

Manual Guide to Practice the Customs Clearance Profession

Title :
Contents "
Resolution Adoption :
Preparatory :

Article No : 1	Aim & Objectives
Article No : 2	Definitions
Article No : 3	Customs Licenses Classification
Article No : 4	Condition for Obtaining Individual License
Article No : 5	Procedures To Approve Customs Clearance Activity.
Article No : 6	Condition to obtain customs clearance license for companies & Establishments.
Article No : 7	Conditions to Practice Customs Clearance Activity for transit goods.
Article No : 8	General Rules for Customs Clearance License.
Article No : 9	Procedures to open branch " individual "
Article No : 10	Condition for the Appointment assistants and presentative of the Customs broker.
Article No : 11	Terms for the designator or the special representative.
Article No : 12	Terms in regard to the Customs clearance headquarters.
Article No : 13	Customs clearance license, renewal procedures.
Article No : 14	Terms & procedures regarding the transfer of customs broker assistants and representatives.
Article No : 15	Customs Broker obligations.
Article No : 16	Customs obligations toward the broker.
Article No : 17	Assistants & representative of the broker obligations.
Article No : 18	Terms to Authorize A Customs broker.
Article No : 19	Penalties.
Article No : 20	Committee to investigate Customs brokers violations
Article No : 21	Cases of withdrawal or cancellations of entry permits to the customs sites & area.
Article No : 22	Final Cancellation of the Customs clearance license or permit.
Article No : 23	Final cancellation process of the Customs clearance license.
	The statutory items mentioned in the unified customs law and its executive regulations.

Preparatory:

The profession or the duty of the Customs clearance is considered as one of the most important customs tasks implemented by various customs department. The broker authenticates customs data of the goods which requires that the broker to be qualified to per for this duty in addition to that to be truthful, honest and faithful as he is considered as a complemental of the customs work operation.

The unified customs systems " Laws " of the GCC states devoted full section as indicated in articles " 108 " to " 115 ".

Under the name " Customs brokers " clarifying the general outlines of the duty of customs clearance and clarifying also the legal obligations of the customs broker while performing the duty as a broker, and penalties that may be imposed on items in case of violation of the law regulation.

Article No: " 113 " granted the director general of the Saudi Customs the right to issue the necessary orders and instruction to grant permits and licenses to practice customs clearance duties and also issue procedures for obtaining customs permits and licenses for the broker and this representatives these bodies should obligate and stipulate all the customs requirement to open customs clearances offices and the actions to be followed. For this purpose the Saudi Customs issued a manual containing information and instruction clarifying the duty of the customs broker according to the director general of the Saudi Customs resolution No : 21/15594 of 4/5/1425h. In a desire to develop and modify the procedures of practicing the customs clearance duties thrush activating the legal entity stipulated in the unified customs regulations in order to implement customs clearance establishments and companies in line with Saudi Customs practices to periodically revise and modify its procedures and regulations.

Based on what have been monitored during the past periods submitted by the customs officers, customs brokers and thrush the joint workshops.

Saudi Customs re-issues the manual of practicing customs clearance duty.

This manual contains some addition of the new corrections and modification in accordance with the new instructions and customs work actions to optimally perform these tasks perfectly in order to achieve the desired goals and objectives.

Article No. : 1-

- A. Regulating and organizing Customs clearance profession.
- B. Regulating issuing, renewal, canceling Customs clearance permits.
- C. Securing job opportunities for the Saudi Nationals and the GCC Nationals in the Custom clearance sector.
- D. To control and monitor Customs clearance activities for import and export transit goods.
- E. To limit customs violations and to manage disagreement that occur when performing the clearance activity between the broker and the concerned stockholders.
- F. Increase voluntary compliance and clarify procedures to be followed to achieve and manage the compliance process.

Article No. : 2-

- A. The unified Customs system " LAW " the GCC states unified customs LAW.
- B. Saudi Department of Customs " Saudi Customs " :
The concerned authority about the customs sector.
- C. Customs compass " area " :
Boulder limitation by the minister of finance in each sea, air and land port or any other place or area that has an administrative center permitted to perform ail or some of the customs actions and regulations.
- D. Customs training institute :
The sector responsible of providing training in the field of customs actions and customs regulations.
- E. Customs Training Course :
Training program defining customs operation designed for the customs brokers.
- F. Customs fees " Duty " :
Duties collected according to Customs tariff system.
- G. Other Fees :
A mounts collected by the customs on goods such as tax and vat.

- H. Customs Clearance :

Documentation of customs, declarations relating to imported exported, and transit goods in accordance with Saudi Custom regulation and procedures stipulated in the unified customs regulations " LAW".

I. Customs Broker :

A natural legal person licensed to practice customs clearance activity and is authorized to prepare and sign the customs declarations document and submit it to the customs and complete the customs actions need to clear the good for others " third party ".

J. Natural person :

An individual who is authorized to practice customs clearance work.

K. A respected judicial entity :

It is a reliable commercial entity with financial capability and is licensed to practice customs clearance activities.

L. Assistant customs broker :

Any natural person or individual licensed to perform the duty of managing branch of the customs clearance activity and able to follow up the customs actions on behalf of the customs broker.

M. Deputy Customs Broker :

Any natural person licensed to perform the duty of following – up customs work on behalf of the customs broker.

N. Special Agent :

Any natural person who is an employee in one of the government sectors or general sector or commercial sector who is authorized to perform the duty of completing the customs actions needed for its imports or exports.

Article No. : 3-

A. Customs license for individuals :

Customs clearance permit in which the individual has the right to perform the duty of the customs clearance profession on behalf of the sector authorize him by other based on agreeable fee.

B. Customs licenser for establishment and companies :

A customs clearance it is license or permit provided to establishment or companies whom their major activity is customs clearance duty or other logistical activity that entitle this company or establishment to perform its customs clearance activity or on behalf of other parties.

