**KOSOVO CUSTOMS**

Kosovo Customs was established in 1999 under UNMIK and became known as Kosovo Customs in December 2008. It has developed on the basis of EU standards and currently has about 600 employees. In addition to the collection of revenue from duties and taxes, Kosovo Customs protects society from the smuggling of drugs and other prohibited goods and enforces laws protecting society against the prejudicial effects of economic crimes and evasion of revenue collection.

Customs officers are primarily located at the frontier border crossings, airports and inland offices. If you are importing or exporting goods from other countries, you will come into contact with customs officers at one of the crossing points. They are there to protect the citizens of Kosovo and ensure that goods are safe and legal to enter the territory. Their duty is also to ensure that information contained on documents matches with the goods presented in person at the border. In addition, one of the main objectives of the customs officers is administration and collection of duties and taxes for all imported and exported goods. Kosovo customs currently collects most of the revenue received by the Government of Kosovo so Customs’ revenue collection function is very important.

## DECLARING IMPORTS AND EXPORTS: THE CUSTOMS DECLARATION

A “customs procedure” is the legal action to effect release of goods from “customs control”.  Customs control refers to the measures applied to ensure compliance with the laws and regulations of the Republic of Kosovo, pertaining to the importation, exportation or transit of goods.

Regardless of the customs procedure that a trader wishes to apply to a shipment, a customs goods declaration is required to be completed by an importer or exporter (or a duly authorized representative) and lodged with Kosovo Customs in order for a shipment to be released from customs control.

In preparing a customs goods declaration, the trader must first determine and declare which customs procedure is to be declared for further treatment of the goods.  Examples of customs procedures, which may be applied to a shipment of goods, include, among others, importation, exportation, transit, temporary importation, warehousing, transshipment, re-exportation, duty drawback, and inward processing.

**CUSTOMS DECLARATIONS**

A customs declaration or “***customs goods declaration” (CGD)*** means a statement made in the manner prescribed by Customs where the declarant indicates the customs procedure to be applied to the goods and provides all the specific information which Customs requires for the application of the requested procedure. Articles 105 to 143 of “Administrative Instruction No. 11/2009 Laying down provisions for the Implementation of the Customs Code” provide detailed information on declaration procedures.

When an importer or exporter (or duly authorized representative) lodges and signs a customs goods declaration, the importer, exporter and representative are responsible for:

* The accuracy of the information given in the declaration,
* The authenticity of the documents attached, and
* Compliance with all the obligations relating to the entry of the goods in question under the procedure declared.

Kosovo Customs has recently adopted the use of the ASYCUDA World IT system which will fully automate the submission of customs declarations. Where an importer or exporter uses electronic data-processing systems to produce customs declarations, Kosovo Customs may accept that the handwritten signature may be replaced by another identification technique, based on the use of codes.  This facility will be granted only if the technical and administrative conditions laid down by Customs are complied with, once a law pertaining to electronic signatures is in force in Kosovo.  Kosovo Customs may also provide that declarations produced using Customs electronic data-processing systems may be directly authenticated by those systems, in place of the manual or mechanical application of the Customs office stamp and the signature of the competent official.

Kosovo Customs may allow some of the particulars of a written goods declaration to be replaced by sending these particulars to the Customs office designated for that purpose by electronic means, where appropriate in coded form.

Normally, ***a customs goods declaration*** may be lodged at any Customs office in Kosovo, regardless of where the goods are presented to Customs.  However, in certain cases lodgment of the declaration must be at a designated office due to specific modes of transport or specific methods of control, depending on the type of customs procedure.

A declaration may be lodged at any time, including before the imported goods arrive in Kosovo.  Kosovo Customs may authorize the declaration to be lodged before the importer or exporter is in a position to actually present the goods to Customs.  In this case, Customs may set a time limit, to be determined according to the circumstances, for presentation of the goods.  If the goods have not been presented within this time limit, the declaration will be considered not to have been lodged.

Customs goods declarations must normally be lodged with a Kosovo Customs office during the days and hours appointed for business.  However, Customs may, at the request of the importer or exporter, and at the expense of the importer or exporter, authorize the declaration to be lodged outside the appointed days and hours.  Special service charges may be applied for this service outside normal office hours, and will be applied to recover the extra costs associated with delivery of the service.

The date of acceptance of the customs declaration will be noted on the declaration itself, or on the electronic declaration file.

Customs may allow or require corrections to the date provided on a customs declaration to be made by the lodging of a new declaration intended to replace the original declaration. In that event, the relevant date for determination of any duties payable and for the application of any other provisions governing the Customs procedure in question will be the date of the acceptance of the original declaration.

The importer or exporter may request authorization to amend one or more of the particulars of the declaration after the declaration has been accepted by Customs. The amendment will not have the effect of rendering the declaration applicable to goods other than those it originally covered.

However, no amendment will be permitted where authorization is requested after Kosovo Customs have:

* Informed the declarant that they intend to examine the goods; or,
* Established that the particulars in question are incorrect; or,
* Released the goods.

