"Official Gazette" of Bosnia and Herzegovina, 7/98

Chapter I

Basic Provisions

Article 1

1. The Law on Foreign Trade (hereinafter called the Law) shall regulate the basic elements of the system

for export and import of goods and services and determine general and special conditions for the

performance of economic activities abroad and for the performance of economic activities by foreign

natural or legal persons in the state of Bosnia and Herzegovina (hereinafter called BH).

- 2. For the purpose of international trade, the movement of Goods and Services shall be free.
- 3. Free movement of Goods and Services shall not preclude prohibitions or restrictions on import, export or

transit, justified under the conditions defined in Articles 6 Paragraph 2 and 25 Paragraph 1 and Article

31 of this Law. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary

discrimination or a any measure and charge of equivalent effect on international trade.

- 4. The law shall also establish rules consistent with international obligations under trade agreements for the
- exceptional applications of safeguard measures and for national market protection against international

unfair competition such as dumping and subsidies.

5. This Law improves existing and future economic collaboration between BIH and its Entities and

neighboring and other states and international organizations in accordance with the provisions of the

Constitutions of BIH.

Article 2

1. The Law is based on the Constitution of Bosnia and Herzegovina, which provides the responsibility of

the State for Foreign Trade policy.

2. Unilateral measures concerning Foreign Trade and Agreements with third countries related to Foreign

Trade are the responsibility of the institutions of BH.

Article 3

1. For the purpose of the Law "Foreign Trade Policy" shall be understood to

mean State Uniform Principles

for the application of all unilateral measures concerning the international movement of Goods and

Services, and for the negotiation and the conclusion of any agreements with third countries, regional or

international organizations related to international trade.

- 2. For the purpose of the Law "Unilateral measures concerning Foreign Trade" shall be understood to mean
- restrictive measures, as well as Anti-dumping and Anti-subsidies.
- 3. For the purpose of the Law "Agreements with third countries related to Foreign Trade" shall be

understood to mean: any agreement or instrument related to international trade and in particular any

trade agreement with other Countries, any agreement with the European Union, any membership in

Customs Unions, in free-trade areas and in the World Trade Organization. Article 4

- 1. Foreign Trade Policy under the previous Article of this Law shall be established by BH bodies in cooperation with the competent bodies of the Entities.
- 2. The Entities shall take all appropriate measures, whether general or particular, to ensure fulfillment of

the obligations arising out of the Law or resulting from action taken by the Institutions of Bosnia and

Herzegovina.

- 3. Authorities of BiH and competent authorities of the two Entities authorities shall mutually co-operate and exchange any information necessary to ensure fulfillment of the obligations arising out of this law.
- 4. Competent authorities of the two Entities may not pass measures that could jeopardize the attainment of

the objectives of the Law.

Article 5

- 1. For the purpose of the Law, "Entity shall be understood to mean the Federation of Bosnia and
- Herzegovina and the Republika Srpska.
- 22. In accordance with this Law, the Governments of the Entities shall be responsible in their respective

areas of control and administration for the proper administration and supervision of Customs territory

and the orderly implementation of the Customs Laws, customs regulations and other laws and

regulations.

Chapter II

Export and Import Regimes

Article 6

- 1. The export and import of goods shall be free of any quantitative restriction or of any measure of equivalent effect.
- 2. The provisions of paragraph 1 of this Article shall not preclude prohibitions or restrictions on

international trade of goods justified on grounds of publicity, public morality, public policy or public

security, the protection of health and life of humans, animals or plants, the protection of national

treasures possessing artistic, historical or archaeological value, or the protection of industrial commercial

property or to eliminate drugs and waste materials.

- 3. Beside the provision of the previous Paragraph:
- The export and import of goods shall be provided under the same conditions on the whole BH

Territory

- Council of Ministers of Bosnia and Herzegovina shall regulate under the provisions of this Law
- that export and import of certain goods may be subject to customs tariffs and other specified

conditions, including requests for statistic data

- 4. Imported goods shall be submitted to the same tax and legal conditions as imposed on similar BH products.
- 5. The classification of goods according to individual regimes of export and import, the extent or value of

quota, the manner, time-period, and conditions for their classifications shall be prescribed by the Council

of Ministers of Bosnia and Herzegovina.

