

Unofficial translation

Law No (16) of 2007 On Foreign Trade

**IN the name of the people
President of the Republic:
After reviewing the constitution of the Republic of Yemen
-after the approval of the House of Representatives
We have issued the following law:**

Chapter one: Names and definitions

Article (1)	This law shall be called (Foreign Trade Law)
Article (2)	For the purposes of applying this law, the following terms and phrases shall have their corresponding meanings unless context suggests otherwise.
Republic:	The Republic of Yemen
Ministry:	Ministry of Industry and Trade
Minister:	The Minister of Industry and Trade
Goods:	all products and commodities, items and production appliances and any other movable item that has a commercial value
Imports:	the act of bringing goods into the Republic via customs entries for commercial purposes whether from abroad or from Yemeni free zones
Temporary entry	the act of bringing goods into the Republic for temporary use or for maintenance and then taking them out
Exports:	the act of taking out goods from the Republic for commercial purposes through customs entries.
Temporary taking out:	the act of taking out goods from the Republic for temporary use or maintenance and returning them
Implementing authorities of imports and exports	Central Bank of Yemen and Commercial Banks, Customs authority and entry points each in its respective field.
Value of good:	the value of the good including transportation, freight

	and insurance costs.
Inspecting authorities	authorities legally authorized to inspect goods
Regulation:	the implementing regulation of this law.
Court:	specialized court in enforcing the provisions of this law.
	<u>Chapter two</u> <u>Goals and tasks</u>
Article (3)	this law aims to achieve the following: <ul style="list-style-type: none"> a) Supervise and promote foreign trade to serve the economic and social development goal of the Republic. b) Organization of imports and exports on the bases of a free trade system with a view to meeting the country's needs of various goods and increase production which would lead to stability of markets and balance the Balance of Trade. c) Promote of exports and resolve its problems and difficulties and strive to find new markets abroad, diversify exports in ways that ensure their ability to compete. d) Develop trade exchange with Arab and Islamic countries and the countries of the rest of the world in ways that benefit the national economy. e) Define the jurisdiction and secure coordination of the various implementation, inspection and monitoring organs as a means to ensure the lawful and smooth entry and exit of goods to and from the Republic.
Article (4)	the Ministry, in cooperation with the General Federation of Chambers of Commerce and Industry, plans the promotion of foreign trade as part of the overall economic and social development plan of the Republic based on free of trade principles in accordance with statistics prepared by various government institutions and with the aim of developing it and raising its competence in order to be in line with economic, social, technological and informational development in the field of foreign trade that would lead to maximizing its role and contribution to economic development.
Article (5)	the Ministry assumes in the area of international trade the following tasks and authority: <ul style="list-style-type: none"> a) Supervision of trade exchange with various countries and do whatever is necessary to enhance and promote economic and trade relations with the outside world in fulfillment of the goals of this law. b) Preparation and participation with other ministries, government bodies, chambers of commerce and their

General Federation in concluding trade agreements and protocols between the Republic, Arab, Islamic countries, various countries of the world, international, Arab, regional economic blocks and trade organizations, including agreements that comprise providing preference in foreign trade.

- c) Follow up and coordinate with competent authorities in the Republic in order to implement the trade agreements and protocols between the Republic and Arab, Islamic and other countries, and economic and trade blocks, and Arab, regional and international organizations.
- d) Periodic and continuous evaluation of the results and impacts of the trade agreements and protocols on the national economy.
- e) Study the state of internal and external markets and define requirements for development of exports in terms of quantity and quality in ways that enable it to compete in foreign markets and to take necessary measures that would lead to it and promote, encourage and mainstream procedures, remove obstacles and encourage inter-trading.
- f) Develop ways of supervising foreign trade activities on free trade principles in ways that facilitate the entry and exit of goods into and from the Republic smoothly and legitimately.
- g) The ministry supervises, in coordination with the General Federation of Chambers of Commerce and Industry, trade exhibitions and internal and external markets that aim at promoting national products and do whatever is necessary to acquire trade privileges and preferences that facilitate access of national products in foreign markets and enable them to compete.
- h) Look into and probe complaints from the chambers of commerce and industry about unfair trade practices that harm the national economy or national industries and take necessary measures to address them.

Third Chapter Imports

Article (6) it is stipulated that anyone engages in importation acquires a valid commercial registration of the category importation, a valid membership card to the Chamber of Commerce and Industry.

Article (7)

- a) the competent authority shall issue in accordance with the applicable law written approval to import some items whose importation requires prior approval once it has been specified and a copy of the clearance is sent to the entries for its implementation.
- b) exempt from the provisions of paragraph (a) of this Article drugs, medical appliances, seedlings, fertilizers, agricultural pesticides which requires for importation prior registration one time only at the Ministry

of Health and Population (the Supreme Board for Drugs) and the Ministry of Agriculture and Irrigation with no need to repeat registration.

Article (8)

Imported goods shall abide by the following:

1. Comply with standards and meteorology and quality control accredited in the Republic.
2. Notwithstanding provisions of other applied laws and decisions, imported machines and equipment, motor vehicles, electrical appliances and electronics which require maintenance and spare parts, require that the importer and manufacturing company be obligated to provide spare parts and sufficient maintenance centers.
3. the date of manufacturing the goods is recent in regard to food stuffs, drugs and other goods that have an expiry date and shall be subject to control by inspection bodies to verify the correctness of their commercial description.