## VOLUNTARY COMPLIANCE

Modern customs administration is based on the principle of voluntary compliance, supported by simplified reporting requirements, Customs’ communication, both internal and external, and intensive client information programs.  Facilitation initiatives can streamline the processing of commercial imports and exports by placing greater responsibility on businesses for self-assessment and voluntary compliance.

For self-assessment and voluntary compliance to succeed, Kosovo Customs is providing the means for businesses to achieve these objectives.  Kosovo Customs now is operating a modern computer system, ASYCUDA World, which will allow traders to electronically lodge customs declarations on-line.  That is one way that these dual objectives are being accommodated.  In addition, Kosovo Customs is providing the necessary information and skills to traders to empower businesses to meet self-assessment and voluntary compliance objectives.  This includes providing technical information related to trade and fiscal policies, and instructions regarding access to the ASYCUDA.

Importers and exporters are urged to make themselves aware of their rights and obligations when it comes to import and export transactions.  The more importers and exporters comply voluntarily with their obligations, the better service they will receive from Kosovo Customs in rapid and lower-cost cargo clearances. Consequently, this Guide is specifically designed to support modern customs administration in Kosovo by fostering transparency and voluntary compliance – all to enhance the facilitation of legitimate cross-border commerce, and to improve fiscal administration.

**DOCUMENTARY REQUIREMENTS FOR IMPORTS**

Three (3) documents are normally required for import transactions:

* Customs goods declaration (click here to view the form),
* Commercial Invoice (click here for an example), and
* Certification of Origin (for the CEFTA preferential tariff and other requirements). (click here for an example)

### *Commercial Invoices – Recommendations for Faster Cargo Clearances*

The information provided in this section applies to commercial invoices that are prepared in connection with both import and export transactions.  Better information on import or export invoices will facilitate faster cargo clearances in the country of destination.

The better the information provided on commercial invoices, the faster customs officers will be able to verify the declared data, and the faster shipments will be cleared and released.

### *Detailed Guidelines for Importers, Exporters and Customs Brokers*

It is the responsibility of traders or their representatives to prepare complete and accurate customs goods declarations (CGDs) for the clearance of all shipments, whether under import, export, transit, warehousing or other customs procedures.

One of the requirements for lodging an acceptable declaration is the inclusion of one copy of a commercial invoice and certificate of origin, in addition to any required permits, licenses or certificates which pertain to the goods.

The commercial invoice must provide an accurate and complete description of the goods and provide certain basic information pertaining to those goods.  The invoice must also provide the truthful and complete price paid or payable for each type of good listed on the invoice.

The failure to provide proper commercial invoices, which adequately describe the goods, when a customs declaration is lodged, may result in the immediate rejection.  In any case, the processing and approval of a declaration without a proper invoice, may be subject to delays as customs officials try to overcome the lack of information in terms of correctly classifying the goods, determining the correct value of the goods, determining the country of origin and assessing the correct amounts of duty and tax.  For this reason, inadequate or incomplete invoice information may lead to overpayments of import duty, VAT, and if applicable excise tax.

In order for Customs to provide good service in the clearance of imported or exported goods, it is essential for each declarant to ensure that the invoice(s) submitted with the CGD precisely describe the goods covered under the transaction.  The invoice description must be sufficiently detailed for a customs officer to be able to correctly classify the goods in accordance with the nomenclature of the Harmonized System Customs Tariff.  If invoice information and commodity descriptions are not provided in sufficient detail, the processing of the customs declaration can be delayed, which of course results in extra time and cost in doing business.

Most countries in the world have adopted and are applying the six-digit ***Harmonized Commodity Description and Coding System*** (the “HS”) for international trade; Kosovo uses the HS for the classification of goods under the ***Customs Tariff Act***.  In the case of importations into Kosovo, therefore, it is highly probable that the foreign supplier (exporter) is well acquainted with the HS coding process.  Consequently, it would be very beneficial for importers to request their foreign suppliers to include, along with a precise description of the goods, the correct six-digit subheading number (under the HS) on the commercial invoice; this six-digit number is used throughout the world for the goods at issue.  This process may well take some time for importers in Kosovo to arrange in advance with foreign suppliers and shippers, but the effort required to provide this information on invoices will likely result in better service from Customs in Kosovo, correct assessments of duty and tax payments, faster release times, and more accurate trade data, as required by the Ministry of Finance and Economic Development.

Finally, ***invoices*** must be sufficiently legible to permit customs officials to carry out their processing and verification functions.  (This is not a problem with electronically submitted invoices.)  Invoice numbers must be indelibly printed on the invoice.  Goods classified under the same HS tariff classification may be grouped together on one line item on the CGD; the invoice value for each line item is to be entered in field “22” on the customs declaration form.  Hand-written or computer-generated invoices are acceptable, provided that they include the minimum required information.

