties and taxes;
- 2/ goods which may undergo post customs clearance audit.
- 3/ the valuation of non-commercial imported goods and temporarily imported goods.

**101. Exchange Rate**

The customs value of imported or exported goods shall be calculated on the basis of the official exchange rate declared by the National Bank of Ethiopia on the day the goods declaration has been registered.

**CHAPTER TWO**

**TARRIF CLASSIFICATION**

**102. Principles**

- 1/ Duties on goods imported into the customs territory shall be paid at the rates specified by the Customs Tariff Regulations.
- 2/ Where classification of goods and drawing up of goods declaration becomes difficult due to a consignment containing goods falling under different tariff classifications, the Ministry may, at the request of the person presenting the declaration, allow that the customs duty for the entire consignment be charged on the basis of the tariff classification of the goods which are subject to the highest rate of customs duty.
- 3/ Documents prepared by the World Customs Organization in relation to classification of goods shall be taken as conclusive evidence.

**103. Binding Information Regarding Tariff Classification**

- 1/ At the request of an importer or his agent, the Authority shall issue binding information in respect of the classification of goods.
- 2/ The person using information referred to under sub-article (1) of this Article shall be able to prove that the goods declared correspond in every respect to those described in the information previously provided by him to get the binding information.
- 3/ Binding information regarding tariff classification shall become invalid:
  - a) where it is based on inaccurate or incomplete information supplied by the applicant;
  - b) where regulations or directives have been changed, and the information no longer conforms to the applicable regulations or directives;
  - c) where the binding information was not provided by the competent person;
  - d) where the information has been annulled or revoked, and the holder of the information has been notified of such annulment or revocation.
- 4/ When the situations referred to in sub-article 3(b) of this Article occur, the information shall become invalid as of the date such regulations or directives become effective.

**CHAPTER THREE**

**ORIGIN OF GOODS**

**104. Determination of Country of Origin**

- 1/ Where two or more countries are involved in the production of a product, the origin of the product shall be the country in which the last substantial manufacturing or transformation process of economic value took place; provided, however, that such process was carried out in a plant equipped for this purpose and led to a substantial transformation of the product or the creation of a new product altogether.
- 2/ For the purpose of sub-article (1) of this Article, the criteria for determining origin, shall be the following:
  - a) change of tariff classification;
  - b) the ad valorem percentage criterion; and



- c) the criterion of manufacturing or processing operation.
- 3/ Working or processing methods because of which the products obtained tariff classification other than that covering the various non-originating materials used shall be regarded as complete process referred to in sub-article (1) of this Article.
- 4/ Any processing or working the sole object of which is to circumvent the rules of origin, provided for under this Proclamation, shall not be deemed authentic.

**105. Conditions not Considered when Determining Country of Origin**

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

- 1/ operations carried out to insure that the goods are preserved in good condition during transport or storage;
- 2/ operations carried out to facilitate transportation of goods;
- 3/ operations carried out to package or prepare goods for sale;
- 4/ simple operations on goods such as ventilation, spreading out, drying, cooling, removal of damaged parts, greasing or rust removal, adding a coat of paint to protect against natural elements, washing, cleaning, sifting or screening, sorting or classifying, scaling, testing or calibration, packaging or breaking up of assembled packages or repackaging, dividing the bulks, affixing marks, labels or other distinguishing signs on the packages of goods, dilution by water or any other aqueous solution, ionization, salting, peeling, crushing, removal of seeds from fruits and slaughtering of animals;
- 5/ simple assembly of parts to constitute a complete product;
- 6/ any combination of the above.

**106. Production of Documents**

- 1/ The Authority may, for the purpose of applying customs law, order the production of documents that show the origin of goods.
- 2/ Where the Authority has doubts as to the authenticity of documents produced pursuant to sub-article (1) of this Article, it may require any additional proof in respect of the origin of goods.

**107 Origin Marking**

- 1/ The name of the country of origin of imported goods shall be affixed, in English, on each good and the package thereof in a manner that such marking cannot be easily deleted, removed or altered.
- 2/ Goods that do not meet the requirements under sub-article (1) of this Article shall be returned to the exporting country.
- 3/ The provisions of sub-articles (1) and (2) of this Article shall not apply to personal effects not destined for commercial use.
- 4/ The Authority shall by a directive specify the manner under which the rules of origin markings are to be applied.

**108. Rules of Preferential Origin of Goods**

The rules on preferential origin of goods shall be determined in accordance with rules of origin contained in international, regional or bilateral agreements providing for reduction or relief from duties taxes.

**CHAPTER FOUR**

**PAYMENT OF CUSTOMS DUTIES,  
TAXES AND SERVICE CHARGES**

**109. Obligation to Pay Customs Duties and Taxes**

Unless otherwise provided by law or treaty or decided by the Government, duties and taxes shall be payable for any imported or exported goods.

**110. Liability for Payment of Customs Duties and Taxes**

- 1/ The declarant shall be liable for payment of the duties and taxes imposed on the goods as well as penalties and interests incurred due to default hereof.
- 2/ Where a customs clearing agent commits fault resulting in non-payment of duties and taxes, he shall be jointly and severally liable with the declarant for payment of the unpaid duties and taxes as well as penalties and interests incurred due to default hereof.

**111. Applicable Dates for Assessment and Payment of Customs Duties and Taxes**

- 1/ Unless otherwise provided by this Proclamation or any other law, the duties and taxes on import or export goods shall be assessed on the basis of the law in force on the date of acceptance of the goods declaration or the date of correction under Article 93 of this Proclamation.
- 2/ Where it is not possible to determine the date of lodging or acceptance of the goods declaration, the duties and taxes shall be assessed on the basis of the law in force on the date determined by the Authority.
- 3/ Unless the amount of the duties and taxes indicated on the goods declaration is different from the amount obtained through calculation, the declarant shall pay the duties and taxes immediately when informed of such amount by the customs officer.

**112. Assessment of Customs Duties and Taxes on the Basis of Advance Information**

- 1/ Duties and taxes may be assessed on the basis of advance information submitted to the Authority by the declarant before the goods enter the customs port.
- 2/ The duties and taxes assessed on the basis of advance information submitted to the Authority in accordance with sub-article (1) of this Article shall remain valid, even if the amount of duties and taxes is greater than the amount obtained from the assessment made after the goods enter the customs port.
- 3/ The assessment of duties and taxes made pursuant to this Article shall not be valid unless the goods enter the customs port within three months.