Article No. : 4- Conditions for Obtaining Customs Clearance License or permit for individuals :

The individual or the applicant should apply to the customs department through the customs Potrac " electronic door " to apply for approval to be granted a customs clearance license " permit " the applicant must :-

- A. Tobe a Saudi National or a GCC national by national identity and resident in the kingdom.
- B. Age 21 year old.
- C. Education " high school certificate " or equivalent holders of the license or permit before the issuance of this guide are exempted.
- D. Able to carry out customs ----- him ---.
- E. Provide proof of full time license to ---- a student, government employee or private sector employee. However, the private sector employee shall submit a letter of no objection from the employer ----- by the firs official or the executive director of the sector.
- F. Pass the personal interview.
- G. That previously this clearance license was cancelled for reasons related to the misuse of the license or because of his participation in a crime for which a final judgment has been issued.
- H. To pass the designated test organized by the customs training institute >
- I. Submit a certificate of absence or free from the criminal record issued by the security authority concerned with public security " forensic evidence " that he has not been sentence in before a final judgment in one of the crimes against honor and honesty, unless he has been rehabilitated.
- J. Pass a medical poison check attest " for drug abuse by a government hospital, or a poison center at the time of application.
- K. Payment --- amount 3000/- Riyals for issuing the license.
- L. Submit a bank account number in the name of the individual customs broker to be used in financial transaction with his employees, customer and custom department.
- M. Determine the customs headquarter of the license to practice. " the customs determine the headquarter the broker can.

- N. Present, a certified bank check in the name of the director general of the customs department in the amount of SR. 3000/- Riyals only as a license guarantee. the customs clearance broker " individual " should not.
- O. Practice the -----/ export activity as individual shall not have the right to combine the practice of the customs clearance profession and the activity of import / export trade ----- for his own account or on behalf other parties.

Article No. : 5- Approval Procedures of Customs Clearance Activity :

The applicant for obtaining the Customs clearance license shall provide the required document to the competent department.

At the Saudi Custom headquarter and the Customs authority's office specified for opening the headquarter before issuing the decision to grant the license as follows :-

- A. A copy of a valid lease contract valid for the duration of the license, or ----- of the ownership contract of the headquarters or the shop which is taken by the broker to run his business.
- B. Copy of the municipality license.
- C. A statement indicating the national address, signature forms and site map, and location site of the license headquarter.
- D. Commitment to provide the Saudi Customs and the customs concerned with a sample of his official seals, and forms and his official publication indicating broker's name number of the license, before commencing the work activity and also provide a list of the names of all the employees.

Article No. : 6- Condition and terms of obtaining Customs Clearance license or permit for establishments and companies :-

Companies or establishments whom customs. Clearance profession are their license. This license is granted according to the following conditions and terms :-

- A. To apply through the customs portal to apply for the approval of granting a customs clearance license obtaining the establishment contract which stipulates the activity of customs clearance, or a copy of the company's commercial register ----- indicate customs clearance activity.

- B. To provide an unconditional bank guarantee or certified a bank ----- " check " in the name of the director general of customs to guarantee the license an amount of 200/000 Riyals " Two Hundred thousand Riyals " that shall be valid for more than one year, or provide an insurance policy from one of the insurance companies accredited by the Saudi Customs equivalent to the value of the guarantee.
- C. The employees who manage the customs clearance activity in the company shall ----- in accordance with the terms and condition returned in article 4, except ----- 12 / 13, 14 and 15.
- D. The enterprise or the company shall appoint employees to performs the duties of the representative of the customs broker. They should be selected according to the terms and conditions mentioned in article 10 of this guide.
- E. Provide valid list and subscription data in the general organization for social instance " GOSI " in which all employee engaged in customs clearance activity are registered.
- F. The partners should not be a person who has previously revoked his license for persons related to the misuse of the license or because of participation in a crime released to customs smuggling or any other crime form which a final judgment has been issued.
- G. Import and export activity is allowed to be added to the customs clearance activity.
- H. It is permissible to work in all customs outlets " areas " and to appoint and administrator --- ---- in tea branch. one of the founding member or shareholders is entitled to manage any of its branches according to the terms and condition stated in article 10 of this guide.
- I. The enterprise or the company has the according the company needs and in according to the Saudi Legal system and the Saudi ----- regulations.
- J. A list showing the national address and the contact numbers as well as a symbol of the signatures and map script the headquarter should be provided and submitted.
- K. The company's bank account should provided for use of the financial transactions of their employees, clients and the Saudi customs.

Article No. : 7- Terms and conditions to practice customs clearance activity for transit goods :-

Clearance of goods in transit shall be restricted to customs licenses of enterprises and companies in ----- with the following conditions :-

- A. Apply through the electronic portal to add clearance activity regarding the transit goods.
- B. Provide an unconditional bank guarantee in the name of the director general of customs in the amount of SR, 1000/000 " SR one million " for each customs port for the customs broker who wish to clear goods and who obtained enterprises clearance license in the following customs ports :- " Batha – Salwa – King Fahad Causeway – Khafji – Rougi – Juidat Arar and Hadeitha ". and unconditional bank guarantee in the name of the director general of customs for a period exceeding the validity period of one year license amounting to SR. 1000/000 for each other port.
- C. In case the value of the goods, duties and taxes exceeds the value of the transit guarantees provided by the broker, an additional bank guarantee shall be provided covering the difference between the value of the guarantees provided and the equal value of the goods, customs duties and taxes.
- D. It shall cover the ----- in the value of the bank guarantee as a result of deducting the value of the consignments customs duties, taxes, fines and other fees without delay.
- E. The bank guarantees provided to customs for the conduct of transit activity shall be considered as central balance for the broker. The combined value of which may be used to cover the value, fees and taxes of each consignment cleared by the customs broker. The customs has the right to deduct from all the transit bank guarantees provided by the broker for all combined or scattered custom ports even in the case of changing the bank, that provided guarantees to the broker.
- F. The additional bank guarantees provided to cover the difference shall be returned to the customs broker after proving the exit of the goods in full and intact from the exit port.
- G. It is accepted from the enterprises and companies who obtains customs clearance licenses to provide an insurance policy form one of the insurance companies accredited by the customs equivalent to the value of the goods, in accordance with the customs laws and regulations.