***The minimum information required on a commercial invoice includes:***

1. Name of the Vendor (supplier, shipper) in the foreign country.
2. Exporter’s Name, if different from Vendor.
3. Name of Consignee in Kosovo.
4. Purchaser’s Name, if different from consignee.
5. Purchase Order Number, if applicable.
6. Date of Direct Shipment to Kosovo.
7. Country of Transshipment, if applicable.
8. Country of Origin (where the goods were grown, produced or manufactured; if the shipment includes goods of different origin, the origin should be given with the narrative description for each type of good in the shipment, as indicated under 14, below).
9. Transportation – indicate the mode of transport and place of direct shipment to Kosovo.
10. Conditions of Sale.
11. Terms of Payment (for example “sale”, “consignment”, “lease”, “loan” and Net 30 Days, etc.).
12. Currency of Settlement.
13. Number of Packages.
14. Description of the Goods (including Kind of Packages, Marks and Numbers, Characteristics, Grade, Quality, HS six-digit number) \*.
15. Quantity and Unit of Measure.
16. Total Weight (Net and Gross).
17. Unit Values.
18. Invoice Total (FOB - in Currency of Settlement).
19. Price Statement (in cases when a Royalty or other Payment(s) or subsequent proceed(s) are paid or payable by the purchaser in Kosovo for these goods).

\*It is essential that the Description required under number 14 above is provided in sufficient detail and includes the following (as applicable to the type of goods): make or brand name, model numbers, date of manufacture, capacity, size(s), material composition, description of accessories included, etc.

For imported motor vehicles, in addition to vehicle model and type, and model year, invoices must include the chassis number(s) and engine serial number(s).

Here are some ***examples*** of acceptable invoice descriptions (in addition to the other information requirements listed above):

* “women’s shoes with outer soles of leather, and leather uppers, HS number 6403.59”
* “men’s sport shoes, leather uppers, rubber soles, HS number 6403.19”
* “girls’ shoes, leather uppers, leather uppers, leather soles, HS number 6403.59
* “pentium personal computers, model number 1234, 750 mhz, 32 RAM, 3.2 hard disk, and 20 cm. color monitor, DOS, Windows 2000, mouse and pad, Portuguese keyboard, UPS, HS number 8471.91”

# CUSTOMS VALUE OF GOODS

***“Customs value”*** refers to the value of imported goods used to calculate customs import duties and taxes.  Most imports are valued based on the ***“transaction value” (contract price),*** i.e., the price paid or payable for the goods in their country of exportation when sold to Kosovo, with certain specified adjustments. However, if it is not possible to use transaction value, 5 other methods of valuation may be used in sequence.

The ***Kosovo Customs Code*** provides the authority for the six sequential methods that must be applied in determining the customs value of imported goods (see Articles 31 to 40 of the Code). These provisions in the Code are based on the World Trade Organization (WTO) Agreement on Customs Valuation (ACV) in determining customs values of imported goods (“WTO-ACV” or “ACV”).  The same principles and practices are also applied for the valuation of imports into the European Union and for that matter all 157 economies that are members of the WTO and many other countries as well.

### Additional Information on Customs Valuation

Articles 60 to 82 of the ***Administrative Instruction no 11/2009*** “Laying down provisions for the Implementation of the Customs Code” provide more detailed information on Customs value and on how the value of imported goods is to be determined.  Annex 12 of this Administrative Instruction provides Interpretative Notes on Customs Value.

Articles 31 – 40 of the Kosovo Customs Code elaborate rules for the determination of the value of imported goods, in order to provide greater uniformity and certainty in how values may legally be determined.  Predictability for traders is a main objective of these provisions in the Code related to Customs Value, as these valuation provisions in the Kosovo Customs Code faithfully follow the same principles of the ACV – in order to provide predictability for Kosovo importers.

***The system for determining import values in Kosovo*** recognizes the need for a fair, uniform and neutral system for the valuation of goods for customs purposes that precludes the use of arbitrary or fictitious customs values.  Indeed, the Customs Code sets out the valuation methodology that Kosovo Customs must apply on imports.  To the greatest extent possible, the “customs value” of imported goods is to be the transaction value of the goods being valued.  The transaction value of goods is primarily based on the price paid or payable for the goods (in accordance with the commercial reality) except in cases where certain restrictions or conditions pertaining to the goods, unfairly or unrealistically affect their value.

Customs values are based on simple and equitable criteria consistent with commercial practice, and the valuation methods applied should be “of general application without distinction between sources of supply”.

***Importers should be aware that customs value cannot be determined on the basis of:***

* the selling price in Kosovo of goods produced in Kosovo;
* a system which provides for the acceptance for customs purposes of the higher of two alternative values;
* the price of goods on the domestic market of the country of exportation;
* the cost of production, other than computed values which have been determined for identical or similar goods in accordance with Article 33 (2) (d);
* prices for export to a country other than Kosovo;
* minimum customs values; or
* arbitrary or fictitious values

The WTO-ACV also recognizes that customs valuation procedures should not be used to combat dumping.

In this regard, any system applying of minimum or comparative values is in direct contravention of the ACV, EU principles and the import valuation provisions in the Kosovo Customs Code.

The objective of providing this information in the ITG is to improve the quality of information provided on customs declarations (hence fostering greater voluntary compliance) pertaining to the goods involved in the transaction.  Improvement in the quality and accuracy of information on invoices and customs declarations will in turn, allow Kosovo Customs to provide better service in clearing import shipments more rapidly.