**113. Correction of Errors**

Where the Authority finds an error in the assessment of tax and duties, it shall take the necessary measure to correct the error without prejudice to the legal liability of the person causing the error.

**114. Mode of Payment**

Payment of duties and taxes shall be in cash or any other legal means of payment.

**115. Service Charges**

The service charges to be collected by the Authority for services it renders in connection with customs formalities shall be determined by regulations to be issued by the Council of Ministers.

**CHAPTER FIVE**

**SECURITIES TO GUARANTEE PAYMENT  
OF CUSTOMS DUTIES AND TAXES**

**116. Furnishing of Security**

The Authority may require the provision of security to guarantee the payment of duties and taxes or compliance with the requirements related to a duty and tax exemption privilege.

**117. Conditions for Requiring Security**

Without prejudice to the generality of Article 116 of this Proclamation and other provisions requiring the furnishing of security, the Authority may require the furnishing of security for the following reasons:

- 1/ to release goods without the completion of customs formalities when additional time is required to produce complete documents necessary for the completion of customs Procedures;
- 2/ to ensure the re-exportation of goods imported on temporary basis without payment of duties and taxes or , in case of default, to ensure the payment of the duties and taxes;
- 3/ to ensure that transit goods exit through the approved customs route or arrive at the predetermined customs point of destination;
- 4/ to ensure the exportation of compensating products obtained from goods imported without payment of duties and taxes for inward processing or , in case of default, to ensure the payment of the duties and taxes;
- 5/ to release goods without payment of taxes and duties until the dispute between the importer and the Authority on classification or valuation of the goods imported are resolved;
- 6/ to ensure payment of taxes and duties where deferred payment is allowed.

**118. Form of Security**

- 1/ Where a security is required to be furnished pursuant to this Proclamation, such security shall be by cash deposit, bank guarantee, insurance bond or in case of public bodies a written undertaking.
- 2/ The Authority shall require only one security to be furnished in respect of one payment of duties and taxes and service charges; provided, however, that at the request of the debtor, the Authority may permit comprehensive security to be furnished to cover payments arising from two or more customs operations.
- 3/ The Authority may authorize the furnishing of the security by a person other than the debtor.
- 4/ Any person required to furnish a security shall be allowed to choose any form of security prescribed under this Proclamation; provided, however, that the Authority may reject such security where it is incompatible with the applicable customs procedure.

**119. Rights and Obligations Related to Security**

- 1/ The Authority may require that the type of security chosen be maintained for a specified period.
- 2/ Any security shall be extinguished upon the full settlement of the debt. The Authority shall, when requested, issue evidence showing the extinction of the secured debt.
- 3/ Where the debtor fails to discharge his obligations, the guarantor shall immediately effect the payment.
- 4/ The guarantor and the debtor shall be jointly and severally liable for the secured amount of debt, including interests and costs incurred.
- 5/ Where the guarantor fails to effect payment in accordance with sub-article (3) of this Article, the Authority may apply the procedure prescribed under the Income Tax Proclamation to seize the property of the debtor or the guarantor for the payment of the debt.

**120. Amount of Security**

- 1/ The amount of security to be furnished pursuant to the provisions of this Proclamation shall not be less than the amount of duties, taxes and service charges where such amount can be established with certainty at the time when the security is furnished.

- 2/ in cases, where the amount of duties, taxes and service charges cannot be established with certainty, the amount of security shall be equal to the maximum amount estimated by the Authority.
- 3/ Where it is found that the security furnished does not cover the debt due to any cause, the debtor shall furnish additional security or replace the original security with a new one.

## **CHAPTER SIX**

### **POST CLEARANCE AUDIT, DIFFERED PAYMENT AND REFUND OF DUTIES AND TAXES**

#### **121. Post-clearance Audit**

- 1/ The Authority may, after the release of goods, undertake post-clearance audit to verify the accuracy of goods declarations through the examination of the books, records, business systems and other relevant customs commercial data held by persons directly or indirectly involved in the import or export of the goods.
- 2/ The Authority's post-clearance audit may be carried out at the premises of the Authority or the premises of the person who is directly or indirectly involved in the business operations of the import or export of the goods or at the premises of any other person in possession of the data and documents subject to the inspection.
- 3/ The findings of post-clearance audit, if it reveals that the provisions governing customs formalities have been breached, entails civil or criminal liability or both.
- 4/ Post clearance audit under this Article may be carried out only within five years from the date a goods declaration has been accepted.
- 5/ Post Clearance Auditors shall have the same power as customs officers as prescribed under this proclamation.

#### **122. Deferred Payment**

- 1/ Where the post-clearance audit reveals that the duty and tax is not paid or paid in a lesser amount, the Authority may collect the outstanding amount from the declarant within five years from the date of default of such payment.
- 2/ Where the payment was deferred due to the fault of the declarant, a penalty of 10% and bank interest thereof shall be paid in addition to the duties and taxes.

- 3/ The amount of interest to be paid under sub-article (2) of this Article shall be calculated at the highest current lending interest rate applied by commercial banks.
- 4/ Notwithstanding the provisions of sub article (2) of this Article, the Authority may exonerate the declarant from penalty except the payment of the duties and taxes with interest where the declarant discloses and consents to pay the deferred amount following the written notification of the audit schedule of the Authority.
- 5/ Where the person responsible for the payment of the deferred amount of the duties and taxes so requests, on sufficient grounds, the Authority may allow the payment to be effected on instalment basis together with interest thereon.
- 6/ The seizure procedure prescribed under the Income Tax Proclamation in force shall be applicable to the property of a debtor who has failed to settle the payment of duties and taxes together with the penalty and interest claimed under this Article.

**123. Refund of Overcharged Duties and Taxes**

- 1/ Refund of duties and taxes shall be granted if the duties and taxes are overcharged as a result of incorrect commodity classification, tariff setting, valuation or other calculation mistakes.
- 2/ Claims for refund of duties and taxes under sub-article (1) of this Article shall be considered only if it is submitted within one year after the goods are imported or exported upon completion of customs formalities.