Article No. : 8- General rules for customs clearance license.

- A. The customs clearance license should valid for a period of three years effective from the day of issue.
- B. Custom brokers shall jointly and severally liable for customs offenses and smuggling offenses committed by their authorized users on accordance with the provisions of articles 154 and 157 of the unified customs law.
- C. Suspend granting and renewal of the customs clearance licenses of the transit activity for individuals, those who have previously obtained an activity shall be grantee a period of six months from the date of application of this guide to correct their situation by obtaining a customs clearance license for enterprises and companies.
- D. Customs clearance activity should not be practiced on behalf of other parties unless obtaining the necessary license from the customs department in accordance with the condition terms and the procedures stipulated in this guide.
- E. Customs clearance should not be leased or assigned to the parties, the license shall be canceled when it is rented or assigned or one of its branches without prejudice to the application of statutory penalties against the violator.
- F. In case the customs broker do not respond with the corners to complete the procedure of clearing their goods for unjustified reasons, the customs have the right to transfer the authorization of completing the procedures to another customs broker upon the request of the good's owner, without any responsibility on the customs.
- G. In case the customs broker or one of his assistants summoned pay the customs for investigation or accountability and he does not respond within seven days from the date of the summons, the customs and director of the customs port have the right to suspend the activity of the customs broker in the automated system until the attendance and conducting the required instigations.
- H. And amount due, shall be deducted from the broker's guarantee, in case of existing customs dues and the broker's failure to fulfill his obligation in this regard.

The Director ----- of the Saudi Customs or its designee shall issue a resolution or a direction to deduct these dues from the broker's bank guarantee in accordance with what is quoted in articles 147 and 149 of the unified customs, Law, in this case the customs broker shall immediately cover the shortage in the value of the bank guarantee.

- I. Additional service fees chares shall be applied in cast cancellation of transit activity, opening or transfer of a branch, cancelation or change of the main head quarter or license premises with an amount of SR 1000/- " one thousand Riyal only " .
- J. To compline with the technical requirement of customs clearance and electronic registration such as financial statement, documents and electronic archiving.
- K. Non – Saudi are not allowed to not allowed to work in the offices individual customs brokers, those who have non – Saudi employees shall be granted a period not amore than of three months from the date of application of this guide.
- L. In the event of the death of the individual customs broker, a period bot more than three months from the date of death shall be granted to the legal agent of the heirs to conclude and settle the pending transactions.
- M. Customs has the right to determine the number of licenses needed for each customs port. According to the actual work needs.

Article No. : 9- Procedures of open branches " individual Customs Clearance License ".

Branches of Customs clearance license for individuals may be opened after obtaining the prior approval of the Saudi Customs department in accordance with the actual needs of the customs required under the following conditions :-

- A. To submit a request to open a customs clearance branch for the customs that he wishes to practice.
- B. To submit a certified bank check in the name of the director general of the Saudi Customs in amount or SR. 20/000 " twenty thousand Saudi Riyal " for each branch.
- C. To appoint an assistant to manage the ----- on his behalf, the appointed assists should meet conditions stipulated in article to of this manual.

D. To submit a certified copy of the lease contract or the title deed or real estate of the head quarter place or the office to practice the business in the branch independently. And should enclose a map of the office location, endorsed by his signature and seal, the concerned custom port must be immediately be notified in case of changing the location of the office headquarter for any reason.

Article N. : 10- Conditions for the Appointment of Assistants or Representatives of the Customs Broker :-

- A. To be A Saudi 18 years old Saudi National.
- B. Bearing at least high school certificate endorsed by the ministry of education or the Saudi Embassy if the certificate is issued by a foreign country, in regard to the broker's representative his qualification should not be less than an intermediate certificate. Those who are nominated before issuing this guide " manual " are excluded.
- C. He shall not have a valid customs clearance license ; and shall not practice the business except for broker he is working for him, and his practice to be limited in one customs port only.
- D. For those who have previously worker for another customs broker should provide a release letter from the previous broker certified pay the customs port concerned.
- E. He should also worked for the previous broker for a period not less than six months.
- F. He must pass the test, which is organized by custom training institute. Those who have ----- it ----- the issuance of this guide "manual " are excluded.
- G. To submit a certificate free of criminal record issued by the security authority concerned with public security " forensic evidence " that he has not been convicted pay a final judgment of one of the crimes against honor and honesty or the crime of customs smuggling unless he has been rehabilitated.
- H. To pass the drug abuse test conducted by a government hospital upon applications.
- I. Not to be a member, shareholder or owner of an customs establishment or company.

Article No. : 11- Terms for and condition regarding of the declinator or the special representative : -

Governmental authorities, public bodies, establishments, companies, and private commercial have the right to authorize one of its employees to perform the process of customs procedures concerning its import or exports in accordance with the following procedures and conditions :-

- A. To be an 18 years old Saudi National.
- B. To submit an authorization letter from the owner of the goods addressed to the director of the import or export requesting the adoption of the authorization of their representative.
- C. The representative shall be one of the governmental authority, public authority or the commercial establishments and devoted for its work and duty.
- D. Should pass the required test conducted by customs training institute. Those who have ----- it before the issuance of this guide are excluded.
- E. The letter of authorization shall specify certain period not exceeding one year, or to redeem a specific shipment clearance.