6. Ministry of Foreign Trade and Economic relations of BH (hereinafter: BH Ministry of Foreign Trade)

is providing needed number of bilateral and multilateral permits, quotes, contingents, detachments etc.

for the needs of BH economy. Distribution is to done to the Entities and by them to the final users.

- 1. Goods to be imported must comply with standards, technical and quality norms prescribed or recognized
- in BH as conditional for their introduction and or use in Bosnia and Herzegovina including the Entities' standards.
- 2. Sanitary, veterinary, phytopathological or ecological control of imported goods shall be obligatory and in

accordance with regulations.

- 3. Goods shall remain under customs administration and supervision by the time all the conditions
- stipulated under paragraph 2 of this article.
- 4. Goods for which procedure of compulsory test certification has been prescribed must be duly marked
- once the relevant test certificate has been obtained.
- 5. Goods whose trade is prohibited in Bosnia and Herzegovina may not be imported or temporarily imported.
- 6. The BH Council of Ministers may, consistent with obligations under trade agreements, prohibit the
- export, import or transit of specific goods across Bosnia and Herzegovina or prescribe conditions under
- which such goods may be imported, exported, or transported in transit to prevent endangering human
- lives and health or the environment.
- 7. Notwithstanding the first and second Paragraphs of this Article goods may be temporarily imported for
- upgrading purposes if this does not endanger human, animal, or plant life or health.

Documents accompanying goods on export and import

- 31. If contracts with foreign legal persons, the regulations of a foreign country or international agreements,
- stipulate that certificates or verified documents are to accompany goods being exported or imported,
- such certificates or documents shall be issued or verified by the competent authority.
- 2. If the regulations of the country in which the certificate or other documents referred to in the previous
- Paragraph of this Article are to be used stipulate that such certificates or documents be verified by State
- authorities, they shall be verified by the BH Ministry of Foreign Trade and Relations of BH with dry
- notarisation stamp, and Ministry of Entities with wet stamp.
- 3. The Ministry for Foreign Trade of BH, with previously obtained opinions of competent bodies in Entities
- and if needed economy associations, shall proscribe conditions for issuing of such certificates, or
- document verification to be enclosed with goods for export and import, criteria for considering goods to
- be originating from BH and conditions that will require confirmation of origin for imported or exported goods.

Date of permanent export and import and customs clearance Article 9

1. The export or import of goods is considered completed when the goods have cleared customs and have

passed the customs line. The export or import date shall be deemed to be the date on which the

declaration for the goods is accepted by Customs.

2. For the purpose of the Law, "acceptance" shall be understood to mean an acceptance of Customs

declaration at a Customs Office which is duly authorized by the Entities for the completion of Customs

formalities.

3. (deleted)

Capital investments of a foreign person

Article 10

The movement of goods representing a capital investment by a foreign legal person or an increase of a

capital investment, other than goods whose import is subject to special restrictions, shall be free if in

accordance with the legal transaction on which the foreign investment is based.

Import of capital goods after termination of capital investment projects abroad

Article 11

1. Companies carrying out capital investment projects abroad may, after the completion of such projects or

after ceasing to use the capital goods and their replacement parts purchased for and used in the execution

of works under contracts on the execution of capital investment projects abroad, may freely import such

goods and their replacement parts in Bosnia and Herzegovina.

2. Prior to importation of the goods and spare parts referred to in the first Paragraph of this Article, the

company must, in addition to evidence of purchase present a statement from its administrative body that

these goods where used in the execution of capital investment projects abroad.

Replacement of previously exported or imported goods Article 12

1. A company from BH may within the framework of concluded export or import contracts and before the

expiry of the time determined for the correction of deficiencies by such contracts, export or import goods

to replace previously delivered goods which have been established as faulty or

not meeting contractual conditions.

2. The export and import of the goods referred to in the previous Paragraph shall be free.

Temporary export and import of goods

Article 13

Amendment published in the Official Gazette of Bosnia and Herzegovina 35/04 41. In order to perform services for foreign legal persons or to use the services of foreign legal persons and

in other cases when goods are exported or imported, goods may be temporarily exported or imported.