**124. Refund of Duties and Taxes for Invalidated Goods Declaration**

- 1/ Duties and taxes shall be refunded where:
  - a) a goods declaration is cancelled and duties and taxes have been paid; and
  - b) an application is submitted by the person concerned within the prescribed period for submission of the application for invalidation of the goods declaration.
- 2/ Notwithstanding the provision of sub - Article (1) of this Article, where there is another appropriate customs procedure requiring the payment of taxes and duties on the same goods, such procedure shall be accomplished instead of refunding taxes and duties.

**125. Refund of Duties and Taxes for Deteriorated, Spoiled, Damaged, Destroyed or Short-landed Goods**

- 1/ The duties and taxes which have been paid in respect of goods which have been deteriorated, spoiled, damaged or destroyed during voyage or while under customs control or short-landed shall be refunded proportionately.
- 2/ The duties and taxes which have been paid in respect of goods which have been short-landed, when compared with the quantity specified in the contract entered by the importer with the seller, shall be refunded.
- 3/ No refund of duties and taxes shall be granted under sub article (1) or (2) of this Article unless the claim is presented within twelve months from the date of payment of the duties and taxes.

**126. Remission of Duties and Taxes**

- 1/ Without prejudice to sub-article (1) of Article 125 the duties and taxes payable in respect of goods which has been damaged or destroyed during voyage or while under customs control shall be remitted.
- 2/ If the tax is remitted in accordance with sub-article (1) of this Article due to the reason that the goods are damaged, the Authority shall dispose or re-export such goods at the expense of the importer.

**127. Recovery of Duties and Taxes Refunded or Remitted by Error**

Any amount of duties and taxes refunded or remitted by error shall be recovered by the Authority.

**128. Set off**

The Authority may set off any refund claim against any amount of duties and taxes owed by the claimant.



**CHAPTER SEVEN**  
**DUTY AND TAX EXEMPTIONS**

**129. Granting Duty and Tax Exemptions**

Duty and Tax exemptions with respect to import and export goods may be granted by the law, international agreement to which Ethiopia is a party or by directives to be issued by the Ministry.

**130. Duty and Tax Exempted Imports**

- 1/ It is prohibited to transfer duty and tax exempted imported goods to a person who is not enjoying similar privileges or use them for a purpose other than which the duty free privilege is granted or place them under the possession and service of others, before payment of the duties and taxes applicable to them.
- 2/ Any duty and tax exempted imported goods may be re-exported or transferred to a person who enjoys similar privilege without payment of duties and taxes or transferred to any person upon payment of the duties and taxes. The duties and taxes shall be calculated at the value of the goods and tariff rates prevailing during the time of disposal.
- 3/ Where duty and tax exempted imported goods are lost or damaged the importer shall forthwith report to the Authority.
- 4/ Any person who enjoys duty and tax exemptions privilege for investment purpose shall be required to produce a clearance document from the Authority prior to the transfer of duty and tax exempted imported goods to other persons or the return of his investment permit.
- 5/ The concerned licensing or registry office shall have the obligation to ascertain the fulfilment of the conditions stated under sub-article (4) of this Article and to inform the Authority in case of conditions that require follow up.
- 6/ Duty and tax exempted goods can only be given as security if an agreement is reached with the Authority as to the payment of duties and taxes.
- 7/ Government bodies that are registering title to property shall indicate in the title deed that the goods are duty and tax exempt and ensure that the duty and taxes are paid before registering transfer of title.

## **PART FIVE**

### **OBLIGATIONS RELATED TO CUSTOMS OPERATIONS**

#### **131. Obligations of Carrier**

- 1/ Without prejudice to the provisions of Chapter Six of Part Three of this Proclamation, any carrier shall:
  - a) only use authorized customs routes for arrival and departure of the means of transport, for loading and unloading of goods, and for embarkation and disembarkation of travellers;
  - b) refrain from embarking or disembarking travellers or loading or unloading cargos in the absence of customs officer unless authorized by the Authority;
  - c) not allow any unauthorized person to approach to the means of transport;
  - d) provide information regarding inflammable or dangerous goods, before they are discharged;
  - e) provide detailed information regarding the goods loaded, passengers, and goods to be retained on board to the customs officer before the arrival of the carrier;
  - f) If the carrier is to be delayed after permit is granted to depart shall report the same immediately to the customs officer.
- 2/ Notwithstanding the provisions of sub-article 1(a) of this Article, the carrier may, in case of force majeure, land or stop the means of transport at any place other than a customs port; provided, however, that he shall immediately report the incident to the nearest customs office or, in the absence of customs office, to the local administration office.

#### **132. Obligations of Customs Warehouse Permit Holder**

Any customs warehouse permit holder shall:

- 1/ maintain offices, equipments, technological devices and staff necessary for customs operation;
- 2/ keep registration book in accordance with directives issued by the Authority for the goods deposited in and removed from the warehouse, and report to the authority from time to time;
- 3/ segregate goods on the basis of their type and nature for the purpose of their safe storage and convenience for control;

- 4/ provide proper reply to queries made by customs officer and cooperate for inspection and investigation;
- 5/ ensure that no goods are deposited in or removed from the warehouse without the permission of the Authority;
- 6/ secure renewal of his customs warehouse license within the specified time;
- 7/ prohibit unauthorized persons from entering the customs warehouse;
- 8/ store goods requiring quarantine examinations, as soon as they are discharged from the means of transport, in a separate zone until completion of the quarantine examination;
- 9/ pay duties and taxes with respect to goods lost or damaged due to improper handling;
- 10/ where delivery of goods intended to be deposited in the warehouse has not been effected, report immediately to the Authority the non-receipt of the goods into the warehouse;
- 11/ in case of temporary customs storage:
  - a) release goods from the storage upon the completion of customs formalities;
  - b) report to the Authority the list of those goods deposited for more than the time specified under this Proclamation and transfer them to government customs warehouse;
- 12/ in case of bonded customs warehouse, furnish security to cover the duties and taxes in a situation where the goods are not used for the authorized purpose.

**133. Obligation to Provide Information**

- 1/ Any person who has information about untaxed or less taxed goods in contravention of customs law or about prohibited, restricted or contraband goods shall immediately inform the nearest customs office or law enforcement body.
- 2/ The information supplied and the identity of the informant shall not be disclosed.
- 3/ Where the information supplied to the Authority or other law enforcement body pursuant to sub-article (1) of this Article leads to seizure of the goods, all persons that have provided information and support shall be rewarded in accordance with directives issued by the Ministry.