For specific information, on customs valuation, please contact the office indicated above.  Also, the Training Department at Kosovo Customs has materials, including a DVD, available to importers and their representatives that will help in the preparation of import declarations, including material related to the methodology of correctly determining the values of imports.

Finally, Title IV beginning on page 18 of Administrative Instruction No. 11/2009 provides more detailed information on the valuation of imported goods.  More specifically, Articles 60 to 82 of this Administrative Instruction (pp 18-51) provide detailed information on customs valuation, and Annex 12 to the Administrative Instruction outlines helpful “Interpretative Notes on Customs Value”. (This Annex is found on page 377 of the Administrative Instruction).

Whenever Kosovo Customs has doubt about a declared import value, an officer may ask for additional information on the goods and transaction in question.  However, if doubt continues, the officer must, before reaching a final decision, notify the person concerned, in writing if requested, of the grounds for those doubts and provide the person with a reasonable opportunity to respond.  In all such cases, a final decision and the grounds must be communicated in writing to the person concerned.

Where a customs debt is incurred in respect of imported goods and the customs value of such goods is based on a price actually paid or payable which includes the cost of warehousing and of preserving goods while they remain in the warehouse, such costs need not be included in the customs value if they are shown separately from the price actually paid or payable for the goods.

## VALUATION OF INTERNATIONAL TRANSPORT AND INSURANCE COSTS

The customs value of imports into Kosovo is calculated on the CIF basis (literally, the cost of the goods, plus international freight and insurance costs).  Sub-article 36.1 (e) of the Customs Code provides the authority to include the cost of international transportation in the customs value of imported goods.

So, the cost of transport and insurance of the imported goods, and all loading and handling charges associated with the transport of the imported goods to the place of first arrival of imported goods into Kosovo must be included in calculating customs value.

Where goods are carried by the same mode of transport to a point beyond the point of first arrival into Kosovo, transport costs must generally be assessed in proportion to the distance covered outside and inside Kosovo.  This is necessary because only the international portion of transport and insurance costs is to be included in calculating customs value of the imported goods.

Where transport is free or provided by the buyer, transport costs to the point of first arrival in Kosovo, determined in accordance with the schedule of freight rates normally applied for the same mode(s) of transport, are to be calculated on the basis of the freight schedule and then added to the customs value.  However, any such additions to the price actually paid or payable, in this regard, must be made only on the basis of objective and quantifiable data.

In this regard, the percentage of air transport costs to be included in the customs value of imported goods is 100%.

***For goods imported into Kosovo by the international postal service***, all postal charges levied up to the place of delivery are to be included in the Customs value of these goods, with the exception of any supplementary postal charge levied in Kosovo.  However, no adjustment to the declared value is to be made in respect of such charges in determining the value of postal consignments of a non-commercial nature.

## CUSTOMS DESCRIPTION (CLASSIFICATION) OF GOODS – UNDERSTANDING TARIK

The Kosovo Customs Code provides the authority for the methods that must be applied in determining the description (classification) of imported and exported goods. [see Articles 24 and 25 of the Customs Code].

In summary, the Customs Code provides that:

* Import duties legally owed where a “customs debt” is incurred will be based on the goods nomenclature of TARIK, the Customs Tariff of Kosovo, the applicable laws of Kosovo and any agreement with another country or group of countries entered into by Kosovo which provides for the granting of preferential tariff treatment.
* Any other measure under the applicable laws of Kosovo applying to the importation or exportation of goods will, where appropriate, be applied according to the tariff classification of those goods within TARIK.

***The Customs Tariff of Kosovo*** is based on the International Harmonized Commodity Description and Coding System generally referred to as "Harmonized System" or simply "HS".  The HS is a multipurpose international product nomenclature developed and administered by the World Customs Organization (WCO).

The HS comprises more than 5,000 commodity groups, each identified by an international six-digit subheading, arranged in a legal and logical structure and supported by well-defined rules to achieve uniform classification.  The system is used by more than 200 countries and economies as a basis for their customs tariffs and for the collection of international trade statistics.  Over 98 % of the merchandise in world trade is classified in terms of the HS.

The official interpretation of the HS is given in five volumes of Explanatory Notes published by the WCO, as part of a commodity database giving the HS classification of more than 200,000 commodities actually traded internationally.

Decisions concerning the interpretation and application of the Harmonized System, such as classification decisions and amendments to the Explanatory Notes or to the Compendium of Classification Opinions, become effective two months after the approval by the WCO’s HS Committee.

# TARIK-U IN KOSOVO

Kosovo adopted the HS as the basis for the Kosovo Customs “TARIK” in 2005, and will continue to use the HS as the TARIK is eventually integrated with the EU-based external tariff. The TARIK comprises a schedule of rates and measures which apply to the importation and exportation of goods; the international six-digit subheading is further refined with an additional four digits to take into account all requirements for the Statistical Office of Kosovo, customs duties, import and export trade policy measures, preferential rates of duty (CEFTA), VAT and excise rates.