- 2. A declaration of temporary importation or exportation must be completed with the prescribed conditions
- in accordance with the Customs Law.
- 3. Temporarily exported goods must be returned to the Customs territory of Bosnia and Herzegovina or

permanently exported and temporarily imported goods must be returned to the foreign country or

permanently imported and cleared by the Entities in that part of the State under their respective control in

accordance with the Customs Laws within the time period prescribed for temporary import and export.

Article 14

1. Temporarily exported or imported goods may only be used for the purposes for which they were

temporarily exported or imported.

2. The movement of goods for temporary export and import shall be free regardless of whether the export

or import of such goods is subject to quantitative restrictions.

Article 15

Council of Ministers of BIH, on the proposal of the Ministry of Foreign Trade BIH, can determine type,

purpose and duration time of temporary exports and imports, as well as to determine specified goods not to

be temporary imported, in order to prevent endangerment of human life or health of animals and plants.

Regime for the export and import of goods from and to customs free zones Article 16

- 1. A company can freely move goods and services to and from customs free zones and supply spare parts
- and other material for the operation and maintenance of transport vehicles for the purpose of conducting

business activities in such zones.

2. For the import of goods from customs free zones to the Customs territory of Bosnia and Herzegovina or

for their export from the Customs territory of Bosnia and Herzegovina to customs free zones, general

conditions under article 6 of this Law shall apply.

- 3. For upgrade purposes and under special customs supervision, goods may be temporarily imported freely
- to the Customs territory of Bosnia and Herzegovina until the upgraded goods are returned to the zone or

until they are exported.

- 4. Articles 12, 13 and 14 of this Law shall apply for temporary export from the Customs territory of Bosnia
- and Herzegovina to customs free zones and for temporary import from customs free zones to the

Customs territory of Bosnia and Herzegovina.

Export and import of goods without payment

Article 17

A company may receive tools, measuring instruments and devices, service vehicles, and equipment sent to it

by a foreign legal person with whom a contract regarding agency, consignment stock, or services has been

signed for the purpose of performing services within the framework of the concluded contract, pursuant to

Customs Law.

Long-term production cooperation

Article 18

For the purpose of the Law "long-term production cooperation" shall be understood to mean any long-term

contractual relation between a domestic legal person performing production activities in Bosnia and

Herzegovina and foreign legal persons concerning development, introduction of production, production, and

mutual supply of products and their component parts.

Article 19

- 51. If at the time the contracts and amendments and supplements to it were concluded, the goods exported
- and imported on the basis of a contract on long-term production cooperation were classified as goods to

be exported or imported freely, then they shall be exported or imported freely until the end of the

fulfillment of the contract.

- 2. If export or import of goods is undertaken based upon contract of long-term production cooperation,
- submissive to quote or permission, company will export or import such goods based upon approval of

Ministry of Foreign Trade of BIH which must decide about requested approval.

This approval will

represent rights for import or export and on that base will be valid as long as contract is valid.

Article 20

- 1. A contract on long-term production cooperation made in written form and for a specified period of time
- can be completed with any available information, and may also be emended.
- 2. The value of the goods exported on the basis of the contract referred to in the previous Paragraph of this

Article must at least be equal to the value of the goods imported on the basis of the same contract.

3. Conditions for registration of contract for long-term production cooperation will be proscribed by

Council of Ministers on basis of proposal of Ministry of Foreign Trade BIH. Equipment lease

Article 21

- 1. A company may temporarily export or import equipment on lease for use in production and to perform services.
- 2. A lease contract shall be done in writing and specify the terms of the lease. It may also specify that after the expiration of the contractual term the lessee shall become the owner of the temporarily exported or imported equipment.
- 3. Entities are issuing permissions for temporary export or import of purchased goods under conditions

determined by the rules as in Article 43 of this Law. If such imports or export are submissive to quotes

or permission, Entities can permit them if importer has approved rights for quote and permit. If no quote

or permit is approved for such imports or exports, Entities can give permission for temporary import

pursuant to the provisions under Article 15 of this Law.