Article No. : 12- Condition for Customs Clearance Head quarters :-

- A. The head quarters should be independent and suitable for the work as a customs broker within the city of his choice as a main office for the license according to a rental lease or contract ownership of his headquarters endorsed by the concerned government authority in the nearest city to the customs port or independent head quarters within the customs port facility.
- B. Secure a proper well equipped space as a reception area for the customers.
- C. Provide and secure the necessary tools and the proper communication means needed to enter into the Saudi Customs system during 24 hours a day.
- D. Provide proper communication means and post office number registered in the national address to receive requests from the customers or from the Saudi Customs.
- E. Provide the proper number of customs clearance representatives in each shift inside the customs ports in accordance of the customs work needs.

- F. Obligated hiring employees according to the clearance license terms and they should be registered in in ----- in accordance of the Saudi labor law and other laws concerned.
- G. Placing and induction and indicative board according to the conditions of the municipalities and secretes on the broker's head quarters and according to what is recorded in the customs clearance license showing the natural and commercial name, the license number, the ----- activity and communication channels.
- H. Submit a plan for the location of the customs broker's headquarters and the competent department in the affairs of the customs brokers in the Saudi Customs.

Article No. : 13- Customs Clearance License Renewal Procedures :-

- A. Submit request to renew the License through the Saudi Customs auto portal after passing the renewal fees " SR 3000/- " three thousand Saudi Riyals.
- B. Renew the bank guarantee of the establishment and company license. The license should be valid for a period more than three years.
- C. Provide a ----- membership certificate for the broker and all the employees.
- D. Submit a new certificate for drug test issued by a government hospital for all the individual involved in practicing customs clearance and who are permitted to enter the customs zone.
- E. Auto renewal of the information concerning customs brokers. as per the approved form.
- F. Renew the customs clearance license ----- a period of three -----, accounted from the expiry date of the previous license.

Article No. : 14- Terms And Procedures of Transferring Assistants And Representatives of The Customs Broker.

The transfer of an assistants or representative from one customs broker to another customs broker shall require the following :-

- A. In case of assistants transfer, submit a request to the Saudi Customs department through the electro customs -----, and incase of broker representative the request is submitted to the port customs this representative is practicing his duty.

- B. Return of entry badge to the customs sites to customs port in case of termination or termination from servile.
- C. Transfer for the assistant or representative only permitted only when released from the previous broker or termination of the branch or the license.
- D. The transfer request For the assistant & representative is excepted or rejected by the director of the customs port director with explanation indicating the reasons in case of rejections.
- E. In case of acceptance " approval " of the request. A new badge is issued to enter into the customs sites and area, and the necessary adjustment actions needed is completed in the auto transfer system.

Article No. : 15- Customs broker obligations :-

Subject to the provisions of articles 112, 115 and 157 of the unified customs law, the customs broker and this assistant shall abide to the following :-

- A. Company with the regulations and instructions in force in the field of activity.
- B. Preserve his publication, seals, stamps and confidential number to enter in to the Saudi Customs Automated system and other automated system, and not to allow others to use them in any way.
- C. Submit the customs declaration automatically upon obtaining the manifest, archiving the necessary documents electronically translate the invoices in Arabic language, clarify the description of the items and subject them to the correct items.
- D. Main the records necessary to record the transactions to which the customs broker is entrusted to clear them for the account of his clients.
- E. Record transaction in serial numbers, indicate and mention the customs declaration number of each transaction automatically. The records shall be kept for period not less than five years effective from the date of closure, and archive it electronically in such a way that custom officer may access to review it, in accordance with article 115 to the unified customs law.
- F. Issue an invoice of the expenses spent by the customs broker explaining the details and fees according to their proper names, the receipts fixed to pay customs, duties and other services fees and their customs data number.

- G. Record all these information in a special automated register. Maintain this register for a period of five year. According to the provisions of article 155 of the unified customs law. for reference by the customs when required.
- H. Quickly accomplish commercial transactions tasked to him as a broker once recording the information automatically. In case of reasons for delaying completing the transaction, customs port should be notified in writing as well as the concerned person. He should not halt and stop follow --- up completing the procedure, only with excuse acceptable by the customs port.
- I. Hand the invoice of service to the owner of the good. The invoice should indicate fees, and expects paid for this purpose.
- J. Good treatment and dealing with all whom he man deal with in side the customs sites or areas, and not to offend any one.
- K. Commitment to maintain the confidentiality of the commercial transitions of this clients. and what is required by the duty of honesty.
- L. The customs broker and his assistants shall abide by the proper dress and suspend the entry badge or card issued to him by the customs prominently on the uniform he wears during performing the work.
- M. The broker should himself practice his duty and activity. In case of absence from his headquarters, he must authorize and assign one of his assistant as a deputy to perform the duty on his behalf for a period not more than three month's each year. The broker should submit an obligation promising to guarantee to pay any financial dues or penalties or compensations, the custom port must register the assistants name and the period he is authorized to perform and practice his duty base on his national identity data.
- N. Subject to the regulations and instructions in force, the customs broker has the right to dispense the services of his assistants and deputies, in this case he must immediately inform the custom about the termination decision to allow the customs to cancel the entry card and suspend the validity of this card and stop the validity of entry to the customs automated system.
- O. Fulfill and discharge any obligations or un-completed transaction without delay.