The TARIK is the common point of reference for traders, customs clearing agents, the Kosovo Customs Service and all relevant ministries and so affords the uniform application of all laws and regulations applicable on import and export.  The TARIK is updated to take into account any newly passed regulations, and is updated on an annual basis in accordance with the published Combined Nomenclature of the European Union.

## COUNTRY OF ORIGIN OF GOODS

[Articles 26 to 31 of the Kosovo Customs Code provide the authority for the methods that must be applied in determining the origin of imported goods.]

Rules of origin are important for preferential trade – for example, trade within CEFTA of goods which originate in the CEFTA territories and future free trade agreements negotiated by Kosovo. However, rules of origin are also important for non-preferential trade – for example, for the marking of country of origin on products and determining the application of trade remedies.  The marking of imported goods for non-preferential origin is related mainly to providing information of interest to consumers.

***The determination of origin of products for preferential trade (CEFTA) is important for calculating duties and taxes on imports.***  For imports into Kosovo that originate in the territory or territories of Parties to CEFTA, no customs import duty is applicable.  However, it should be noted that goods, which originate in countries outside CEFTA (e.g. Germany, China), but which are imported directly into Kosovo from the territory of a Party to the CEFTA are not eligible for entry into Kosovo free of customs import duty, under the terms of the CEFTA.  The customs import duty on such goods, generally 10% ad valorem, must be paid at the time of importation into Kosovo.

The WTO Agreement on Rules of Origin sets forth the general principles that apply to how the origin of a product is to be determined.  Rules of origin and their application are supposed to facilitate the flow of international trade, and not to create unnecessary obstacles.  All laws, regulations and practices regarding rules of origin are to be transparent, and that the preparation and application of these rules is to be impartial, predictable, consistent and neutral.

# DUTIES, VAT AND EXCISE TAXES – CALCULATION OF PAYMENTS

The rate of customs import duty is zero on goods which originate in the territory of a country that is a party to the Central European Free Trade Agreement (CEFTA).

Most rates of import duty on goods which originate outside of CEFTA are 10% ad valorem (10% of the price paid or payable for the imported goods); however, some imported goods are exempt from the payment of the 10% import duty.  The TARIK provides detailed information on import duty rates, VAT rates, and excise tax rates (if any), as well as any required certificates or licenses that pertain to all imported goods.

Eectronic link to the on-line TARIK:

<http://dogana.rks-gov.net/Uploads/Documents/tarik/indexalb.htm>

### VAT (Value Added Tax)

Almost all imports are subject to the Value Added Tax ***of 16% on the duty-paid value of the imported goods.*** However, certain goods are exempt from the VAT, whether either imported into Kosovo, or produced in Kosovo.  TARIK indicates whether VAT is not collected on the importation of specific goods.

### Excise Tax

Articles 234 to 249 of the Customs Code provide the authority for the levying of Excise Tax on certain products.

Excise taxes are collected on certain luxury goods and a few other products. [Click on this link](http://216.67.253.147/repository/docs/GOODS_SUBJECT_TO_EXCISE_AND__RESPECTIVE_FEES.pdf) to see the products that are subject to excise taxes.

### Duty and/or VAT Exempt Goods

Some goods are exempt from customs duties and or VAT. For information about exempt goods, click on this link.

***Agricultural products exempt from VAT:***

* Live bovine animals, pure-bred breeding animals
* Live swine, pure-bred breeding animals
* Live sheep, pure-bred breeding animals
* Live goats, pure-bred breeding animals
* Live poultry, that is to say, fowls of the species Gallus domesticus, ducks, geese, turkeys and guinea fowls, weighing not more than 185g
* Live trees and other plants; bulbs, roots and the like
* Potatoes, seeds
* Onions sets
* Spelt for sowing
* Common wheat and meslin, seed
* Rye, seed
* Barley, seed
* Oats, seed
* Maize (corn), seed
* Soya beans, for sowing
* Sunflower seeds, for sowing
* Seeds, fruit and spores, of a kind used for sowing
* Residues and waste from the food industries
* Preparations of a kind used in animal feeding (other than dog or cat food, put up for retail sale)
* Fertilizers
* Fungicides
* Herbicides, anti-sprouting products and plant-growth regulators
* Rodenticides
* Dryers, for agricultural products
* Mechanical appliances (whether or not hand-operated) for projecting, dispersing or spraying liquids or powders, agricultural or horticultural
* Pneumatic elevators and conveyors specially designed for use in agriculture
* Loaders specially designed for use in agriculture
* Agricultural, horticultural or forestry machinery for soil preparation or cultivation; lawn or sports-ground rollers
* Harvesting or threshing machinery, including straw or fodder balers
* Grass or hay mowers (other than mowers for lawns, parks or sports grounds)
* Machines for cleaning, sorting or grading eggs, fruit or other agricultural produce
* Other agricultural, horticultural, forestry, poultry-keeping or bee-keeping machinery,  including germination plant fitted with mechanical or thermal equipment; poultry incubators and brooders
* Pedestrian-controlled tractors
* Agricultural tractors (excluding pedestrian-controlled tractors) and forestry tractors.