- 4. In the event at the time of temporary export or import, the equipment on lease is classified as goods
- which can be freely exported or imported, and at the time of its permanent export or import it shall be

exported or imported freely.

Compensation jobs

- 1. Company may, according to the approval, sign the contract on export of goods and services which are
- paid by import of goods and services.
- 2. Ministry of Trade in Entity will issue approval from posture 1. of this Article based upon particular

regulation of Council of Ministers of proposal of Ministry of Foreign trade. Chapter III

International Trade In Services

Article 23

- 1. Services can be freely provided within the territory of Bosnia and Herzegovina.
- 2. Notwithstanding the provision of the previous Paragraph, the Council of Ministers may, to the extent

consistent with trade agreements to which BH and/or Entities is party, prescribe that the internal trade of

specific services can be carried out subject to specified conditions.

- 3. For the purpose of the Law:
- "services" shall be understood to mean any service in any sector except "services supplied in the

exercise of governmental authority".

- "trade in services" shall be understood to mean the supply of a service between legal and natural
- persons from Bosnia and Herzegovina and a foreign country or customs territory;
- 6- Services supplied in the exercise of governmental authority" shall be understood to mean any

service which is supplied neither on a commercial basis nor in competition with one or more

service suppliers.

National treatment

Article 24

- 1. Without prejudice to the provisions relating to the right of establishment of foreign natural and legal
- persons in Bosnia and Herzegovina, the person providing a service in Bosnia and Herzegovina may, in
- order to do so, temporarily pursue his activity in Bosnia and Herzegovina where the service is provided,

under the same conditions as are imposed by the Council of Ministers and the Governments of the two

Entities.

- 2. Foreign natural persons providing a service in Bosnia and Herzegovina shall be subject to the rules
- contained in the previous Paragraph of this Article in so far as the application of such rules does not
- restrict the application of BIH measures affecting natural persons seeking access to the employment
- market or regarding citizenship, residence or employment on a permanent basis.
- 3. Foreign natural persons providing a service in Bosnia and Herzegovina shall

be subject to the rules

contained in Paragraph 1 of this Article in so far as the application of such rules does not restrict the

application of measures to regulate the entry of natural persons into, or their temporary stay in, Bosnia

and Herzegovina including the measures necessary to protect the integrity of, and to ensure the orderly

movement of natural persons across its borders.

- 4. Measures provided in Paragraph 2 and 3 of this Article shall not be applied in such a manner as to nullify
- or impair the benefit of internal trade of services.
- 5. Services of foreign natural and legal persons in Bosnia and Herzegovina shall be submitted to taxation

and regulations and on the same conditions as same or similar services of foreign natural and legal persons.

Article 25

1. The provisions of Article 23 shall not preclude prohibitions on international trade of services justified on

grounds of public morality, public policy or public security, the protection of health and life of humans,

animals or plants, the protection of national treasures possessing artistic, historical or archaeological

value, or the protection of industrial commercial property.

2. Such prohibitions or restrictions shall not, however, constitute a means of discrimination or a disguised

restriction on international trade.

Export and import of services without payment

Article 26

1. Natural and legal persons may perform services, without fee, for humanitarian, scientific, educational,

cultural, health, social, sport, religious and other non commercial purposes under the conditions

determined by the BH Council of Ministers, on the basis on the proposal of Ministry of Foreign trade of BIH.

2. The approval under paragraph 1 of this Article shall be issued by the competent Entity Ministry pursuant

to stipulated conditions.

Performance of specific services by foreign legal persons in Bosnia and Herzegovina

Article 27

1. Foreign legal persons may perform services in Bosnia and Herzegovina if they fulfil the conditions

prescribed by the Council of Ministers and the Governments of the two

Entities.

2. The Council of Ministers and the Governments of the two Entities may in application of the Law

prescribe conditions and criteria subject to which foreign legal persons may undertake to perform

specific services in Bosnia and Herzegovina providing:

- that foreign legal persons may perform or offer certain services in Bosnia and Herzegovina

under conditions of reciprocity;

7- that foreign legal persons shall not be permitted to perform certain services in Bosnia and

Herzegovina unless they establish legal persons based in Bosnia and Herzegovina or conclude

appropriate contracts with domestic legal persons registered to perform the service in question;

- that foreign legal persons may employ a specified maximum proportion of nationals for the

performance of specific services in Bosnia and Herzegovina.