**134. Retaining Information**

- 1/ Any person who is responsible to pay duties and taxes and thus possesses any documents or information necessary for customs formalities shall retain them for a period of five years.
- 2/ The period referred to in sub-article (1) of this Article shall count down from the day on which:
  - a) goods imported for home use are released for free circulation upon the completion of customs formalities;
  - b) a goods declaration is accepted for export goods;
  - c) customs formalities are completed in case of goods imported temporarily on duty free basis.

**135. Duty to Cooperate**

- 1/ Any person shall have the duty to cooperate with employees assigned by the Authority in discharging their official duties efficiently.
- 2/ Federal and regional state organs shall cooperate with the Authority in the fight against contraband.
- 3/ Where the Authority, in the fight against contraband, encounters circumstances which are beyond its control, it may discharge its duties in collaboration with the federal and regional law enforcement organs.
- 4/ Any law enforcement body shall, upon request, assist a customs officer in discharging his duty properly.
- 5/ The bodies referred to in this Article may use appropriate and proportional force to stop an illegal activity.

**PART SIX**

**CUSTOMS CONTROL AND LAW ENFORCEMENT**

**CHAPTER ONE**

**CUSTOMS CONTROL**

**136. Purpose of Customs Control**

The purpose of customs control shall be:

- 1/ to ensure that duties and taxes are properly collected;
- 2/ to prevent, investigate and take appropriate action against breaches of customs law.

**137. Application of Customs Control**

In taking customs control measures, any customs officer shall confine himself to the forms and extent of measures sufficient for ensuring the observance of customs law.

**138. Customs Control on Import, Export and Transit Goods**

- 1/ The following goods shall be placed under customs control:
  - a) goods imported for home consumption, from the time of their arrival at customs port until the completion of customs formalities and they are released;
  - b) goods deposited in bonded customs warehouse, from the time they are deposited until they are released for their authorized purpose;
  - c) export goods, from the time they entered customs port until the completion of customs formalities and be exported;
  - d) goods in transit, from the time their movement is allowed until they reach their destination;
  - e) goods found without owner, abandoned, forfeited or contraband goods until their disposal.
- 2/ No person may, without prior authorization of the Authority, enter a place in which goods, put under customs control in accordance with sub-article (1) of this Article, are deposited, or open or do any acts on such goods.

**139. Customs Border Control**

- 1/ Customs frontier strip and customs crossing shall be used for border crossing or transport of goods only by persons entitled to such activities on the basis of laws or international agreements.
- 2/ Persons having real property within customs frontier strip shall be entitled to transport goods necessary for their living and work on their property as well as other things stipulated by international agreements.
- 3/ Doctors, veterinarians, other medical staff and rescue workers residing within customs frontier strip may carry instruments and medications needed for their

activities through frontier crossings when approved by the pertinent government body.

**140. Customs Ports and Transit Routes**

- 1/ Import, export and transit goods shall enter or exit through prescribed customs ports or customs crossings and be transported through prescribed routes.
- 2/ Customs ports, customs crossings and transit routes shall be determined by public notice to be issued by the Authority.

**141. Measures Taken Under Customs Control**

- 1/ The Authority may, in accordance with conditions laid down by the provisions in force, take any measure it deems necessary to ensure the completion of customs formalities.
- 2/ Unless otherwise provided by this Proclamation, the Authority shall ensure that goods remain the same in kind, form, quality and in any other respect from their introduction into the customs territory until the completion of customs formalities.
- 3/ Measures to be taken under customs control shall include:
  - a) examining, surveillance and safeguarding of goods at customs port, customs station, customs warehouse, transit route or any other place determined by the Authority;
  - b) re-examination of import or export goods based on information and risk management;
  - c) certification of exit of export goods;
  - d) affixing of customs seals, issuance and verifying of customs documents;
  - e) taking samples, prospectus, photos and other data for the purpose of ascertaining non-alteration in the kind and state of goods;
  - f) examining luggage and other goods carried by travelers.
- 4/ Exit certificate of export goods shall be issued pursuant to sub-article 3(c) of this Article only when the information from the customs officer at the end of the customs checkpoint reach the Authority through its automated information network or delivered in writing through other communication media.

**CHAPTER TWO**  
**LAW ENFORCEMENT**

**142. Power to Search**

- 1/ Where a customs officer has sufficient information or reasonable suspicion to believe the existence of goods in respect of which a customs offence has been committed, he shall have the power to undertake search by stopping any means of transport carrying such goods or by entering into any place where the goods are stored and to seize the goods and the means of transport pursuant to sub-article 1(a) of Article 143 of this Proclamation.
- 2/ A customs officer shall, while conducting search pursuant to sub-article (1) of this Article, have the power to remove packages or to open locked goods, except where such goods are sealed by the order of a court.
- 3/ A customs officer may stop and search any person when he has reasonable grounds to suspect that he has concealed goods in respect of which a customs offence has been committed.
- 4/ A physical search of a person shall only be conducted by a person of the same sex.
- 5/ A physical search of a person shall be conducted in a polite manner without humiliating the searched person, endangering his health or causing damage to his property and within the limits required for detecting the goods concealed.
- 6/ When a customs officer has reasonable grounds to believe that internal search is necessary, the search shall be conducted by a qualified medical professional and without any risk to the person being searched.
- 7/ The customs officer shall obtain court authorization prior to conducting internal search on any person; provided, however, that if the person refuses to submit for internal search authorized by court, it shall be presumed that he has concealed the suspected goods.
- 8/ Any customs officer shall wear uniform while conducting search and show his identity card to the person concerned prior to commencement of the search.
- 9/ A customs officer may use the police force where, upon requesting the concerned person, he is denied to conduct search pursuant to the provisions of this Article.
- 10/ A customs officer may for good reason re-examine goods released after completing customs procedures.

**143. Power to Seize Goods and Means of Transport**

- 1/ The Authority may seize goods and means of transport where:
  - a) they are liable to forfeiture pursuant to Article 147 of this Proclamation;  
or
  - b) they are needed as evidence in the later procedure.
- 2/ Where an act of contravention of customs law relates only to part of a consignment, the Authority shall release the goods for which customs declaration has been submitted and seize only that part the consignment which relates to the contravention.
- 3/ When the Authority takes a measure of seizure pursuant to this Article, it shall furnish the person concerned with a document showing:
  - a) the description and quantity of the goods or means of transport seized; and
  - b) the reason for the seizure and the nature of the act of contravention of the customs law.
- 4/ Where the owner or person responsible for the seized goods or means of transport is unknown, the Authority shall summon such person through a newspaper notice or by a notice posted at a conspicuous place in the vicinity of the customs station where the goods or the means of transport are seized.