As mentioned above, the TARIK sets out the classification numbers and corresponding rates of import duty, VAT and excise tax that are payable on imported goods, as well as any other authorizations or approvals that are required for importation for every kind of good.

[Detailed list of agricultural inputs and equipment exempt from customs duties and VAT](http://216.67.253.147/repository/docs/Detailed_list.pdf)

***Goods imported for certain business activities are also exempted from VAT, as follow:***

* health and medical services
* pharmaceuticals
* education and education services
* books related to education
* media, including magazines, newspapers and periodicals,
* International transport services, and
* all products and services that are exported from Kosovo.

There are ***other exemptions to VAT*** as follow:

* "Public interest" exemptions (Article 27 of VAT law).  Medical & health services, welfare & social security services, educational services, media services, religious organization services and certain printed materials.
* Other exemptions on activities (Article 28).  Financial services, gambling, and sale/rental of residential accommodation.  While insurance is also mentioned in this article, the exemption on insurance does not apply until 1 January 2015
* Exemptions on importation (Article 29).  The main ones are donor project imports and selected agricultural items (as outlined above).  Please note that these exemptions are currently due to expire on 31 December 2012.
* Other exemptions in relation to importation (Article 30). Medicines/pharmaceuticals, goods imported as part of personal luggage, goods brought in by persons who have lived outside Kosovo for more than 12 months, and goods inherited by a Kosovo resident from a deceased relative outside Kosovo (with exclusions for tobacco and alcohol products).
* Exemptions on exportation (Article 31).  This covers general exports as well as goods exported with personal luggage.
* Exemptions related to international transport (Article 32).
* Exemptions related to certain transactions treated as exports (Article 33).  The main ones being supplies of goods or services under diplomatic and consular arrangements, to NATO/KFOR and to international and inter-governmental organizations, the irrigation of farming land and supplies of agricultural items (as listed above) in the period up until 31 December 2012.
* Exemptions for the supply of services by intermediaries (Article 34).
* Customs warehouse and similar arrangements (Article 35).

Suppliers of exempt goods and services covered by Articles 31 to 35 above, are able to claim input VAT on their purchases/imports related to those exempt supplies (which means that, for example, large exporters will be entitled to VAT refunds), whereas suppliers of exempt goods and services covered by Articles 27 to 30 above, cannot claim back input VAT on their purchases/imports related to those exempt supplies (meaning in many cases an apportionment is necessary of the amount of input VAT that can be claimed).

# DECLARING EXPORTS

Export declarations may be lodged at the customs office responsible for supervising the place where the exporter is established, or the customs office where the goods are packed or loaded for export shipment.

Release for export will be granted by Customs on the condition that the goods in question leave Kosovo in the same condition as when the export declaration was lodged and accepted.

The exporter is considered to be the person on whose behalf the export declaration is made and who is the owner of the goods or has a similar right of disposal over them at the time when the declaration is lodged with Customs.  Where ownership or a similar right of disposal over the goods belongs to a person established outside Kosovo pursuant to the contract on which the export is based, the exporter will be considered to be the contracting party established in Kosovo.

### More Information about Declaring Exports

Where export formalities are not for any reason completed at the customs office responsible for supervising the place where the exporter is established or where the goods are packed or loaded for export shipment, the customs office where the export declaration has been lodged will send a copy of the Single Administrative Document (SAD) to the first mentioned Customs office.

Where the export declaration is made on the basis of the SAD, copies 1, 2 and 3 will be used.  The customs office where the export declaration has been lodged (customs office of export) will stamp Box A and, where appropriate, complete Box D. On granting release of the goods, it will retain copies 1 and 2 and return copy 3 to the person concerned.

Copy 3 of the SAD and the goods released for export will be presented to Customs at the customs office of exit.

The customs office of exit means in the case of goods exported by:

* Rail, post or air, the customs office competent for the place where the goods are taken over under a single transport contract for transport to another country by the railway companies, the postal authorities or the airlines companies;
* Pipeline and of electrical energy, the office where the exporter is established;
* Other means or in circumstances not covered by (a) and (b), the last customs office before the goods leave Kosovo.

The customs office of exit will satisfy itself that the goods presented correspond to those declared and will supervise their physical departure.  Where the declarant enters ‘RET-EXP’ in Box 44 or otherwise indicates his wish to have Copy No 3 returned to him, that customs office will certify the physical departure of the goods by means of an endorsement on the back of Copy No 3 and will give that copy to the person who presented it or, where that is not possible, to an intermediary named in Box 50 and established in the district of the office of exit, for return to the declarant. The endorsement will take the form of a stamp showing the name of the office and the date.

In the case of a split exportation, the endorsement will be given only for those goods which are actually exported.  In the case of a split exportation via several different customs offices, the customs office of exit where the original of copy 3 was presented will, upon receiving a duly substantiated request, certify a copy of copy 3 for each part of the goods in question, with a view to it being presented to another office of exit concerned.  The original of copy 3 will be noted accordingly.

Where the customs office of exit establishes that goods are missing, officers will note the copy of the declaration presented and inform the customs office of export.