- P. Cooperate with customs officers and abide by the ethics of the recognized work and report about any suspicion of violations observed committed by his clients or dealers that may violate the customs regulations considering that it is among his responsibility otherwise, he may be considered as a partner in violating the regulations if when it is proven his knowledge.
- Q. To complete the procedure of renewing the customs clearance license within a period not more than go days before the expiry date and not less than to working days from the expiry date, in case of applying after the expiry date of the license, a delay fine of SR 500/- shall be paid for each month or parts those of shall be paid up to 6 months.
- R. The license shall be revoked after that period. If the broker wishes to obtain a new license, he must apply again in accordance with the conditions set out in this guide " manual ", unless he provides justifications accepted by Saudi customs which hindered to renew his previous license and pay the delay penalty or fine for that period, in addition to the renewal service fees for that period.
- S. The owner of the license or his employees are not allowed to perform the customs clearance activity other than the customs department they are authorized to deal with them.
- T. The broker shall only deal with the importers and exporters who authorized him directly without an intermediary.
- U. The broker must ----- the customs department upon the loss of the license or any of the entry cards to the customs yards.
- V. It is forbidden for a customs broker to use or mediate a customs officer to carry out his own transactions or to any of his clients.
- W. Accuracy in the preparation process to fill all customs declaration forms and attach the required documents and avoid delaying the clearance process of the goods only with a legal justification in the case the broker shall immediately notify in writing the customs department and the concerned party about this delay.
- X. Comply with the official working hours in accordance with the instructions set by the customs.
- Y. The deputy or the representative of the customs broker shall receive and deliver the customs declarations and other documents. The services of clearance representative of other customs offices should never be used for this task.

- Z. The customs broker shall bear any financial obligations towards customs, such as storage fees in case the delay in completing the procedures is due to him or one of his employees unless it is proved that the delay was for reasons beyond the will of the customs broker or the importer and accepted by customs in accordance with the instructions and controls regulating the storage fees and exemption process.
- AA. Commitment to apply the process of receipt and delivery of customs transaction documents correspondence between the broker and the importer in other sectors related to his the broker's work for reference when needed.
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25. Customs broker shall enter into an agreement with authorizing entities that determines responsibilities related to invoices, goods documents, performance of shipping formalities associated with goods transportation from station office to another, delivery location and goods handover to authorizing entity's location or goods re-export.

26. All Customs brokers along with their officials of customs clearance are subject to customs control.

27. Without prejudice to Law of Commercial Register, customs brokers shall keep a record for formalities of transaction progress taken by customs office. Such a record is to include, as well, reasons for transaction failure, if any. A written or electronic notice thereof shall be served to customers and a copy of such record is to be prepared for submittal upon request.

28. Customs brokers are committed to guarantee receipt and delivery documents that involve transactions conducted with concerned persons. Such documents include a segment for received documents, the respective date of reception and translation responsibility; in addition to a segment for remarks.

29. Individual customs brokers are not allowed to use a commercial name for customs clearance license unless they obtain a corporation and establishment customs clearance license.

30. Customs broker shall hold the full responsibility for smuggling violations and crimes committed in customs data and for smuggling violations and crimes committed by its servants authorized within the scope of the broker's activity per article No. (157) of Common Customs Law.

31. Customs broker and its officials shall be subject to toxicology screen that determines the amount of illegal drugs that might be taken. Such toxicology screen is to be conducted by General Customs Authority any time.

31. Customs broker executes agreements with all license holders and registers them with General Organization for Social Insurance per Labour Law, regulations and related directives.

Article No. (16): obligations of customs towards customs brokers

1. Customs broker is granted, prior to proceeding with its related business with customs, a passcode that allows access to customs' automated system within the scope of the

- headquarter. The respective assistant is to be granted a passcode to access customs' automated system within the scope of the determined office.
2. The station office and the concerned administration of the General Customs Authority shall follow up with customs brokers in order to update their data and addresses. Furthermore, they shall regularly inspect customs brokers' offices to make sure they comply with directives regulating the activity of customs clearance. The station office and the concerned department of the General Customs Authority, shall, as well, measure the performance of all customs clearance practitioners.
 3. The concerned station office shall regularly track the delayed customs data registered in the customs automated system to find out reasons for such delay, difficulties and obstacles, if any, that stand against the processing. Moreover, the concerned station office shall track the registered liability discharge, restrictions applied to customs broker and accrued fines. Such concerned station office shall report on violating customs brokers before the General Customs Authority's competent administration.
 4. General Customs Authority's competent administration shall prepare forms related to practice of customs clearance profession and publish the same on customs' portal so that customs brokers can use such forms for their literature.
 5. General Customs Authority's competent administration regulates automated registers for customs brokers involving their submitted names, license numbers, effective and expiry dates, guarantee letters and penalties applied to them and their assistants during activity operation. Such stuff mentioned in the register shall be regularly reviewed.
 6. General Customs Authority's competent administrations classify customs brokers according to commitment to and compliance with customs regulations and directives, their relations with customers and exporters, and logistics performed, all of which shall be published on customs' portal.
 7. General Customs Authority's competent administration shall follow up customs brokers' requests and complaints, and scrutinize their proposals and opinions in a pursuit to develop the activity of customs clearance in a way that ensures good progress.
 8. General Customs Authority's competent administration shall hold workshops and training courses for customs brokers and provide them with all updated formalities.
 9. General Customs Authority's competent administration provides customs brokers with a copy of Manual Guide to Practice the Customs Clearance Profession to review and act upon. Such Manual Guide to Practice the Customs Clearance Profession is to be published on customs' portal.

Article No. (17): obligations of customs brokers' assistants and representatives

1. Commitment to regulations stipulated in Common Customs Law, directives issued by General Customs Authority and the current manual guide.
2. Undertaking to show up during official work times as determined by General Customs Authority on this concern and follow-up with performance of goods' customs formalities as assigned without delay.
3. Compliance with the uniform required for their business and clear demonstration of cards of access to customs locations and the related establishment or company's name and logo.
4. Cooperation with customs office officials and adherence to recognized work ethics and manners.
5. Commitment to the requirement demanding never working for their account, for another customs broker's account or for any other entity other than the approved one to work for.