Commercial Activities Abroad

Article 28

1. Domestic legal persons may establish a company abroad or purchase or increase share capital in a

company abroad and invest in a foreign company by using its own funds or obtain a loan.

2. The funds for the purpose referred to in the previous Paragraph of this Article shall be used on the basis

of a authorization granted by the Entity Ministry of Trade under the conditions stipulated by the BH

Council of Ministers.

Article 29

Provisions under Article 28 of this Law referring to the establishment of enterprises abroad shall accordingly

be applied to the establishment of representatives, business units (shops, services, consignments stocks,

construction sites etc.) as well as for banking and financial transactions abroad and insurance and reinsurance abroad.

Trade-related aspects of intellectual property rights

- 1. For the purpose of the Law "intellectual property rights" shall be understood to mean:
- Copyrights and related rights;
- Trademarks;
- Geographical indications;
- Industrial Designs;

- Patents;
- Layout-Designs (topographies) of Integrated Circuits;
- Protection of undisclosed information.
- 2. Aspects of intellectual property rights concerning foreign trade are jurisdiction of BH institutions. In the
- spirit of this Law, under the term "aspects of intellectual property rights concerning foreign trade" is
- considered: providing of adequate standards and principals in connection with capability, size and usage
- of intellectual property rights concerning foreign trade as well as providing of efficient and suitable
- means for performing of intellectual property rights concerning foreign trade in accordance with
- obligations from trade agreements with BH and/or Entities as the one of the concerned parties.
- 3. BH Council of Ministers may in compliance with the standards under the previous article shall proscribe
- safeguard measures for of domestic subjects and consumers from damaging clauses within license or any
- other transfer of right to intellectual and industrial property.
- 4. International Agreements in the field of trade related aspects of intellectual property rights shall be the responsibility of the BH.

Chapter IV

Safeguard Measures

Article 31

- 1. The BH Council of Ministers shall apply a safeguard measure to a product when determined that such
- product is being imported into Bosnia and Herzegovina in such increased quantities, absolute or relative
- to domestic production and under such conditions as to cause or threaten to cause serious injury to
- domestic industry that produces like or directly competitive products.
- 82. The proposal of such safeguard measures shall be made by the Ministry of Foreign Trade and Economic
- Relations won the obtained opinion from the Entities.
- 3. Such safeguards measures shall be applied to a product being imported irrespective of its origin.

- 1. For the purpose of the Law:
- "Serious injury" shall be understood to mean a significant overall impairment in the position
- of a domestic industry;
- "Threat of serious injury" shall be understood to mean serious injury that is clearly

imminent;

- "Domestic industry " shall be understood to mean the producers as a whole of the like or

directly competitive products operating within Bosnia and Herzegovina, or those whose

collective output of the like or directly competitive products operating within Bosnia and

Herzegovina, or those whose collective output of the like or directly competitive products

constitutes a major proportion of the total production of the total domestic production of

those products.

2. In the investigation to determine whether increased import have caused or are threatening to cause

serious injury to a domestic industry under the terms of the Law, the Ministry for Foreign Trade and

Economic Relations of BH, on the basis of data obtained from Entity Ministries of Trade shall evaluate

all relevant factors of an objective and quantifiable nature having a bearing on the situation of that

industry.

Article 33

Council of Ministers may apply safeguard measures for a limited period of time as may be necessary to

prevent or remedy serious injury and to facilitate adjustment.

Chapter V

Anti-Dumping Procedure

Article 34

1. For the purpose of the Law "damping" shall be understood to mean the introduction in the BH territory

of a product originating in a foreign country at less than its normal value which cause or threat to cause a

material injury to the BH economic producers or which is principle cause of the retardation of the

establishment of such economic producers in the BH territory.

2. BH Council of Ministers prescribes definitions, conditions and procedures of anti-dumping investigation,

as well as measures and terms of anti-dumping safeguard.

Article 35

1. The investigation to determine the existence, degree and effect of any alleged dumping shall be initiated

upon a written complaint of a legal person or association not having the status of a legal person acting on behalf of BH economy.

