

Chapter 11

Free zones and free warehouses

Article 124 (The Meaning of Duty Free Zones)

Duty free zones, free warehouses and duty free shops shall be a separate part of the customs territory of the State, in which non-Afghan goods are considered, for purposes of import duty and commercial policy measures, as not being on Afghan customs territory.

Afghan goods may enter such areas in accordance with the relevant procedure.

Article 125 (Free Zones Designation)

- (1) The Ministry of Finance shall be authorized to designate parts of the customs territory of the State as free zones and approve construction of any building in a free zone.
- (2) The geographical boundaries and the entry and exit points of each free zone and free warehouse shall be determined exactly by the Ministry of Finance. The holder of approval is obliged to wall off the related zone or warehouse.
- (3) The Ministry of Finance may authorize opening of duty free shops in the customs territory of the State for the sale of goods with exemption from import duty. The method of using free duty shops shall be regulated in the relevant procedures.

Article 126 (Customs Supervision in Free Zones)

- (1) Free zones, duty free shops, and free warehouses, and their borders and entry and exit points shall be subject to customs supervision and control.
- (2) Persons and means of transport entering or leaving a free zone or free warehouse shall be subjected to a customs inspection.
- (3) Persons who do not provide the security required by Customs legislation and procedures can not use free zones or free warehouses.

- (4) When goods enter or leave a free zone or free warehouse, a copy of the transport document shall accompany the goods and be provided to the customs.

Article 127(Conditions for Entrance and Exit of Goods)

- (1) Prohibited goods and goods that pose a threat to public safety or health shall not be admitted to duty free zones, free warehouses, and free shops.

- (2) Goods entering and exiting a duty free zone, free warehouse, or free shop shall first be presented to the customs, but the person responsible for goods need not

accompany them by a customs declaration unless the goods are placed into a customs process. The value of goods placed into a customs process shall be calculated in accordance with Article 24.

- (3) When goods enter a duty free zone, free warehouse, or free shop from another part of the customs territory of the State, Customs shall release the goods from a previous customs process, and place Afghan goods into the export process, unless otherwise provided in customs legislation:

- (4) The Customs debt on Afghan goods exiting the free zone free warehouse, or duty free shop into another part of the customs territory of the State shall be calculated in accordance with Article 119.

- (5) Goods may exit a duty free zone, free warehouse, or free shop for export from the customs territory of the State in accordance with the relevant procedures.

Article 128 (Customs Status of Goods in Duty Free Zones)

- (1) The customs may provide, on request of the person responsible for goods, a certificate stating the customs status of goods placed in a duty free zone, free warehouse, or free shop.

- (2) If the certificate, or other documents that prove the customs status of the goods, cannot be presented, the goods shall be considered to be Afghan goods, for the purposes of export from the customs territory of the State and Non-Afghan goods in case of entry into another part of the customs territory of the State.

Article 129 (Time Limits)

There shall be no limit to the length of time goods may remain in free zones free warehouses, or duty free shops, unless otherwise provided in the relevant procedures.

Article 130 (Authorized Activities)

- (1) Carrying out any industrial, commercial, or service activity shall, under the conditions laid down in Customs Legislation, be authorized in a free zone, warehouse or duty free shop without complying with the provision of Article 88.
- (2) All nationally enforced laws, including those for the protection of patents, trademarks, and copyright are applicable to free zones.
- (3) The customs may impose necessary prohibitions or restrictions on the activities referred to in paragraph 1, having regard to the nature of the goods concerned or to the needs of customs supervision.

Article 131 (Approved Registers)

All persons engaged in storing goods, or carrying on any activity under Article 130(1), in a duty free zone, free warehouse, or free shop, shall enter the goods in the stock records when received, and maintain the stock records in accordance with the orders of customs.

Article 132 (Tariff on Consumed and Missing Goods)

- (1) Goods consumed for daily needs or for maintaining or otherwise supporting the purposes of free zones, as provided in the relevant procedures, shall be regarded to be released

for free circulation and shall be subject to payment of customs duty.

- (2) Where goods disappear and when their disappearance cannot be explained to the satisfaction of the customs, the goods shall be regarded as having been consumed in the free zone, free warehouse, or free shop and Paragraph 1 shall be applied.

Article 133 (Abandonment or Destruction of Goods in Free Zones)

Customs may designate for abandonment, or destruction, under Article 134 of Non-Afghan goods placed in a free zone or free warehouse while they remain in a duty free zone, free warehouse or free shop.