**144. Powers to Open and Examine Postal Goods**

- 1/ A customs officer may, for the purpose of enforcing the customs law, open and examine postal goods in the presence of the owner of the goods or his agent or a representative of the post office.
- 2/ When the examination under sub-article (1) of this Article reveals goods in respect of which contravention of the customs law has been committed, the provisions of Article 143 of this Proclamation shall be applicable.
- 3/ For the purpose of sub-article (1) of this Article, the term “owner” means the consignee for import goods or sender for export goods.

**145. Release of Seized Goods and Means of Transport against Security**

The Authority may release goods or means of transport seized pursuant to Article 143 of this Proclamation against adequate security where:

- 1/ the goods are not subject to any prohibitions or restrictions or needed as evidence at later stage in the procedure; or



- 2/ the means of transport have not been constructed, altered or fitted with a compartment for the purpose of concealing goods or not needed as evidence in the court of law at later stage in the procedure; or
- 3/ the goods are not subject to forfeiture.

**146. Power to Examine and Seize Documents**

- 1/ The Authority shall have the power to:
  - a) examine and take copies of documents under the possession of any person in connection with the enforcement of the customs law;
  - b) examine any document related to import or export goods where it has sufficient grounds to suspect that customs offence has been committed with respect to such goods;
  - c) seize documents examined pursuant to this sub-article where they are needed as evidence in later procedure.
- 2/ Where the documents referred to in sub-article 1(c) of this Article are stored in an electronic device and the person possessing them is unwilling to process and produce them in the required form, the Authority may seize the electronic device containing the documents.

**147. Forfeiture of Goods and Means of Transport**

- 1/ The following goods ~~and means of transport~~ shall be forfeited to the Government:
  - a) contraband imports or exports or dutiable goods found concealed in any manner;
  - b) if the value of goods that are concealed is more than 50% of the total declared value of goods imported or exported, goods concealed;
  - c) prohibited imports or prohibited exports put any means of transport or brought in customs station for the purpose of export;
  - d) restricted goods imported without obtaining authorization from the concerned organ and not re-exported within the period specified under sub-article (3) of Article 156 of this Proclamation;
  - e) goods in respect of which bulk is broken, moved, altered or interfered by the owner while they are under customs control and without authorization by the Authority;
  - f) if the owner of the goods does not appear or lodge petition within 30 days after having been served with summon in accordance with sub-article (4) of Article 143.

- 2/ The forfeiture of goods under sub-article (1) of this Article shall extend to the package or wrapper of the goods.
- 3/ Any means of transport used to carry goods liable to forfeiture under sub-article (1) of this Article shall be forfeited to the Government if:
  - a) the means of transport is constructed, adopted or fitted with a compartment to conceal goods;
  - b) the owner of the means of transport, being aware of the fact, fails to take appropriate measure to prevent or stop the commission of the act; or
  - c) if the owner of the means of transport fail to appear after being summoned pursuant to sub article (4) of Article 143.
- 4/ If the goods or the means of transport subject to forfeiture under this Article was released against security pursuant to the provisions of Article 145 of this Proclamation, the security furnished shall be forfeited to the Government.
- 5/ The forfeiture of goods or means of transport under this Article shall not affect the rights of third parties who have in good faith acquired ownership of the goods or means of transport.
- 6/ The Authority shall, prior to the forfeiture of any goods or means of transport pursuant to this Article, give the owner of the goods or the means of transport the opportunity to present his objection within 30 days from the date he has been notified of the measure of seizure in accordance with sub-article (3) or (4) of Article 143 of this Proclamation.
- 7/ If the owner of the goods or means of transport fails to lodge his objection within the time limit specified under sub-article (6) of this Article or his objection, upon examination by the Authority, is rejected, the forfeiture of the goods, means of transport or the security furnished shall become effective.
- 8/ If the objection lodged by the owner of the goods or means of transport pursuant to sub-article (6) of this Article is accepted, the Authority shall forthwith release the goods, means of transport or the security furnished.
- 9/ The forfeiture of the goods, means of transport or the security furnished under this Article shall not preclude the institution of criminal proceedings, based on the findings of the investigation conducted pursuant to Article 149 of this Proclamation.

**148. Power to Impose and Execute Administrative Penalties**

- 1/ The Authority shall have the power to impose and execute fines on persons committed customs offences in accordance with the provisions of Chapter One of Part Seven of this Proclamation.
- 2/ The penalty imposed by the Authority pursuant to sub-article (1) of this Article shall be executed by holding the release of the goods which are related to the offence until the fine is paid; provided, however, that in case the value of the goods is not sufficient to settle the fine, the Authority may seize the property of the importer in accordance with the Income Tax Proclamation to execute the penalty.

**149. Power to Investigate and Prosecute Customs Offences**

- 1/ The Authority shall have the power to investigate and prosecute offences committed in violation of the customs law.
- 2/ The Authority shall, in investigating and prosecuting customs offence pursuant to sub-article (1) of this Article, have the powers and duties of the Police and the Public Prosecutor provided for under the Criminal Procedure Code.
- 3/ The Authority may, without court warrant, conduct a search at any place where there is sufficient ground to suspect an evidence relating to a customs offence may be concealed or lost within a short period of time.
- 4/ Evidence produced by search conducted pursuant to sub article (3) of this Article shall be admissible in courts of law.

**150. Decision not to Institute Criminal Charges**

Notwithstanding the provisions of sub-article (9) of Article 147 of this Proclamation, the Director General of the Authority may decide that criminal charges not to be instituted where:

- 1/ the alleged offender cannot follow the proceedings due to old age or chronic disease;
- 2/ it is believed that the proceeding of the case in court will harm national security or international relations;
- 3/ instituting proceedings may cause an unbalanced side effect;
- 4/ the charge has not been instituted in time and thus has lost its relevance;
- 5/ there are other similar reasons.