Article No. (18): requirements of customs broker authorization

1. For customs broker to be approved to perform customs formalities of imported and exported goods, the respective authorizer shall submit automated authorization containing full data and determining the authorization period per the automated form approved by General Customs Authority.
2. Customs brokers may not any case practice customs clearance business under a permanent authorization.
3. A letter by governmental entities shall be deemed sufficient to approve authorization of customs broker to take responsibilities of such entities' imported and exported goods, provided such letter is to be signed by the authority holder and involving kind and quantity of the imported and exported goods.
4. Upon a request by the concerned person to transform the above authorization from a customs broker to another for determined goods already subjected to customs formalities, customs port shall be informed with reasons of such transformation.

Article No. (19): penalties

Pursuant to articles Nos. (114) and (141) of Common Customs Law and without prejudice to any other penalties determined under Common Customs Law or any other law, penalties are applied to customs brokers or one of their assistant, having conducted the required investigations by the competent committee for customs brokers' violations, based on the following sequence:

- a) Warning
- b) Financial fines not exceeding 5000 SAR (only five thousand riyals)
- c) Work suspension for two years at maximum
- d) License cancellation and irrevocable bar from profession practice

Article No. (20): committees that investigate customs brokers' violations

1. Regardless the cases that are considered smuggling as contemplated in article No. (134) of Common Customs Law, committees inside customs ports shall be formed to consider customs brokers and their assistants' violations, which committees are to be responsible for investigating and scrutinizing customs brokers and their assistants' violations set out in article No. (141) of Common Customs Law. The committee is structured as follows:
 - a) Station Office's Assistant Director General for Customs Affairs (president)
 - b) Station office's representative of Customs broker affairs (member and committee coordinator)
 - c) Legal counsel
 - d) Representative of the administration where the violation occurred (member)
2. Reports of violation investigation shall be submitted by all customs administrations to Director General of the station office, who in turn refers such reports to the committee mentioned in paragraph No. (1) for consideration.
3. The customs port's competent committee may suspend the work of customs broker for at most 10 (ten) days as precautionary measure.
4. The committee refers its recommendations to apply penalty upon administrative draft resolution to Director General of the station office for approval within at most 10 (ten) days from the date the violation is referred to the committee.
5. A copy of the approved penalty resolution shall be delivered to General Customs Authority's administration reporting the violation having registered in the automated system by the concerned station office.

6. Violating person or its representative shall be notified with the fine applied by the committee. Such violating person shall, then, pay the fine within 15 days from the date of notification, taking into account the violating person may challenge the fine resolution before the minister or the competent entity within the mentioned period. The competent entity then may approve, amend or cancel the fine resolution.

7. In case the violation necessitates another penalty exceeding the station office's powers, such violation along with all violation-related documents and investigation reports shall be referred to General Customs Authority's competent administration that in turn submits the same to a committee of customs broker's violation in General Customs Authority. This case excludes any violation associated with participation in smuggling or store fees crimes, which shall be referred to legal administration for review or characterization and referral to primary customs committees.

8. General Customs Authority's committee of customs broker's violation is composed of the following:

- a) Director general of Customs Control or its representative (president)
 - b) Representative of customs brokers' affairs (member and committee coordinator)
 - c) Legal counsel
 - d) Representative of the administration where the violation occurred (member)
9. The committee scrutinizes the violation and the precedent investigations, reinvestigates, if required, with all involved parties and proposes the appropriate penalty per article No. (114) of Common Customs Law.

10. An administrative decision is to be issued by Director General of Saudi Customs or its representative. Station office and the concerned customs broker are to be informed with this decision so it can be put into practice. A challenge against this penalty may be submitted before Minister of Finance within thirty days from the date this decision is notified. The Minister's decision then shall be irrevocable.

11. Penalties shall be applied and financial fines paid and registered in the automated system through the customs port where the violation occurred. Director General office's competent administration follows up this matter.

Article No. (21): cases to withdraw or cancel cards of access to customs locations

Cards of access to customs locations is withdrawn or cancelled- upon a decision by Director General of station office- in the following cases:

1. Failure to comply with any obligations of customs broker or special representative's assistant or representative.
2. Application of three penalties to customs broker or special representative's assistant or representative during one year.
3. Bankruptcy or liquidation of customs broker business.
4. Ceasing to practice the profession for more than uninterrupted six months without giving reasons thereof.
5. Issuance of irrevocable rule against the assistant or the representative on the ground of committing a smuggling crime as stipulated in articles Nos. (142- 143) of Common Customs Law or application of custodial penalty due to committing a crime against honor or trust.
6. A request by the holder of customs clearance license to withdraw the card in order to terminate the assistant or representative's work.
7. Use of cards of access to customs locations by person other than the holder.

Article No. (22): cases to irrevocably cancel customs clearance license:

Customs clearance licenses are cancelled- upon a decision by Director General of Saudi Customs or its representative- in the following cases:

1. Death of the individual customs broker.
2. Unfulfillment by customs broker of one of the requirements prescribed in article No. (4) hereof, or invalidity of one of the requirements upon which the license is issued.
3. Practicing both professions of customs clearance and import and export by individual customs brokers.
4. Issuance of irrevocable rule against the licensee on the ground of committing smuggling crime or application of custodial penalty due to committing a crime against honor or trust.
5. Issuance of judgment of bankruptcy or seizure. Or in case of failure to perform customs clearance works in any capacity and in any form.
6. A request by the licensee at its discretion to finally terminate the business.
7. Ceasing to practice the business for more than uninterrupted six months without providing reasons thereof.
8. Having proven that the license or the respective affiliate is rented to or used by third party, and covering up this matter by the licensee.
9. Termination of business of establishment or the company operating customs clearance for any reason whatsoever, including but not limited to expiration, dissolution, activity change in the main commercial registers, and logistic activity suspension and transformation to other activities no related to customs clearance.
10. Being a member in an establishment or company operating customs clearance. In such case the customs broker license shall be cancelled having granted an appropriate grace of at most three months to liquidate its business.