Where the customs office of exit establishes that there are goods in excess, it will refuse exit to these goods until the export formalities have been completed.

When the customs office of exit establishes a discrepancy in the nature of the goods, it will refuse exit until the export formalities have been completed, and will also inform the customs office of export.

Where goods sent to another country or a customs office of exit under a transit procedure are concerned, the office of departure will endorse copy 3 in accordance with paragraph 3 and return it to the declarant after making the endorsement ‘Export’, in red, on all copies of the transit document or any other document replacing it. The customs office of exit will control the physical exit of the goods.

Where goods under excise duty suspension arrangements are sent to another country under cover of the accompanying administrative document provided for in the Excise Code, the customs office of export will endorse Copy No 3 of the  SAD in accordance with paragraph 3 and return it to the declarant after entering the word ‘Export’ in red and affixing the stamp referred to in paragraph 3 on all copies of the accompanying administrative document.

Reference will be made to the accompanying document on Copy No 3 of the  SAD and vice versa.

The customs office of exit will supervise the physical exit of the goods and send back to the consignor the certified copy of the accompanying administrative document intended for him.

The customs office of export may ask the exporter to provide evidence that the goods have left Kosovo.

Oral declarations may be made only at the customs office of exit.

Where goods leave Kosovo without an export declaration, such declaration must be lodged retrospectively by the exporter at the customs office competent for the place where he is established.

Acceptance of this declaration will be subject to presentation by the exporter, to the satisfaction of the customs office concerned, of evidence concerning the nature and quantity of the goods in question and the circumstances under which they left Kosovo. That office will also endorse copy 3 of the SAD.

Retrospective acceptance of the declaration will not preclude application of any applicable penalties.

Where goods released for export do not leave Kosovo, the exporter will immediately inform the customs office of export. Copy 3 of the SAD in question will be returned to that office.

Where a change in the transport contract has the effect of terminating inside Kosovo a transport operation which should have finished outside it, the companies or authorities in question may only carry out the amended contract with the agreement of the customs office of exit, in the case of a transit operation, the office of departure.  In this case copy 3 should be returned.

# DECLARING EXPORTS

Export declarations may be lodged at the customs office responsible for supervising the place where the exporter is established, or the customs office where the goods are packed or loaded for export shipment.

Release for export will be granted by Customs on the condition that the goods in question leave Kosovo in the same condition as when the export declaration was lodged and accepted.

The exporter is considered to be the person on whose behalf the export declaration is made and who is the owner of the goods or has a similar right of disposal over them at the time when the declaration is lodged with Customs.  Where ownership or a similar right of disposal over the goods belongs to a person established outside Kosovo pursuant to the contract on which the export is based, the exporter will be considered to be the contracting party established in Kosovo.

### More Information about Declaring Exports

Where export formalities are not for any reason completed at the customs office responsible for supervising the place where the exporter is established or where the goods are packed or loaded for export shipment, the customs office where the export declaration has been lodged will send a copy of the Single Administrative Document (SAD) to the first mentioned Customs office.

Where the export declaration is made on the basis of the SAD, copies 1, 2 and 3 will be used. The customs office where the export declaration has been lodged (customs office of export) will stamp Box A and, where appropriate, complete Box D. On granting release of the goods, it will retain copies 1 and 2 and return copy 3 to the person concerned.

Copy 3 of the SAD and the goods released for export will be presented to Customs at the customs office of exit.

The customs office of exit means in the case of goods exported by:

* Rail, post or air, the customs office competent for the place where the goods are taken over under a single transport contract for transport to another country by the railway companies, the postal authorities or the airlines companies;
* Pipeline and of electrical energy, the office where the exporter is established;
* Other means or in circumstances not covered by (a) and (b), the last customs office before the goods leave Kosovo.

The customs office of exit will satisfy itself that the goods presented correspond to those declared and will supervise their physical departure.  Where the declarant enters ‘RET-EXP’ in Box 44 or otherwise indicates his wish to have Copy No 3 returned to him, that customs office will certify the physical departure of the goods by means of an endorsement on the back of Copy No 3 and will give that copy to the person who presented it or, where that is not possible, to an intermediary named in Box 50 and established in the district of the office of exit, for return to the declarant. The endorsement will take the form of a stamp showing the name of the office and the date.

In the case of split exportation, the endorsement will be given only for those goods which are actually exported.  In the case of split exportation via several different customs offices, the customs office of exit where the original of copy 3 was presented will, upon receiving a duly substantiated request, certify a copy of copy 3 for each part of the goods in question, with a view to it being presented to another office of exit concerned.  The original of copy 3 will be noted accordingly.

Where the customs office of exit establishes that goods are missing, officers will note the copy of the declaration presented and inform the customs office of export.

Where the customs office of exit establishes that there are goods in excess, it will refuse exit to these goods until the export formalities have been completed.

When the customs office of exit establishes a discrepancy in the nature of the goods, it will refuse exit until the export formalities have been completed, and will also inform the customs office of export.