2. The complaint shall be considered submitted on behalf of BH economy in the event it be supported by

the manufacturers the production scope of which or the production of similar products and services

exceeds 50% of the overall production or of services in BH.

- 3. The complaint shall comprise evidence on dumping, violation and causal relationship between the
- alleged damping import and alleged damages either potential or done.
- 4. The complaint shall be rejected in the event of insufficient evidence on dumping or on damages done to

justify continuation of the procedure.

Article 36

- 91. BH Council of Ministers shall undertake measures in the event of extreme emergency.
- 2. Temporary measures may be introduced for six months and may be extended for another three

months.

Article 37

Anti-dumping measures shall remain in force only for the period and up to the level necessary for antidumping action that shall have caused damages.

Article 38

Temporary measures and anti-dumping duties shall be applied only to the products and services entering BH

after the decision on their introduction.

Protection Against Subsidized Imports
Article 39

A product or service shall be considered subsidized in the event of financial support of the Government or

some other institution in the country of origin or export of the product or service.

Article 40

Provisions under Articles 34-38 of this Law shall accordingly be applied to the safeguard from subsidized

import.

Chapter VII

Application Of The Law

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Article 41

1. The BH Ministry for Foreign Trade and Economic Relations and the ministries in charge in the two

Entities shall be responsible for the application of Foreign Trade Policy under the conditions of the Law.

2. In order to fulfil the applications of the Law the relevant authorities of the Entities will exercise any

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governmental function and powers which are not expressly assigned to the BH Ministry for Foreign

Trade and Economic Relation.

3. The Entities and any subdivisions thereof shall comply fully with BH Constitution conditions and try to

facilitate with Entity co-ordination s on any matters related to Foreign Trade Policy which are their

responsibility.

Article 42

- 1. Control over the application of this Law shall be done by the BH Ministry of Foreign Trade.
- 2. BH Ministry of Foreign Trade shall supervise implementation of obligations taken over by international

bilateral and multilateral treaties, agreements and conventions.

Article 43

- 1. BH Council of Ministers shall pass sub-laws and other regulations based on this Law on the proposal of
- the BH Ministry of Foreign Trade.
- 2. BH Ministry of Foreign Trade prior to the proposal of sub-laws and other regulations to the Council of

Ministers shall be liable to obtain opinions of competent authorities in the two Entities and if necessary ${\sf var}$

of economic associations.

- 103. BH Ministry of Foreign Trade shall also be liable to obtain opinions of the competent authorities of the
- two Entities and if necessary of economic associations prior to the enactment of regulations for which it

is authorized by this Law

4. Regulations under paragraphs 2 and 3 of this Article shall be proposed, or enacted by the Minister of

Foreign Trade of BH with the agreement of his/her deputies.

5. All the regulations under paragraph 1 and 3 of this Article shall be published in the Official Gazette of

Bosnia and Herzegovina, and in Official gazettes of the two Entities Article 44

- 1. BH Council of Ministers shall enact regulations to establish conditions for the establishment of penalties
- to enterprises or associations of enterprises in the events of negligent or deliberate:
- submission of incorrect or wrong information pursuant to Law,
- violation or offence regarding any obligation immediately established for enterprises or associations
- of enterprises pursuant to Law.

Chapter VIII

Transitional and Final Provisions Article 45

- 1. All previous regulations referring to foreign trade shall become invalid at latest six months from the day
- of the entry of this Law into force.
- 2. All the regulations for the implementation of this Law shall be enacted or harmonized within the same
- terms by the BH institutions and by the competent bodies of the two Entities. Article 46
- 1. This Law enters into force 8 days after its publication in the Official Gazette of Bosnia and Herzegovina
- and shall apply to any proceedings initiated after this date.
- 2. Official gazettes of the two Entities shall be liable to publish this Law. SPEAKER SPEAKER
- OF THE HOUSE OF PEOPLES OF THE HOUSE OF REPRESENTATIVES OF BOSNIA AND HERZEGOVINA OF BOSNIA AND HERZEGOVINA MOMIR TOSIC IVO LOZANCIC