**151. Powers and Duties of the Ethiopian Federal Police Commission**

The Ethiopian Federal Police Commission shall, with respect to the enforcement of customs law:

- 1/ combat contraband activities; seize contraband goods and hand over them to the Authority;
- 2/ accompany customs transit goods and transport vehicles;
- 3/ where requested by a customs officer, provide the necessary support in the discharge of his duties;
- 4/ use appropriate and proportional force to control any act of obstruction in conducting search by a customs officer;
- 5/ guard institutions of the Authority, customs stations and government customs warehouses, which require protection;
- 6/ guard national frontier check points through which illicit goods may cross border.
- 7/ apprehend criminal suspects and bring them to justice;
- 8/ cause the appearance of prosecutor's witnesses before the court of law

**CHAPTER THREE**

**COMPLAINTS AND APPEALS**

**152. Establishment of Complaint Review Sections**

The Authority shall establish complaint review sections at the levels of its branch offices and at its head office.

**153. Powers and Duties of Complaint Review Sections**

- 1/ The Authority's branch offices complaint review sections shall have the powers and duties to review and decide on complaints lodged against:
  - a) decisions on the origin, valuation, description and tariff classification of goods;
  - b) decisions given following post clearance audit under this Proclamation;
  - c) other administrative decisions given in respect of customs formalities excluding decisions referred to in paragraph (b) and (c) of sub-article (2) of this Article.

- 2/ The complaint review section of the Authority established at the head office shall have the powers and duties to:
  - a) review and decide on appeals against decisions given under sub-article (1) of this Article;
  - b) review rejection of objections to the forfeiture of goods or means of transport lodged pursuant to sub-article (6) Article 147 of this Proclamation and submit recommendations to the Director General of the Authority or any other officer delegated by him; and
  - c) review administrative penalties imposed pursuant to Article 148 of this Proclamation and submit recommendations to the Director General of the Authority or any other officer delegated by him.

#### **154. Complaint Handling Procedures**

- 1/ A complaint or an appeal to be lodged to any complaint review sections pursuant to Article 153 of this Proclamation shall be submitted in writing within 15 days from the date of the written decision causing the grievance.
- 2/ A complaint or an appeal to be lodged under sub-article (1) of this Article may be signed and submitted by the aggrieved person or his agent.
- 3/ Any complaint review section shall review and decide on a complaint submitted to it and communicate its decision in writing to the complainant, within a period specified by directives of the Authority.
- 4/ Any complaint review section shall, if totally or partly rejects a complaint submitted to it, state in its decision the complainant's right to lodge an appeal pursuant to the provisions of this Proclamation.

#### **155. Appeal Procedures**

- 1/ Any person who is aggrieved by the decision of the Authority's complaint review section or the Director General of the Authority or the officer delegated by him may lodge an appeal to the Tax Appeal Commission established under the Income Tax Proclamation within 30 days from the date such decision.
- 2/ If the appeal is with respect to payment of duties and taxes, the Tax Appeal Commission shall not admit lodging of the appeal unless the disputed duties and taxes are paid.
- 3/ Any party dissatisfied with the decision of the Tax Appeal Commission on the ground of error of law may appeal to the Federal High Court within 30 days from the date of such decision.

- 4/ Without prejudice to sub-article (2) and (3) of this Article, the provisions of the Income Tax Proclamation relating to appeal procedures shall also be applicable to appeals lodged pursuant to this Article.

**PART SEVEN**  
**CUSTOMS OFFENCES AND PENALTIES**

**CHAPTER ONE**  
**CUSTOMS OFFENCES AND ADMINISTRATIVE PENALTIES**

**156. Failure to Comply with Restrictions on Import and Export of Goods**

- 1/ Any person who, without having authorization, imports, exports or tries to export restricted goods and fails to obtain such authorization from the concerned organ within 30 days shall be punishable with fine not less than Birr 10,000 and not exceeding Birr 50,000.
- 2/ Any traveller who is found in possession of goods which exceed, in quantity or value, the limits specified by law or directives of the Ministry shall, without prejudice to settlement of the duty and tax payable, be punishable with fine equivalent to twice the amount of such duty and tax.
- 3/ Where the imposition of penalty under sub-article (1) of this Article relates to import, the goods shall be re-exported by the importer within 30 days from the expiry of the period allowed for obtaining authorization from the concerned organ, and in the case of goods destined for export, they shall be prevented from being exported.

**157. Causing Evasion or Understatement of Duties and Taxes**

- 1/ Any person who causes the importation or exportation of goods or attempts to export such goods, without payment of duty and tax or with the payment of understated duty and tax, by not entering or correctly stating them in a declaration submitted for completing customs formalities shall, without prejudice to settlement of the duty and tax payable, be punishable with fine equivalent to twice the amount of such duty and tax.
- 2/ Notwithstanding the provisions of sub-article (1) of this Article, if the remaining duties and taxes payable are not more than 10% of the total duty and tax payable, the importer shall pay the remaining duties and taxes without the penalty.

**158. Opening of Parcels and Removal of Marks**

Any person, who, without being authorized by the appropriate customs officer:

- 1/ removes or disconnects the customs seals affixed on a means of transport or container of goods;
- 2/ removes, defaces, cancel or alter labels affixed on goods or their package; or
- 3/ opens packages or breaks bundles of goods;

during transit or arrival at customs port shall, be punishable with fine not less than Birr 10,000 and not exceeding Birr 50,000.

**159. Failure to Return Samples**

Any person who fails to return samples of goods or who uses or damages them shall, without prejudice to the payment of the value of the goods and duty and tax payable on the goods, be punishable with fine equivalent to twice the amount of such duty and tax.

**160. Failure to Comply with Obligations of Carrier**

1/ Any carrier who:

- a) fails to submit travelers or cargo manifest within the specified time;
- b) gives access to any unauthorized person to the means of transport; or
- c) delays the departure of the means of transport from the customs port without notifying and getting permission from the customs officer;

shall be punishable with fine not less than Birr 2,000 and not exceeding Birr 5,000.

2/ Any carrier who loads, unloads or attempts to load or unload goods in the absence of customs officer shall be punishable with fine not less than Birr 7,000 and not exceeding Birr 10,000.