Article (9)

goods that contravene Islamic sharia, represent a danger to national security, general safety, morality and the environment shall be banned. A decision from the Prime Minister shall be issued to define such goods.

Article (10)

it is stipulated, for the importation of live animals and seedlings, seeds and fertilizers that they are free from disease and shall be subject to plant and veteran quarantine and laboratory and visible tests to ensure they are free from diseases, with out prejudice to provisions in any other applied law.

Article (11)

Importation from Yemeni free zones are treated as equivalent to importation from abroad.

Article (12)

importation under temporary admission is subject to the Customs Law, bilateral agreements and protocols.

Article (13)

harmful and unfair practices in the domain of foreign trade which may lead or threaten to harm the national economy or similar local products or restricts its creation such as dumping, export subsidies and increase in imports shall be banned.

Fourth Chapter Exports and re-exports

Article(15) imports produced locally are exported through customs entries without restrictions or hindrance other than what is necessary to protect national security, public health and the environment as may be defined by a decision issued by the Minister.

Article (16)

exports shall be subjected to standards and meteorology accredited in the Republic or the standards of the country of destination.

Article (17)

- a) re-exportation of foreign goods through customs entries shall be carried out on condition that no changes are made to the goods.
- b) Re-exportation is subject to the conditions of importation under the umbrella of temporary admission provided by the customs law, bilateral agreements and protocols. The same is applied in the case of temporary exit of goods.

Article (18)	it is stipulated that people engaged in the export posses a valid Commercial Registration (category for exports) and a valid Chamber of Commerce and Industry membership card.
Article (19)	the chamber of commerce and Industry shall issue Certificates of Origin for national products.
Article (20)	<p>without prejudice to more sever penalties provided for by any other applied law, anyone who violates the provisions of this law will be penalized as follows:</p> <ol style="list-style-type: none"> 1. A penalty of (4%) of the value of the imported goods shall be imposed on anyone who violates paragraphs (a and b) of Article (7) of this law, including re-exportation or destruction at his/her expense. 2. Anyone who violates the provisions of Article (9) of this law shall be penalized by means of destruction of imported goods at his expense and with a penalty of not less than (5%) of the value of infringing imports. 3. anyone who violates the provisions of paragraphs (1 & 3) of Article (8) and Article (10) of this law by re-exportation of imported goods or their destruction at the expense of the violator in accordance with a decision taken by the inspection body at the customs departments, in addition to paying at least (5%) of the value of infringing goods. 4. a penalty of (1%) of the value of imported or exported goods upon anyone who violates Articles (6 &18) of this law, in addition to obligating the violator to acquire a commercial registration during a period of not more than one month. 5. a) anyone who imports equipment, machinery or appliances or cloths and any thing of the such, which do not comply with the standards or who places data and labels that are not true or counterfeit shall be punished by re-exporting the shipment the violators expense and a penalty of not less than (10%) of the value of imported goods. b) Anyone who imports goods that are not fit for human consumption, including food, medicine, and the such or they are found to be counterfeit or fraud in any form or shape shall be punished through the destruction of the goods at the violators expense, in addition to a penalty of not less than (20%) of the value of the goods and sentenced to imprisonment for a period of not less than six months as the court deems fit.
Article (21)	in cases where the violator doe not comply with paying the prescribed penalties, the competent authority, at the customs entry, may presses legal charges against the violator before the competent judiciary court.
Article (22)	a) penalties provided for in Article (20) shall be doubled

	whenever the violation is repeated.
b)	Penalties mentioned in this chapter are carried out through administrative methods during a week from the date they are demanded and shall be collected in accordance with the procedures set out by the law on Collection of public property and its implementation regulation.
Article (23)	the provisions of this law shall be effective on foreign trade activities and the Ministry is considered the competent authority with regard to foreign trade in accordance with this law.
Article (24)	Inspection and authorities which implement imports and exports shall comply with the provisions of this law and its implementing regulation.
Article (25)	it is permissible, upon a decision by the Council of Ministers to ban imports from any country or export to it, or restrict it to certain conditions when the interest of the country demand such measures.
Article (26)	The Minister may mandate any official body to assume some of the Ministry's authority in implementing some of the procedures related to imports and exports in accordance with the law.
Article (27)	The Minister may take any provisional measures to face practices that are harmful to the national economy and local industries when the need for such measures arises and after an investigation.
Article (28)	Customs entries shall provide the Ministry and the Central Organization for Statistics and Auditing with monthly data derived from customs forms that contain information about the import and export operations that have been executed.
Article (29)	the Implementing Regulation shall be issued within a period of not more than six months by virtue of a decision made by the House of Representatives based on a presentation by the Minister and the approval of the House of Representatives.
Article (30)	This law annuls Law No. (1) of 1992 on Foreign Trade and its amendments.
Article (31)	This law comes into effect 30 days after its publication in the official gazette.

Issued on July 24, 2007
 President of the republic Ali Abdullah Saleh