Where goods sent to another country or a customs office of exit under a transit procedure are concerned, the office of departure will endorse copy 3 in accordance with paragraph 3 and return it to the declarant after making the endorsement ‘Export’, in red, on all copies of the transit document or any other document replacing it. The customs office of exit will control the physical exit of the goods.

Where goods under excise duty suspension arrangements are sent to another country under cover of the accompanying administrative document provided for in the Excise Code, the customs office of export will endorse Copy No 3 of the SAD in accordance with paragraph 3 and return it to the declarant after entering the word ‘Export’ in red and affixing the stamp referred to in paragraph 3 on all copies of the accompanying administrative document.

Reference will be made to the accompanying document on Copy No 3 of the SAD and vice versa.

The customs office of exit will supervise the physical exit of the goods and send back to the consignor the certified copy of the accompanying administrative document intended for him.

The customs office of export may ask the exporter to provide evidence that the goods have left Kosovo. Oral declarations may be made only at the customs office of exit. Where goods leave Kosovo without an export declaration, such declaration must be lodged retrospectively by the exporter at the customs office competent for the place where he is established.

Acceptance of this declaration will be subject to presentation by the exporter, to the satisfaction of the customs office concerned, of evidence concerning the nature and quantity of the goods in question and the circumstances under which they left Kosovo. That office will also endorse copy 3 of the SAD. Retrospective acceptance of the declaration will not preclude application of any applicable penalties.

Where goods released for export do not leave Kosovo, the exporter will immediately inform the customs office of export. Copy 3 of the SAD in question will be returned to that office.

Where a change in the transport contract has the effect of terminating inside Kosovo a transport operation which should have finished outside it, the companies or authorities in question may only carry out the amended contract with the agreement of the customs office of exit, in the case of a transit operation, the office of departure.  In this case copy 3 should be returned.

## DOCUMENTARY REQUIREMENTS FOR EXPORTS

Two (2) documents are required for export transactions:

* A customs goods declaration (See the specimen form in Annex 16 of Administrative Instruction No. 11/2009), and
* A commercial invoice.
* In addition, a certificate of origin may be required by the country of importation and a certificate is required if strategic goods are involved.

By providing more accurate information on commercial invoices, exporters will be better able to arrange faster cargo clearances on outward cargo movements in Kosovo, and inward cargo clearances in the country where the goods are destined for importation.

A customs export declaration (SAD) may be lodged at any customs office in Kosovo, regardless from where the goods are to be exported.  An export declaration may be lodged at any time, and Kosovo Customs may accept that the goods in question have been presented to Customs when a declaration is lodged.

Customs export declarations must normally be lodged either electronically or delivered in hard copy to a Kosovo Customs office during the days and hours appointed for business.  However, Customs may, at the request of the exporter, and at the expense of the exporter, authorize the declaration to be lodged outside the appointed days and hours.  Special service charges may be applied for this service outside normal office hours, and will be applied to recover the extra costs associated with delivery of the service.

The customs export declaration must be completed using the codes referred to above in this Guide, under “Declaration Completion Instructions and Customs Procedures”.  The codes to be used to enter data on the customs export declaration are provided in Annex 19 of “Administrative Instruction No. 11/2009 Laying down Provisions for the Implementation of the Customs Code”.

The exporter or spediteur must lodge an export declaration at any authorized customs office where they may be able or wish to present the goods.

The export declaration will then be used as a transit document, covering the movement of goods from terminal (where the export declaration has been lodged) to the border control post of exit.  The new ASYCUDA World IT system used by Customs has a functionality called “export release” through which the customs officer at the border control post of exit will confirm that goods have left the territory of Kosovo.

A more sophisticated approach is also supported by the ASYCUDA system, which consists in using the T1 procedure (and guaranty accounts), to cover the movement of goods (declared for export) from a customs terminal to the border control post of exit.  In this case the T1 is generated automatically from the assessed export declaration and must be closed at the border control post exit.  Even in this case, the “Export Release” operation is then performed by Customs.

## TRAVELERS

Kosovo’s anti-money laundering law (Law 03L-196) requires that persons entering or leaving Kosovo with ***monetary instruments of a value of €10,000 or more must declare the currency*** to Kosovo Customs. The failure to do so may result in a substantial penalty.

Every person entering or leaving Republic Kosovo and carrying monetary instruments of a value of €10,000 or more must declare the amount of the monetary instruments and the source of such monetary instruments ***in writing to an authorized customs officer, and, if so requested by the officer, will present the monetary instruments.***

For the purposes of this requirement, a person will be considered to be carrying monetary instruments, if, among other things, they are in the physical possession of such person or in a private vehicle or other conveyance being utilized by such person.

Every person sending from Republic Kosovo to a place outside Kosovo, or receiving in Kosovo from a place outside Kosovo, via post or commercial courier, monetary instruments of a value  of €10,000 or more  must declare the amount of the monetary instruments and the source of such monetary instruments in writing, in a format to be prescribed by the Director General of the Kosovo Customs, to an authorized customs officer, and, if so requested by the officer, will present the monetary instruments.

The person may meet his or her reporting duty by means of a notification of the contents of a parcel in a customs declaration or in international freight documentation.