Article No. (23): formalities to irrevocably cancel customs clearance license

1. A request shall be submitted to General Customs Authority or the customs port (the headquarter where the business is operated) to cancel the license by the holder. In case of death, such request is to be submitted by the successors' legal representative.
2. General Customs Authority's competent administration shall ensure that no financial or documentary obligations is borne by the licensee or one of its servants before issuance of license cancellation decision.
3. There shall be submitted a discharge from the respective station office, State Property Department or King Fahd Causeway Authority. In addition, the rental of customs broker's office in the port shall be terminated.
4. An evidence for workman's layoff, the matter that necessities cancellation of the license workmen right, shall be submitted.
5. Final unrestricted and valid certificate from General Authority of Zakat and Tax (GAZT) shall be provided.
6. A certificate from General Organization for Social Insurance shall be provided.
7. In case of death, a copy of death certificate, determination of heirs and the legal power of attorney issued for the representative along with all of the above shall be provided.
8. A grounded decision to cancel the license shall be issued by the Director General of Saudi Customs or his representative. Thereafter, the license shall be suspended in the customs' automated system.
9. The license holder or its successors shall be returned the financial dues related to the license after deducting any financial amounts due for the General Customs Authority.

Regards,

Regulatory Articles of Common Customs Law

Chapter (10)

(Customs Brokers)

Article No. (108)

A customs broker is defined as any natural or legal person practicing customs data preparations, execution, submittal to customs office and performing customs formalities of goods clearance for third party.

Article No. (109)

Every GCC State citizen shall be entitled to practice customs clearance profession after obtaining the administration license.

Article No. (110)

Goods declaration provided to customs office and performance of customs formalities, be it related to import, export or transit, shall be accepted from:

1. Goods owners or their authorized representatives who meet the requirements determined by the Director General, in addition to authorization requirements.
2. Authorized Customs brokers.

Article No. (111)

Endorsement of the delivery order for the name of the customs broker or the representatives of the owners of the goods shall be deemed as an authorization for finalization of the customs procedures without any liability on the part of the customs office for delivering the goods to the endorsee.

Article No. (112)

The customs broker shall be held responsible for his acts and those of his employees vis-à-vis the importers, exporters and the Administration under the provisions herein.

Article No. (113)

The director general may issue the directions concerning the following:

1. Licensing requirements for customs brokers,
2. Licensing requirements for the representative of the customs broker,
3. Licensing procedures for customs procedures and their representatives,
4. Obligations of the customs broker and his representative,
5. Requirements for opening the customs clearance offices,
6. The number of customs brokers and their representatives authorized to exercise the profession at the customs offices,
7. The customs office (s) wherein the customs brokers are authorized to work,
8. Procedures of dispensing with the customs brokers and their representatives,
9. Procedures of transfer (movement) of the representatives of customs brokers among the customs clearance offices,
10. Procedures of withdrawing the licenses of the customs brokers and their representatives,
11. Cases of deletion of the license from the Administration's register.

Article No. (114)

Subject to the provision of Article 140 herein and without prejudice to any civil or penal liability set forth herein or in any other regulation (law), the director general may impose on the customs broker and his representative any of the following penalties commensurable with the offence committed:

1. Notice (warning).
2. A fine not to exceed SR 5000 or its equivalent in the currencies of the other Council Member States.
3. Suspension of activity for a period not to exceed two years.
4. Cancellation of the license and final prevention from exercising the profession. An appeal against the imposition of these penalties may be made before the minister or the competent authority within thirty days

from the date of notification. The resolution (judgment) of the minister or the competent authority shall be final.

Article No. (115)

The customs broker shall keep a register wherein he records a summary of the customs transactions he has completed for the account of others according to the conditions stipulated by the customs office. This register shall contain the amount of duties paid to the customs office, the fees paid to the broker and any other expenses relating to the transactions. The director or his authorized representative shall have absolute power to have access at any time to these registers (records) without objection by the broker.

Article No. (141)

Excluding the smuggling cases provided for in Article 143 herein and without prejudice to the international agreements in force, a fine shall be imposed on the following offences according to the rules of implementation of this regulation (law):

1. Offences of importation and exportation.
2. Offences of customs declarations.
3. Offences of goods in transit.
4. Offences of warehouses.
5. Offences of zones under control of customs.
6. Offences of temporary admission.
7. Offences of re-exportation.
8. Any other offences.

Article No. (143)

The following actions are particularly deemed as smuggling:

1. Not proceeding with the goods to the first port of entry (customs office).
2. Not following the routes specified for getting the goods into or out of the country.
3. Unloading or loading the ships contrary to the regulations applicable at the customs office or unloading or loading the ships beyond the marine customs zone.
4. Illegal unloading or loading of aircraft cargo outside official airports or dropping goods during flight, subject to the provisions of Article (40) herein.
5. Not declaring at customs office the incoming or outgoing goods without a manifest including the goods accompanied by passengers, which have a commercial character.
6. When the goods surpass the customs office at entry or exit without being declared.
7. Discovering goods, not declared to a customs office, concealed in places or cavities not usually designed for containing such goods.
8. Increase, shortage or alteration in the number of the packages or the contents thereof in a situation suspending the duties provided for in Chapter VII herein discovered after the goods have left the customs office. This provision applies to the goods that have illegally transited the country or without finalization of their customs procedures in which case the carrier shall be held responsible.
9. Failure to produce the evidences prescribed by the Administration to justify suspensions of the customs taxes "duties".
10. Taking the goods out of the free zones and duty-free shops, customs warehouses, stores or customs zones without finalization of their customs procedures.
11. Producing false, fraudulent or fabricated documents or lists or affixing false marks intended to evade the customs taxes "duties" in whole or in part, or to avoid the provisions of prohibition and restriction.
12. Transporting or acquisition of prohibited or restricted goods without submitting evidences supporting their legal importation.