**161. Failure to Comply with Warehouse Permit Conditions**

Any warehouse permit holder who fails to comply with permit conditions under this Proclamation shall, without prejudice to any additional administrative measure that may taken in accordance with directives issued pursuant to sub-article (3) of Article 178 of this Proclamation, be punishable with fine not less than Birr 50,000 and not exceeding Birr 100,000.

**162. Failure to Observe Customs Transit Procedures**

Any person who engages in the transit of goods and fails to observe the customs procedure applicable to the transit of goods shall be punishable with fine not less than Birr 5,000 and not exceeding Birr 20,000.

**163. Misuse of Duty Free Goods**

1/ Any person who, contrary to the provisions of this Proclamation:

- a) uses duty free goods or goods imported on the basis of reduced rate of duty and tax for purposes other than which the duty relief is granted or transfers them to another person;
- b) places duty free goods or goods imported on the basis of reduced rate of duty and tax for personal use under the service or possession of other persons outside of his family; or
- c) knowingly or ought to have been aware of the fact that the goods are imported duty free or on the basis of reduced rate of duty and tax, buys, receives, uses, transfers or places such goods under the services of others;

shall, without prejudice to settlement of the duty and tax payable assuming that the goods are imported at the time of seizure, be punishable with fine equivalent to 50% of the amount of such duty and tax.

2/ For the purpose of sub-article 1(b) of this Article, the term “family” includes only the spouse, children and parents of the beneficiary.

**164. Misuse of Temporarily Imported Goods**

Any Person who, contrary to the provisions of this Proclamation, uses goods temporarily imported without payment of duties and taxes, shall be punishable with fine equivalent to 50% of the duties and taxes payable without affecting the forfeiture of the guarantee, and the of the goods shall be re-export.

**165. Other Offences**

Any person who, through failure to comply with prohibitions or obligations prescribed under this Proclamation, commits any offence other than those specified under this Chapter and Chapter Two of this Part shall be punishable with fine not exceeding Birr 10,000.



**CHAPTER TWO**  
**CUSTOMS CRIMINAL OFFENCES AND PENALTIES**

**166. Abuse of Power**

Subject to the provisions of sub-articles (2) and (3) of Article 407 of the Criminal Code any customs officer or a member of the Federal Police or a person collaborating in the business of the Authority, with intent to inflict damage to person, to obtain for himself or to injure the right or interest of another or negligently:

- 1/ lags in providing services, seize goods or retard their customs clearance, disrupt the voyage of a means of transportation or commit other similar offences;
- 2/ misuses his official position or the power proper to his office, whether by a positive act or by a culpable omission;
- 3/ exceeds the power which is officially vested in him; or
- 4/ performs official acts when he is not, or no longer, qualified to do so, especially in the case or in consequence of incompetence, suspension, transfer, removal from office or its cessation;

shall be punishable with rigorous imprisonment not less than three years and not exceeding 10 years.

**167. Soliciting of Corrupt Practices**

- 1/ Any person who bribes a customs officer or police officer, or solicits the offer or acceptance of such bribe, with intent to induce him to perform or omit an act in violation of customs law shall be punishable with rigorous imprisonment not less than seven years and not exceeding 15 years and with fine not less than Birr 50,000 and not exceeding Birr 100,000.
- 2/ Any person who has committed an offence specified under sub-article (1) of this Article may not be prosecuted where he reports to the concerned body the commission of the offence with tangible evidence before the goods are released from customs.

**168. Obstruction of Customs Control**

- 1/ Any person who obstructs or hinders the duties of a customs officer in the investigation of documents or the inspection of a means of transport or goods, prohibits him from entering a warehouse, a business premise or a dwelling house, refuses to reply to the inquiries of the customs officer, resists to co-operate for

investigation or interferes by any means so as to obstruct the duties of the customs officer shall be punishable with simple imprisonment not less than six months and not exceeding one year and with fine not less than Birr 5,000 and not exceeding Birr 10,000.

- 2/ Where the offence referred to in sub-article (1) of this Article is committed by the use of force or by an organized group the imprisonment shall extend from one to five years rigorous imprisonment.

#### **169. Falsifying and Counterfeiting Documents and Symbols**

Any person who:

- 1/ with intent to cause damage to the Authority or to procure undue advantage for himself or for any other person, falsifies or counterfeit forms, seal, identity cards, emblem, customs seals or any other document or symbol or distributes, uses or attempts to use same shall be punishable with rigorous imprisonment not less than five years and not exceeding 10 years and with fine not less than Birr 5,000 and not exceeding Birr 10,000;
- 2/ with intent to procure undue advantage for himself or for any other person or to cause damage to another person, counterfeits uniforms used by the Authority or distributes uses or attempts to use same shall be punishable with rigorous imprisonment not less than three years and not exceeding five years and with fine not less than Birr 5,000 and not exceeding Birr 10,000.

#### **170. Contraband**

- 1/ Any person who, knowingly or ought to have been aware of the fact, imports, exports or attempts to export prohibited or restricted goods or goods subject to customs clearance by smuggling or out of their legal route or illegally imports duly exported goods, in contravention of customs law shall be punishable with rigorous imprisonment not less than five years and not exceeding 10 years and with fine not less than Birr 50,000 and not exceeding Birr 200,000.
- 2/ Any person who transports, stores, possesses, offers for sale or buys goods referred to in sub-article (1) of this Article while being or ought to have been aware of the fact shall be punishable with rigorous imprisonment not less than three years and not exceeding five years and with fine not less than Birr 50,000 and not exceeding Birr 100,000.
- 3/ Where the criminal offence referred to in sub-article (1) of this Article is committed by the use of force or by an organized group, the rigorous imprisonment shall extend from 10 to 15 years.

- 4/ For the purpose of this Article goods seized within the customs frontiers strip to be illegally exported shall be considered as contraband goods.

**171. Crime of Fraudulent Acts**

- 1/ Any person who, knowingly or ought to have been aware of the fact, imports or exports or attempts to **import or** export prohibited goods under the cover of legally declared goods shall be punishable with rigorous imprisonment not less than five years and not exceeding 10 years and with fine not less than Birr 50,000 not exceeding 200,000.
- 2/ Any person who attempts to illegally import or export goods shall be punishable with rigorous imprisonment of not less than five years and not exceeding ten years, and fine not less than Birr 50,000 and not exceeding Birr 100,000 where the value of the goods concealed is more than 50% of the total declared value of the goods.