Article No. (154)

A- The offence and the consequent civil liability in the smuggling offences arise when the material evidences thereof are available. Good faith or ignorance shall not be taken into account. However, the offender shall be exonerated from liability if he is proved to be a victim of a force majeure as well as the one who proves that he has not committed any act of offence or smuggling or caused it to occur or be committed.

B- Civil liability shall include, in addition to the offenders and smugglers, the partners, financiers, sponsors, beneficiaries, agents, clients, donators, carriers, possessors and consigners of the goods.

Article No. (157)

Customs brokers shall be fully responsible for the offences and smuggling offences they or their authorized employees commit in the customs declarations. However, they will not be responsible for the undertakings submitted in the customs declarations unless such undertakings are made by them or they have guaranteed the undertakers.

Implementing Regulations of the Unified Customs Law

Chapter Seven

Financial Fines Imposed on the Customs Offences

Without prejudice to the provisions of Articles 142, 143, 144 and pursuant to the provision of Article 141 of the Common Customs Law, the rules for imposing financial fines on the customs offences shall be as follows:

Article No. (29)

A fine not exceeding twice the amount of the customs taxes “duties” and not less than their equivalent amount on the following offences:

- 1- The customs declaration (exportation, re-exportation) that could lead to benefiting from drawback or finalization of the temporary admission procedure for temporarily admitted goods without a legal ground.
- 2- The unjustified increase/decrease of the goods compared to that stated in the manifest.
- 3- The use of the materials subject to exemption or to reduced customs tariff for purposes other than those for which they have been imported or replacing, selling or disposing them without the approval of the customs administration and the payment of the customs taxes “duties” imposed under Articles 99, 100 and 104 of the Customs Law and the provisions of these Rules.
- 4- Disposing the goods on which the customs taxes “duties” have been suspended for purposes other than those for which they have been imported or replacing them without the approval of the customs administration and the payment of the customs taxes “duties”.
- 5- Redemption of or the attempt to redeem the customs taxes “duties”.

Article No. (30)

A fine not less than five hundred Saudi riyals (SR 500) and not exceeding five thousand riyals (SR 5000) or its equivalent in the other currencies of the GCC Member States on the following offences:

- 1- Improper customs declarations that may lead to evading any condition or restriction relating to import or export.
- 2- Improper customs declaration in respect to value, type, number, weight, measurement or origin that may lead to the loss of the customs taxes ‘duties’ through misdeclaration according to the provisions of Article (47) of the Law.
- 3- Alteration of the routes specified in the transit declaration without the consent of the Administration according to the provisions of Article (71) of the Law.
- 4- Non-presentation of the manifest of the goods or the availability of more than one manifest for the goods according to the provisions of Articles 30/ (a), 36 (a) and (38) of the Law.
- 5- Submission of the required certificates for the discharge and settlement of the transit, temporary admission or re-export declarations in contravention to the conditions prescribed by the director general under the provisions of Article (68) of the Law.
- 6- Contravention of the rules and conditions prescribed by the director general for depositing the goods at the warehouses according to the provisions of Articles (74, 75) of the Law.
- 7- Anchorage of vessels, landing of aircrafts or stopping of other means of transport at places other than those prescribed by the Administration according to the provisions of Articles (20, 21, 22, 37) of the regulation” law”.
- 8- Departure of vessels, aircrafts and other means of transport from the ports or the customs boundary without authorization by the customs administration according to the provisions of Article (41) of the Law.

9- Transfer of goods from one means of transport to another without the consent of the Administration according to the provisions of Articles (32, 45) of the Law.

10- Unloading of goods from vessels and other means of transport or withdrawing the goods without authorization from the Customs Administration or in the absence of the customs officers or outside the office hours prescribed according to the provisions of Articles (32, 40, 45) of the regulation” Law”.

11- Impeding the customs officers from carrying out their duties and exercising Interpretative Annex COMMON CUSTOMS LAW 145 their right of inspection, auditing and reviewing according to the provisions of Section XIII of the Law. This fine shall be imposed on every individual involved in the offence.

12- Not keeping records, documents and the like for the period prescribed in Articles (115, 127) of the Law.

13- Breaking the sealing or removing the customs seals from goods.

Article No. (31)

A fine not less than five hundred Saudi riyals (SAR 500) and not exceeding one thousand riyals (SR 1000) or its equivalent in the other currencies of the GCC Member States on the following offences:

1- Non-submission of the manifest or the other documents at importation or exportation as well as delaying the submission of the manifest or the other documents beyond the prescribed time according to the provisions of Articles (30, 36, 39, and 40) of the Law.

2- Not having the manifest endorsed by the customs authorities at the port of shipping in the cases so requiring according to the provisions of Article (31) of the Law.

3- Declaring several sealed packages combined in any way in the manifest or the like document as being a single package according to the provisions of Article (44) of the Regulation (Law) subject to the instructions given by the director general in respect of the containers, pallets and trailers.

4- Neglecting to mention some necessary information in the manifest or the like document.

5- The postal import of closed parcels or boxes not bearing the approved labels, which is contrary to the provisions of the Arab and international postal agreements and the national legislations according to the provisions of Article (40) of the Law.

6- Any other contravention to the provisions of the ministerial resolutions and the instructions issued under the Law.

Article No. (32)

A fine amounting to two hundred Saudi riyals (SR 200) or its equivalent in the currencies of the other GCC Member States for each day of delay provided that the fine shall not exceed half the price of the goods; this applies to the offences of delaying the production of the transit goods or re-exportation to the customs office through which the goods will leave or to the customs office to which the goods are dispatched after expiry of the period prescribed in the customs declarations.