**172. Crime Committed by Opening of Parcels and Removal of Marks**

- 1/ Where the offence referred to in Article 158 of this Proclamation is committed with the intent to remove, mix up, damage or steal the goods or in any manner to procure undue advantage to himself or another person or to cause damage to any person, the punishment shall be rigorous imprisonment not less than five years and not exceeding 10 years and fine not less than Birr 50,000 and not exceeding Birr 200,000.
- 2/ Where the offence referred to in sub-article (1) of this Article is committed by the use of force or by an organized group the rigorous imprisonment shall extend from ten to fifteen years.

**173. Criminal Offence by Carrier**

Any carrier who, in the absence of force majeure, unloads, loads or attempts to unload or load import or export goods at a place other than a customs port shall be punishable with rigorous imprisonment not less than five years and not exceeding 10 years and with fine not less than Birr 7,000 and not exceeding Birr 15,000.

**174. Unauthorized Use of Electronic Information Exchange System**

Any person who uses or allows another person to use the Authority's electronic information exchange system without authorization of the Authority shall be punishable with rigorous imprisonment not less than three years and not exceeding five years and with fine not less than Birr 5,000 and not exceeding Birr 20,000.

**175. Punishment Applicable to Legal Persons**

A legal person which participates in the commission of customs criminal offence in this Chapter as provided in Article 34 of the Criminal Code shall be punishable in accordance with Article 90 of the Code.

**176. Admissibility of Evidence**

Without prejudice to admissibility of evidences presented in accordance with the Criminal Procedure Code and other relevant legislations, the following shall be admissible evidences:

- 1/ digital or electronic evidences;
- 2/ evidence gathered by foreign law enforcement bodies;
- 3/ evidence gathered by the Authority through the process of customs control and law enforcement;
- 4/ documents prepared by the World Customs Organizations in relation to classification of goods.

**PART EIGHT**

**MISCELLANIOUS PROVISIONS**

**177. Establishment and Types of Customs Warehouses**

- 1/ Temporary customs storages and bonded custom warehouses may be established for rental or private use upon obtaining permits granted by the Authority.
- 2/ Public temporary customs storage or public bonded customs warehouse may be established, for rental use, by:
  - a) an enterprise engaged in freight transport;
  - b) an enterprise established to operate warehouse service;
  - c) an enterprise established to provide industrial zone services;
  - d) an enterprise established to operate customs clearing services; or
  - e) any other person specified by directives of the Authority.
- 3/ Private temporary customs storage may be established, for private use, by:
  - a) a contractor engaged in a government project; or

- b) any other person exceptionally authorized by the Authority.
- 4/ Private bonded customs warehouse may be established, for private use, by:
  - a) an enterprise engaged in the sale of duty free goods;
  - b) a charity or other non-profit making organization;
  - c) an enterprise engaged in the manufacturing of goods using raw materials and accessories acquired without payment of duty and tax; or
  - d) any other person specified by directives of the Authority.
- 5/ Government customs warehouse shall be established and operated by the Authority.
- 6/ The standards of customs warehouses shall be determined by directives to be issued by the Authority.

**178. Customs Warehouse Permit**

- 1/ Any person applying for a permit to establish temporary customs storage or bonded customs warehouse, for rental use, shall submit his application to the Authority together with:
  - a) documents showing the specific activities of his business;
  - b) the license issued to operate the business;
  - c) certificate of registration where the applicant is an enterprise;
  - d) the building plan of the warehouse;
  - e) declaration of commitment to enter into an insurance contract for the warehouse and the goods to be stored in the warehouse;
  - f) documents showing that the warehouse is equipped with apparatus necessary for proper storage and safety;
  - g) his tax identification number; and
  - h) other documents specified by directives of the Authority.
- 2/ Any person applying for a permit to establish temporary customs storage or bonded customs warehouse, for private use, shall submit his application to the Authority together with documents specified by directives of the Authority.
- 3/ The validity period and conditions of renewal and revocation of custom warehouse permit shall be prescribed by directives to be issued by the Authority.

- 4/ The detailed conditions under which customs warehouse are established, utilization of such warehouse and the rate of customs warehouse permit issuance and renewal fees shall be determined by Council of Ministers Regulations.

**179. Accessibility of Information**

- 1/ The Authority shall make easily accessible to users customs laws and relevant information pertaining to tariff classifications and other matters relating to customs operations.
- 2/ The information referred to in sub-article (1) of this Article may be made accessible through publications and electronic information system, as may be appropriate.
- 3/ Where information made accessible pursuant to sub-article (2) of this Article is amended or changed, it shall be communicated to users in the same manner prior to its implementation.

**180. Publication and Distribution of Customs Forms**

- 1/ Forms necessary for the completion of customs formalities shall be prepared and published only by the Authority.
- 2/ No person may possess and distribute customs forms unless authorized by the Authority.

**181. Rights of Customs Officer**

Any customs officer:

- 1/ shall be entitled to the services of an advocate at the expense of the Authority or to be represented by the Authority's attorney in legal proceedings instituted against him in connection with any act committed in the course of properly discharging his official duties;
- 2/ shall not be held liable to pay compensation for any damage arising from any bona fide action taken under the provisions of this Proclamation.

**182. Power to Issue Regulations and Directives**

- 1/ The Council of Ministers may issue regulations necessary for the implementation of this Proclamation.
- 2/ The Authority may issue directives necessary for the implementation of this Proclamation and regulations issued pursuant to sub-article (1) of this Article.

**183. Repeal and the Applicability of other Laws**

- 1/ The Customs Proclamation No. 622/2009 is hereby repealed.
- 2/ No law, regulations, directives or practices shall, in so far as they are inconsistent with this Proclamation, have force or effect with respect to matters provided for by this Proclamation.
- 3/ Without prejudice to the provision of sub-article (2) of this Article, existing regulations and directives shall continue in force until replaced by new regulations and directives issued hereunder.

**184. Transitory Provisions**

Cases pending on the effective date of this Proclamation shall be disposed in accordance with the previous laws.

**185. Effective Date**

This Proclamation shall enter into force on the date of its publication in the Federal Negarit Gazeta.

Done at Addis Ababa, this \_\_\_\_ day of \_\_\_\_ 2014.

MULATU TESHOME (Dr.)  
PRESIDENT OF THE FEDERAL DEMOCRATIC  
REPUBLIC OF ETHIOPIA